

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting ;
Agenda
September 5, 2017 at 1:30 p.m.

- 1. Call to Order, Flag Salute, Invocation, and Roll Call**
- 2. Adoption and Adjustment of Agenda**
- 3. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.
- 4. Consent Calendar:** If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.
 - A. Approval of the Minutes of the Regular Board Meeting, August 21, 2017* (p. 3)
 - B. Approval of the Minutes of the Finance and Budget Workshop, August 28, 2017* (p. 9)
 - C. Approval of the Finance and Budget Workshop Report, August 28, 2017* (p. 11)
- 5. Reports:**
 - A. General Manager's Report
 1. Operations Report
 2. General Agency Updates
 - B. General Counsel Report*(p. 27)
 - C. Directors' Reports
- 6. New Business:**
 - A. Discussion on Funding of New Water Supplies*(p. 29)
- 7. Topics for Future Agendas**
- 8. Announcements:**
 - A. Engineering Workshop September 11, 2017 at 1:30 p.m.
 - B. Regular Board Meeting, September 18, 2017 at 1:30 p.m.
 - C. Finance and Budget Workshop, September 25, 2017 at 1:30 p.m.
- 9. Closed Session (3 Item)**
 - A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the South Mesa Water Company
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: David Armstrong, General Manager, South Mesa Water Company
Under negotiation: price and terms of payment
 - B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights acquisition regarding Westlake Farms,
Kings County APN's 036-070-007-000, 036-070-014-000, 036-070-004-000,
036-070-013-000
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Ceil Howe
Under negotiation: Price and terms of payment

- C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of case: San Geronio Pass Water Agency vs. Beaumont Basin Watermaster
Case No. RIC 1716346

10. Adjournment

Information included in Agenda Packet

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: www.sgpwa.com (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

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

Minutes of the
Board of Directors Meeting
August 21, 2017

Teleconference Location: Baymont Inn & Suites
2717 Dewar Drive, Rock Springs, Wyoming

Directors Present: David Fenn, President
David Castaldo, Director
Ron Duncan, Director
Steve Lehtonen, Director
Leonard Stephenson, Director
Michael Thompson, Director

Directors Absent: Blair Ball, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Rasmussen, 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 Fenn at 6:00 p.m., August 21, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Lehtonen led the Pledge of Allegiance to the flag. President Fenn led the invocation. President Fenn requested a roll call.

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

A quorum was present.

- 2. Statement Regarding Teleconferencing:** General Counsel Jeff Ferré stated that Director Castaldo is attending this meeting via teleconferencing. In accordance with the Brown Act, the teleconference location has been identified in the Notice and Agenda for this meeting. General Counsel Ferre confirmed with Director Castaldo that the meeting agenda was posted at or near the location that was stated on the agenda. He asked if there was anyone at the above referenced location that wished to speak during public comment. Director Castaldo responded that the agenda is posted and that there are no members that wished to speak.
- 3. Adoption and Adjustment of the Agenda:** There were no changes to the agenda.

4. Public Comment. President Fenn asked if there was any public comment. No members of the public wished to speak at this time.

5. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, August 7, 2017
- B. Approval of the Minutes of the Engineering Workshop, August 14, 2017

Director Stephenson made a motion, seconded by Director Lehtonen, to adopt the consent calendar as presented. President Fenn requested a roll call vote.

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

Motion passed 6-0, with Director Ball absent.

6. Reports:

A. General Manager's Report:

(1) Operations Report: (a) Deliveries: General Manager Davis reported to the Board that the Agency has delivered 935 acre-feet so far this month.

(2) General Agency Updates: (a) California WaterFix: A number of additional lawsuits have been filed relating to the California WaterFix. **(b) Whitewater Flume:** USFS is requesting additional studies; PE's do not see the need. The USFS still wants the PE's to provide for in-stream releases; the PE's continue to stand firm on not giving up any additional water. **(c) Prop 1 Funding:** Sites Reservoir is officially on the list for Water Storage Investment Program (WSIP) Prop 1 Funding. It will take about nine months before it is known if the Sites Reservoir will be a recipient and for how much (1.6 billion was requested). **(d) Oroville Spillway:** Construction on the spillway is continuing at a rapid pace. The Federal Emergency Management Agency has sent \$22.8 million to the Department of Water Resources to help the state cover expenses related to debris removal and emergency protective measures. **(e) Audit:** The Agency's annual audit began today. The plan is to bring the audit to the Board for consideration in November.

B. General Counsel Report: General Counsel Jeff Ferré stated that he submitted a written report that was included in the agenda packet. He asked if the Board had any questions. There being none, President Fenn continued on to Directors Reports.

C. Directors' Reports: (1) Director Stephenson reported that he attended the YVWD Board meeting and that they are moving ahead with their own capacity fee.

