

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
April 20, 2020 at 1:30 p.m.

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:
(669) 900-6833 OR VIA ZOOM. MEETING ID 992 5387 6296.

1. Call to Order, Flag Salute, Invocation, and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment

As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

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, April 6, 2020* (p. 3)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report* (p. 8)
- B. General Counsel Report
- C. Directors' Reports
- D. Committee Reports

6. New Business (Discussion and Possible Action)

- A. Election of LAFCO Special District Member and Alternate* (p. 14)
- B. Consideration and Possible Action to Adopt Resolution No. 2020-02 Requesting Approval from the Board of Administration of the Public Employees' Retirement System to Approve Allowed Employment For a Retired Employee* (p. 24)
- C. Consideration and Possible Action to Enter Into an Interim General Manager Agreement With Jeff Davis Following Retirement* (p. 28)
- D. Further Discussion on Potential Water Rate Reduction or Rebate* (p. 34)

7. Topics for Future Agendas

8. Announcements -

- A. Finance & Budget Workshop, April 27, 2020 at 1:30 p.m.– Teleconference/Zoom
- B. Regular Board Meeting, May 4, 2020 at 1:30 p.m. – Teleconference/Zoom

9. Closed Session (1 Item)

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

10. Adjournment

Pending Agenda Items:

<i>Request</i>	<i>Requester</i>	<i>Date of Request</i>	<i>Tentative Meeting Date Agenda</i>
Continued discussion on the Updated/revised calculations on water rate	Board	03/16/2020	04/20/20
Final costs of: Fiesta Recharge; Noble Creek Connection & Temp Connection; Mtn. View Connection	Thompson	12/02/2019	02/03/2020 or 02/18/2020
Water Delivery – discussion on moving water deliveries until the second half of the year.	Thompson	04/06/2020	

***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, California 92223
Minutes of the
Board of Directors Meeting
April 6, 2020

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:
 (866) 212-0875,
 Participant passcode: 7006747 #

Directors Present: Ron Duncan, President
 All Board members Lenny Stephenson, Vice President
 attended by teleconference Michael Thompson, Treasurer
 Blair Ball, Director
 David Fenn, Director
 David Castaldo, Director
 Steve Lehtonen, Director

Staff Present: Jeff Davis, General Manager
 All Staff members Jeff Ferre, General Counsel
 Attended by teleconference Thomas Todd, Finance Manger
 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., April 6, 2020 by teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Stephenson gave the invocation. President Duncan requested a roll call.

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

- 2. Statement Regarding Teleconferencing:** Due to the spread of the Coronavirus disease (COVID-19) and in accordance with the Governor's Executive Order N-29-20 there will be no public meeting location for attending this meeting in person. Members of the public may listen in and provide public comment during item 4 of the agenda by teleconferencing.

3. **Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda. General Manager Davis stated that there is no adjustment to the agenda. Director Ball asked that item 6A be listed as Discussion and Possible Action. He stated that he was the author of this item and had specifically stated that he wanted it to include possible action. Legal Counsel Ferre noted that he did not in his opinion believe this to be a late breaking item as required by the Brown Act, as there are financial impacts involved that may not be able to be determined today. However, in order for a change to be made to the agenda a majority vote would be needed by the Board. Director Ball spoke on the importance of lowering the Agency's water rate. After discussion Director Ball made a motion, seconded by Director Castaldo, to adjust item 6A as follows: Discussion and Possible Action of Temporary Rate Reduction. A roll call was taken on the motion as follows:*

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

Motion passed 4-3.

4. **Public Comment:** *President Duncan stated that As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up. President Duncan asked for public comments from the public. Dan Jagggers commented on item 6A. He stated that he was appreciative of the Board for discussing this item. There were no other members of the public that spoke at this time.*

5. **Consent Calendar:**
- A. Approval of the Minutes of the Regular Board Meeting, March 16, 2020
 - B. Approval of the Minutes of the Finance and Budget Workshop, March 23, 2020
 - C. Approval of the Finance and Budget Workshop Report, March 23, 2020

President Duncan asked for a motion on the Consent Calendar. Director Lehtonen made a motion, seconded by Director Castaldo, to adopt the consent calendar. President Duncan requested a roll call vote.

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

Motion passed 7-0.

6. Reports:

A. General Manager’s Report: A written report was not provided in the agenda packet. General Manager Davis verbally reported on the following:

1. Operations Report - We delivered 1055 AF in the month of March. BCVWD contacted the Agency on March 24 and asked for a suspension of all deliveries in the name of public health. We are currently shut down although other deliveries are being made on the EBX. BCVWD indicated the suspension would be at least until April 13 but could go longer depending on the public health situation. They indicated that the suspension of deliveries was related to reducing risk to their employees during the Covid outbreak. We now have a little over 1000 AF of carryover water, plus our Table A and Nickel water and any Yuba water and other water we may get for this year.

2. Other Agency Updates -

a. Water supply: April 1 snow survey was 66% of the April 1 average at Phillips Summit but statewide, snowpack was only 53% of average until this week. With this current storm, statewide snowpack is up to 61% of normal statewide (65% in the central and northern Sierra).

b. New ITP - State issued its new Incidental Take Permit for species covered under California Endangered Species Act. The permit requirements reduce SWP exports by about 200,000 AF per year on average. This would be a 5% difference in allocation beyond what would otherwise be the case.

c. Sites – The Sites Reservoir Committee has completed a value planning exercise which, if approved, would alter the project description and would reduce the cost greatly. This “value planning” exercise could also be called a “right sizing” of the project. The cost estimate for the proposed revised project is now about \$3 billion—down nearly \$2 billion. The biggest difference is that we would only use existing facilities to convey water to the reservoir and from the reservoir to the participants, so this reduces construction costs greatly. The reservoir would still be 1.5 MAF, which is down from the original 1.8 MAF. General Manager Davis will ask for Board action in May on participation in the next phase, which will be September 2020 through December 2021. That would be a \$1 million commitment over the next fiscal year at our current 380,000 AF participation level. Sites

welcomed a new Executive Director, Jerry Brown, former GM of Contra Costa Water District. He brings a lot of experience to the project.

Administration Update - We are still figuring out how to operate during this time. Right now we don't have more than one person in the office at a time but someone is in the office for at least a few hours every day. Work is continuing but a lot of it is moving more slowly as consultants are working from home and many other public agency officials are working from home. Some things, such as final start-up testing of Mt. View, are obviously on hold until rules about gatherings are lifted or lessened. Other issues, like SGMA, are continuing. We are working on getting a visual platform available for our next meeting. I am taking each board meeting or workshop on a case by case basis and will decide in consultation with President Duncan whether to have each meeting, and what to put on the agenda if we do have a meeting.

B. General Counsel Reports: General Counsel Ferre provided a verbal update on interest and investment income from the debt service fund. He stated that interest income generated from debt service should only be used for that same purpose. He recommended to not use interest for other purposes. He also reported that Resolution 2019-02 is valid and that the rate increase was made effective date April 1, 2020.

C. Directors Reports: 1) **Director Ball** reported on BCVWD Engineering meeting that was held on March 26th via teleconferencing. 2) **Director Fenn** reported that he attended the YVWD Board workshop that was held on March 24th via teleconferencing. 3) **President Duncan** reported that he attended the YVWD Board workshop that was held on March 24th via teleconferencing.

