

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 19, 2019

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Stephen Lehtonen, Treasurer
Blair Ball, Director (left at 3:00)
David Fenn, Director
David Castaldo, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager

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 Duncan at 1:30 p.m., February 19, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Thompson gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.
3. **Public Comment:** *President Duncan 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.* Lonnie Granlund, Director for the Yucaipa Valley Water District, speaking on behalf of the YVWD Board of Directors, read a statement suggesting a series of meetings between Agency staff, SBVMWD staff, and YVWD staff to discuss improving operational efficiencies among the three entities and to explore better ways to serve common customers. Paul Kielhold, Director for the San Bernardino Valley MWD, spoke in response to Ms. Granlund's comments and offered any support his Board could provide to the process, indicating that he values good relationships with other public agencies. He mentioned that the three parties may wish to hold a joint board meeting at the end of the process. There were no other members of the public that wished to comment at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Engineering Workshop, January 14, 2019
 - B. Approval of the Minutes of the Regular Board Meeting, January 22, 2019
 - C. Approval of the Minutes of the Finance and Budget – Water Rate Workshop, January 28, 2019
 - D. Approval of the Minutes of the Engineering Workshop, February 11, 2019

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

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported that the Agency is currently not delivering any water due to a shutdown of the East Branch Extension to replace leaky discharge valves at Crafton Hills Pump Station.

(2) California Water Fix Update: General Manager Davis updated the Board on Governor Newsom's decision to downsize the project to a single tunnel. This leaves many questions to answer, including the capacity of the single tunnel, whether the Central Valley Project contractors will participate, and how to handle the CEQA/NEPA document. He indicated that these questions will be answered in the months to come. He noted that the Department of Water Resources has indicated that this will lead to a 2-1/2 year delay in the planning phase of the project.

(3) Water Supply Report: General Manager Davis reported on the snowpack in the Sierras, precipitation in northern California, and storage in Lake Oroville using graphs from the DWR website that were made available to the Board members and the public. He noted that water in San Luis Reservoir will begin to be reclassified starting this week, possibly causing the Agency (and others) to lose carryover water. He informed the Board that he is working on a possible water deal to save some or all of the water that could potentially be lost. Having the EBX shut down makes it more difficult for the Agency to take advantage of Article 21 water at this time. He indicated that it is very unusual for this to happen with a 15% allocation, which is why many Contractors were taken by surprise by this action. It is due to the extremely wet February, he added.

(3) General Agency Updates: General Manager Davis reported on the following:

- a. At a meeting of the retail managers last week, support was shown for a possible Agency capacity fee, but it could take much of this year to adopt such a fee. With the DWR power cost up to \$331 per AF this year, the Agency may have to adopt a rate increase for 2019 just to deal with power costs, with a longer-term, more robust rate that could take into account the capacity fee not going into effect until 2020.
- b. An initial meeting of the Riverside County Special Districts Association is scheduled for this Thursday. He encouraged Board members who are able to attend.
- c. For Directors attending the ACWA conference in Monterey in May, hotel reservations should be made soon, as they sell out quickly.

B. Directors Reports:

1) Director Ball reported that he attended a BCVWD Board meeting and a YVWD workshop. **2) Director Lehtonen** reported that he attended the Watermaster meeting and the Beaumont Chamber of Commerce breakfast. **3) Director Stephenson** reported that he attended two YVWD workshops, a YVWD board meeting, and a YVWD strategic planning workshop. He also attended South Mesa Water Company's board meeting. **4) Director Fenn** reported that

he also attended the Watermaster meeting. **5) Director Thompson** reported that he, too, attended the Watermaster meeting. **6) President Duncan** reported that he attended several of the meetings already mentioned, including the BCVWD Board meeting, the Beaumont Chamber breakfast, and the Watermaster meeting.

C. Committee Reports: No committees reported having met since the previous Board meeting.

6. New Business:

A. Consideration and Possible Action of Sponsoring an Event Honoring Former General Manager Steve Stockton. A staff report, letter from the Los Angeles Section of American Society of Civil Engineers, sponsorship information, and two possible ads were included in the agenda package. General Manager Davis explained that the Los Angeles Section is awarding Life Memberships, an annual event, at a lunch on March 2 and Steve Stockton will be among those honored. The Agency was invited to buy up to one full page in the event program as a congratulatory message to Mr. Stockton, at a cost not to exceed \$200. Director Ball moved, seconded by Director Thompson, to sponsor a full page ad congratulating Mr. Stockton for \$200. The motion passed 7-0.

B. Consideration of Acceptance of 2017 Water Conditions Report. A copy of the report and a staff report were included in the agenda package. General Manager Davis mentioned that the draft report was discussed in detail at the January Engineering workshop. The Board at that time had requested that a sentence be deleted from the report. General Manager Davis reported that the sentence had been deleted. Director Fenn moved, seconded by Director Thompson, to accept and file the 2017 Water Conditions Report. Motion Passed 7-0.

7. Topics for Future Agendas: **1.** Director Ball requested that staff report to the Board on power costs and how they have changed since 2003, and also to report on how the Agency has participated in Article 21 and Turnback Pool programs in the past. **2.** Director Thompson requested that staff bring back to the Board a briefing on the legality of de-annexation from the Agency.

8. Announcements:

- A. Finance and Budget Workshop, February 25, 2019 at 1:30 pm.
- B. San Geronio Pass Regional Water Alliance, February 27, 2019 at 5:00 p.m. – Banning City Hall
- C. Regular Board Meeting, March 4, 2019 at 1:30 pm.
- D. Engineering Workshop, March 11, 2019 at 1:30 p.m.

Director Castaldo inquired if a majority of the Agency Board attended the YVWD Community meeting would that create a Brown Act violation. General Counsel Ferre stated that if the meeting was properly noticed as a Brown Act meeting by YVWD, then Director Castaldo could speak during the public comment portion of the meeting, but a majority of the Agency Board could not discuss the meeting topic among themselves.

9. Closed Session (2 Items)

Time: 2:27 p.m.

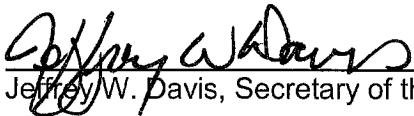
- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the City of Ventura
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Lynn Takaichi
Under negotiation: price and terms of payment
- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies
Agency Negotiator: Jeff Davis, General Manager
Negotiating Parties: Ron Gastelum
Under Negotiation: price and terms of payment

The meeting reconvened to open session at: Time: 3:20 pm

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

10. Adjournment

Time: 3:20 pm



Jeffrey W. Davis, Secretary of the Board

cmf