

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**

**Minutes of the**  
**Board of Directors Meeting**  
**February 5, 2018**

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

**Director(s) Absent:** Ron Duncan, Vice President

**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 David Fenn at 1:30 p.m., February 5, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Castaldo 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 being none the Agenda was adopted as presented.
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, January 16, 2018
  - B. Approval of the Minutes of the Finance & Budget Workshop, January 22, 2018
  - C. Approval of the Finance & Budget Report, January 22, 2018
  - D. Approval of the Minutes of the Special Board Meeting, January 29, 2018

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

**5. Reports:**

**A. General Manager's Report:**

**(1) Operations Report: (a) SWP Water Deliveries:** The Agency delivered 1204 acre-feet of Table A water to the Noble Creek Connection for month of January. **(b)** Pumping will be decreased from 24 hours a day to 18 hours per day in February. The purpose of the decrease is to reduce operating costs, as it is only a 20% Table A water allocation year at this time. **(c)** On January 29, DWR announced that it is increasing the allocation of 2018 State Water Project (SWP) water from 15% to 20%. **(d)** During the month of March there will be no water deliveries; this is due to the annual month

long maintenance. There was no shut down last year due to last year being a historical wet year. **(e) DWR** decided to keep Lake Oroville's water level low by moving water downstream to the San Luis Reservoir. Due to this action there is still a possibility of spilling occurring at San Luis Reservoir this year and the Agency losing some of its carryover water.

**(2) General Agency Updates:** **(a) Southern California Water Coalition (SCWC) Quarterly Luncheon:** General Manager Davis reported that he attended the SCWC Quarterly luncheon on January 19<sup>th</sup>, of which the Agency helped sponsor. The speaker at the event was Eileen Sobek, Executive Director of the State Water Resource Control Board. The event was well attended. **(b) Prop 1 Storage Projects:** General Manager Davis reported on the Prop 1 Public Benefit Ratios and how they relate to Sites Reservoir. The California Water Commission staff gave the Sites project a ratio rating of 0.4. Of the eleven projects that applied for funding – five received zeros and six received less than 1.0. There is a three week period to appeal. **(c) Managers Meeting:** General Manager Davis reported on the first Managers meeting that was held last week. The Managers agreed to meet on a bi-monthly basis; the next meeting is scheduled for March. **(d) Noble Connection Enlargement Update:** General Manager Davis referred the Board to correspondence that was in the agenda packet between DWR and the Agency. DWR needs to send the Agency an invoice, at which point the Agency will send a check and then design drawings for review. **(e) SGMA Update:** We won't find out about our grant proposals for San Geronio Pass sub-basin until the middle of this month. Once we hear about them we will call a meeting of the San Geronio Pass GSA. Yucaipa GSA met last week. San Tim GSA has met previously and it is anticipated that the next meeting will take place sometime this month. GSP's are due in 2022. **(f) Email Accounts:** All Directors now have email accounts and the email address will be provided on the Agency's website under each Director's bio. **(g) EBX II Grand Opening Event:** The event will take place on Thursday, February 22<sup>nd</sup> from 10:00 am 12:00 p.m. President Fenn will be asked to say a few words regarding what this facility means to our region. Two-hundred and twenty invites are being sent out. There will be media coverage. All Directors are encouraged to attend. **(h) Water Rate Study:** The Agency contracted with David Taussig and Associates to do a Water Rate Study. We would like to schedule an initial workshop to get input from the public and from retail water agencies. The first available date would be on Thursday, March 1. The Board was agreeable to the March 1<sup>st</sup> date and asked that the meeting be held in the evening.

**B. General Counsel Report:** General Counsel Ferre deferred from reporting.

**C. Directors Reports:**

**(1) Director Stephenson** reported that he attended the SCWC luncheon that was held on January 19<sup>th</sup>. He commented that he was able to network with colleagues which was beneficial. **(2) President Fenn** reported on the SCWC luncheon that he attended on January 19<sup>th</sup>. He noted that the CalWater Fix hearings will be held four days a week until May. **(3) Director Ball** reported on the Beaumont Cherry Valley Water District workshop that was held on February 1<sup>st</sup>.

**6. New Business:**

**A. Consideration of Acceptance of 2016 Water Conditions Report:** A staff report and the 2016 Report on Water Conditions were included in the agenda packet. General Manager Davis stated that staff reviewed the report with the Board in detail at the December Engineering workshop. General Manager Davis reviewed with the Board changes made to the report since the workshop. Director Stephenson made a motion, seconded by Director Lehtonen, to accept the 2016 Water Conditions Report as presented. Motion passed 6-0, with Director Duncan absent.

**B. Discussion of Possible Action of Proposed Budget Revisions:** A staff report and a copy of the Budget Revision for Board Approval #1-A were included in the agenda packet. The purpose of this proposed Board action is to approve a budget revision recommended by the Board at the January 22<sup>nd</sup> Finance and Budget workshop to transfer \$5,855,985 from the Debt Service Fund to the General Fund in this fiscal year. President Fenn asked the Board if it wishes to make a one-time transfer or to make transfers over a period of four years. Director Thompson made a motion, seconded by Director Lehtonen, approving a budget revision from the Debt Service Fund to the General Fund by making a one-time transfer of \$5,855,985. Motion passed 6-0, with Director Duncan absent.

**7. Topics for Future Agendas:** Director Ball requested that General Manager Dan Jagers (BCVWD) attended the Agency's February 20<sup>th</sup> Board. He requested that Mr. Jagers provide the Board with his Strategy to Secure and Fund Water Supply for the SGPWA to Ensure Sustainability to the Year 2050 presentation that he gave to the SGPRWA on January 24<sup>th</sup>. After discussion, the Board directed staff to provide Mr. Jagers PowerPoint slides and white papers in the February 12<sup>th</sup> Engineering workshop agenda packet, for informational purposes. A Special Meeting may be arranged at a later date for Mr. Jagers' presentation.

**8. Announcements:**

- A. Engineering Workshop, February 12, 2018 at 1:30 p.m.
- B. Office closed February 19, 2018 in observance of Presidents' Day
- C. Regular Board Meeting, **Tuesday**, February 20, 2018 at 1:30 p.m.
- D. Finance and Budget Workshop, February 26, 2018 at 1:30 p.m.

**9. Closed Session (3 Items)**

*President Fenn asked General Counsel Ferre if there will be any reportable action after Closed Session. General Counsel Ferre did not anticipate any reportable action. President Fenn called the **Closed Session at: 2:04 p.m.***

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Pursuant to Government Code section 54956.8  
Property: Potential water rights/supplies offers from the City of Ventura  
Agency negotiator: Jeff Davis, General Manager  
Negotiating parties: Lynn Takaichi  
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 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

**C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

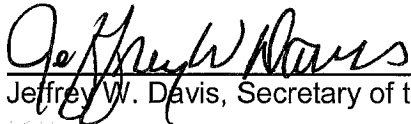
One potential case

**The meeting reconvened to open session at: 3:56 pm**

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

**10. Adjournment**

***President Fenn adjourned the meeting at: 3:56 pm***



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Jeffrey W. Davis, Secretary of the Board