D. Committee Reports: 1) **Director Thompson** stated that future Conservation and Education workshops will be cancelled for the foreseeable future. 2) **Director Ball** stated that he will reach out to the Capacity Fee Committee to let them know if the meetings will continue its regular scheduled meetings.

7. New Business:

A. Consideration and Possible Action of Possible Temporary Rate Reduction. Director Ball read his email that he sent to President Duncan, Vice President Stephenson, and General Manager Davis on March 23rd. The content of the email requested discussion and possible action to reduce the current retail water rate, effective immediately, citing financial impact due to Covid-19 to local residents. Lengthy discussion on this issue took place. A motion was made by Director Castaldo, seconded by President Duncan, to table this item to the April 20th Board meeting. This would allow staff to prepare the necessary information that would be needed in order for the Board to make an informed decision on a water rate reduction. President Duncan asked for a roll call.

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

Motion passed 7-0.

8. Topics for Future Agendas: 1) Director Thompson requested discussion on moving water deliveries until the second half of the year.

9. Announcements:

- A. Water Conservation and Education Committee, April 9, 2020 at 1:30 p.m. – Cancelled
- B. Engineering Workshop, April 13, 2020 at 1:30 p.m.
- C. Regular Board Meeting, April 20, 2020 at 1:30 p.m.

General Counsel Jeff Ferre stated that there will be no reportable action; as a result the Board will not be coming back to this conference line.

10. Closed Session (2 Items)

Time: 2:48 pm

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
 (Paragraph (1) of subdivision (d) of Government Code Section 54956.9)
 Name of Case: CV Communities et al. v. Antelope Valley East Kern Water Agency and San Geronio Pass Water Agency
 Case No. 20STCV10953
- B. PUBLIC EMPLOYEE APPOINTMENT
 Pursuant to Government Code Section 54957
 Title: Consultant: Interim general manager services during general manager transition

The meeting reconvened to open session at: Time: 4:00 pm

General Counsel Jeff Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

11. Adjournment

Time: 4:00 pm

Draft - Subject to Board Approval
 Jeffrey W. Davis, Secretary of the Board



April 14, 2020

Chair Gloria Gray & Members of the Board
Metropolitan Water District of Southern California
700 Alameda Street
Los Angeles, California 90012

Chair Gray and Members of the Board:

Two weeks ago, on March 31, our state departments took an important step to enable continued operation of the State Water Project (SWP). The California Department of Fish and Wildlife (DFW) issued a new permit for the long-term operations of the SWP under the California Endangered Species Act (CESA). This permit enables the California Department of Water Resources (DWR) to continue to provide reliable water to 27 million Californians while protecting four species of fish from extinction.

We write to explain this important action and how it advances our shared interests.

A New State Approach

In the past, our state relied on a federal process to protect endangered species. Federal agencies issued Biological Opinions to set rules on water operations under the federal Endangered Species Act (ESA), and DWR covered its operations under CESA by securing a consistency determination from DFW based on these federal Biological Opinions. Our state departments had long considered the benefits of pursuing a stand-alone CESA permit because of its important distinctions from the ESA, and the need to manage water flexibly given California's increasingly extreme hydrology.

In 2018, as federal agencies worked to update the Biological Opinions, President Trump issued a first-of-its-kind Presidential Memorandum to shape the new opinions and greatly accelerate their completion. Recognizing this extraordinary and uncertain situation, state agencies decided to pursue a separate state permit for the first time to ensure that DWR's water operations can comply with state law. Our state departments worked together, drawing on a decade of science to develop a permit that strengthens safeguards for fish while improving real-time management of state water operations.

This new approach strengthens water security for Southern California communities by ensuring the continued lawful operation of the SWP for the next ten years regardless of

what happens in Washington D.C. This regulatory certainty will support continued smart investments, from modernizing conveyance to expanding water recycling, and will empower the state to make operational decisions untethered from needless federal bureaucratic delays.

Improved Flexibilities

This new state permit improves operational flexibility while ensuring environmental protections. It allows our water infrastructure to capture and save more water in wet years for use later in drier years to protect fish and supply communities. The importance of providing this flexibility is a lesson learned from the last drought, when the lack of carryover supplies limited our ability to protect fish and provide water supplies in the sequential dry years. This new approach is a promising way to prepare for dry years.

These new flexibilities also allow for more exports than were previously permitted during large storm events and hydrologically wet years. Under the permit, DWR and DFW will work together and utilize storm events to increase storage and enable environmentally beneficial flows. This balanced approach places more emphasis on maintaining protective environmental conditions during these storm events than do the Biological Opinions, which we believe do not place enough environmental safeguards on export pumping during storm events. At its core, this state permit enables adaptive management based on improved scientific monitoring and research, close collaboration between state and local agencies, and continued coordination with our federal partners.

Protecting Salmon

California's strong protection of our endangered fish and wildlife reflects our collective values. Our state law to protect endangered species, CESA, is a bedrock of this protection. CESA is more protective than the federal ESA and requires that we minimize, avoid, and fully mitigate an action's impacts on endangered species.

Our iconic salmon are highly imperiled and facing extinction. These species, along with Delta and longfin smelt, have recently been surveyed at the lowest population levels ever recorded. Our salmon have been returning to California's rivers for thousands of years, are revered by Tribal Nations, and support a broad coastal fishing industry. Each of these fish species also fills an important niche in a complex ecosystem.

The state permit carefully analyzed operations of our state water infrastructure. It contains a robust set of protective measures. It establishes transparent, science-based guidelines to protect endangered fish. It makes several improvements to waterways, like a new barrier in the south Delta to improve survival of migrating juvenile salmon and better use of salinity gates in the Suisun Marsh to expand habitat for Delta Smelt. It also includes new funding for a comprehensive adaptive management program and updated modeling, monitoring, and analyses that inform real-time operations.

Coordination with Federal Agencies

State water operations must also comply with the federal ESA. Our state and federal water operations must coordinate closely given their joint responsibilities for water supply delivery and environmental protection. For this reason, our state permit incorporates many components of the Biological Opinions and facilitates coordinated decision-making between state and federal agencies.

However, earlier this year, after careful review of the Biological Opinions developed by the Trump Administration, our best experts concluded they do not do enough to protect endangered fish. As a result, after significant discussion with federal agencies the state filed litigation to modify these federal operations to be more protective and more closely align with our state approach. This was a difficult decision given the importance of state and federal coordination, but we consider it essential to stand up for adequate environmental protections for endangered species.

Therefore, the state permit contains elements not included in the Biological Opinions: more sensitive triggers to modify operations if endangered species are being killed; assured blocks of water flows during spring and summer period to support fish migration and survival; and ultimate authority for our fish protection agency to require real-time operational changes to protect endangered species.

The federal and state water projects have a long history of shared responsibilities for meeting environmental needs. Given this, the State Water Project cannot be forced to absorb the burden of environmental compliance that belongs to others, and we continue to work with the federal government in an effort to resolve our differences on endangered species protections.

Moving Forward Together

We must continue to protect our environment *and* build water security for communities and agriculture. Too often, water policy decisions are portrayed as a win for one priority at the expense of another. This state permit to protect endangered species avoids this "winner-take-all" approach. It provides much needed environmental protection while advancing operational flexibilities that benefit economic uses of our state's water.

