

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**October 19, 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 JOIN BY ZOOM: <https://us02web.zoom.us/j/87828646632>  
Meeting ID: 878 2864 6632

|                   |   |
|-------------------|---|
| All Board members | Lenny Stephenson, Vice President            |
| attended by video | Michael Thompson, Treasurer                 |
| conferencing/     | Blair Ball, Director (arrived at 1:40 p.m.) |
| teleconferencing  | David Fenn, Director                        |
|                   | David Castaldo, Director                    |
|                   | Steve Lehtonen, Director                    |
|                   | Ronald Duncan, President                    |

|                       |                                    |
|-----------------------|------------------------------------|
| <b>Staff Present:</b> | Lance Eckhart, General Manager     |
| All Staff members     | Jeff Ferre, General Counsel        |
| attended by video     | Thomas Todd, Finance Manager       |
| conferencing/         | Cheryle Stiff, Executive Assistant |
| teleconferencing      |                                    |

- 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., October 19, 2020 by video/teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Thompson gave the invocation. President Duncan requested a roll call.

|                             |                                     |                                     |
|-----------------------------|-------------------------------------|-------------------------------------|
| <b><u>2. Roll Call:</u></b> | <b><i>Present</i></b>               | <b><i>Absent</i></b>                |
| Director Ball               | <input type="checkbox"/>            | <input checked="" 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"/>            |

A quorum was present.

- 2. Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* General Manager Eckhart responded, stating that there is no adjustment to the agenda.

3. **Public Comment:** *President Duncan asked for public comments.* Joyce McIntire (a resident of Yucaipa) commented on the Candidate Forum that was held by the Calimesa Chamber of Commerce. 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, October 5, 2020
- B. Approval of the Minutes of the Engineering Workshop, October 12, 2020
- C. Approval of the Revised San Geronio Pass Water Agency Vehicle Policy

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

| <b><u>Roll Call:</u></b> | <b>Aye</b>                          | <b>Noes</b>              | <b>Absent</b>                       | <b>Abstain</b>           |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Director Castaldo        | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| Director Ball            | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" 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 6-0, with Director Ball absent.

5. **Reports:**

**A. General Manager's Report:** General Manager Eckhart reported on the following:

- 1) Update on Flume Video: Operations Manager Ken Falls took General Manager Eckhart on a tour of the Flume area; it was pretty devastating. Staff is working with Banning Heights to begin videoing with a film crew. Edison is cutting down trees and there are still smoldering hot spots in the tree stumps.
- 2) Upcoming Meetings: General Manager Eckhart will be heading up north to the Bakersfield/Fresno area next week to discuss participating in a water bank with other interested parties. A report to the Board will be forthcoming.
- 3) Weather Update: It looks like we are in an El Nino year pattern. An El Nino year means that we may not be able to meet our customer water orders of next year as the requests exceed 10k acre-feet. Consequently, will be importing Nickel water and looking at water transfers in order to fill those requests.
- 4) Update on Flooding Potential: Staff is working with the community in regards to potential flooding. The school district has reached out to the Agency in regards to the Mountain View Middle School that is just south

of the Fiesta Facility. We all want to make sure that we protect both theirs and our facilities from any flooding. Staff will be meeting with the school district representatives this week.

- 5) Delta Conveyance: A vote will take place during November/December time frame. Volume and costs are firming up; not everyone is participating, which gives the Agency the opportunity to increase its share by a small percentage.

**B. General Counsel Reports:** A General Counsel report was not provided.

**C. Directors Reports:** 1) **Director Stephenson** reported on YVWD's Board meeting. He also reported on the Candidate forum that was hosted by Calimesa Chamber of Commerce. 2) **Director Fenn** reported on the Beaumont Chamber Breakfast meeting that was held on October 9<sup>th</sup>. 3) **Director Ball** reported on BCVWD's meeting. 2) **Director Thompson** reported on the Beaumont Watermaster meeting, General Manager Eckhart attended and spoke on the Agency's position and why we should move forward on a collaborative effort. He also reported on the Water Conservation and Education Committee meeting that was held on October 8<sup>th</sup>. IERCD representatives spoke on the Agency's social media campaign and the digital education program.

**D. Committee Reports:** 1) **Director Ball** reported on the Capacity Fee Committee meeting. An update of new data will be provided next month by our HdL consultant.

