

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
December 9, 2019

Directors Present: Ron Duncan, President
Leonard Stephenson, Vice President
Blair Ball, Director
David Castaldo, Director
David Fenn, Director
Steve Lehtonen, Director
Mike Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Tom Todd, Finance Manager
Casmir Joy Olaivar, Intern

1. Call to Order, Flag Salute and Roll Call: The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Vice President Stephenson at 1:30 p.m., December 9, 2019 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Vice President Stephenson led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment: No members of the public wished to address the Board at this time.

3. Status Report on Delta Conveyance Facility Amendment Agreement in Principal (AIP): General Manager Davis notified the Board that the AIP that was developed through a series of negotiations over several months is now in doubt, as DWR has reconsidered the fact that not all Contractors are willing to sign it. He informed the Board that there will likely be additional negotiations and indicated that there are more questions than answers on this subject. It was the sense of the Board that members may be willing to compromise on the "beneficiary pays" principle if it were to mean that an AIP could be approved more quickly.

4. Discussion of Draft Agreement in Principal (AIP) for Water Management Tools Contract Amendment: A copy of the final draft of the AIP was included in the agenda package, and a copy of Notice To Contractors 17-11 was handed out to the Board and to members of the public. General Manager Davis reviewed the history of the contract amendment negotiations, including the fact that the original intent was to determine a cost allocation methodology for what was at the time known as the Cal Water Fix. He reviewed the water management sections of the AIP with the Board and expressed that this amendment, when approved, would provide additional water management tools to the Agency and all Contractors and would be a benefit to the Agency by making it easier to participate in water exchanges or transfers. He noted that attorneys are currently working on translating the AIP into contract language, and he expects the amendment to come to the Board for consideration in the first half of 2020.

5. Discussion of Grant Application on Behalf of South Mesa Water Company:

A brief staff report and grant application were included in the agenda package. General Manager Davis explained to the Board that South Mesa Water Company would like to apply for a grant to replace two water mains in County Line Road when it is repaved in 2020, and would like the Agency to apply for a grant to do the work as a pass-through for tax purposes. He explained that there is precedent for doing this, as the Water Replenishment District of Southern California applied for such a grant on behalf of the Maywood Mutual Water Company. South Mesa is asking for an agreement with the Agency to facilitate such application. General Counsel Ferre expressed some concerns related to the authority of the Agency to apply for such a grant and any costs the Agency would incur. The Board directed him to look into the situation. If his concerns are assuaged, it was the sense of the Board that the action should be brought to the Board for consideration in January. General Manager Dave Armstrong of South Mesa answered the Board's questions about the grant application.

6. Announcements:

- A. Water Conservation and Education Committee, December 12, 2019 at 1:30 pm
- B. Cancelled – Regular Board Meeting, December 16, 2019 at 1:30 pm
- C. Finance and Budget Workshop, December 16, 2019, 2019 at 1:30 pm
- D. Office closed December 24, 2019 in observance of Christmas Eve
- E. Office closed December 25, 2019 in observance of Christmas

7. Adjournment: Vice President Stephenson adjourned the meeting at 2:53 p.m.


Jeff Davis, Secretary to the Board

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