Establishing clear rules that protect endangered species and aligning federal and state approaches will advance a broader effort to secure voluntary agreements to improve conditions in the Sacramento and San Joaquin River systems and Delta. These agreements hold promise to bring additional water, habitat and science to improve environmental conditions in the two river systems and the Delta while providing regulatory certainty for communities and agriculture by implementing the State Water Board's Bay Delta Water Quality Control Plan. We continue to steadfastly pursue these agreements and have included in this state permit adaptability to sync with that effort.

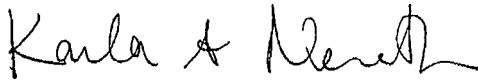
We are thankful of our lasting partnership with Metropolitan Water District to meet California's water needs. Continued collaboration into the future will be essential as we work to build our collective water resilience. Recognizing this, we thank each Board

member for your thoughtful and deliberate evaluation of this state permit for the State Water Project.

Sincerely,



Chuck Bonham
Director, California Department of Fish and Wildlife



Karla Nemeth
Director, California Department of Water Resources

Congress of the United States

April 15, 2020

The Honorable Gavin Newsom
Governor of California
State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom,

California is facing a real risk of a fundamental breakdown of our water delivery system. We urge you to take what likely is the last remaining opportunity over the next few weeks to help preserve the longstanding tradition of successfully coordinating the operation of the State Water Project and federal Central Valley Project. We believe the most plausible path forward is through continued negotiation and the voluntary agreement process.

We understand that an agreement between the necessary parties was close but has not yet been reached. Early implementation of such a voluntary agreement when fully negotiated could provide a framework to allow the State to settle its lawsuit with the federal government and resolve the differences between the federal biological opinions and the State's incidental take permit for the long-term operation of the State Water Project. Early implementation will also help to restore threatened and endangered fish populations. We fear if an agreement is not reached, all parties will enter prolonged litigation which will set us back for years to come.

We know you agree that continued coordinated operation of the state and federal water projects is necessary to ensure a reliable water supply for diverse uses throughout California, including urban, agricultural and environmental uses. Together, these two projects provide water for an estimated 30 million Californians, nearly 4 million acres of the most productive agricultural land in the world, and many ecosystems—including managed wetlands—on which fish, waterfowl, and other wildlife rely. Historically, these projects have operated in a coordinated manner, with each project meeting its individual purpose while operating within a framework that enables both projects to jointly meet water supply and environmental obligations.

The longstanding coordinated operation of the two projects is threatened by the conflict between the federal biological opinions and the State's recently issued incidental take permit. This conflict, if allowed to continue, will not only reduce water deliveries just as drought may be returning to California, but also block the successful negotiation of voluntary agreements to meet Delta water quality requirements, which we support. To this end, you and your team have made substantial efforts, yet we have heard significant frustration that the lawsuit and the incidental take permit have complicated finding a needed solution.

Fortunately, we believe early implementation of voluntary agreements would provide an important foundation to avoid further conflict. To date, state and federal agencies simply do not agree on the level of Delta outflow required to adequately protect smelt, salmon, and other listed species. However, these issues do not need to be resolved through litigation if a framework for

voluntary agreements can be reached with the necessary parties, and early implementation provides interim protections for listed fish species acceptable to the state.

The State's incidental take permit already includes a provision allowing its modification to allow reliance on voluntary agreements, if approved by the State Water Resources Control Board. We urge you to refine this provision to also allow reliance on early implementation of voluntary agreements when fully negotiated, prior to approval by the State Water Board, to meet Delta outflow needs as well as to continue necessary coordinated operations of the two projects. We are confident that public water districts and users will commit to work with your administration on such an approach. Securing additional outflow and implementing adaptive management will not only achieve environmental benefits in the near term, it will also provide a foundation to bring all interested parties back to the table so that a long-term comprehensive agreement on Delta water quality protections can be achieved with reduced litigation.

California water policy is at a critical juncture. Without forceful leadership by state and federal political leaders, our state will slip back into the "old binaries" referenced in your original State of the State address. We look to your leadership to help resolve these critical issues and ensure coordinated water supply for all Californians. We stand ready to help achieve that outcome in any way we can. Thank you for considering our views.

Sincerely,



Dianne Feinstein
United States Senator



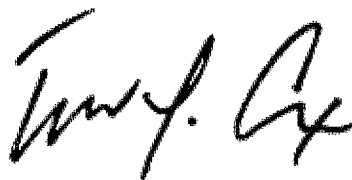
Jim Costa
Member of Congress



John Garamendi
Member of Congress



Josh Harder
Member of Congress



TJ Cox
Member of Congress

CC: The Honorable Xavier Becerra, Attorney General
The Honorable Wade Crowfoot, Secretary for Natural Resources
The Honorable Jared Blumenfeld, Secretary for Environmental Protection

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: LAFCO Election

DATE: April 20, 2020

Summary:

LAFCO, or the Riverside County Local Agency Formation Commission, is the arm of the County government that deals with annexations, incorporation of new cities, changes in service area, etc. It is governed by a board of directors that represent the County, cities, and special districts. The purpose of this proposed board action is for the Board to give direction to the President as to who it wishes to support for both a regular and alternate member of the LAFCO board representing Special Districts.

Background:

The LAFCO Board consists of commissioners and alternates. In Riverside County, commissioners represent either the eastern or western portion of the County. However, Special Districts participate in the election for Special District commissioners. The current election is for one commissioner representing the eastern half of the County, and one alternate.

Detailed Report:

Since there are so many candidates, there may not be a majority vote on the first ballot. The election has been set up to automatically select a winner with just one ballot, thus saving the time and expense of holding a runoff election. In order to do this, each voter (the Agency is a voter and the President has the authority to vote on behalf of the Agency) will vote for a first choice, second choice, etc. The election process is explained in the documents included in the agenda package.

Also included in the agenda package is the ballot, as well as any and all documents received by the Agency requesting support for a particular candidate. Signed, completed ballots are due to LAFCO in early May.

Fiscal Impact:

There is no fiscal impact to voting for LAFCO commissioners.

Recommendation:

Staff has no recommendation.



April 3, 2020

via electronic mail

2020 BALLOT INSTRUCTIONS FOR SPECIAL DISTRICT MEMBER (EASTERN RIVERSIDE) AND AN ALTERNATE SPECIAL DISTRICT MEMBER (RIVERSIDE COUNTY) OF THE RIVERSIDE LOCAL AGENCY FORMATION COMMISSION

To Special District Selection Committee Members:

Please read these instructions carefully before completing your ballot. As previously announced, a physical meeting of the Special District Selection Committee (SDSC) is not feasible at this time, therefore, the selection proceedings are being conducted by electronic mail or regular USPS mail. A nomination period for the position in the title above was opened Wednesday, March 4, 2020 and closed at 5:00 p.m. on Friday, April 3, 2020.

Enclosed you will find your ballot.

LAFCO Regular Special District Member – Eastern County: A total of three (3) nominations were received for this position. Candidates were restricted to the eastern area of the County.

LAFCO Alternate Special District Member – Riverside County: A total of seven (7) nominations were received for the alternate position.

All members of the SDSC may cast a ballot for both a regular member and an alternate.

Pursuant to procedures adopted by the Selection Committee in 2016, the election for the LAFCO regular and alternate positions will be conducted using Instant Runoff Voting (IRV). IRV eliminates the requirement for the expensive and lengthy process of sending out a second runoff ballot to achieve a majority. An example demonstrating how IRV works is attached.

Please fill out your ballot by ranking each nominee in the order of preference, using "1" for your first choice, "2" for your second choice and so on. Please note ranking more than one candidate will not work against your first choice candidate, however, voting for only one candidate is allowed. Do not mark the same number beside more than one candidate and do not skip numbers.