YVWD is also implementing a reliability fee for the purchase of 7 acre-feet of water per EDU; a public hearing will take place on September 5th. General Manager Davis suggested that since the public hearing is being held on the same night as the Agency's Board meeting, the Board may want to consider changing the Agency's Board meeting date and/or time, as YVWD's General Manager Joe Zoba should attend the Agency's next Board meeting, as well as there may be some of the Agency's board members that would like to attend YVWD's public hearing. **(2) Director Duncan** reported on the Banning Chamber of Commerce Board meeting. Development that is slated for the south part of Banning was discussed. He also attended the Banning Unified School District meeting. **(3) President Fenn** reported on the Beaumont Chamber of Commerce Breakfast meeting; Senator Mike Morrell was the guest speaker.

7. New Business:

A. Consideration and Possible Action to Make Appointments to ACWA Committees: Material provided by ACWA was included in the agenda packet. General Manager Davis stated that ACWA has a number of volunteer committees. Any member of the Board (or staff) is welcome to submit an application should they desire to be considered for any of the committees. General Manager Davis currently serves on the Groundwater Committee and would like to serve again next year. He brought this item to the Board for their approval, as being on the committee requires travel time for the four meetings that are held each year. President Fenn asked if any Board members had any objection to General Manager Davis serving on the Groundwater Committee for another year. There being none, President Fenn and the Board were in agreement to allow General Manager Davis to reapply for the Groundwater Committee.

B. Election of ACWA Region 9 Board of Directors: Material provided by ACWA was included in the agenda packet. General Manager Davis stated that Director Castaldo did not make ACWA's Recommended Slate; however he is listed on Candidates for Board Members. The Board could pick from the Individual Board Candidate Nominations or they could choose from the Nominating Committee's Recommended Slate. Director Castaldo stated that due to other commitments he has decided to not run for ACWA's Board. Director Duncan moved, seconded by Director Stephenson, to support ACWA's Nominating Committee's recommended slate.

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

Motion passed 6-0, with Director Ball absent.

C. Consideration and Possible Action on Support Letter for Brent Hasteley for ACWA President: A letter from Brent Hasteley of Yuba County Water Agency was included in the agenda packet. General Manager Davis stated that the current Vice-President is Brent Hasteley, and because of this position he will become the next President. Mr. Hasteley is asking for letters of support. The Agency is under no obligation to send a letter of support, as Brent Hasteley will become the next ACWA President. Staff has no recommendation. President Fenn asked for a motion. There being none, no action was taken on this item.

D. Consideration and Possible Action on Ordinance 14, Changing the Time of the Board Meetings: President Fenn stated that he has received several communications from Director Ball. President Fenn asked the Board if there is a motion to table this item to a future board meeting; no motion was presented. President Fenn informed the Board that Director Ball requested that the email that he sent to all the Directors on August 21, 2017 be read verbally during today's meeting (the email was made available to the attending public), President Fenn read the email aloud. According to the email, Director Ball is opposed to changing the meeting times that were discussed at the August 14th Engineering workshop. An additional email from Director Ball was sent to President Fenn at 3:55 pm today, which President Fenn also read aloud. The contents of the email from Director Ball stated that he was out of town and was unable to attend the Board of Directors meeting this evening. Director Ball urged the Board to vote "no" on Ordinance 14 as found in agenda item 7D and to register his vote as "no", or to table the item. Director Castaldo made a motion to table item 7D. The motion failed due to a lack of a second. President Fenn and the attending Board of Directors each expressed their opinions on changing or not changing the Board meeting times to an early time of day. During discussion, it was stated by some of the board members and members of the public that attendance dropped since changing the 1:30 pm meeting time to 7:00 pm. It was also noted that 6:00 pm meeting times would interfere with board members being able to attend city council and water retailer meetings that were also held on Monday nights. Director Stephenson made a motion, seconded by Director Duncan, to amend the proposed ordinance to change the meeting times to 1:30 pm on Mondays. Director Lehtonen asked for a point of clarification from legal counsel, whether it is acceptable to make any changes to the proposed Ordinance 14. General Counsel Ferre stated that it is acceptable to make changes to the proposed Ordinance, and if approved it would become effective tonight. John Covington (BCVWD Board of Director) and Maxine Israel (Cabazon Water District Board of Director) spoke in favor of changing the Board meeting times to 1:30 pm; BCVWD General Manager Dan Jagers was accepting of any time that the board voted on. Fran Flanders (Resident-Cherry Valley) spoke in favor of changing the time to 1:30 pm. Legal Counsel Ferre stated that the motion that was made and seconded is to adopt Ordinance 14 with the following changes: Regular Board meetings shall convene at 1:30 pm on the 1st and 3rd Monday of each month; Engineering workshops meetings shall convene at 1:30 pm on the 2nd Monday of each month; and the Finance and Budget workshops shall convene at 1:30 pm on the 4th Monday of each month. President Fenn asked for a roll call on the motion. Director Lehtonen asked for a point of clarification. He noted that Director Ball had stated in his email that he wanted to be recorded as a "no" vote on this issue. President Fenn stated that a written ~~vote~~ ^{note} is not acceptable.

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

Motion passed 6-0, with Director Ball absent.

President Fenn thanked the public for their attendance and expressed his appreciation on the water retailer comments.

