

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
April 20, 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
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
Cheryle Stiff, Executive Assistant
Casmir Olaivar, Social Media Specialist

- 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 1:38 p.m., April 20, 2020 by teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Fenn gave the invocation. President Duncan requested a roll call.

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

A quorum was present.

- 2. Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* General Manager Davis requested that item 6D wording be changed to the following: Further Discussion and Possible Action on Potential Water Rate Reduction or Rebate. Director Ball made a motion, seconded by Director Thompson to approve 6-D as stated. President Duncan requested a roll call.

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

Motion passed 7-0.

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. General Manager Dan Jagers (BCVWD) stated that his District sent a letter to the Agency pertaining to a possible temporary imported water rate reduction due to COVID-19. BCVWD is looking for a solution to help ease the rate payer burden during these trying times. He made some remarks regarding the staff report on item 6D. He thanked the Board for its consideration on this item. There were no other 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 Stephenson made a motion, seconded by Director Ball, to adopt the consent calendar.

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

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 are still shut down operationally. Citrus Reservoir and Pump Station are back online as of last week. BCVWD asked us to shut off deliveries in March. Because there are so few deliveries on the EBX, we have gone to one 8-hour pumping shift per day.
2. **Other Agency Updates**
 - a. Because of the storms two weeks ago, and for other reasons, San Luis Reservoir has started to fill again and it is close to filling its SWP share. Arrangements have been made for us to start taking deliveries to our Fiesta facility starting in early May in order to get all our carryover water out of SLR.
 - b. With the precipitation we received this month, there is a chance that our allocation will increase. For now, however, we should assume that our allocation this year is going to be 15%.
 - c. New Incidental Take Permit (ITP) - Two letters were included in the agenda packet. One is from the Director of DWR and CDFW to Met's Board indicating why the new ITP is a great deal for the SWP. The other is from Senator Feinstein and others to Governor Newsome indicating why the ITP is a threat to good water management in California, especially with regard to voluntary agreements.
 - d. Delta Plan - The Contractors brought suit against the Delta Stewardship Council on three major points of the Delta Plan. A decision came down about ten days ago that was highly favorable to the Delta Stewardship Council. Staff will bring to the Board more information on this court case and what it means for us at a future meeting.
 - e. Sites Reservoir – Next month Staff will provide a recommendation to the Board for participation in the next phase of the project.
 - f. COVID 19 - Many conference calls with the Contractors have taken place on this issue. Key points:
 - Revenues are down for retail agencies because some can't pay their bills and purveyors can't cut off their water
 - Costs are way up due to purchasing new laptops and cell phones for employees
 - Productivity is down, as you can't get as much work done from home as the office
 - One of the biggest struggles is finding enough masks for employees who have to work in the office or a treatment or maintenance facility
 - Biggest emphasis, the water quality is good and keeping employees safe

B. General Counsel Reports: None.

C. Directors Reports: 1) **Director Fenn** reported on the YVWD's meeting that was held on April 7th. He also reported on the BCVWD meeting that was held on April 8th. 2) **Director Stephenson** reported on the YVWD workshop that was held on April 7th, BCVWD's meeting that was held on April 8th, and YVWD's meeting that was held on April 13th. 3) **President Duncan** reported

on the BCVWD's meeting that was held on April 7th and BCVWD's meeting that was held on April 8th.

D. Committee Reports: 1) Director Stephenson, Chair of the General Manager Hiring Committee stated that the consultant has contacted him to inform him that they will be presenting to the Board on May 4th. Director Stephenson noted his concern that the Agency may not be able to conduct a Board meeting on said date. He suggested that the committee meet with the consultant to review the resumes and narrow them down. Director Fenn asked if Director Stephenson to provide a count on how many resumes have been received once he has knowledge of it.

6. New Business:

A. Election of LAFCO Special District Member and Alternate. A staff report and related materials were included in the agenda package. General Manager Davis explained the premise behind the need for LAFCO and that it is governed by a board of directors that represent the County, cities, and special districts. He also explained the process for voting. After discussion, the Board was in agreement to vote as follows:

- ✓ Regular Special District Member - #1 Nancy Wright, #2 Debra Canera, and #3 Karen Borja.
- ✓ Alternate Special District Member - #1 Danny Martin, #2 Robert Stockton, and #3 Steve A. Pastor.