General Instructions and Information:

- Completed ballots must be delivered via electronic mail to rholtzclaw@lafco.org, or by regular mail to the LAFCO office at 6216 Brockton Avenue, Suite 111-B, Riverside CA 92506 **no later than 5:00 p.m. on Sunday, May, 3, 2020.**
- Only the presiding officer or another board member authorized by your board of directors to vote may cast the ballot. Board members designated by their district board to vote in place of the presiding officer must provide that authorization (in the form of a resolution or minute order) to LAFCO no later than the time the ballot is cast. District managers or other staff members may not vote.
- The voting member must print his or her name on the ballot as well as sign and date the certification indicating he or she is authorized to vote for the district.
- We must receive a ballot with an original signature. However, if you deliver your ballot via electronic mail, you may return a scanned copy of the signed ballot by email to rholtzclaw@lafco.org.
- Failure to follow these instructions will invalidate the ballot.

Finally, these positions ensure special districts are appropriately represented on our local boards. Appointments are only valid if ballots representing a quorum, from 29 of our 56 independent special districts, are returned. Please return your ballots in a timely manner.

If you have any questions, please contact our office at 951 369-0631.

Sincerely,



Gary Thompson
Executive Officer

SPECIAL DISTRICT SELECTION COMMITTEE 2020 BALLOT

Name of District: _____
Print District Name Here (required)

Certification of voting member:

I, _____ hereby certify that I am (check one):
Print Name Here (required)

- the presiding officer of the above-named district.
- a member of the board of the above-named district authorized by the board to vote in place of the presiding officer. [Authorization previously transmitted, attached]

Signature (required) _____
Date (required)

Ballot must be received by 5:00 p.m., Monday, May 3, 2020. Email to rholtzclaw@lafco.org.
If mailing: LAFCO, 6216 Brockton Avenue, Suite 111-B, Riverside, CA 92506 – deadline still applies.

**Regular Special District Member of the
Local Agency Formation Commission – Eastern Riverside County**
(Term running May 6, 2020 through May 6, 2024)

Please rank the candidates in preferential order, “1” being the first preference, “2” being the second, etc.:
Circle rank for each candidate

Nancy Wright , Mission Springs Water District	1 2 3
Debra Canero , Valley Sanitary District	1 2 3
Karen Borja , Desert Healthcare District	1 2 3

**Alternate Special District Member of the
Local Agency Formation Commission – Riverside County**
(Term running May 6, 2020 through May 6, 2024)

Please rank the candidates in preferential order, “1” being the first preference, “2” being the second, etc.:
Circle rank for each candidate

Arthur Shorr , Desert Healthcare District	1 2 3 4 5 6 7
Dale Qualm , Temecula Public Cemetery District	1 2 3 4 5 6 7
Scott Sear , Valley Sanitary District	1 2 3 4 5 6 7
Steve A. Pastor , Lake Hemet Municipal Water District	1 2 3 4 5 6 7
Robert Stockton , Western Municipal Water District	1 2 3 4 5 6 7
Danny J. Martin , Rancho California Water District	1 2 3 4 5 6 7
Karen Alexander , Northwest Mosquito & Vector Control	1 2 3 4 5 6 7

INSTANT RUNOFF VOTING (IRV) ELECTION PROCESS

Introduction

In 2016, the Special District Selection Committee voted to utilize instant runoff voting (IRV) for all future elections to appoint members to the Riverside Local Agency Formation Commission (LAFCO). IRV is a method of conducting elections with three or more candidates whereby a majority determines the winner without the need to have a second ballot/runoff proceeding. A separate runoff election could cause a delay of more than 90 days, as well as causing LAFCO additional expense. The explanation below and example that follows illustrates how the instant runoff voting method will be used for determining the winner in a fictional election for the Porcupine Lodge Board of Directors. A process similar to the one explained below will be utilized to determine the LAFCO Special District Member.

Ballot Specifications and Directions to Voters

The ballot will allow a voter to rank candidates in order of preference. All nominated candidates are listed on the ballot. Voters will vote for candidates by indicating their first-choice candidate, their second-choice candidate and so on. The voter will indicate his/her first choice by marking or circling the number "1" beside a candidate's name, the second choice by marking or circling the number "2" by that candidate's name, the third choice by marking the number "3," and so on, for as many choices as the voter wishes. Voters are free to rank only one candidate, however, doing so does not offer any additional advantage to that candidate, as ranking additional candidates cannot help defeat a voter's first-choice candidate. Voters must not mark the same number beside more than one candidate or skip rank numbers.

Ballot Counting

The ballots cast will be tabulated and the result declared by the official responsible for conducting the election. Votes will be counted for each candidate using the following procedure:

- The first choice marked on each ballot shall be counted. If any candidate receives a majority of the first choices, that candidate shall be declared elected.
- A majority is a number of votes greater than half of the total number of ballots received.
- If no candidate receives a majority of first choices, the candidate who received the fewest first choices shall be eliminated and each vote cast for that candidate shall be transferred to the next-ranked candidate on that voter's ballot. If, after this transfer of votes, any candidate has a number of votes constituting a majority, that candidate shall be declared elected.

- If no candidate receives a majority of votes from the continuing ballots after a candidate has been eliminated and his/her votes have been transferred to the next-ranked candidate, the continuing candidate with the fewest votes from the continuing ballots shall be eliminated. All votes cast for that candidate shall be transferred to the next-ranked continuing candidate on each voter's ballot. This process of eliminating candidates and transferring their votes to the next-ranked continuing candidates shall be repeated until a candidate receives a majority of the votes from the continuing ballots. This candidate shall be declared elected.

Example:

Three candidates are running for the Porcupine Lodge Board of Directors: Paul Alto, Mort Bragg and Samantha Cruz.

60 ballots are cast, therefore a candidate needs a majority of 31 votes to win the election:

- Alto is ranked #1 by 15 voters
- Bragg is ranked #1 by 25 voters
- Cruz is ranked #1 by 20 voters

In the first round no one receives the required majority of 31 votes.

Alto, as the candidate receiving the fewest first choice (#1) votes, is eliminated. Those 15 ballots that had Alto ranked as their first choice are reviewed for their second (#2) choice. On those 15 ballots:

- Bragg is ranked #2 on 9 of those 15 ballots
- Cruz is ranked #2 on 4 of the 15 ballots.
- Two of the ballots did not pick a second choice candidate.

These second choice votes are added to the results of the first choice count as follows:

- Bragg has 25 plus 9 for a total of 34 votes
- Cruz has 20 plus 4 for a total of 24 votes

Thus, Bragg wins with 34 votes (the required majority was 31) and Cruz is second with 24 votes.

https://www.rankedchoicevoting.org/single_seat



**RE-ELECT *Nancy Wright*
for LAFCO Special District Representative**

Dear Special Districts:

Let me share with you a short summary of Nancy Wright's story on LAFCO. In 2008, Nancy expressed her interest in representing Special Districts and proceeded to ask past members how to go about pursuing such an endeavor. Almost everyone advised that she start as an alternate taking her turn to learn and understand the issues before moving into a permanent position. That was wonderful advice and she did exactly what other members suggested, running for that position and serving as an alternate until 2011. Since that time, she has continued to serve on the commission. Nancy served as LAFCO Vice Chair in 2013 and 2014 and served as Chair in 2015 and 2016. She is presently Chair of the Mission Springs Water District Board.

