

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**October 3, 2016**

**Teleconference Location: 47180 Woodcliff Drive, Banning, CA**

**Directors Present:** John Jeter, President  
Bill Dickson, Vice President  
Mary Ann Melleby, Treasurer  
Blair Ball, Director  
Ron Duncan, Director  
David Fenn, Director  
Lenny Stephenson, Director

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

1. **Call to Order and Flag Salute:** 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., Monday, October 3, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag.
2. **Statement Regarding Teleconferencing:** Legal Counsel Jeff Ferre announced that a teleconference will not take place at the location specified on the agenda.
3. **Roll Call:** *President Jeter reported that all Board members were in attendance.*
4. **Adoption and Adjustment of the Agenda:** *President Jeter asked if there were any adjustments to the agenda. Legal Counsel Ferre requested that items 8C and 8D be pulled from the agenda. Item 8C is to consider appointing staff to a CSDA committee, which does not require board action. Item 8D is a cost sharing item with SBVMWD, this item was considered and approved at the September 6<sup>th</sup> Board meeting. President Jeter asked if there were any objection to the requested agenda changes. There being none the agenda was adopted as amended.*
5. **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.*
6. **Consent Calendar:** *President Jeter asked for an approval of the Consent Calendar.*
  - A. Approval of the Minutes of the Regular Board Meeting, September 19, 2016
  - B. Approval of the Minutes of the Finance and Budget Workshop, September 26, 2016
  - C. Approval of the Finance and Budget Workshop Report, September 26, 2016
  - D. Approval of the recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Workshop Report, September 26, 2016

Director Duncan made a motion, seconded by Director Dickson, to approve the Consent Calendar as published. Motion passed 7-0.

## **7. Reports: (Discussion and Possible Action)**

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

**(1) Operations Report:** General Manager Davis reported that the Agency delivered 1217 acre-feet for the month of September. Flows will be increased this week to 22 cfs, gradually increasing to the maximum of 25 cfs if possible. Cavitation of the control valve is possible above 22 cfs.

**(2) General Agency Updates:** General Manager Davis reported on the following: **a) SGPRWA - Eastern Sub-Committee: Integrated Regional Water Management Plan (IRWMP):** General Manager Davis announced that the IRWMP application was submitted before the deadline. He commended the consultant, RMC Water, who was able to complete the application in a short period of time. **b) SBVMWD – Surplus Water Agreement:** The terms of the agreement are currently being worked out. It is anticipated that the Term sheet will be presented to the Board within a month. **c) SGMA:** A number of meetings have taken place with the water districts on the eastern side of the service area (San Geronio Pass Sub-Basin). These entities have been working on a Memorandum of Understanding to form a Groundwater Sustainability Agency (GSA). Unexpectedly, Mission Springs Water District decided to submit an application to DWR to be a GSA on a one square mile of the San Geronio Pass sub-basin, which happens to be in both our service area and their service area. The Agency has 90 days to decide to file as a GSA for the same one square mile. General Manager Davis will provide additional information in the near future so that the Board can make an informed decision. **d) Provost & Pritchard Study:** The study for identifying potential new water sources for the Agency has been provided to the Board and is available to the public. Discussion on the report will take place at the October 10<sup>th</sup> Engineering workshop. **e) General Election Polling Location:** The Agency has been selected by the Registrar of Voters, County of Riverside, to serve as a polling place for the Tuesday, November 8<sup>th</sup> Consolidated Presidential General Election. Set-up for the election will need to take place in the Agency's board room on Monday, November 7<sup>th</sup> during the early evening hours. Director Dickson recommended to change the time of the November 7<sup>th</sup> Board meeting from 7 p.m. to 4 p.m. The Board was in agreement, the November 7<sup>th</sup> Board meeting will be held at 4 p.m. **f) BCVWD Water Application:** Director Fenn inquired on the status of the BCVWD water application. General Manager Davis stated that the Agency is abiding by the Agency's Ordinance 8 process. The Agency sent a request for BCVWD to sign a form and submit a check. BCVWD has claimed exemption from having to sign the form. Once BCVWD signs the form the Agency will provide a Draft Technical Memorandum. BCVWD has also claimed that the Agency is not consistent with California case law. General Manager Davis and Legal Counsel Ferre are in the process of responding to BCVWD's issues; a letter will be sent to General Manager Eric Fraser (BCVWD) this week.

