

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
July 1, 2019

Teleconference Location: London Bridge Resort
Business Center Room
1477 Queens Bay
Lake Havasu City, AZ

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

Directors Absent: Ron Duncan, President

Staff Present: Jeff Davis, General Manager
Jeffrey Ferre, General Counsel
Thomas Todd, Finance Manager
Cheryle Stiff, Executive Assistant
Casmir Olaivar, Social Media Intern

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 Stephenson at 1:30 p.m., July 1, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Vice President Stephenson led the Pledge of Allegiance to the flag. Director Thompson gave the invocation Vice President Stephenson requested a roll call.

<u>Roll Call:</u>	<i>Present</i>	<i>Absent</i>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>

2. **Statement Regarding Teleconferencing:** (In accordance with the Brown Act, the teleconference location has been identified in the Notice and Agenda for this meeting). Vice President Stephenson announced that Director Castaldo was attending today's Board meeting via teleconferencing. General Counsel Jeff Ferré confirmed with Director Castaldo that the audio was clear and that he had an agenda packet.
3. **Adoption and Adjustment of Agenda:** *Vice President Stephenson asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.

4. **Public Comment:** *Vice President Stephenson 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.*

5. **Consent Calendar:**

- A. Approval of the Minutes of the Regular Board Meeting, June 17, 2019
- B. Approval of the Minutes of the Finance and Budget Workshop, June 24, 2019
- C. Approval of the Finance and Budget Workshop Report, June 24, 2019* (p. 10)

Vice President Stephenson asked for a motion on the Consent Calendar. Director Fenn made a motion, seconded by Director Lehtonen, to adopt the consent calendar as published. Vice President Stephenson asked for a roll call vote:

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with President Duncan absent.

6. **Reports:**

A. **General Manager's Report:**

(1) Operations Report: **a)** General Manager Davis reported that the Agency delivered 1754 AF to Noble in June; this represents an average flow rate in the range of 29 cfs. **b)** San Bernardino Valley Municipal Water District (Valley District) informed the Agency that they are investigating a small leak (5-10 gallons per minute) located in the parking lot of the San Manuel Casino, which could possibly be part of the EBX Foothill pipeline. Valley District will perform non-destructive testing to see if they can hear a leak from our pipe. **c)** On June 20th DWR increased the SWP water allocation to 75 percent from 70 percent. **d)** There have been reports of algae blooms across the state. We are not seeing it in our water because we are adding a chemical to minimize this.

(2) Legislative Update: **a)** General Manager Davis stated that SB 1 is going to pass; however, the question is whether or not opponents to the bill (including SWC) can get the two most objectionable sections removed before it passes. Both relate to water and would require the State Water Project and Central Valley Project to perpetually operate under the current Biological Opinion. **b)** Governor Newsome signed a new state budget, which excluded a controversial tax to pay for clean water in disadvantage communities. Instead the budget provides funding for the Safe and Affordable Drinking Water Fund program.

(3) General Agency Updates: General Manager Davis shared information on the following:

- a. Delta Conveyance Status — Contract amendment negotiations are to begin next week. This will lead to an Agreement in Principal (AIP). The Notice of Preparation for the California Environmental Quality Act (CEQA) will be based on the AIP, so negotiations will be very important as far as defining the project.
- b. Managers Meeting - A managers meeting took place last week; common issues were shared.
- c. Engineering workshop - The July 8th Engineering workshop will be a field trip to the Agency's third SGMA grant monitoring well site location in Cabazon, which is currently under installation by USGS.
- d. A recommendation will be made to the Board next week (or the week after) to reschedule the Finance & Budget workshop from the set date of July 22nd to another date, as the Finance Manager will be on vacation the week of July 22nd.

Vice President Stephenson noted that a public comment request was received from General Manager Dan Jaggars (BCVWD). He called upon Mr. Jaggars for his comment. Mr. Jaggars noted that the Board members were in receipt of materials that were not included in the agenda packet. He requested that said materials be available. General Manager Davis stated that the Board was provided a General Manager's report and agreed to provide a copy to anyone who wished to have one. General Counsel Ferre stated that the General Manager's report will also be made available to the public in the future, possibly as part of the agenda packet.

B. General Counsel Report: None.

C. Directors Reports: **1) Director Ball** reported on the BCVWD Engineering meeting that was held on June 25th. Director Ball handed out to each Board member a copy of BCVWD's Water Supply Delivery Analysis with Raised Rates spreadsheet that was provided at that meeting. He also handed out BCVWD's estimation on how much water would be needed to test the Fiesta recharge facility. He stated that copies would be available to any member of the public that requests it. Director Ball informed the Board that the meeting topics included BCVWD's water order for the remainder of this year, and BCVWD's rate study. Director Ball also reported on the Riverside County Water Task Force meeting that he attended on June 28th. **2) Director Fenn** reported on the SGPRWA meeting that was held on June 26th. A request was made to review the Agency's water rate structure at the end of the year, as the water rate is based on how much water is sold. High Valleys Water District reported that they may be a new customer, they are looking to order 72 acre-feet of SWP water. During the meeting it was noted that BCVWD has been in existence for 100 years. Daniel Slawson of BCVWD has agreed to be the SGPRWA Chair and Director Fenn will take on the role as Co-Chair. It was mentioned that Mission Springs Water District may become the 30th SWC. There will be no meeting in July. The next SGPRWA meeting will take place on August 28th.