B. Consideration and Possible Action to Adopt Resolution No. 2020-02, Requesting Approval from the Board of Administration of the Public Employees' Retirement System to Approve Allowed Employment for a Retired Employee. Resolution No. 2020-02 was included in the agenda package. There are two steps that the Board may want to consider pertaining to utilizing Jeff Davis' services on a temporary basis after June 30, 2020. The resolution outlines specific CalPERS California Government Code Section 21221(h) requirements to hire a retired CalPERS recipient, including employment not to exceed 960 hours in a fiscal year. General Council Ferre reviewed the requirements with the Board. The first step is to adopt Resolution No. 2020-02; this resolution does not obligate the Board to enter into a contract with Mr. Davis, it is simply a notice of procedure to hire Mr. Davis. After discussion, Director Stephenson made a motion, seconded by Director Castaldo to adopt Resolution No. 2020-02. President Duncan requested a roll call vote.

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

Motion passed 7-0

C. Consideration and Possible Action to Enter Into an Interim General Manager Agreement with Jeff Davis Following Retirement. A San Geronio Pass Water Agency – Interim General Manager Agreement was included in the agenda package. General Council Ferre stated that now that the Board has approved Resolution No. 2020 the next step is to approve the Interim General Manager Agreement. General Council Ferre reviewed the drafted Interim General Manager Agreement with the Board. The term of the Agreement shall become effective July 1, 2020, pending approval by the Board, and will continue until December 31, 2020, unless this Agreement is otherwise terminated, pursuant to Section 2 of the Agreement. After discussion, Director Stephenson moved, seconded by Director Lehtonen, to enter into an Interim General Manager Agreement, allowing President Duncan authority to approve travel reimbursement.

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

Motion passed 6-1, with Director Ball opposed.

D. Further Discussion on Potential Water Rate Reduction or Rebate. A letter dated April 16, 2020 from BCVWD was included in the agenda packet. President Duncan stated that staff was instructed to come up with a potential idea of how the Agency would be able to meet BCVWD’s request for a rate reduction or rebate. Due to a number of legal issues staff is requesting that instead of a water rate discussion, it would be a credit that would reduce their billing that would go toward the COVID-19 relief, and we would ask BCVWD to match said reduction and pass that onto their customers. After discussion, Director Castaldo made a motion, seconded by Director Lehtonen, to table Item 6D. The Board discussed this item further. After discussion, President Duncan requested a roll call.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<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, with Directors Stephenson, Thompson and President Duncan opposed.

7. Topics for Future Agendas: **1) Director Fenn** requested staff to provide a water delivery pricing worksheet that would be reviewed in a workshop. The one page worksheet is to include components of the Agency's rate, the rate itself, expected deliveries (State allocation and other sources of water), 2020 estimated costs for deliveries, current orders (show purpose: direct delivery, replenishment, etc.) and estimated revenue or deficit. **2) Director Ball** requested discussion on the potential of adjusting the Agency's Budget, are there items that may be reduced. **3) President Duncan** discussion on selling Nickel water; will it hurt or help the customer's needs.

8. Announcements:

- A. Finance & Budget Workshop, April 27, 2020 at 1:30 p.m. – Teleconference/Zoom
- B. Regular Board Meeting, May 4, 2020 at 1:30 p.m. – Teleconference/Zoom

9. Closed Session (1 Item)

Time: 3:55 pm

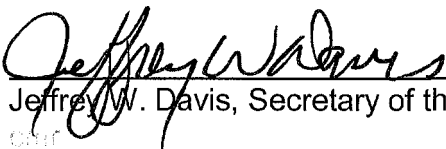
- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies offers from the City of Ventura
Agency negotiator: Jeff Davis, General Manager
Negotiating parties: Lynn Takaichi
Under negotiation: price and terms of payment

The meeting reconvened to open session at: Time: 4:25 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: 4:25 pm



Jeffrey W. Davis, Secretary of the Board