

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
January 21, 2020

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

Staff Present: Jeff Davis, General Manager
General Counsel Jeff Ferre
Thomas Todd, Finance Manager

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., January 21, 2020 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Ball 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 spoke at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 6, 2020
 - B. Approval of the Minutes of the Engineering Workshop, January 13, 2020

President Duncan asked for a motion on the Consent Calendar. Director Castaldo made a motion, seconded by Director Stephenson, to adopt the consent calendar. Director Ball requested adding to the January 6, 2020 Minutes more detailed dialogue that took place between the General Manager and himself. During that conversation Director Ball asked if there were to be a breach in the system located at the Fiesta Recharge Facility if it would flow westward – southwest. General Manager Davis stated that staff will go back to the recording and include said conversation in the January 6, 2020 Minutes. Motion passed 7-0, with changes noted.

5. **Reports:**
 - A. **General Manager's Report:** A written report was provided by General Manager Davis to the Board and to the members of the public, he verbally reviewed the operations report with the Board.
 1. **Operations Report—**
 - a. We are still shut down until the end of next week.

- b. When we come back online, I want to deliver as much water as the Greenspot system will deliver to start reducing our storage in SLR.
- c. Greenspot system will be pumping for February so our capacity will be decreased; max of 50 cfs. We will try to get as much of that as possible.
- d. Most likely SLR will not spill, but there is a chance. With a 10% allocation, SWP storage is nearly full. Contractors collectively carried over 800,000 AF and the SWP share of SLR is only 1.05 MAF.
- e. Observation—implementation of Fall X2 is really hurting us water supply wise. That's why allocation is so low—we had to release several hundred thousand AF from Oroville in the fall.
- f. DWR staff completed its water supply analysis and presented it to the Director late last week. I would expect an allocation increase sometime this week. Snowpack is about 80% of normal, with more snow expected tomorrow. Not a great year so far, but not a 10% year either.

(2) General Agency Issues: A written report was provided by General Manager Davis to the Board and to the members of the public, he verbally reviewed the agency updates report with the Board.

2. Agency updates

- a. Notice of Preparation (NOP) for CEQA issued for Delta Conveyance Facility (DCF) last week. This is a great step forward—now it has at least a semi-official status.
- b. That means that the \$350 M budgeted for planning costs will need to start being collected, probably starting around June. That's why we have to complete an AIP for a DCF amendment soon. DWR does not want to start collecting this \$350 M until there is a signed AIP (Agreement in Principle).
- c. Regarding the DCF AIP, Contractors reviewed DWR's offer and unanimously oppose it. We have a caucus to discuss next Monday. We have to come up with something that everyone can get behind, and we have to do it very quickly.
- d. Contract extension amendment—DWR wants at least 24 Contractor signatures, which we are working on. Currently have 20 Contractors representing 3.95 MAF on board. 2024 is an optimistic estimate of the transition year. That means at least four more years of cost compression which will continue to put financial pressure on Contractors.
- e. New BiOps (Biological Opinions)—ROD(Record of Decision) could be signed any time. Most likely to be signed around February 1. We will not have our new ITP (Incidental Take Permit) from California for the California Endangered Species Act until at least March 1, so we may not have a permit for about a month. What does this mean? DWR does not intend to shut down. Maybe NGO's sue to shut down the project. Eventually there will be two separate permits for the same fish—the fish covered by both federal and state permits (spring run and fall run chinook salmon).
- f. VA's (Voluntary Agreements)—State is asking for twice as much voluntary water as water agencies are offering. This could still fall apart.

That would mean two years down the drain and many years of litigation ahead on the SWRCB regulations that would ensue.

- g. New ITP (Incidental Take Permit) permit—it will not be acceptable to the Contractors. We liked the draft but DWR changed it before finalizing it. We will need to decide how to proceed once it is issued.
- h. Sites—I will likely be coming back to you in May with a key decision on continued participation. It appears that the decision will be whether we want to stay in the project through December 2021, when all permits for the project are due. The cost to do so will likely be about \$100 per AF, or \$1 million for us at the current participation level, over two fiscal years (not this one).
- i. Reminder of SCWC luncheon in Ontario this Friday. Speakers announced. “Water and Political Climate Change” is the theme.
- j. Supervisor Jeff Hewitt will be a guest speaker at the Municipal Advisory Committee on January 23, 2020 at 12:00 p.m.

B. General Counsel Reports: None.

C. Directors Reports:

1) Director Fenn reported that he attended the Banning Chamber breakfast that was held on January 10th. Supervisor Jeff Hewitt was the guest speaker, he spoke on CalPERS. **2) Director Stephenson** reported on the SMWC Board meeting that was held on January 8th. He reported on YVWD workshop that was held on January 14th. He reported that he attended the Calimesa Chamber meeting on January 16th. Supervisor Jeff Hewitt was the guest speaker, he also spoke on CalPERS. Supervisor Jeff Hewitt was the guest speaker. **3) President Duncan** reported that he attended the same Banning Breakfast meeting that Director Fenn attended. **5) Director Lehtonen** stated that he will be attending the SGPRWA meeting tomorrow evening. He invited Directors to give him any questions or comments to be discussed at the meeting. **6) Director Ball** reported that he attended the Beaumont Chamber breakfast CEO Steve Barron of San Geronio Pass hospital was the guest speaker. He reported on the BCVWD Board meeting that was held on November 13th.

D. Committee Reports: **1) Director Ball** reported that the Capacity Fee Ad-Hoc Committee did meet; we are waiting on more data. **2) Director Stephenson** noted that the General Manager hiring committee will be meeting on February 10th. General Counsel Ferre noted that Request for Proposals have been sent out, responses are due on February 7th. On February 10th the ad-hoc committee will review the responses and bring them to the full board at the February 18th Board meeting.

6. New Business:

A. Consideration of Acceptance of 2018 Water Conditions Report. A staff report and a copy 2018 Water Conditions Report were included in the agenda package. General Manager Davis remarked that the Board reviewed this report at the last Engineering meeting. The report is required by law due to a settlement of litigation a number of years ago. This report needs to be accepted by the Board. Director Stephenson made a motion to accept, seconded by Director Thompson. Director Castaldo requested that the description for the

cover photo state the following: Aerial view of construction of the Agency's Fiesta Recharge facility. After discussion, the motion to accept passed 7-0.

7. Topics for Future Agendas: 1) Director Ball requested that staff provide when the one-year warranty starts on the construction completion of the recharge facility starts.

8. Announcements:

- A. Finance & Budget Workshop, January 27, 2020 at 1:30 p.m.
- B. Regular Board Meeting, February 3, 2020 at 1:30 p.m.
- C. Engineering Workshop, February 10, 2020 at 1:30 p.m.

9. Adjournment

Time: 2:07 pm



Jeffrey W. Davis, Secretary of the Board
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