

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
April 6, 2020

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:

(866) 212-0875,
Participant passcode: 7006747 #

Directors Present: Ron Duncan, President
All Board members attended by teleconference 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
All Staff members attended by teleconference Jeff Ferre, General Counsel
Thomas Todd, Finance Manger
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., April 6, 2020 by teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Stephenson gave the invocation. President Duncan requested a roll call.

<u>Roll Call:</u>	Present	Absent
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- 2. Statement Regarding Teleconferencing:** Due to the spread of the Coronavirus disease (COVID-19) and in accordance with the Governor's Executive Order N-29-20 there will be no public meeting location for attending this meeting in person. Members of the public may listen in and provide public comment during item 4 of the agenda by teleconferencing.

3. **Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda. General Manager Davis stated that there is no adjustment to the agenda. Director Ball asked that item 6A be listed as Discussion and Possible Action. He stated that he was the author of this item and had specifically stated that he wanted it to include possible action. Legal Counsel Ferre noted that he did not in his opinion believe this to be a late breaking item as required by the Brown Act, as there are financial impacts involved that may not be able to be determined today. However, in order for a change to be made to the agenda a majority vote would be needed by the Board. Director Ball spoke on the importance of lowering the Agency's water rate. After discussion Director Ball made a motion, seconded by Director Castaldo, to adjust item 6A as follows: Discussion and Possible Action of Temporary Rate Reduction. A roll call was taken on the motion as follows:*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 4-3.

4. **Public Comment:** *President Duncan stated that As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up. President Duncan asked for public comments from the public. Dan Jagers commented on item 6A. He stated that he was appreciative of the Board for discussing this item. There were no other members of the public that spoke at this time.*

5. **Consent Calendar:**
- A. Approval of the Minutes of the Regular Board Meeting, March 16, 2020
 - B. Approval of the Minutes of the Finance and Budget Workshop, March 23, 2020
 - C. Approval of the Finance and Budget Workshop Report, March 23, 2020

President Duncan asked for a motion on the Consent Calendar. Director Lehtonen made a motion, seconded by Director Castaldo, to adopt the consent calendar. President Duncan requested a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0.

6. Reports:

A. General Manager’s Report: A written report was not provided in the agenda packet. General Manager Davis verbally reported on the following:

1. Operations Report - We delivered 1055 AF in the month of March. BCVWD contacted the Agency on March 24 and asked for a suspension of all deliveries in the name of public health. We are currently shut down although other deliveries are being made on the EBX. BCVWD indicated the suspension would be at least until April 13 but could go longer depending on the public health situation. They indicated that the suspension of deliveries was related to reducing risk to their employees during the Covid outbreak. We now have a little over 1000 AF of carryover water, plus our Table A and Nickel water and any Yuba water and other water we may get for this year.

2. Other Agency Updates -

a. Water supply: April 1 snow survey was 66% of the April 1 average at Phillips Summit but statewide, snowpack was only 53% of average until this week. With this current storm, statewide snowpack is up to 61% of normal statewide (65% in the central and northern Sierra).

b. New ITP - State issued its new Incidental Take Permit for species covered under California Endangered Species Act. The permit requirements reduce SWP exports by about 200,000 AF per year on average. This would be a 5% difference in allocation beyond what would otherwise be the case.

c. Sites – The Sites Reservoir Committee has completed a value planning exercise which, if approved, would alter the project description and would reduce the cost greatly. This “value planning” exercise could also be called a “right sizing” of the project. The cost estimate for the proposed revised project is now about \$3 billion—down nearly \$2 billion. The biggest difference is that we would only use existing facilities to convey water to the reservoir and from the reservoir to the participants, so this reduces construction costs greatly. The reservoir would still be 1.5 MAF, which is down from the original 1.8 MAF. General Manager Davis will ask for Board action in May on participation in the next phase, which will be September 2020 through December 2021. That would be a \$1 million commitment over the next fiscal year at our current 10,000 AF participation level. Sites

welcomed a new Executive Director, Jerry Brown, former GM of Contra Costa Water District. He brings a lot of experience to the project.

Administration Update - We are still figuring out how to operate during this time. Right now we don't have more than one person in the office at a time but someone is in the office for at least a few hours every day. Work is continuing but a lot of it is moving more slowly as consultants are working from home and many other public agency officials are working from home. Some things, such as final start-up testing of Mt. View, are obviously on hold until rules about gatherings are lifted or lessened. Other issues, like SGMA, are continuing. We are working on getting a visual platform available for our next meeting. I am taking each board meeting or workshop on a case by case basis and will decide in consultation with President Duncan whether to have each meeting, and what to put on the agenda if we do have a meeting.

B. General Counsel Reports: General Counsel Ferre provided a verbal update on interest and investment income from the debt service fund. He stated that interest income generated from debt service should only be used for that same purpose. He recommended to not use interest for other purposes. He also reported that Resolution 2019-02 is valid and that the rate increase was made effective date April 1, 2020.

C. Directors Reports: 1) **Director Ball** reported on BCVWD Engineering meeting that was held on March 26th via teleconferencing. 2) **Director Fenn** reported that he attended the YVWD Board workshop that was held on March 24th via teleconferencing. 3) **President Duncan** reported that he attended the YVWD Board workshop that was held on March 24th via teleconferencing.

D. Committee Reports: 1) **Director Thompson** stated that future Conservation and Education workshops will be cancelled for the foreseeable future. 2) **Director Ball** stated that he will reach out to the Capacity Fee Committee to let them know if the meetings will continue its regular scheduled meetings.

7. New Business:

A. Consideration and Possible Action of Possible Temporary Rate Reduction. Director Ball read his email that he sent to President Duncan, Vice President Stephenson, and General Manager Davis on March 23rd. The content of the email requested discussion and possible action to reduce the current retail water rate, effective immediately, citing financial impact due to Covid-19 to local residents. Lengthy discussion on this issue took place. A motion was made by Director Castaldo, seconded by President Duncan, to table this item to the April 20th Board meeting. This would allow staff to prepare the necessary information that would be needed in order for the Board to make an informed decision on a water rate reduction. President Duncan asked for a roll call.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0.

8. Topics for Future Agendas: 1) Director Thompson requested discussion on moving water deliveries until the second half of the year.

9. Announcements:

- A. Water Conservation and Education Committee, April 9, 2020 at 1:30 p.m. – Cancelled
- B. Engineering Workshop, April 13, 2020 at 1:30 p.m.
- C. Regular Board Meeting, April 20, 2020 at 1:30 p.m.

General Counsel Jeff Ferre stated that there will be no reportable action; as a result the Board will not be coming back to this conference line.

10. Closed Session (2 Items)

Time: 2:48 pm

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)
Name of Case: CV Communities et al. v. Antelope Valley East Kern Water Agency and San Geronio Pass Water Agency
Case No. 20STCV10953
- B. PUBLIC EMPLOYEE APPOINTMENT
Pursuant to Government Code Section 54957
Title: Consultant: Interim general manager services during general manager transition

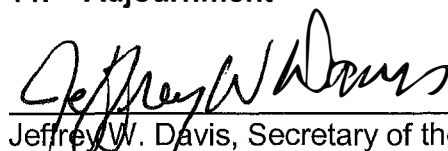
The meeting reconvened to open session at:

Time: 4:00 pm

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

11. Adjournment

Time: 4:00 pm



Jeffrey W. Davis, Secretary of the Board