

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Meeting**  
**Agenda**  
**July 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 JOIN BY ZOOM: <https://us02web.zoom.us/j/87947908794>  
MEETING ID 879 4790 8794

**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. Speakers are requested to keep their comments to no more than five minutes. 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, July 6, 2020\* (p. 3)
- B. Approval of the Minutes of the Engineering Workshop, July 13, 2020\* (p. 9)

**5. Reports (Discussion and Possible Action)**

- A. General Manager's Report\* (p. 11)
- B. General Counsel Report
- C. Directors' Reports
- D. Committee Reports

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

- A. Adoption of a Resolution for Exception to the 180-day Waiting Period to Appoint Jeffrey W. Davis to an Extra-help Position Effective July 20, 2020\* (p. 15)
- B. Enter Into a First Amendment to Interim General Manager Agreement With Jeff Davis Following Retirement \*(p. 21)
- C. Enter Into CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement\*(p. 22)
- D. Consideration and Possible Action on Cost of Living Allowance for Agency Staff\*(p. 26)
- E. Appointment of Jeff Davis to Sites Reservoir Committee\*(p. 29)
- F. Appointment of Jeff Davis to Delta Conveyance Finance JPA Board\*(p. 29)

## 7. Topics for Future Agendas

### 8. Announcements -

- A. Finance & Budget Workshop, July 27, 2020 at 1:30 p.m.
  - Teleconference/Zoom
- B. Regular Board Meeting, August 3, 2020 at 1:30 p.m.
  - Teleconference/Zoom
- C. Engineering Workshop, August 10, 2020 at 1:30 p.m.
  - Teleconference/Zoom

### 9. 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.sgowa.com](http://www.sgowa.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**  
**July 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:  
669-900-6833 OR VIA ZOOM. MEETING ID 821 1597 9589

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

**Staff Present:** Jeff Davis, General Manager  
All Staff members Jeff Ferre, General Counsel  
attended by video Thomas Todd, Finance Manger  
conferencing/ Cheryle Stiff, Executive Assistant  
teleconferencing Casmir Joy Olaivar, Student Intern

- 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., July 6, 2020 by video/teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Lehtonen gave the invocation. President Duncan requested a roll call.

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

A quorum was present.

- 2. 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.

3. **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. There were no members of the public that spoke at this time.*

4. **Consent Calendar:**

- A. Approval of the Minutes of the Regular Board Meeting, June 15, 2020
- B. Approval of the Minutes of the Finance and Budget Workshop, June 22, 2020
- C. Approval of the Finance and Budget Report, June 22, 2020

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

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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.

5. **Reports:**

**A. General Manager's Report:** A written report was provided in the agenda packet. General Manager Davis verbally reported on the following:

1. **Operations Report – a)** General Manager Davis reported that the Agency delivered 579 acre-feet of Table A water to the Noble Creek Connection for the month of June. BCVWD deliveries were increased to 12 cfs on July 1, per their request.

2. **Other Agency Updates -**

a. Delta Stewardship Council: General Manager Davis reviewed with the Board a letter from DSC to DWR regarding comments on the partially recirculated Draft EIR for the SWP water supply contract amendments for water management. The amendment would allow more transfers and exchanges. DSC is claiming that the amendment itself is a covered action.

SWC and DWR does not agree with this assessment. SWC believe that the amendment allows more transfers and exchanges, but each of those individual transactions would have to be covered by CEQA and declared either a covered action or not a covered action.

b. COVID-19 Update – General Manager Davis reported the latest statistics of the virus within our region.

c. BiOps and Voluntary Agreements – General Manager Davis reported to the Board that a federal judge denied a preliminary injunction over operations of Shasta Dam and related temperature management in the Upper Sacramento River. This essentially means that the SWP and the CVP will be operated to the same criteria for the rest of the year. As to the Voluntary Agreements General Manager Davis informed the Board that the two Secretaries have committed to continuing talks with federal officials, leaving a hope that VA's could still happen. In the meantime, the NGO's who supported VA's have written a letter to the Governor urging him to move forward with the State Board Water Quality Control Plan.

d. SBVMWD agreed to move forward with the Facilitation Deliveries agreement.

**B. General Counsel Reports:** General Counsel Ferre did not provide a written report and did not provide a verbal report to the Board.

**C. Directors Reports:** 1) **Director Stephenson** reported that he had received an email that confirmed that SBVMWD had no objection to the Facilitation Deliveries agreement and were going forward with sending the information to the attorneys.

**D. Committee Reports:** None.

**6. New Business:**

**A. Consideration of Adoption of General Fund Budget for FY 2020-2021.** A staff report and a copy of related materials were included in the agenda packet. General Manager Davis noted that this item was discussed at the F&B workshop in June. Since that time, we have received additional information from DWR, which is meaningful. He did not change the numbers in the Budget as the Board acted on the proposed Budget that is included in the agenda packet. Next year, the Prior Year Adjustment to the monthly power bill will be a debit of \$430,000, of which \$215,000 will be in this fiscal year (January-June 2021). This means that the budget deficit will be not \$1.8 million, but \$2 million, on operating costs alone. He reviewed the proposed General Fund expenditures FY 2020-21 and the proposed General Fund sources of revenue FY 2020-21 with the Board. After discussion, General Counsel Ferre recommended that the Board accept the Budget as presented with the change to reflect the increase in the Statement of Charges from DWR, as explained in the Staff report. Director Stephenson made a motion, seconded by Director Castaldo, to adopt the General Fund Budget as revised.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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.

