

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
October 5, 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
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., October 5, 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. **Adoption and Adjustment of the Agenda:** *President Jeter asked if there were any adjustments to the agenda.* General Manager Davis requested that item 6A be moved to either before or after agenda items 3 or 4. President Jeter asked if there were any objections to moving Item 6A prior to item 3. There being none the agenda was adopted as amended.
- 6A. **Status Report on Potential Surplus Water Deal with SBVMWD – Doug Headrick reporting:** General Manager Davis stated that he has for a number of years had discussions with Doug Headrick (SBVMWD – General Manager) on the potential of the Agency purchasing surplus water from SBVMWD. He invited General Manager Headrick to attend today's meeting in order for the Board to fully understand the issue. Mr. Headrick stated that SBVMWD was not a signatory of the Monterey Agreement; therefore SBVMWD has been able to sell its surplus water and has been doing so for a number of years with Metropolitan Water District (MWD). Mr. Headrick provided the Board with the history and current status of the contract between MWD and SBVMWD; the contract will expire December 2015. He stated that he has put MWD on notice that the exclusive right clause under the existing contract will not live on in the future. He believes that in the future all SWC will have the same flexibility that SBVMWD has to sell and purchase water between other SWC on an open, broad, robust market. SBVMWD is looking forward to contracting with other SWC, including SGPWA under this scenario. General Manager Davis stated that the timing is contingent upon when the California Water Fix cost allocation issues are decided. SWC are scheduled to put together a final negotiation position to present to DWR by the end of this year. The goal is to have public negotiations with DWR in January 2016, and conclude later in the year. Mr. Headrick answered questions from the Board and members of the public. President Jeter thanked Mr. Headrick for his time and the information that he provided.

3. **Public Comment:** No members of the public requested to speak at this time.

4. **Consent Calendar:**

- A. Approval of the Minutes of the Regular Board Meeting, September 21, 2015
- B. Approval of the Minutes of the Finance and Budget Workshop, September 28, 2015
- C. Approval of the Finance and Budget Workshop Report, September 28, 2015

Director Dickson moved, seconded by Director Duncan, to approve the consent calendar as presented. Motion carried 7-0.

5. **Reports:**

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **State Water Project Supplemental Water Orders - a)** General Manager Davis reported on the process that has been implemented by the Agency for retail water customers to order SWP water. He stated that he had recently received SWP water orders from the Agency's water retailers and that the orders are much different from those of years past. He reported that an order was received for direct deliveries of non-potable use and that it had increased significantly from prior orders. General Manager Davis is questioning the wording of the water ordering policy vs. the spirit of the policy. The policy states that direct deliveries are the highest priority, however the policy did not specify that direct deliveries are strictly for potable water. Therefore, the water orders for both potable and non-potable water receive the same priority. He stated that retailers that are requesting potable water (drinking water) should have the highest priority. He informed the Board that he recently sent emails to the retailers indicating that their requests for non-potable water would be predominantly granted. However, after rethinking the requests he is contemplating rescinding his decision; should he rescind he will contact the retailers immediately. He reminded the Board that the retailers have the opportunity to come before the Board to appeal any decision that staff makes.

(2) Report on CSDA Conference: General Manager Davis stated that SGPWA is a member of CSDA and that he had sent Finance Manager Thomas Todd to the CSDA Conference to represent the Agency. Finance Manager Todd reported that he attended the CSDA Conference that took place in Monterey from September 21st - 23rd. Mr. Todd stated that there were two keynote speakers. One speaker spoke on change and how to take advantage of it. The other speaker was an internet security consultant and spoke on issues that public agencies face pertaining to data security. He attended a number of breakout sessions. He felt that the topics discussed during the conference were very informative and applicable to the Agency. He stated that CSDA's main focus is advocacy and legislation.

