

**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>

**Directors Present:** 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

**Staff Present:** 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.

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

**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.



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Lance Eckhart, Secretary to the Board

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