**B. Appointment of Board Secretary.** General Manager Davis stated that items 6B through 6F are housekeeping items, as the incoming General Manager, Lance Eckhart position becomes effective on July 13<sup>th</sup>. Interim General Manager Davis is recommending that incoming General Manager Eckhart be appointed to the noted positions, to become effective July 13, 2020. President Duncan questioned Legal Counsel Ferre if all of the items could be voted on at one time. Legal Counsel Ferre recommended not combining all of them; however items 6B and 6C could be voted upon together. The Board was in agreement to vote on items 6B and 6C at this time. Director Thompson made a motion, seconded by Director Lehtonen, to appoint incoming General Manager Eckhart to the positions of Board Secretary and Assistant Treasurer, to become effective July 13, 2020. President Duncan requested a roll call vote.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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

**C. Appointment of Assistant Treasurer.** This item was discussed during item 6B.

**D. Appointment of Alternate to JPIA.** General Manager Davis stated that currently Director Stephenson is the representative for JPIA and that he is the alternate. He recommended appointing incoming General Manager Eckhart to the alternate position. Director Castaldo made a motion, seconded by Director Stephenson, to appoint incoming General Manager Eckhart as the alternate representative to JPIA, effective July 13, 2020. President Duncan requested a roll call vote.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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

**E. Appointment of Yucaipa GSA Representative.** Interim General Manager Davis stated that he is currently the GSA Representative and suggested appointing incoming General Manager Eckhart to this position. Director Fenn made a motion, seconded by Director Thompson, to appoint incoming General Manager Eckhart as the Yucaipa GSA representative, to become effective July 13, 2020. President Duncan requested a roll call vote.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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

**F. Appointment of Alternate to Sites Reservoir Committee.** Interim General Manager Davis stated that he is currently on the Sites Reservoir Committee and suggested that incoming General Manager Eckhart be appointed as the alternate representative. He stated that this position is very complex and that incoming General Manager Eckhart would need some time to become knowledgeable in this position. The Board has the option to appoint Jeff Davis as the Agency's Sites Reservoir Committee member at a future meeting. After discussion, Director Thompson made a motion, seconded by Director Castaldo to appoint incoming General Manager Eckhart as the alternate to Sites Reservoir Committee, to become effective July 13, 2020. President Duncan requested a roll call vote.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
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

**7. Topics for Future Agendas:** President Duncan requested to have the appointment of the Sites Reservoir Committee member representative on the next Board meeting agenda. Director Ball requested an update on the progress of the Facilitation Deliveries agreement every other month.

**8. Announcements:**

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

**9. Adjournment**

**Time: 2:25 pm**

**Draft - Subject to Board Approval**

Jeffrey W. Davis, Secretary of the Board



**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA 92223**  
**Minutes of the**  
**Board of Directors Engineering Workshop**  
**July 13, 2020**

**Directors Present:** Ron Duncan, President  
All Board members Leonard Stephenson, Vice President  
Attended by video Blair Ball, Director (arrived 1:32 pm)  
conferencing/ David Castaldo, Director  
teleconferencing David Fenn, Director  
Steve Lehtonen, Director  
Mike Thompson, Director

**Staff Present:** Lance Eckhart, General Manager  
All staff members Jeff Ferre, General Counsel  
Attended by video Cheryle Stiff, Executive Assistant  
conferencing/ Tom Todd, Finance Manager  
Teleconferencing Casmir Olaivar, Student Intern  
Jeff Davis

**1. Call to Order, Flag Salute and Roll Call:** The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Vice President Stephenson at 1:30 p.m., July 13, 2020 via videoconference/teleconference. Vice President Stephenson led the Pledge of Allegiance to the flag. Vice President Stephenson requested a roll call.

<u><b>Roll Call:</b></u>	<b>Present</b>	<b>Absent</b>
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"/>

A quorum was present.

**2. Public Comment:** Vice President Stephenson noted that, due to the Coronavirus, members of the public may listen and provide public comment telephonically or via videoconferencing. No members of the public wished to address the Board at this time.

**3. Review and Discussion of Burnt Canyon Flow Monitoring.** Art Vela, Public Works Director of the City of Banning, discussed the flow monitoring, which is done in partnership with Banning Heights Mutual Water Company, the City, the Agency, Southern California Edison, and the United States Geological Survey. He noted the reason for the flow monitoring and stated that the City has made great progress in discussions with the US Forest Service on flume negotiations over the past year. He indicated that the flow monitoring is an annual cost and will continue indefinitely.

**4. Review of Costs to Date for Noble Connection Enlargement.** A summary of the costs to date, plus a detailed accounting of those costs, was included in the agenda package. Jeff Davis noted that the project is approximately 99% complete, so there will be additional costs in the future, but they will be minor. He reviewed a summary of the costs with the Board--\$29,626.78 for CEQA, permitting, and design; \$433,000 for construction; \$52,812.13 for post design, \$60,000 for DWR review; and \$35,000 for legal costs, for a total of \$610,438.91 to date. He noted that some of the DWR review costs will be refunded, and there will be some additional costs for programming. When all costs are in, he indicated that BCVWD, who is responsible for all costs, will receive either a bill for unpaid costs or a refund check.

**5. Review of Costs to Date for Fiesta Recharge/Mt. View Connection.** A summary of the costs to date, plus a detailed accounting of those costs, was included in the agenda package. Jeff Davis reviewed the costs to date with the Board—property purchase, \$3,311,591.23; CEQA, permitting, and design, \$801,832.40; construction, \$5,678,532.48, post design, \$847,330.91, and DWR review, \$180,000, for a total of \$10,819,287.02. He noted that some DWR costs may be refunded, and there will be some additional costs for programming. There was a brief discussion of the Albert A. Webb post design contract, with Mr. Davis answering a question about it.

**6. Status Report on SGMA—San Geronio Pass and Yucaipa Subbasins.** Jeff Davis gave a brief summary of the work to date in both subbasins, noting that some of the issues being addressed are very similar. He informed the Board that there have been some issues with the model in the San Geronio Pass Subbasin, and that he recently approved a change order for approximately \$75,000, which was unanimously agreed to by the six members of the GSP Working Group. He noted that General Manager Eckhart will soon bring a cost share agreement to the Board for consideration that would allocate 1/3 of all costs over \$1 million to the Agency, with 2/3 of those costs being split by the other five members of the GSP Working Group. He informed the Board that a meeting of the San Geronio Pass Stakeholder Advisory Group will be held in early August, and it will be a public meeting to solicit input from the public and from stakeholders. A brief discussion ensued.

