

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
March 4, 2013 at 1:30 p.m.

1. Call to Order, Flag Salute and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.

4. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, February 19, 2013* (Page 2)
- B. Approval of the Minutes of the Finance and Budget Workshop, February 25, 2013* (Page 5)
- C. Approval of the Finance and Budget Workshop Report, February 25, 2013* (Page 7)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Operations Report
 - 2. General Agency Updates
- B. Directors' Reports
- C. Report from Ad Hoc Strategic Plan Committee

6. New Business (Discussion and Possible Action)

- A. Consideration of Resolution No. 2013-05, CalPers Employees Contribution for New Hires* (Page 8)
- B. Consideration of Sponsorship – Riverside County Fifth District San Gorgonio Pass Water, Transportation and Economic Development Summit* (Page 11)

7. Topics for Future Agendas

8. Announcements

- A. Engineering Workshop, March 11, 2013 at 1:30 p.m.
- B. Regular Board Meeting, March 18, 2013 at 1:30 p.m.
- C. Finance and Budget Workshop, March 25, 2013 at 1:30 p.m.
- D. Regular Board Meeting April 1, 2013 at 1:30 p.m.

9. Closed Session – (Government Code Section 54957)

- A. Public Employee Performance Evaluation – (1 Item)
Title: General Manager

10. Adjournment

*Information included in Agenda Packet

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, Calif 1 / 1 4 iring regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: www.sgpwa.com person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the Board of Directors Meeting
February 19, 2013

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Ray Morris, Director
Ted Haring, Director
Barbara Voigt, Director

Directors Absent: Ron Duncan, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Kenneth Falls, Operations and Maintenance Manager
Cheryle Rasmussen, Executive Assistant
Russ Behrens, Legal Counsel

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 1:30 p.m., February 19, 2013 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** The Agenda was adopted as presented.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, February 4, 2013
 - B. Approval of the Minutes of the Employee Guide Workshop, February 7, 2013
 - C. Approval of the Minutes of the Engineering Workshop, February 11, 2013
 - D. Approval of the Minutes of the Water Conservation and Education Workshop, February 13, 2013

Director Morris moved, seconded by Director Dickson to approve the consent calendar as presented. Motion passed unopposed.

5. Reports:

A. General Manager's Report:

1. **Operations Report: (a) Water Deliveries:** General Manager Davis stated that due to the shutdown of EBX II for planned maintenance and improvements there were no water deliveries to report.
2. **General Agency Updates: (a) Contract Extension - Article 2:** General Manager Davis attended a meeting in Sacramento that included General Manager Doug Headrick (SBVMWD), Perla Netto-Brown (Head of Finance - DWR), Carl Torgerson

(Deputy Director State Water Project), Rob Cooke (SWP Analysis Office) and three DWR lawyers to discuss an Article 2 extension for the Agency. He summarized different financing alternatives that were given by DWR and explained why 30-year bonds are not preferred by DWR. General Manager Davis was impressed by the amount of work DWR staff had done to prepare for the meeting. He stated that he will go into more detail on the financing alternatives at the February 25th Finance and Budget workshop. **(b) Riverside County 5th District Summit:** General Manager Davis informed the Board that he, along with Tim Quinn, Celeste Cantu and John Covington will be on the water panel at the summit. The topics of discussion are San Geronio Pass Water, Transportation and Economic Development. The summit is being held at Morongo Casino & Spa on March 27th.

B. Director's Reports: There were no directors who wished to report at this time.

6. New Business:

- A. Consideration of Resolution No. 2013-04, Board Pay Compensation Adjustment:** Resolution No. 2013-04 was included in the agenda packet. A motion was made by Director Voigt, seconded by Director Morris to approve Resolution No. 2013-04. Director Melleby stated that the language in Resolution No. 2013-04 describes the intent of the Board. Legal Counsel Behrens explained that the resolution is written to be effective this year. After discussion, roll was called. Ayes: Haring, Voigt, Morris, Melleby, Dickson and Jeter. Noes: none. Absent: Duncan. Abstain: none. The motion carried 6-0.
- B. Consideration of USGS Agreement:** A staff report and a copy of the USGS Joint Funding Agreement were included in the agenda packet. A motion was made by Director Morris, seconded by Director Melleby to approve the proposed 2013 USGS Work Plan and to authorize the General Manager to sign it. Motion carried unopposed with Director Duncan absent.
- C. Consideration of Resolution No. 2013-03, Honoring the City of Banning on its Centennial:** A copy of the resolution was included in the agenda packet. A motion was made by Director Voigt, seconded by Director Melleby to approve Resolution No. 2013-03, honoring the City of Banning. Motion passed unopposed with Director Duncan absent.
- D. Consideration of Sponsorship of Santa Ana Watershed Conference:** A staff report and a copy of the Santa Ana Watershed Conference Agenda/Sponsorship were included in the agenda packet. General Manger Davis stated that the Agency considered sponsorship of this annual conference on January 22nd. At that time, the Board requested that staff obtain more information and to bring this item back to the Board for consideration. This conference is co-sponsored by the Water Education Foundation. After discussion, a motion was made by Director Haring, seconded by Director Dickson to approve sponsorship at the \$1,000 level. Motion passed unopposed with Director Duncan absent.