## 6. New Business:

**A. Consideration to Approve Resolution No. 2020-07 Approving Amendment to the Long Term Water Supply Contract with the State of California to Provide Water Management Flexibility and Making Findings Pursuant to the California Environmental Quality Act.** A staff report, a copy of Resolution No. 2020-07, and related material were included in the agenda packet. General Manager Eckhart stated that this item has been in the making for over two years. The resulting change in the contract will provide for more flexibility in conducting transfers and exchanges, which are critical for the Agency to manage its water supplies moving forward. He noted that this item was discussed extensively during the October 12<sup>th</sup> engineering meeting and that it looks like the same audience is present today. He offered to go into detail should the Board request it. President Duncan requested public comment. There being none, he requested a motion. Director Stephenson made a motion, seconded by Director Fenn, to adopt Resolution No. 2020-07. President Duncan requested a roll call on the motion.

| <b><u>Roll Call:</u></b> | <b><i>Aye</i></b>                   | <b><i>Noes</i></b>       | <b><i>Absent</i></b>     | <b><i>Abstain</i></b>    |
|--------------------------|-------------------------------------|--------------------------|--------------------------|--------------------------|
| 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.

**7. Topics for Future Agendas:** None. President Duncan requested continuation of the noted future agenda items. General Manager Eckhart noted the request. He said that there were two items for upcoming agendas. 1.) Bunker Hill Basin: We are currently waiting on some terms and ideas from SBVMWD's attorney, which has caused some delay for about a month. 2.) Update on the Flume video: This was reported on during General Manager's report.

**8. Announcements -**

- A. Finance & Budget Workshop, October 26, 2020 at 1:30 pm–  
Teleconference/Zoom
- B. Regular Board Meeting, November 2, 2020 at 1:30 pm–  
Teleconference/Zoom

**9. Adjournment**

**Time: 1:57 pm**

**Draft - Subject to Board Approval**

Lance Eckhart, Secretary of the Board

cmr

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**

**Minutes of the**  
**Board of Directors Meeting**  
**November 2, 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 JOIN BY  
ZOOM: <https://us02web.zoom.us/j/81773353899>  
MEETING ID: 817 7335 3899

**Directors Present:** Ron Duncan, President  
All Board members  
attended by video  
conferencing/  
teleconferencing Lenny Stephenson, Vice President  
Michael Thompson, Treasurer  
Blair Ball, Director  
David Fenn, Director  
Steve Lehtonen, Director

**Directors Absent:** David Castaldo, Director

**Staff Present:** Lance Eckhart, General Manager  
All Staff members  
attended by video  
conferencing/  
teleconferencing 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., November 2, 2020 by video/teleconference. President Duncan led the Pledge of Allegiance to the flag. Director Fenn gave the invocation. President Duncan requested a roll call.

| <b><u>Roll Call:</u></b> | <b><i>Present</i></b>               | <b><i>Absent</i></b>                |
|--------------------------|-------------------------------------|-------------------------------------|
| Director Castaldo        | <input type="checkbox"/>            | <input checked="" 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 Eckhart requested that item 6A be moved to after item 3 of the agenda. The Board Members were in agreement with the request.

3. **Public Comment:** *President Duncan asked for public comments.* There were no other members of the public that spoke at this time.

6. **New Business:**

**A. Consideration of Audited Financial Statement Year Ended June 30, 2020 and 2019 (Eadie & Payne):** A copy of the draft Independent Auditor's Report for the Years Ended June 30, 2020 and 2019 for the San Geronio Pass Water Agency, and related materials, were included in the agenda packet. General Manager Eckhart introduced Eden Casareno and Brandon Ferrell. Mr. Ferrell presented the draft of the Audited Financial Statements. Eden Casareno shared with the Board the Audit Report findings, which were highlighted in a PowerPoint presentation. During her presentation, she reviewed the following:

- ✓ Opinion: Financial statements are presented fairly in accordance with GAAP
- ✓ Internal Controls: No significant or material deficiencies
- ✓ Communications with Governance:
  - No new accounting pronouncements
  - Significant estimates and disclosures
  - No corrected or uncorrected misstatements
  - No disagreements with management

Mr. Ferrell reviewed the Statements of Net Position Summary, noted that the total assets for 2020 are 193.5 million; a net increase of 8.4 million. The total liabilities for 2020 are 1.2 million; a net decrease of 1.2 million. The net position for 2020 is 192.5 million; a net increase of 9.4 million. The change in net position for 2020 is 9.4 million; an increase of 5.0 million. Mr. Ferrell concluded the presentation. Ms. Casareno answered questions from the Board. President Duncan requested comments from the public. There being none, he requested a motion from the Board. Director Stephenson made a motion, seconded by Director Thompson, to receive and file the Audited Financial Statements for the Years Ended June 30, 2020 and 2019, presented by Eadie & Payne. President Duncan requested a roll call vote.

| <b><u>Roll Call:</u></b> | <b><i>Aye</i></b>                   | <b><i>Noes</i></b>       | <b><i>Absent</i></b>                | <b><i>Abstain</i></b>    |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Director Castaldo        | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" 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 6-0, with Director Castaldo absent.