**7. Announcements:**

- A. Regular Board Meeting, July 20, 2020 at 1:30 pm - teleconference/Zoom
- B. Finance and Budget Workshop, July 27, 2020 at 1:30 pm – teleconference/Zoom.
- C. Regular Board Meeting, August 3, 2020 at 1:30 pm – teleconference/Zoom

**8. Adjournment:** Vice President Stephenson adjourned the meeting at 2:24 p.m.

**Draft - subject to Board approval**

Lance Eckhart, Secretary to the Board

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021**

**APPROVED: GENERAL FUND JULY 6, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

	1 TOTAL BUDGET FY 2019-20	2 ACTUAL APRIL 2020	3 ESTIMATED ACTUAL AT JUNE 30	4 REMAINING % ACTUAL OF BUDGET	5 PROPOSED BUDGET FY 2020-21	6 CHANGE % PROPOSED TO EST. ACTUAL
<b>GENERAL FUND - INCOME</b>						
<b>INCOME</b>						
WATER SALES	5,600,000	4,481,423.40	5,000,000.00	-12.0%	4,200,000	-16.0%
TAX REVENUE	2,750,000	2,226,878.30	3,300,000.00	16.7%	3,300,000	0.0%
INTEREST	350,000	263,239.81	315,500.00	-10.9%	250,000	-20.8%
DESIGNATED REVENUES	820,000	885,279.85	937,900.00	12.6%	910,000	-3.0%
CAPACITY FEE	0	0.00	0.00	0.0%	0	0.0%
OTHER (REIMBURSEMENTS, TRANSFERS)	31,000	35,652.36	35,652.36	13.0%	32,000	-10.2%
<b>TOTAL GENERAL FUND INCOME</b>	<b>9,551,000</b>	<b>7,892,473.72</b>	<b>9,589,052.36</b>	<b>0.4%</b>	<b>8,692,000</b>	<b>-9.4%</b>
<b>GENERAL FUND - EXPENSES</b>						
<b>COMMODITY PURCHASE</b>						
COMMODITY PURCHASE						
COMMODITY PURCHASE	6,100,000	4,847,920.68	5,394,000.00	-13.1%	6,000,000	11.2%
<b>TOTAL COMMODITY PURCHASE</b>	<b>6,100,000</b>	<b>4,847,920.68</b>	<b>5,394,000.00</b>	<b>-13.1%</b>	<b>6,000,000</b>	<b>11.2%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>						
SALARIES	500,000	417,789.15	501,346.98	0.3%	543,000	8.3%
PAYROLL TAXES	43,000	34,945.88	41,935.06	-2.5%	48,000	14.5%
RETIREMENT	250,000	129,820.59	283,000.00	11.7%	470,000	66.1%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	73,000	18,209.57	62,000.00	-17.7%	63,000	1.6%
HEALTH INSURANCE	68,000	59,825.43	65,500.00	-3.8%	78,000	19.1%
DENTAL INSURANCE	5,000	4,016.24	4,417.00	-13.2%	6,100	38.1%
LIFE INSURANCE	1,600	1,530.97	1,673.00	4.4%	1,700	1.6%
DISABILITY INSURANCE	5,200	4,324.49	5,189.39	-0.2%	5,800	11.8%
WORKERS COMP INSURANCE	3,800	2,936.72	3,916.00	3.0%	4,500	14.9%
SGPWA STAFF MISC. MEDICAL	10,000	7,564.61	9,077.53	-10.2%	12,000	32.2%
EMPLOYEE EDUCATION	1,000	0.00	0.00	0.0%	3,000	0.0%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>960,600</b>	<b>680,963.65</b>	<b>978,054.96</b>	<b>1.8%</b>	<b>1,235,100</b>	<b>26.3%</b>