(3) General Agency Updates: 1) General Manager Davis spoke on the State Water Resources Control Board water conservation regulations and how burdensome the rules are to retail water agencies. ACWA is also concerned about this issue and has formed a committee. General Manager Davis contacted ACWA to request that he be considered to be on that committee. ACWA's first priority is to work with SWRCB

(and if necessary the legislature) to ensure that the current rules are not made permanent. Should the rules continue to next year, or are made permanent, ACWA is proposing that the rules be modified somewhat. General Manager Davis is on the San Geronio Pass Regional Water Alliance Conservation Committee and has been working on different ways to grade the water agencies mandatory water conservation efforts. ACWA staff requested the Alliance document for review. **2)** General Manager Davis reported that he is currently working on the 2014 Water Conditions Report. A draft will be reviewed at the Engineering workshop in November and finalized in December. **3)** The Agency's water retail customers (BCVWD, YVWD and Banning) have been invited to attend Monday's Engineering workshop on 10/12/2015, to hear their two top priorities from the Agency; staff has not yet had any response.

B. General Counsel Report: General Counsel Jeff Ferré had no reportable items.

C. Directors Reports: (1) Director Melleby a) Director Melleby reported on the SGPRWA meeting she attended on September 23rd. The Alliance is currently in the process of deciding whether to file as non-profit (501(c)(3)) or forming a joint powers authority. b) Director Melleby received an email from ACWA congratulating her on her appointment to the ACWA Region 9 Board. **(2) Director Ball** attended a seminar that was hosted by YVWD for water conservation and landscaping; Molly Bogh was the guest speaker. He suggested that the Agency and other water agencies may want to contact Molly Bogh to provide the same seminar. **(3) Director Duncan** reported that he took a tour of High Valley Water District this morning. He reported that HVWD is now being run by the state.

6. New Business: (Discussion and Possible Action)

B. Consideration of California Special District Association (CSDA) Committee Nomination(s): A copy of the staff report and CSDA's 2016 Committee and Expert Feedback Team Interest Form were included in the agenda packet. General Manager Davis stated that this item is to determine if the Board wishes to nominate any member of the Board or staff to serve on any committee of the CSDA for 2016. Staff believes that the Agency should be represented on at least one CSDA committee this year. He stated that should no Board member wishes to participate, Finance Manager Tom Todd is willing to serve on the CSDA Fiscal Committee, which is a one-year commitment and meets at least three times annually. After discussion, the consensus of the Board was to allow Finance Manager Todd to apply for the Fiscal Committee position.

C. Consideration and Possible Action to Approve First Amendment to General Manager/Chief Engineer Employment Agreement: A staff report and the Employment Agreement with the proposed First Amendment were included in the agenda packet. Legal Counsel Jeff Ferre stated that the direction from the Board was to present this proposed First Amendment, thereby changing the term of the General Manager's employment contract from one-year to three-years and does not include any monetary compensation change. Legal Counsel Ferre briefly reviewed the terms with the Board and recommended that the Board approve the proposed First Amendment to the General Manager's Employment Agreement. Director Melleby made a motion, seconded by Director Dickson to approve the First Amendment to the Employment Agreement of General Manager Jeffrey Davis. Motion passed unopposed 7-0.

7. Topics for Future Agendas: Director Duncan requested an update on the Whitewater flume. Director Fenn requested an update on the negotiations for the capacity fees. General Manager Davis stated that the Capacity Fee Ad-Hoc Committee will be meeting this week.

8. Announcements

- A. Engineering Workshop, October 12, 2015 at 1:30 p.m.
- B. Regular Board Meeting, October 19, 2015 at 1:30 p.m.
- C. Finance and Budget Workshop, October 26, 2015 at 1:30 p.m.

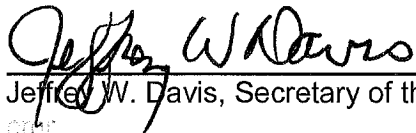
9. Closed Session (1 Item) Time: 2:33

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (Pursuant to Government Code Section 54957)
Title: General Manager

The meeting was reconvened to open session. Time: 3:09 p.m.

Legal Counsel Ferre reported that the Board met in closed session on the one item that was on the agenda, which was a work performance evaluation. No action was taken that is reportable under the Brown Act.

10. Adjournment: *President Jeter adjourned the meeting at 3:09 p.m.*



Jeffrey W. Davis, Secretary of the Board

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