

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
October 2, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director (arrived at 1:45pm, left at 3:27pm)
David Castaldo, Director
Stephen Lehtonen, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Thomas Todd, Finance Manager
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 1:30 p.m., October 2, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Thompson gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* There were no adjustments to the agenda. The Agenda was adopted as published.
3. **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 members of the public that wished to comment at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, September 18, 2017
 - B. Approval of the Minutes of the Finance and Budget Workshop, September 25, 2017
 - C. Approval of the Finance and Budget Workshop Report, September 25, 2017
 - D. Acceptance of August 2017 Bank Reconciliation

Director Stephenson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Motion passed 6-0, with Director Ball absent. Director Lehtonen asked that item 4D be reviewed separately, as this item had not been reviewed at the September 25th Finance and Budget Workshop. President Fenn agreed with Director Lehtonen's request, and asked that item 4D be approved separately. Director Stephenson amended his motion to reflect

approval of items 4A, 4B and 4C. Director Duncan seconded the motion. Motion passed 6-0, with Director Ball absent.

D. Acceptance of August 2017 Bank Reconciliation

President Fenn turned the discussion on this item over to Director Stephenson. Director Stephenson stated that at the September 25, 2017 Finance and Budget Workshop the deposit summary portion of the August 2017 Bank Reconciliation was not available for review. Director Stephenson turned the discussion over to Finance Manager Thomas Todd. Mr. Todd reviewed the August 2017 Bank Reconciliation and deposit summary with the Board. Director Duncan made a motion, seconded by Director Lehtonen, to approve item 4D. Motion passed 6-0, with Director Ball absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency delivered a total of 1387 acre-feet to the Noble Creek Connection, for the month of September; an average of 23 CFS.

(2) General Agency Updates: (a) DWR: The State of California Department of Water Resources has a new Director, Grant Davis. Director Grant Davis, is a strong supporter of the California Water Fix. **(b) Lake Oroville Spillway Ceremony:** Director Grant Davis (DWR) wants to have a ceremony on Wednesday, November 1st for meeting the deadline of the repairs for the spillway. He has invited all general managers and board of directors of State Water Contractors to attend. General Manager Davis will be attending and welcomed any board member to attend with him. **(c) Yucaipa Valley Water District – Capacity Fee:** YVWD will be implementing its own Capacity Fee. Resolution No. 2017-23 was adopted by its Board on September 19th, after a public hearing. The Resolution establishes the methodology to calculate and the collection of facility capacity charges related to the purchase of water resources from new development within the boundary of the SGPWA and the City of Calimesa. **(d) San Bernardino Valley Municipal Water District – Surplus Water:** Negotiations to receive a portion of SBVMWD's surplus water has been ongoing for several years. SBVMWD staff will be presenting a draft agreement to its Board next week. The Agency Board had approved the principles of the agreement at a workshop last year. The Agency's Board will be reviewing the agreement at either the October 16th or the November 6th Board meeting for final approval. **(e) Agency's Information Technology:** Board members will be receiving an Agency email account within the next couple of months.

B. General Counsel Report: General Counsel Jeff Ferre referred the Board to his written report that was attached to the agenda packet.

C. Directors Reports: (1) Director Stephenson reported on the Yucaipa Valley Water District meeting that he attended on September 26th. **(2) Director Thompson** reported on the SGPWA meeting that he attended on September 27th. He stated

that General Manager Davis gave an update on the funding options for the Nickel water purchase and other potential water supply acquisitions. During the meeting Dan Jaggars (YVWD) stated that manager's meetings and combined board meetings are critical in developing a master plan for the region, which Director Thompson stated that he supports. He stated that the Alliance has requested that all local general managers be present for the November 29th meeting to discuss future water deals; the meeting will take place at 5:00pm. The December meeting has been canceled. **(3) Director Castaldo** reported that he had attended the YVWD Board meeting. He commented on its Board decision to obtain only permanent water rights through its capacity fee. **(4) President Fenn** reported on the September 27th SGPRWA meeting. He reiterated what General Manager Davis had reported at the meeting, that long-term leases will most likely be available and not permanent water rights. He also attended the Riverside County Water Task Force on September 22nd; speakers were Executive Officer Hope Smythe of the Santa Ana Regional Water Quality Control Board and E. Joaquin Esquivel of the State Water Resources Control Board. General Manager Davis commented that the next SGPRWA is scheduled to take place during one of the ACWA Conference days. He stated that he would attend the SGPRWA meeting, as requested.

6. New Business:

A. Presentation on California WaterFix: A staff report and a copy of the PowerPoint presentation were included in the agenda packet. General Manager Davis commented that he had not had the opportunity to provide a formal presentation of the California WaterFix for the past couple of years, although he has consistently informed the Board on its ongoing progress. During the presentation, General Manager Davis reviewed the benefits to the agency, and potential costs to the Agency. He noted that the cost of the water fix is negligible to the Agency in comparison with its benefits.

B. Consideration and Possible Action on Resolution 2017-14 Regarding Support of the California WaterFix: A staff report and Resolution No. 2017-14 were included in the agenda packet. General Manager Davis stated that the purpose of this proposed Board action is to consider a Resolution that states the Agency is in support of the California WaterFix. General Manager Davis read the Resolution and went into detail on the cost share to the Agency. After discussion, a motion was made by Director Castaldo, seconded by Director Duncan, to adopt Resolution 2017-14 as presented. Motion passed 7-0.

D. Discussion and Possible Action regarding Changing the Number of Paid Meetings for Board Members: A staff report, a copy of Ordinance 7, and related material were included in the Agenda packet. President Fenn stated that he was not at the last meeting when this item was discussed, but did get an update. General Counsel Ferre stated that Staff will need direction from the Board as to whether the Board would like to add or change the number of meetings. Legal Counsel Ferre clarified with the Board the types of meetings that Board members would be paid for. After discussion, Director Ball made a motion to keep in place the current Ordinance allowing a maximum of five meetings per month. The motion failed for lack of a

second. President Fenn made a motion, seconded by Director Stephenson, to increase the maximum number of paid meetings from five to eight. Further discussion took place pertaining to the purpose of increasing the number of paid meetings. Legal Counsel Ferre clarified with the Board that the motion is to direct Staff to set the Public Hearing pertaining to a draft Ordinance, changing the number of maximum paid meetings from five to eight, if the current motion passes. President Fenn stated that was his motion, which was seconded by Director Stephenson. President Fenn requested a roll call vote on the motion.

| <u>Roll Call:</u> | <i>Aye</i> | <i>Noes</i> | <i>Absent</i> | <i>Abstain</i> |
|--------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Director Thompson | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Duncan | <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 Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Ball | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Stephenson | <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 5-2.

7. Topics for Future Agendas: There were no requests made.

8. Announcements:

- A. Engineering Workshop October 9, 2017 at 1:30 p.m.
- B. Regular Board Meeting, October 16, 2017 at 1:30 p.m.
- C. Finance and Budget Workshop October 23, 2017 at 1:30 p.m.

9. Closed Session (Two Items)

Time: 3:27 p.m.

- 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/supplies offers from the Priest Valley
 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: 4:23 pm

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

10. Adjournment

Time: 4:23 pm



Jeffrey W. Davis, Secretary of the Board
cmr