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021**

**APPROVED: GENERAL FUND JULY 6, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

	1 TOTAL BUDGET FY 2019-20	2 ACTUAL APRIL 2020	3 ESTIMATED ACTUAL AT JUNE 30	4 REMAINING % ACTUAL OF BUDGET	5 PROPOSED BUDGET FY 2020-21	6 CHANGE % PROPOSED TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>						
<b>DIRECTOR EXPENDITURES</b>						
DIRECTORS FEES	115,000	78,877.84	94,653.41	-21.5%	117,000	23.6%
DIRECTORS TRAVEL & EDUCATION	15,000	7,878.18	9,453.82	-58.7%	15,000	58.7%
DIRECTORS MISC. MEDICAL	21,000	8,548.37	10,258.04	-104.7%	21,000	104.7%
<b>OFFICE EXPENDITURES</b>						
OFFICE EXPENSE	15,000	9,575.08	11,490.10	-30.5%	15,000	30.5%
POSTAGE	700	368.62	442.34	-58.2%	600	35.6%
TELEPHONE	11,500	9,118.82	10,942.58	-5.1%	11,500	5.1%
UTILITIES	5,000	3,748.24	4,497.89	-11.2%	5,000	11.2%
<b>SERVICE EXPENDITURES</b>						
COMPUTER, WEB SITE AND PHONE SUPPORT	17,000	6,138.28	9,000.00	-88.9%	25,000	177.8%
GENERAL MANAGER & STAFF TRAVEL	18,000	21,793.74	22,000.00	18.2%	12,000	-45.5%
INSURANCE & BONDS	23,000	23,281.65	23,281.65	1.2%	23,000	-1.2%
ACCOUNTING & AUDITING	21,000	18,285.00	18,285.00	-14.8%	21,000	14.8%
STATE WATER CONTRACT AUDIT	5,500	5,471.00	5,471.00	-0.5%	6,000	9.7%
DUES & ASSESSMENTS	30,000	30,493.00	30,700.00	2.3%	35,000	14.0%
OUTSIDE PROFESSIONAL SERVICES	7,500	35,710.47	42,852.56	82.5%	100,000	133.4%
BANK CHARGES	1,000	929.89	1,115.87	10.4%	1,500	34.4%
MISCELLANEOUS EXPENSES	500	35,000.00	35,000.00	98.6%	500	-98.6%
<b>MAINTENANCE &amp; EQUIPMENT EXPENDITURES</b>						
TOOLS PURCHASE & MAINTENANCE	500	941.57	1,129.88	55.7%	1,000	-11.5%
VEHICLE REPAIR & MAINTENANCE	5,000	6,390.29	7,668.35	34.8%	8,000	4.3%
MAINTENANCE & REPAIRS - BUILDING	30,000	10,003.51	12,004.21	-149.9%	25,000	108.3%
MAINTENANCE & REPAIRS - FIELD	8,000	2,779.74	6,000.00	-33.3%	25,000	316.7%
CONTRACT OPERATIONS AND MAINTENANCE	125,000	89,352.91	140,000.00	10.7%	140,000	0.0%
WATER TREATMENT EXPENSE	75,000	63,139.91	73,200.00	-2.5%	75,000	2.5%
<b>COUNTY EXPENDITURES</b>						
LAFCO COST SHARE	6,000	6,651.71	6,651.71	9.8%	7,500	12.8%
ELECTION EXPENSE	0	0.00	0.00	0.0%	125,000	
TAX COLLECTION CHARGES	11,000	6,342.55	8,300.00	-32.5%	10,000	20.5%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>567,200</b>	<b>480,820.37</b>	<b>584,398.42</b>	<b>-21.5%</b>	<b>825,600</b>	<b>41.3%</b>

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021  
APPROVED: GENERAL FUND JULY 6, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

	1 TOTAL BUDGET FY 2019-20	2 ACTUAL APRIL 2020	3 ESTIMATED ACTUAL AT JUNE 30	4 REMAINING % ACTUAL OF BUDGET	5 PROPOSED BUDGET FY 2020-21	6 CHANGE % PROPOSED TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>GENERAL ENGINEERING</b>						
<b>SGMA</b>						
GSP CONSULTANT	500,000	179,186.86	215,024.23	-132.5%	500,000	132.5%
YUCAIPA GSA	30,000	13,406.26	15,000.00	-100.0%	30,000	100.0%
<b>STUDIES</b>						
URBAN WATER MANAGEMENT PLAN (UWMP)					125,000	NEW
WATER RATE NEXUS STUDY	35,000	0.00	0.00	0.0%	52,000	
CAPACITY FEE NEXUS STUDY UPDATE	48,000	14,487.50	18,000.00	-166.7%	20,000	11.1%
FEELING RATE STUDY	0	0.00	0.00	0.0%	4,000	
SGS	115,000	109,953.98	150,000.00	23.3%	115,000	-23.3%
DATED STUDY ON AVAILABLE WATER SOURCES	16,000	1,278.50	1,278.50	0.0%	2,000	56.4%
GENERAL ENGINEERING STUDIES					15,000	NEW
<b>OTHER PROJECTS</b>						
FLUME MONITORING	30,000	30,000.00	30,000.00	0.0%	30,000	0.0%
INFRASTRUCTURE PLAN	30,000	19,478.50	21,426.35	0.0%	12,000	-44.0%
BASIN MONITORING TASK FORCE	18,000	18,046.00	18,046.00	0.3%	30,000	66.2%
<b>GIS SERVICES</b>						
GENERAL AGENCY, CEQA, ETC.	7,000	230.00	230.00	-2943.5%	10,000	4247.8%
<b>TOTAL GENERAL ENGINEERING</b>	<b>829,000</b>	<b>386,067.60</b>	<b>469,005.08</b>	<b>-76.8%</b>	<b>950,000</b>	<b>102.6%</b>
<b>LEGAL SERVICES</b>						
LEGAL SERVICES - GENERAL	150,000	76,932.05	92,318.46	-62.5%	125,000	35.4%
<b>TOTAL LEGAL SERVICES</b>	<b>150,000</b>	<b>76,932.05</b>	<b>92,318.46</b>	<b>-62.5%</b>	<b>125,000</b>	<b>35.4%</b>
<b>CONSERVATION &amp; EDUCATION</b>						
SCHOOL EDUCATION PROGRAMS	12,000	5,220.00	5,220.00	-129.9%	16,000	206.5%
ADULT EDUCATION PROGRAMS	5,000	0.00	0.00	0.0%	10,000	50.0%
SPONSORSHIPS	10,000	0.00	0.00	0.0%	5,000	0.0%
OTHER CONSERVATION, EDUCATION AND P. R.	15,000	0.00	0.00	0.0%	15,000	0.0%
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	<b>42,000</b>	<b>5,220.00</b>	<b>5,220.00</b>	<b>-704.6%</b>	<b>46,000</b>	<b>781.2%</b>

