

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
August 5, 2013

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

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Kenneth Falls, Operations and Maintenance 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., August 5, 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:** 1) President Jeter received a *Request to Speak* form from Eric Fraser (General Manager of Beaumont Cherry Valley Water District) on an item that was not on the agenda. General Manager Fraser expressed his concerns pertaining to the Agency's proposed recharge facility, stating that he has never seen a study or a report that explains why this project is necessary. President Jeter stated that the Agency has spoken on this issue numerous times, but would be willing to discuss it again at a future meeting. 2) President Jeter received a *Request to Speak* form from John Halliwill, a resident of Beaumont, on an item that was not on the agenda. Mr. Halliwill requested an update on the Agency's water conservation grant funding program to local water retailers. General Manager Davis stated that he would speak to Mr. Halliwill after the meeting regarding this subject. 3) President Jeter received a *Request to Speak* form from Blair Ball, a Beaumont resident. Dr. Ball stated that he wished to make a public comment on item 6c at the time that the item is being discussed. No other members of the public requested to speak at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, July 15, 2013
 - B. Approval of the Minutes of the Finance and Budget Workshop, July 22, 2013
 - C. Approval of the Finance and Budget Workshop Report, July 22, 2013

Director Dickson moved, seconded by Director Morris, 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:** The Agency delivered a total of 105 acre-feet to Little San Geronio (LSG) Creek ponds and a total of 961 acre-feet to Beaumont Cherry Valley Water District ponds, for a total of 1066 acre-feet for the month of July; the prior month's meter reading took place on June 28th, therefore this month's reporting data represents a total of 33 days.

(2) General Agency Updates: **(a)** General Manager Davis informed the Board that ACWA's Region 9 Board Ballot for the 2014-2015 term was received after the August 5th Agenda was sent out. He stated that the nominating committee's recommended slate included Director Melleby. The Board will be asked to vote for ACWA's 2014-2015 Board at the Agency's August 19th Board meeting. **(b) Update on East Branch Extension (EBX) II:** General Manager Davis updated the Board on the progress of the construction that is taking place as follows: **1)** Construction at Citrus Reservoir is only a couple of months from being completed. Currently contractors are dealing with issues pertaining to kangaroo rat fencing. **2)** The Crafton Hills Reservoir (CHR) cut-off wall concrete pouring began last week; The CHR project is anticipated to be finished in November. **3)** Mentone pipeline is progressing adequately. **4)** General Manager Davis and General Manager Headrick (SBVMWD) continue to work with the Department of Water Resources (DWR) to keep costs down. The Division of Engineering (DOE) made assurances that they will do all that they can to stay within budget. **(c) Joint Board Meeting:** A Joint Board meeting between the Agency and SBVMWD will take place at SBVMWD's office on Tuesday, September 17th at 2:30 p.m. Issues to be discussed include, but are not limited to: EBX construction updates and operations/maintenance issues, new joint facilities agreement, and SBVMWD's conjunctive use program. **(d) Pass EDA:** A luncheon is scheduled for August 22nd at Morongo Casino Resort & Spa, located in Cabazon; Congressman Raul Ruiz will be the guest speaker. All Board members are invited to attend. **(e) San Bernardino County Water Conference:** This year's event will be held in Ontario on August 23rd from 8 a.m. – 12 p.m., at the Ontario Double Tree Hotel. **(f) California Special Districts Association:** CSDA's Annual Conference is being held in Monterey from September 16-19, at the Monterey Marriott Hotel. **(g) Beaumont Basin Watermaster:** BBW will be conducting a meeting at BCVWD on Wednesday, August 7th at 10:00 a.m.

B. Directors Report: Director Duncan reported that he attended Yucaipa Valley Water District's Board meeting, noting that its board meetings are held in the evening and attendance is consistently low. There were no other directors who wished to report at this time.

6. New Business: (Discussion and Possible Action)

A. Consideration of Debt Service Budget – FY 2013-2014: A staff report and financial spreadsheets were included in the agenda packet. General Manager Davis stated that the Board reviewed the proposed debt service budget and had recommended it for approval at the July 22nd Finance and Budget workshop. Director Haring made a motion, seconded by Director Voigt, recommending that the

Board adopts the Debt Service Budget for Fiscal Year 2013-2014. The motion passed unopposed.