7. **Topics for Future Agenda:** No topics were requested for future agendas.

8. **Announcements:**

- A. Finance and Budget Workshop, February 25, 2013 at 1:30 p.m.
- B. Regular Board Meeting, March 4, 2013 at 1:30 p.m.
- C. Engineering Workshop, March 11, 2013 at 1:30 p.m.

9. **Closed Session (1 Item):** The meeting adjourned to closed session at 2:05 p.m.
1. **Anticipated Litigation, Subdivision (c) of Section 54956.9 (one case).**

The meeting reconvened to open session at 3:07 p.m.

Legal Counsel Russ Behrens reported that the board met in closed session and discussed the matter listed. No action was taken that is reportable under the Brown Act.

10. **Adjournment:** The meeting adjourned at 3:07 p.m.

DRAFT – SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board
cmr

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
February 25, 2013

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Ron Duncan, Director
Ray Morris, Director
Barbara Voigt, Director

Directors Absent: Ted Haring, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 1:30 p.m., February 25, 2013, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as presented.
3. **Public Comment:** There was no public comment at this time.
4. **New Business:**
President Jeter turned the meeting over to Director Voigt, Chair of the Finance & Budget Committee.
 - A. Ratification of Paid Invoices and Monthly Payroll for the Month of January, 2013 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend that the Board ratify paid monthly invoices of \$1,672,860.66 and payroll of \$29,515.25 for the month of January, 2013, for a combined total of \$1,702,375.91. The motion passed unopposed with Director Haring absent.
 - B. Review and Consideration of Pending Legal Invoices for January, 2013: After review and discussion, a motion was made by Director Melleby, seconded by Director Dickson, to recommend that the Board approve payment of the pending

- legal invoices for January, 2013. The motion passed unopposed with Director Haring absent.
- C. Review of January, 2013 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Melleby, to acknowledge receipt of the Wells Fargo bank reconciliation for January, 2013 as presented. The motion passed unopposed with Director Haring absent.
 - D. Review of Budget Report for January, 2013: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to acknowledge receipt of the Budget Report for January, 2013 as presented. The motion passed unopposed with Director Haring absent.
 - E. Consideration of Proposed Budget Revision for FY2012-13 Budget: The proposed budget revision provides a new line item for previously approved and purchased land for environmental mitigation purposes for EBX2. The new line item is called "EBX2 Mitigation Land Purchase." The amount to be added to the Debt Service Budget is \$358,932.00. After review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend that the Board approve the proposed budget revision. The motion passed unopposed with Director Haring absent.
 - F. Discussion of Financing EBX2 and Potential Future Tax Rates: General Manager Jeff Davis opened the discussion by reviewing the meeting he and Doug Headrick, General Manager of San Bernardino Valley Municipal Water District had with members of the DWR staff in Sacramento on February 15, 2013. Finance Manager Tom Todd handed out copies of a spreadsheet presented to the general managers with possible options for financing EBX2. Then General Manager Davis discussed various projections to compare tax rates necessary to meet the Agency's obligations for the coming years, which were handed out by Finance Manager Todd. The projections all included 22-year bonds for EBX2. The Board expressed a desire to meet with the DWR director about contract extension before discussing this issue any further.
- 5. Announcements:** Director Voigt made the following announcements:
- A. Regular Board Meeting, March 4, 2013 at 1:30 p.m.
 - B. Engineering Workshop, March 11, 2013 at 1:30 p.m., which will be a field trip.
 - C. Regular Board Meeting, March 18, 2013 at 1:30 p.m.
- 6. Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 3:11 p.m.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Director Barbara Voigt, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on February 25, 2013. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,672,860.66 and Payroll of \$29,515.25 as detailed in the Bank Register Report for Accounts Payable and the Bank Register Report for Payroll for February, 2013 for a combined total of \$1,702,375.91.

