

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
September 21, 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/87828646632>
Meeting ID: 878 2864 6632

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, September 8, 2020* (p. 3)
- B. Approval of the Minutes of the Engineering Workshop, September 14, 2020* (p. 9)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
- B. General Counsel Report* (p. 12)
- C. Directors' Reports
- D. Committee Reports

6. Old Business (Discussion and Possible Action)

- A. Continued Discussion and Possible Action of Agency Vehicle* (p. 13)

7. New Business (Discussion and Possible Action)

- A. Consideration and Possible Action on Cost Sharing Agreement for the San Gorgonio Pass Subbasin Groundwater Sustainability Plan* (p. 20)
- B. Consideration to Approve Yuba Accord Water Purchase Agreement Extension* (p. 28)
- C. Consideration and Possible Action on Resolution No. 2020-06 Adopting the Fiscal Year 2020-21 Publicly Available Pay Schedule As Required by CalPERS * (p. 30)

8. Topics for Future Agendas

9. Closed Session (1 item)

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: 403 080 015
Agency negotiator: Lance Eckhart, General Manager
Negotiating parties Estate of Nathan Guerriero
Under negotiation: price and terms of payment

10. Announcements -

- A. Finance & Budget Workshop, September 28, 2020 at 1:30 p.m.
– Teleconference/Zoom
- B. Regular Board Meeting, October 5, 2020 at 1:30 p.m.
– Teleconference/Zoom
- C. Water Conservation and Education Workshop, October 8, 2020 at 1:30 p.

11. Adjournment

***Information included in Agenda Packet**

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

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
September 8, 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 JOIN BY ZOOM: <https://us02web.zoom.us/j/83652829780>
MEETING ID: 836 5282 9780

Directors Present: Ron Duncan, President
All Board members Lenny Stephenson, Vice President
attended by video Michael Thompson, Treasurer (left at 3:30 pm)
conferencing/ Blair Ball, Director (arrived at 1:38 pm)
teleconferencing David Castaldo, Director (arrived at 1:36 pm)
Steve Lehtonen, Director

Directors Absent: David Fenn, Director

Staff Present: Lance Eckhart, General Manager
All Staff members Jeff Ferre, General Counsel
attended by video Thomas Todd, Finance Manger
conferencing/ Cheryle Stiff, Executive Assistant
teleconferencing

- 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., September 8, 2020 by video/teleconference. President Duncan led the Pledge of Allegiance to the flag. President Duncan gave the invocation. President Duncan requested a roll call.

<u>Roll Call:</u>	<i>Present</i>	<i>Absent</i>	
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arrived at 1:35 p.m.
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arrived at 1:38 p.m.
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Director Fenn	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Left at 3:30 p.m.
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

A quorum was present.

- Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* General Manager Eckhart responded that there are no adjustments to the agenda.

3. Public Comment: *President Duncan asked for public comments.* Julie Hutchinson (President of Banning Heights Mutual Water Company and a resident of Banning Heights) reported on the Apple Fire that burned over 30 thousand acres, including Banning Heights, Cherry Valley, and the Whitewater Flume area. She stated that there was fire damage to BHMWC Water Treatment Plant and significant damage to the Flume. It is believed that there is some structural integrity to the diversions. She also reported that there is significant damage to five miles of the wood cover boards. The fire burnt with such intensity that there is a lot of soil movement and downed trees. She thanked the Board and staff for reaching out and offering to go up to the Flume area to video the damage that occurred. She noted that the importance of doing a video at this time is that it shows the state of the flume post-fire. She is very concerned of the probability that rainfall could wash additional infrastructure from the hillside. The video will showcase the damage from the fire and hopefully get Edison and elected officials to support needed action now in order to further protect the infrastructure from complete failure due to precipitation. She thanked the Board for its continued support and answered questions from the Board. There were no other members of the public that spoke at this time.

4. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, August 17, 2020
- B. Approval of the Minutes of the Finance and Budget Workshop, August 24, 2020
- C. Approval of the Finance and Budget Report, August 24, 2020

President Duncan asked for a motion on the Consent Calendar. Director Thompson made a motion, seconded by Director Stephenson, to adopt the consent calendar as presented. 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director 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 6-0-1, with Director Fenn absent.