- B. Consideration of Resolution 2013-12, Resolution of the Board of Directors of the San Geronio Pass Water Agency Determining the Amount of Money Needed to Make Annual Payment for the Interest and Principle on General Obligation Bonds for Other Indebtedness Approved by the Voters Prior to July 1, 1978, and/or for which a Tax Levy is Required Under Article 1, Section 10 of the United States Constitution and Making a Tax Levy Thereof:** A staff report and a copy of Resolution 2013-12 were included in the agenda packet. General Manager Davis stated that during the July 22nd Finance and Budget workshop the Board voted to recommend that the Agency's tax rate remain at \$0.185 per \$100 of assessed valuation for fiscal year 2013-2014. Director Voigt made a motion, seconded by Director Melleby, to approve Resolution 2013-12, maintaining the ad valorem tax rate at its current level for fiscal year 2013-2014. Ayes: Haring, Voigt, Morris, Melleby, Duncan, Dickson and Jeter. Noes: none. Abstain: none. Absent: none. The motion passed 7-0.
- C. Consideration of Contribution to San Geronio Pass Water Task Force (SGPWTF):** Director Duncan questioned if any other Task Force members had stated that they will be assisting in funding the SGPWTF. General Manager Davis responded that he was not aware of any other contributors, but anticipated that funding would be provided by other members. After discussion, Director Dickson made a motion, seconded by Director Morris, recommending to table this item in order for staff to further investigate who will be contributing, how much will be contributed, and specifics on the approved budget. President Jeter called upon Blair Ball, a resident of Beaumont, to make his public comment on this item. Dr. Ball stated that he is a member of the Task Force and he felt that it was premature to fund the Task Force at this time, for the same reasons that the Agency's board commented on. Subsequent discussion ensued, at which time the Board felt the necessity for staff to make specific inquires at the next SGPWTF meeting. The aforementioned motion passed unopposed.
- D. Discussion of Riverside County Grand Jury Report:** A staff report, Special District Leadership Foundation – District Transparency Certificate of Excellence checklist, An Association of California Water Agencies (ACWA) – 2005 “White Paper”, and a list of Wholesale Water Agencies were included in the agenda packet. General Manager Davis reviewed the above mentioned materials with the Board and suggested that they consider the SDLF and ACWA documents prior to making a final decision on the response letter to the Grand Jury, regarding its recommendations to water and sanitation districts. Of particular note: 1) The SDLF checklist outlines basic, website and outreach/best practice requirements in order to be recognized as a District of Excellence on Transparency. 2) ACWA 2005 “White Paper” is a document that signifies what is important to ACWA on transparency. 3) The list of wholesale water agencies reflects a poll that was taken by staff on 20 wholesale water agencies, located in Southern California, on when board meetings are held. The result of this poll is as follows: 3 agencies hold board meetings in the evenings, whereas the remaining 17 hold board meetings before 5:00 p.m. General Manager Davis reminded the Board that they have until the end of September to

respond to the Grand Jury Report. Director Melleby reiterated that AWCA is revisiting its "White Paper" and there may be changes made to its 2005 recommendations. Discussion commenced amongst the Board members on Board meeting times, visibility, and the SDLF transparency checklist. After discussion, President Jeter recommended that the Board table this item to a future Board meeting, thereby giving the board members a chance to review the materials provided. The Board concurred unanimously.

E. Update on Contract Extension: General Manager Davis stated that there had not been a formal negotiation meeting since he last provided an update at the July 19th Board meeting; the next formal negotiation meeting will take place this Wednesday. He reported that the contractors are working diligently, putting together a detailed counteroffer to DWR's latest offer. Contractors will be presenting the counteroffer at this week's formal negotiation meeting. It is anticipated that DWR will respond to the counterproposal at the August 21st meeting. General Manager Davis will continue to keep the Board informed on contract extension talks.

