

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
March 4, 2013

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

Director(s) Absent: Barbara Voigt, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant

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., March 4, 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:** General Manager Davis recommended to the Board that item 6A be removed from the agenda and proposed that it be calendared for the March 18th Board meeting, as the content of Resolution No. 2013-05 needed further review by legal counsel. The agenda was adopted as amended.
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 19, 2013
 - B. Approval of the Minutes of the Finance and Budget Workshop, February 25, 2013
 - C. Approval of the Finance and Budget Workshop Report, February 25, 2013

Director Melleby 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: General Manager Davis reported on the following: **(a) SWP Water Deliveries:** General Manager Davis stated that due to the shutdown of EBX II there were no water deliveries to report. **(b) EBX II** has been shut down since February 3rd for planned maintenance and improvements. Tie-ins in Mentone should be completed no later than next Monday. EBX II should be back online by the end of next week. **(c) LSG Ponds:** Operations and Maintenance Manager Ken Falls is in the

process of ripping LSG ponds to improve percolation rates. Algae levels were greatly reduced from last year's levels; this task was accomplished by the diligent work of staff. **(d) Snowpack** is currently at 66% of normal for this time of year. The months of January and February were the driest months in the Northern Sierra since records have been kept. **(e) Lake Oroville:** Water storage in Lake Oroville is still in good shape for this year. **(f) SWP Water Allocation:** As discussed earlier this year, DWR has allocated 40% deliveries of State Water Project water for 2013. With the 40% allocation, plus 5000 acre-feet of carryover, the Agency has more water than can be delivered this year in its 16 cfs of capacity in EBX

(2) General Agency Updates: General Manager Davis updated the Board on the following items: **(a) EBX II:** **(1)** Paul Strusinski stated that EBX I improvements and the EBX II project are in-line with the 2004 projected cost of \$210 million. **(2)** Opening rebid for the pumps and motors will occur on March 27; engineers are estimating the costs to be about \$20 million. **(3)** A tour of EBX II will be given during next week's Engineering workshop; the tour will take about 2 ½ - 3 hours. The tour will include the beginning of EBX II, Citrus Reservoir, Crafton Hills Pump Station and Crafton Hills Reservoir. **(4)** An additional cutoff wall will need to be constructed at Crafton Hills Reservoir, as the rock is too fractured to hold onto grouting material. **(b) DWR Water Bill:** The Agency received January's water bill from DWR on March 1st; January's water bill sets the rate for the entire year. The variable rate is up \$50 per acre-foot from last year. General Manager Davis explained the different factors that caused the power cost increase. General Manager Davis' goal is to try to hold-off on increasing the water rate to the water retailers until next year by using the rate stabilization reserve. **(c) Cap and Trade:** The State is required to implement an investment plan for how the revenues from cap and trade will be used; hearings have been conducted around the State to implement the investment plan. SWC have been attending the hearings to ensure that they too will benefit from the revenues. Last week the California Air Resources Board held its second Cap and Trade Allowance Auction; the bids are still very low. **(d) Sacramento Regional Water Waste Treatment Plant (SRWWTP):** General Manager Davis stated that Central Valley Regional Water Control Board had mandated SRWWTP to clean up its water. SRWWTP had initially stated that the cost would be \$2 billion to comply. However, according to a news article the estimate to clean up the water would cost 48% lower than the original estimate, as the new estimate included "existing" technology. **(e) Beaumont Basin Watermaster (BBW):** BBW's engineers came by the office last Friday to examine and checkout documents relating to the Beaumont basin that are housed within the Agency's library. **(f) Bay Delta Conservation Plan (BDCP):** A current study shows that the BDCP will create about 136,000 jobs over a period of years – mostly within the construction field and the habitat restoration field. The Draft Environmental Impact Report is scheduled for this July. **(g) Water Conservation and Education:** General Manager Davis suggested that the board schedule a Water Conservation and Education Workshop meeting sometime next week. The workshop topic would be on the planning of the upcoming Earth Day event. General Manager Davis concluded his report and answered questions from the board. President Jeter referred General Manager Davis to the cost of \$210 million for EBX I improvements and EBX II, asking General Manager Davis to confirm that the Agency's shared cost is only 40% and San Bernardino Valley Municipal Water District cost is 60%. General Manager Davis concurred.

