

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Adjourned Board Meeting and Engineering Workshop
January 11, 2021

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN
ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, THIS
MEETING WAS HELD VIA ZOOM.

Board Present: Ron Duncan, President
Board members Blair Ball, Director
Attended by video Steve Lehtonen, Director
conferencing/ Chander Letulle, Director
teleconferencing Larry Smith, Director
Mickey Valdivia, Director

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

- 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., January 11, 2021 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>Roll Call:</u> | Present | Absent |
|--------------------------|-------------------------------------|--------------------------|
| Director Ball | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <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 Eckhart responded, stating that there are no adjustments to the agenda.
- 3. Public Comment:** President Duncan asked for public comments. There were no members of the public that spoke at this time.
- 4. New Business:**
- A. Adoption and Presentation of Resolution No. 2021-01 Honoring Lenny Stephenson
 - B. Adoption and Presentation of Resolution No. 2021-02 Honoring David Castaldo
 - C. Adoption and Presentation of Resolution No. 2021-03 Honoring Michael Thompson
 - D. Adoption and Presentation of Resolution No. 2021-04 Honoring David Fenn

General Manager Eckhart announced that whenever a board member leaves the Agency, we honor them by resolution. Today, we have four resolutions for adoption and presentation. President Duncan requested a motion to adopt Resolutions 2021-01, 2021-02, 2021-03 and 2021-04, recognizing Lenny Stephenson, David Castaldo, Michael Thompson, and David Fenn for their years of service to the Board and which were set forth as items 7(A), 7 (B), 7 (C) and 7 (D). Director Valdivia made a motion, seconded by Director Smith, to adopt Resolutions 2021-01, 2021-02, 2021-03 and 2021-04, with an amendment on all four resolutions to include signature lines for all presiding board members. President Duncan requested a roll call.

| <u>Roll Call:</u> | Aye | Noes | Absent | Abstain |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Director Ball | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <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. President Duncan provided highlights of each resolution.

E. Consideration and Possible Action to Approve the Purchase of Parcel #403 080 015 for a total expenditure of \$2,035.00. A staff report and related materials were included in the agenda packet. General Manager Eckhart informed the Board that this is a small piece of property that adjoins a number of parcels that the Agency owns. The property was secured for the amount of \$1,500 with closing costs of \$535, for a total of \$2,035. The Certificate of Acceptance is the final document required for the transfer of the property to the Agency. Director Ball made a motion, seconded by Director Letulle, to purchase parcel #403 080 015 for the amount of \$2,035.00. President Duncan requested public comment. There being none, President Duncan opened this item for Board discussion. After discussion 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 Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <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.

5. Election of Board Officers:

a. Nominations for Board President -

President Duncan opened the nominations for Board President. President Duncan nominated Steve Lehtonen as Board President. Hearing no other nominations, President Duncan requested a vote on the nomination of Steve Lehtonen for Board President.

| <u>Roll Call:</u> | Aye | Noes | Absent | Abstain |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Director Ball | <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 Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <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

b. Nominations for Board Vice President -

President Lehtonen opened the nominations for Vice President. Director Duncan nominated Director Ball for Board Vice President. Director Valdivia nominated Director Smith for Board Vice President. Hearing no other nominations, President Lehtonen requested a vote on the nominations.

| <u>Roll Call:</u> | Director Ball | Director Smith |
|--------------------------|-------------------------------------|-------------------------------------|
| Director Ball | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Duncan | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Director Smith | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Director Valdivia | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| President Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Due to a lack of majority vote, Director Duncan made a motion, seconded by Director Smith, to revisit this item once there is a full Board.

| <u>Roll Call:</u> | Aye | Noes | Absent | Abstain |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Director Ball | <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 Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <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.

c. Nominations for Treasurer -

President Lehtonen called for nominations for Board Treasurer. Director Duncan nominated Mickey Valdivia for Board Treasurer. Hearing no other nominations, President Lehtonen requested a vote on the nomination of Mickey Valdivia for Board Treasurer.

| <u>Roll Call:</u> | Aye | Noes | Absent | Abstain |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Director Ball | <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 Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | |
|-------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Director Valdivia | <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.

d. Nominations for Secretary/Assistant Treasurer -

Director Valdivia nominated Lance Eckhart for Board Secretary/Assistant Treasurer. Hearing no other nominations, President Eckhart requested a vote on the nomination of Lance Eckhart for Board Secretary.

| | | | | |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| <u>Roll Call:</u> | Aye | Noes | Absent | Abstain |
| Director Ball | <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 Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <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. Director Duncan thanked the Board and the previous Board for their support during his tenure as president. Director Ball and President Lehtonen thanked Director Duncan for his leadership as President.