Nancy has never failed to represent the interests of special districts. That history is what provides the confidence that in the future, we can trust Nancy to do what is in the best interest of special districts. What better assurance can we have than a proven history and knowledge that she has gained by patiently progressing from an alternate to chair of the board?

Nancy has not let us down. Nancy is the right choice for Riverside County LAFCO, so I ask you to make the Wright choice ... vote Nancy Wright.

Sincerely,

A handwritten signature in black ink, appearing to read "Arden Wallum".

Arden Wallum
General Manager



Nancy S. Wright

Candidate for
Eastern Riverside County Special Districts
LAFCO Representative

In 2008 you elected me to serve on the LAFCO Board as the Special District alternate and in 2011 & 2016 as the Eastern Riverside County Special Districts representative on the LAFCO Board.

I have the experience:

- Served as Riverside County LAFCO Vice-Chair in 2013-14 and as Chair 2015-16.
- I have thorough understanding of LAFCO's annual budget and funding, and I have worked to keep those costs as low as possible.
- Currently serving as the President of Mission Springs Water District, where I have served since 1988.
- Representing MSWD on the CVAG's Energy and Environmental Resources Committee and the Coachella Valley Conservation Commission, for 14 years.
- Current Chair of the CA Regional Water Quality Control Board, Colorado River Basin Region, where I have served for 13 years (appointed by 3 Governors).

I understand the importance of Special Districts and the vital and necessary services they supply to the public. I have the **Experience**, the **Knowledge**, and the **Expertise** necessary to serve as our Special District representative on the LAFCO Board.

Thank you for your continued support!

Nancy Wright



President Wright has participated with LAFCO since 2008 and previously served as the alternate Commissioner. She has an extensive knowledge and respect for the critical role of Special Districts in today's governmental arena.

Nancy Wright's enthusiasm, energy, dedication and leadership will serve LAFCO and the Special Districts well.

~Arden Wallum
General Manager,
MSWD

Nancy Wright ~ Right for LAFCO



**Rancho
Water**

April 3, 2020

Jeff Davis
San Geronio Pass Water Agency
1210 Beaumont Ave.
Beaumont, CA 92223

**RE: CONSIDERATION OF RANCHO CALIFORNIA WATER DISTRICT DIRECTOR
DANNY MARTIN FOR RIVERSIDE COUNTY LAFCO ALTERNATE SPECIAL
DISTRICT ELECTION**

Board of Directors

Bill Wilson
President

Danny J. Martin
Senior Vice President

Carol Lee Brady

Angel Garcia

Lisa D. Herman

William E. Plummer

John V. Rossi

Officers

Jeffrey D. Armstrong
General Manager

Eva Plajzer, P.E.
Assistant General Manager
Engineering and Operations

Richard R. Aragon, CPFO
Assistant General Manager
CFO/Treasurer

Jason A. Martin
Director of Administration

Eileen Dienzo
Director of Human Resources

Kelli E. Garcia
District Secretary

James B. Gilpin
Best Best & Krieger LLP
General Counsel

Dear Mr. Davis:

I am writing to encourage you to cast your vote for Danny Martin for Riverside LAFCO Special District Alternate representative.

Danny has served on the Rancho California Water District (Rancho Water/District) Board of Directors since 2015—serving as Senior Vice President in 2019 and 2020. Having served on various committees during his term, Danny is currently Chairman of Rancho Water’s Engineering and Operations Committee, member of the Finance and Audit Committee, and serves on the District’s City of Murrieta, Riverside County Board of Supervisor, and San Diego Regional Water Quality Control Board Ad Hoc Committees.

Danny is an active wine-country resident, has over 39 years of experience as a commercial-agricultural appraiser, and has served as President of the Temecula Valley Winegrowers Association and Elsinore-Murrieta-Anza Resource Conservation District.

As an active resident and pillar of the community, Danny has been an advocate for conservation and a safe sustainable water supply. He believes in strong leadership with vision and efficiency. Danny has our full Board’s support and I have no doubt he will serve our County well. Thank you for your support.

Regards,

RANCHO CALIFORNIA WATER DISTRICT


Jeff Armstrong
General Manager

MEMORANDUM

TO: Board of Directors

FROM: Legal Counsel

RE: Adopt Resolution No. 2020-02 Requesting Approval Of Allowed Employment For A Retired Employee

Enter Into An Interim General Manager Agreement With Jeff Davis Following Retirement

DATE: April 20, 2020

Summary:

The Board has inquired of Jeff Davis whether he would be willing to serve as Interim General Manager during the time that the Agency is recruiting for a permanent replacement. The duties of the Interim General Manager would include day-to-day management and facilitating transition to the new General Manger.

Government Code Section 21221(h) allows a public agency to hire a retired person on a temporary basis to facilitate continuation of services. Resolution No. 2020-02 is required to be adopted and sent to the Board of Administration of the Public Employees' Retirement System ("CalPERS") in order to allow the Agency to employ Mr. Davis as the Interim General Manager.

Recommendation:

It is recommended that the Board take the following actions:

1. Adopt Resolution No. 2020-02 Requesting Approval From The Board Of Administration Of The Public Employees' Retirement System To Approve Allowed Employment For A Retired Employee Pursuant to Government Code Section 21221(h).
2. Enter into an Interim General Manager Agreement with Jeff Davis to provide day-to-day management and to assist in the transition to the new General Manager.

Detailed Report:

Mr. Davis will be retiring from the Agency as of June 30, 2020. It is possible that the Board will not have a new General Manager onboard by July 1, 2020. Even after a new General Manager is hired, the Interim General Manager Services could help with the transition.

California Government Code Section 21221(h) allows a public agency to hire a retired person to a position requiring specialized skills, on a temporary basis, to allow for the continuation of services. The retired person will not be subject to reinstatement from retirement, or loss of benefits, so long as such employment does not exceed 960 hours in a fiscal year. The enclosed Resolution No. 2020-02, if adopted, would be submitted to CalPERS and allows the Agency to employ Mr. Davis, but Mr. Davis shall not to exceed the 960 hour limitation.

If the Board elects to enter into the enclosed Agreement, then pursuant to requirements of Government Code Section 54953(c)(3), prior to taking action, the following report must be made: (1) the Agreement would become effective July 1, 2020; (2) the term would continue until December 31, 2020, unless earlier terminated by either party; (3) compensation would be at the hourly rate of \$150; (4) in no event shall compensation be paid for work in excess of 333 hours during the term, which equates to a not-to-exceed amount of \$49,950; and (5) pursuant to law, Mr. Davis would be allowed to work a maximum of 960 hours per fiscal year.

Fiscal Impact:

The Agreement would provide for payment of compensation and reimbursement of expenses on a limited basis. The hourly rate would be \$150 and in no event would compensation be paid for work in excess of 333 hours during the term, which equates to a not-to-exceed amount of \$49,950.

