

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**January 6, 2020**

**Directors Present:** Ron Duncan, President  
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

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., January 6, 2020 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Stephenson gave the invocation. A quorum was present.
2. **Election of Board Officers:** President Duncan initiated the election process.
  - a. ***Nominations for Board President -***  
Director Castaldo nominated Ronald Duncan for another year as Board President; this nomination was seconded by Director Lehtonen. Hearing no other nominations, President Duncan requested a vote on the nomination of Ronald Duncan for Board President. Ronald Duncan was re-elected Board President by unanimous vote, 7-0.
  - b. ***Nominations for Vice President -***  
Director Lehtonen nominated Director Stephenson for Board Vice President; this nomination was seconded by President Duncan. Hearing no other nominations, President Duncan requested a vote on the nomination of Director Stephenson for Board Vice President. Leonard Stephenson was re-elected Board Vice President by unanimous vote, 7-0.
  - c. ***Nominations for Treasurer -***  
President Duncan called for nominations for Board Treasurer. Director Lehtonen nominated Michael Thompson for Board Treasurer; this nomination was seconded by Director Stephenson. Hearing no other nominations, President Duncan requested a vote on the nomination of Michael Thompson for Board Treasurer. Michael Thompson was elected Board Treasurer by unanimous vote, 7-0.

**d. Nominations for Secretary/Assistant Treasurer -**

Director Fenn nominated Jeff Davis for Board Secretary; this nomination was seconded by President Duncan. Hearing no other nominations, President Duncan requested a vote on the nomination of Jeff Davis for Board Secretary. Jeff Davis was re-elected Board Secretary/Assistant Treasurer by unanimous vote, 7-0.

3. **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.
4. **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.* Paul R. Kielhold, Vice President of SBVMWD announced that Heather Dyer was selected as SBVMWD's general manager. There were no other members of the public that wished to comment at this time.
5. **Consent Calendar:**
  - A. Approval of the Minutes of the Regular Board Meeting, August 19, 2019
  - B. Approval of the Minutes of the Finance and Budget Workshop, August 26, 2019
  - C. Approval of the Finance and Budget Workshop Report, August 26, 2019

*President Duncan asked for a motion on the Consent Calendar.* Director Stephenson noted that the minutes of December 2, 2019 incorrectly stated Director Lehtonen as being absent, when in fact it was he that was absent and Director Lehtonen was present. Director Castaldo made a motion, seconded by Director Thompson, to adopt the consent calendar as amended. Motion passed 7-0.

**6. Reports:**

**A. General Manager's Written Report:**

**(1) Operations Report:** General Manager Davis provided a written report on the Agency's Operations and General Updates. In addition, General Manager Davis provided photos and video of the Fiesta Recharge Facility startup that took place on December 16<sup>th</sup>. Director Ball asked about pond three if there were to be a breach on the east or west side is it designed to flow westerly into to Noble Creek. General Manager Davis clarified with Director Ball if when he said "breach" did he mean if the berm where to break, Director Ball responded "yes". General Manager Davis stated that the water is designed to flow into the storm drain; at the lowest point on the site there is a storm drain inlet. Director Ball inquired if there is any type of warranty from the contractor. General Manager Davis responded that there is a 1-year warranty on the work. Director Ball questioned when the 1-year warranty begins. General Manager Davis stated that he will review the contract to clarify exactly when the warranty begins. General Manager Davis informed the Board that some of the Rhombo Hexoshield floating balls that were purchased to keep birds from landing into Citrus Reservoir are clogging the pumps. He stated that they are intending on running the pumps backwards in order to push out any Rhomboids that are stuck. Citrus is currently shut down for scheduled maintenance in the month of January and it is likely that it will be down for the month of February due to the Rhomboid issue. Citrus Reservoir will be dewatered and fencing will be installed to deter Rhomboids from getting into the pumps. Greenspot Station is fully operational and water will be delivered in February.

