

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
May 21, 2018

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

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Thomas Todd, Finance Manager
Cheryle Stiff, Executive Assistant

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Fenn at 1:30 p.m., May 21, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. President Fenn gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* There were no adjustments to the agenda. The agenda was adopted as published.
3. **Public Comment:** *President Fenn 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 that are not on today's agenda.* 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, May 7, 2018
 - B. Approval of the Minutes of the Engineering Workshop, May 14, 2018

Director Lehtonen made a motion, seconded by Director Castaldo, to adopt the consent calendar as presented. Motion passed 7-0.

5. **Reports:**
 - A. **General Manager's Report:**
 - (1) **Operations Report: (a) SWP Water Deliveries:** 1) General Manager Davis informed the Board that Operations Manager Ken Falls is out on medical leave until the end of the month. 2) The Agency has delivered a total of 797 acre-feet to the Noble Creek Connection, so far this month. 3) A shut down took place for a few hours last Friday in order to perform some work on the Foothill Pipeline; BCVWD was notified in advance. 4) DWR announced today that SWP Table A water allocation has gone up from 30% to 35%.

(2) Construction Update: General Manager Davis reviewed with the Board a number of pictures showing the construction progress of the Fiesta Recharge Facility project.

(3) Other Agency Updates: General Manager Davis reported on the following: **(a) Water Conservation Bills:** A report was given on two water conservation bills and how they may impact the Agency and local water districts. **(b) AB 3045 (Introduced by Assembly Member Gallaher):** This bill was reviewed during the last Board meeting. This Agency signed a letter, along with other entities, opposing the bill. The bill has now been put on suspense by the primary committee. **(c) Water Tax:** A temporary, one-year funding was approved by a Senate Budget Subcommittee. **(d) California WaterFix Design and Construction JPA:** The first meeting took place last Thursday. The first order of business is to hire an Executive Director. **(e) Noble Creek Enlargement:** DWR sent comments this past Friday on the 90% design package. The next step is to submit the 100% design package.

B. General Counsel Report: General Counsel Jeff Ferre deferred from reporting.

C. Directors Reports:

1) President Fenn recommended adding committee reports to the Board meeting agendas. **2) Director Stephenson** reported on the following: **a)** He attended YVWD meetings that were held on May 1st and May 15th. **b)** Director Stephenson attended the ACWA Conference on the 7th, 8th & 9th of May. He informed the Board that the concept of the JPIA forming an insurance captive was discussed. An insurance captive is a private insurance company that would be a non-profit organization, wholly owned by the JPIA; a vote on this issue may take place next January. In the year 2016, JPIA refunded premiums in the amount of \$6.7 million to 194 members. Director Stephenson reported on additional meetings that he attended that were related to Sites Reservoir at the ACWA Conference. **c)** He also reported that Ventura County has created a water market. A water market is a way to transfer the allocation of groundwater pumping between users. These transfers are beneficial to the local farmers. **d)** ACWA/JPIA is now offering insurance to GSAs. Since the Agency is involved in a couple of GSAs the Agency should look into this option. **3) Director Duncan** shared that he attended the Inland Solar Challenge that took place May 18, 19 and 20th. He reported that he was in attendance during the May 19th judging of the PSAs. **4) Director Thompson** reported that he too attended the Inland Solar Challenge and felt that this year's event had improved from last years. He not only judged the PSAs presentations, but also judged the boats. **5) Director Lehtonen** reported that he also attended the Inland Solar Challenge and felt that it was an impressive event.

6. New Business:

A. Consideration and Possible Action to Adopt Resolution No. 2018-02, Authorizing Participation in California WaterFix and Authorizing Execution of Financing Implementation Agreements and Related Documents: A staff report and Resolution No. 2018-02 were included in the agenda packet. President Fenn stated that this item was discussed extensively

during the last Engineering workshop. General Manager Davis stated that a number of water agencies have approved the financing implementation agreement and other SWC agencies will be voting on this in the next few weeks. The Board has an opportunity to take a vote that will augment the water supplies of this Agency for the region. In addition, it will lower the cost of water. General Counsel Ferre stated that the resolution is in alignment with what the other SWC's are being asked to do. He informed the Board that the General Manager authority covers only implementing the agreements that are listed. General Counsel Ferre stated that he recommended that the Board approve this item with the listing of the agreements, as well as giving stated authority to the General Manager with the limitations. Director Stephenson made a motion, seconded by Director Thompson, to adopt Resolution No. 2018-02 authorizing support of, and participation in, the California WaterFix and authorizing the General Manager to negotiate, execute and deliver various financing implementation agreements and related documents. The motion passed 7-0.

