

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
April 15, 2019

Directors Present: Ron Duncan, President (arrived at 1:49)
Lenny Stephenson, Vice President
Stephen Lehtonen, Treasurer
Blair Ball, Director
David Fenn, Director
David Castaldo, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Cheryle Stiff, Executive Assistant
Jeff Ferre, General Counsel

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., April 15, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Vice President Stephenson led the Pledge of Allegiance to the flag. Director Thompson 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.* General Manager Davis requested that item 6B move ahead of item 6A. There being no objection by the Board the agenda was adopted as amended.
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 the April 1, 2019 Board meeting agenda listed two closed session items relating to water right/supplies and a potential water exchange; along with a rate activity with scheduled sales of 15k acre-feet. He stated that last week he had asked General Manager Davis for an update on water conditions for 2019, and what we might anticipate with the loss of the 4k acre-feet in San Luis Reservoir. Mr. Jagers remarked that he has yet to receive this information; adding that it is needed for financial planning for the year. 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, April 1, 2019
 - B. Approval of the Minutes of the Engineering Workshop, April 8, 2019

Vice President Stephenson asked for a motion on the Consent Calendar. Director Thompson made a motion, seconded by Director Lehtonen, to adopt the consent calendar. Motion passed 6-0, President Duncan not yet arrived.

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported that the Agency has delivered 545 acre-feet of water to Noble Creek ponds so far this month. The delivery rate was changed from 10 cfs to 20 cfs, beginning April 1st.

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

- a. This Thursday there are two events going on virtually simultaneously:
 - i. Riverside County Special Districts meeting with Jeff Hewitt at BCV Parks and Rec District from 11:00 to 12:30. RSVP deadline is today.
 - ii. SGP MAC meeting in our Board room at noon. Jeff Hewitt is also going to attend this meeting. No RSVP required.
- b. Construction has just begun on a new dental office next door. They have asked to use our parking lot for overflow and handicap parking while they are under construction. Permission was given and we informed them that during board meetings, parking may be harder to find. Construction is to continue through January 2020.
- c. Legislative update.
 - i. AB 1194 (Frazier) to increase membership on Delta Stewardship Council to 11 with a majority of them from the Delta—failed in committee.
 - ii. SB 69 (Weiner)—comprehensive fish restoration bill. Substantially amended in committee to remove one of three issues of concern to the Contractors. This related to imposing requirements at Thermalito Afterbay outside of the FERC process. The other two items are fish related science activities that would have to be funded by the Contractors. We are working with the proponents on these issues.
 - iii. SB 1 (Atkins) would roll back regulations to before Trump became President and would likely kill voluntary agreements. This was heard in committee and we did a good job articulating our concerns specifically related to impacts to the SWP. No specific action yet.

B. Directors Reports:

1) Director Fenn informed the Board that that San Geronio Pass Regional Water Alliance will meet next Wednesday at 5:00 p.m., at Banning City Hall. He informed the Board that he has acted as the Alliance Chair for almost a year. The Alliance is seeking candidates to assume the Chair and Co-Chair positions; it is preferable that candidates are elected officials. **2) Vice President Stephenson** reported that he attended South Mesa Water Company's Board meeting on April 3rd. He also reported that he attended YVWD's workshop on April 9th.

C. Committee Reports: Director Fenn stated that his committee report will be discussed during agenda item 9. No other committees reported having met since the previous Board meeting.

6. New Business:

B. Consideration and Possible Action on Inland Solar Challenge Sponsorship. A copy of the staff report was included in the agenda package. Jennifer Ares, past Chair of the Inland Solar Challenge, introduced this year's Chair Janett Robledo (East Valley Water District) and Co-Chair Devin Arciniega (San Bernardino Municipal Water Department). Ms. Robledo thanked the Board on its support for prior years. She presented a detailed explanation on the 2019 Inland Solar Challenge student activities and presentations, which includes a newly added water conservation component. The number of student participation is anticipated to be over 200. She explained that the process of a 501 (c) (3) was still ongoing, but they anticipate that one will be acquired prior to the 2020 event. They encouraged Board members to participate as judges again this year. Ms. Robledo and Ms. Arciniega received suggestions and answered questions from the Board. After discussion, Director Thompson made a motion, seconded by President Duncan, to sponsor the 2019 Inland Solar Challenge for the amount of \$4,000. Motion Passed 6-1; with Director Ball voting no.

A. Consideration and Possible Action on Resolution 2019-02, Setting a Water Rate. A staff report, Water Rate information sheet dated April 15, 2019, and Resolution No. 2019-02 were included in the agenda package. General Manager Davis explained that the staff report summarizes the activities of the Board on this issue for the last 15 months. At the last workshop the Board agreed that some action would need to be taken sometime this year to increase the water rate, which has not been increased since 2009. The Board directed Staff to return with two options for a water rate increase, one of which would exclude the cost of Nickel water for this year, and the other rate that would recover 50% of the Nickel water for this year. General Manager Davis reviewed with the Board the water rate Information sheet that was included in the agenda packet. He responded to the Board's questions on the water rate information sheet. It was noted that an increase is needed as the Agency has used approximately \$4 million in general fund reserves over the past two years to pay for Nickel water; this is not sustainable in the long term. It was also noted that had a capacity fee been implemented the water rate increase would be lower than what was presented today. General Manager Dan Jagers (BCVWD) and General Manager Joe Zoba (YVWD) spoke in opposition of the water rate increase and objected to both options. Director Stephenson moved, seconded by Director Ball, to adopt Resolution 2019-02 with Option 1 which includes recovery of 50% of Nickel Water Costs for 2019, and which results in an increased Water Rate of \$399 per acre-feet, effective May 1, 2019. After discussion President Duncan requested a roll call vote.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 5-2.

7. Topics for Future Agendas: **1.** Director Ball commented that it was reported during a previous Board meeting and today during public comment that the Agency had a loss of 4k acre-feet of water which was stored at the San Luis Reservoir. He asked that staff report back to the Board in a written and oral report to give all of the facts on how this occurred. He also requested any written documentation, emails, etc. from water retailers and DWR that showed an attempt was made to recover it, prior to losing it. **2.** Director Castaldo asked that staff report on the Agency's water retailer requisition process, as well as how other SWC process its water retailer requisitions. **3.** Director Thompson asked for a workshop on the 2020 retail water rate; to include how much funds have been collected for the \$33 up-to-date. Also, how much has been received from the 1% Riverside County tax from 2012 to date. **3.** Director Fenn asked to discuss Ordinance 8, as related to Director Castaldo's request.

8. Announcements:

- A. Finance and Budget Workshop, April 22, 2019 at 1:30 p.m.
- B. San Gorgonio Pass Regional Water Alliance, April 24, 2019 at 5:00 p.m. – Banning City Hall
- C. Regular Board Meeting, May 6, 2019 at 1:30 p.m.

9. Closed Session (1 Item)

Time: 3:22 p.m.

A. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957

Agency designated representative: Board President Ron Duncan

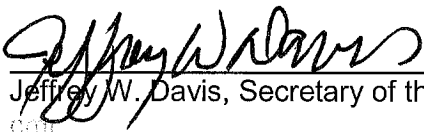
Unrepresented employee: General Manager

The meeting reconvened to open session at: Time: 4:20 pm

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

10. Adjournment

Time: 4:20 pm



Jeffrey W. Davis, Secretary of the Board

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