**B. General Counsel Report:** The Governor signed SB1262 at the end of this legislative session, which adds requirements of water supply assessments. General Counsel Ferre reviewed the new requirements with the Board which will go into effect January 1, 2017.

**C. Directors Reports:** **1) Director Melleby** reported on the San Geronio Pass Water Alliance Meeting that she attended on September 28<sup>th</sup>. She also reported that the IRWMP application had been completed and submitted. **2) Director Duncan** reported on the City of Banning Council meeting that he attended on September 27<sup>th</sup>; informing the Board that the Rancho San Geronio project (approximately 3400 homes) was approved by the City Council.

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

**A. Consideration of Beaumont Chamber of Commerce Sponsorship for the Pass Area Economic Presentation by Dr. John Husing:** A staff report and related materials related were included in the agenda packet. General Manager Davis stated that staff has no recommendation. Legal Counsel Ferre recommended not sponsoring this item, as it is not water related. After discussion, no action was taken.

**B. Consideration of Association of California Water Agencies (ACWA) Sponsorship:** A staff report and related material were included in the agenda packet. General Manager Davis stated that staff has no recommendation on this item. Director Melleby suggested instead of sponsoring the 2016 ACWA Fall Conference that the Board consider sponsoring the ACWA Region 9 Coachella Valley Tour. After discussion, no action was taken.

**C. Consideration of California Special Districts Association Committee Nomination(s):** This item was removed from the agenda during item 4.

**D. Consideration of Cost Sharing Agreement with San Bernardino Valley Municipal Water District (Valley District):** This item was removed from the agenda during item 4.

**E. Consideration of Resolution 2016-06 Revising the Agency's Investment Policy:** A copy of Resolution 2016-06 was included in the agenda packet. General Manager Davis stated that the Board reviewed the Agency's Investment Policy (this policy is reviewed once a year) during the September 26<sup>th</sup> Finance and Budget workshop. During the meeting staff recommended revisions to the policy, relating to certificates of deposits. During the meeting the Board was in agreement with the recommended revisions to the Agency's Investment Policy. Director Melleby moved, seconded by Director Dickson, to adopt Resolution No. 2016-06 accepting the new investment policy as presented. Motion passed 7-0.

**F. Consideration and Possible Action to Approve Second Amendment to General Manager/Chief Engineer Employment Agreement:** A staff report, a copy of the SGPWA: Second Amendment to Employment Agreement – General Manager /Chief Engineer, and a copy of the Employment Agreement for General Manager Davis were included in the Agenda packet. General Counsel Ferre stated that the Board recently had a work performance evaluation of General Manager Davis. If the Board wishes to take action the attached Seconded Amendment is being proposed. The second amendment would provide a 3% increase in salary, effective July 1, 2016; the last salary increase took place in 2014. Director Stephenson made a motion, seconded by Director Dickson, to approve the Second Amendment to the Employment Agreement for the General Manager. President Jeter requested discussion on this item. Director Fenn suggested a 2.5% increase in salary. After discussion, President Jeter requested a vote. Motion passed 5-2, with Directors Ball and Fenn opposed.

**9. Topics for Future Agendas:** Director Melleby requested an update on the Agency's Urban Water Management Plan. General Manager Davis responded that final details are being worked on and that a public hearing will most likely take place early November.

**10. Announcements**

- A. Engineering Workshop, October 10, 2016 at 4:00 p.m.
- B. Regular Board Meeting, October 17, 2016 at 7:00 p.m.
- C. Finance and Budget Workshop, October 24, 2016 at 4:00 pm

**11. Closed Session (One Item) Time: 7:35 p.m.**

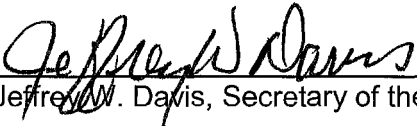
- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Pursuant to Government Code Section 54956.8  
Property: APN 311-360-008 and 311-360-009  
Agency negotiator: Jeff Davis, General Manager  
Negotiating party: Carlo Wilcox  
Under negotiation: price and terms of payment

The meeting reconvened to open session at: **Time: 8:00 pm**

*General Counsel Ferre reported that the Board met in Closed Session on item 11, pursuant to Government Code Section 54956.8. There was no action taken during closed session that is reportable under the Brown Act. President Jeter adjourned the meeting.*

**10. Adjournment**

**Time: 8:00 pm**

  
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Jeffrey W. Davis, Secretary of the Board