B. Consideration and Possible Action to Adopt Resolution No. 2018-03, Adopting the San Gorgonio Pass Integrated Regional Water Management Plan (IRWMP): A staff report and Resolution No. 2018-03 were included in the agenda packet. General Manager Davis explained to the Board that the IRWMP was not included in the agenda packet due to the volume of paper. However, should anyone wish to read the document it is available upon request. This document was reviewed with the Board in April. The purpose of this proposed Board action is to ask the Board to adopt the final plan so that it may formally be submitted to the Department of Water Resources. A final step is for the members of the RWMG to formally adopt it individually. Once this is done, it will be submitted to DWR for final approval. At that point implementation of grant funds will be available for projects that are submitted, reviewed by the implementation committee, and scored based on the scoring criteria to be judge projects that are worth funding. Director Thompson made a motion, seconded by Director Duncan, to adopt Resolution No. 2018-03. The motion passed 7-0.

C. Consideration and Possible Action on Various SGPWA Actions as a Member of the San Gorgonio Pass Groundwater Sustainability Agency: A staff report was included in the agenda packet. General Manager Davis stated that Attorney Deborah Wordham (BB&K – SGMA expert) is assisting the Agency on the implementation of SGMA and is advising the Agency to take actions that are detailed in the staff report. The Agency is a member of four GSAs in three separate basins. This item specifically relates to the San Gorgonio Pass Sub-basin. There are two actions that need to be performed to move forward on the GSP. The following actions require Board approval from all of the GSA entities of the San Gorgonio Sub-basin. The first is to file a notification of intent with the Department of Water Resources. The entity that files the notification will be the primary point of contact for the designated basin. The other entities in the San Gorgonio Pass Sub-basin have asked this Agency to file the notification. The second is to direct the three separate GSA's to develop a single GSP. Director Stephenson made a motion, seconded by Director Thompson, approving the recommendation of staff authorizing the General Manager, on behalf of the San Gorgonio Pass GSA, to file the initial

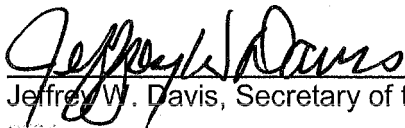
notification of intent to produce a GSP with the Department of Water Resources. In addition, staff is to work with the two other GSA's in the San Geronio Pass sub-basin to work as a group to produce a single Groundwater Sustainability Plan (GSP). After discussion, motion passed 7-0.

7. **Topics for Future Agendas: President Fenn** requested updates on any changes to Beaumont Basin Watermaster's water policy. **Director Ball** requested a spreadsheet on exchanges with Ventura and CLAWA. **Director Stephenson** requested that our attorney check into what the legal implication is to the Agency on YVWD's purchasing water rights within the Beaumont Basin. **Director Thompson** asked General Council Ferre if he would report to the Board on public records act pertaining to email retention. He also requested discussion on the scheduling of the manager's meetings. **President Fenn** requested an agenda item on the manager meeting update to be presented at the next board meeting.

8. **Announcements:**

- A. San Geronio Pass Regional Water Alliance, May 23, 2018
at 5:00 p.m. – Banning City Hall
- B. Office closed in observance of Memorial Day, May 28, 2018
- C. Finance & Budget Workshop, **Tuesday** - May 29, 2018 at 1:30 p.m.
- D. Regular Board Meeting, June 4, 2018 at 1:30 p.m.

9. **Adjournment:** President Fenn adjourned the meeting at 2:43 pm



Jeffrey W. Davis, Secretary of the Board

cmf