E. Consideration and Possible Action to Authorize Purchase of New Agency Vehicle: A staff report was included in the Agenda packet. General Manager Davis stated that a new Agency vehicle was budgeted for this year. He explained to the Board why a new vehicle is necessary and the benefit of purchasing a vehicle during this time. President Fenn stated that the budget of \$37,000 is appropriate, since the vehicle would need to have four-wheel drive in order to get up into the hills. General Manager Davis stated that the current vehicle will be used for a trade-in, which would lessen the cost of the vehicle. Director Thompson made a motion, seconded by Director Lehtonen, to authorize staff to move forward with the purchase of a new vehicle.

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

Motion passed 6-0, with Director Ball absent.

8. Topics for Future Agendas: (1) Director Castaldo requested that the Finance Committee discuss increasing the number of director paid meetings from the present number of five. (2) Director Stephenson requested discussion on what it would cost to bring the pipeline to Cabazon; discussion should include input from water retailers on the east end of the Agency's boundary.

9. Announcements:

- A. San Geronio Pass Regional Water Alliance, August 23, 2017
 - 1. Regular Meeting at 5:30 p.m. – Banning City Hall
- B. Finance and Budget Workshop, August 28, 2017 at 1:30 p.m.
- C. Office closed in observance of Labor Day, September 4, 2017
- D. Regular Board Meeting, **Tuesday**, September 5, 2017 at 1:30 p.m.

10. Closed Session (Two Items)

Time: 7:14 pm

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the South Mesa Water Company
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: David Armstrong, General Manager, South Mesa Water Company
Under negotiation: price and terms of payment

- B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights acquisition regarding Westlake Farms, Kings County APN's 036-070-007-000, 036-070-014-000, 036-070-004-000, 036-070-013-000
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Ceil Howe
Under negotiation: Price and terms of payment

The meeting reconvened to open session at: Time: 8:15 pm

General Counsel Ferre reported that there was no reportable action on Item A. In regard to Item B, the Board took action to approve entering into a consulting agreement with Aqua Exchange for assistance with the potential water purchase. The approval was made subject to review and approval of the final version of the agreement by Staff and Legal Counsel in connection with the draft agreement and the relationship of this agreement and transaction to the agreement and transactions being performed by Provost & Pritchard.

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

The motion passed 6-0 with Director Ball absent.

11. Adjournment

Time: 8:15 pm

Draft - Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
August 28, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director; arrived at 1:43 pm.
Steve Lehtonen, Director
Mike Thompson, Director

Directors Absent: David Castaldo, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Treasurer Lenny Stephenson at 1:31 pm, August 28, 2017, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Director Stephenson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for July, 2017 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Lehtonen, to recommend that the Board ratify paid monthly invoices of \$1,428,370.40 and payroll of \$32,083.95 for the month of July, 2017, for a combined total of \$1,460,454.35. The motion passed by roll call, 5 in favor, no opposed, with Director Castaldo absent and Director Ball not yet present.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Thompson, seconded by Director Duncan, to recommend that the Board approve payment of the pending legal invoices for July, 2017. The motion passed by roll call, 5 in favor, no opposed, with Director Castaldo absent and Director Ball not yet present.

- C. Review of July, 2017 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for July, 2017 as presented. The motion passed by roll call, 5 in favor, no opposed, with Director Castaldo absent and Director Ball not yet present.
- D. Review of Budget Report for July, 2017: After review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Budget Report for July, 2017. The motion passed by roll call, 5 in favor, no opposed, with Director Castaldo absent and Director Ball not yet present.
- E. Discussion of General Fund Monies Previously Used for SWP: General Manager Jeff Davis briefly reviewed some history related to the construction of part of the Foothill Pipeline, and the way that it was funded. He reviewed past actions related to refunding constructions costs to the General Fund. The Board asked for additional research, if possible, from minutes of meetings around the time the refunds began, for consideration at a future Finance and Budget workshop.
- F. Discussion about Number of Paid Meetings for Board Members: This item is in response to a Board member request. General Manager Davis briefly described the current ordinance of the Agency, and briefly reviewed a document researched by staff that contained information about the number of meetings allowed by other State Water Contractors and the amount the board members receive for a day of service. After some discussion, the Board asked for more information about specific amounts members of other boards have received for consideration at a future date.

5. Announcements: Director Stephenson referred to the announcements:

- A. The office will be closed in observance of Labor Day, September 4, 2017
- B. Regular Board Meeting, Tuesday, September 5, 2017, 1:30 pm
- C. Engineering Workshop, September 11, 2017, 1:30 pm
- D. General Manager Davis announced that the Inland Empire Resource

Conservation District is doing some school programs for Banning High School on Wednesday, August 30, and Friday September 1, and to see him if any Board member is interested in attending.

6. Adjournment: The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 2:20 pm.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Lenny Stephenson, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on August 28, 2017. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,428,370.40 and Payroll of \$32,083.95 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for July, 2017 for a combined total of \$1,460,454.35

2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$21,679.51
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for July, 2017
 - B. Budget Report for July, 2017

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

August 28, 2017, at 1:30 p.m.