- B. Directors Report:** Director Duncan reported that he attended a Water Education Foundation's course on Water 101. He stated that this was a day-and-a-half course on California water basics and water district board member governance; targeting people who are new to the water industry. He specified that this was a very informative course.

President Jeter called upon Director Melleby, Chair of the Ad-Hoc Strategic Planning Committee, to provide her report.

- C. Report from Ad Hoc Strategic Planning Committee:** Director Melleby stated that the Strategic Plan was adopted June 18, 2012. The Ad-hoc committee meets periodically to review the progress on the implementation of the plan goals and objectives. Director Melleby reported that the committee met in August to discuss an action plan and a timetable for plan implementation. The committee met again on February 20th to review the progress on the achievement of the objectives outlined under the five major plan goals. Director Melleby reviewed the five goals with the board members; she provided progress updates and made recommendations as follows: **1. Goal #3 – Regional Capital Facilities Plan:** Director Melleby stated that the Agency was to conduct an inventory of existing facilities that may be available for regional uses; this inventory is to be completed by July 2013. A written request was sent to each of the local water agencies, of which a number of agencies have not yet complied. She recommended that staff follow-up on this item. **2. Goal #5 – Communication Plan:** Director Melleby stated that in order to develop a Strategic Communications Plan the Agency would need to retain a communications consultant. The committee would like to develop a Request for Proposal to identify and possibly retain a public relations consultant service by June 2013. The committee will bring this item back to the board at a future date. **3. Director Melleby recommended that the committee conduct a comprehensive review of the Strategic Plan implementation; this review is to be completed by June 30th.** Following said review, the committee recommends that a Strategic Plan annual review item be placed on the agenda for a board meeting in July, to include staff presentation and board discussion, thereby allowing for appropriate adjustments to the plan. She stated that the strategic plan needs to be flexible and that adjustments to the plan will need to be considered, as necessary. President Jeter directed staff to calendar the annual review of the strategic plan, as requested.

6. New Business:

- A. Consideration of Resolution No. 2013-05, CalPers Employees Contribution for New Hires:** A staff report and Resolution No. 2013-05 were included in the agenda packet. This item was removed from the agenda during adoption and adjustment of the agenda by unanimous consent of the Board.

- B. Consideration of Sponsorship – Riverside County Fifth District San Geronio Pass Water, Transportation and Economic Development Summit:** A staff report was provided in the agenda packet: General Manager Davis stated that staff has no recommendation. However, attending the summit would fall under the Agency's Strategic Communication Plan. The summit will be held on March 27, 2013 at Morongo Casino and Spa. He reminded the board that he, along with Tim Quinn, Celeste Cantu, John Covington, Joe Zoba and Bruce Cash will be on the water panel to discuss San Geronio Pass water issues. After discussion, Director Dickson made a motion, seconded by Director Duncan, to purchase a \$425 table for nine people. The motion passed unopposed.
7. **Topics for Future Agendas:** President Jeter inquired about the agreement between the Agency and the City of Banning of potentially purchasing the engineers design that was implemented by the City of Banning, but needed updated due to the size of the pipeline. Duane Burk, Director of Public Works for the City of Banning provided background information on this topic. General Manager Davis stated that the Agency had budgeted \$70,000 for this fiscal year to complete the design of the pipeline without the connection, as that would take place at a later time. Ultimately, the goal is to have the design completed so that in any point-in-time the Agency could move forward. He stated that he would meet with Director Burk to discuss this item further. No topics were requested for future agendas.
8. **Announcements:** President Jeter reviewed the following 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):** The meeting adjourned to closed session at 2:20 p.m.
- A. Public Employee Performance Evaluation – (1 Item)**
Title: General Manager
- The meeting reconvened to open session at 2:52 p.m.
- President Jeter 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:** President Jeter adjourned the meeting at 2:52 p.m.



Jeffrey W. Davis, Secretary of the Board