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

8. Announcements: President Jeter reviewed the following announcements:

- A. Engineering Workshop, August 12, 2013 at 1:30 p.m.
- B. San Geronio Pass Water Task Force, August 12, 2013 at 7:00 p.m.,
Banning City Hall Council Chambers
- C. Regular Board Meeting, August 19, 2013 at 1:30 p.m.

9. Adjournment: President Jeter adjourned the meeting at 2:28 p.m.



Jeffrey W. Davis, Secretary of the Board

RESOLUTION NO. 2013-12

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GORGONIO PASS WATER AGENCY DETERMINING THE AMOUNT OF MONEY NEEDED TO MAKE ANNUAL PAYMENT FOR THE INTEREST AND PRINCIPAL ON GENERAL OBLIGATION BONDS FOR OTHER INDEBTEDNESS APPROVED BY THE VOTERS PRIOR TO JULY 1, 1978, AND/OR FOR WHICH A TAX LEVY IS REQUIRED UNDER ARTICLE 1, SECTION 10 OF THE UNITED STATES CONSTITUTION AND MAKING A TAX LEVY THEREOF.

WHEREAS, the Attorney General of the State of California has ruled in his opinion No. CV 78/90 that property taxes levied by local water districts necessary to provide for payments to the state under the state water supply contract fall within Section 1 (b) of Article XIII A of the California Constitution; now therefore,

BE IT RESOLVED by the Board of Directors of the San Gorgonio Pass Water Agency, as follows:

1. That said Board of Directors has determined that the amount of money needed to make annual payment during the fiscal year beginning July 1, 2013, and ending June 30, 2014, for the interest and principal on general obligation bonds and other indebtedness approved by the voters prior to July 1, 1978, and/or required by Article 1, Section 10 of the United States Constitution is **\$16,949,649.00** for payments on the Contract between the State of California Department of Water Resources and San Gorgonio Pass Water Agency for a water supply dated November 16, 1962, and hereby fixes the rate of tax which will raise the amount of money required by said Agency at the following amounts per hundred dollars of assessed valuation of taxable property within said Agency:

\$ 0.185 State Water Contract

2. That the Board of Directors of San Gorgonio Pass Water Agency does hereby certify the rate so fixed, and as herein before set forth, to the Board of Supervisors of the County of Riverside, State of California, and to the County Auditor of said County.

3. That pursuant to California Water Code - Appendix Section 101-27 the determination of the amount necessary to be raised by taxation for such purpose during the fiscal year and the order fixing the rate of tax made herein shall constitute a valid assessment of the property within the Agency and a valid levy of the taxes so fixed. Said levy is permitted by California Revenue and Taxation Code Section 93 and/or required by Article 1, Section 10 of the United States Constitution.

4. That a certified copy of this resolution be transmitted to the County Auditor of said County, and that when so transmitted, said certified copy shall constitute the certification required in Section 101-27 of the California Water Code - Appendix.

5. That funds received by the San Geronio Pass Water Agency pursuant to the aforesaid tax levy shall be placed in a separate fund identified for such indebtedness set forth above and shall be disbursed only for lawful payments on such indebtedness.

Said Resolution was adopted by roll call vote as follows:

AYES: Haring, Voigt, Morris, Melleby, Duncan, Dickison and Jeter
NOES:
ABSTAIN:
ABSENT:

I certify that the foregoing is a true and correct copy of Resolution No. 2013-12, adopted by the Board of Directors of San Geronio Pass Water Agency at its regular meeting held on August 5, 2013.



Jeffrey W. Davis, Secretary to the Board

RESOLUTION NO. 2013-12

STATE OF CALIFORNIA)
:
COUNTY OF RIVERSIDE)

I, Jeffrey W. Davis, the duly elected and acting Secretary of the Board of Directors of the San Geronio Pass Water Agency, hereby certify the foregoing to be a full and correct copy of Resolution No. 2013-12 adopted by the Board of Directors on August 5, 2013, at a duly held meeting at which a quorum was present.

I, Jeffrey W. Davis, also hereby certify that a copy of this Resolution No. 2013-12 has been forwarded to the County Auditor/Controller's office for recording as of the date stated below and to the officer whose signature appears below.



Jeffrey W. Davis
Secretary of the Board

DATE 8-20-13

Officer - County Auditor/Controller

DATE _____