

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
January 16, 2018

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

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Stiff, 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., January 16, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Duncan 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 that are not on today's agenda. 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, January 2, 2018
 - B. Approval of the Minutes of the Engineering Workshop, January 8, 2018

President Fenn asked for a motion on the Consent Calendar. Director Stephenson made a motion, seconded by Director Castaldo, to adopt the consent calendar as presented. Motion passed 7-0.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency has delivered a total of 621 acre-feet to the Noble Creek Connection, so far this month. General Manager Davis reported to the Board the total amount of SWP water delivered in 2017. A grand total of 15,860 acre-feet were delivered, this is a new record for the Agency. The Agency has carryover water of about 4200 acre-feet.

(2) General Agency Updates: General Manager Davis reported on the following: **(a). Department of Water Resources Announcement:** Karla Nemeth was appointed to serve as Director of DWR. Director Nemeth succeeds Grant Davis, who is returning to Sonoma County Water Agency to serve as General Manager. **(b). Oroville Spillway:** The final forensic report on the Oroville Spillway has been released. The key point, which was stated by the forensic team, is that they would not have necessarily have done anything differently. **(c) Audit Report Recommendation:** The Agency's Auditor had recommended dual custody on electronic transactions. Pursuant to the Board's direction, staff met with a Wells Fargo representative to instruct them to implement the dual custody requirement. **(d) Beaumont Basin Watermaster (BBW):** BBW hired Hydrogeologist Thomas Harder to provide a Groundwater Model for Analyzing Basin Losses. According to Mr. Harder the draft study will be presented to the Beaumont Basin Watermaster during the February 7th meeting. **(e) Noble Expansion:** DWR gave the Agency approval to move forward. The two existing vaults will need to be replaced with new ones to allow for the 24-inch valve and meter. **(f) Board Emails:** Staff is working on the final steps for the emails. Board members will need to meet with staff on an individual basis to review the Agency's emailing procedure and how to gain access to their email accounts.

B. General Counsel Report: General Counsel Jeff Ferre provided a written report on SB 45 – pertaining to additional restrictions on mass mailings.

C. Directors Reports: **(1) Director Stephenson** reported on the South Mesa Board meeting that he attended on January 10th. **(2) Director Duncan** reported on the BCVWD Board meeting he attended on January 10th. **(3) President Fenn** reported on the BCVWD Board meeting he attended on January 10th. **(4) Director Lehtonen** reported on the City of Banning Council meeting that he attended on December 26th.

6. New Business:

A. Consideration and Possible Action to Award Consulting Contract for Water Rate Study to David Taussig & Associates (DTA): A staff report and a copy of the Scope of Work from DTA were included in the agenda packet. General Manager Davis stated that the topic of increasing the water rate was discussed with the Board at a number of different Board meetings; December 11th Engineering workshop was the last time this subject was discussed. At the Engineering workshop the Board directed staff to obtain a proposal for consideration of a nexus study for the purpose of developing a new water rate. The Board recognized that a number of new water deals that the Agency has entered into require additional revenues and expressed a desire to explore the possibility of including those costs in a new water rate. DTA has previously developed rate studies for the Agency. The proposal provided in the agenda packet includes attendance at up to five meetings. One or more of the meetings would be for DTA to present the preliminary and final report to stakeholders at workshops or public meetings. The time involved could be up to six months. The contract amount for the nexus study is \$40k; however it is possible that the Board

may make requests that are not included in the Scope of Work, which would incur additional costs. After discussion, Director Thompson made a motion, seconded by Director Duncan, authorizing staff to contract with DTA to perform a water rate nexus study and to begin work on adoption of a new water rate.

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

8. Announcements:

- A. Finance and Budget Workshop, January 22, 2018 at 1:30 p.m.
- B. San Geronio Pass Regional Water Alliance, January 24, 2018 at 5:00 p.m. – Banning City Hall
- C. Regular Board Meeting, February 5, 2018 at 1:30 p.m.
- D. Engineering Workshop, February 12, 2018 at 1:30 p.m.

9. Closed Session (One Item) Time: 2:22 p.m.

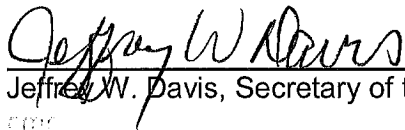
- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9
One potential case

The meeting reconvened to open session at: Time: 3:12 pm

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

10. Adjournment

Time: 3:13 pm



Jeffrey W. Davis, Secretary of the Board