#### 4. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, October 19, 2020
- B. Approval of the Minutes of the Finance and Budget Workshop, October 26, 2020
- C. Approval of the Finance and Budget Report, October 26, 2020\* (p. 10)

*President Duncan asked for a motion on the Consent Calendar. Director Stephenson pointed out a number of discrepancies on page one of the Minutes for the Regular Board meeting held on October 19, 2020. Legal Counsel Ferre suggested that these minutes be brought back to the Board at the next Board meeting for approval with the noted change requests; the Board was in agreement. After discussion, Director Thompson made a motion, seconded by Director Lehtonen to approve items 4B and 4C as presented. President Duncan requested a roll call vote.*

| <b><u>Roll Call:</u></b> | <b>Aye</b>                          | <b>Noes</b>              | <b>Absent</b>                       | <b>Abstain</b>           |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Director Castaldo        | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" 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 6-0, with Director Castaldo absent.

#### 5. Reports:

**A. General Manager's Report:** General Manager Eckhart reported on the following:

- 1) **Flume Update.** General Manager Eckhart informed the Board that filming of the Flume area will commence this week. Rains are anticipated this weekend.
- 2) **UWMP Group Meeting** – General Manager Eckhart informed the Board that there will be a Regional UWMP Group meeting on November 5<sup>th</sup>. The consulting team reviewed the 2015 UWMP and it has become apparent that we need a cohesive plan as a regional group. Currently, long-term demands are exceeding long-term supplies. Imported water, recycled return water, waste water return flows and natural water flow needs to be captured in a regional water portfolio. Monthly meetings will take place through the second quarter of next year, which is when the UWMPs are due.
- 3) **Delta Conveyance Project** – General Manager Eckhart stated that this project has been left to the State of California in the past, but now the SWCs are taking a more proactive role. The Project is one of several solutions to ensure the long-term reliability and sustainability for this region. General Manager Eckhart reviewed with the Board a PowerPoint

presentation titled 'Primer on the Delta Conveyance Project,' which was included in the agenda packet. He reviewed the background and history of the Project. General Manager Eckhart noted that the Board will need to vote on the Project later this month. At the Engineering Workshop next week, the Board will go through some more of the specifics of the Project, as well as discuss the decisions that the Board will have to make. He noted that the Contractors who are investing in this program are moving forward in November and December.

**B. General Counsel Reports:** General Counsel Ferre reported on an Executive Order from President Trump - Modernizing America's Water Resource Management and Water Infrastructure, issued October 15, 2020, which establishes a water policy committee. The purpose is to have the Secretaries of all the different Cabinet positions that have some impact on water, and Federal working groups dealing with water, to come under one umbrella and try to streamline what all the different groups are doing. There are some deadlines in terms of ways to produce a more efficient process, to get rid of duplication, and to get to the point where there is some movement on some additional capacity storage projects. Other goals include coordinating the reviews of multi-agency projects and increasing local, state and tribal engagement.

**C. Directors Reports:** **Director Stephenson** reported the he attended the Yucaipa SGMA meeting that was held on October 28, 2020. He noted that General Manager Eckhart attended and spoke at the meeting. Director Stephenson also reported that he attended the SGPRWA meeting that was also held on October 28<sup>th</sup>. **Director Lehtonen** reported that he too attended the SGPRWA meeting. He informed the Board that General Manager Eckhart also attended this meeting and spoke on the Delta Conveyance, as well as other issues that the Agency is facing.

**D. Committee Reports:** **Director Thompson** noted that the Water Conservation Committee will meet on November 12<sup>th</sup>.

**6. New Business:**

**A. Consideration of Audited Financial Statement Year Ended June 30, 2020 and 2019 (Eadie & Payne):** Per Board approval, this item was moved after item 4 of the agenda.

