

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 2, 2015

Teleconference Location: 10213 Overland Trail
Cherry Valley, CA 92223

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director
Ron Duncan, Director
Ray Morris, Director (via teleconference)
Leonard Stephenson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferré, General Counsel
Tom Todd, Finance Manager
Ken 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., February 2, 2015 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. **Statement Regarding Teleconferencing:** General Counsel Jeff Ferré made the following statement: "This Board meeting is conducted pursuant to California Government Code Section 54953, in that one member of the Board will be participating in this Board meeting by speaker phone. In accordance with the Brown Act, the teleconference location has been identified in the notice and agenda for this meeting. I will now ask the Board Secretary to conduct roll call, after which I will confirm certain matters for the record".
3. **Roll Call:**

<u>Roll Call:</u>	Present	Absent
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. **Procedures for Holding Meeting at the Teleconference Location:** General Counsel Ferré confirmed with Director Morris that he in fact was able to hear the proceedings; that he had a copy of the February 2, 2015 Board Meeting Agenda; that the agenda was posted at his location, and that the location was accessible to the public. Director Morris responded in the affirmative to all such questions. General Counsel Ferré asked the attending board members if they were able to hear Director Morris. The board members responded that they could indeed hear him. General Counsel Ferré turned the meeting over to President Jeter.
5. **Adoption and Adjustment of the Agenda:** President Jeter asked if there were any adjustments to the agenda. There being none the agenda was adopted as presented.
6. **Public Comment:** President Jeter asked the members of the public for comments. No members of the public requested to speak at this time.
7. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 20, 2015
 - B. Approval of the Minutes of the Finance and Budget Workshop, January 26, 2015
 - C. Approval of the Finance and Budget Workshop Report, January 26, 2015

Director Dickson moved, seconded by Director Duncan, to approve the consent calendar as presented.

President Jeter requested a roll call.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 7-0.

5. **Reports:**

A. **General Manager's Report:**

(1) **Operations Report:** General Manager Davis reported on the following: (a) **SWP Water Deliveries:** Deliveries of the SWP water is shut down until the later part of March, this is due to EBX construction. Staff provided confirmation to the Beaumont Cherry Valley Recreation and Parks Department that the Agency will in fact provide water for the fishing derby, which will take place in late April. If the SWP

water allocation remains at 15% there may not be any other water deliveries this year.

(2) General Agency Updates: **(a) Snowpack:** General Manager Davis stated that the scarce precipitation in January for northern California, and warmer than average temperatures have resulted in a meager snowpack. In San Francisco, no rain fell in January 2015, declaring this the first January without rainfall since records began in 1850. **(b) State Water Resources Control Board (SWRCB):** The SWRCB advised water right holders that if conditions do not significantly improve in the coming months, it will once again notify water right holders in critically dry watersheds of the requirement to limit or stop diversions under their water right based on their priority. **(c) Southern California Water Committee (SCWC):** General Manager Davis reported on the SCWC quarterly luncheon that he attended on January 23rd that was held at the Pepsi Bottling Plant, in Riverside. A discussion panel on the drought and a tour of the bottling plant were included. **(d) Legislative Analyst Office (LAO):** General Manager Davis has had an opportunity to read the LAO Delta report. He will review the report with the Board at the next Board meeting.

B. General Counsel Report: General Counsel Ferré reported to the Board on the following topics: **(1) FPPC Conflict of Interest (COI) Code:** General Counsel Ferré reported on a few changes that the FPPC has made to the COI code for this year. He explained the modification that was made on acceptance of gifts, changing the cap from \$440 to \$460. He also explained the FPPC's interpretation of what a business interest means for the purpose of the COI. He suggested that the Board consult with legal counsel in terms of the application of the regulations, as they change from time-to-time.

C. Directors Reports: **(1) Director Melleby** gave a report on the SGPRWA Technical Committee meeting and the SGPRWA Board meeting that were held on January 28th. She stated that a presentation and video was provided by Duane Burke (City of Banning) on the Whitewater flume. **(2) Director Duncan** announced Barbara Wood's appointment as a Director for the Banning Chamber of Commerce. **(3) Director Dickson** requested that staff invite Duane Burke (City of Banning) to an upcoming board meeting and provide the same presentation on the Whitewater flume that was given to the SGPRWA. General Manager Davis stated that this request will be listed on Topics for Future Agendas.

