

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
November 4, 2019

Directors Present: Ron Duncan, President
Lenny Stephenson, Vice President
Stephen Lehtonen, Treasurer
Blair Ball, Director
David Fenn, Director
David Castaldo, Director
Michael Thompson, 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 Duncan at 1:30 p.m., November 4, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Thompson 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, October 21, 2019
 - B. Approval of the Minutes of the Finance and Budget Workshop, October 28, 2019
 - C. Approval of the Finance and Budget Workshop Report, October 28, 2019

President Duncan asked for a motion on the Consent Calendar. General Counsel Ferre stated that item 6C pertaining to the October 22, 2019 Minutes warrants a correction. The motion is to reflect the following: "Director Fenn made a motion, seconded by Director Thompson, to appoint Director Lehtonen to the SGPRWA, replacing Director Fenn as Co-Chair of the SGPRWA. Motion passed 6-0, with Director Lehtonen absent." Director Castaldo made a motion, seconded by Director Ball, to adopt the consent calendar as amended. Motion passed 7-0.

5. Reports:

A. General Manager's Report:

(1) **Operations Report:** General Manager Davis reported that the Agency has delivered a total of 1355 AF to Noble Creek Connection, for the month of October; averaging about 22.5 cfs for the month. So far this calendar year we have delivered about 11,700 AF to the Noble connection, with two months to go.

(2) **General Agency Issues:** General Manager Davis spoke on the following:

a. Biological Opinions news articles and editorial comments were included in the Agenda packet to assist the Board members in understanding the issues.

b. The Agency experienced a 24-hour power outage that was imposed by Southern California Edison for its public safety power shutdown (PSPS). Staff is looking into potential opportunities for backup power in the future.

c. Staff is looking at a long-term usage plan for the Agency's vacant property.

d. Delta Conveyance Facility negotiations time-line and storage issues.

C. Directors Reports: Director Stevenson reported that he attended YVWD's workshop on October 22nd.

D. Committee Reports: Director Ball stated that the Capacity Fee Ad-Hoc committee will be meeting on November 12th.

6. New Business:

A. Consideration of 2018-2019 Annual Audit. A copy of Eadie & Payne's 2018-2019 Independent Auditor's Report was included in the agenda package. General Manager Davis noted that Brandon Ferrell (CPA, Eadie & Payne) reviewed in detail with the Board the 2018-2019 Independent Auditor's Report during the October 28th Finance and Budget workshop. At that time Mr. Ferrell answered questions that were presented by the Board. Should the Board accept the Audit; staff will upload the 2018-2019 Independent Auditor's Report to the Agency's website. Director Lehtonen suggested that the Agency discuss in the near future CalPers pension and the unfunded accrued liability (UAL). General Manager Davis stated that staff has had discussions on this topic and that this is a very complex issue. Finance Manager Thomas Todd asked if the Board would provide staff with a list of questions giving staff a better idea as to what the Board is most interested in. General Manager Davis suggested discussion on this topic during a Finance and Budget workshop or at an Engineering workshop. Director Ball stated that at the ACWA Fall Conference that is being held in December there will be a session at 9:30 a.m., addressing growing

retirement costs – pension financing solutions; he suggested that those Directors that are attending the conference might want to include this particular session in their schedule. Director Lehtonen made a motion, seconded by Director Fenn, accepting the 2018-2019 Independent Auditor's Report. Motion passed 7-0.

B. Discussion of San Geronio Pass Regional Water Alliance Participation: Fran Flanders (a resident of Cherry Valley) provided her opinion on why the Alliance is important. Director Castaldo stated that he requested this item to be placed on the agenda to discuss the Agency's participation in the Alliance. He stated that the intended purpose by Supervisor Marion Ashley of the Alliance was to come up with a plan on the City of Beaumont's sewer plant. The City of Beaumont and BCVWD have since settled their issues pertaining to the sewer plant and this is no longer an issue. He noted that the Alliance has been in existence for six years and does not seem to have accomplished anything with the exception of getting various entities together in one room for discussion purposes. He also noted that a number of entities have stepped away from the Alliance. He stated that he would like to see something noteworthy come out of it. Director's Fenn, Thompson, Ball, and President Duncan provided what their experiences were at the Alliance meetings that they have attended. It was noted that the Alliance meetings in the beginning were structured. It was a venue where different entities came together to discuss issues in an open format, but has now become more about what the Agency is doing and issues related to the Agency. Staff informed the Board that we have not had the ability to upload items to the Alliance website for some time, and that the website is in disarray. It was noted by Director Fenn that perhaps a better format would be to hold meetings with the various entities about two times a year, so that discussions would be targeted to all the entities allowing them to provide updates and discuss issues. President Duncan requested Director Lehtonen to express the Agency's opinions and recommendations to the members to the Alliance members. Director Lehtonen's main concern is to not project that the Agency is trying to control what the Alliance does, but to work in conjunction with the other representatives.

C. Re-appointment of Ad-hoc Committee on the Facilitation of Water Deliveries to Calimesa: President Duncan announced the re-appointment of the Ad-hoc Committee on the Facilitation of Water Deliveries to Calimesa Committee as follows: Chair - Director Stephenson, Members - Director Fenn and Director Ball.

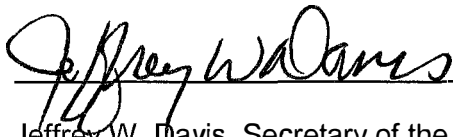
7. Topics for Future Agendas: CalPers pensions.

8. Announcements:

- A. Office closed Monday, November 11, 2019 in observance of Veterans Day
- B. Engineering Workshop, **Tuesday**, November 12, 2019 at 1:30 p.m.
- C. Cancelled - Water Conservation and Education Committee Meeting, November 14, 2019 at 1:30 p.m.
- D. Regular Board Meeting, November 18, 2019 at 1:30 p.m.

9. Adjournment

Time: 2:20 pm

A handwritten signature in black ink, appearing to read "Jeffrey W. Davis", is written over a horizontal line.

Jeffrey W. Davis, Secretary of the Board

cmf