2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$5,337.91
Metropolitan Water District	15.53
Metropolitan Water District	17.91

3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for January 31, 2013
 - B. Budget Report for January 31, 2013

4. The Board approve the proposed budget revision to the FY2012-13 budget by adding a line item, "EBX2 Mitigation Land Purchase" for \$358,932 to the Debt Service budget.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Future Employee Contributions to PERS

DATE: March 4, 2013

Summary:

The Agency's policy on employee contributions to PERS conflicts with recent legislation intended to stabilize CalPERS. The Agency needs to change its policy for new employees to be in conformance with the legislation, passed last year.

Background:

In order to make the pension plan CalPERS more sustainable, the legislature last year passed AB 340, also known as the Pension Reform Act of 2013. While this legislation does not require the Agency to make any changes to benefits for existing employees, it does require the Agency to make changes to new employees hired after January 1, 2013 who have not previously been a member of CalPERS. The purpose of this proposed Board action is to enact an Agency policy that will conform with AB 340 for these employees.

Detailed Report:

The new legislation requires any new employee entering the PERS system for the first time to pay the entire employee share of the PERS contribution. This contribution is 8% of gross salary. For current employees, the policy is that employees pay 1% of gross salary, increasing to 2% in 2014 and 3% in 2015. No changes are required for these employees.

There is a third category of employees that the Agency will need to develop a policy for in the future. That is new employees hired after January 1, 2013 who were previously in PERS (known as "classic employees". Staff is working on a policy and resolution for that class of employees and will bring that to the Board in the near future.

The proposed resolution sets the employee contribution for new employees who are not “classic employees” at 8%, consistent with the new law.

Fiscal Impact:

Adopting the enclosed resolution will save the Agency money when future employees are hired who have not previously been in PERS. Since this is required by state law, it will not save funds compared to if the resolution were not passed, since the Agency would need to comply with state law anyway. The resolution merely sets Agency policy to be consistent with state law for new employees with no past record of PERS employment.

Relationship to Strategic Plan:

Since the purpose of this resolution is simply to comply with state law, it does not specifically apply to any portion of the strategic plan.

Recommendation:

Staff recommends that the Board adopt Resolution 2013-05 changing the employee contribution rate of new employees who are not “classic employees” to 8% of gross salary.

RESOLUTION NO. 2013-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY SETTING THE RATE FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TOWARD RETIREMENT FOR NEW EMPLOYEES

WHEREAS, the Board of Directors of the San Gorgonio Pass Water Agency has the authority to implement Government Code Section 20691;

WHEREAS, the Board of Directors of the San Gorgonio Pass Water Agency has a written labor policy which establishes the amount the Agency will pay for member contributions to the California Public Employees Retirement System (CalPERS) for the purposes of retirement;

WHEREAS, the Pension Reform Act of 2013 states that an employer shall not pay member contributions for new employees, that is employees who have not been previously employed by the Agency or any other CalPERS contracting agency;

WHEREAS, the Pension Reform Act of 2013 also states that the maximum amount an employee shall contribute is 8% of his or her salary;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Gorgonio Pass Water Agency hereby sets the retirement contribution rate of new employees at 8% of his or her gross salary.

BE IT FURTHER RESOLVED that this contribution rate is effective as of January 1, 2013.

BE IT FURTHER RESOLVED that Agency Staff is hereby directed to make any changes required in the Agency's Employee Guide Manual to implement this Resolution.

BY

John Jeter
President, Board of Directors

Dated

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Sponsorship of San Gorgonio Pass Water, Transportation and Economic Development Summit

DATE: March 4, 2013

Summary:

The purpose of this proposed Board action is to consider sponsorship of the Riverside County Fifth District San Gorgonio Pass Water, Transportation and Economic Development Summit. The half-day conference will be held at the Casino Morongo on Wednesday, March 27 and is being planned by Fifth District Supervisor Marion Ashley.

Detailed Report:

Sponsorship information for the conference is enclosed in this agenda package. Sponsorships run as high as \$10,000, but the Agency could also opt for purchasing a table of 9 for \$425. Or, the Board could decline sponsorship and merely pay the registration fee for all employees and Board members who attend. Registration is \$50 if paid in advance or \$65 at the door.

