

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Budget Workshop**  
**December 18, 2017**

**Directors Present:** David Fenn, President  
Ron Duncan, Vice President  
Lenny Stephenson, Treasurer  
Blair Ball, Director  
David Castaldo, Director  
Steve Lehtonen, Director  
Mike Thompson, Director

**Staff and Consultants Present:**  
Jeff Davis, General Manager  
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Treasurer Lenny Stephenson at 1:31 pm, December 18, 2017, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Director Lehtonen led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
  - A. Ratification of Paid Invoices and Monthly Payroll for November, 2017 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Castaldo, seconded by Director Duncan, to recommend that the Board ratify paid monthly invoices of \$1,032,761.09 and payroll of \$37,393.80 for the month of November, 2017, for a combined total of \$1,070,154.89. The motion passed 7 in favor, no opposed.
  - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board approve payment of the pending legal invoices for November, 2017. The motion passed 7 in favor, no opposed.
  - C. Review of November, 2017 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Lehtonen, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for November, 2017 as presented. The motion passed 7 in favor, no opposed.


- D. Review of Budget Report for November, 2017: After review and discussion, a motion was made by President Fenn, seconded by Director Castaldo, to recommend that the Board acknowledge receipt of the Budget Report for November, 2017. The motion passed 7 in favor, no opposed.
  - E. Discussion of Proposed Procurement Policy Revisions: General Manager Jeff Davis introduced the subject by reading the summary email from legal counsel, which divided the changes into categories of grammar, clarification, and update of legal provisions. General Manager Davis reviewed the categories briefly. After review and discussion, a motion was made by Director Duncan, seconded by Director Castaldo, to recommend that the Board approve the changes. The motion passed 7 in favor, no opposed.
  - F. Update on Expanded Noble Connection: General Manager Davis reviewed the process of expanding the Noble connection, and updated the Board on the current status. Because fiber cables that supply data and control signals to the connection must be updated, the Department of Water Resources must be included in the design and approval process. Even though the connection is established, an expansion requires the same process as building a new connection. This will slow down the process of completing the expanded connection. General Manager Davis contacted DWR for information to get the process started in early November, but has gotten no response from DWR to date. Also, on Friday, December 15, a leak was discovered. Further investigation on Monday morning, December 18, revealed a crack in the pipe. Instead of spending money to fix something that will be removed shortly, General Manager Davis is planning to use the temporary connection for a short time until approvals can be secured and construction can be completed.
  - G. Status of Director Email: Finance Manager Tom Todd gave a brief update on the progress of making Agency email addresses available to Board members. He will meet with the Agency IT consultant Tuesday, December 19, to discuss the next steps in the process of implementation.
5. **Announcements:** Director Stephenson referred to the announcements:
- A. The office will be closed December 22, 2017 in observance of Christmas Eve.
  - B. The office will be closed December 25, 2017 in observance of Christmas Day.
  - C. The office will be closed December 29, 2017 in observance of New Year's Eve.
  - D. The office will be closed January 1, 2018 in observance of New Year's Day.
  - E. Regular Board Meeting, Tuesday, January 2, 2018, 1:30 pm
6. **Closed Session (1 Item) Time: 2:08 pm**
- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)  
Name of case: San Gorgonio Pass Water Agency vs. Beaumont Basin Watermaster Case No. RIC 1716346

**The workshop reconvened to open session at 3:11 pm.**

*Counsel announced that the Board had authorized him to file an appeal in the case of San Gorgonio Pass Water Agency vs. Beaumont Basin Watermaster,*

*Case No. RIC 1716346*

- 7. Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 3:12 pm.

  
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Jeffrey W. Davis, Secretary of the Board