

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
November 7, 2016

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

Staff Present: Jeff Davis, General Manager
Jeff Ferré, General Counsel
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant

1. **Call to Order and Flag Salute:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 3:00 p.m., Monday, November 7, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag.
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 published.*
3. **Public Comment:** *President Jeter asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency. There were no members of the public that wished to speak at this time.*
4. **Consent Calendar:** *President Jeter asked for an approval of the Consent Calendar.*
 - A. Approval of the Minutes of the Regular Board Meeting, October 17, 2016
 - B. Approval of the Minutes of the Finance and Budget Workshop, October 24, 2016
 - C. Approval of the Finance and Budget Workshop Report, October 24, 2016

Director Duncan made a motion, seconded by Director Dickson, to approve the Consent Calendar as published. Director Melleby abstained from item 5A, as she was not in attendance. Motion passed 7-0.

5. Reports: (Discussion and Possible Action)

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported that the Agency delivered 1329 acre-feet for the month of October; the highest delivery in one single month. Flows have been increased to 23 cfs.

(2) General Agency Updates: General Manager Davis reported on the following: **a) October Precipitation:** Northern California experienced one of the wettest Octobers on record; 5th wettest on record since 1895. Southern California precipitation totals are still lingering around 60% of the average, the northern Sierra region has reached 360% to

date. **b) IRWMP Update:** DWR has responded to the Regional Acceptance Process (RAP) that was submitted by the local agencies applying for an IRWMP planning grant. DWR had questions on the RAP pertaining to “white spaces” or areas not included in any plan, including vacant space in San Bernardino County. City of Banning will be meeting with DWR to discuss its concerns. **c) SITES Update:** General Manager Davis attended a full day meeting and field trip last month and will be attending another meeting this month. A project committee agreement is being drafted and it is anticipated to be completed by the end of this month. **d) Proposition 53:** The Board passed Resolution 2016-05 on September 6, 2016 opposing Proposition 53. Proposition 53 requires statewide voter approval before any revenue bonds can be issued or sold by the state for certain projects if the bond amount exceeds \$2 billion. The Governor also opposed Prop 53 and is running ads asking voters to vote “No”. **e) Flume Update:** The City of Banning is drafting a settlement agreement term sheet for USFS.

B. Finance Manager Report: Finance Manager Thomas Todd presented a Local Agency Investment Fund (LAIF) report. He explained that LAIF is currently part of the mix of investments the Agency uses to manage its reserve funds. He reported that he attended a LAIF Conference on October 25th. He informed the Board that John Chiang, the current State Treasurer, made it clear that the Treasurer’s office is actively involved in protecting local agency assets, not only from potential political threats, but adverse market forces as well. He also stated that as in the past, it appears that LAIF is still a good choice for the Agency, as it helps us maintain the liquidity and safety we need for reserve funds, while still giving what is considered a reasonable return, even in today’s economy.

C. General Counsel Report: General Counsel Jeff Ferré deferred reporting due to the amount of items on the agenda.

D. Directors Reports: 2) Director Fenn reported that the City of Beaumont Council Meeting will be held at 6:00 p.m. tonight. Director Fenn reported that Bogart Park will continue to remain open to the public. **2) Director Ball** reported on the City of Beaumont Council workshop that was held on November 2nd; the topic of discussion was on the Wastewater Feasibility Study. **3) Director Melleby** reported on Dr. John Husing’s Economic Presentation that was hosted by Beaumont Chamber of Commerce on October 19th. Director Melleby also reported on the San Gorgonio Pass Water Alliance meeting that she attended on October 26th; ACWA President Kathy Tiegs was the guest speaker. She stated that the SGPRWA will not be holding meetings during the months of November and December.

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

A. Consideration of Adoption of Resolution No. 2016-07 Amending Conflict of Interest Code (COI): A staff report and related materials were included in the agenda packet. General Ferre explained to the Board that the Political Reform Act requires every multi-county agency to review its conflict of interest code biennially and notify the Fair Political Practices Commission as to whether or not the agency’s code needs to be amended. Revisions in this version include the addition of the Executive Assistant, and the addition of two new categories defined by the FPPC. Director Melleby moved, seconded by Director Dickson, to adopt Resolution 2016-07 amending the Agency’s COI, as detailed in the agenda package. Motion passed 7-0.

B. Consideration of Expenditure for New Directors' Attendance at the 2016 ACWA Fall Conference: A staff report and related material were included in the agenda packet. General Manager Davis stated the Agency will have at least one, and as many as four new directors as of December 1. The Annual ACWA Fall Conference will be held starting November 29 in Anaheim. The purpose of this proposed Board action is to determine if the current Board wishes to have the Agency reimburse costs associated with the ACWA conference for any newly elected Director who wishes to attend. After discussion, Director Dickson made a motion, seconded by Director Duncan, authorizing reimbursement for attendance at the Fall ACWA conference for any newly elected Director who wishes to attend. Motion passed 6-1, with Director Ball opposed.