1. Call to Order, Flag Salute

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

4. New Business (Discussion and possible recommendations for action at a future regular Board meeting)

A. Ratification of Paid Invoices and Monthly Payroll for July, 2017 by Reviewing Check History Reports in Detail*

B. Review of Pending Legal Invoices*

C. Review of July, 2017 Bank Reconciliation*

D. Review of Budget Report for July, 2017*

E. Discussion of General Fund Monies Previously Used for SWP

F. Discussion about Number of Paid Meetings for Board Members*

5. Announcements

A. The office will be closed in observance of Labor Day, September 4, 2017

B. Regular Board Meeting, Tuesday, September 5, 2017, 1:30 pm

C. Engineering Workshop, September 11, 2017, 1:30 pm

6. Adjournment

*Information Included In Agenda Packet

1. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Ave., Beaumont, CA 92223 during normal business hours. 2. Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meeting to request for a disability-related modification or accommodation.

San Gorgonio Pass Water Agency
Check History Report
 July 1 through July 31, 2017

ACCOUNTS PAYABLE

Date	Number	Name	Amount
07/01/2017	118509	ACWA BENEFITS	748.93
07/15/2017	118510	BANNING CHAMBER OF COMMERCE	350.00
07/15/2017	118511	BDL ALARMS, INC.	78.00
07/15/2017	118512	BEST BEST & KRIEGER	15,297.25
07/15/2017	118513	BEAUMONT CHAMBER OF COMMERCE	300.00
07/15/2017	118514	CALIMESA CHAMBER OF COMMERCE	125.00
07/15/2017	118515	CALIFORNIA NEWSPAPERS PARTNERSHIP	124.20
07/15/2017	118516	DELOACH ASSOCIATES	250.00
07/15/2017	118517	MACRO COMMUNICATIONS	225.00
07/15/2017	118518	THE RECORD-GAZETTE	265.00
07/15/2017	118519	RIVERSIDE COUNTY FLOOD CONTROL	2,000.00
07/15/2017	118520	LAFCO RIVERSIDE	5,368.12
07/15/2017	118521	SANTA ANA WATERSHED PROJ. AUTHORITY	14,019.00
07/15/2017	118522	STATE WATER PROJECT CONT. AUTHORITY	5,817.00
07/15/2017	118523	STATE WATER CONTRACTORS	33,491.00
07/15/2017	118524	MICHAEL D. THOMPSON	399.20
07/15/2017	118525	UNDERGROUND SERVICE ALERT	7.50
07/15/2017	118526	UNLIMITED SERVICES BUILDING MAINT.	295.00
07/15/2017	118527	WASTE MANAGEMENT INLAND EMPIRE	94.80
07/17/2017	118528	ACWA BENEFITS	748.93
07/17/2017	118529	ALBERT WEBB ASSOCIATES	3,579.75
07/17/2017	118530	ERNST & YOUNG LLP	1,547.00
07/17/2017	118531	FRONTIER COMMUNICATIONS	1,209.41
07/17/2017	118532	INCONTACT, INC.	132.77
07/17/2017	118533	WELLS FARGO REMITTANCE CENTER	1,632.63
07/24/2017	118534	ACWA JPIA	972.09
07/24/2017	118535	AT&T MOBILITY	261.68
07/24/2017	118536	DAVID L. FENN	59.97
07/24/2017	118537	GOPHER PATROL	51.00
07/24/2017	118538	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
07/24/2017	118539	PROVOST & PRITCHARD	540.00
07/24/2017	118540	THOMAS W. TODD, JR.	488.12
07/26/2017	118541	CHERYLE M. RASMUSSEN	944.08
07/26/2017	118542	SOUTHERN CALIFORNIA EDISON	124.26
07/30/2017	118543	STANDARD INSURANCE COMPANY	437.64
07/30/2017	532015	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,184.46
07/30/2017	540069	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,598.09
07/14/2017	540657	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	5,995.54
07/14/2017	569553	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,021.52
07/01/2017	900139	CALPERS HEALTH	7,746.27
07/14/2017	900140	CALPERS RETIREMENT	4,611.95
07/14/2017	900141	CALPERS 457-SIP	1,150.00
07/17/2017	900142	CALPERS HEALTH	7,747.81
07/24/2017	900143	CALPERS RETIREMENT	29,408.21
07/30/2017	900144	CALPERS RETIREMENT	6,093.22
07/31/2017	900145	DEPARTMENT OF WATER RESOURCES	1,263,504.00
TOTAL ACCOUNTS PAYABLE CHECKS			1,428,370.40

San Gorgonio Pass Water Agency
Check History Report
July 1 through July 31, 2017

PAYROLL

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
07/13/2017	801401	JEFFREY W. DAVIS	4,428.03
07/13/2017	801402	KENNETH M. FALLS	2,703.36
07/13/2017	801403	CHERYLE M. RASMUSSEN	2,213.51
07/13/2017	801404	THOMAS W. TODD, JR.	3,548.19
07/29/2017	801405	BLAIR M. BALL	934.32
07/29/2017	801406	JEFFREY W. DAVIS	4,966.26
07/29/2017	801407	KENNETH M. FALLS	3,090.56
07/29/2017	801408	DAVID L. FENN	1,167.90
07/29/2017	801409	STEPHEN J. LEHTONEN	1,167.90
07/29/2017	801410	CHERYLE M. RASMUSSEN	2,213.51
07/29/2017	801411	LEONARD C. STEPHENSON	1,167.90
07/29/2017	801412	MICHAEL D. THOMPSON	934.32
07/29/2017	801413	THOMAS W. TODD, JR.	3,548.19
		TOTAL PAYROLL	<u>32,083.95</u>
		TOTAL DISBURSEMENTS FOR JULY, 2017	<u><u>1,460,454.35</u></u>