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2020-2021**

**ESTIMATED TOTAL EXPENSES FY 2019-2020 vs. PROPOSED BUDGET FY 2020-2021**

**APPROVED: GENERAL FUND JULY 6, 2020 - DEBT SERVICE FUND AUGUST xx, 2020**

FOR THE FISCAL YEAR JULY 1, 2020 - JUNE 30, 2021

	1	2	3	4	5	6
	TOTAL BUDGET FY 2019-20	ACTUAL APRIL 2020	ESTIMATED ACTUAL AT JUNE 30	REMAINING % ACTUAL OF BUDGET	PROPOSED BUDGET FY 2020-21	CHANGE % PROPOSED TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>GENERAL FUND CAPITAL EXPENDITURES</b>						
<b>BUILDING &amp; EQUIPMENT</b>						
BUILDING	10,000	0.00	0.00	0.0%	10,000	0.0%
FURNITURE & OFFICE EQUIPMENT	25,000	0.00	0.00	0.0%	25,000	0.0%
OTHER EQUIPMENT	0	0.00	0.00	0.0%	0	0.0%
<b>MT. VIEW CONNECTION</b>						
INTEGRATION AND PROGRAMMING					7,500	NEW
<b>NOBLE TURNOUT EXPANSION</b>						
INTEGRATION AND PROGRAMMING					2,500	NEW
<b>BLAKE HILL CONJUNCTIVE USE PROJECT</b>	0	0.00	0.00	0.0%	40,000	
SITES RESERVOIR	322,000	302,057.17	302,027.17	0.0%	1,400,000	363.5%
MOUNTAIN VIEW TORING WELLS USGS	250,000	299,873.26	299,873.26	16.6%	0	-100.0%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	607,000	601,930.43	601,900.43	-0.8%	1,485,000	146.7%
<b>PROJECTS/ITEMS COMPLETED IN FY19-20</b>	60,500	643,814.80	665,465.00			
<b>TOTAL GENERAL FUND EXPENSES</b>	9,316,300	7,723,669.58	8,790,362.34	-6.0%	10,666,700	21.3%
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	234,700	168,804.14	798,690.02		-1,974,700	
<b>ITEMS FUNDED BY RESERVES</b>						
MT. VIEW INTEGRATION AND PROGRAMMING			644,910		7,500	
NICKEL WATER SUBSIDY			1,000,000		1,000,000	
SITES RESERVOIR			279,927		1,000,000	
<b>TOTAL ITEMS FUNDED BY RESERVES</b>	1,326,000		1,924,837		2,007,500	

## MEMORANDUM

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**TO:** Board of Directors

**FROM:** Legal Counsel

**RE:** Adoption of a resolution for exception to the 180-day waiting period in accordance with California Government Code Sections 7522.56 and 21224 to appoint Jeffrey W. Davis to an extra-help position effective July 20, 2020

Enter Into First Amendment To Interim General Manager Agreement With Jeff Davis Following Retirement

Enter Into CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement

**DATE:** July 20, 2020

**Summary:**

On April 20, 2020, the Board took the following actions: (1) Adopted 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); and (2) Entered into an Interim General Manager Services Agreement with Jeff Davis to provide day-to-day management and to assist in the transition to the new General Manager. For the time following his retirement on June 30, 2020, Mr. Davis has been providing services on an hourly basis under said Services Agreement.

As part of processing the retirement of employees, PERS staff requires certain information and provides feedback *after* action is taken by a public agency. In processing Mr. Davis' paperwork, PERS provided feedback on what additional documentation they would like to see to cover all possible matters that could arise from: (1) retirement; (2) work under the Services Agreement; and (3) the impact of the Governor's COVID-19 Executive Orders on both such matters.

**Resolution for exception to the 180-day waiting period:**

The Public Employees Reform Act of 2013 requires a 180-day “wait” period after the effective date of retirement before a retiree can return to work for a public agency. While the 180-day waiting period was waived for Mr. Davis’ tenure as interim General Manager pursuant to the exception set forth in Executive Order N-25-20, based on feedback from PERS staff, that tenure ended on July 12, 2020 ahead of the start date for the Agency’s new General Manager.

Mr. Davis’ services are needed in order to ensure a smooth transition of duties to the new General Manager. In this extra-help capacity, Mr. Davis will not be exclusively engaged in efforts related to the Agency’s response to the COVID-19 pandemic. As such, the 180-day waiting period applies to this new appointment since Mr. Davis retired less than 180 days prior to the effective date of this new appointment. *However*, the 180-day “wait” period can be waived by the Board of Directors by adopting this proposed resolution certifying the nature of the employment and that the appointment is necessary to fill a critically needed position before the 180 days have passed.

**First Amendment To Interim General Manager Agreement:**

The First Amendment provides for certain changes to when Mr. Davis officially starts (July 1) and stops (July 12) providing services in order to meet certain PERS timing requirements. The First Amendment also adjusts the hourly rate of pay to more closely align with the calculations made by PERS staff as to the permissible rate. The Board will note that this Amendment sets up a starting and ending date that then coincides with the Conditional Limited-Term Appointment Letter Agreement explained below.

**CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement:**

The Letter Agreement provides for the term from July 20, 2020 (date of this Board meeting) through December 31, 2020, unless earlier terminated. The rate of pay will be \$96.83 per hour.



**Recommendation:**

It is recommended that the Board take the following actions:

1. Adopt a resolution for exception to the 180-day waiting period in accordance with California Government Code Sections 7522.56 and 21224 to appoint Jeffrey W. Davis to an extra-help position effective July 20, 2020.
2. Enter Into A First Amendment To Interim General Manager Agreement With Jeff Davis Following Retirement
3. Enter Into CalPERS Retiree Conditional Limited-Term Appointment Letter Agreement

**RESOLUTION NO. 2020-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GORGONIO PASS WATER AGENCY FOR EXCEPTION TO THE 180-DAY WAITING PERIOD IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTIONS 7522.56 AND 21224**

**WHEREAS**, in compliance with Government Code Section 7522.56, the Board of Directors of the San Gorgonio Pass Water Agency (“Agency”) must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

**WHEREAS**, Jeffrey W. Davis, CalPERS ID #\_\_\_\_\_, retired from the Agency in the position of General Manager, effective June 30, 2020; and

**WHEREAS**, Section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is December 27, 2020, without this certification resolution; and

**WHEREAS**, Section 7522.56 provides that this exception to the 180-day wait period shall not apply if the retiree accepts any retirement-related incentive; and

