

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
March 18, 2019

Directors Present: Lenny Stephenson, Vice President
Stephen Lehtonen, Treasurer
Blair Ball, Director
David Fenn, Director

Directors Absent: Ron Duncan, President
David Castaldo, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, Legal 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 Vice President Stephenson at 1:30 p.m., March 18, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Vice President Stephenson led the Pledge of Allegiance to the flag. Director Fenn gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *Vice President Stephenson asked if there were any adjustments to the agenda. There being none the agenda was adopted as published.*
3. **Public Comment:** *Vice President Stephenson 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. Dan Jagers (General Manager – BCVWD) stated that he wished to speak during items 6A and 6B. 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 Regular Board Meeting, March 4, 2019
 - B. Approval of the Minutes of the Engineering Workshop, March 11, 2019

Vice President Stephenson asked for a motion on the Consent Calendar. Director Lehtonen made a motion, seconded by Director Fenn, to adopt the consent calendar. Motion passed 4-0, with Directors Castaldo, Thompson and President Duncan absent.

5. **Reports:**
 - A. **General Manager's Report:**
 - (1) **Operations Report:** General Manager Davis reported that the Agency has delivered a total of 526 acre-feet to the Noble Creek Connection, so far this month.

(2) Water Supply Report: General Manager Davis stated that there were no graphs this week. He mentioned that the precipitation numbers are less than 2017, however the snowpack numbers are relatively close to where they were IN 2017. Lake Oroville is above its average for this date. He anticipates an increase in our allocation sometime this week. The state is officially out of drought everywhere for the first time since 2011.

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

- a. Social Media: Board members were requested that in addition to liking posts to also share Agency's posts.
- b. Oroville FEMA: FEMA has approved another \$200 million or so in reimbursements, but there is still about \$300 million they have not approved, which means Contractors may have to pay. DWR is aggressively appealing this decision.
- c. Managers Meeting Summary: Two retail managers were present during the meeting and one on the phone. Talked about possible ways of funding Nickel water, reviewed conceptual capacity fee with the managers without going into detail.
- d. Construction Update: Fiesta project: Fencing is going up, however some additional grading is needed. Mountain View connection site: SCE is scheduled to do the inspection so they can turn on the power. Noble Creek site: Two new vaults have been set. Director Ball inquired about how water was delivered while the vaults were being set. General Manager Davis stated that a temporary connection was used. Director Ball requested to further discuss whether to leave the temporary connection in place at a future meeting.
- e. Voluntary Settlement Agreements (Bay Delta Watershed): This is pertaining to flow criteria. The newly elected Governor and the new State Water Resources Control Board are embracing the voluntary agreements. Water Districts, Non-Governmental, and State Agencies met a March 1st deadline to propose a voluntary agreement. The State Board embraced it and asked to move forward. Many people are working very hard to make this happen so that we don't have to deal with flow criteria alone in the Central Valley.

B. General Counsel Report: General Counsel Ferre provided a written report on the Nasdaq Veles California Water Index. He had nothing further to report.

C. Directors Reports:

1) **Director Ball** reported that he attended a BCVWD Board meeting. 2) **Director Lehtonen** reported that he attended the BCVWD Board meeting. 3) **Director Stephenson** reported that he attended YVWD workshop on March 12th.

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

6. New Business:

A. Discussion of Draft Strategic Plan. A staff report and a copy of the Draft SGPWA Strategic Plan dated March 2019 were included in the agenda package. Vice President Stephenson asked that due to there being three of the seven board members absent that this item be moved to a future Board meeting. After discussion, it was the consensus of the Board to move this to a future Board meeting.

B. Consideration and Possible Action on Agreement with DTA to Perform a Capacity Fee Nexus Study. A staff report and a copy of DTA's Agreement for Consulting Services were included in the agenda package. Director Ball stated that DTA's fee includes nine meetings; the cost is not to exceed \$60,000. Vice President Stephenson stated there has been some encouragement from our water retailers to move forward with the capacity fee. The previous nexus study was done in 2011. Therefore a nexus study is needed in order to know what the expected growth is. Vice President Stephenson moved, seconded by Director Thompson, to award a contract to DTA, under terms acceptable to the General Counsel, to develop a capacity fee nexus study for the Agency at a cost not to exceed \$57,500. Motion passed 4-0, with Directors Castaldo, Thompson and President Duncan absent.

C. Consideration and Possible Action in Support of Al Lopez of WMWD for ACWA JPIA Executive Committee: Vice President Stephenson informed the Board that no action is needed, however if the Board wished to support Mr. Lopez it would need to do so in the form of a resolution and submitted by March 22nd. Director Ball informed the Board that he will be voting no. Director Lehtonen would be in favor because ACWA is now utilizing a captive insurance and it would be good to have someone local to talk should the Board have any questions. Director Fenn was not in favor as he had no relationship with Mr. Lopez. No action was taken on this item.

7. Topics for Future Agendas: 1. Director Fenn requested an update on the repayment of the bonds. General Manager Davis reported that Finance Manager Todd did speak to DWR pertaining to this subject matter. Finance Manager Todd reported that DWR did in fact receive his email and it is being looked into.

8. Announcements:

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

9. Adjournment

Time: 2:05 pm



Jeffrey W. Davis, Secretary of the Board