

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
July 6, 2015

Directors Present: John Jeter, President
 Bill Dickson, Vice President
 Mary Ann Melleby, Treasurer
 Blair Ball, Director
 Ron Duncan, Director
 Leonard Stephenson, Director

Staff Present: Jeff Davis, General Manager
 Jeff Ferré, General Counsel
 Tom Todd, Finance 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., July 6, 2015 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. *President Jeter requested a 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 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"/>

A quorum was present.

2. **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.*
3. **Public Comment:** *President Jeter asked the members of the public for comments. Patsy Reeley, a resident of Cherry Valley, expressed her concerns on a recent newspaper article that Caltrans intends to plant more than one million square feet of freeway landscaping through Riverside that will be irrigated with overhead sprinklers, resulting in 155,620 gallons of potable water per day. The project would draw an additional 39,000 gallons a day in the first year while the plants are getting established. She requested that the Board submit an objection letter to Governor Brown. 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, June 15, 2015
 - B. Approval of the Minutes of the Finance and Budget Workshop, June 22, 2015
 - C. Approval of the Finance and Budget Workshop Report, June 22, 2015

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

5. Reports:

A. General Manager's Report:

(1) Operations Report: None given.

(2) General Agency Updates: **(a) Independent Audit Associaton:** General Manager Davis stated that at the last board meeting he was asked about the specific purpose of contracting with IAA, as Metropolitan (Met) Water District already contracts its own auditing firm to audit DWR. He stated that Met is very specific on issues they ask its auditor to review. Whereas the IAA provides all SWC the opportunity to direct them in what it is they wish to have audited. **(b) EBX 2 Update:** 1) General Manager Davis stated that the final major contract, the Completion Contract, was let a few months ago; it is a lengthy contract. DWR is partnering with the contractor (Ames) and they meet periodically to discuss issues, goals, objectives, etc. The contract will go into 2017, however most of the construction work will be completed by the end of 2016; online date – sometime in 2017. 2) Currently a fourth pump is being installed at the Cherry Valley Pump Station. 3) The Proportional Use Facility Factors (PUFFs) have been finalized. The outcome - SBVMWD will be paying about 65%, and the Agency will be paying about 35%. 4) A tour of EBX 2 will take place in the fall. **(c) Upcoming Special Board Meeting:** General Manger Davis asked for input from the Board on the date and time of a Special Board Meeting for the upcoming Public Hearing for the Facility Capacity Fee. The Board requested that the meeting take place on July 27th at 7:00 p.m. General Manager Davis will contact the consultants to make sure that they are available for the requested date and time. **(d) Vacancy Interviewing Dates - Discussion:** General Manager Davis asked for input from the Board as to their preference on whether or not they wish to interview candidates at a special or regular board meeting. He also asked for input on having one or two meetings. It was the Board's preference to interview all of the candidates at one special board meeting. General Manager Davis will provide proposed dates to hold the special meeting at the upcoming July 20th Board meeting.

B. General Counsel Report: General Counsel Ferré reported to the Board on the following: **1) Santa Ana Sucker Decision:** The Ninth U.S. Circuit Court of Appeals has ruled that federal wildlife agencies retain the discretion to designate additional land as critical habitat. General Counsel Ferré provided information on the implications of the ruling. He stated that Best Best & Krieger is requesting that the US Supreme Court take up this case. General Counsel Ferré will continue to keep the Board updated on this issue. **2) SB 88:** SB 88 was adopted recently granting the State Board authority to force the consolidation of water purveyors that do not have a water supply with other agencies that do have water supplies. SB 88 also clarifies the amounts that a water purveyor can impose fines for violations of water conservation rules. **3) AB 1:** This bill was recently passed and would prohibit a city, county, or land use agency from imposing a fine should a landowner's lawn go brown during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions. **4) Proposition 218:** Two California Appellate Court decisions reached different conclusions regarding whether a groundwater pumping charge is a property-related fee subject to Prop 218. The California Supreme Court will now take up this matter. **5) Water Rights:** It has been understood that if you had a pre-1914 water right it meant that you would not be subject to regulations imposed by the State Water Resources Control Board. The State Board has now imposed restrictions and cutbacks on the use of water, based on the drought situation. A number of water districts that have pre-1914 water rights have been told that

they are in violation. There have been a number of court cases filed by water purveyors dealing with this issue, stating that they are not subject to State Board regulations as they have a pre-1914 water right.