D. Committee Reports: **1) Director Ball** did not have anything to report on the capacity fee. He mentioned that he has been in contact with the General Manager for an update from Taussig. **2) Director Lehtonen** stated that the Water Conservation and Education committee will be requesting a revision to the budget to allow additional Inland Empire Resource Conservation District presentations, which Director Thompson will report on. **2) Director Fenn** stated that there is a closed

session item on today's agenda pertaining to the General Manager's Performance Evaluation. **3) Director Thompson** stated that the Water Conservation and Education committee will be reporting during 7B of the agenda.

7. New Business:

A. Consideration of Adoption of General Fund Budget for Fiscal Year 2019-2020. A staff report, a draft copy of the 2019-2020 General Fund Budget, and copies of the Proposed General Fund Sources of Revenue and Expenditures for FY 2019-2020 color pie charts were included in the agenda packet. General Manager Davis reported that the Board had discussed in detail the 2019-2020 General Fund budget during the June 24th Finance and Budget workshop. General Manager Davis provided a summary of the proposed budget with the Board. After discussion, Director Fenn made a motion, seconded by Director Thompson, to approve the General Fund Budget. *Vice President Stephenson requested a roll call vote.*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with President Duncan absent.

B. Consideration and Possible Action to Contract with Inland Empire Resource Conservation District (IERCD). Director Thompson (Water Education and Conservation Committee Chair) stated that the Agency has contracted with IERCD to train teachers to educate high school students in groundwater with the use of groundwater models that the Agency purchased. IERCD also provides PREZI presentations on water education and conservation to school children (kindergarten through twelfth grade) at local schools within the Agency's boundaries. IERCD and the Water Education and Conservation Committee would like to increase the number of presentations from 36 to 50. Director Thompson made a motion, seconded by Director Lehtonen, to approve the cost of \$11,740 to be used to produce water conservation programs for school children and workshops for high school teachers this year, and to authorize the General Manager to sign the agreement with IERCD. *Vice President Stephenson requested a roll call vote.*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with President Duncan absent.

C. Consideration of Adopting Resolution No. 2019-04, Fixing Employer Contribution under the Public Employees’ Medical and Hospital Care Act, Rescinding Resolution No. 2007-15. A staff report and a copy of Resolution No. 2019-04 were included in the agenda packet. General Manager Davis stated that this item was discussed at the June 24th Finance and Budget workshop. The purposed of this proposed Board action is to revise the Agency’s resolution defining the employer contribution to employee health insurance premiums to reflect the fact that CalPers has revised its regions. The previous resolution defined rates in “Riverside County;” the new resolution defines rates in “Region 3.” Director Thompson made a motion, seconded by Director Fenn, to adopt Resolution 2019-04. *Vice President Stephenson requested a roll call vote.*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with President Duncan absent.

D. Consideration of Adopting Resolution No. 2019-05, Setting the Appropriation Limit for Fiscal Year 2019-2020. A staff report, a copy of the San Geronio Pass Water Agency Appropriations Limit for Fiscal Year 2019-2020, and a draft copy of Resolution No. 2019-05 were included in the agenda packet. General Manager Davis explained that the California Constitution requires all public agencies in California to set an appropriations limit. The limit is calculated based on a formula, and is not related to the Agency’s budget for the year. For this fiscal year, the formula amount is \$64,280,573. Director Ball made a motion, seconded by Director Thompson, to approve Resolution No. 2019-05, setting the Appropriation Limit for fiscal year 2019-2020. *Vice President Stephenson requested a roll call vote.*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with President Duncan absent.

8. Topics for Future Agendas: Director Ball requested that in the future the General Manager's report be included in the agenda packet.

9. Announcements:

- A. Office closed in observance of Independence Day, Thursday, July 4, 2019
- B. Engineering Workshop, July 8, 2019 at 1:30 p.m.
- C. Cancelled – Water Conservation & Education Committee Meeting, July 11, 2019

10. Closed Session (3 Items)

Time: 2:28 pm

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the City of Ventura
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Lynn Takaichi
Under negotiation: price and terms of payment

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

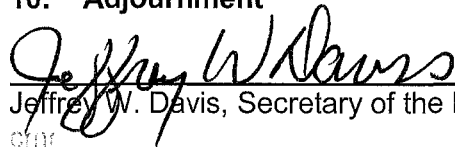
- C. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency designated representative: Ron Duncan, President of the Board of Directors
Unrepresented employee: General Manager

The meeting reconvened to open session at: Time: 3:55 pm

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

10. Adjournment

Time: 3:55 pm



Jeffrey W. Davis, Secretary of the Board

cmf