5. Reports:

A. General Manager’s Report: General Manager Eckhart reported on the following:

- 1) **Revenue Assessment and Financial Model** - a staff report, a proposal letter from HdL Coren & Cone, and a PowerPoint presentation were included in the agenda packet. General Manager Eckhart stated that at the August 3,

2020 Board meeting the Board discussed uncertainty with Agency income, the effects of development on the tax rolls, an appropriate reserve amount and upcoming major investments/expenses associated with the State Water Project. He noted that there is an immediate need for a financial model in order for staff to have tools in hand that will allow staff to provide timely educated recommendations on major decisions that are coming up. General Counsel Ferre noted that staff is utilizing the current purchasing policy of the Agency, allowing authority to the General Manager to seek and award contracts at a certain dollar amount. General Manager Eckhart stated that part of the process of allowing the General Manager to award a contract is to do due diligence. Part of the due diligence for this item was reaching out to sister agencies to inquire what type of financial models they use, what type of process they went through to determine modeling solutions, their process of doing a consultant selection, and seeking out alternative bids. The proposals from HdL and Raftelis fall within the General Manager's signing authority; HdL's proposal is \$22,250 - Raftelis' proposal is \$30,305. General Manager Eckhart introduced Paula Cone, President of HdL Companies, to explain to the Board how HdL will assist in determining how much tax revenues the Agency will receive in the upcoming year and project out a number of years ahead. Ms. Cone provided a PowerPoint presentation on property tax management, audit, and information services. Ms. Cone concluded her presentation and answered questions from the Board. General Manager Eckhart introduced Sanjay Gaur, Vice President - Raftelis. Mr. Gaur stated that Lauren Demine, a Senior Consultant will assist in the case study presentation. Mr. Gaur explained who Raftelis is, their experience, the team that they put together to do the study objectives, their approach, and how they will address concerns. The Model features are: Comprehensive Analysis, Independent Validation, and Facilitate Decision Making through Scenario Analysis Tools. Ms. Demine provided the case study presentation. At this time, President Duncan requested public comment. Dan Jaggars (General Manager – BCVWD) spoke on his experience of having a comprehensive model that models all of the inputs and outputs for BCVWD. His particular experience with Raftelis is that he is very pleased with them, as they provided the District with a ten year model, stating that it is very comprehensive. President Duncan opened this item for discussion from the Board. Director Ball questioned the monetary limit for contracting with consultants. General Manager Eckhart noted that these two proposals are separate and distinct services and are within the General Managers contracting limits. General Counsel Ferre was in agreement with General Manager Eckhart, he provided a more in-depth explanation. General Manager Eckhart thanked the consultants for their presentations. He noted that he will be moving forward on these two items.

- 2) **Discussion to Amend Contract with Inland Empire Resource Conservation District (IERCD)** - a staff report, a copy of an Addendum to Contract for Performance of Water Conservation Public Outreach Programs Proposal, and a PowerPoint presentation were included in the agenda packet. General Manager Eckhart noted that the Agency's Social Media part-time employee resigned a few weeks ago. He stated that he is looking to outsource the Agency's Social Media component. In doing so, Staff

spoke to IERCD over the last few weeks and discussed IERCD's qualifications with social media campaigns. The Agency's previous Social Media Coordinator worked with IERCD providing them with an outline of the Agency's social media content. IERCD has well-trained social media specialists that can assist and maintain the Agency's various social media accounts. IERCD already provides this function for other government organizations and has an established track record. IERCD was asked to develop a transition plan to take over, maintain, and expand the Agency's social media presence; the term of the plan is six (6) months. Mandy Parkes (District Manager – IERCD) spoke on what she does for other water districts. How they would maintain an uninterrupted presence online for the Agency. She provided some examples as to what they would do on the Agency's social media platforms. General Manager Eckhart noted that the Agency paid its part-time Social Media Coordinator approximately \$7,800 for 6 months. The IERCD proposal will provide similar or better levels of service for \$7,440 for 6 months. He also noted that the proposal is within the General Manager's signing authority and that he will be signing the proposed addendum to the existing IERCD contract. At this time, President Duncan asked for public comment, there was none. President Duncan asked for Board discussion. After discussion, it was the consensus of the Board to move forward with IERCD as the outsourced Social Media Coordinator for the 6 month term.

- 3) **Production of Short Video Documenting Flume History and Apple Fire Damage** – A Staff report and a Banning Flume Burn Video Quote provided by Props AV, were included in the agenda packet. General Manager Eckhart stated that the Apple Fire started on July 31, 2020 in the area of Oak Glen Road located in Cherry Valley. The fire was contained as of August 18, 2020 and had burned approximately 34,400 acres. The San Gorgonio Water Conveyance (Flume) is located in the Apple Fire burn area. A request by Board Member(s) was made to produce a short film documenting the Flume and the 2020 fire damage. The damage to the Flume leaves open questions as to the water supply for the community of Banning Heights and the City of Banning. A video would capture the history of the Flume, as well as past and current uses, the importance of the Flume to the community(s), documenting the Apple Fire, and the uncertain future of the Flume. General Manager Eckhart is investigating hiring a local Audio Visual company to produce a video at a cost of \$5k. He recommended getting some direction from the Board. At this time, President Duncan requested public comment. Dan Jagers expressed that this whole area has some significant challenges within the next year or two; possibly more depending on the level of precipitation this area receives this year and subsequent years. He reiterated that the Flume is a viable local resource. Having the Flume available to the City of Banning and Banning Heights Mutual Water Co. is very important in order to minimize the need for additional SWP water. There is a need to move quickly before the damage is covered up once the rains come. He also noted that a video is a great tool to have in order to convey needs to others. President Duncan opened this item for Board discussion. A number of Board members were in agreement that the video is necessary. Director Stephenson inquired if any

other entity will share in the cost. General Manager Eckhart stated that staff time has been offered by the City of Banning, residents of Banning Heights/BHMWC, and Duane Burk (General Manager - BCV Recreation and Parks District, also a resident expert), but nothing monetary. He noted that the video will be owned by the Agency and that it is within his contracting authority; he informed the Board that he will be moving forward with this project.

