

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223

Minutes of the
Board of Directors Meeting
July 15, 2019

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

Directors Absent: Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Cheryle Stiff, Executive Assistant
Casmir Olaivar, Student Intern

Staff Absent: Jeffrey Ferre, Legal Counsel

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 Duncan at 1:30 p.m., July 15, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. President Duncan gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda. There being none the agenda was adopted as published.*
3. **Public Comment:** *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 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, July 1, 2019
 - B. Approval of the Minutes of the Engineering Workshop, July 8, 2019

President Duncan asked for a motion on the Consent Calendar. Director Stephenson made a motion, seconded by Director Castaldo, to adopt the consent calendar. Motion passed 6-0, with Director Thompson absent.

5. Reports:

A. General Manager's Report:

General Manager Davis provided a written report on the Agency's Operations and General Updates. He also provided a verbal report stating that the Agency delivered 828 acre-feet of Table A water to the Noble Creek Connection, so far this month. General Manager Davis provided the Board, and members of the public, with a copy of a letter that was submitted by a number of water agencies, to voice their concern about the current Endangered Species Act provisions in Senate Bill 1 (Atkins). The letter stated that in their view, the provisions, if not

amended, would undermine the collective efforts to participate in and help advance the Voluntary Agreements, leading to further declines in fish and wildlife and water supply reliability throughout California. The signatories are requesting an amendment to the ESA section by striking the provision that attempts to apply the California Endangered Species Act to the Central Valley Project. The Agency was unable to be a signatory on the letter due to timing. General Manager Davis had nothing further to report.

B. Directors Reports:

1) **Director Ball** reported on the BCVWD Board meeting that he attended on July 10th. Topics included: Year-to-date production, pond capacity, SGPWA's demographic information request, and communications between BCVWD & SGPWA. 2) **Director Lehtonen** reported on the BCVWD Board meeting that he attended on July 10th. He added that there was also discussion on the Noble Creek turnout repairs.

C. Committee Reports: 1) **Director Ball** reported on the Capacity Fee Committee meeting. Discussion included demographic information. 2) **Director Fenn** stated that he will report during item 6C. No other committees reported.

6. New Business:

A. Consideration and Possible Action on Contracting with Ernst & Young (EY) to Provide Department of Water Resources (DWR) Audit for Independent Audit Association. A staff report and a copy of EY's Statement of Work were included in the agenda package. General Manager Davis stated that this is an annual housekeeping item. Each year the State Water Contractors hire an auditing firm to perform audits of DWR. EY has been doing this for a number of years. The audit is to make sure that SWC are being billed properly. The Agency's share of this cost is \$5,471 - \$6,839. After discussion, Director Castaldo made a motion, seconded by Director Ball, to approve contracting with EY, and to authorize the General Manager to sign the Statement of Work. Motion passed 6-0, with Director Thompson absent.

B. Consideration and Possible Action of Resolution No. 2019-06 Authorizing the General Manager to enter into a Funding Agreement with DWR for Preliminary Planning and Design Costs Related to a New Potential Delta Conveyance Option. A staff report and a draft copy of Resolution No. 2019-06 were included in the agenda packet. General Manager Davis reported that on May 21, 2018, the Board adopted Resolution No. 2018-02 supporting the California WaterFix.; the resolution included "gap funding". The funds provided by the Agency amounted to approximately \$190,000.00, and are related to the Agency's Table A amount. Being that the California WaterFix has been rescinded, those funds cannot be used by DWR without the Agency's authorization. Resolution 2019-06 authorizes DWR to take any necessary actions to direct the gap funding agreement funds to DWR for preliminary planning and design costs incurred after May 2, 2019 and until May 2, 2022 related to a potential new Delta Conveyance project. After discussion, Director Stephenson made a motion, seconded by Director Lehtonen, to approve Resolution 2019-06 and authorize the General Manager to enter into a funding agreement with DWR. Motion passed 6-0, with Director Thompson absent.

C. Consideration and Possible Action to Approve Amendment No. 4 to the Employment Agreement of the General Manager: A staff report and a copy of the proposed Fourth Amendment to the General Manager/Chief Engineer Employment Agreement were included in the agenda packet. Director Fenn (Chair of the General Manager Performance Evaluation Committee) stated that it was discussed during the last employee evaluation meeting that the Agency would extend a cost of living adjustment (COLA) of 2.8% for the General Manager. The Fourth Amendment to the Employment Agreement would provide for an increase in salary to reflect said COLA. President Duncan made a motion, seconded by Director Fenn, to approve the cost of living increase of 2.8%, retroactive to July 1, 2019, to result in an annual salary of \$201,397.02. Motion passed 6-0, with Director Thompson absent.

7. Topics for Future Agendas: None.

8. Announcements:

- A. Finance and Budget Workshop, Friday, July 19, 2019 at 6:00 p.m.
- B. Regular Board Meeting, August 5, 2019 at 1:30 p.m.
- C. Engineering Workshop, August 12, 2019 at 1:30 p.m.

9. Adjournment

Time: 1:54 pm



Jeffrey W. Davis, Secretary of the Board

cmf