**7. Topics for Future Agendas:** General Manager Eckhart noted that the Bunker Hill three-party agreement with SBVMWD and YVWD has been delayed, as SBVMWD counsel had to take a leave of absence. The meetings will resume sometime this month. President Duncan stated that the Flume updates and the Bunker Hill Basin updates will be removed from the agenda's "Pending Items" section, as these two items will be included in the General Manager's report.



**8. Announcements:**

- A. Engineering Workshop, November 9, 2020 at 1:30 p.m.
- B. Office closed November 11, 2020 in observance of Veteran's Day
- C. Water Conservation and Education Committee -  
November 12, 2020 at 1:30 p.m.

**9. Adjournment**

**Time: 2:32 p.m.**

***Draft - Subject to Board Approval***

Lance Eckhart, Secretary of the Board

cmr

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA 92223**  
**Minutes of the**  
**Board of Directors Engineering Workshop**  
**November 9, 2020 at 1:30 p.m.**

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, ID 834 9484 9626  
OR JOIN BY ZOOM: <https://us02web.zoom.us/j/83494849626>

|                           |  |
|---------------------------|--|
| <b>Directors Present:</b> | Ron Duncan, President                        |
| All Board members         | Leonard Stephenson, Vice President           |
| Attended by video         | Blair Ball, Director                         |
| conferencing/             | David Castaldo, Director (left at 2:25 p.m.) |
| teleconferencing          | David Fenn, Director                         |
|                           | Steve Lehtonen, Director                     |
|                           | Mike Thompson, Director                      |
| <br><b>Staff Present:</b> | <br>Lance Eckhart, General Manager           |
| All staff members         | Jeff Ferre, General Counsel                  |
| Attended by video         | Tom Todd, Jr., Finance Manager               |
| conferencing/             | Cheryle Stiff, Executive Assistant           |
| Teleconferencing          |  |

**1. Call to Order, Flag Salute and Roll Call:** The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Vice President Stephenson at 1:30 p.m., November 9, 2020 via videoconference. Vice President Stephenson led the Pledge of Allegiance to the flag. Vice President Stephenson requested a roll call.

| <b><u>Roll Call:</u></b> | <b><i>Present</i></b>               | <b><i>Absent</i></b>     |
|--------------------------|-------------------------------------|--------------------------|
| 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. Public Comment:** *Vice President Stephenson 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.* No members of the public spoke at this time.

**3. Presentation on Tax Revenue (Paula Cone, HdL):** A PowerPoint presentation on the Agency's Property Tax Review was included in the agenda packet. General Manager Lance Eckhart stated that this item relates to the financial model for the Agency. The Agency is looking into making long-term water supply investments for the future needs of the community. The Agency needs to have the financial resources in order to make those investments. Securing long-term water supply investment opportunities today will provide for water supply needs of the future. General Manager Eckhart stated that Ms. Cone's (HdL) presentation will aid the Board with the insight into what the Agency's tax revenues will look like over the next few years. HdL will provide to the Board the tax implications that are happening within the communities that are located within the Agency's boundaries. Ms. Cone's presentation provided the Board with data and other information related to property tax basics; assessed value; sale value trends and Proposition 8 – valuation; and forecasting property taxes. After Ms. Cone's presentation, Vice President Stephenson asked for public comment. General Manager Jaggars (BCVWD) thanked the Board and Ms. Cone for the information that was provided. He found the report informative and transparent. There was no other public comment. General Manager Eckhart noted that the level of detail that the Board was given by Ms. Cone will assist the Board in a better idea of what we can expect within the next five years. He also noted that Ms. Cone will be reporting back to the Board sometime within the first quarter of 2021. She will be reporting on a longer-term financial model that will project out twenty-five years. Vice President Stephenson opened this item for Board discussion. Ms. Cone answered questions and concluded her presentation.