RESOLUTION NO. 2020-02

**A RESOLUTION OF THE SAN GORGONIO PASS WATER AGENCY
REQUESTING APPROVAL FROM THE BOARD OF
ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT
SYSTEM TO APPROVE ALLOWED EMPLOYMENT FOR A RETIRED
EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE
SECTION 21221(h)**

WHEREAS, the position of General Manager is a critical position that is necessary and integral to the operation of the San Gorgonio Pass Water Agency (“Agency”); and

WHEREAS, while a recruitment is pending, a permanent General Manager is currently unavailable to perform the duties of General Manager as assigned for the operation of the Agency; and

WHEREAS, to assure the efficient continued operation of the Agency, the Agency hired its retired General Manager, Jeffrey W. Davis, to serve as Interim General Manager on a contract basis beginning July 1, 2020 and running no later than December 31, 2020; and

WHEREAS, California Government Code Section 21221(h) allows a public agency to hire a retired person to a position requiring specialized skills on a temporary basis to allow for the continuation of services. The retired person will not be subject to reinstatement from retirement or loss of benefits so long as such employment does not exceed 960 hours in a fiscal year; and

WHEREAS, Jeffrey W. Davis has specialized skills necessary for the fulfillment of the General Manager duties, as well as assisting with the transition to the new General Manager. Jeffrey W. Davis has experience with subjects of particular concern for the Agency, such as the administration of the Agency, having served previously as General Manager for the Agency. Given the location of the Agency, it would not be likely for the Agency to recruit and hire another Interim General Manager with this level of experience in the face of such fiscal and organizational challenges; and

WHEREAS, in order to achieve a successful outcome of the fiscal and organizational challenges facing the Agency for the next several months, the Agency desires to maintain the services of Jeffrey W. Davis, on a temporary basis, as Interim General Manager, to provide for the management of the Agency; and

WHEREAS, to date, Jeffrey W. Davis’s service to the Agency has not exceeded and is not anticipated to exceed the 960 hour limitation set forth in California Government Code Section 21221(h).

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DOES RESOLVE AS FOLLOWS:

1. That all facts as set forth in the recitals of this Resolution, are true and correct and are deemed to be an operative part of this Resolution.

2. Pursuant to the requirements of California Government Code Section 21221(h), the Board of Directors requests that the Board of Administration of the Public Employees' Retirement System allow the Agency to employ Jeffrey W. Davis as Interim General Manager on a contract basis from July 1st through December 31, 2020, not to exceed the 960 hour limitation of Section 21221(h).

SECTION 3. The Agency's Secretary shall certify the adoption of this Resolution and shall transmit a copy to the Board of Administration of the Public Employees' Retirement System.

PASSED, APPROVED AND ADOPTED this 20th day of April, 2020

Ron Duncan
President of the Board of Directors
San Geronio Pass Water Agency

ATTEST:

Secretary of the Board of Directors

**SAN GORGONIO PASS WATER AGENCY
- INTERIM GENERAL MANAGER AGREEMENT -**

THIS EMPLOYMENT AGREEMENT (hereafter "Agreement") is made and entered into by and between the San Gorgonio Pass Water Agency ("Agency"), a California public agency, and Jeffrey W. Davis ("Employee"), an individual.

RECITALS

WHEREAS, the Agency has experienced an unexpected vacancy in the rank of General Manager, a position which Employee retired from and with which he is intimately familiar; and

WHEREAS, the General Manager position is a regular position that has been vacant as of June 30, 2020, and for which the Agency has been conducting a recruitment for a permanent appointment; and

WHEREAS, the Agency has an immediate need for an employee to temporarily perform the position of General Manager, a position involving specialized skills including performance of day-to-day management of the Agency office and special consulting to facilitate transition once the permanent General Manager is hired, as further described in Resolution 2020-02;

WHEREAS, Employee is qualified to perform the services required by this Agreement, and Agency wishes to have Employee perform certain highly-specialized, critically necessary on-going duties and functions of the General Manager position; and

WHEREAS, Employee's employment is authorized by Government Code section 21221(h), which permits the Agency to appoint a CalPERS retired annuitant to a vacant position requiring specialized skills during recruitment for a permanent replacement.

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

If accepted by Employee, this Agreement represents the terms of Employee's appointment as Interim General Manager with the Agency. In light of Employee's status as a CalPERS retiree, this is a temporary appointment subject to the requirements set forth in this Agreement.

This Agreement is made because the Agency has determined that Employee has specialized skills in the areas of managing and directing the operations of the Agency including planning, organizing, directing, coordinating and controlling the functions of the Agency on an interim basis, as more specifically detailed in the attached job description. (General Manager Job Description attached as Exhibit A and incorporated by this reference). These tasks require specialized skills, which Employee possesses. In addition, the Agency wants to allow for the appropriate overlap of functions in order to effectively transition duties to the permanent General Manager, once hired.

TERMS OF AGREEMENT

1. **TERM:** This Agreement shall become effective July 1, 2020, pending public approval by the Agency's Board of Directors (hereafter "the Board"). Employee will serve as the Interim General Manager through the completion of the current General Manager recruitment. Once the Agency hires a permanent General Manager, Employee will continue in the capacity of Interim General Manager for a transitional period, the length of which will be determined by the Agency. Employee will be performing highly-specialized and critically-needed skills. The term of this Agreement will continue until December 31, 2020, unless this Agreement is otherwise terminated pursuant to Section 2.

**SAN GORGONIO PASS WATER AGENCY
- INTERIM GENERAL MANAGER AGREEMENT -**

2. **AT-WILL EMPLOYMENT:** Employee acknowledges that he reports to and serves at the pleasure of the Board of Directors and confirms that he does not have a “property interest” in continued employment. The Board of Directors may terminate Employee’s employment under this Agreement without cause at any time with a simple majority vote. In the event that Employee resigns his position as Interim General Manager, the Agency requests that he voluntarily provide the Board a minimum of two (2) weeks advance notice, unless the parties otherwise agree in writing.

3. **DUTIES:** Employee shall serve as the Interim General Manager during the time that Agency is recruiting for a replacement to fill that position. In that capacity, Employee shall have responsibility for the job requirements stated in the Board adopted General Manager job description (a copy of which is attached hereto as Exhibit A), and shall be subject to direction by the Board of Directors. After the hire of the permanent General Manager, Employee will remain as a retired annuitant and will have the responsibility of transitioning the full responsibilities of the General Manager to the new hire. Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards. He shall comply with and carry out the Agency’s rules and regulations, and he shall obey the laws of the United States of America and State of California as they apply to the performance of his duties.

4. **NO CONFLICTS:** Except as provided herein, Employee shall devote his full energies, interests, abilities, and productive time to his performance as the Agency’s Interim General Manager, and he shall not, without written approval by the Board President, render services of any kind for compensation or engage in any activity which would materially interfere with the performance of his duties. Employee shall not engage in any activity which is or may become a conflict of interest with the Agency or which might create an incompatibility of office as defined under California law.

5. **COMPENSATION AND WORK SCHEDULE:**

5.1 Rate of Pay. Employee shall receive compensation at the hourly rate of \$150 for each hour worked for services rendered as Interim General Manager pursuant to this Agreement. In no event shall Employee receive compensation for work in excess of 333 hours during the term of this Agreement, which equates to a not-to-exceed amount of \$49,950. The Agency has confirmed that the above rate of pay is not less than the minimum, or in excess of the maximum, paid by the Agency to other employees performing comparable duties as listed on the Agency’s publicly-available pay schedule and publicly-available employment agreements. Payments will be made on regularly scheduled Agency payroll dates, and shall be subject to all applicable payroll taxes and withholdings. Such compensation shall be the sole compensation for services under this Agreement.

