

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
June 1, 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: (669) 900-6833 OR VIA ZOOM - MEETING ID: 830 5509 0733

Directors Present:	Ron Duncan, President
All Board members	Lenny Stephenson, Vice President
attended by video	Michael Thompson, Treasurer
conferencing/ teleconferencing	Blair Ball, Director (arrived at 1:35 pm)
	David Fenn, Director
	David Castaldo, Director
	Steve Lehtonen, Director

Staff Present:	Jeff Davis, General Manager
All Staff members	Jeff Ferre, General Counsel
attended by video	Thomas Todd, Finance Manger
conferencing/ teleconferencing	Cheryle Stiff, Executive Assistant
	Casmir Joy Olaivar, Student Intern

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., June 1, 2020 by video/teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Thompson gave the invocation. A quorum was present.
2. **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.
3. **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.* 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, May 18, 2020

- B. Approval of the Minutes of the Finance and Budget Workshop, May 26, 2020
- C. Approval of the Finance and Budget Workshop Report, May 26, 2020

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

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 6-0, with Director Ball not yet arrived.

5. 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** – a) General Manager Davis reported that the Agency delivered 1024 acre-feet of Table A water to the Noble Creek Connection for the month of May. Approximately 560 acre-feet went to BCVWD. Fiesta Recharge Facility received about 464 acre-feet, of which 250 acre-feet will be sold to Banning and about 214 acre-feet will be put in our storage account with the Beaumont Basin Watermaster. b) Delivery to Fiesta Recharge Facility has stopped as we received all of our carryover water. c) State Water Project allocation was increased from 15% to 20%, which results being able to serve all requested water this year plus a little more which we can either carry over or sell to BCVWD for banking.
2. **Other Agency Updates -**
 - a. COVID-19 Update: General Manager Davis provided the current statistics for the number of cases and deaths within the Agency’s service area. There are a number of sites within Riverside County where residents can get tested, including Noble Creek Park.
 - b. UWMP – General Manager Davis reported that he has been seeking out additional proposals to compare to Kennedy Jenks proposal. He noted that Kennedy Jenks proposal included seismic vulnerability assessment of the distribution system, which is a new requirement and is an added cost of \$30k. General Manager Davis reported on his efforts and seeking out other proposals. Due to not being able to procure new proposals as of this time this item will need to be undertaken by the new General Manager.

c. Ventura Agreement – All three parties have approved and signed the three party agreement for the Ventura and Casitas exchanges. DWR has been contacted and is to begin work on the implementation agreement.

B. General Counsel Reports: General Counsel Ferre provided a written report that was included in the agenda packet.

C. Directors Reports: 1) Director Ball reported on BCVWD’s May 28th meeting.

D. Committee Reports: None.

6. New Business:

A. Consideration and Possible Action on Cost of Living Allowance for Agency Staff. A staff report and a copy of a memorandum from Finance Manager Thomas Todd was include in the agenda packet. General Manager Davis noted that the Board discussed this item during the May 26th Finance and Budget workshop, at which time the Board voted to bring this item to the Board for a vote. The Staff report provided three different scenarios should the Board decide to provide staff with a COLA. Director Stephenson made a motion, seconded by Director Castaldo, to approve 2.4% COLA increase for staff. President Duncan opened this item for discussion. A lengthy discussion ensued on the current state of the economy. Directors Fenn, Thompson and Ball were in favor of deferring this item until January. Directors Stephenson, Lehtonen and Castaldo were in favor of providing a COLA due to staff’s hard work and also the rising prices of consumer products. Director Lehtonen called for the original question to end the debate. President Duncan called for a vote.

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

Motion failed 3-4, with Directors Ball, Thompson, Fenn and President Duncan opposed. President Duncan asked if anyone wished to make another motion on this item. Director Fenn asked that this item be revisited at a later date. Director Castaldo made a motion, seconded by Director Stephenson to bring this item to the Board at the July 20th Board meeting. President Duncan opened this item for discussion. President Duncan asked for a roll call vote.

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

Motion passed 4-3, with Directors Ball, Thompson & Fenn opposed.

B. Discussion and Possible Action on Second Amendment to 2019 Sites Reservoir Project Agreement and Phase 2 Participation and Funding. A staff report and related materials were included in the agenda packet. General Manager Davis stated that this item before the Board could have a huge impact on this region. The Board needs to decide if the Agency wants to continue its participation in the Sites Reservoir project and to what level. This is a commitment for Phase 2 beginning November 1, 2020 through December 31, 2021. General Manager Davis summarized the status of the project. The project is largely a dry year storage project, which works well with the Agency's portfolio. He spoke to the Board on what the Agency participation level should be. He recommended that the Board participate in Phase 2 at the current level of 10k acre-feet. This may change if additional capacity becomes available in the next two months; staff may come back to the Board and recommend a slightly higher participation level. General Manager Davis reviewed the Second Amendment to 2019 Reservoir Project Agreement. He noted that General Counsel Ferre has reviewed the agreement. At this time General Manager Davis answered questions from the Board. Director Castaldo asked for a recess to speak to Counsel, noting that it was needed in order to continue with discussion on this item as it involves a financial interest. President Duncan permitted the recess at 2:50 p.m. President Duncan reconvened the meeting at 2:57 p.m. Director Castaldo noted that General Manager Davis will soon be retiring and that he is currently a member of the Sites Reservoir Committee. He asked General Manager Davis if he is now or will he in the future be a paid employee/consultant for the Sites Reservoir Project. General Manager Davis stated that he is not now nor will he in the future become a paid employee/consultant to the Sites Reservoir Project. Director Thompson made a motion, seconded by Director Lehtonen, to move forward with the Sites Reservoir Phase 2 plan, and to contact BCVWD to confirm their level of participation prior to signing the agreement. President Duncan requested 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.

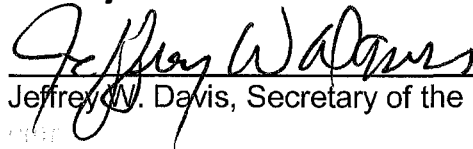
7. Topics for Future Agendas: President Duncan stated that under *Pending Agenda Items* the topic of: Continued discussion on the update/revised calculations on water rate, is to be removed since this will be a quarterly discussion. He also asked General Manager Davis to speak to BCVWD on the topic of water delivery discussion to move water deliveries until the second half of the year. There were no additional topics for future agendas.

8. Announcements:

- A. Engineering Workshop, May 11, 2020 at 1:30 p.m.
- B. Water Conservation and Education Committee, May 14, 2020 at 1:30 p.m. - Cancelled
- C. Regular Board Meeting, May 18, 2020 at 1:30 p.m.

9. Adjournment

Time: 3:12 pm



Jeffrey W. Davis, Secretary of the Board