

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
December 2, 2019

Directors Present: Ron Duncan, President
Steve Lehtonen, Treasurer
Blair Ball, Director
David Fenn, Director
David Castaldo, Director
Michael Thompson, Director

Director(s) Absent: Lenny Stephenson, Treasurer

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., December 2, 2019 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Fenn 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, November 18, 2019
 - B. Approval of the Minutes of the Finance and Budget Workshop, November 25, 2019
 - C. Approval of the Finance and Budget Workshop Report, November 25, 2019

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

5. Reports:

A. General Manager's Report:

(1) **Operations Report:** General Manager Davis provided the Board and members of the public with a written report as follows:

1. Operations

- a. We delivered 1597 AF in November. Total delivered so far this year is 13,240 AF.
- b. Big storm brought lots of snow to Sierras but we are still below average in precipitation for the year. Two more storms are expected this week that might help the situation.
- c. SWP lost 300,000 AF of water due to Fall X2.

2. General Updates

- a. Construction update—Work completed at recharge site, including hydroseeding. Facility held up well under the storm. Electrical work will continue next week at service connection site. We hope to be able to put water in as a test the week of December 16.
- b. New BiOps—No ROD yet so still operating under old BiOps. State sued on the BiOps instead of working collaboratively with the feds. This could upend the VA's because it could frighten the CVP Contractors. Contractors will likely intervene in this. BiOp for smelt actually looks more protective. ACWA session on this on Thursday.
- c. Longfin smelt permit—this is a separate process with the State. We have been operating without one for nearly two years. EIR for this issued same day State announced it was suing on BiOps. Contractors will likely not like this new permit and will have to decide what actions to take if it is unsatisfactory.
- d. DCF—NOP going out December 10 (not the 2nd as previously thought). Contractors want to play a meaningful role in CEQA process. Integration will be a key issue. Discussion on the AIP will take place next week at Engineering workshop.
- e. Governor's resiliency portfolio will come out before the 10th. We hope the DCF and Sites projects are included.
- f. DWR working with Contractors on how to handle cost compression. We talked about this when we set our tax rate this year. 20/29 Contractors have approved it. This will likely have a huge impact on all Contractors and increase our annual fixed costs significantly. We need to figure out how this will work in part so we can figure out what our tax rate should be in the future.
- g. South Mesa Water Company has asked us to apply for a grant for them that would basically be a pass-through because they are a mutual. More information later. This will likely require some sort of agreement with SMWC.

B. General Counsel Report: General Counsel Jeff Ferre provided a written report on "Procedures for emergency Board Meetings and urgent items to the agenda." This item had been requested by a Board member at a previous meeting. He reviewed the contents of his report with the Board.

C. Directors Reports: Director Lehtonen reported that he attended his first San Gorgonio Pass Regional Water Alliance as the Agency's representative. During the meeting an agenda item was the nomination for the Vice Chair; Director Lehtonen was nominated and elected.

D. Committee Reports: Director Thompson stated that the Water Conservation and Education Committee will meet on December 12th. Director Ball stated that the Capacity Fee Ad-Hoc Committee will be meeting on December 9th.

6. Old Business:

A. Consideration and Possible Action to Adopt a Policy for Adding Items to Board Meeting and Committee Meeting Agendas. A staff report and a copy of the draft policy for adding items to board meeting and committee meeting agendas were included in the agenda packet. General Counsel Ferre stated that this matter was tabled from the last Board meeting. During that meeting there was discussion on a policy that provided some process for placing items on the agenda. It was the consensus of the Board to table the item until the next Board meeting. He stated that this item is to continue that discussion. After discussing this matter the Board agreed to a policy as follows: Each agenda for a Board or Committee meeting shall include an agenda item entitled "Pending Agenda Requests", and will include the date of the requests. Director Fenn made a motion, seconded by Director Thompson, to accept the policy as stated. Motion passed 6-0, with Director Stephenson absent.

7. New Business:

A. Consideration and Possible Action to Approve Sites Project Agreement Amendment. A staff report and a copy Amendment No. 1 to 2019 Reservoir Project Agreement were included in the agenda packet. General Manager Davis stated that the Sites Reservoir Committee and Sites Reservoir JPA have approved extending the current phase through June 30, 2020. There are no additional costs associated with extending the current phase. Director Castaldo made a motion, seconded by Director Thompson, to approve the Sites Project Agreement Amendment. Motion passed 6-0, with Director Stephenson absent.

B. Consideration and Possible Action to Issue a Request for Proposals (RFP) for Executive Recruitment Services for the Position of General Manager: Director Castaldo stated that the committee felt that it would be best to use a professional recruiter. The committee would like the opportunity to interview recruiters to find out what they would do for us. The committee would report back on the findings at which time the Board will

decide to hire or not to hire a professional recruiter. General Counsel Ferre stated that the intent is to issue a RFP for a consultant, which does not obligate the Board to hire a consultant. General Counsel Ferre reviewed a timeline of hiring a recruiter. His recommendation is to hire a consultant who can help the Board with the process. General Counsel Ferre will provide the Board with a draft RFP and he would submit it next week. It is conceivable that a consultant would be hired in February or March, giving the recruiter about three months. After discussion, Director Fenn made a motion, seconded by Director Thompson, to move forward with issuing an RFP for executive recruitment services. Motion passed 6-0, with Director Stephenson absent.

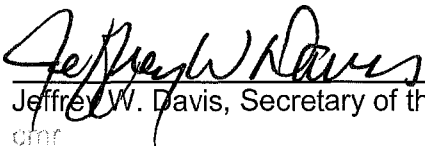
8. Topics for Future Agenda: Director Ball requested an update on revised calculations pertaining to the new water rate. Director Thompson requested final costs of the Fiesta Recharge Facility; Noble Creek Connection & Temporary Connection; and Mountain View Connection.

9. Announcements: General Manager Davis asked the Board to cancel the December 23, 2019 Board meeting and to hold the Finance and Budget workshop on December 16, 2019. The Board was in agreement.

- A. Engineering Workshop, December 9, 2019 at 1:30 p.m.
- B. Water Conservation & Education Committee Meeting, December 12, 2018 at 1:30 p.m.
- C. Cancelled - Regular Board Meeting, December 16, 2019 at 1:30 p.m. –
- D. Finance and Budget workshop December 16, 2019 at 1:30 p.m.

10. Adjournment

Time: 2:49 pm



Jeffrey W. Davis, Secretary of the Board
cmf