

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
January 17, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director
David Castaldo, Director
Michael Thompson, Director

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

Teleconference Location: 3900 So. Las Vegas Blvd, Las Vegas, NV Room 6098

1. **Call to Order, Flag Salute and Moment of Silence:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President David Fenn at 7:00 p.m., January 17, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Duncan led the Pledge of Allegiance to the flag. A quorum was present.
2. **Statement Regarding Teleconferencing:** This section no longer applies as all board members are present.
3. **Roll Call:** Roll call no longer applies; all six board members are present.
4. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* General Manager Davis recommended moving Item 8A to accommodate the guests that are here to receive their resolutions. President Fenn requested that item 8A to take place after item 4. The agenda was adjusted as requested.
8. **New Business:**
 - A. **Consideration of Resolution Nos. 2016-09, 10 and 11 Honoring John Jeter, Bill Dickson and Mary Ann Melleby:** President Fenn presented John Jeter, Bill Dickson and Mary Ann Melleby with their own individual resolution honoring each of them for their years of dedicated service with the Agency. President Fenn awarded Mr. Jeter with the gavel that he has been charged with during his tenure as President.
5. **Public Comment:** *President Fenn 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 other members of the public that wished to comment at this time.
6. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 3, 2017
 - B. Approval of the Minutes of the Engineering Workshop, January 9, 2017

Director Stephenson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Motion passed 6-0.

7. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency has delivered a total of 850 acre-feet to the Noble Creek Connection, so far this month. **(b) DWR** has notified SWC of the possibility of spilling in San Luis Reservoir. **(c) BCVWD** has requested a shut down for a few weeks in order for them to do maintenance to their ponds; the shutdown may take up to a month. **(d)** The annual maintenance shutdown of EBX will not occur this year in order to take advantage of the current influx of water. **(e) DWR** will probably make an allocation announcement on Wednesday.

(2) Water Supply Conditions: General Manager Davis reviewed slides of the current precipitation located in the Northern Sierra (217% of average for this date), San Joaquin (217% of average for this date) and Tulare Basin (202% of average for this date). He also reviewed the California snow water content for the North, Central and South; as well as the storage levels for Lake Oroville and San Luis Reservoir. More precipitation has been predicted for this month.

(3) General Agency Updates: (a) SGMA: The Agency application to be a GSA for one square mile of the San Geronio Pass sub-basin was accepted by DWR and has been posted on its website. Staff is working with other entities to develop a Memorandum of Understanding to become a GSA for the rest of the San Geronio Pass Subbasin, and is in the process of doing the same for the San Timoteo Subbasin. **(b) UWMP:** A copy of the Agency's Draft 2015 UWMP was sent out to all parties required by law. The UWMP is located on the Agency's website and the legal notice will be published in the newspaper February 3rd and February 17th. A public hearing will take place on February 21, 2017. Director Castaldo inquired about the status of the Agency's Beaumont Avenue Recharge Facility. General Manager Davis stated that he would bring an update to the Board at the next board meeting.

B. General Counsel Report: General Counsel Ferre deferred his report.

C. Directors Reports: (1) Director Stephenson reported on the YVWD workshop and South Mesa Water Co. Board meeting. **(2) Director Duncan** reported on the Banning Chamber of Commerce Board meeting. He announced the names of the new board members and stated that he is no longer on its board. He also informed the Board that the Banning Chamber will be holding its Installation Dinner and encouraged the board members to attend. **Director Castaldo** reported on the Beaumont City Council meeting. He stated that Councilmember Mike Lara was appointed to attend all upcoming SGPWA meetings.

8. New Business:

B. Consideration and Possible Action to approve entering into the Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement: A staff report and a copy of the Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement were included in the agenda packet. General Manager Davis stated that this agreement was reviewed at length during the

Engineering workshop. The Board has expressed a desire to participate in this project and voted to participate by purchasing 14,000 acre-feet, of which 4,000 acre-feet would be funded by BCVWD. Of this, the Sites JPA has offered the Agency 7966 acre-feet of Class 1 water and 6034 acre-feet of Class 2 water. This is the official participation agreement. Director Ball made a motion to approve, seconded by Director Castaldo. Motion passed 6-0.