SAN GORGONIO PASS WATER AGENCY
New Vendors List
August, 2017

Vendor - Name and Address	Expenditure Type
State Water Resources Control Board Drinking Water Operator Certification Program P O Box 944212 Sacramento, CA 94244-2120	Dues & Assessments

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	170731	LEGAL SERVICES JUL17	21,679.51

TOTAL PENDING INVOICES FOR AUGUST 2017

21,679.51

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
July 31, 2017**

BALANCE PER BANK AT 07/31/2017 - CHECKING ACCOUNT 181,901.77

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118504	734.00	118540	488.12
118539	540.00	118543	437.64

1,274.00

925.76

TOTAL OUTSTANDING CHECKS (2,199.76)

BALANCE PER GENERAL LEDGER 179,702.01

BALANCE PER GENERAL LEDGER AT 06/30/2017 156,128.06

CASH RECEIPTS FOR JULY 734,051.79

CASH DISBURSEMENTS FOR JULY

ACCOUNTS PAYABLE - CHECK HISTORY REPORT (1,428,370.40)

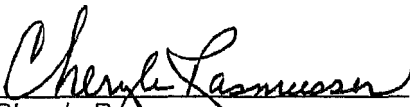
NET PAYROLL FOR JULY (32,083.95) (1,460,454.35)

BANK CHARGES (23.49)

TRANSFER FROM LAIF, WELLS FARGO or CalTRUST 750,000.00

BALANCE PER GENERAL LEDGER AT 07/31/2017 179,702.01

REPORT PREPARED BY:



 Cheryl Rasmussen

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF JULY 2017**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
7/18/17	BCVWD	WATER SALES	377,864.00	377,864.00
7/25/17	YVWD	WATER SALES	35,343.42	
7/25/17	STATE OF CALIF/DWR	YUBA ACCORD INTEREST REFUND	350.66	35,694.08
7/26/17	TVI	BOND-CD INTEREST	9,039.96	9,039.96
7/27/17	RIVERSIDE COUNTY	PROPERTY TAXES	59,507.69	59,507.69
7/27/17	RIVERSIDE COUNTY	PROPERTY TAXES	6,821.07	6,821.07
7/27/17	RIVERSIDE COUNTY	PROPERTY TAXES	2,045.97	2,045.97
7/28/17	RIVERSIDE COUNTY	PROPERTY TAXES	243,079.02	243,079.02
TOTAL FOR JULY 2017			734,051.79	734,051.79

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2017

FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	92%
INCOME					
WATER SALES	5,500,000		5,500,000	0.00	100.00%
TAX REVENUE	2,350,000		2,350,000	60,672.34	97.42%
INTEREST	110,000		110,000	0.00	100.00%
DESIGNATED REVENUES	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	456,000		456,000	0.00	100.00%
TOTAL GENERAL FUND INCOME	8,416,000	0	8,416,000	60,672.34	99.28%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,230,000		6,230,000	0.00	100.00%
TOTAL COMMODITY PURCHASE	6,230,000	0	6,230,000	0.00	100.00%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	454,000		454,000	37,625.24	91.71%
PAYROLL TAXES	38,000		38,000	3,323.07	91.26%
RETIREMENT	123,000		123,000	33,615.66	72.67%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	25,000		25,000	3,733.11	85.07%
HEALTH INSURANCE	61,000		61,000	9,907.16	83.76%
DENTAL INSURANCE	4,500		4,500	715.04	84.11%
LIFE INSURANCE	1,300		1,300	205.02	84.23%
DISABILITY INSURANCE	4,700		4,700	391.30	91.67%
WORKERS COMP INSURANCE	3,400		3,400	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	944.08	90.56%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	725,900	0	725,900	90,459.68	87.54%

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2017**

	FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	92%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	108,000		108,000	5,817.39	94.61%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	0.00	100.00%
DIRECTORS MISC. MEDICAL	23,000		23,000	399.20	98.26%
OFFICE EXPENDITURES					
OFFICE EXPENSE	24,000		24,000	0.00	100.00%
POSTAGE	650		650	0.00	100.00%
TELEPHONE	11,000		11,000	881.12	91.99%
UTILITIES	5,000		5,000	105.55	97.89%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	10,000		10,000	225.00	97.75%
GENERAL MANAGER & STAFF TRAVEL	22,000		22,000	548.09	97.51%
INSURANCE & BONDS	23,000		23,000	0.00	100.00%
ACCOUNTING & AUDITING	21,000		21,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	5,500		5,500	1,547.00	71.87%
DUES & ASSESSMENTS	31,500		31,500	775.00	97.54%
OUTSIDE PROFESSIONAL SERVICES	2,000		2,000	0.00	100.00%
BANK CHARGES	1,500		1,500	23.49	98.43%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	1,000		1,000	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	7,000		7,000	0.00	100.00%
MAINTENANCE & REPAIRS - BUILDING	15,000		15,000	765.80	94.89%
MAINTENANCE & REPAIRS - FIELD	4,500		4,500	0.00	100.00%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	5,000		5,000	5,368.12	-7.36%
ELECTION EXPENSE	0		0	0.00	0.00%
TAX COLLECTION CHARGES	10,500		10,500	91.38	99.13%
TOTAL ADMINISTRATIVE & PROFESSIONAL	496,650	0	496,650	16,547.14	96.67%

