

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**September 8, 2015**

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

**Staff Present:** Jeff Davis, General Manager  
 Jeff Ferré, General Counsel  
 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 2:30 p.m., September 8, 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><b>Roll Call:</b></u>	<b>Present</b>	<b>Absent</b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<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:** David Castaldo, a resident of Beaumont, voiced his objection to the recent resolution that was adopted by the Board to reduce the number of board members from seven to five; stating that the taxpayers that own more than one property within the Agency's boundaries will not be represented adequately. He questioned if the taxpayers within the Agency's boundaries were aware of what was happening with their voting rights, being that this item was not adequately published. He stated that he wanted to go on recorded opposing the reduction. Director Ball made a comment stating that this action has been ongoing since 2012 and he felt that five board members can represent all of the Agency's taxpayers. General Counsel Jeff Ferre informed Director Ball that response to Public Comments is to give staff direction. During Director's Reports, Dr. Ball can at that time continue with his response if he desires.
4. **Consent Calendar:**
  - A. Approval of the Minutes of the Special Board Meeting, July 27, 2015

- B. Approval of the Minutes of the Regular Board Meeting, August 3, 2015
- C. Approval of the Minutes of the Special Board Meeting, August 6, 2015
- D. Approval of the Minutes of the Engineering Workshop, August 10, 2015
- E. Approval of the Minutes of the Finance and Budget Workshop, August 24, 2015
- F. Approval of the Finance and Budget Workshop Report. August 24, 2015

Director Dickson moved, seconded by Director Duncan, to approve the consent calendar as presented. Director Fenn abstained from the first two meetings, as had not been appointed to the Board until August 6, 2015 and that his vote would count for the remaining meetings, starting August 6<sup>th</sup> and thereafter. Motion carried 7-0.

## 5. Reports:

### A. General Manager's Report:

**(1) Operations Report:** General Manager Davis reported on the following: **SWP Deliveries:** a) General Manager Davis reported that the Agency delivered 408 acre-feet to the Noble Creek connection for the month of August. The Agency has delivered a total of 2276 acre-feet this year. Water orders for next year have been received from the three water retailers that receive SWP water from the Agency, and are being reviewed.

**(2) General Agency Updates:** (a) **SWC Audit Finance Committee Luncheon:** General Manager Davis informed the Board that the luncheon was very well received. DWR Deputy Director Mark Anderson, along with the Chief of SWPAO were in attendance, as well as General Managers and Chief Finance Officers of Contractors. Finance Manager Tom Todd provided an informative PowerPoint presentation on the Agency. (b) **Flume Update:** General Manager Davis reviewed a number of issues that the Board will need to consider in the near future. He noted that the Agency may need to become more proactive on these issues. (c) **Cherry Valley Pump Station:** The pump has been installed as part of EBX 2. CVPS will have a capacity of 52 cfs when complete. (d) **Water Conservation Goals:** The State met its goal for July - 31% savings. Banning was the only local retail agency that met its goals for June and July.

**B. General Counsel Report:** General Counsel Ferré reported to the Board on the status of the proposed legislation to reduce the size of the board from seven to five. He stated that the chances for this session are low, but will know by September 11<sup>th</sup> if the plan was successful. The Agency's lobbyist was able to latch onto a bill that was already in the process, AB 568 - Assemblyman Dodd. This bill is a "dead bill", which is not considered dead if there is a "rule", meaning the deadline can be waived. A draft bill was approved by the legislative counsel and is currently in the Senate Rules Committee. General Counsel Ferre recommended that meetings take place between Board representatives, Senator Mike Morrell and Assemblyman Chad Mayes to establish a formal relationship.

**C. Directors Reports:** (1) **Director Melleby** reported on the following: Director Melleby reported on the August 21<sup>st</sup> San Bernardino County Water Conference she attended. Attendees included government officials, water experts, business leaders and community stakeholders. The main focus of the event was to discuss solutions to overcome California's water challenges. Director Melleby also attended the Countywide

Vision Water Element Group were there was discussion on urban water management planning and supply portfolio planning. She also attended the SGPRWA meeting on August 26<sup>th</sup>; a presentation was given by the Executive Director of the California Rural Water Association. A presentation was also given by Art Vela (Banning Public Works Interim Manager) on Chromium 6; both Beaumont and Banning have Chromium 6 contaminated wells. **(2) Director Fenn** attended meetings at Banning Heights, South Mesa and Yucaipa Valley Water District. YVWD had listed on its August 19<sup>th</sup> agenda a closed session pertaining to litigation against the Agency. He reported that YVWD had mentioned the high water rates from the Agency. The District has increased its water order with San Bernardino Municipal Water District. **(3) Director Dickson** reported that he also attended YVWD's meeting. He stated that the general manager also reported on the pipeline project between YVWD & BCVWD.

