

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
March 3, 2014

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
Cheryle Rasmussen, Executive Assistant
Kenneth Falls, Operations and Maintenance Manager
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., March 3, 2014 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:** President Jeter stated that he had one request for public comment on item 6A of the agenda; he called upon Luwana Ryan for her comment. Mrs. Ryan, a Cherry Valley resident representing herself as a taxpayer, requested that the Board formally oppose the Gateway Center project (a distribution center on the north side of Cherry Valley Blvd) that the County of Riverside is considering. She is concerned that such a project would impact the Beaumont Basin and also has concerns pertaining to hazardous dangers of a distribution center at this location. Mrs. Ryan also commented on item 6A, suggesting that the Board do further negotiations with the Agency's legal counsel prior to approving the proposed rate increase and annual cost of living adjustment (COLA). President Jeter called upon David Castaldo for his comment. Mr. Castaldo, representing himself, remarked on the Gateway Center project, stating that it is a great project that would create jobs, but he is opposed to the proposed location. He stated that he is not asking the Board to vote for or against the project at its current proposed location, rather that the Board seek out further analysis in order to make an informed decision on this matter. 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, February 18, 2014
 - B. Approval of the Minutes of the Finance and Budget Workshop, February 24, 2014
 - C. Approval of the Finance and Budget Workshop Report, February 24, 2014

Director Dickson moved, seconded by Director Melleby, to approve the items on the consent calendar as presented. Motion passed 7-0.

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **(a) SWP Water Deliveries:** EBX II is still shut down for scheduled maintenance and will be back on line in the near future.

(2) General Agency Updates: **(a) Drought Issues:** General Manager Davis informed the Board that a conference call with the director of DWR will take place on March 4th, he will report back to the board on the discussions that took place. **(b) Snowpack:** The most recent official recording of the snowpack took place on March 1st, measuring in at 24% of normal for the date. **(c) Drought Relief Bill:** Governor Brown signed a drought relief bill that will help out rural communities and displaced agriculture workers; as well as expedite funding for projects to improve conservation, recycled water, clean-up contaminated groundwater, make irrigation more efficient, etc. **(d) Cap-and-Trade:** Governor Brown is proposing to use one-third of all cap-and-trade revenues to fund the bullet train. **(e) ACWA:** ACWA Region 9 is holding a *Water Bond Briefing* this Thursday at Eastern Municipal Water District. General Manager Davis stated that he will be attending and invited the board members to attend as well. **(f) BDCP:** Once the initial \$250 million BDCP financing runs out interim financing will be required for additional pre-construction costs; as information becomes available it will be provided to the board at future board meetings and/or workshops.

B. Directors Report:

1) Director Duncan reported that he attended the Cabazon Water District Board Meeting on February 24th. He stated that the Riverside County Board of Supervisor will be appointing two board members. **2) Director Melleby** reported that she also attended the Cabazon Water District Board Meeting; the SGPRWA Technical Committee meeting held on February 26th; the SGPRWA meeting held on February 26th; and the YVWD workshop held on February 25th. **3) Director Voigt** reported that she also attended the Cabazon Water District Board Meeting.

6. New Business: (Discussion and Possible Action)

A. Consideration of Proposed Rate Increase for General Counsel: A staff report and a copy of a letter from Best Best & Krieger requesting rate increases and an annual cost of living adjustment (COLA) were included the agenda packet. President Jeter stated that this item was discussed at the Finance and Budge workshop. Director Morris made a motion, seconded by Director Haring, to approve the requested rate increases and COLA. Director Melleby requested that Legal Counsel Behrens provide an explanation regarding the COLA component of the contract. Counsel Behrens explained in detail as to how a COLA is calculated; he also stated that this is a built-in adjustment that would be reviewed annually by the Board. He informed the Board that the contract, along with the proposed rates, would be retroactive to January 1, 2014 and that the COLA component would take place July 1, 2014. After discussion, President Jeter requested a vote. Motion carried unopposed 7 – 0.

B. Consideration of Opening a Public Funds Money Market Account with Wells Fargo: A staff report was included in the agenda packet. General Manager Davis stated that this item had been discussed at the Finance and Budget workshop. This is an item that is primarily intended to improve operational flexibility and reduced bank fees. Director Dickson made a motion, seconded by Director Morris, to approve opening a public funds Money Market account with Wells Fargo bank. After discussion, President Jeter requested a vote. Motion carried unopposed 7 – 0.

C. Consideration of Participation in Regional Collaborative Outreach Campaign Related to the Drought: A staff report and campaign materials were included in the agenda packet. General Manager Davis informed the Board that the information that was provided in the agenda packet did not include information that was made available until after the agenda packet was submitted on Friday. He conveyed the current information made available on the campaign. General Manager Davis stated that should the Board wish to participate in the first phase of the campaign “Let’s Identify the Message Campaign” that the shared cost to the Agency is estimated to be \$1000.00 and that follow-up phases would be at additional shared costs. After discussion, Director Morris made a motion, seconded by Director Duncan, to table this item to a later date. Motion carried unopposed 7-0.

7. Topics for Future Agendas: Director Voigt requested staff to investigate if the Gateway Center project would affect the Agency. President Jeter requested Cap-and-Trade discussion to be added to the agenda. Director Melleby requested staff to obtain a copy of the Cap-and-Trade bill for review. No other topics were requested for future agendas.

8. Announcements: *President Jeter reviewed the following announcements:*

- A. Engineering Workshop, March 10, 2014 at 1:30 p.m.
- B. Regular Board Meeting, March 17, 2014 at 1:30 p.m.
- C. San Geronio Pass Regional Water Alliance – Technical Committee Meeting, March 26, 2014 at 4:00 p.m. - Banning City Council Chambers
- D. San Geronio Pass Regional Water Alliance Meeting, March 26, 2014 at 6:00 p.m. - Banning City Council Chambers

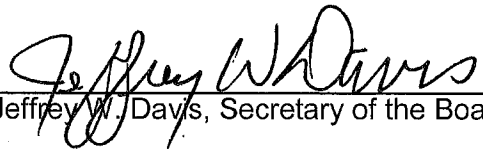
9. Closed Session (1 Item): *President Jeter announced that the Board will convene to closed session: Time: 2:18*

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Consideration of Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (one potential case).

The meeting reconvened to open session: Time: 3:23

Legal Counsel Russ Behrens reported that the Board met on the item listed on the agenda. No action was taken on this item that is reportable under the Brown Act.

10. Adjournment: President Jeter adjourned the meeting at 3:24 p.m.



Jeffrey W. Davis, Secretary of the Board