**WHEREAS**, the Board of Directors, the Agency, and Jeffrey W. Davis, certify that Jeffrey W. Davis has not and will not receive a Golden Handshake or any other retirement-related incentive; and

**WHEREAS**, the Board of Directors hereby desires to appoint Jeffrey W. Davis as an extra help retired annuitant to assist in the smooth transition of duties to the recently hired General Manager in accordance with Government Code Section 21224, effective July 20, 2020; and

**WHEREAS**, the entire employment agreement between Jeffrey W. Davis and the Agency has been reviewed by this body and is attached herein; and

**WHEREAS**, no matters, issues, terms, and/or conditions related to this employment and appointment have been or will be placed on the consent calendar; and

**WHEREAS**, the employment shall be limited to 960 hours per fiscal year; and

**WHEREAS**, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

**WHEREAS**, the minimum base monthly salary for this position is \$16,784 and the hourly equivalent is \$96.83 and the maximum base monthly salary for this position is \$16,784 and the hourly equivalent is \$96.83; and

**WHEREAS**, the hourly rate to be paid to Jeffrey W. Davis is \$96.83; and

**WHEREAS**, Jeffrey W. Davis has not and will not receive any other benefit, incentive compensation in lieu of benefit or any other form of compensation in addition to this hourly pay rate.

**NOW THEREFORE, BE IT RESOLVED THAT**, the Board of Directors of San Gorgonio Pass Water Agency hereby finds, determines and resolves as follows:

1. The Board of Directors has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The Board of Directors hereby certifies the nature of the appointment of Jeffrey W. Davis as described herein and detailed in the attached employment agreement and that this appointment is necessary to perform the critically needed functions related to the smooth transition of duties to the recently hired General Manager beginning on July 20, 2020 because the Board of Directors has determined that the specialized skills possessed by Jeffrey W. Davis are necessary to perform these functions.
3. The Board of Directors hereby approves the resolution to waive the 180-day wait period pursuant to Government Code Sections 7522.56 and 21224.
4. The employment agreement with Jeffrey W. Davis, a copy of which is enclosed herein as Exhibit "A", is approved by the Board of Directors, effective June 20, 2020.
5. The Board President is authorized to execute said agreement on behalf of the Agency, with such technical amendments as may be deemed appropriate by the Board President and General Counsel.

**PASSED, APPROVED AND ADOPTED** this 20th day of July, 2020.

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

**ATTEST:**

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Secretary of the Board of Directors

**EXHIBIT "A"**

CalPERS Retiree Conditional Limited-Term Appointment Agreement

[To Be Attached]

**SAN GORGONIO PASS WATER AGENCY: FIRST AMENDMENT TO  
– INTERIM GENERAL MANAGER AGREEMENT -**

This First Amendment to Employment Agreement (this “First Amendment”) between the SAN GORGONIO PASS WATER AGENCY (the “Agency”) and JEFFREY W. DAVIS (the “Employee”) is entered into this 12th day of July 2020. Except as modified in this First Amendment, the Employment Agreement, first dated April 20, 2020, between the Agency and the Employee shall remain in full force and effect. The parties to this First Amendment agree to the following changes:

1. Section 1 entitled “TERM” is hereby amended to reflect that the term of employment shall end as of July 12, 2020, the day before the new, permanent General Manager began service:

“**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 July 12, 2020. Employee will be performing highly-specialized and critically-needed skills specifically related to response to the COVID-19 pandemic and protocols related to the same. The term of this Agreement will continue until July 12, 2020, unless this Agreement is otherwise terminated pursuant to Section 2.

2. Section 5.2 entitled “RATE OF PAY” is hereby amended to reflect a rate of pay consistent with Employee’s prior regular rate as General Manager, prorated down to an hourly rate:

“Rate of Pay. Employee shall receive compensation at the hourly rate of \$96.83 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 \$32,244.39. 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.”

This First Amendment is retroactive to the Employment Agreement’s effective date of July 1, 2020. The Agency and the Employee have duly executed this First Amendment to Employment Agreement as of the date first written above.

**SAN GORGONIO PASS WATER AGENCY**

By: \_\_\_\_\_  
RON DUNCAN,  
President, Board of Directors

\_\_\_\_\_  
JEFFREY W. DAVIS

July 20, 2020

[TO BE SENT ON AGENCY LETTERHEAD]

Jeffrey W. Davis

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Re: CalPERS Retiree Conditional Limited-Term Appointment Agreement

Dear Jeff:

If accepted by you, this letter represents an agreement for a limited-term appointment as a CalPERS retiree with the San Geronio Pass Water Agency in an extra-help capacity under the authority of Government Code Section 21224 to assist with the transition of duties to the recently hired General Manager pursuant to such duties and functions as are assigned by the General Manager or the Board of Directors.

This agreement is made because we have determined that your specialized skills in managing, directing and overseeing the operations of the Agency in your former General Manager position are necessary to assist with the transition of permanent duties to the new General Manager.

The terms of this agreement include:

- The term of your appointment will be from July 20, 2020 through December 31, 2020, unless the Agency elects to terminate this agreement on an earlier date.
- Rate of pay for this temporary appointment will be \$96.83 per hour.
- No further payments or benefits other than the hourly rate will be provided unless required by state or federal law.
- Employment not to exceed 960 hours in a fiscal year (inclusive of all hours worked for any CalPERS employer, including hours worked in your capacity as interim General Manager for the Agency under Government Code Section 21221(h) during the current fiscal year). More specifically, the total work under this agreement, including hours previously worked in your capacity as interim General Manager, shall be capped at no more than 517 hours (or \$50,061.00 in value).