**(2) General Updates:** General Manager Davis remarked that his written report indicated that there would be handouts on graphs of the current snowpack and precipitation in California; he instead provided a PowerPoint presentation. General Manager Davis stated that based on today's graphs of the current snowpack and precipitation, as well as the reservoirs data, he expects DWR will increase the Table A allocation from the current ten percent. General Manager Davis also spoke about Sites Reservoir. He informed the Board that he was elected as the Vice President of the Reservoir Committee. He will be meeting with the head of California Fish and Wildlife in late January to discuss permitting. He also spoke to the Board on funding for Sites Reservoir and a possible extension date for Phase 2. General Manager Davis spoke on Delta permitting issues, voluntary agreements, Delta Conveyance Facility and the Governor's Resiliency Portfolio. Lastly, he informed the Board that South Mesa Water Company has decided to apply for a Grant without the assistance of the Agency. General Manager Dave Armstrong (SMWC) thanked the Board for its consideration of applying for the Grant on behalf of SMWC.

**B. General Counsel Report:** A written report was not provided by General Counsel Jeff Ferre.

**C. Directors Reports:** **Director Ball** reported on the BCVWD meeting that was held on January 2<sup>nd</sup>. He also reported on ACWA's Fall Conference. He mentioned that he attended an exhibit pertaining to solar systems panels that float on water. Due to the Rhomboid report he felt that perhaps this method might be applicable. He also attended a session regarding financing and CalPERS. **Director Fenn** reported on ACWA's Fall Conference. **President Duncan** also reported on ACWA's Fall Conference.

**D. Committee Reports:** **Director Thompson** reported that the Conservation and Education Committee met in December and discussed our continued partnership with the Inland Empire Water Conservation District. Education Coordinator Jasmine Orozco Clark is scheduled to report to the Board in person in February. Discussion took place on the Agency's social media campaign. The State of the Water Supply event will take place during the second quarter of the year.

## 7. New Business:

**A. Consideration and Possible Action Regarding Engagement of Auditor for Fiscal Year 2019-2020.** A staff report, a draft copy of Resolution 2004-07, and a copy of a letter from Eadie & Payne were included in the agenda package. General Manager Davis explained the contents of the letter that was submitted by the Agency's current Auditor, Eadie & Payne. Eadie & Payne have done the audit for three consecutive years and are proposing to do three additional consecutive years, with a new partner in that sixth year. It is legal from a state law standpoint for an auditor to audit six consecutive years, but would violate the Agency's own internal policy of only five consecutive years. Staff recommends that the Board adheres to its 2004 policy and have Eadie & Payne audit the Agency's books for only two more years (FY 2019-20 and FY 2020-21) After discussion, Director Ball made a motion, seconded by Director Thompson, to adhere to the 2004 internal policy. Eadie & Payne is to audit the Agency's books for only two more years (FY 19-20 and FY 20-21). Motion passed 7-0.

**8. Topics for Future Agendas:** **Director Ball** provided a pamphlet pertaining to floating solar panels to staff and requested a presentation by the vendor. He would like to see the contract with the Rhomboid vendor; he requested that this subject be discussed at the next engineering meeting. Director Ball also requested a presentation by the individual from UFI that was at ACWA's Fall Conference pertaining to CalPERS unfunded liabilities to be held at the next Finance and Budget workshop. **Director Castaldo** requested discussion on the long-term maintenance and operation of the Fiesta Recharge Facility.

**9. Announcements:**

- A. Cancelled – Water Conservation & Education Workshop, January 9, 2020
- B. Engineering Workshop, January 13, 2020 at 1:30 p.m.
- C. Office closed **Monday**, January 20, 2020 in observance of Martin Luther King, Jr. Day
- D. Regular Board Meeting, **Tuesday**, January 21, 2020 at 1:30 p.m.

**10. Closed Session (1 Item)**

**Time: 2:58 p.m.**

**A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Pursuant to Government Code Section 54956.8

Property: Potential water transaction re Nickel Water

Agency Negotiator: Jeff Davis, General Manager

Negotiating Party: Mark Krause, General Manager – Desert Water Agency

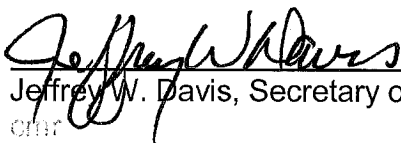
Under negotiation: Price and terms of payment

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

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

**11. Adjournment**

**Time: 3:20 pm**



Jeffrey W. Davis, Secretary of the Board

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