

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223

Minutes of the
Board of Directors Meeting
May 2, 2016

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director
David Fenn, Director

Directors Absent: Ron Duncan, Director
Leonard Stephenson, Director

Staff Present: Jeff Ferré, General Counsel
Cheryle Rasmussen, Executive Assistant

Staff Absent: Jeff Davis, General Manager

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 7:00 p.m., May 2, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** *President Jeter asked if there were any adjustments to the agenda. There being none the agenda was adopted as published.*
3. **Public Comment:** *President Jeter 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. There were no members of the public that wished to speak at this time.*
4. **Consent Calendar:** *President Jeter asked for an approval of the Consent Calendar.*
 - A. Approval of the Minutes of the Regular Board Meeting, April 18, 2016
 - B. Approval of the Minutes of the Finance and Budget Workshop, April 25, 2016
 - C. Approval of the Finance and Budget Workshop Report, April 25, 2016
 - D. Approval of the recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Workshop Report, April 25, 2016

Director Dickson made a motion, seconded by Director Melleby, to approve the Consent Calendar as published. Motion passed 5-0, with Directors Duncan and Stephenson absent.

5. Reports:

A. General Manager's Report:

(1) Report on Water Supply: A copy of the Notice to State Water Project Contractors for the updated 2016 State Water Project Allocation was included in the

agenda packet. General Manager Davis was unable to attend today's meeting, as he is attending the ACWA Conference in Monterey, CA. President Jeter noted that the State Water Project Allocation increased from 45 percent to 60 percent.

B. General Counsel Report: General Counsel Jeff Ferré provided a brief reported on the status of SB 1378 (An act to amend Section 3 and 5 of the San Geronio Pass Water Agency Law (Chapter 1435 of the Statutes of 1961), relating to the San Geronio Pass Water Agency), stating that there will be a hearing on May 4th in the Senate Government and Finance Committee; further updates will be forthcoming as information becomes available.

C. Directors Reports: 1) **Director Melleby** reported on the following meetings that she attended: Beaumont Chamber Governmental/Legislative Affairs Committee meeting held on April 22nd. A presentation from David Madsen, Senior Public Information Specialist South Coast Air Quality Management District, was provided. She also reported on the Inland Solar Challenge that was held on April 23rd, stating that she and Director Duncan were judges for the Public Service Announcement portion of the event. She announced that a special meeting for the San Geronio Pass Regional Water Alliance that will take place on May 5th at 4:00 p.m. 2) **Director Ball** stated that he and Director Fenn attended a joint meeting at the BCVWD on the topic of a proposed imported water allocation plan. Quite a bit of discussion took place in order to refine the proposed water allocation plan. Another meeting has been scheduled for May 26th at 6:00 p.m. 3) **Director Fenn:** Director Fenn also reported on the joint meeting, noting that the general attendance was on the slim side.

6. **New Business: (Discussion and Possible Action)**

A. Update on Whitewater Flume – Presenters: Julie Hutchinson (President - BHMWD) and/or Deborah Franklin): A staff report was included in the agenda packet. President Jeter introduced Julie Hutchinson (President-BHMWC). Ms. Hutchinson provided a detail PowerPoint presentation on the current status and historical findings related to the Whitewater Flume. After concluding her presentation she answered questions from the Board. Deborah Franklin (Councilwoman – City of Banning) reported on the San Geronio Regional Water Alliance meeting that took place on April 27th, whereas the topic of long-term reliable and sustainable water supply was discussed.

B. Consideration of Investing Funds Currently Held as Cash: A staff report was included in the agenda packet. President Jeter referred this item to Director Melleby. Director Melleby stated that during the April 25th Finance and Budget workshop, the Board voted to recommend moving \$2 million from the Bank of Hemet to an investment that earns higher returns. Director Melleby made a motioned, seconded by Director Dickson, that the Board authorizes withdrawing \$2 million from the Bank of Hemet and investing it in certificates of deposit through Time Value Investments, with a term of no more than two years. Motion carried 5-0, with Directors Duncan and Stephenson absent.

7. Topics for Future Agendas: 1) **Director Ball** requested Ms. Franklin's meeting notes from the April 27th meeting to be added to today's meeting minutes. Ms. Franklin stated that she would provide the Agency with a copy of the meeting notes at a future date.

8. Announcements

- A. Engineering Workshop, May 9, 2016 at 4:00 p.m.
- B. Allocation Workshop, May 10, 2016 at 4:00 p.m.
- C. Regular Board Meeting, May 16, 2016 at 7:00 p.m.
- D. Finance and Budget Workshop, May 23, 2016 at 4:00 p.m.

General Counsel Ferre stated that he did not anticipate that there would be any action taken during closed session that is reportable under the Brown Act.

9. Closed Session (One Item)

Time: 7:51 p.m.

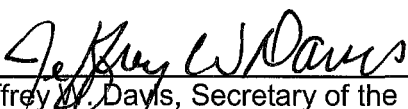
- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 (one potential case)

The meeting reconvened to open session at **Time: 8:08 pm**

President Jeter asked General Counsel Ferre if there is anything to report. General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act. President Jeter adjourned the meeting.

10. Adjournment

Time: 8:08 pm



Jeffrey W. Davis, Secretary of the Board