

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
May 1, 2017

Directors Present: Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director
David Castaldo, Director
Stephen Lehtonen, Director
Michael Thompson, Director

Director(s) Absent: David Fenn, President

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Jeff Ferre, General Counsel

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 Vice President Ron Duncan at 7:00 p.m., May 1, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Thompson led the Pledge of Allegiance to the flag. Director Lehtonen led the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *Vice President Duncan asked if there were any adjustments to the agenda.* There being none the Agenda was adopted as presented.
3. **Public Comment:** *Vice President Duncan asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* There were no members of the public that wished to comment at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, April 17, 2017
 - B. Approval of the Minutes of the Finance and Budget Workshop, April 24, 2017
 - C. Approval of the Finance and Budget Workshop Report, April 24, 2017

Director Stephenson made a motion, seconded by Director Castaldo, to adopt the consent calendar as presented. Motion passed 6-0.

5. Reports:

A. General Manager's Report:

(1) Operations Report: **(a) SWP Water Deliveries:** The Agency delivered a total of 1343 acre-feet to the Noble Creek Connection, for the month of April. **(b) Citrus Reservoir:** The installation of four new pumps at Citrus Reservoir is now complete and should go online this week. **(c) Fishing Derby:** The annual fishing derby took place this past weekend at the BCVWD recharge facility. No lack of water issues arose this year as it had during the past few years due to the drought. **(d) SWP Allocation:** State Water Project allocation is up to 85%; 5% is for RPA's for June, related to the San Joaquin River; 10% is for Fall X2, which is water that has to be released in the fall to keep salinity at bay. **(e) Oroville Spillway:** Construction is beginning on the

spillway repairs. DWR Director Bill Croyle will be providing the keynote address at the 2017 Spring ACWA Conference. He will share his first-hand account of the emergency response and offer insights into the lessons learned.

(2) General Agency Updates: **(a) Conservation Restrictions:** Conservations restrictions were eliminated by the State Board; however there are permanent restrictions still in place. There are still efforts to implement the “conservation as a way of life” ethic, with legislative efforts currently ongoing. **(b) Sites Update:** There is a deadline for Prop 1 funding applications of August 2017. General Manager Davis is involved in reviewing the CEQA/NEPA documents for the Sites project. If the project receives Prop 1 funding the environmental benefits needs to be realized by 2030; therefore, the project would need to be online by 2030. In order for it to be online in 2030 construction would need to begin by 2022. The entire project cost is approximately \$5 billion. There are \$335 million in federal funds available for pre-construction activities; we are asking for \$100 million. Lastly, one of the participants dropped out so their Class 1 water (10,000 AF) got redistributed. BCVWD was informed of this latest development. We now have 62.9% Class 1 water, up from 56.9%. **(c) Flume Update:** The Participating Entities had a conference call with USFS on the permit application. USFS is requesting more studies at a cost of \$736k and to reopen the FERC Environmental Assessment in order to fill in the gaps. In their words “Everything requires USFS buy-in and oversight.” The designing of the repair facilities will include Edison assistance. USFS is stating that they need to be involved with the design also. The PE’s have stated that both a CEQA and NEPA are needed, however USFS is not interested in doing CEQA. The PE’s do have the authority to propose an alternative methodology to the regional forester as an appeal process. **(d) High Valleys Water Rates:** General Manager Davis stated that High Valleys Water District is a public water agency and basically a residential customer of the City of Banning; they receive no wholesale water rate. High Valleys had talked to the Agency about purchasing water from us and putting it in our recharge facility in Banning’s storage account. Banning would “wheel” the water to them instead of selling it to them. General Manager Davis has met with High Valleys and Banning but to date nothing has come to fruition.

B. General Counsel Report: **(a)** General Counsel Jeff Ferré deferred from reporting due to the length of the agenda.

C. Directors Reports: **(1) Director Thompson** reported on the SGPRWA meeting that he attended. He stated that General Manager Davis was the guest speaker and he provided a very informative talk on the Agency’s 2015 UWMP. **(2) Director Lehtonen** reported on the Beaumont Chamber Breakfast that he attended.

6. New Business:

A. Consideration and Possible Action for Adopting Legislative Principles for the Agency: A copy of the staff report, related material, and SGPWA Draft Legislative Principles 2017-2018 were included in the agenda packet. General Manager Davis stated that the Agency has been receiving numerous requests to support various legislative issues. These requests come with deadlines, some of which the Agency cannot meet due to timing of the Board meeting. General Manager Davis and Legal Counsel Jeff Ferre drafted Legislative Principles 2017-2018. Staff wishes to get some direction from the Board on what issues Staff can sign letters on without prior Board

authorization. General Manager Davis reviewed the Draft Legislative Principles with the Board. These legislative principles are specific to the 2017-2018 legislative session. Director Ball had reservations, stating that the Agency is already represented by ACWA and others. After discussion, Director Lehtonen made a motion, seconded by Director Castaldo, to adopt the draft Legislative Principles 2017-2018, as presented and for the General Manager to provide to all board members a copy of any legislative letters that he signs. Motion passed 5-1 with Director Ball opposing the motion; President Fenn absent.

7. Topics for Future Agendas: None.

8. Announcements:

- A. Engineering Workshop May 8, 2017 at 4:00 p.m.
- B. Regular Board Meeting, May 15, 2017 at 7:00 p.m.
- C. Finance and Budget Workshop May 22, 2017 at 4:00 p.m.

9. Closed Session (2 Items)

Time: 7:55

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: Nickel Farms, LLC, Bakersfield, CA – Water Rights
Agency Negotiator: Jeff Davis, General Manager
Negotiating Party: Dwayne Chisam, General Manager – AVEK
Under negotiation: price and terms of payment

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

The meeting reconvened to open session at: Time: 8:17 pm

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

10. Adjournment

Time: 8:17 pm



Jeffrey W. Davis, Secretary of the Board