The Agency and you make this agreement with the mutual understanding that the appointment complies with the requirements applicable to the employment of CalPERS retirees, as codified in Government Code Sections 7522.56 and 21224. Specifically, an appointment under Sections 7522.56 and 21224 is permissible if all of the following requirements are met:

- (1) The appointment must be to a temporary position.
- (2) The appointment is of limited duration.
- (3) The appointment is either during an emergency to prevent stoppage of public business or because the retiree has specialized skills needed in performing the work.
- (4) The total hours worked by the retiree in a fiscal year, for all CalPERS employers, cannot exceed 960 hours.
- (5) The compensation received by the retiree is not more than the maximum, nor less than the minimum, monthly base salary paid to other employees performing comparable duties as listed on the Agency's publicly available pay schedule, reflected as an hourly rate by dividing the monthly base pay by 173.333.
- (6) The compensation paid to the retiree is limited to the hourly rate and no other benefits may be provided.

- (7) For any retirees with a retirement effective date on or after January 1, 2013, the appointment must occur at least 180 days following the date of retirement unless the employer certifies that the appointment is necessary to fill a critically needed position before 180 days have expired and the governing body approves the appointment in a public meeting.
- (8) The retiree cannot have received unemployment insurance payments in the prior 12-month period arising from work performed as a retiree for any public employer.
- (9) If the retiree is less than normal retirement age (i.e., the highest age under any retirement formula that the retiree accrued benefits under with any CalPERS employer), at least 60 days must have passed since the retiree's retirement. This waiting period cannot be waived.

The Agency, in good faith, has determined that your appointment meets (1) – (6) of the foregoing requirements as follows:

- (1) The appointment will be to a temporary position.
- (2) The appointment is of limited duration because it is anticipated to last less than one year.
- (3) This appointment is made because you possess the specialized skills, as identified in the first paragraph of this appointment offer, necessary for the purpose of the appointment.
- (4) The appointment will not exceed 960 hours in a fiscal year.
- (5) The compensation you will receive is no more than the maximum monthly base salary paid to other employees performing comparable duties as listed on the Agency's publicly available pay schedule divided by 173.333 to determine an hourly rate.
- (6) Your compensation consists of the hourly rate only; no further benefits will be provided.

By executing this agreement, you are also, in good faith, confirming that your appointment meets each of the nine (9) requirements noted above, including the unemployment insurance requirement. That is, while the Agency is not in a position to do so, by executing this agreement you are confirming the fact that you have not received unemployment insurance payments within the past 12 months arising from work performed as a retiree for any public employer.

Since you retired less than 180 days from this appointment, the Board of Directors adopted a Resolution to certify that your appointment is necessary to fill a critically needed position before the 180 days have expired as specified in (7) above.

By signing this agreement, you are also confirming that the bona fide separation rule described in (9) above does not apply because you are at least of normal retirement age.

Notwithstanding (4) above, the Agency has no way of monitoring the hours that you work for another CalPERS employer. As such, it is your responsibility to ensure that the total hours worked for the Agency and any other CalPERS employer do not exceed 960 hours in the aggregate. More specifically, it is your responsibility to ensure that the total work under this agreement, including hours previously worked in your capacity as interim General Manager, shall be capped at no more than 517 hours (or \$50,061.00 in value). However, please note that consistent with the requirements of Section 21220(d) and (e), **the Agency will enroll you in**

**CalPERS solely for administrative recordkeeping purposes (you will remain in retired status) and will report both your hours and pay pursuant to this Agreement.**

While the Agency enters into this agreement because we believe that it is authorized under Sections 7522.56 and 21224, CalPERS could disagree. If CalPERS disagrees, there is a risk that you will be required to do the following: (1) return any retirement allowance you received during the period of the appointment; (2) pay an amount of money equal to the employee contributions that should have been made, plus interest, during the appointment; and (3) pay CalPERS' administrative expenses incurred as a result of its audit of the appointment. You will also be subject to reinstatement from retirement. Please contact CalPERS if you have any questions regarding the requirements of Sections 7522.56 and 21224 or this appointment.

There is no right to public employment expressed by this agreement. All limited-term appointments are subject to the business necessity of the Agency and are at-will; therefore, the appointment may end with or without cause or advance notice.

If you have additional questions or comments feel free to contact me directly.

Sincerely,

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President of the Board of Directors



**ACKNOWLEDGMENT:**

I, Jeffrey W. Davis, agree to this Conditional Limited Term Appointment Agreement (CalPERS Retiree), and hereby warrant that I understand and agree with all of the terms and conditions of employment as set forth in this letter.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

## ***San Gorgonio Pass Water Agency***

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**DATE:** July 20, 2020

**TO:** Board of Directors

**FROM:** Lance Eckhart, General Manager

**SUBJECT: ANNUAL STAFF COST OF LIVING ADJUSTMENT INCREASE**

### **PREVIOUS CONSIDERATION BY COMMITTEE/BOARD OF DIRECTORS**

- Finance and Budget Workshop - May 26, 2020: The Committee discussed a staff cost of living allowance increase (COLA) and moved the item to the Board of Directors for consideration.
- Board of Directors - June 1, 2020: Additional information regarding the staff COLA was requested by the Board, no vote taken.

### **BACKGROUND**

At the June 1 Board Meeting the Board considered a 2.4% COLA increase for staff. In order to maintain competitive consistency with the labor market and keep pace with inflation, the Board has generally provided staff with an annual COLA increase.

At the May Finance and Budget workshop, the Board was presented with inflation data for Riverside, San Bernardino, and Ontario from the Bureau of Labor Statistics (included in this agenda package). This rate, for the past twelve months, was 2.4%.

On June 1<sup>st</sup>, 2020, the Board discussed the proposed COLA increase along with the effects of the Covid-19 pandemic on inflation rates and greater local economic pressures. Several COLA increase options were considered by the Board and ultimately no action was taken at the June 1<sup>st</sup> meeting.

**FISCAL IMPACT**

The proposed staff COLA increase was anticipated and is included in the current fiscal year budget. The proposed COLA increase costs are approximately \$8,250 or 0.077% of the \$10.7 million 2020-21 fiscal year budget.