C. Interviews of Candidates and Possible Appointment of Director to fill the Board Vacancy – Division 3. A Memorandum from Legal Counsel and copies of letters of interest for the board position were included in the agenda packet. General Counsel Ferre explained that today there are two applicants in attendance for the Board to consider for appointment to the board; Stephen Lehtonen of Banning, and Eric Shaw of Banning. General Counsel Ferre reviewed with the Board the interviewing process. During Mr. Shaw's interview he informed the Board that he is currently serving on the Banning Planning Commission and is committed for another two years. General Counsel Ferre stated that by nature of the law should Mr. Shaw be appointed to the board he would need to forfeit his seat with the Banning Planning Commission. He recommended that Mr. Shaw receive his own legal advice and speak to the City Attorney. Mr. Shaw decided to withdraw his application due to said conflict. Upon closing of the interviews General Counsel Ferre requested from the board members their vote for what candidate they would like to appoint to the Board.

<u>Roll Vote:</u>	Lehtonen	Shaw
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Mr. Lehtonen received 5 votes - Mr. Shaw received 1 vote. Mr. Lehtonen was appointed as the new director for Division 3. General Manager Davis administered the Oath of Office to Director Lehtonen. President Fenn asked Director Lehtonen to take a seat at the board table. He thanked both candidates for their interest in the Agency.

D. Consideration and Possible Action to Adopt Resolution No. 2017-01 regarding a Policy for Election of Board Officers. A staff report and a copy of Resolution No. 2017-01 were included in the agenda packet. General Counsel Ferre stated that the Board directed legal counsel to develop a potential policy for rotation of Board officers. He explained the operative components of the resolution. General Manager Davis stated that should a non-board member be named Treasurer or Secretary then the two-year term does not apply. After discussion, Director Duncan made a motion, seconded by Director Castaldo, to adopt Resolution No. 2017-01 as presented. Motion passed 7-0.

E. Consideration and Possible Action to Form, and Appoint Members to, Board Committees: President Fenn stated that he had put a lot of thought into this item. He stated that there was previously 9 committees and reduced them to 4 committees. The restructure is as follows:

Standing Committees:

1) Finance & Budget: This committee to meet monthly prior to Finance & Budget workshop & will review finances & checks written, etc.

- Lenny Stephenson - Chair
- Michael Thompson - Vice Chair
- Stephen Lehtonen - Member

2) Conservation & Education: Chair to determine meeting schedule & work with GM to review previous board actions regarding subject. Discuss items such as public outreach, state of water presentations, sponsorships, etc.

- Michael Thompson- Chair
- Stephen Lehtonen - Vice Chair
- Blair Ball - Member

3) G.M. Performance Evaluation: Chair to determine meeting schedule. Committee should meet twice a year; perhaps Jan/Feb for mid-year review & again in May, in preparation for full board GM review by July.

- David Castaldo - Chair
- Lenny Stephenson - Vice Chair
- Ron Duncan - Member

Ad Hoc Committees:

4) Board Handbook: Chair to determine meeting schedule. I would encourage the committee to work quickly to produce a Board of Directors handbook. Committee should meet with Staff to get an idea of how to start the process and review materials already in place.

- Blair Ball - Chair
- David Castaldo- Vice Chair
- David Fenn – Member

9. Topics for Future Agendas: Director Castaldo requested an update on the Beaumont Avenue Recharge Facility. An update on the storage account application with the Beaumont Basin Watermaster was also requested.

10. Announcements

- A. Finance and Budget Workshop, January 23, 2017 at 4:00 p.m.
- B. San Gorgonio Pass Regional Water Alliance, January 25, 2017
 1. Regular Meeting at 5:00 p.m. – Banning City Hall Conference Room
- C. Regular Board Meeting, February 6, 2017 at 7:00 p.m.

11. Closed Session (One Item)

Time: 8:37 p.m.

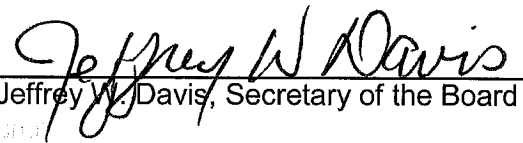
- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: Nickel Farms, LLC, Bakersfield, CA – Water Rights
Agency Negotiator: Jeff Davis, General Manager
Negotiating Party: Dwayne Chisum, General Manager – AVEK
Under negotiation: price and terms of payment

The meeting reconvened to open session at: Time: 9:10 pm

General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

12. Adjournment

Time: 9:10 pm



Jeffrey W. Davis, Secretary of the Board