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2017**

	FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	92%
GENERAL ENGINEERING					
GRANT WRITER	10,000		10,000	0.00	100.00%
NEW WATER					
PROGRAMATIC EIR	50,000		50,000	0.00	100.00%
UPDATED STUDY ON AVAILABLE SOURCES	5,000		5,000	540.00	89.20%
SGMA SUPPORT	10,000		10,000	0.00	100.00%
STUDIES					
USGS	100,000		100,000	0.00	100.00%
INTEGRATED RATE NEXUS STUDY	40,000		40,000	0.00	100.00%
INTEGRATED RATE FINANCIAL MODELING	20,000		20,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	10,000		10,000	0.00	100.00%
SEWERING RATE STUDY	20,000		20,000	0.00	100.00%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE	22,000		22,000	14,019.00	36.28%
GENERAL AGENCY - CEQA AND GIS SERVICES	15,000		15,000	0.00	100.00%
TOTAL GENERAL ENGINEERING	302,000	0	302,000	14,559.00	95.18%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	200,000		200,000	0.00	100.00%
TOTAL LEGAL SERVICES	200,000	0	200,000	0.00	100.00%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	14,000		14,000	0.00	100.00%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	35,000		35,000	0.00	100.00%
TOTAL CONSERVATION & EDUCATION	54,000	0	54,000	0.00	100.00%

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2017

	FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018				
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	92%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING & EQUIPMENT					
BUILDING	10,000		10,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	10,000		10,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	0.00%
TRANSPORTATION EQUIPMENT	37,000		37,000	0.00	100.00%
FIESTA RECHARGE FACILITY					
POST DESIGN	250,000		250,000	0.00	100.00%
CONSTRUCTION	2,500,000		2,500,000	2,000.00	99.92%
FENCING	120,000		120,000	0.00	100.00%
IRIGATION	15,000		15,000	0.00	100.00%
LANDSCAPING/POWER/WATER	0		0	0.00	0.00%
BUNKER HILL CONJUNCTIVE USE PROJECT	0		0	0.00	0.00%
BCVWD TURNOUT EXPANSION					
DESIGN	35,000		35,000	0.00	100.00%
CONSTRUCTION	162,000		162,000	0.00	100.00%
POST DESIGN	30,000		30,000	0.00	100.00%
SITES RESERVOIR	270,000		270,000	0.00	100.00%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	3,439,000	0	3,439,000	2,000.00	99.94%
TRANSFERS TO OTHER FUNDS	0		0	0.00	
TOTAL GENERAL FUND EXPENSES	11,447,550	0	11,447,550	123,565.82	98.92%
WITHDRAWALS FROM RESERVES	3,155,000		3,155,000		
TOTAL TRANSFERS FROM RESERVES	3,155,000	0	3,155,000	0.00	
GENERAL FUND NET INCOME YEAR TO DATE	123,450	0	123,450	-62,893.48	

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2017

FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018					
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	92%
INCOME					
TAX REVENUE	21,053,359		21,053,359	251,390.63	98.81%
INTEREST	300,000		300,000	0.00	100.00%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	2,827,882		2,827,882	350.66	99.99%
TOTAL DEBT SERVICE FUND INCOME	24,181,241	0	24,181,241	251,741.29	98.96%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
INTEREST	54,000		54,000	4,455.24	91.75%
ROLL TAXES	4,100		4,100	340.81	91.69%
BENEFITS	29,000		29,000	6,327.58	78.18%
SWC CONTRACTOR DUES	42,000		42,000	39,308.00	6.41%
STATE WATER CONTRACT PAYMENTS	17,563,554		17,563,554	919,801.00	94.76%
PURCHASED WATER	0		0	0.00	0.00%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	0.00%
USGS	0		0	0.00	0.00%
CONTRACT OPERATIONS AND MAINTENANCE	180,000		180,000	0.00	100.00%
SWP ENGINEERING	75,000		75,000	0.00	100.00%
DEBT SERVICE UTILITIES	10,000		10,000	844.51	91.55%
TAX COLLECTION CHARGES	76,000		76,000	517.84	99.32%
TOTAL DEBT SERVICE FUND EXPENSES	18,033,654	0	18,033,654	971,594.98	94.61%
TRANSFERS FROM RESERVES			0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	6,147,587	0	6,147,587	-719,853.69	

SAN GORGONIO PASS WATER AGENCY

**ORDINANCE NO. 7,
COMPENSATION OF DIRECTORS
RESCINDING ORDINANCE # 6,
COMPENSATION OF DIRECTORS**

WHEREAS, Chapter 2 of Division 10 of the Water Code of the State of California (Water Code Section 20200 et seq.) provides a State-wide uniform procedure for adjusting Director's compensation of water agencies; and

WHEREAS, the Agency's Directors are regularly called upon to spend in excess of 5 days per month in the performance of their duties, including the attendance of Board meetings, committee meetings and other functions related to carrying on the business of the Agency; and

WHEREAS, the duties of the Agency's Board members involve increasing responsibility and obligations and it is fair and equitable that they be compensated for their time, to the extent permitted by statute, in carrying out the business of the Agency.