6. Consent Calendar:

A. Approval of the Minutes of the Regular Board Meeting, December 21, 2020. President Lehtonen requested a motion on this item. Director Ball made a motion, seconded by Director Smith to adopt the consent calendar, as presented. President Lehtonen 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 Duncan | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| President Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Motion passed 6-0.

7. Reports:

A. General Manager's Report: 1. General Manager Eckhart provided a brief report on Sites Reservoir project. The project is moving forward towards the Environmental Impact Report process. State Water Contractors are discussing options on how to pay for the project. 2. General Manager Eckhart reported to the Board that there are seven prospective candidates for the At-Large No. 2 vacancy. Interviews will take place in the Board room with only the Board members and one candidate in the board room at a time. The open session process will be safe, efficient and transparent. 3. Director Valdivia requested that staff report back to the Board if and when Jeff Davis is made President of Sites Reservoir Project – Sites Reservoir Committee; currently Mr. Davis is Vice President.

B. General Counsel Reports: None.

C. Directors Reports: 1) Director Ball reported on the Financial Feasibility Meeting Committee that was held on December 21, 2021. **2. President Lehtonen** stated that the Water Education and Conservation Committee meeting for January has been cancelled. He requested that if any Board member has a particular committee that they are interested in, to email him and he will take their request into consideration. President Lehtonen requested staff to email the Board the contact/committee list.

D. Committee Reports: None.

8. New Business:

A. Engineering Workshop (Discussion Only) A PowerPoint presentation was included in the agenda packet. General Manager Eckhart explained the bulkhead failure that took place at the Cherry Valley Pump Station. The failure was due to a power surge and a series of events that took place leading up to the failure and after the failure. Repairs include an upgraded bulkhead, pump discharge extensions and elbows, and pump extension riser re-coat. He also reviewed with the Board future mitigations. General Manager Eckhart answered questions from the Board. The cost of the repairs is the eventual responsibility of the Agency. Director Valdivia requested that Legal Counsel Ferre find out how legal is it for DWR expecting this Agency to pay with no input on how the vetting process occurs. General Counsel Ferre stated that it is the nature of the contract. Staff will provide more details on to how the contract works at a future meeting. President Lehtonen requested public comment. There was no public comment on this item.

B. Recharge Flood Protection Update: General Manager Eckhart reviewed with the Board the amount of damage that occurred in the region due to the Apple and El Dorado fires. A major concern is a heavy rain event which would potentially bring debris flows that may cause flooding and property damage. He also reviewed with the Board what the Agency and Beaumont School District are doing to mitigate potential damage to the adjacent Mountain View Middle school. The Agency purchased K-rails and had them placed at the Agency's Recharge Facility to mitigate flooding. General Manager Eckhart concluded his presentation. President Lehtonen asked for public comment. General Manager Jagers (BCVWD) was agreeable with what General Manager Eckhart and the school district has done to mitigate flooding. President Lehtonen requested Board discussion. The question of liability was brought up by Director Ball. Legal Counsel Ferre stated that he will look into this issue and if there is a concern he will provide it at an appropriate closed or open session. Directors Ball and Duncan also had concerns on how the k-rails are positioned. Director Valdivia suggested that the Riverside County Flood Control provide the Board with a short presentation on they have done regionally to mitigate flooding in the area. He also asked staff about the equestrian trail that starts from Noble Creek Park to Beaumont Park, questioning whether or not the trail is maintained.

