

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 18, 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., February 18, 2020 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Duncan led the Pledge of Allegiance to the flag. Director Lehtonen 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, February 3, 2020
 - B. Approval of the Minutes of the Engineering Workshop, February 10, 2020

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

5. **Reports:**
 - A. **General Manager's Report:** A written report was not provided in the agenda packet. General Manager Davis verbally reviewed the following:
 1. **Operations Report—** We delivered 1314 AF so far this month. We are continuing to deliver 24 cfs to BCVWD. We continue to try to reduce our carryover storage in SLR even though there is no information that would lead us to believe that a spill is imminent.

2. Other Agency Updates

- a. Progress was made at Delta Conveyance caucus last week; we are moving towards an “opt out” approach with side deals.
- b. General Manager Davis attended a meeting today of Calimesa water issues, along with SBVMWD, YVWD, and the facilitator. He will review the results of the meeting with the Calimesa ad hoc committee.
- c. Flume update: Banning and Banning Heights hired a prominent FERC attorney. They are having some good results by going to higher level managers in Washington. They have an agreement with US Fish and Wildlife Service to get a permanent easement for the flume.
- d. General Manager Davis reviewed a letter from the Governor to the Secretary of the Interior pertaining to the new BiOps.

B. General Counsel Reports: None.

C. Directors Reports: 1) **Director Fenn** reported on the Beaumont Basin Watermaster meeting that was held on February 5th. 2) **Director Stephenson** reported on the YVWD workshop that was held on February 4th. He reported on South Mesa Water District’s meeting that was held on February 5th. He reported on YVWD’s workshop that was held on February 11th. 3) **President Duncan** reported that he attended Beaumont Chamber Breakfast on February 14th. He also attended the City of Banning’s Special City Council meeting that was held on February 11th. 4) **Director Lehtonen** stated that he also attended the Beaumont Basin Watermaster meeting. 5) **Director Ball** reported on the Beaumont Chamber breakfast meeting. He also reported on the BCVWD Board meeting that was held on February 12th.

D. Committee Reports: 1) **Director Ball** stated that the Capacity Fee Ad-Hoc Committee met on February 10th.

6. New Business:

A. Consideration of Sponsorship of 2020 Inland Solar Challenge. (ISC) A staff report and related materials were included in the agenda package. Director Thompson reported that two members of the Conservation and Education Committee met on February 13th. During that meeting sponsorship for the 2020 Inland Solar Challenge was discussed. He remarked that the Board had made several recommendations to the ISC committee last year and that he was impressed that a number of our requests were met, including the Board recommended IRS exempt status 501(c)3 that will be issued this year. He stated that he had made a recommendation during the Conservation and Education Committee to sponsor the ISC for \$5000; this would help with the cost of the recommended 501(c)3. He noted that the other committee member was not in favor of this recommendation. ISC Co-chair Devin Arciniega with San Bernardino Municipal Water Department thanked Director Thompson for his report. She stated that the recommendations given were good recommendations, and that it is important to the committee to follow-up and incorporate worthwhile suggestions. Mr.

Mark Kline, a teacher from Banning High, spoke on the number of students that have submitted college applications and had noted that they were involved with the ISC. He remarked that the mere fact that the students included the ISC experience on their applications made a positive impact on the decision making by various colleges. Director Ball made a motion to fund the ISC in the amount of \$4000, by directing staff to use the proceeds of two meetings per director that are submitted for the month of February 2020, with the balance coming from the Water Conservation and Education budget. The maximum that each director shall submit per diem director fees for the month of February shall be three. The motion failed due to a lack of a second. Director Thompson made a motion, seconded by Director Castaldo, to sponsor the event in the amount of \$5,000. Discussion on this topic took place by the Board. Director Lehtonen made a motion to call for the question, which was seconded by Director Thompson. President Duncan asked for a vote on the motion to call for the question. Motion passed 7-0. President Duncan asked for a vote on the motion to sponsor the ISC event in the amount of \$5,000. Motion passed 6-1, with Director Ball opposed.

B. Review of Costs and Revenues Related to 2019 and 2020 Water Deliveries. A staff report and related materials were included in the agenda package. General Manager Davis reviewed with the Board the revenues and costs related to water delivery for the previous calendar year; the final invoice was received this past Friday. General Manager Davis also reviewed projections for calendar year 2020. During discussion General Manager Dan Jagers (BCVWD) provided his opinion on how the Agency's projections were inaccurate. He stated his biggest concern is that his District is in the middle of a rate study and the numbers need to be correct. The Board discussed the costs and revenues with General Manager Davis. Director Fenn requested staff to provide calculations on different scenarios to be discussed by May, 2020. Director Thompson stated that he would like to see in the next discussion on this topic the total water represented in the Agency's portfolio this year, an update of the historical average variable rate, an update on Lodi Energy Center and what it means to the Agency. He also requested the YTD 2019 costs to include SGPWA operations and the 258 acre-feet of SWP water that was delivered to the Agency's recharge ponds. Lastly, he requested discussion on selling Nickel water inside the Agency's boundaries. Director Stephenson requested discussion on the Agency buying the remaining 50% of Nickel water and storing it to be used in a dry year. Director Castaldo requested a scenario where the capacity fee would be a factor in the rate.

7. **Topics for Future Agendas: 1) Director Castaldo** requested a Workshop instead of a Board meeting for the next review of Costs and Revenues related to 2019 and 2020 Water Deliveries.
8. **Announcements:**
 - A. Finance & Budget Workshop, February 24, 2020 at 1:30 p.m.
 - B. Regular Board Meeting, March 2, 2020 at 1:30 p.m.
 - C. Engineering Workshop, March 9, 2020 at 1:30 p.m.

9. Closed Session (2 Items)

Time: 3:36 pm

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9

B. PUBLIC EMPLOYEE APPOINTMENT –

Pursuant to Government Code Section 54957

Title: Executive Recruitment Firm/Recruiter

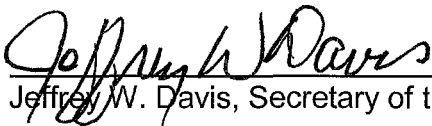
The meeting reconvened to open session at:

Time: 4:20 pm

General Counsel Jeff Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

10. Adjournment

Time: 4:21 pm



Jeffrey W. Davis, Secretary of the Board

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