6. New Business: (Discussion and Possible Action)

A. Appointment of Committees: General Manager Davis stated that President Jeter has appointed board members to specific committees, as indicated in the Agenda on page 10; there is no further action required.

B. Third Joint Facilities Agreement with San Bernardino Valley Municipal Water District: A staff report and a copy of the Third Joint Facilities Agreement between SBVMWD and SGPWA, were included in the agenda packet. General Manager Davis stated that this item was reviewed in draft six months ago and a number of minor changes to the agreement have since occurred. General Manager Davis provided background information and history of the Agency's relationship with SBVMWD. He explained that the East Branch Extension is comprised of a number of facilities, beginning at Devil Canyon (San Bernardino) down to Orchard Street (Cherry Valley). A report was given on which pipelines SBVMWD and the Agency had built

together and how much capacity in each the Agency owned. He explained the amount of capacity that the Agency was going to sell back to SBVMWD once EBX II was completed. However, during the planning of EBX 2, the Agency's Board decided that it did not want to sell back capacity because it would be needed at ultimate buildout. The primary purpose of this Third Joint Facilities Agreement is to eliminate the buyback provision and to ensure that the Agency has 64 cfs of capacity in the EBX in the future. General Manager Davis reviewed the Recitals and the Agreement with the Board. After discussion, Director Melleby made a motion, seconded by Director Dickson, that the Board approve the Third Joint Facilities Agreement between the Agency and SBVMWD, authorizing the General Manager to sign the agreement and make non-substantive changes, if needed.

President Jeter requested a roll call vote.

<u>Roll Call:</u>	<u>Aye</u>	<u>Noes</u>	<u>Absent</u>	<u>Abstain</u>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 7-0.

C. Discussion on Possible Joint Board Meeting or Workshop regarding Prospective Water Purchase: General Manager Davis stated during a past board meeting this item was requested to be place on a future board meeting agenda. The purpose for the discussion is to determine what type of meeting with the retailers the board wishes to pursue. After discussion, Director Dickson made a motion, seconded by Director Ball, directing General Manager Davis to poll water retailers on their participation in a water supply planning workshop or an ad hoc committee on Water Supply Planning. General Manager Davis is to report back to the Board with the results at the March 2nd Board meeting.

President Jeter requested a roll call.

<u>Roll Call:</u>	<u>Aye</u>	<u>Noes</u>	<u>Absent</u>	<u>Abstain</u>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 7-0.

D. Flume Update: (1) General Manager Davis reported on a conference call that took place between FERC's dispute resolution staff and the participating entities. The end result is that a technical meeting, which includes the U.S. Forest Service Regional Hydropower Assistance Team, will need to take place to address technical issues. (2) General Manager Davis stated that he had hoped to have a tunnel study proposal for consideration at today's meeting, but was not able to get the proposal done in time. He stated that he will bring this item to the Board at the next board meeting.

E. Reconsideration of Cancellation of February 17, 2015, Board Meeting: General Manager Davis stated that due to scheduling changes he is no longer traveling to Sacramento on February 17th. He asked the Board if they would like to reconsider holding the February 17th Board meeting. After discussion, Director Dickson made a motion, seconded by Director Melleby, to reinstate the February 17, 2015, Board meeting.

President Jeter requested a roll call:

<u>Roll Call:</u>	<u>Aye</u>	<u>Noes</u>	<u>Absent</u>	<u>Abstain</u>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Morris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

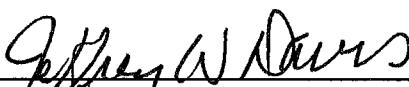
Motion carried 6-1.

7. Topics for Future Agendas: General Manager Davis stated that he has two items for future agendas. **1)** Request Duane Burke (City of Banning) to provide the same presentation that he provided to the SGPRWA on the Whitewater flume. **2)** Staff is to provide responses from the retail agencies on the pole taken regarding a formation of an Ad-Hoc Committee on Water Supply Planning.

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

- A. Engineering Workshop, February 9, 2015 at 1:30 p.m.
- B. Office Closed February 16, 2015 in observance of Presidents' Day
- C. Board of Directors Meeting, February 17, 2015 at 1:30 p.m.
- D. Finance and Budget Workshop, February 23, 2015 at 1:30 p.m.

9. Adjournment: *President Jeter adjourned the meeting at 3:05 p.m.*



Jeffrey W. Davis, Secretary of the Board
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