B. General Counsel Reports: A written report was provided in the agenda packet.

C. Directors Reports: 1) **Director Lehtonen** reported on the San Geronio Pass Regional Water Alliance meeting that was held on August 26th via Zoom. The next meeting will take place October 28th. 2) **Director Stephenson** reported on YVWD's meeting that was held on August 1st.

D. Committee Reports: **Director Lehtonen** noted that the Conservation and Education Committee meeting was cancelled. He stated that he will speak to Director Thompson to see if there is a need to hold a meeting sooner than the next scheduled meeting of October 8th. **Director Ball** confirmed that there will not be a Capacity Fee Committee meeting this month.

6. New Business:

A. Consideration and Possible Action Regarding Changes in Local Agency Investment Fund (LAIF). A staff report was included in the Agenda Packet. President Duncan stated that this is a housekeeping item. He turned the discussion over to Finance Manager Thomas Todd. Mr. Todd stated that LAIF requires documentation to change the Agency members who are authorized to transact business with them. This action is for the Board to appoint and to certify Lance Eckhart - General Manager/Secretary, Ronald Duncan - President, and Michael Thompson – Treasurer, as designated authorized representatives of the SGPWA. Director Stephenson made a motion, seconded by Director Ball, to approve the appointment of Lance Eckhart, Ronald Duncan and Michael Thompson as signatories with LAIF. President Duncan requested a roll call vote.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director 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 5-0-2, with Directors Thompson and Fenn absent.

B. Discussion and Possible Action of Agency Vehicle: President Duncan stated that he requested this item. He had made a request to Finance Manager Thomas Todd to do research on what the monthly expense was while the previous General Manager had possession of the vehicle. President Duncan reported that the vehicle was purchased for \$33,700. The gas for one year was about \$1200, and the insurance for the vehicle is a little over \$300 a year. He also noted that since the previous General Manager's departure the vehicle has been used minimally. He suggested either selling the vehicle or allowing the General Manager to drive the vehicle to and from work, and for Agency's business. At this time President Duncan asked for public comment. There was no public comment. President Duncan asked for Board discussion. After discussion, staff was asked to bring this item back to the Board with written information on what was reported by President Duncan, what the value is on the vehicle, and if the General Manager does or does not want the use of the vehicle, also, if there is a need to revise the General Manager's contract.

7. Topics for Future Agendas: Director Stephenson requested an update on Calimesa water deliveries. Director Ball requested a Flume damage update.

8. Announcements:

- A. Water Conservation and Education Committee, September 10, 2020 at 1:30 p.m. – Cancelled
- B. Engineering Workshop, September 14, 2020 at 1:30 p.m.
- C. Regular Board Meeting, September 21, 2020 at 1:30 p.m.

9. Closed Session (1-item)

Time: 3:55 pm

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

The meeting reconvened to open session at: Time: 4:40 pm

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

10. Adjournment

Time: 4:40 pm

Draft - Subject to Board Approval

Lance Eckhart, Secretary of the Board

cmr

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
September 14, 2020

Directors Present: Ron Duncan, President
 All Board members Leonard Stephenson, Vice President
 Attended by Video David Castaldo, Director
 Conferencing/ David Fenn, Director
 Teleconferencing Steve Lehtonen, Director
 Mike Thompson, Director

Directors Absent: Blair Ball, 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

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., September 14, 2020 via videoconference/teleconference. Vice President Stephenson led the Pledge of Allegiance to the flag. Vice President Stephenson requested a roll call.

<u>Roll Call:</u>	Present	Absent	
Director Ball	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	Arrived at 1:50 pm

A quorum was present.

2. Public Comment: Vice President Stephenson requested public comment. No members of the public wished to address the Board at this time.

