

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223

**Minutes of the
Board of Directors Meeting
August 21, 2017**

**Teleconference Location: Baymont Inn & Suites
2717 Dewar Drive, Rock Springs, Wyoming**

Directors Present: David Fenn, President
David Castaldo, Director
Ron Duncan, Director
Steve Lehtonen, Director
Leonard Stephenson, Director
Michael Thompson, Director

Directors Absent: Blair Ball, Director

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

- 1. Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Fenn at 6:00 p.m., August 21, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Lehtonen led the Pledge of Allegiance to the flag. President Fenn led the invocation. President Fenn requested a roll call.

<u>Roll Call:</u>	<i>Present</i>	<i>Absent</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Castaldo via Teleconference	<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"/>

A quorum was present.

- 2. Statement Regarding Teleconferencing:** General Counsel Jeff Ferré stated that Director Castaldo is attending this meeting via teleconferencing. In accordance with the Brown Act, the teleconference location has been identified in the Notice and Agenda for this meeting. General Counsel Ferre confirmed with Director Castaldo that the meeting agenda was posted at or near the location that was stated on the agenda. He asked if there was anyone at the above referenced location that wished to speak during public comment. Director Castaldo responded that the agenda is posted and that there are no members that wished to speak.
- 3. Adoption and Adjustment of the Agenda:** There were no changes to the agenda.

4. Public Comment. President Fenn asked if there was any public comment. No members of the public wished to speak at this time.

5. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, August 7, 2017
- B. Approval of the Minutes of the Engineering Workshop, August 14, 2017

Director Stephenson made a motion, seconded by Director Lehtonen, to adopt the consent calendar as presented. President Fenn requested a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Ball absent.

6. Reports:

A. General Manager's Report:

(1) Operations Report: (a) Deliveries: General Manager Davis reported to the Board that the Agency has delivered 935 acre-feet so far this month.

(2) General Agency Updates: (a) California WaterFix: A number of additional lawsuits have been filed relating to the California WaterFix. **(b) Whitewater Flume:** USFS is requesting additional studies; PE's do not see the need. The USFS still wants the PE's to provide for in-stream releases; the PE's continue to stand firm on not giving up any additional water. **(c) Prop 1 Funding:** Sites Reservoir is officially on the list for Water Storage Investment Program (WSIP) Prop 1 Funding. It will take about nine months before it is known if the Sites Reservoir will be a recipient and for how much (1.6 billion was requested). **(d) Oroville Spillway:** Construction on the spillway is continuing at a rapid pace. The Federal Emergency Management Agency has sent \$22.8 million to the Department of Water Resources to help the state cover expenses related to debris removal and emergency protective measures. **(e) Audit:** The Agency's annual audit began today. The plan is to bring the audit to the Board for consideration in November.

B. General Counsel Report: General Counsel Jeff Ferré stated that he submitted a written report that was included in the agenda packet. He asked if the Board had any questions. There being none, President Fenn continued on to Directors Reports.

C. Directors' Reports: (1) Director Stephenson reported that he attended the YVWD Board meeting and that they are moving ahead with their own capacity fee.

YVWD is also implementing a reliability fee for the purchase of 7 acre-feet of water per EDU; a public hearing will take place on September 5th. General Manager Davis suggested that since the public hearing is being held on the same night as the Agency's Board meeting, the Board may want to consider changing the Agency's Board meeting date and/or time, as YVWD's General Manager Joe Zoba should attend the Agency's next Board meeting, as well as there may be some of the Agency's board members that would like to attend YVWD's public hearing. **(2) Director Duncan** reported on the Banning Chamber of Commerce Board meeting. Development that is slated for the south part of Banning was discussed. He also attended the Banning Unified School District meeting. **(3) President Fenn** reported on the Beaumont Chamber of Commerce Breakfast meeting; Senator Mike Morrell was the guest speaker.

7. New Business:

A. Consideration and Possible Action to Make Appointments to ACWA Committees: Material provided by ACWA was included in the agenda packet. General Manager Davis stated that ACWA has a number of volunteer committees. Any member of the Board (or staff) is welcome to submit an application should they desire to be considered for any of the committees. General Manager Davis currently serves on the Groundwater Committee and would like to serve again next year. He brought this item to the Board for their approval, as being on the committee requires travel time for the four meetings that are held each year. President Fenn asked if any Board members had any objection to General Manager Davis serving on the Groundwater Committee for another year. There being none, President Fenn and the Board were in agreement to allow General Manager Davis to reapply for the Groundwater Committee.

B. Election of ACWA Region 9 Board of Directors: Material provided by ACWA was included in the agenda packet. General Manager Davis stated that Director Castaldo did not make ACWA's Recommended Slate; however he is listed on Candidates for Board Members. The Board could pick from the Individual Board Candidate Nominations or they could choose from the Nominating Committee's Recommended Slate. Director Castaldo stated that due to other commitments he has decided to not run for ACWA's Board. Director Duncan moved, seconded by Director Stephenson, to support ACWA's Nominating Committee's recommended slate.

Roll Call:	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Ball absent.

C. Consideration and Possible Action on Support Letter for Brent Hastey for ACWA President: A letter from Brent Hastey of Yuba County Water Agency was included in the agenda packet. General Manager Davis stated that the current Vice-President is Brent Hastey, and because of this position he will become the next President. Mr. Hastey is asking for letters of support. The Agency is under no obligation to send a letter of support, as Brent Hastey will become the next ACWA President. Staff has no recommendation. President Fenn asked for a motion. There being none, no action was taken on this item.