C. Directors Reports: (1) **Director Stephenson** reported on the following: a) Director Stephenson attended the Water Education Foundation Bay Delta Tour, which took place June 24-26. He gave a briefing on the subjects that were address during the tour. Director Stephenson was impressed by a scale model that was built by the U.S. Army Corps of Engineers; it is an acre in size and was built in the 1960s. The model provides a unique opportunity for individuals that are interested in the San Francisco Bay and the Bay-Delta, to view the complete Bay-Delta system at a glance. It is open to the public and is located in Sausalito, CA. b) Director Stephenson acknowledged General Manager Davis for a job well done at the State of the Supply event that was held on June 26th. He stated that although he did not attend he had received feedback and was told that the presentation was well-received. (2) **Director Melleby** reported on the following: a) Director Melleby attended the State of the Supply event and stated that the room was filled to capacity and that the presentation was very informative. She thanked General Manager Davis and staff for providing a top-notch event. b) Director Melleby reported on the SGPRWA meeting that was held on June 24. The Alliance approved a revised MOU, which will be submitted to participating members (including the Agency) for approval and signatures. Additionally, the Alliance will be issuing invoices to participating members in the amount of \$500 for its yearly contribution. (3) **Directors Duncan, Dickson and Jeter** commended staff on the State of Supply event.

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

A. Consideration of CSDA Board Election: A copy of the staff report and Candidate statements were included in the agenda packet. General Manager Davis stated that the Agency is a member of the CSDA. The CSDA is having an election for its Board and there is one board seat open for the southern network; two individuals are running for the seat. He asked the Board if they wished to elect either one of the candidates to the CSDA Board of Directors. It was the consensus of the Board to table this item to the July 20th Board meeting. Motion carried 6-0.

B. Consideration of General Fund Budget: A staff report and material related to the General Fund budget were included in the agenda packet. General Manager Davis stated that discussion on the General Fund budget had taken place in several Finance and Budget workshops. He reviewed the General Fund budget material with the Board. After discussion, Director Dickson made a motion, seconded by Director Duncan, to approve the 2014-2015 General Fund budget, as recommended by the Board at the June Finance and Budget workshop. 0.

C. Consideration of Authorization to Procure a New Agency Vehicle: General Manager Davis stated that although he is authorized to purchase this vehicle without board approval, he included this item in the agenda for the sake of transparency. The current vehicle has been in operation for over seven years, has over 110,000 miles, and was involved in an accident last year. He requested from the Board authorization to purchase the new vehicle. After discussion, Director Ball made a motion, seconded by Director Stephenson, for staff to maintain the current vehicle for another year. Motion failed 2-4. Director Dickson made a motion, seconded by President Jeter, authorizing

staff to purchase a new vehicle at a net cost not to exceed \$48,000. Motion passed 4-2, with Directors Ball and Stephenson opposed.

D. Discussion Regarding Reduction in Number of Board Members: President Jeter called upon Patsy Reeley, a resident of Cherry Valley, for her comments on this item. Mrs. Reeley expressed her condolences on the passing of Director Morris. She felt that this is a good time to reduce the board from seven to five members. Director Dickson made a motion, seconded by President Jeter, to table this item until staff does the necessary research to find out what is involved (time & cost) in working this through the legislature. General Manager Davis reviewed the information that was provided to him the last time that the board had considered reducing the number of board members in 2012. After discussion, President Jeter withdrew his second, Director Dickson withdrew his motion. Director Ball made a motion, seconded by Director Melleby to pass Resolution No. 2015-04. *President Jeter requested a 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 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"/>

Motion passed 6-0.

7. Topics for Future Agendas: President Jeter requested an update on the flume. There were no other topics for future agendas given at this time.

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

- A. Engineering Workshop, July 13, 2015 at 1:30 p.m.
- B. Regular Board Meeting, July 20, 2015 at 1:30 p.m.
- C. San Geronio Pass Regional Water Alliance, July 22, 2015
 1. Technical Committee at 4:30 p.m. – Banning City Hall Conference Room
 2. Regular Board Meeting at 6:00 p.m. – Banning City Council Chambers
- D. Finance and Budget Workshop, Thursday, July 23, 2015 at 1:30 p.m.

9. Adjournment: *President Jeter adjourned the meeting at 2:52 p.m.*



Jeffrey W. Davis, Secretary of the Board