

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
December 1, 2014

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

Directors Absent: John Jeter, President

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Jeff Ferré, Legal Counsel

Consultants: Erik Howard, Senior Project Manager - Atkins Global

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 Vice President Bill Dickson at 1:30 p.m., December 1, 2014 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Duncan led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** Director Duncan moved, seconded by Director Melleby, to approve the adoption and adjustment of the agenda as presented. Motion carried 5-0, with President Jeter absent.
3. **Public Comment:**
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, November 17, 2014
 - B. Approval of the Minutes of the Finance and Budget Workshop, November 24, 2014
 - C. Approval of the Finance and Budget Workshop Report, November 24, 2014

Director Morris moved, seconded by Director Voigt, to approve the consent calendar as presented. Motion carried 5-0, with President Jeter 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 362 acre-feet to Beaumont Cherry Valley Water District ponds for the month of November. **(b) SWP Status:** **i)** DWR has not yet released the Notice to State Water Contractors 2015 SWP Initial Allocation, which is due to today. **ii)** Oroville Reservoir is currently at 900,000 acre-feet (lowest in 38-years), which is 500,000 acre-feet less than last year at this time. The SWP share of the San Luis Reservoir is 240,000 acre-feet; leaving about one-million acre feet for the water year. **iii)** DWR has made a decision to reduce its deliveries to the Feather River service area. This action is directly related to the drought. **iv)** SWP water is being released from Oroville Reservoir to reduce salinity levels in the Delta. **v)** The precipitation that was received in Sacramento during the month of October 2014 was equal to that of the precipitation that was received

from October 2013 through January 2014. vi) DWR three month forecast shows an equal chance of it being a dry or wet period.

(2) General Agency Updates: (a) **BDCP:** General Manager Davis informed the Board that the BDCP Contract Negotiations meeting is being held on December 10th. A key Contractor objective is to streamline the bureaucracy that is associated with future water transfers and exchanges. (b) **SWP Delivery Capability Reliability Study:** The Delivery Capability Reliability Study provides a reliability percentage for SWC to use for their UWMP. DWR is looking at four scenarios which range from 43% to 58%. SWC wants to add a scenario that includes the BDCP, which could bring the reliability up to 73%. (c) **Division 5 Vacancy Update:** Staff has posted a Notice of Vacancy at three public places as required by the Registrar of Voters. A notice has been placed on the Agency website. Also, the local newspapers have been notified. Letters of interest must be received by the Agency by 5:00 p.m. on December 8th. (d) **DWR 2015 Statement of Charges Rebill:** The rebill was received in today's mail indicating a reduction of about 2 ½ percent, thereby resulting in a small reduction of the monthly DWR payments. (e) **Vehicle Maintenance/Repair:** General Manager Davis referenced the discussion that took place during the November 24th Finance and Budget Workshop. Clarification was given pertaining to the booking of the Agency's truck repair and reimbursement thereof. (f) **SGPWA Administration Office:** Over the Thanksgiving weekend the Agency's alarm system was activated twice. The police department and staff responded to both alarms that occurred on two separate days. It was determined that the building was secure and that there was no forced entry. (g) **ACWA Fall Conference:** ACWA's conference will take place in San Diego from December 2 through December 5.

B. Directors Report: No reports were given at this time.

6. New Business: (Discussion and Possible Action)

A. Consideration of Resolution No. 2014-10 Employer Paid Member Contribution for CalPERS: A staff report and a copy of copy of Resolution No. 2014-10 were included in the agenda packet. General Manager Davis stated that CalPERS requires a Resolution anytime there is a change to the employee-paid contributions to CalPers. In 2011, the Board voted to increase staff contributions to CalPers retirement from 0% to 3% over a three-year period. This is the last of three annual 1% increases. Resolution No. 2014-10 reflects the increase percentage from 2% to 3%. Director Voigt moved, seconded by Director Morris, to approve Resolution No. 2014-10. Motion passed 5-0, with President Jeter absent.

B. Consideration of Pro-Craft Change Order: A staff report and a copy of Contract Change Order No. 2 issued by Pro-Craft Construction Inc., were included in the agenda packet. General Manager Davis referred the Board to the staff report which provided a detailed explanation regarding Change Order No. 2 for Beaumont Avenue Recharge Facility Pipeline in the amount of \$110,111. General Manager Davis reviewed the justifications of the Change Order and why the Change Order is reasonable. He informed the Board that they are not obligated to approve the costs. General Counsel Jeff Ferré clarified with the Board that the proposed settlement has been signed by the contractor for final payment. In addition, BBK's Public Works Contract Department will put together documentation that states that the project is complete with final payment by the Agency. Lastly, the Change Order was valid in order to complete the pipeline project. Vice President Dickson requested comments from the Board and from the public. Blair Ball, a resident of Cherry Valley, opposed the Change Order request. Vice President Dickson stated that the biggest problem that the construction company endured was the inaccurate

information that was on record. Director Duncan asked Erik Howard (Atkins Global) if the estimated cost factored in unforeseen additional expenses, and if the figure was above and beyond the contracted amount. Mr. Howard responded, stating that the Engineer's Estimate accounted for additional expenses, however in his experience of twenty-four years this project has been one of the more frustrating and challenging exercises in the types of structures that were encountered. As the area developed over the years, the County of Riverside would bury structures and did not have the foresight to record what and where structures were located underground. After discussion Director Melleby moved, seconded by Director Duncan, to approve staff's recommendation approving Construction Change Order No. 2 to Pro-Craft, with the understanding that no additional payments will be made to the contractor on the project beyond those identified in the change order and the original bid, and that the language recommended by General Counsel be included in the change order. Motion passed 4-1, with Director Morris opposed, President Jeter absent.

C. Consideration of 2013 Water Conditions Report: A staff report and a copy of the 2013 Report on Water Conditions were included in the agenda packet. General Manager Davis stated that this is substantially the same report that was discussed at the November Engineering workshop with a few minor changes. He reviewed the changes with the Board. Legal Counsel Jeff Ferré recommended that the Board receive and file the report. Director Duncan made a motion, seconded by Director Voigt, to receive and file the 2013 Water Conditions Report, as presented. Motion passed 5-0, with President Jeter absent.

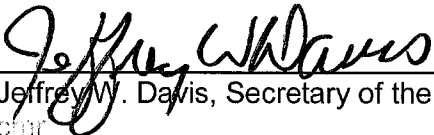
D. Consideration of Resolution No. 2014-08, Honoring Barbara Voigt: Vice President Dickson thanked Director Voigt for her twenty-five years of service. The Agency presented Director Voigt with a service award. Each Board member and General Manager Davis personally thanked Director Voigt.

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

8. Announcements:

- A. Engineering Workshop, December 8, 2014 at 1:30 p.m.
- B. Regular Board Meeting, December 15, 2014 at 1:30 p.m.
- C. Finance and Budget Workshop, December 22, 2014 at 1:30 p.m.

9. Adjournment: *Vice President Dickson adjourned the meeting at 2:17 p.m. in honor of Barbara Voigt and in memory of Ted Haring.*



Jeffrey W. Davis, Secretary of the Board
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