**4. Discussion on Amended and Restated Delta Conveyance Design and Construction Joint Powers Authority Agreement:** A staff report, a copy of the Amended and Restated Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority, and a PowerPoint presentation were included in the agenda packet. General Manager Eckhart discussed the new governance structure that deals with the Delta Conveyance Design and Construction Joint Powers Authority (DCA) agreement. He reviewed with the Board the DCA Governance changes, stating the SWCs will now be involved with construction contracts, environmental issues, and permitting. The DCA has a Board of Directors which interacts with DWR; this allows for transparency and insistence of operational efficiency. The proposed changes include adding a provision that enables 70% of the contracted proportionate share of DCP to essentially overrule budget and expense decisions for construction contracts over \$10 million and service contracts over \$1 million. Another change is related to increasing the size of the Board of Directors to seven (7) members and seven (7) alternates, with representatives from designated areas, and adding two seats for Class 8 members. The Class 8 members will have expertise in the different stages of the Project. General Counsel Ferre noted that if the Directors decided to take this item to the Board for a vote, staff would be recommending an approval of the Amended Restated Joint Powers Agreement and the approval of the MOU of the Class 8 members in terms of how the election process goes with the Class 8 representatives. He stated that both of these agreements are legally sufficient. Vice President Stephenson opened this item for public comment. General Manager Jaggars (BCVWD) was in support of this item. There were no other public comments. Vice President Stephenson opened this item for Board discussion. After discussion, President Duncan made a motion, seconded by Director Thompson to move this item to the Board for approval at the November 16<sup>th</sup> Board meeting. Vice President Stephenson requested a roll call vote on the motion.

| <b><u>Roll Call:</u></b> | <b><u>Aye</u></b>                   | <b><u>Noes</u></b>       | <b><u>Absent</u></b>                | <b><u>Abstain</u></b>    |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Director Castaldo        | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" 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 6-0, with Director Castaldo absent.

**5. Discussion on Continued Participation in the Delta Conveyance Project:** A staff report, draft Resolution No. 2020-08, and a copy of the Agreement for the Advance or Contribution of Money to the Department of Water Resources by the San Geronio Pass Water Agency were included in the agenda packet. General Manager Eckhart reviewed the history of the Delta Conveyance stating that it was never intended as the sole source for moving water from the north to the south across the Delta, and then pumping further south to SWCs. There was always another conveyance vision, including the peripheral canal back in the 80s. The Project has now changed from a double tunnel to a single tunnel. The single tunnel project of today will be run by state and local investors. General Manager Eckhart reviewed with the Board what the project entailed, including the objective reliability & resiliency benefits, cost assumptions, and three participation levels. General Manager Eckhart stated that he will be asking the Board at the next Board meeting to decide on a participation level range between 1.22% and 2.00%. He concluded his presentation. Vice President Stephenson opened this item for public comment. General Manager Dan Jagers (BCVWD) spoke on the need for the Project and that he was in favor of it. Public Works Director Art Vela (City of Banning) stated that in his opinion these opportunities will be far and few between and the Agency should be taking advantage of this opportunity. He noted that the City is in support of the Board's effort to move this forward. General Manager Joe Zoba (YVWD) also spoke in support of the Project. There were no other members of the public that commented. Vice President Stephenson opened this item for Board discussion. After discussion, President Duncan made a motion, seconded by Director Thompson, to move this item forward to the Board for continued participation in the Delta Conveyance Project, at the 2% (\$6.8M for 4 years) level, to be considered at the next Board meeting. Director Fenn made a new motion, seconded by Director Ball, for participation at the 1.22% (\$4.0M for 4 years) level. Vice-President Stephenson requested a roll call vote on the new motion for participation at the 1.22% level.

| <b><u>Roll Call:</u></b> | <b><u>Aye</u></b>                   | <b><u>Noes</u></b>                  | <b><u>Absent</u></b>                | <b><u>Abstain</u></b>    |
|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| Director Castaldo        | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Director Ball            | <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 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 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 died for lack of majority vote.

Vice-President Stephenson requested a roll call vote on the original motion for a participation level range between 1.22% and 2.00%.

| <b><u>Roll Call:</u></b> | <b><u>Aye</u></b>                   | <b><u>Noes</u></b>       | <b><u>Absent</u></b>                | <b><u>Abstain</u></b>    |
|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Director Castaldo        | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" 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 6-0, with Director Castaldo absent.

**6. Announcements:**

- A. Office closed Wednesday, November 11, 2020 in observance of  
– Veterans Day
- B. Water Conservation and Education Workshop, November 12, 2020  
at 1:30 p.m. – Teleconference/Zoom
- C. Regular Board Meeting, November 16, 2020 at 1:30 p.m.  
– Teleconference/Zoom
- D. Finance and Budget Workshop, November 23, 2020 at 1:30 p.m.  
– Teleconference/Zoom

**7. Adjournment:** Vice President Stephenson adjourned the meeting at 3:55 p.m.

**Draft - subject to Board approval**

Lance Eckhart, Secretary to the Board

twf