

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
July 2, 2018

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

Directors Absent: Blair Ball, Director
David Castaldo, 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 David Fenn at 1:30 p.m., July 2, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Stephenson gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* General Manager Davis noted that the agenda did not include committee reports. President Fenn requested that Committee Reports be included under Director Reports - item (5A). The Agenda was adopted as amended.
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.* 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, June 4, 2018
 - B. Approval of the Minutes of the Engineering Workshop, June 11, 2018

Director Lehtonen made a motion, seconded by Director Stephenson to adopt the consent calendar as presented. Motion passed 5-0, with Directors Ball and Castaldo absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency delivered 1150 acre-feet of Table A water to the Noble Creek Connection for the month of June. **(b) Algae** is present at both Citrus Reservoir and Crafton Hills Reservoir. Measures have been taken to combat the algae by feeding a cooper compound into the aqueduct. He noted that this increases the Agency's delivery costs.

(2) Construction Update: General Manager Davis reviewed with the Board a number of pictures showing the construction progress of the Fiesta Recharge Facility project. He noted that the rough grading is finished. There is a shut-down at the project site for a couple of weeks due to contractor scheduling.

(3) General Agency Updates: **(a) Legislative Issues:** 1. General Manager Davis reported that Prop 68 passed, a park bond, which included \$1.2 billion for water projects, including \$200 million for the Salton Sea. 2. Water Tax did not pass as part of a budget compromise, although it could be brought back as separate bill. 3. The effort to pull the SWP out of DWR under a separate commission is dead for this year. **(b) SWC Negotiations:** Negotiations for water management tools are essentially done. A CEQA process is the next step. General Manager Davis noted that he will be reviewing the agreement in principal with the Board next month. **(c) Noble Creek Enlargement Update:** The Agency is in receipt of a signed amendment for the service connection agreement from DWR. The next step is for DWR to sign off on the 100% drawings and specs. **(d) SCWC Quarterly Luncheon:** The next SCWC luncheon will take place on July 20th at Morongo Casino. The topic is on Colorado River issues. **(e) Sites Reservoir:** California Water Commission final scores show eligible funding for Sites Reservoir is now \$916 million. CWC will vote on this in July. **(f) SGMA Update:** San Timoteo basin has been downgraded to a very low priority from medium priority. This means no Groundwater Sustainability Plan is required. **(g) Managers Meeting:** President Fenn requested an update on the last managers meeting. General Manager Davis stated that the managers met last week. The subject matter at the last meeting was related to water supply issues.

B. Directors/Committee Reports: **(1) Director Thompson** reported that the Conservation and Water Education Committee met on June 12th. Topics included the Inland Empire Resources Conservation District budget proposal, Solar Challenge financial support, and a potential State of the Water Supply event. Director Thompson reported that he attended the SGPRWA meeting on June 27th. He also reported on the Agency's Strategic Planning Committee that met on June 28th. **(2) Director Stephenson** reported that he attended YVWD's Board meeting on June 5th; Calimesa Chamber meeting on June 12th; South Mesa Board meeting on June 13th; Calimesa City Council meeting on June 18th; and YVWD Board meeting on June 19th. **(3) Director Lehtonen** reported on the Strategic Planning Committee meeting. He stated that the next committee meeting will take place in late August. **(4) President Fenn** reported on SGPRWA. He stated that the Alliance will be meeting the 4th Wednesday of each month at 5:00 p.m. Meetings will continue to be held at Banning City Hall. President Fenn reported on the Beaumont Basin Watermaster meeting that was held on June 6th.

C. Report on Inland Solar Challenge Reports: Janet Robledo (East Valley Water District – Conservation Coordinator) introduced herself as the Chair of this year's Inland Solar Challenge and Devin Arciniega (San Bernardino Municipal Water District – Water Conservation/Public Affairs Coordinator) introduced herself as the Co-Chair for the Inland Solar Challenge. Ms. Robledo presented the Agency with a Sponsorship award. She thanked the Board for being sponsors and made a special note to thank

Directors Thompson, Lehtonen and Duncan for taking time out of their weekend to be judges at the event.

6. New Business:

A. Consideration of Adoption of General Fund Budget for FY 2018-2019: A staff report and a copy of the proposed General Fund Budget for FY 2018-19 were included in the agenda packet. In addition, General Fund Sources of Revenue and Expenditures pie charts were handed out to board members and to the general public. General Manager Davis stated that the General Fund budget for 2018-2019 has been discussed at the Finance and Budget workshops in both May and June. He provided explanation on the differences in the Agency's General Fund budget from year to year. After discussion, Director Lehtonen made a motion, seconded by Director Thompson to approve the proposed General Fund budget of \$14.249 million, including withdrawal of \$4.575 million from reserves to pay for new infrastructure. Motion passed 5-0, with Directors Ball and Castaldo absent.

B. Consideration and Possible Contribution to Water Resources Institute (WRI): A staff report and a copy of the letter to the Agency from WRI requesting a donation were included in the agenda packet. General Manager Davis provided background information on WRI and the need for donations to employ student interns to help digitize WRI archive materials. A number of water agencies in San Bernardino and Riverside Counties have previously contributed to WRI; most donations were \$5000. After discussion, it was the consensus of the Board to refer this item to the Water Education and Conservation Committee, so that they can meet with Ms. Suzie Earp (WRI Director) to ask for more detailed information.

C. Consideration and Possible Action on Surplus Water Agreement with San Bernardino Municipal Water District (Valley District): A staff report and a copy of the Surplus Water Agreement with Valley District were included in the agenda packet. General Manger Davis stated that this item was discussed during the June Engineering workshop. This is another new water supply for the region. This is a wet year supply that could potential provide an additional 5000 acre-feet. Valley District Board approved this agreement last month. After discussion, Director Stephenson made a motion, seconded by Director Duncan to approve the agreement. Motion passed 5-0, with Directors Ball and Castaldo absent.

D. Consideration and Possible Action to Contract with Inland Empire Resource Conservation District (IERCD): A staff report and a copy of the IERCD Contract for Performance of Water Conservation Public Outreach Programs were included in the agenda packet. Director Thompson reported that the Water Conservation and Education Committee met at length on this item. He stated that IERCD has taken on the new task of training educators on the groundwater models, which is the bulk of the change in the contract for this year. Director Thompson stated that his program fits the mission and vision of the Board. Director Thompson made a motion, seconded by Director Duncan to approve the contract with IERCD. Motion passed 5-0, with Directors Ball and Castaldo absent.

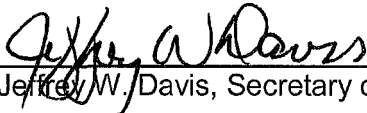
E. Consideration of California Special Districts Association (CSDA) Election for Seat A of Southern Network: Materials related to the 2018 CSDA Board Candidate were included in the agenda packet. President Fenn made a motion, seconded by Director Duncan to cast a vote for Jo Mackenzie, a Board of Director for Vista Irrigation District. Motion passed 5-0, with Directors Ball and Castaldo absent.

7. Topics for Future Agendas:

8. Announcements:

- A. Office closed Wednesday, July 4, 2018 in observance of Independence Day
- B. Engineering Workshop, July 9, 2018 at 1:30 p.m.
- C. Regular Board Meeting, July 16, 2018 at 1:30 p.m.

President Fenn adjourned the meeting at: 2.37 pm



Jeffrey W. Davis, Secretary of the Board

0101