3. Review of 2021 Local Water Deliveries. 1) A PowerPoint presentation was included in the agenda packet. General Manager Eckhart relayed to the Board that the Agency is allotted 17,300 acre-feet of Table A water. Every year the Department of Water Resources determines the percentage of what State Water Contractors receive; allocation for 2020 is 20% = 3,460 acre-feet. He noted that the Agency has a 60% long term reliability (10,380 AF) and that we are currently meeting the local water delivery demands. In order to meet the current water requests the Agency secured imported water from a number of outside water sources, those being Nickel water (34,000 acre-feet of reliable water over a twenty-year period), Ventura water (year-year), and Yuba water. The Agency is actively looking into securing water

from additional sources to meet water demands in the future. **2.** General Manager Eckhart reminded the Board that in the near future (October/November) the Board will need to take action on securing water from Sites Reservoir and Delta Conveyance. **3.** General Manager Eckhart noted that he has concerns pertaining to banking water during wet years. In the event that we import our Table A water supply, and also import our additional water from other sources, it will be challenging to have enough storage space between BCVWD's recharge facility and the Agency's recharge facility. There may be a need to look at outside banking facilities in the future. **4.** General Manager Eckhart stated that to date (July totals with estimates to date) the Agency has delivered an estimated 7,520 acre-feet. He also stated that the total request from by our water retailers for 2020 is 10,200 acre-feet. General Manager Eckhart concluded his presentation and answered questions from the Board. Vice President Stephenson requested public comment. Dan Jagers (General Manager BCVWD) conveyed that there is a "T" at the intersection of Beaumont Ave & Cherry Valley Boulevard that would provide for a future connection to BCVWD's recharge facilities. He suggested collectively doing an emergency project to make that connection complete to the BCVWD recharge facility.

4. Discussion of Cost sharing Agreement for the San Gorgonio Pass Subbasin Groundwater Sustainability Plan. A Staff report, a proposed Cost Sharing Agreement, and a PowerPoint presentation were included in the agenda packet. General Manager Eckhart noted that that in 2018, the Agency was awarded a \$1 million grant from the Department of Water Resources (DWR) to develop a Groundwater Sustainability Plan (SGP) to support Sustainable Groundwater Management Act implementation. The Agency contracted with Provost & Pritchard to develop the GSP. The decision to contract with Provost & Pritchard was unanimous by the six members of the Working Group members consisting of:

1. San Gorgonio Pass Water Agency
2. City of Banning
3. Banning Heights Mutual Water Company
4. Cabazon Water District
5. Mission Springs Water District
6. Desert Water Agency

The potential to exceed the \$1 million grant amount due to scope changes as the program progressed was determined to be likely by the Working Group. A cost share agreement, to cover non-grant funded expenses, was discussed during the early stages of the project, but no action was taken due to not knowing if it would be necessary. In June of 2020, it was clear to the Working Group that additional scope items would be necessary to implement the GSP and a change order would be needed to cover the additional work. The six members of the GSP Working Group unanimously agreed with the need for the proposed change order and with the terms of the cost share agreement, subject to approval by the governing boards of each member of the Working Group. The Agency would be responsible for approximately \$27,000 of the additional scope items. General Manager Eckhart stated that Staff's recommendation is to present the Cost Sharing Agreement to the Board for consideration at a future Board meeting. Vice President Stephenson requested public comment. There was no public comment at this time. Vice President Stephenson requested Board discussion. A brief discussion by the Board and Staff ensued.

Vice President Stephenson read the following announcements:

7. Announcements:

- A. Regular Board Meeting, September 21, 2020 at 1:30 p.m. – Teleconference/Zoom
- B. Finance & Budget Workshop, September 28, 2020 at 1:30 p.m. – Teleconference/Zoom
- C. Regular Board Meeting, October 5, 2020 at 1:30 p.m. – Teleconference/Zoom

8. Adjournment: Vice President Stephenson adjourned the meeting at 2:04 p.m.

Draft - subject to Board approval

Lance Eckhart, Secretary to the Board

cmr



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Memorandum

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

From: Jeff Ferre, General Counsel

Date: September 21, 2020

Re: General Counsel Report - Board of Directors Meeting

Please note that this is a general update for public discussion purposes only and does not constitute legal advice.

The Proposed WIFIA Improvement Act of 2020 May Provide Funding For Sites Reservoir

Congressman John Garamendi (D-CA) recently introduced the “WIFIA Improvement Act of 2020” (H.R.8217). If passed by Congress and signed by the President, the legislation would amend the Water Infrastructure Finance and Innovation Act of 2014 (“WIFIA”) to make public water projects, like the Sites Reservoir Project, eligible for low-interest, longer-term federal EPA loans.

The bill would allow water projects with longer useful lifecycles, such as the Sites Reservoir Project, to receive federal WIFIA financing for 55-year loan terms instead of the current 35-year loan terms. This extension of the loan maturity date would help to reduce the financing costs for projects such as Sites. Congressman Garamendi has stated that this legislation would provide nearly \$6 billion in low-interest federal financing to qualifying projects.

This legislation would provide that for projects with a useful life of more than 35 years, such as Sites, the final maturity date of a secured federal loan shall be not later than the earlier of:

- (i) The date that is 55 years after the date of substantial completion of the project; or
- (ii) If the useful life of the project is less than 55 years, the useful life of the project.