Fiscal Impact:

Depending on the level of sponsorship considered, the fiscal impact to the Agency is likely to be small. The Board recently approved a \$1000 sponsorship of the Santa Ana Watershed conference to be held in April. The Board has budgeted for adult education programs, of which this would be considered one. Should the Board decide not to sponsor the event, the Agency would pay for any Board members to attend from the Board travel and education budget.

Relationship to Strategic Plan:

The strategic plan includes Goal 5, Communication Plan. Included in the objectives under this goal are:

- Identify communication opportunities to leverage, promote and amplify the Agency's brand, image and impact within the region.
- Gain external support for the Agency, its mission and leadership through thoughtful outreach and positioning techniques.

A sponsorship or even a high profile at this event could help accomplish either of these two objectives. This could especially be true in light of the title of the conference. The first words of the title of the conference are "San Gorgonio Pass Water."

Recommendation:

Staff has no recommendation.

RIVERSIDE COUNTY FIFTH DISTRICT

SAN GORGONIO PASS WATER, TRANSPORTATION &
ECONOMIC DEVELOPMENT
SUMMIT

MARCH 27, 2013



9:00AM-10:00AM
REGISTRATION AND CHECK-IN

10:00AM
PROGRAM STARTS

11:30AM
LUNCH SERVED



MORONGO CASINO & SPA
49500 SEMINOLE DRIVE, CABAZON, CA 92230

- YES, I/WE WOULD LIKE TO BE A PLATINUM SPONSOR AT \$10,000 FOR 18 PEOPLE.
- YES, I/WE WOULD LIKE TO BE A GOLD SPONSOR AT \$5,000 FOR 9 PEOPLE.
- YES, I/WE WOULD LIKE TO BE A SILVER SPONSOR AT \$2,500 FOR 5 PEOPLE.
- YES, I/WE WOULD LIKE TO BE A BRONZE SPONSOR AT \$1,000 FOR 4 PEOPLE.
- YES, I/WE WOULD LIKE TO MAKE RESERVATIONS AT \$50 PER PERSON.
- YES, I/WE WOULD LIKE TO PURCHASE A TABLE OF 9 AT \$425 PER TABLE.
- YES, I/WE WOULD LIKE TO HAVE A SPACE AT THE BUSINESS EXPO FOR \$50.

NAME COMPANY

TITLE EMAIL ADDRESS

ADDRESS CITY STATE ZIP

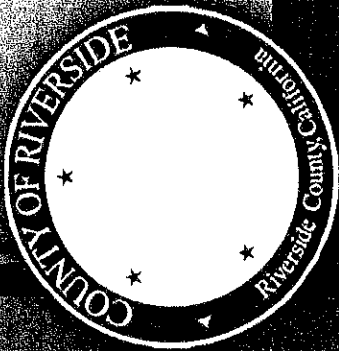
TELEPHONE FAX

TO PAY VIA CHECK, MAKE PAYABLE TO: ECONOMIC DEVELOPMENT AGENCY
MAIL REGISTRATION FORM AND CHECK TO PO BOX 1180, RIVERSIDE, CA 92502. ATTN: KIMBERLY DOUGLAS

TO PAY VIA CREDIT CARD, LOG ON TO
WWW.RIVCOFIFTHDISTRICTSYMPOSIUM.ORG

13/14

TO RETURN, FAX TO 951.955.2159 OR E-MAIL TO KDOUGLAS@RIVCOEDA.ORG



SAN GORGONIO PASS WATER, TRANSPORTATION & ECONOMIC DEVELOPMENT SUMMIT

Serving the Cities of Banning, Beaumont, Calimesa, the Morongo Band of Mission Indians and the communities of Cherry Valley, Cabazon, San Timoteo Canyon & the Banning Bench

SAVE THE DATE

Wednesday, March 27, 2013

| 9 AM- Business Expo

| 10 AM~2:30 PM- Event

Morongo Casino Resort & Spa

49500 Seminole Drive

Cabazon, CA 92230

PLEASE JOIN US FOR

Business Expo and Networking Session

Panel Discussions Regarding:

Water | Transportation | Economic Development

LUNCH PROVIDED



Pre-register by March 27, 2013 at www.RivColEHDistrictsSymposium.com.
Pre-sale tickets are \$50 and \$65 at the door. Seating and space are limited. For more information or general questions, please contact Kim Douglas at KDouglas@RivColEHDistrictsSymposium.com.