

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**October 6, 2014**

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

**Directors Absent:** Ray Morris, Director

**Staff Present:** Jeff Davis, General Manager  
Thomas Todd, Finance 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., October 6, 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 requested comments from the public.* Patsy Reely, a Cherry Valley resident, requested a timeline as to when the Beaumont Avenue Recharge Facility Pipeline roads will be repaved. Luwana Ryan, a Cherry Valley resident, stated her expectations on the repaving of the road in Cherry Valley. President Jeter responded to their comments, stating that staff will provide details on this subject during the General Manager's report. 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, September 15, 2014
  - B. Approval of the Minutes of the Finance and Budget Workshop, September 22, 2014
  - C. Approval of the Finance and Budget Workshop Report, September 22, 2014

Director Dickson moved, seconded by Director Duncan, to approve the consent calendar as presented. Motion carried 6-0, with Director Morris absent.

**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 526 acre-feet to Beaumont Cherry Valley Water District ponds for the month of September. **(b) Cherry Valley Pump Station** was down as of last week. There is a problem with the automatic hydraulic system that operates

the valves. Until there is a fix the valves are being operated manually. The Department of Water Resources is in the process of resolving this issue.

**(2) General Agency Updates:** **(a) Beaumont Avenue Recharge Facility Pipeline.** General Manager Davis reported that construction is essentially complete. The final paving will take place this week. He informed the board that the pipe passed the pressure test. **(b) Verizon Cell Tower:** The mandatory 48 hour notice was given to staff last Friday; construction will begin tomorrow. **(c) 2013-2014 Financial Audit:** The audit has been completed by the auditors and is under review by staff. Audit findings will most likely be presented at the next board meeting. **(d) East Branch Managers Meeting:** Of the twenty-nine state water contractors, 10-11 receive water from the East Branch. Through the direction of General Manager Davis, an East Branch Managers meeting group has been formed. The group met a couple of weeks ago to discuss issues of common interest. The group will continue to meet on a quarterly basis. **(e) BDCP Cost Allocation:** General Manager Davis stated that he will be asking the Board at a future board meeting to make a decision on whether the Board will participate in the BDCP and how the Agency would want to participate, as there may be multiple options. **(f) Santa Ana River Watershed Conference:** The conference will be held at the Riverside Convention Center on Tuesday October 14<sup>th</sup>. **(g) School Conservation Programs:** The Board approved a water education and conservation program that is being offered to Banning and Beaumont public and private schools. The first program will take place this Friday. **(h) Drought Solutions Update:** Drought Solutions owner, Susan Savolainen, currently does not carry liability insurance; however she is in the process of obtaining it. Once she has acquired the insurance the Agency will move forward with the adult conservation education programs. **(i) Max Benefit Monitoring Plan:** The Regional Board requested that the cities and the water agencies in the region implement a regional monitoring plan. These public agencies worked together, as a team, and provided the Regional Board with a monitoring plan last week. **(j) 2013-2014 Water Year Findings:** The water year begins October 1<sup>st</sup> and ends September 30<sup>th</sup>. The 2013-2014 water year was documented as the fourth driest water year on record; reservoirs are at 19-year lows and are about 58% of normal.

#### **B. Directors Report:**

**1) Director Melleby** reported on the Riverside County Water Task Force meeting that she attended on September 26. The topic was "Paying for Water in California: Bond & Beyond". Director Melleby gave a detailed report on the CSDA Leadership Conference for Special District Officials and Staff that she attended. This conference was held from September 29 – October 2 at the Renaissance Palm Springs Hotel. **2) Ron Duncan** reported that he attended the City of Banning - State of the City Address, on October 1<sup>st</sup>.

#### **6. New Business: (Discussion and Possible Action)**

**A. Consideration of Revisions of Procurement Policy:** A staff report and a copy of the Draft SGPWA Procurement Policy were included in the agenda packet. General Manager Davis apologized to the board that the Draft SGPWA Procurement Policy that was included in the agenda packet was the incorrect version. (The corrected version was provided to the board and the public at this time). He explained that the changes were not substantive; the changes were mostly related to formatting and rewording. General Manager Davis stated that the procurement policy has been discussed with the Board during the Board meeting that was held three weeks ago, and in greater detail at the Finance and Budget workshop. The revisions that the Board requested have been included in the revised draft version. Director Duncan and Director Voigt requested clarification for

Section 2b. General Counsel Jeff Ferré answered the board member's questions and provided explanation as to why certain items were either added or deleted throughout the document. After discussion, Director Dickson made a motion, seconded by Director Duncan, to approve the SGPWA Procurement Policy with the noted changes. A request was made by the Board to change item 6i, sentence 3, to be rewritten as: Change orders totaling more than 10% of a contract amount must be approved by the Board prior to execution. Director Dickson moved, seconded by Director Duncan, to restate the motion and to include the proposed change to item 6i, sentence 3. Motion passed 6-0, with Director Morris absent.

**B. Update and Discussion of Issues Related to San Gorgonio Flume:** A staff report and a copy of 148 FERC ¶ 61,199 (Project No. 14520-001), and a letter written to Danielle Chupa (Manager of the Eastern Hydro Division of Southern California Edison Company) were included in the agenda packet. General Manager Davis stated that the key issue for the Participating Entities (Banning Heights Water Co., City of Banning and SGPWA) is to take full decommissioning of the flume off the table. General Manager Davis reported on the recent actions that have altered the strategy of the Participating Entities regarding transfer of ownership of the flume from Southern California Edison to the Participating Entities. This item was an informational item and no action was taken by the Board.

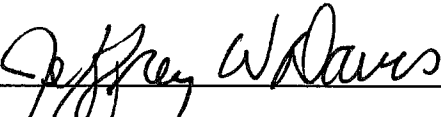
**C. Update and Discussion of Proposition 1, 2014 Water Bond:** A staff report was included in the agenda packet. General Manager Davis informed the Board that he attended a Southern California Dialog meeting on September 24. These monthly meetings are for water agency managers and representatives of the environmental community to talk about major water issues; the topic of the meeting was on the water bond. General Manager Davis reported to the Board the water bond information that was provided by various speakers during the meeting.

7. **Topics for Future Agendas:** Director Voigt requested that the Agency form an advisory committee that would be relative to water retailers communication issues. This item will be discussed at a future board meeting. No other topics were requested for future agendas.

8. **Announcements:**

- A. Engineering Workshop, October 13, 2014 at 1:30 p.m.
- B. Regular Board Meeting, October 20, 2014 at 1:30 p.m.
- C. San Gorgonio Pass Regional Water Alliance – Technical Committee Meeting, October 22, 2014 at 4:30 p.m. - Banning City Hall Conference Room
- D. San Gorgonio Pass Regional Water Alliance – Committee Meeting, October 22, 2014 at 6:00 p.m. - Banning City Council Chambers

9. **Adjournment:** *President Jeter adjourned the meeting at 2:37 p.m.*

  
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Jeffrey W. Davis, Secretary of the Board