DISCUSSION OF AGENCY FLEET

San Geronio Pass Board Meeting
September 21, 2020



REVIEW OF AGENCY OPTIONS FOR VEHICLE FLEET

Consider various options regarding Agency vehicle fleet. Specifically the 2017 4x4 Ford Expedition.





What Has the Agency Done in the Past?

The Agency has a fleet of two (2) 4x4 vehicles for use by the General Manager and Operations.

The Agency has kept a 4x4 Expedition in the Fleet for the past 2 GM's and for nearly 2 decades.

Rationale for Fleet

East Branch alignment, monitoring network, recharge basins and upper watershed areas can require high clearance 4x4 vehicles for staff. Vehicles are considered tools of day to day job.

Today

Off-road areas along Agency facilities, remote locations of monitoring network and challenges with upper watershed persist. The correct equipment to safely and effectively visit sites will be an ongoing necessity.

Current Contract - Hybrid Model: GM uses personal vehicle for incidental travel and Agency maintains fleet vehicle for local use. GM to receive \$2K/yr. vehicle allowance.

Result - Fleet vehicle intermittently driven and not well maintained. Off road capabilities have been needed and may be more important in future with damage to watershed.

Swapping out vehicles (parked at headquarters) has made full use of the fleet inconvenient at times and results in less use than in past.

EAST BRANCH EXTENSION
Operation and Maintenance
**San Geronio Pass
Water Agency**

Part of the California
State Water Project

The bearer has been assigned
ESSENTIAL EMERGENCY DUTIES.
All assistance must be given in order
that these assignments can be
completed.

Return card to:
1210 Beaumont Avenue
Beaumont, CA 92223

Issue Date: 7/22/2020



**What We
Are Doing
Now...**



Financial Considerations

HYBRID MODEL

\$2,000/yr. Allowance

Insurance ~\$400/Year

Gas/Maintenance \$500/Year (estimated)

Vehicle Used Less – May Result in Maintenance Costs

PAST POLICY

Insurance ~\$400/Year

Gas/Maintenance ~\$2,000/Year; (last year ~\$1,200)

Vehicle Used More – May Result in Maintenance Costs

LIQUIDATE VEHICLE/TOOL




















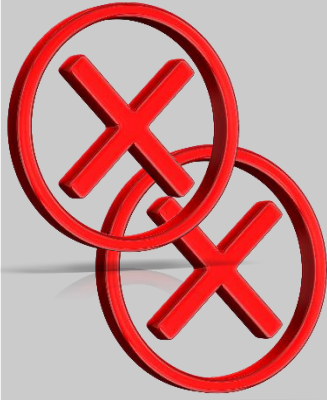

\$14,200 Loss

Purchased 2017 Ford Explorer @\$33,700 (not including trade-in)

KBB Value \$19,500

Rental Costs – Unknown

Rental Off-Road Availability = Difficult

	Consistent with Past Policy	Asset Used	Specialized Use	Maintained	Convenience	Urgent Availability	Financial
Hybrid Model							
Past Policy							
Liquidate Vehicle/Tool							



RECOMMENDATION FOR USE OF AGENCY ASSET

Consistent with almost 2 decades of past Agency policy...

Staff recommends amending employment contract at an upcoming Board Meeting to:

- 1) Provide for the use of the Agency vehicle for function as the GM
- 2) Including travel to and from home
- 3) Rescind vehicle allowance

San Gorgonio Pass Water Agency

DATE: September 21, 2020

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Lance Eckhart, General Manager

SUBJECT: COST SHARING AGREEMENT FOR THE SAN GORGONIO PASS SUBBASIN GROUNDWATER SUSTAINABILITY PLAN

RECOMMENDATION

That the Board of Directors enter into a Cost Sharing Agreement for work associated with the San Gorgonio Pass Subbasin Groundwater Sustainability Plan.

PREVIOUS CONSIDERATION

- September 14, 2020 Engineering Workshop: Workshop discussed a cost sharing agreement for the Groundwater Sustainability Plan (GSP) and agreed to move the item forward to the Board of Directors for consideration.

BACKGROUND

In 2018, the Agency was awarded a \$1 million grant from the Department of Water Resources to develop a GSP to support Sustainable Groundwater Management Act implementation.

The Agency contracted with Provost & Pritchard (P&P) to develop the GSP. The decision to contract with Provost & Pritchard was a unanimous one by the six members of the GSP Working Group. Provost & Pritchard's contract is for \$997,000. The Working Group members consist of the following:

1. San Gorgonio Pass Water Agency
2. City of Banning
3. Banning Heights Mutual Water Company
4. Cabazon Water district
5. Mission Springs Water District
6. Desert Water Agency

The potential to exceed the \$1 million grant amount due to scope changes as the program progressed was determined to be likely by the Working Group. A cost share agreement, to cover non-grant funded expenses, was discussed during the early stages of the project but no action was taken due to not knowing if it would be necessary. In June of 2020 it was clear to the Working Group clear that additional scope items would be necessary to implement the GSP and a change order would be needed to cover the additional work. The six members of the GSP Working Group unanimously agreed with

the need for the proposed change order and with the terms of the cost share agreement, subject to approval by the governing boards of each member of the Working Group (Attached).