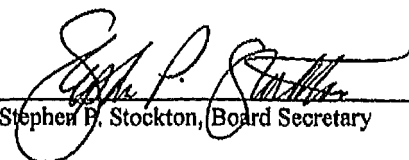
NOW, THEREFORE, BE IT ORDAINED, by the Directors of San Gorgonio Pass Water Agency as follows:

1. That Ordinance # 6, Compensation of Directors is rescinded.
2. That the compensation to the Directors of the San Gorgonio Pass Water Agency presently in effect has been increased to the maximum amount allowed and does automatically increase each year on January 1 by the maximum amount permitted by statute.
3. That the maximum number of days for which a director of San Gorgonio Pass Water Agency may receive compensation for each day's service rendered as a member of the Board of Directors shall not exceed five (5) in any calendar month.
4. That each day's paid service be defined by adopted Resolution.

Said ordinance was adopted, on roll call, by the following vote:

AYES: Blakeney, Strickland, Lewis, Morris, Lamm
NOES: Voigt, Zapp
ABSENT: None
ABSTAIN: None

I hereby certify that the foregoing is a full, true and correct copy of an ordinance adopted by the San Gorgonio Pass Water Agency at its meeting held on May 18, 1998.



Stephen B. Stockton, Board Secretary

RESOLUTION NO. 2008-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN GORGONIO PASS WATER AGENCY
ESTABLISHING GUIDELINES FOR COMPENSATION OF DIRECTORS
AND
RESCINDING RESOLUTION NO. 2007-08**

WHEREAS, on May 18, 1998, The Board of Directors adopted Ordinance No. 7 which provides for the compensation to be received by the Directors of San Gorgonio Pass Water Agency (hereinafter Agency) in accordance with Chapter 2 of Division 10 of the Water Code of the State of California (Water Code Section 20200 et seq.);

WHEREAS, the Water Code of the State of California, Section 20202 allows for members of the Board to be compensated for up to a total of ten (10) days in any calendar month, and;

WHEREAS, the Agency's Directors are regularly called upon to spend in excess of five (5) days per month in the performance of their duties, including the attendance of Board meetings, committee meetings, and other functions related to carrying on the business of the Agency; and

WHEREAS, it is the policy of the Board that the Directors receive fair and reasonable compensation for their service to the Agency so that they may devote as much time as is necessary or beneficial to the full performance of their roles:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Gorgonio Pass Water Agency as follows:

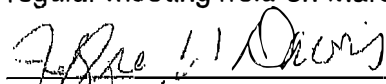
1. That the Board of Directors rescinds Resolution No. 2007-08 regarding Compensation of Directors.
2. That Resolution No. 2008-03 is effective March 3, 2008.
3. That the maximum number of days per month which a Director of the Agency may receive compensation and reimbursement of expenses for each day's service rendered as a member of the Board of Directors is set forth in Ordinance No. 7.
4. That the definition of a day of service shall be:
 - a. Attendance at any meeting of the San Gorgonio Pass Water Agency that requires public notice in accordance with the Brown Act.
 - b. Attendance at any meeting of a San Gorgonio Pass Water Agency ad hoc committee, that committee having been established by the president of the Board.
 - c. Attendance at regular, special or committee meetings of any organization in which San Gorgonio Pass Water Agency is a member.

- d. Attendance at Beaumont Basin Watermaster meetings, San Timoteo Watershed Management Authority Commission meetings, Santa Ana Watershed Project Authority Commission meetings and Regional Coordination Conferences of Pass Water Officials Serving Pass Area Communities.
 - e. Attendance at special events, programs, or symposiums (not to exceed 1 day) or conferences (not to exceed 3 days) for the following organizations:
 - 1. Association of California Water Agencies
 - 2. Special District Association of Riverside County
 - 3. State Water Contractors
 - 4. Water Education Foundation
 - 5. Special District's Board Management Institute
 - 6. Riverside County Water Symposium
 - 7. American Water Works Association
 - 8. Association of Ground Water Agencies
 - f. Attendance at any meeting related to or informing the Board members on matters within the jurisdiction of the statutory powers of the Agency, provided that such meetings deal with substantive issues and consume more than a minor amount of the Board member's time.
 - g. Attendance of any meeting submitted for consideration and approved as a day of service by the Agency's Board of Directors.
5. That the Finance and Budget Committee of the Agency shall determine by examination and vote, that the meetings submitted for payment of Director's fees are in accordance with these guidelines. The Directors shall have the right to appeal the decision of the Finance & Budget Committee to the Board of Directors.

