

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.

<u>Roll Call:</u>	Present	Absent
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 Gorgonio 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.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
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.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
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 5th. 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 28th. **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 12th.

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.



Lance Eckhart, Secretary of the Board

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