The additional scope items consisted of the following:

1. **Groundwater Model:** A groundwater model was deemed a necessary tool for GSP implementation by the Working Group. Existing United States Geological Survey (USGS) models of the area existed but they did not cover the entire GSP area, needed to be modified for GSP use, been completed years ago and therefore needed to be modified, updated and recalibrated.
2. **Management and Facilitation:** Working Group staff were initially going to provide management/facilitation services through the GSP formation processes. The GSP process involves a material amount of sensitive and highly technical subjects, along with resulting management actions. The Working Group determined that that the GSP process would be more efficient and productive if managed/facilitated by third-party (P&P consulting team).

ANALYSIS

Work associated with the production of a groundwater model for the GSP area is at a cost not-to-exceed of \$75,360. Management/Facilitation services is at a cost of not-to-exceed \$7,500. The total for the additional scope items is \$82,860. This cost is under 10% of the total contract and was approved by Agency staff in June 2020 in order to not stall the overall GSP progress and comply with DWR grant timelines.

Cost share negotiations were discussed among the Working Group. Ultimately after considerations of geographic footprint, disadvantaged community status, equity and etcetera, the Working Group agreed to the cost share detailed below:

SGPWA:	5/15 of the shared costs or 33.3%
City of Banning:	2/15 of the shared costs or 13.3%
Banning Heights MWC:	2/15 of the shared costs or 13.3%
Cabazon Water District:	2/15 of the shared costs or 13.3%
Mission Springs Water District:	2/15 of the shared costs or 13.3%
<u>Desert Water Agency:</u>	<u>2/15 of the shared costs or 13.3%</u>
Total:	15/15 or 100.0%

Should there be additional change orders in the future, the cost share split would apply to those additional charges as well. Should those change orders bring the cumulative change order amount to greater than 10% of the contract, the matter would come back to the Agency Board for consideration.

FISCAL IMPACT

Funds exist in the Fiscal Year 2020-21 Budget to cover all costs associated with GSP preparation. The Agency would be responsible for approximately \$27,000 of the additional scope items discussed above.

ACTION

Board of Directors approve the proposed Cost Sharing Agreement for work associated with the San Gorgonio Pass Subbasin Groundwater Sustainability Plan, including any non-substantive changes acceptable to the General Counsel, and authorize the General Manager to sign the agreement.

ATTACHMENT

Cost Sharing Agreement, San Gorgonio Pass GSP Working Group Members

**COST SHARING AGREEMENT BETWEEN THE
CABAZON WATER DISTRICT, CITY OF BANNING, BANNING HEIGHTS
MUTUAL WATER COMPANY, SAN GORGONIO PASS WATER AGENCY,
MISSION SPRINGS WATER DISTRICT, AND DESERT WATER AGENCY**

THIS COST-SHARING AGREEMENT (“**Agreement**”) is made as of _____, 2020 (“**Effective Date**”), by and between the CABAZON WATER DISTRICT (CWD), CITY OF BANNING (Banning), BANNING HEIGHTS MUTUAL WATER COMPANY (BHMWC), SAN GORGONIO PASS WATER AGENCY (SGPWA), MISSION SPRINGS WATER DISTRICT (MSWD), and DESERT WATER AGENCY (DWA), each a member agency of the San Gorgonio Pass Groundwater Sustainability Agency (SGP-GSA). The member agencies may individually be referred to as a “Member” or collectively as the “Members.”

RECITALS

A. The Members are member agencies of the San Gorgonio Pass Groundwater Sustainability Agency (SGP-GSA), formed by memorandum of agreement pursuant to the Sustainable Groundwater Management Act (SGMA) for the purpose of managing that portion of the San Gorgonio Pass Subbasin (Basin) encompassed by the Members’ collective regulatory jurisdictions;

B. The Members are responsible for developing a Groundwater Sustainability Plan (GSP or Plan) to be implemented no later than January 1, 2022 and designed to ensure the sustainable management of the Basin by January 1, 2042;

B. The Members may, from time to time, need to retain consultants or other professional services for the purpose of assisting the SGP-GSA in developing the groundwater sustainability plan (GSP) for the Basin.

C. SGPWA has been awarded two grants from the State of California, pursuant to Water Code § 79700 et seq. (Proposition 1) in the amount of \$1 million each, for a total of \$2 million, for the development of the GSP, including actions to benefit disadvantaged and severely disadvantaged communities within its jurisdictional boundaries (the “Grant Funds”).