5.2 Work Schedule and 960-Hour Limitation. Employee is expected to devote necessary time, within and outside normal business hours, to the business of the Agency. However, pursuant to Government Code section 21221(h) and section 7522.56(d), Employee is allowed to work a maximum of 960 hours per fiscal year for all public employers that contract with CalPERS for retirement benefits. The Agency retains the right to designate, reduce, change, or amend the number of hours assigned to Employee consistent with the Agency’s workload and other needs and to reassign any scheduled hours, as needed, to ensure that Employee does not exceed the maximum hours allowed by this Agreement. Employee will be responsible for keeping track of all hours worked on a daily time sheet form provided by the Agency.

5.3 Disclosure of Other Hours. In the event Employee is providing service to any other CalPERS public agency employer during the term of this Agreement, Employee must notify the Agency of such employment and disclose on a periodic basis (at a frequency determined by the

**SAN GORGONIO PASS WATER AGENCY
- INTERIM GENERAL MANAGER AGREEMENT -**

Agency) the number of hours Employee is performing for that other public agency to ensure that the maximum number of hours is not exceeded. The Agency has no way of monitoring the hours that Employee works for another CalPERS employer. As such, it is Employee's responsibility to ensure that the total hours worked for Agency and any other CalPERS employer do not exceed 960 hours during the fiscal year.

5.4 Exempt Position: The Interim General Manager position is exempt from FLSA overtime pay requirements. Due to the nature of the position, it is understood that the work day and work week hours may extend beyond a typical 8 hour day and/or a 40 hour workweek. In that event, Employee is not eligible for and will not be paid for any hours exceeding 40 in one workweek during the time that he acts as Interim General Manager.

5.5 No Benefits. Employee will receive no other benefits, incentives, compensation in lieu of benefits, or any other form of compensation. Employee understands and agrees that he is not, and will not be, eligible to receive any benefits from the Agency, including any Agency group plan for hospital, surgical, or medical insurance, any Agency retirement program, or any paid holidays, vacation, sick leave, or other paid leave, or any other job benefits available to an employee in the regular service of the Agency, except for Worker's Compensation Insurance coverage. If Employee needs time off, he may request time off (for full workdays) on an unpaid basis.

5.6 Unemployment Insurance Benefits: By signing this Retirement Agreement, Employee certifies that during the 12-month period prior to the effective date of his employment as Interim General Manager, he has not received any unemployment insurance compensation arising out of prior employment with a public employer.

6. **REIMBURSEMENT**: The Agency shall reimburse Employee for reasonable out-of-pocket expenses incurred in connection with the Agency's business, including travel, food, and lodging while away from home, subject to such policies and procedures as the Agency may from time to time establish for its employees. Employee shall not engage in any travel without the prior approval of the Board/Board President/Board Ad Hoc Hiring Committee for Recruitment of General Manager.

7. **OTHER COMPENSATION PROHIBITED**: No compensation of any kind shall be paid to Employee unless expressly approved by the Board. If allowed by Agency policy and applicable law, the Agency can provide Employee with a cell phone for business use, provide Employee with a stipend for cell phone usage, and/or reimburse Employee for any business usage of his own cell phone.

8. **DISPUTES**: Any litigation arising out of this Agreement shall be brought in Riverside County, California, and shall be resolved in accordance with the laws of the State of California. In any action to interpret or enforce the terms of this Agreement or to adjudicate any alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, each party shall bear their own attorneys' fees.

9. **NOTICES**. Notices pursuant to this Agreement shall be in writing given by deposit in the United States Postal Service, postage prepaid, delivered personally, or by overnight or other courier delivery services. All notices shall be effective as of the date of the sender's postage receipt, or immediately upon receipt if delivered personally or by overnight or other courier delivery services.

Notices to the Agency shall be addressed as follows:

**SAN GORGONIO PASS WATER AGENCY
- INTERIM GENERAL MANAGER AGREEMENT -**

San Gorgonio Pass Water Agency
1210 Beaumont Avenue
Beaumont, CA 92223
Attn: President of the Board

w/ copy to: Jeff Ferre, Esq.
Best Best & Krieger LLP
3390 University Avenue, 5th Floor
Riverside, CA 92501

or to such other address or location as the Agency directs.

Notices to Employee shall be addressed as follows:

Jeffrey W. Davis
[ADDRESS]

or to such other address or location as Employee directs in writing.

10. **EMPLOYEE WARRANTIES.** Employee warrants that, as of the commencement of his service as Interim General Manager, he will be able to immediately begin performance of his duties and that by entering into this Agreement, he will not be in violation of any other contract or Agreement.

11. **SEVERABILITY.** In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of the Agreement shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of the Agreement.

12. **PARITY IN CONSTRUING AGREEMENT.** Both parties have had sufficient opportunity to review this Agreement and to consult with legal counsel before executing it. This Agreement shall therefore be construed in accordance with its plain meaning and not in favor of or against any party.

13. **HEADINGS AND SECTION DIVISIONS.** Headings and section divisions in this Agreement are for ease of reference and are not intended to define, interpret or limit the content of each numbered paragraph or section.

14. **SOLE AGREEMENT.** The Agency and Employee acknowledge that this Agreement constitutes the sole and entire agreement between them relating to the subject matter of this Agreement, and that there are no other representations, agreements, arrangements or understandings, either written or oral, which are not fully expressed herein. The Agency and Employee further agree that this Agreement may only be modified by the Agency Board and Employee, and any modifications shall be in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated below commencing the initial Term as provided in this Agreement.

**SAN GORGONIO PASS WATER AGENCY
- INTERIM GENERAL MANAGER AGREEMENT -**

ACKNOWLEDGMENTS:

There is no right to public employment expressed by this agreement, nor is Employee guaranteed employment for any minimum period of time. All temporary appointments are subject to the business necessity of Agency and are at-will; therefore, the appointment may end with or without cause or advance notice (before the maximum ending date of December 31, 2020).

I, Jeffrey W. Davis, agree to this Interim General Manager Agreement, and hereby warrant that I understand and agree with all of the terms and conditions of employment as set forth in this agreement.

SAN GORGONIO PASS WATER AGENCY

Dated: _____, 2020 _____

Dated: _____, 2020

By _____
Ron Duncan,
President of the Board

Jeffrey W. Davis

**SAN GORGONIO PASS WATER AGENCY
- INTERIM GENERAL MANAGER AGREEMENT -**

**EXHIBIT A
JOB DESCRIPTION**

Manage, administer, and supervise Agency staff.

Attend regular and committee meetings of the Agency Board of Directors.

Direct development and administration of Pass Agency's budget; direct the forecast of additional funds needed for staffing, equipment, materials, and supplies; direct the monitoring of and approve expenditures; direct the preparation of and implement budgetary adjustments for approval by the Board.

Coordinate Pass Agency activities with outside agencies and organizations; provide staff assistance to the Board of Directors; prepare staff reports and other necessary correspondence.

Plan Board of Directors' agenda; prepare resource and background materials for agenda items; recommend Board action.

Conduct the business and functions of Pass Agency, including, but not limited to, the purchase of water from the Department of Water Resources, sale of water to Pass Agency's customers and collection of water rates, fees, assessments, and other revenues of Pass Agency.

Be responsible for carrying out the duties and obligations of Pass Agency pursuant to any and all contracts and/or agreements to which Pass Agency is a party.

Perform such other activities as directed by the Board in order to carry out the goals and objectives of Pass Agency. For example, and not by way of limitation, the Board may authorize attendance at meetings in Sacramento or elsewhere in regard to the State Water Project and/or Sites Reservoir. However, such attendance will only be authorized upon prior approval of the Board/Board President/ Board Ad Hoc Hiring Committee for Recruitment of General Manager.