9. Announcements

- A. Cancelled – Water Conservation and Education Workshop, January 13, 2021
- B. Office closed **Monday**, January 18, 2021 in observance of Martin Luther King Day
- C. Regular Board Meeting, **Tuesday**, January 19, 2021 at 1:30 p.m.
Teleconference/Zoom
- D. Finance and Budget Workshop, January 25, 2021 at 1:30 p.m.
Teleconference/Zoom

10. Adjournment: President Lehtonen adjourned the meeting at 3:10 p.m.

Pending Agenda Items:

| Request | Requester | Date of Request | Tentative Date |
|--|-----------|-----------------|----------------|
| Review of financial investments and strategies | Duncan | 12/21/2020 | |
| Recharge Facility eroding embankments | Duncan | 01/11/2021 | |
| Recharge Facility Naming (Ad - hoc Committee formed by President Lehtonen on 01/11/2021. | Valdivia | 01/11/2021 | |
| Recharge Facility Maintenance | Valdivia | 01/11/2021 | |

Draft - Subject to Board Approval

Lance Eckhart, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
January 19, 2021

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19
(CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S
EXECUTIVE ORDER N-29-20, THIS MEETING WAS HELD VIA ZOOM.

| | |
|---------------------------|------------------------------------|
| Board Present: | Steve Lehtonen, President |
| Board members | Mickey Valdivia, Treasurer |
| Attended by video | Blair Ball, Director |
| conferencing/ | Ron Duncan, Director |
| teleconferencing | Chander Letulle, Director |
| | Larry Smith, Director |
| Staff Present: | Lance Eckhart, General Manager |
| Staff members | Jeff Ferre, General Counsel |
| attended by video | Thomas Todd, Finance Manger |
| conferencing/ | Cheryle Stiff, Executive Assistant |
| teleconferencing | |

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 Lehtonen at 1:30 p.m., January 19, 2021 by video/teleconference. President Lehtonen led the Pledge of Allegiance to the flag. Director Duncan gave the invocation. President Lehtonen requested a roll call.

| <u>Roll Call:</u> | <i>Present</i> | <i>Absent</i> |
|--------------------------|-------------------------------------|--------------------------|
| Director Ball | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Duncan | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| President Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

A quorum was present.

2. **Adoption and Adjustment of Agenda:** President Lehtonen asked if there were any adjustments to the agenda. General Manager Eckhart responded, stating that there is no adjustment to the agenda.
3. **Public Comment:** *President Lehtonen asked for public comments.* Beaumont Councilmember David Fenn (former SGPWA Board member) spoke on his experience with Leonard Stephenson and asked that the Board consider Mr. Stephenson for the position. Daniela Andrade was not in favor of bringing back an ex-board member. She asked the Board to consider Robert Ybarra for the position. Joyce McIntyre asked that the Board consider someone with knowledge and experience.

4. New Business:

A. Interviews of Candidates and Possible Appointment of Director to Fill Board Vacancy At-Large No. 2: A staff report and related materials were included in the agenda packet. Due to a citywide power outage the Board by consensus chose to adjourn the meeting to a future date. Director Smith made a motion, seconded by Director Duncan to adjourn the meeting to a future date.

| <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 Duncan | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| President Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Motion passed 6-0.

5. Announcements

- A. Finance & Budget Workshop, January 25, 2021 at 1:30 p.m.
- B. Regular Board Meeting, February 1, 2021 at 1:30 p.m.
- C. Engineering Workshop, February 8, 2021 at 1:30 p.m.

6. Adjournment

Time: 2:05 pm

Draft - Subject to Board Approval

Lance Eckhart, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
January 25, 2021

In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20, this meeting was held via Zoom.

Directors Present via Zoom:

Steve Lehtonen, President
Mickey Valdivia, Treasurer
Ron Duncan, Director
Chander Letulle, Director
Larry Smith, Director

Directors Absent: Blair Ball, Director

Staff and Consultants Present via Zoom:

Lance Eckhart, General Manager
Tom Todd, Jr., Finance Manager
Cheryle Stiff, Executive Assistant

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget Workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President Steve Lehtonen at 1:07 pm, January 25, 2021. President Lehtonen turned the meeting over to Treasurer Mickey Valdivia, who led the Pledge of Allegiance to the flag. A quorum was present.

Treasurer Valdivia informed participants that the meeting was being held via Zoom and telephonically.

2. **Adoption and Adjustment of Agenda:** The agenda was adopted as posted.

3. **Public Comment:** Treasurer Valdivia asked if anyone connected to the meeting wished to make a comment; no members of the public requested to speak at this time.

4. **New Business:**

- A. Ratification of Paid Invoices and Monthly Payroll for December, 2020 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by President Lehtonen, seconded by Director Letulle, to recommend that the Board approve paid monthly invoices of \$5,349,439.15 and payroll of \$45,220.75 for the month of December, 2020, for a combined total of \$5,394,659.90. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.

