

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
September 4, 2018

Directors Present: David Fenn, President (arrived at 1:48 p.m.)
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 Rasmussen, 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 Vice President Duncan at 1:30 p.m., September 4, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Vice President Duncan led the Pledge of Allegiance to the flag. Vice President Duncan gave 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, August 20, 2018
 - B. Approval of the Minutes of the Finance and Budget Workshop, August 27, 2018
 - C. Approval of the Finance and Budget Workshop Report, August 27, 2018

Director Castaldo made a motion, and seconded by Director Stephenson to adopt the consent calendar as presented. Motion passed 6-1, with Director Ball absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: a) The Agency delivered 1197 acre-feet of Table A water to the Noble Creek Connection for the month of August. b) The exchange water supply from Ventura is being delivered from now and into October. Nickel water exchange is scheduled to be delivered in October, November and December.

(2) Construction Update: General Manager Davis stated that construction restarted as of today. Design changes have been issued that will save the Agency some money and are waiting on new bids.

(3) General Agency Updates: **(a) Contract Extension:** General Manager Davis informed the Board that the legislative hearing on the contract extension was scheduled and then cancelled twice. As of August 31st the legislative hearing was set for 10:00 a.m. on September 11th. **(b) Managers Meeting:** The Agency's water rate model was discussed during the meeting. **(c) Agency's Annual Audit:** The auditors completed their onsite audit last week. A draft of the audit will be presented to the Board at the October Finance and Budget workshop. The audit will then be presented to the Board for approval at the first Board meeting in November. **(d) ACWA:** Brandon Ida (ACWA's Senior Regional Affairs Representative) met with General Manager Davis last week to discuss ACWA's priorities. General Manager Davis described those priorities to the Board, which included Conservation legislation, Water Tax legislation, Water Service Shut-off Bill SB 998, and Headwaters (relating to healthy forests by thinning trees on State and Federal property).

B. Directors' Report: **1) Director Lehtonen** reported that he attended the San Geronio Pass Water Alliance meeting on August 22nd. A presentation was provided on Water Conservation legislation by Elizabeth Lovstead of Eastern Municipal Water District. **2) Director Thompson** also reported on the SGPRWA Water Conservation PowerPoint presentation. **3) Director Ball** reported on BCVWD's Engineering workshop. He stated that he missed the item that dealt with the Division 2 open seat on BCVWD's board, which also happens to be up for election in November. Mr. Jagers informed the Board that only one person registered (Lona Williams) as a candidate for the Division 2 seat. He stated that BCVWD will be appointing someone to the Division 2 seat. That person will temporarily be on the Board as the Division 2 Director until January. **4) Director Castaldo** also reported on the BCVWD Engineering workshop. **5) Director Duncan** reported on the Big Bear Area Regional Wastewater Agency facility, Rancho Water District facility, and Eastern Municipal Water District facility. He also attended YVWD's meeting on August 28th. **6) President Fenn** also reported on the SGPRWA. He reported on the information that Ms. Lovsteade presented. The Alliance would like an update on the Agency's capacity fee.

C. Committee Reports: **1) Director Duncan** stated that the Capacity Fee committee will be meeting directly after today's board meeting. **2) Director Thompson** announced that the Water Conservation and Education Committee meeting has been cancelled for this month, as it fell on the same date as the Water Rate workshop.

6. New Business:

A. Consideration of Amendment to Memorandum of Agreement Forming the San Geronio Pass Groundwater Sustainability Agency: A staff report and a copy of the proposed MOU were included in the agenda packet. General Manager Davis stated that 6a and 6b are identical in respect to the language for each Groundwater Sustainability Agency; separate votes would need to be taken on each of these items. He reported that

both GSA's have been meeting on a regular basis to start the process of developing a Groundwater Sustainability Plan. General Manager Davis provided background information on the implementation of SGMA along with Groundwater Sustainability Agencies. He stated that as GSA's have begun the work of implementing SGMA, the group decided that it is in the best interests of the GSA's, and the public, to change the governance structure to include an advisory council for the sub-basin. He then explained the criteria for appointing an advisory council member. General Manager Davis also stated that there is an existing MOA that does not include an advisory council for the technical meetings. If any of the six parties or more than one GSA does not approve the changes we would go with the existing MOA. The members of the Board were concerned about a potential Brown Act violation. General Counsel Ferre stated that the technical meeting at the GSA level is with the general managers. SGMA law states that you have to have an outreach to particular stakeholders in the area. He informed the Board that nothing is approved by anyone other than the elected officials of the GSA parties. What is being proposed in order to comply with SGMA is to form an advisory committee. General Council Ferre assured the Board that there has not been any Brown Act violation. He clarified that technical meetings are not mandated under the Brown Act, nor are advisory committee meetings. This proposal to follow the Brown Act for the advisory committee meetings is to show that the GSA's tried to get public input. He also stated that should this Board wish to have the technical meetings follow the Brown Act, it can be done. We are adding Brown Act compliance to meetings that would not be required to follow the Brown Act. A number of proposals were made by the Board members on what Brown Act meetings to hold pertaining to the GSA's. General Manager Davis stated that the GSP will not be finished until January 2022; a GSP in draft form is anticipated in 2020 – 2021. After discussion, it was the consensus of the Board to table items 6a, 6b, and 6c, and to have staff inform the other GSA parties that this GSA wishes to have all meetings noticed as a Brown Act meeting. This item failed for lack of a motion.

B. Consideration of Amendment to Memorandum of Agreement Forming the Verbenia Groundwater Sustainability Agency: A staff report and a copy of the proposed MOU were included in the agenda packet. Discussion on this item took place during item 6a. This item failed for lack of a motion.

C. Discussion of Potential Advisory Council Members for the San Gorgonio Pass and Verbenia Groundwater Sustainability Agencies: A staff report and related materials were included in the agenda packet. Discussion on this item did not take place due to the discussion that took place during item 6a.

D. Discussion of Authorization to Advertise for the Noble Connection: A staff report was included in the agenda packet. General Manager Davis requested approval from the Board to advertise for the Noble Creek Connection once the final design package is signed off from DWR. Director Duncan made a motion, seconded by Director Thompson to authorize advertising of the Noble Creek Connection for construction. Motion passed 7-0.

E. Consideration of Payment to BB&K for Public Policy and Ethics Invoice from BB&K: A staff report was included in the agenda packet. General Council Ferre provided an explanation on the BB&K billing for public policy and ethics. After discussion, Director Ball made a motion, seconded by Director Duncan to table this item for more clarification and to also inquire with other retail water customers in the area as

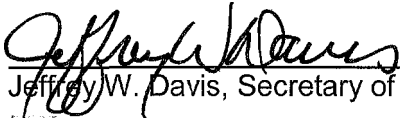
to how much they are paying for this program, as well as how we are defined by category of small, medium and large. Director Lehtonen stated that he was in favor of the program, as he liked the fact that the Agency is sharing in a discounted cost for the services provided by the program. Motion passed 6-1, with Director Lehtonen opposed.

7. Topics for Future Agendas: None.

8. Announcements:

- A. Engineering Workshop, September 10, 2018 at 1:30 p.m.
- B. Water Conservation and Education Workshop, September 13, 2018 at 1:30 p.m. - Cancelled
- C. Water Rate Workshop, September 13, 2018 at 6:00 p.m.

9. Adjournment - *President Fenn adjourned the meeting at: 3:05 pm*



Jeffrey W. Davis, Secretary of the Board

0101