San Gorgonio Pass Water Agency						
Water Rate 2020						
Allowance Equivalency Calculations						
Includes Ventura Water						
Potential Credit Levels						
	Current Price					
	\$399	\$375	\$360	\$350	\$330	\$320
	Diference	\$24	\$39	\$49	\$69	\$79
	Percent Reduction	6%	10%	12%	17%	20%
Potential Credit Amounts						
	Delivery (AF) → Price Dif. \$ ↓	500	1,000	1,500	2,000	3,000
	\$24	12,000	24,000	36,000	48,000	72,000
	\$39	19,500	39,000	58,500	78,000	117,000
	\$49	24,500	49,000	73,500	98,000	147,000
	\$69	34,500	69,000	103,500	138,000	207,000
	\$79	39,500	79,000	118,500	158,000	237,000
Potential Net Income - 15% Allocation - Before Credit						
	Expenses:	5,790,925	Income:	4,270,497	Net Income:	-1,520,428
Potential Net Income - 15% Allocation - After Credit						
	Delivery (AF) → Price Dif. \$ ↓	500	1,000	1,500	2,000	3,000
	\$24	-1,532,428	-1,544,428	-1,556,428	-1,568,428	-1,592,428
	\$39	-1,539,928	-1,559,428	-1,578,928	-1,598,428	-1,637,428
	\$49	-1,544,928	-1,569,428	-1,593,928	-1,618,428	-1,667,428
	\$69	-1,554,928	-1,589,428	-1,623,928	-1,658,428	-1,727,428
	\$79	-1,559,928	-1,599,428	-1,638,928	-1,678,428	-1,757,428



Beaumont-Cherry Valley Water District

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Board of Directors

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Division 5

John Covington
Division 4

Daniel Slawson
Division 3

Lona Williams
Division 2

Andy Ramirez
Division 1

April 16, 2020

Jeff Davis, General Manager
San Geronio Pass Water Agency
1210 Beaumont Avenue
Beaumont, CA 92223

Re: Possible Temporary Imported Water Rate Reduction due to COVID-19

Dear Mr. Davis:

At the April 6, 2020 Regular Board meeting of the San Geronio Pass Water Agency (SGPWA), the Board of Directors discussed the concept of a possible temporary Imported Water Rate reduction from \$399 per Acre Foot (AF) to \$319 per AF with several restrictions and requirements. One such requirement would be that the Water Retailers would commit to pass the savings along to the rate payers by reducing the pass-through rate that is charged per hundred cubic feet (ccf).

At the April 8, 2020 Regular Board meeting of the Beaumont-Cherry Valley Water District (BCVWD) Board of Directors, the Board discussed this concept and came to a consensus that a reduction in the Imported Water Rate would be a great benefit to the rate payers of the area and that BCVWD would commit to reducing the pass through rate on the BCVWD rate payers' bills to reflect the reduction from the SGPWA.

To that end, BCVWD Staff has given some further thought as to how BCVWD's pass-through rate might be reduced if such a temporary wholesale water reduction were to be offered by the SGPWA and how that could be passed through to BCVWD's rate payers equitably and fairly due to the following constraints:

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1. BCVWD's currently bills rate payers on a bi-monthly billing cycle as illustrated on Table 1 attached. In order to provide fair and equitable distribution of credit to rate payers due to billing cycled and varying seasonal demands, BCVWD believes targeting a multiple billing cycle credit period (i.e. pass-through reduction period) may provide the best overall opportunity for fair distribution of a proposed SGPWA rate reduction or credit (see Table 1 graphic for blue dashed squares identifying a possible billing credit activity and estimated percentage of said billing cycle water consumption over the annual water usage).
2. Uncertainty in the value (in dollars) of a proposed temporary reduction by the SGPWA that would be realized by BCVWD as a credit that could be passed on to BCVWD rate payers. This value (in dollars) would need to be defined in order for BCVWD to accurately calculate the value of the reduction (and period said reduction would be applied) that would be made available to BCVWD's rate payers. This reduction would be achieved by reducing the current imported water pass through rate of \$0.72/unit of sale (CCF) to a lower value based on projected sales on a monthly basis and value of the reduction amount. This approach would allow BCVWD Staff the opportunity to finalize the savings distribution across multiple months to achieve equity to all rate payers regardless of billing cycle status. Further, BCVWD suggests that the final value of a reduction might be defined as a cost reduction (i.e. credit that would be realized) based upon BCVWD's actual 2020 imported water supply purchases from the SGPWA based upon anticipated supplies available from the SGPWA and other commitments. Table 2A and 2B, attached summarizes BCVWD's current understanding of estimated available SGPWA Supplies and Retail Agency 2020 Water Orders.
3. Per BCVWD's Regulations Governing Water Service, notification of adjustment to Imported Water Charge pass-through charge activities must provide to Rate Payer prior to adjusting the current water supply pass through rate of \$0.72 per unit of sale (CCF or one

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hundred cubic feet) to a new rate (e.g. lower rate) per BCVWD's Regulations Governing Water Service, Part 5 Charges, 5-1.2.1 Adjustment of Pass-Through Charges (See Attachment A).

BCVWD staff suggests that this approach would provide some planning level certainty to both the SGPWA as well as BCVWD to ensure that the intended consequence of providing rate payer relief is fairly distributed to BCVWD rate payers as well as defining the offered credit in a way that everyone clearly understands.

The BCVWD Board of Directors and Staff certainly look forward to further investigating and quantifying how this activity would look based upon a refinement of the actual reduction value that might be realized.

Sincerely,

Daniel K. Jagers, General Manager
Beaumont-Cherry Valley Water District

John Covington, President of the Board of Directors
Beaumont-Cherry Valley Water District,

cc: Ron Duncan, SGPWA President of the Board of Directors

encl.

1. Table 1, Illustration of BCVWD Billing Cycle – 3 Billing Components and Estimated Billing Percentages over Annual Usage
2. Table 2A SGPWA Projected Water Delivery Amount Summary and Table 2B Retail Agency 2020 Imported Water Order Summary
3. BCVWD Rules and Regulation, Part 5 Charges, 5-1.3.1 Adjustment of Pass-Through Charges

DKJ
2020-04-13 SGPWA Letter V1.2

560 Magnolia Avenue Beaumont CA 92223

BEAUMONT-CHERRY VALLEY WATER DISTRICT

2020 WATER SUPPLY AVAILABILITY AND ORDER STATUS

TABLE 2A

SGPWA PROJECTED WATER DELIVERY AMOUNT SUMMARY

(Data Source: SGPWA 2/18/2020 Board of Directors Meeting)

No.	Item	Acre-Feet
1	Carry Over Water Supply	4,200.00
2	Table A	2,595.00
3	Nickle Water	1,700.00
4	Yuba Water	200.00
5	CLAWA Exchange	(500.00)
6	Other Water Opportunity	-
		8,195.00

TABLE 2B

RETAIL AGENCY 2020 IMPORTED WATER ORDER SUMMARY

(Data Source: Water Retail Agency Correspondence re. 2020 water orders)

No.	DELIVERY AMOUNTS	Acre-Feet
1	BCVWD	
	Replentishment	9,400.00
	Drough Proofing	300.00
2	YVWD	250.00
3	City of Banning	250.00
Total Water Ordered		10,200.00