

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
October 1, 2018

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director (arrived at 1:38 pm)
David Castaldo, Director (arrived at 1:44 pm)
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 President David Fenn at 1:30 p.m., October 1, 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 being none the Agenda was adopted as presented.*
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 Water Rate Workshop, September 13, 2018
 - B. Approval of the Minutes of the Regular Board Meeting, September 17, 2018
 - C. Approval of the Minutes of the Finance and Budget Workshop, September 24, 2018
 - D. Approval of the Finance and Budget Workshop Report, September 24, 2018

Director Duncan made a motion, seconded by Director Stephenson, to adopt the consent calendar as presented. Motion passed 5-0, with Directors Ball and Castaldo not yet arrived.

5. Reports:

A. General Manager's Report:

(1) Operations Report: a) The Agency delivered 1145 acre-feet of Table A water to the Noble Creek Connection for the month of September. b) The SWP month-long shutdown for annual maintenance that was scheduled for December 2018 has been cancelled. The next month-long shutdown will take place December 2019. c) There will be a minor shutdown (2-3 days) sometime in late 2018 to accommodate Southern

California Edison, as they will be replacing a power pole that serves Crafton Hills Pump Station.

(2) Construction Update: General Manager Davis provided a PowerPoint presentation that showed the current construction for the Fiesta Recharge Facility.

(3) General Agency Updates: **(a) Ham Radios:** General Manager Davis reported that SBVMWD is well equipped to handle emergency situations i.e. an earthquake, as they have both satellite phones and ham radios. **(b) Noble Enlargement:** Signed drawings were received from DWR late last week. Advertising for construction of the project will take place this week. Bids will be opened on October 31st. Award of contract will probably be on the November 19th Board meeting agenda. **(c) Managers Meeting Update:** The Agency's water rate was reviewed by the managers. Managers were asked if the procurement of Nickel water was a mistake on the part of the Agency. No one indicated that it was a mistake. The next Managers meeting will take place on October 11th. **(d) DWR** sent out its August invoice reflecting the cost of SWP Table A water at \$280 an acre-foot; a slight decrease from the \$295 acre-foot in July.

B. General Counsel Report: General Counsel Ferre provided information that the Board had requested on the Best Best & Krieger Public Policy and Ethics program. There are currently 85 participants in the program. The Agency falls within Tier 1 for special districts; this is due to the population within the Agency's boundaries. He explained the work product and how much it is per year. He listed items that had been provided to the Agency during the course of a year. President Fenn recommended that this item be discussed during the next Finance and Budget workshop; Counsel Ferre will not be required to attend.

B. Directors' Report: **1) Director Stephenson** reported that he attended the YVWD workshop on September 18th and on September 25th, both of which the Agency's water rate was listed on the agenda. There was no discussion on the water rate between the board members at either meeting. **2) President Fenn** reported on the SGPRWA meeting. A presentation was provided by Juliana Adams from Riverside County Flood Control and Water Conservation District. She spoke on Integrated Regional Water Management Plans and funding. Ms. Adams informed the group that one agency from the area needs to submit proposals for all projects. President Fenn stated that the SGPRWA's ongoing agenda reports include:

- a. Manager's Meeting Report
- b. Capacity Fee Update
- c. SGPWA - Report on Water Rate Workshop
- d. Beaumont Basin Water Master Meeting Report
- e. Legislative Update
- f. Imported Water Supply Update
- g. Alliance Agency Members Update

The next SGPRWA meeting will take place on October 24th. S representative of PACE will be presenting on the Pardee Atwell project at the October 24th meeting. He will

speak on the storm water management design, flood control, habitat mitigation, and groundwater recharge.

C. Committee Reports: 1) **Director Lehtonen** stated that there is a scheduled Strategic Planning Committee meeting for November 1st.

6. New Business:

A. Consideration and Possible Action to Appoint an Alternate Member to the Yucaipa GSA: A staff report and a copy of the Bylaws of the Yucaipa GSA were included in the agenda packet. General Manager Davis stated that during the last Board meeting Director Stephenson requested information on how to appoint an alternate to the Yucaipa GSA. The Bylaws state that each Party shall appoint a principal representative and an alternative representative and each representative shall be a senior executive management level employee of each designating Party. Directors Stephenson and Ball both suggested that staff inquire with the Yucaipa GSA if they would consider changing its Bylaws - Section 1.3 to allow board members to be a representative on the GSA. After discussion, Director Duncan made a motion, seconded by Director Stephenson, to direct General Manager Davis to appoint Finance Manager Thomas Todd as the alternate Yucaipa GSA representative. Staff is to inquire with the Yucaipa GSA if they would consider changing its Bylaws - Section 1.3 to allow board members as a representative/alternate representative. Motion passed 7-0.

B. Consideration and Possible Action Regarding Adoption of a Capitalization Policy: A staff report and a copy of the draft capitalization policy were included in the agenda packet. President Fenn stated that the draft capitalization policy was reviewed in detail during the September 24th Finance and Budget workshop. At that meeting, the Board voted to bring the proposed policy to the Board for approval. He stated that there were potential wording changes in the policy. Finance Manager Thomas Todd stated to the Board what the wording changes were. President Fenn made a motion, seconded by Director Duncan, to adopt the capitalization policy as presented. Motion passed 7-0.

7. Topics for Future Agendas: Director Ball requested information on a contingency plan for overflow at the Fiesta Recharge Facility at the next Engineering workshop. He would like to know who owns the property should there be an overflow and how is it designed in case there is an emergency.

8. Announcements:

- A. Engineering Workshop, October 8, 2018 at 1:30 p.m.
- B. Water Conservation and Education Workshop, October 11, 2018 at 1:30 p.m.
- C. Regular Board Meeting, October 15, 2018 at 1:30 p.m.

9. Closed Session (1 Item): President Fenn recessed the meeting to closed session at – Time: 2:12 p.m.

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager

President Fenn reconvened the meeting at – Time: 3:36 p.m.

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

10. Adjournment

President Fenn adjourned the meeting at: 3:36 p.m.



Jeffrey W. Davis, Secretary of the Board

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