Resolution #2008-03 was adopted upon roll call by the following vote:

AYES: Larsen, Voigt, Morris, Andersen, Snyder, Mann and Jeter
NOES: None
ABSTAIN: None
ABSENT: None

I certify that the foregoing is a true, full and correct copy of Resolution #2008-03 adopted by the Board of Directors of the San Geronio Pass Water Agency at its regular meeting held on March 3, 2008.



Jeffrey W. Davis, Secretary to the Board
San Geronio Pass Water Agency



BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Memorandum

To: President and Members of the Board
San Gorgonio Pass Water Agency

From: Jeffrey F. Ferre, General Counsel
Best Best & Krieger LLP

Date: September 5, 2017

Re: General Counsel Report - Board of Directors Meeting – September 5, 2017

1. SB 623 Amended To Include A “Public Goods Charge.”

Legislation that would establish a special fund for disadvantaged communities (“DACs”) was recently amended, as expected, to include a tax on residential water bills. The projects to be funded would include testing and cleanup of small water systems and domestic wells in DACs. Since SB 623 includes a new fee, it must be passed by a two-thirds vote in the Legislature. The bill was approved by the state Senate, and is now being considered by the Assembly Appropriations Committee. The bill would have to be approved by both houses of the Legislature by Sept.15 to become law during the 2017 session and would also need the signature of the Governor.

SB 613 now includes fees on fertilizer and dairy industry operations but for the purposes of this memo, we will focus on the proposed “Safe and Affordable Drinking Water Fee.” If adopted, this legislation would provide for the following fee that would be imposed by retailers on their customers:

Until July 1, 2020, a safe and affordable drinking water fee would be imposed on each person or entity that purchases water from a public water system, as follows:

- (A) For a customer with a water meter that is less than or equal to one inch in size, the fee shall be ninety-five cents (\$0.95) per month.
- (B) For a customer with a water meter that is greater than one inch and less than or equal to two inches in size, the fee shall be four dollars (\$4) per month.
- (C) For a customer with a water meter that is greater than two inches and less than or equal to four inches in size, the fee shall be six dollars (\$6) per month.
- (D) For a customer with a water meter that is greater than four inches in size, the fee shall be ten dollars (\$10) per month.

SOAPBOX

A statewide tax is an unfair way to safe drinking water

BY KATHLEEN TIEGS AND BRENT HASTEY

Special to The Bee

AUGUST 18, 2017 2:00 PM

For most Californians, safe drinking water is a given, thanks to extensive public investments in pipelines, reservoirs and treatment plants.

Not so for some Californians who live in rural, low-income communities where water sources are contaminated by nitrates and arsenic and where treatment is financially out of reach. It's unacceptable, and the situation will worsen without a strong state commitment.

Unfortunately, an eleventh-hour effort is emerging in the Legislature to impose a statewide tax on residential and business water bills as part of the solution. As lawmakers return to Sacramento on Monday for the final four weeks of this year's session, the tax will be inserted into Senate Bill 623 by Sen. Bill Monning, D-Carmel. Though the bill, which addresses safe drinking water for disadvantaged communities, has been through two policy hearings, the author is waiting until the final weeks to add the tax.

The Association of California Water Agencies has made it a high priority to develop effective solutions and advance sensible funding strategies to address this issue. As local water agency directors committed to safe and reliable water, we absolutely support the intent of the bill.

However, a tax on water is not the right approach. Taxing Californians for something that is essential to life does not make sense, especially when some are raising concerns about the affordability of water. To impose a statewide tax would turn local water agencies into tax collectors that send money to Sacramento.

There is a better approach that uses money from the state's general fund, combined with federal safe drinking water funds, general obligation bond funds and a new assessment related to nitrates in groundwater.

The state already appropriately uses its general fund to pay for statewide priorities, including public health, education, housing, disability services and other programs that serve and protect residents and communities in need. The 2017-18 budget already includes a safe drinking water pilot program with \$5 million from the general fund to assist residents served by public water systems that fail to meet safety standards.

What could be a higher priority for state funding than safe drinking water for our most vulnerable communities?

This critical issue comes down to leadership. If this is truly a priority for Gov. Jerry Brown and the Legislature, the state can make a general fund solution a reality – and California's water agencies will stand firmly behind it.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Discussion of Funding for Nickel Water

DATE: September 5, 2017

Summary:

A few months ago, the Board approved an agreement with the Antelope Valley-East Kern Water Agency to lease 1700 acre-feet of water per year for 20 years, beginning in 2017. The Board discussed funding the lease using water rates and using capacity fees, but came to no decision. The Board asked staff to bring this back for further discussion after talking it over with retail water agency managers. The purpose of this agenda item is to continue that discussion.

Detailed Report:

Staff discussed this water and potential ways to fund it with several retail agency managers. They agreed that they would prefer to see the Agency fund this through the water rate. None of them saw this water as a permanent source that they wished to use for Water Supply Assessments.

Recommendation:

This item is for discussion only. Staff is not asking for an action at this time, but would like direction from the Board on next steps.