C. Consideration of Amendment to Kennedy/Jenks Contract for Urban Water Management Plan (UWMP): A staff report and related material were included in the agenda packet. In 2015, the Agency contracted with Kennedy/Jenks for approximately \$61,000 to produce an UWMP. Because analysis of retailer demands is more difficult and complex, more funds are required to perform this analysis, manage a public meeting, respond to comments, and produce a final report. The purpose of this proposed Board action is to determine if the Board will fund this additional work. This was not included in the general fund budget; however staff will do a budget revision that will not include increasing the budget. After discussion, Director Duncan made a motion, seconded by Director Melleby, that the Board approve the proposed amendment to the Kennedy/Jenks contract to add \$14,300, for a maximum of \$75,300 to complete the Agency's 2015 UWMP. Motion passed 7-0.

D. Consideration of Amendment to Provost & Pritchard Contract related to Allocation Issues: A staff report was included in the agenda packet. General Manager Davis stated that the purpose of this proposed Board action is to receive authorization from the Board to pay Provost & Pritchard for additional work authorized by the Board over and above the original scope of work. General Manager Davis explained to the Board that additional time was expended in reviewing and addressing each comment and question that was provided at the May and July workshops. While the written report was included in the original scope of work, responding to each individual comment (over 60) and appearing at a third workshop were not included. Provost & Pritchard has proposed increasing the total amount of the contract from \$25,000 to \$30,000 in order to incorporate these two additional tasks into the scope of work. This was not included in the general fund budget; however staff will do a budget revision that will not include increasing the budget. After discussion, Director Dickson made a motion, seconded by Director Duncan, authorizing the amendment to the Provost & Pritchard contract, not to exceed \$5,000. Motion passed 6-1, with Director Ball opposed.

E. Consideration of Authorization to Contract with Provost & Pritchard regarding Assistance in Procuring Additional Water Supplies: A staff report and related material were included in the agenda packet. General Manager Davis stated that at the October Engineering workshop, staff shared a study from Provost & Pritchard identifying potential opportunities to procure additional water supplies from various sources. The purpose of this proposed Board action is to determine if the Board wishes to contract with Provost & Pritchard to support the Agency's efforts to procure additional water supplies. The term of this agreement begins November 1, 2016 through December 31, 2017. General Manager Davis reviewed the scope of work with the Board in detail. Staff is recommending to contract with Provost & Pritchard to perform the work proposed

in the scope of work, not to exceed \$25,000. After discussion, Director Dickson made a motion, seconded by Director Fenn, to contract with Provost & Pritchard to perform the work proposed in the scope of work, not to exceed \$25,000. Motion passed 7-0.

F. Consideration of Authorization to file as GSA for One Square Mile in San Geronio Pass Sub-basin: A staff report and related material were included in the agenda packet. General Manager Davis stated that the Board expressed a desire to participate in any groundwater sustainability agency (SGA) formed within the Agency's boundaries. He explained that Mission Springs Water District recently filed a notice of election to become a GSA for a one square mile area within the San Geronio Pass Sub-basin. He stated that the Agency has 90 days from October 17th to file its own notice of election to be a GSA for this one square mile. The purpose of this proposed Board action is to determine if the Board wishes to file a Notice of Election to become a GSA for said area. After discussion, Director Dickson made a motion, seconded by Director Fenn, directing General Manager and General Counsel to begin the process of filing a notice of election, publishing a notice of public hearing, hold a public hearing, and at a future board meeting presenting to the Board a resolution for consideration to become a GSA. Motion passed 7-0.

7. Topics for Future Agendas: There were no topics for future agendas given.

8. Announcements

- A. Office closed November 11, 2016 in observance of Veterans Day
- B. Engineering Workshop, November 14, 2016 at 4:00 p.m.
- C. Regular Board Meeting, November 21, 2016 at 7:00 p.m.
- D. Office closed November 24th and 25th in observance of Thanksgiving

9. Closed Session (One Item) Time: 4:14 p.m.

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9
One potential case

The meeting reconvened to open session at: **Time: 4:32 pm**

General Counsel Ferre reported that the Board met in Closed Session on item 11, pursuant to Government Code Section 54956.8. There was no action taken during closed session that is reportable under the Brown Act. President Jeter adjourned the meeting.

10. Adjournment

Time: 4:33 pm



Jeffrey W. Davis, Secretary of the Board