- B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Duncan, seconded by Director Smith, to recommend that the Board approve payment of the pending legal invoice for December, 2020 for \$13,394.56. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.
- C. Review of December, 2020 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Smith, to recommend that the Board accept the Wells Fargo bank reconciliation for December, 2020 as presented. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.
- D. Review of Budget Report for December, 2020: Finance Manager Tom Todd briefly reviewed the report, and noted the current net budget balances of the General Fund and the Debt Service Fund. After further review and discussion, a motion was made by President Lehtonen, seconded by Director Duncan, to recommend that the Board accept the Budget Report for December, 2020. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.
- E. Discussion of General and Debt Service Funds: General Manager Lance Eckhart briefly reviewed a presentation which describes the General Fund – the green bucket, and the Debt Service Fund – the red bucket.
- F. Review of Cash Reconciliation Report for December 31, 2020: Finance Manager Todd reviewed the Cash Reconciliation Report. The quarterly side-by-side comparison now has two quarters of data. He also pointed out the graphic of the Cash Reconciliation Report with sections colored to highlight the Debt Service and General Funds. After further review and discussion, a motion was made by Treasurer Valdivia, seconded by Director Duncan, to recommend that the Board accept the Cash Reconciliation Report for December 31, 2020. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.
- G. Review of Reserve Allocation Report for December 31, 2020: Finance Manager Todd reviewed the Reserve Allocation Report. After further discussion, a motion was made by Director Letulle, seconded by Director Duncan, to recommend that the Board approve the Reserve Allocation Report for December 31, 2020 as presented. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.
- H. Review of Investment Report for December 31, 2020: Finance Manager Todd reviewed the Investment Report. The first page was a summary of the location of the various cash and investment reserves. The second page was a detailed look at the investment vehicles, amounts, yields, face values and current values. Finance Manager Todd noted the decline in interest rates, which was predicted and discussed at previous meetings. After further review and discussion, a motion was made by Director Smith, seconded by Director Letulle, to recommend that the Board accept the Investment Report for December 31,

2020. The motion passed 5 in favor, no opposed, with Director Ball absent, by voice vote.

5. **Announcements:** Treasurer Valdivia reviewed the announcements:
 - A. Regular Board meeting, February 1, 2021, 1:30 pm – Zoom/Teleconference
 - B. Engineering Workshop, February 8, 2021, 1:30 pm – Zoom/TeleconferencePresident Lehtonen announced that the San Gorgonio Pass Regional Water Alliance will hold a Zoom/teleconference on January 27, 2021, at 5:00 pm.
6. **Adjournment:** The Finance and Budget Workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 1:54 pm.

Draft - Not
Approved

Lance E. Eckhart, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mikey Valdivia

The Finance and Budget Workshop was held on January 25, 2021. The following recommendations were made:

1. The Board approve payment of Invoices of \$5,349,439.15 and Payroll of \$45,220.75 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for December, 2020 for a combined total of \$5,394,659.90.
 2. The Board approve payment of the following vendor's amounts:
Best, Best & Krieger LLP \$13,394.56
 3. The Board accept the following:
 - A. Wells Fargo bank reconciliation for December, 2020
 - B. Budget Report for December, 2020
- IF APPLICABLE:
4. The Board accept the following:
 - A. Cash Reconciliation Report for December 31, 2020
 - B. Investment Report for December 31, 2020
 5. The Board approve the following:
 - A. Reserve Allocation Report for December 31, 2020

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January 25, 2021

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(CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S
EXECUTIVE ORDER N-29-20, THIS MEETING WAS HELD VIA ZOOM.

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|---------------------------|------------------------------------|
| Board Present: | Steve Lehtonen, President |
| Board members | Mickey Valdivia, Treasurer |
| Attended by video | Blair Ball, Director |
| conferencing/ | Ron Duncan, Director |
| teleconferencing | Chander Letulle, Director |
| | Larry Smith, Director |
| Staff Present: | Lance Eckhart, General Manager |
| Staff members | Jeff Ferre, General Counsel |
| attended by video | Thomas Todd, Finance Manger |
| conferencing/ | Cheryle Stiff, Executive Assistant |
| teleconferencing | |

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 Lehtonen at 2:01 p.m., January 25, 2021 by video/teleconference. President Lehtonen led the Pledge of Allegiance to the flag. President Lehtonen gave the invocation. President Lehtonen requested a roll call.

| | | |
|--------------------------|-------------------------------------|--------------------------|
| <u>Roll Call:</u> | <i>Present</i> | <i>Absent</i> |
| Director Ball | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Duncan | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Letulle | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Smith | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Valdivia | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| President Lehtonen | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

A quorum was present.

