

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 3, 2020

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
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., February 3, 2020 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.* Rhea Weber representing Cherry Valley Acres and Neighbors (CVAN) asked if the Agency is selling potable water to Pardee for the Atwell project. Legal Counsel Jeff Ferre stated that since this is a question and is not an item that is listed on the Agenda, she would need to speak to staff after the board meeting.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 21, 2020
 - B. Approval of the Minutes of the Finance and Budget Workshop, January 27, 2020
 - C. Approval of the Finance and Budget Workshop Report, January 27, 2020

President Duncan asked for a motion on the Consent Calendar. Director Stephenson made a motion, seconded by Director Castaldo, to adopt the consent calendar as amended. Motion passed 7-0.

5. **Reports:**
 - A. **General Manager's Written Report:** A written report was not provided in the agenda packet. However, a written report was given to all Board members and was made available to the public. General Manager Davis verbally reviewed the report with the Board.

(1) Operations and Water Supply Report: DWR has increased our allocation this year to 15%. We are back online today after shutting down in January. YVWD will not be

back online until at least February 12, leaving some additional capacity in the system. Our plan is to take as close to 50 cfs as possible until that date, in order to reduce our carryover in San Luis Reservoir. That means that we will be putting water into our recharge facility, in addition to delivering 34 cfs to BCVWD. We will be operating through the Greenspot system at least through February. The effort to retrofit Citrus to protect against rhomboids is proceeding.

(2) General Updates: General Manager Davis reviewed the following with the Board:

- a. Sites Reservoir – General Manager Davis met with Chuck Bonham, Director of Cal Fish and Wildlife, last week. The investors will need to decide if the permit terms being discussed are acceptable. This was a positive and productive meeting.
- b. Voluntary Agreements (VA's). Negotiations have continued among a very small group of people and there is hope that a deal could be struck in the near future. The key issue now is money to buy water for outflow in dry years.
- c. Incidental Take Permit (ITP). This issue is being wrapped into the VA discussions and may become a part of the overall voluntary agreements.
- d. Delta Conveyance Facility (DCF) Amendment - The Contractors met last week and are scheduled to meet again this week to develop a proposal that everyone can sign on to and that could be presented to DWR. The next formal negotiation session with DWR is scheduled for March 4.
- e. Water Management Tools Amendment - DWR will recirculate the EIR on or about Feb 21. There will be a 45 day review period. Recirculation is related to removal of CWF language from the original amendment.
- f. Delta Conveyance – There will be an open mic at all CEQA scoping meetings coming up in the next two weeks. DWR would like Contractors to attend the LA meeting, along with Bay Area and Sacramento meetings. They want input from all water agencies - not just Contractors. Letters will be due sometime in March.
- g. Report on SCWC Luncheon – Held in Ontario on January 31st. Three people who are in the water industry and well connected in Sacramento spoke about the current political climate related to water. The Governor's proposed climate resiliency bond was discussed. One speaker encouraged all water agencies to work closely with their legislators to educate them on important issues. Another indicated he thinks that the single most important water issue in the state right now is the voluntary agreements.

B. General Counsel Report: General Counsel Jeff Ferre provided a written report on Regulation Narrowing Clean Water Act ("CWA") Jurisdiction. There were no questions asked by the Board or the public.

C. Directors Reports: Director Castaldo reported on the BCVWD meeting that was held on January 23rd. Director Lehtonen reported on the BCVWD meeting that was held on January 2nd. He also attended and reported on the SGPRWA held on January 22nd.

D. Committee Reports: Director Thompson noted that the Water Conservation and Education Committee will be meeting on February 13th. Director Stephenson noted that the General Manager Hiring Committee will be meeting on February 10th. Director Ball noted that the Capacity Fee Committee will be meeting on February 10th.

6. New Business:

A. Review of San Geronio Pass Water Agency Retirement Benefits and Obligations. A staff report was included in the agenda package. President Duncan noted that Riverside County Supervisor Jeff Hewitt wished to speak on this topic remarking that Mr. Hewitt is representing himself and not on the behalf of the County. Mr. Hewitt stated that he believes there is a problem with CalPERS (PERS). He remarked that public entities are having to pay more to PERS and recommended that the Agency pay off its unfunded liability to them. After Mr. Hewitt's remarks President Duncan turned the meeting over to General Manager Davis. General Manager Davis stated that he will be providing a comprehensive presentation to the Board on CalPERS. He noted that the components of PERS are pensions (a defined benefit plan) and other post-employment benefits (OPEB). He also explained the Public Employees' Pension Reform Act (PEPRA). General Manager Davis provided the history of CalPERS. General Manager Davis also provided an explanation as to why PERS increased the unfunded liability. General Manager Davis provided a PowerPoint presentation on the following:

1. Retirement Income and Other Post-Employment Benefits
2. Funding and Formula for PERS
3. OPEB
4. Management Strategies
5. How PERS affects the Agency
6. PEPRA Summary
7. Summary and Proposals

During the presentation Board members asked various questions, which General Manager Davis replied to. After discussion with the Board, Legal Counsel Jeff Ferre proposed the following items be followed up on:

1. What are the options for new general manager in terms of a retirement plan.
2. What are the other retirement plans out there, contribution vs. defined benefit plans.
3. What would be the process to get out of PERS and what would it cost.
4. What impact would that have on current and future employees.

The Board was in agreement with the noted follow-up items.

B. Update on SGMA. A staff report and supporting documents were included in the agenda package. General Manager stated that a consultant was hired, and that we are well on our way to producing a GSP. The San Geronio Pass Subbasin is categorized as a medium priority basin. General Manager Davis reviewed a number of key issues and documents that were provided in the agenda packet.

Key issues:

1. A groundwater model of the basin was done by USGS for a previous project. The groundwater model is required in order to figure out what the water budget is, which requires data. The model now needs to be calibrated.
2. SGMA requires a searchable secure data management system.
3. Possibility of having management areas.
4. Water rights.

He reviewed the Sustainable Management Criteria from DWR. The GSP will require a public hearing and is due to DWR on January 31, 2022.

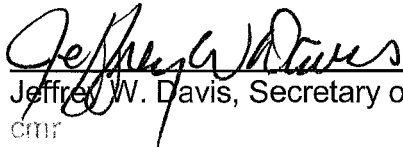
7. Topics for Future Agendas: Director Castaldo requested a workshop for discussion on procurement allotment through the State Water Project. General Manager Davis stated that he will add this topic to next week's Engineering Workshop.

8. Announcements:

- A. Engineering Workshop, February 10, 2020 at 1:30 p.m.
- B. Water Conservation and Education Workshop, February 13, 2020 at 1:30 p.m.
- C. Office closed **Monday**, February 17th, 2020 in observance of Presidents' Day
- D. Regular Board Meeting, **Tuesday**, February 18, 2020 at 1:30 p.m.

9. Adjournment

Time: 3:44 pm



Jeffrey W. Davis, Secretary of the Board

cmr