D. The Members intend that the Grant Funds shall be used for the benefit of all Members.

C. The Members enter into this Cost Sharing Agreement to memorialize the allocation of costs attributed to each Member for the use of certain technical and legal consultants for development of the Plan.

AGREEMENT

NOW, THEREFORE, the Members hereby agree as follows:

1. Contracting Member. SGPWA shall, at the direction and with the approval of the Members, make and enter into contracts to secure the services of consultants and other professionals as necessary and appropriate for the purpose of developing the GSP.

2. Proposition 1 Grant Funds. Costs for consultants and other professionals shall be reimbursed first from the Grant Funds, where appropriate.

3. Shared Costs. All costs for consultant and/or other professional services that cannot be reimbursed from Grant Funds shall be Shared Costs of the Members. SGPWA agrees to fund the services up front. Each Member agrees to reimburse SGPWA its share of the Shared Costs on a periodic basis in arrears for the costs of the services provided hereunder based on the allocation of costs as set forth herein, or on an equal basis, as agreed to in writing by the Members. The Members agree that all charges to each Member for services provided under this Agreement shall be based on the actual costs without any allowance or margin for profit to the other Member.

4. Shared Cost Allocation. The Shared Costs shall be allocated among the Members as follows:

SGPWA:	5/15 of the shared costs or 33.333%
City of Banning:	2/15 of the shared costs or 13.333%
Banning Heights MWC:	2/15 of the shared costs or 13.333%
Cabazon Water District:	2/15 of the shared costs or 13.333%
Mission Springs Water District:	2/15 of the shared costs or 13.333%
Desert Water Agency:	2/15 of the shared costs or 13.333%
Total:	15/15 or 100.0%

5. Relationship. Nothing in this Agreement creates either: (a) a fiduciary duty among the Members or with any third party or (b) an attorney-client relationship between any attorney and any Member that is not represented by that attorney as its counsel.

6. Books and Records. Each Member shall maintain appropriate and accurate books of account and records relating to the services utilized by the Members under this Agreement, and such books of account and records shall be accessible for inspection by representatives (including the auditors) of the other Member at any time during normal business hours. Except in the ordinary course of business of each Member, the other shall, and shall use commercially reasonable efforts to cause each of its employees, contractors, agents, officers and directors to, keep confidential any and all information he or she may obtain from time to time in connection with the services he or she renders under this Agreement.

7. Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect until adoption by the SGP-GSA and submission to the Department of Water Resources of a Plan, or until terminated by mutual written agreement of the Members.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Members hereto and their respective heirs, personal representatives, successors and assigns as provided in this Agreement.

9. Entire Agreement. This Agreement contains the entire agreement and understanding among the Members hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

10. Alternative Dispute Resolution. The Members shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. If a dispute is unable to be informally resolved or settled by the Members, then thirty (30) days prior to filing any legal action, other than a legal action for temporary injunctive relief as contemplated herein, the executive officers of each Member shall meet together in person in good faith to endeavor to reach a mutually beneficial resolution and settlement of such dispute.

11. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement as of the Effective Date.

CABAZON WATER DISTRICT

Approved By:

Date

Approved As To Form:

General Counsel

CITY OF BANNING

Approved By:

Date

Approved As To Form:

General Counsel

BANNING HEIGHTS MUTUAL WATER COMPANY

Approved By:

Date

Approved As To Form:

General Counsel

SAN GORGONIO PASS WATER AGENCY

Approved By:

Jeff Davis, Executive Director

Date

Approved As To Form:

General Counsel

MISSION SPRINGS WATER DISTRICT

Approved By:

Date

Approved As To Form:

General Counsel

DESERT WATER AGENCY

Approved By:

Date

Approved As To Form:

General Counsel

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San Geronio Pass Water Agency

DATE: September 21, 2020

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Lance Eckhart, General Manager

SUBJECT: YUBA ACCORD WATER PURCHASE AGREEMENT EXTENSION

RECOMMENDATION

Staff recommends the Board of Directors approve Amendment No. 6 to the Yuba Accord Water Purchase Agreement

PREVIOUS CONSIDERATION

The Board has opted to participate in the Yuba Accord Water Purchase Program since 2008. Occasional amendments to the program have been considered as the program progressed over time.

- Board of Directors – March 17, 2008: Enter into agreement
- Board of Directors – March 16, 2009: Authorize Amendment No. 1 & 2
- Board of Directors – March 15, 2010: Authorize Amendment No. 3
- Board of Directors – Sept. 19, 2011: Authorize Amendment No. 4
- Board of Directors – Nov. 11, 2014: Authorize Amendment No. 5

BACKGROUND

The Yuba River Accord is a settlement of issues related to a State Water Resources Control Board decision and subsequent litigation regarding flow requirements on the Lower Yuba River. One of the elements of the settlement included a water purchase agreement (Agreement) between the Yuba County Water Agency and the Department of Water Resources (DWR).