D. Consideration and Possible Action on Ordinance 14, Changing the Time of the Board Meetings: President Fenn stated that he has received several communications from Director Ball. President Fenn asked the Board if there is a motion to table this item to a future board meeting; no motion was presented. President Fenn informed the Board that Director Ball requested that the email that he sent to all the Directors on August 21, 2017 be read verbally during today's meeting (the email was made available to the attending public), President Fenn read the email aloud. According to the email, Director Ball is opposed to changing the meeting times that were discussed at the August 14th Engineering workshop. An additional email from Director Ball was sent to President Fenn at 3:55 pm today, which President Fenn also read aloud. The contents of the email from Director Ball stated that he was out of town and was unable to attend the Board of Directors meeting this evening. Director Ball urged the Board to vote "no" on Ordinance 14 as found in agenda item 7D and to register his vote as "no", or to table the item. Director Castaldo made a motion to table item 7D. The motion failed due to a lack of a second. President Fenn and the attending Board of Directors each expressed their opinions on changing or not changing the Board meeting times to an early time of day. During discussion, it was stated by some of the board members and members of the public that attendance dropped since changing the 1:30 pm meeting time to 7:00 pm. It was also noted that 6:00 pm meeting times would interfere with board members being able to attend city council and water retailer meetings that were also held on Monday nights. Director Stephenson made a motion, seconded by Director Duncan, to amend the proposed ordinance to change the meeting times to 1:30 pm on Mondays. Director Lehtonen asked for a point of clarification from legal counsel, whether it is acceptable to make any changes to the proposed Ordinance 14. General Counsel Ferre stated that it is acceptable to make changes to the proposed Ordinance, and if approved it would become effective tonight. John Covington (BCVWD Board of Director) and Maxine Israel (Cabazon Water District Board of Director) spoke in favor of changing the Board meeting times to 1:30 pm; BCVWD General Manager Dan Jaggars was accepting of any time that the board voted on. Fran Flanders (Resident-Cherry Valley) spoke in favor of changing the time to 1:30 pm. Legal Counsel Ferre stated that the motion that was made and seconded is to adopt Ordinance 14 with the following changes: Regular Board meetings shall convene at 1:30 pm on the 1st and 3rd Monday of each month; Engineering workshops meetings shall convene at 1:30 pm on the 2nd Monday of each month; and the Finance and Budget workshops shall convene at 1:30 pm on the 4th Monday of each month. President Fenn asked for a roll call on the motion. Director Lehtonen asked for a point of clarification. He noted that Director Ball had stated in his email that he wanted to be recorded as a "no" vote on this issue. President Fenn stated that a written vote is not acceptable.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Ball absent.

President Fenn thanked the public for their attendance and expressed his appreciation on the water retailer comments.

E. Consideration and Possible Action to Authorize Purchase of New Agency Vehicle: A staff report was included in the Agenda packet. General Manager Davis stated that a new Agency vehicle was budgeted for this year. He explained to the Board why a new vehicle is necessary and the benefit of purchasing a vehicle during this time. President Fenn stated that the budget of \$37,000 is appropriate, since the vehicle would need to have four-wheel drive in order to get up into the hills. General Manager Davis stated that the current vehicle will be used for a trade-in, which would lessen the cost of the vehicle. Director Thompson made a motion, seconded by Director Lehtonen, to authorize staff to move forward with the purchase of a new vehicle.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Ball absent.

8. Topics for Future Agendas: (1) Director Castaldo requested that the Finance Committee discuss increasing the number of director paid meetings from the present number of five. (2) Director Stephenson requested discussion on what it would cost to bring the pipeline to Cabazon; discussion should include input from water retailers on the east end of the Agency's boundary.

9. Announcements:

- A. San Geronio Pass Regional Water Alliance, August 23, 2017
 - 1. Regular Meeting at 5:30 p.m. – Banning City Hall
- B. Finance and Budget Workshop, August 28, 2017 at 1:30 p.m.
- C. Office closed in observance of Labor Day, September 4, 2017
- D. Regular Board Meeting, **Tuesday**, September 5, 2017 at 1:30 p.m.

10. Closed Session (Two Items)

Time: 7:14 pm

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the South Mesa Water Company
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: David Armstrong, General Manager, South Mesa Water Company
Under negotiation: price and terms of payment
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights acquisition regarding Westlake Farms, Kings County APN's 036-070-007-000, 036-070-014-000, 036-070-004-000, 036-070-013-000
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Ceil Howe
Under negotiation: Price and terms of payment

The meeting reconvened to open session at: Time: 8:15 pm

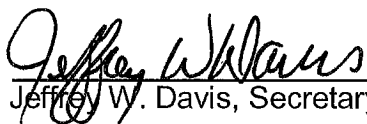
General Counsel Ferre reported that there was no reportable action on Item A. In regard to Item B, the Board took action to approve entering into a consulting agreement with Aqua Exchange for assistance with the potential water purchase. The approval was made subject to review and approval of the final version of the agreement by Staff and Legal Counsel in connection with the draft agreement and the relationship of this agreement and transaction to the agreement and transactions being performed by Provost & Pritchard.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion passed 6-0 with Director Ball absent.

11. Adjournment

Time: 8:15 pm



Jeffrey W. Davis, Secretary of the Board