**RECOMMENDATION**

Staff recommends that the Board approve a 2.4% cost of living increase for the staff, not including the General Manager, for fiscal year 2020-21.



# MEMORANDUM

From: Thomas W. Todd, Jr.  
Finance Manager

Date: May 20, 2020

To: Jeff

RE: Consumer Price Index Information 2019 thru 2020

Jeff,

This memo reviews Board actions regarding CPI changes from 2017 to the present, and CPI information to March of 2020 (the latest information available). The Board decision takes effect July 1 of current year for staff, and January 1 of the following year for Board members.

The Board approved an increase for 2017 of 2.7%.

The Board approved an increase for 2018 of 3.2%

The Board approved an increase for 2019 of 2.8%

In December, 2017, the U.S Bureau of Labor Statistics changed the areas they report. The former Los Angeles, Riverside, Orange County area has been divided into two new areas, made up of cities. One area is Los Angeles, Long Beach and Anaheim. Our local area is Riverside, San Bernardino, and Ontario.

The following information is available for March, 2020, and is for changes in the Consumer Price Index from the previous year.

	U.S. City Average	R-SB-O Average
<u>Index Point Change</u>		
CPI in March, 2020:	258.1	107.2
Less: CPI in March, 2019:	254.2	104.7
Index Point Change	3.9	2.5
<u>Percentage Change</u>		
Index Point Change	3.9	2.5
Divided by CPI in March, 2019	254.2	104.7
Percentage Increase	1.5%	2.4%

The Agency's past practice has been to use the local figures; the new area is now the Riverside, San Bernardino and Ontario statistical area.

# Agency Support for Sites Reservoir & Delta Conveyance

Board of Directors

July 20, 2020





San Geronio Pass Water Agency

STRATEGIC PLAN

March 2019

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## Strategic Plan (2019)

### Goal 1:

Regional Water Supply Plan

### Goal 2:

Effective Communication of Agency's strategy and mission

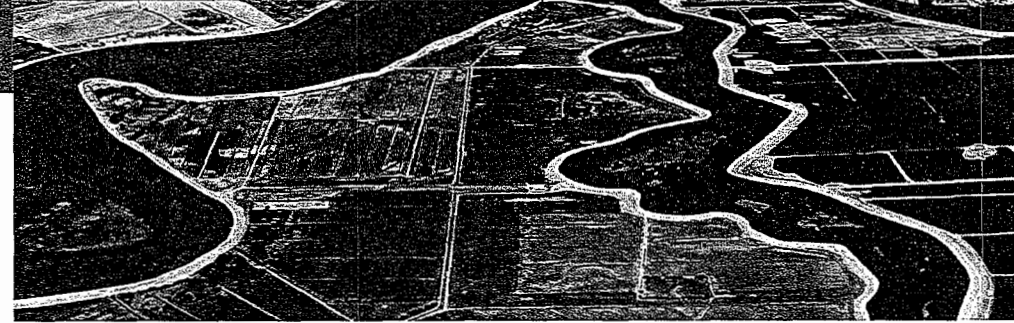
# Critical Point for Future Imported Supply



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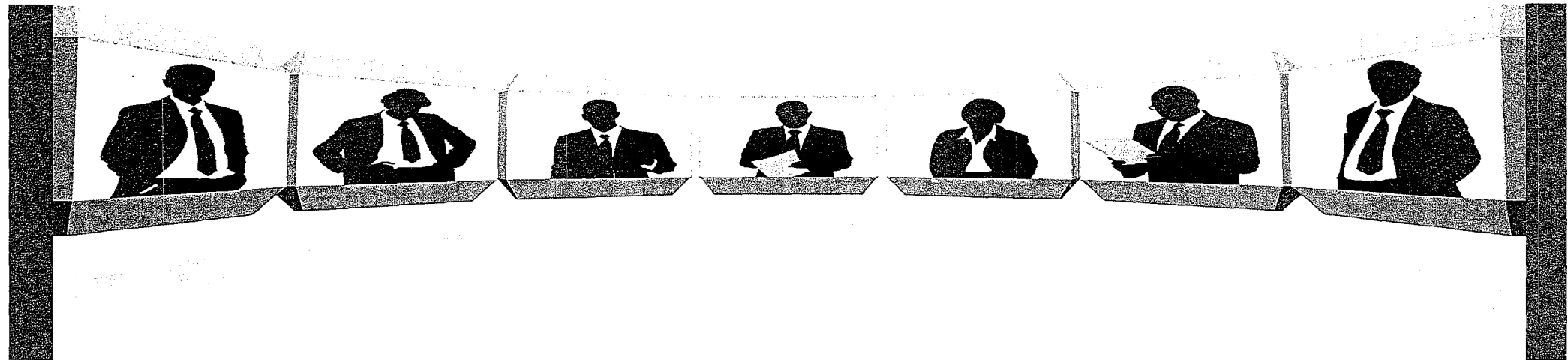
## Sites Reservoir

- Sites Committee 4 years – Vice Chair
- Influencing cost negotiations at early stages of project
- Strategic direction(s) is being developed now
- Acute period where Agency should maintain strong and knowledgeable presence



## Delta Conveyance

- Part and parcel to Sites
- Conveyance Committee 2 years – Secretary/Executive JPA
- JPA requested Mr. Davis continue during project critical phase (few months)
- Acute period where Agency should maintain strong and knowledgeable presence



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# Challenges During a Pandemic

- Communication issues
- Developing working relationships
- Breakout discussions and interpersonal communication
- Coalition building
- Material decisions being made and regardless of Covid-19
- *This is a temporary issue but will likely continue through 2020 and possibly beyond*



# Staff Recommendation

Board approve request for appointing Mr. Davis to continue Agency efforts on Sites Reservoir Committee & Delta Conveyance Finance JPA through 2020.