Under that agreement, the Agency is entitled to purchase water in most years. The amount of water available varies from year to year, but has averaged approximately 200+/- acre-feet per year for the Agency (when purchased). Generally, the Agency purchases Yuba water during dry years to meet local requests. During average or wet years, the Agency has met local requests for imported water utilizing Table A and/or other negotiated supplies.

- 2014: 5% Table A Allocation; 309 acre-feet Yuba imports
- 2015: 20% Table A Allocation; 0 acre-feet Yuba imports
- 2016: 60% Table A Allocation; 0 acre-feet Yuba imports
- 2017: 85% Table A Allocation; 0 acre-feet Yuba imports

- 2018: 35% Table A Allocation; 124 acre-feet Yuba imports
- 2019: 75% Table A Allocation; 0 acre-feet Yuba imports

Under the terms of the Agreement, the current price structure is to be renegotiated for the period of October 1, 2020 to December 30, 2025 as part of Amendment No. 6 (Attached).

ANALYSIS

New water prices have increased approximately 28% since the 2014 Amendment No. 5. New prices range from \$64/acre-foot (wet year) to \$447/acre-foot (critical dry year). Participating contractors recognize that the Agreement presents a relatively inexpensive source of additional water in most years. Purchase of Yuba water is optional, so that if a Contractor did not want to purchase water, they would not be required to do so.

FISCAL IMPACT

Currently the water rate includes a component that pays for the purchase of Yuba water at pre-Amendment No. 6 prices. Since the price of Yuba water will increase on October 1, 2020, there will be some fiscal impact to the Agency when Yuba water is purchased moving forward.

ACTION

Motion to approve Amendment 6 to the Yuba Accord Water Purchase Agreement.

ATTACHMENT

Amendment 6 - Agreement for the Supply and Conveyance of Water by the Department of Water Resources for the State of California Under the Dry Year Water Purchase Program

San Geronio Pass Water Agency

DATE: September 21, 2020
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Finance Manager
SUBJECT: SALARY SCHEDULE APPROVAL FOR CALPERS

RECOMMENDATION

Staff recommends approving Resolution 2020-06. As a contracting member of CalPERS for retirement purposes, this is a requirement to maintain up-to-date records with CalPERS.

BACKGROUND

CalPERS requires public disclosure and Board approval of Agency pay schedules. This is critically important when they calculate and finalize benefits for retiring employees.

This is a housekeeping item. The Agency caught up with previous years in October, 2019. The Agency will need to approve a salary schedule each year, or whenever the salary schedule changes.

FISCAL IMPACT

There is no fiscal impact.

ACTION

Approve Resolution No. 2020-06.

ATTACHMENTS

Salary Schedule for FY 2020-21.

RESOLUTION NO. 2020-06

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GORGONIO PASS WATER AGENCY ADOPTING THE FISCAL YEAR 2020-21 PUBLICLY AVAILABLE PAY SCHEDULE AS REQUIRED BY CALPERS

WHEREAS, San Gorgonio Pass Water Agency (Agency) is a CalPERS contracting agency subject to the Public Employees Retirement Law and the regulations thereunder; and

WHEREAS, CalPERS regulations require that employee salaries be included on a publicly available pay schedule as defined in California Code of Regulations, Title 2, Section 570.5; and

WHEREAS, one of the requirements of Section 570.5 is that the Agency's salary schedule be adopted by resolution of the Board of Directors; and

WHEREAS, the compensation paid to Agency employees has been previously approved by the Board in accordance with Agency policy and in compliance with applicable public meeting laws; and

WHEREAS, solely for the purpose of complying with Section 570.5, it has been determined that it is in the Agency's best interest to have the salary schedules approved by the Board of Directors which reflect previously approved compensation amounts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Gorgonio Pass Water Agency hereby adopts the fiscal year 2020-21 salary schedule for Agency employees attached hereto as Exhibit 1 and incorporated herein by this reference, with an effective date of July 1 of the applicable fiscal year.

ADOPTED AND APPROVED this 21st day of September, 2020.

President, Board of Directors
San Gorgonio Pass Water Agency

ATTEST:

Secretary, Board of Directors
San Gorgonio Pass Water Agency

Exhibit 1

San Geronio Pass Water Agency Position Payrate Schedule FY 2020-21

July 1, 2020 - June 30, 2021

Position Title	Payrate Range	Time Base
General Manager	\$192,504 - \$201,408	Annual
Finance Manager	\$86,568 - \$138,408	Annual
Executive Assistant	\$67,632 - \$88,752	Annual
Field Operations Manager	\$39.62 - \$54.61	Hourly

Effective Date: July 1, 2020

This complies with CCR 570.5 requirements for pay schedule information, effective August 10, 2011.