2. **Adoption and Adjustment of Agenda:** *President Lehtonen asked if there were any adjustments to the agenda.* General Manager Eckhart responded, stating that there is no adjustment to the agenda.
3. **Public Comment:** *President Lehtonen asked for public comments on any matter within the jurisdiction of the Agency; noting that comments will not be taken during the interviews.* David Fenn (former SGPWA Board member) spoke on recording of meetings, having a co-host for Zoom meetings, and he addressed an accusation from a public member during the previous board meeting. Mr. Fenn also spoke on his endorsement of Lenny Stephenson for the At-large No. 2 position. Joyce McIntyre (resident of Yucaipa) asked that the Board consider a candidate that has water

experience, noting that there are a lot of critical issues coming up in the near future. Daniela Andrade responded to her comment from the previous board meeting. She stated that she supports Robert Ybarra.

4. Interviews of Candidates and Appointment and Possible Appointment of Director to Fill the Board Vacancy At-Large No. 2. President Lehtonen explained the process of the interviews. General Manager Eckhart noted that each candidate will be given the exact same questions. Each question is assigned to a Board member. Also, each question has a time limit. The candidates were interviewed in the following alphabetical order:

1. David Castaldo
2. Ken Coate
3. Bruce Granlund
4. Kerri Mariner
5. Leonard Stephenson
6. Sarah C. Wargo
7. Robert Ybarra

Interviews ended at 3:49 p.m. at which time President Lehtonen recessed the meeting until 4:04 p.m. President Lehtonen reconvened the meeting and discussed with the Board members the method of selecting a candidate of their choice. After discussion, it was determined that if a candidate received four or more votes that candidate would be appointed to the open vacancy. However, if no candidate receives four votes than the two candidates with the highest votes will be voted on. The Board voted on the first ballot for the following candidates:

1. Director Ball – Lenny Stephenson
2. Director Duncan – Lenny Stephenson
3. Director Letulle – Robert Ybarra
4. Director Smith – Robert Ybarra
5. Director Valdivia – Robert Ybarra
6. President Lehtonen – Sarah Wargo

There being no candidate with four or more votes, President Lehtonen announced that round two of voting will take place. He stated that the Board will be voting on the two successful candidates Lenny Stephenson and Robert Ybarra. President Lehtonen along with the Board deliberated on the attributes of each of these two candidates. On the second voting ballot, the Board voted for the following candidates:

1. Director Ball – Lenny Stephenson
2. Director Duncan – Lenny Stephenson
3. Director Letulle – Robert Ybarra
4. Director Smith – Robert Ybarra
5. Director Valdivia – Robert Ybarra
6. President Lehtonen – Lenny Stephenson

On the second ballot, Lenny Stephenson received three votes and Robert Ybarra received three votes. Discussion ensued among the Board members. After discussion, a third ballot was requested. The vote was as follows:

1. Director Valdivia – Robert Ybarra
2. Director Smith – Robert Ybarra
3. Director Letulle – Robert Ybarra
4. Director Duncan – Robert Ybarra
5. Director Ball – Robert Ybarra
6. President Lehtonen – Abstained

Mr. Ybarra received five votes, with President Lehtonen abstaining. General Manager Eckhart called upon Mr. Ybarra and administered the oath of office.

5. **Topics for Future Agendas.** There were no topics for future agendas presented.
6. **Announcements:**
 - A. Regular Board Meeting, February 1, 2021 at 1:30 p.m.
 - B. Engineering Workshop, February 8, 2021 at 1:30 p.m.
 - C. Water Conservation & Education Workshop, February 10, 2021 at 1:30 p.m.
 - D. Office closed in observance of President's Day - Monday, February 15, 2021
7. **Adjournment:** *President Lehtonen adjourned the meeting at 5:16 p.m.*

Draft - Subject to Board Approval

Lance Eckhart, Secretary of the Board

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