

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
November 5, 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
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., November 5, 2018, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Ball 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, October 15, 2018
 - C. Approval of the Minutes of the Finance and Budget Workshop, October 22, 2018
 - D. Approval of the Finance and Budget Workshop Report, October 22, 2018

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)** The Agency delivered 1178 acre-feet of Table A water to the Noble Creek Connection for the month of October. **b)** A shut-down is currently underway as SCE is working on a power pole that feeds Crafton Hills Pump Station. This was a scheduled shutdown and Crafton Hills Reservoir was filled in advance of the shutdown. **c)** The water year started October 1st 2018; initial Table A water allocation on December 1st will probably be 20% or below.

(2) General Agency Updates: **(a) Noble Creek EBX Enlargement:** (a) Six bids were received on October 31st. The Agency's Engineer's estimate was in the mid \$200ks, BCVWD's Engineer's estimate was in the high \$200ks. The apparent low bidder came in at \$433,000; the apparent highest bid was \$578,000. This was due primarily to tariffs on steel-related products and the fact that prevailing wages increased in August. BCVWD's board will meet on November 14th and will discuss if they will consent to the increased amount. **(b) Yucaipa GSA:** The members of the Yucaipa GSA voted to change the bylaws to allow no restrictions on alternate board members. Therefore, Director Stephenson will be allowed to attend and vote at any upcoming meetings. **(c) SGP GSA:** A website is being constructed, bylaws are being drafted, and a consultant is being hired to produce the GSP. **(d) Oroville Spillway:** DWR met its November 1st target for the main spillway repairs. Work is continuing on the emergency spillway. Funding for the repair work is being done through commercial paper. **(e) Sites:** During the last Sites meeting a vote was taken to change the beginning date of Phase 2 from February 14, 2018 to April 1, 2018. **(f) SWC Communication Outreach:** The SWC has initiated an outreach program for state legislators. This was prompted by a number of legislators and their staff knowing very little about the SWP. **(g) California Water Regulations:** The Trump administration had put out a memo a couple of weeks ago pertaining to easing water regulations in California. A few of our board members had previously asked if this memo would have any impact. General Manager Davis stated that it would not have an impact on the SWP. **(h) State Water Resources Control Board Meeting:** on November 7th the State Water Resource Control Board will be taking a vote on its plan for the Lower San Joaquin River flow objectives for the protection of fish and wildlife. **(i) DWR Delta Plan Hearing - California WaterFix Consistency:** DWR had formally issued a Certification of Consistency for the California WaterFix. The California WaterFix is consistent with the co-equal goals identified in the Delta Reform Act and all applicable Delta Plan policies. This was challenged and has gone through an appeal process. The final decision will be made by the Delta Stewardship Council in December. **(j) Managers Meeting:** Two key members were not able to attend the last meeting. More discussion from the managers is preferred before scheduling the next Water Rate workshop. The next managers meeting is scheduled to take place the later part of November. Due to scheduling and upcoming holidays General Manager Davis asked the Board when they would like to schedule the next Water Rate Workshop. It was the consensus of the Board to hold the discussion on the water rate during the January 14th Engineering workshop. **(k) General Counsel Russ Behrens:** General Manager Davis announced that Russell Behrens passed away on Friday, November 2, 2018. He was the Agency's General Counsel prior to Jeff Ferre for many years.

B. General Counsel Report: General Counsel Ferre stated that Russell G. Behrens practiced law for over fifty years. Russ formerly served as lead general counsel to three regional wholesale water agencies: San Geronio Pass Water Agency (1989), Municipal Water District of Orange County (1969), and Castaic Lake Water Agency (2003). He was a partner at Best Best & Krieger LLP's Environmental Law & Natural

Resources and Special Districts practice groups since 2012. Before joining BB&K, Russell was a principal in the firm of Kidman, Behrens & Tague (formerly McCormick, Kidman & Behrens) in Costa Mesa.

B. Directors' Report: 1) **Director Thompson** reported that he attended the SGPRWA meeting that was held on October 24, 2018. 2) **President Fenn** reported on the SGPRWA meeting. A presentation was provided by Ron Rovanseck, a Design Engineer for the Atwell home development project located in Banning off of Highland Springs Avenue. He explained how the project will include stormwater capture.

C. Committee Reports: 1) **President Fenn** requested that the chairmen of each committee be prepared to provide a written report on the status of each of their committees, in the event that reassignments of committee chairs takes place in the beginning of the year.

6. New Business:

A. Discussion on "Management Discussion and Analysis" Portion of Audit: A staff report and a copy of the Agency's Financial Statements and Supplementary Information with Independent Auditor's Report for the Years Ended June 30, 2018 and 2017 were included in the agenda packet. President Fenn asked the Board if they had any questions. Director Ball referred staff to the statement in the document that states: "Deliveries to retailers in FY 2017-18 totaled 14,451 AF, and included deliveries to YVWD through facilities jointly owned and operated with the SBVMWD. Even though the Agency's allocation was significantly less than last year, water purchased from other sources allowed the Agency to meet retailers' requests for this fiscal year". General Manager Davis stated that technically this is a mis-statement; retailers do not do requests for fiscal years, they do their requests for calendar years. We were able to meet the retailers' requests for calendar year 2017. Discussion on this item concluded.

B. Consideration of 2017-2018 Annual Audit: A staff report and a copy of the Agency's Financial Statements and Supplementary Information with Independent Auditor's Report for the Years Ended June 30, 2018 and 2017 were included in the agenda packet. Director Ball had questions pertaining to OPEB and CalPers benefits. Both Financial Manager Thomas Todd and Auditor Eden Casareno (Eadie & Payne) answered Director Ball's questions. Director Stephenson made a motion, seconded by Director Duncan, to accept the 2017-2018 Audit as presented. Motion passed 7-0.

C. Consideration of and Possible Action on Assignment of Municipal Water Quality Investigations (MWQI) to State Water Contractors: A staff report and a copy of the Assignment of SWP Contractors Authority MWQI Program Specific Project Agreement to State Water Contractors were included in the agenda packet. There are two proposed Board actions, of which the Board will need to vote on each separately. The first is an agreement among the members of the SWPCA to assign the MWQI program to the SWC Inc., of which the Agency is also a member. Director Duncan made a motion, seconded by Director Stephenson, to assign the SWPC MWWI program to the SWC. Motion passed 7-0.

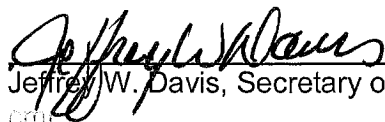
D. Consideration of and Possible Action on Amendment No. 1 to Municipal Water Quality Investigations (MWQI) Agreement: A staff report and a copy of the Assignment of SWP Contractors Authority MWQI Program Specific Project Agreement to State Water Contractors were included in the agenda packet. This action is to amend the MWQI agreement between DWR and the members of the MWQI SPC by assigning the MWQI program to SWC. Director Castaldo made a motion, seconded by Director Duncan to approve Amendment No. 1 of the MWQI Agreement between DWR and SWPCA to assign the MWQI program to the SWC. Motion passed 7-0.

7. Topics for Future Agendas: None.

8. Announcements:

- A. Water Conservation and Education Workshop, November 8, 2018 at 1:30 p.m.
- B. Office closed November 12, 2018 in observance of Veterans' Day
- C. Engineering Workshop, **Tuesday**, November 13, 2018 at 1:30 p.m.
- D. Regular Board Meeting, November 19, 2018 at 1:30 p.m.

9. Adjournment: *President Fenn adjourned the meeting at: 2:24 p.m.*



Jeffrey W. Davis, Secretary of the Board

CRH