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

**A. Consideration of Resolution No. 2015-09, Establishing the Appropriations Limit for FY 2015-2016:** A copy of the staff report and Resolution No. 2015-09 were included in the agenda packet. General Manager Davis stated that this is an annual housekeeping item, as public agencies in California are required to set an appropriations limit. He explained that the appropriations limit is calculated using a formula and is not related to the Agency's budget for the year; the FY 2015-2016 formulated amount applicable to this Agency is \$52,163,023. Director Dickson made a motion, seconded by Director Melleby, to adopt Resolution No. 2015-09 Establishing an Appropriations Limit for FY 2015-16. President Jeter requested comments or questions from the Board. After discussion, President Jeter requested a roll call vote.

<b><u>Roll Call:</u></b>	<b>Ayes</b>	<b>Noes</b>
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 7-0.

**B. Consideration of ACWA Region 9 Election of Officers:** A staff report and ACWA's Region 9 Board Ballot form were included in the agenda packet. General Manager Davis informed the Board that Director Melleby is listed on the Nomination Committee's recommended slate. He recommended that the board vote for the slate accordingly. Director Duncan made a motion, seconded by Director Dickson to vote for the recommended slate. Motion passed unopposed 7-0.

**C. Consideration of Resolution No. 2015-10, Revising Investment Policy.** A staff report and material related to the proposed revisions were included in the agenda packet. General Manager Davis reviewed with the Board the number of proposed revisions to the policy, which were consistent with the discussion that the Board and staff had at the August 24<sup>th</sup> Finance and Budget workshop. Director Dickson made a motion, seconded by Director Duncan, to approve Resolution 2015-10 - Revising Investment Policy. President Jeter asked for comments or discussion on this item.

Director Fenn voiced his concerns on what was missing from the proposed resolution, notably clarification on the wording relating to the length of each term, categories and limitations. General Manager Davis explained why the terms were not included in the policy. He recommended that the changes that were made to the investment policy be approved so that staff can make investments in CalTrust, and that refinements be done at an upcoming Board meeting. After discussion, the motion was amended to include refinement to the policy would be discussed at the September 28<sup>th</sup> Finance and Budget workshop. Motion passed 7-0.

**D. Presentation to Duane Burk, General Manager of Beaumont Cherry Valley Recreation and Park District:** General Manager Davis stated that Mr. Burk was not in attendance.

**7. Topics for Future Agendas:** Director Fenn requested an update on the water retailer's cooperative agreement regarding the capacity fee. General Manager Davis stated that he will give a report at the next meeting. Director Ball requested the following items for future agendas: 1. Information pertaining to purchasing SBVMWD water. 2. Retailer's water ordering policy review. 3. What are the current water retailer's needs and how can the Agency better serve them. He requested an invitation be sent to each water retailer Board President, limiting the discussion to two or three needs. It was the consensus of the Board that the meeting be held during a Board workshop. There were no other topics for future agendas given.

**8. Announcements**

- A. Engineering Workshop, September 14, 2015 at 1:30 p.m.
- B. Regular Board Meeting, September 21, 2015 at 1:30 p.m.
- C. San Geronio Pass Regional Water Alliance, September 23, 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

**9. Closed Session (1 Item) Time: 3:40**

**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (Pursuant to Government Code Section 54957)

Title: General Manager

**B. CONFERENCE WITH LABOR NEGOTIATORS** (Pursuant to Government Code Section 54957.6)

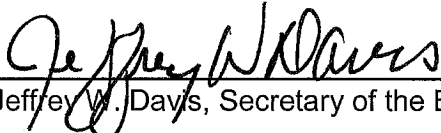
Agency designated representatives – Board President John Jeter;  
Legal Counsel Jeff Ferre

Unrepresented employee: General Manager

**The meeting was reconvened to open session. Time: 4:20 p.m.**

President Jeter reported that no action was taken that is reportable under the Brown Act.

**10. Adjournment:** *President Jeter adjourned the meeting at 4:20 p.m.*

  
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Jeffrey W. Davis, Secretary of the Board