

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
December 7, 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 Blair Ball, Director
attended by video David Fenn, Director
conferencing/ Steve Lehtonen, Director
teleconferencing Chander Letulle, Director
Larry Smith, Director
Mickey Valdivia, Director

Staff Present: Lance Eckhart, General Manager
All Staff members Thomas Todd, Finance Manger
attended by video Cheryle Stiff, Executive Assistant
conferencing/ Jeff Ferre, General Counsel
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., December 7, 2020 by video/teleconference. Director Valdivia 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 Ball	<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 Letulle	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Valdivia	<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 noted item 4A is for the approval of the November 16, 2020 Board meeting minutes. He reported that the swearing-in of the new Board members took place on Friday, December 4. At this time General Manager Eckhart administered the Oath of Office to the new Board members as a formality.

3. Public Comment: *President Duncan asked for public comments for items that are not on the agenda.* General Manager Eckhart informed the Board that

David Castaldo (former At Large No. 1 Board member) submitted a letter to be read during public comment. The letter congratulated newly elected Board members and Director Fenn on his decisive victory to the Beaumont City Council. He stated that the Board made some unbelievable accomplishments during the past four years, and set in place a perpetual and sustainable water supply for our community's future generations. Mr. Castaldo also thanked staff and fellow Board members for their contributions to the agency. In closing he stated that serving on the Board was a privilege. Michael Thompson (former Division 5 Board member) wished the new Board members well and stated that it was an honor serving on the Board for the last four years. Calvin Louie (property owner in Cabazon) stated that he is employed by the Cabazon Water District. He also owns a rental property in the unincorporated town of Cabazon. In his annual property tax statement, a portion of the tax goes directly to the San Geronio Pass Water Agency (SGPWA). As a property owner (not speaking on behalf of his employer), he opposes the current proposal to reduce the size of the Board from seven members to five members. It is his opinion that a seven-member board would be more difficult to develop voting blocks that would affect long-term regional fairness. As a former member of the Banning Unified School Board, he acknowledges that Sun Lakes is a powerful voting community. This fact, amongst others, would create a local political power and not fairly represent the smaller unincorporated areas, such as Cabazon. He respectfully requested as a stakeholder, not as an employee of Cabazon Water District, that the SGPWA Board not allow this proposed reduction of board members. It is his opinion that with fewer members on the Board, it would only allow Director Ball to gain control of the Board for his own personal agenda. 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, November 16, 2020
- B. Approval of the Minutes of the Finance and Budget Workshop, November 23, 2020
- C. Approval of the Finance and Budget Report, November 23, 2020

President Duncan asked for a motion on the Consent Calendar. Director Lehtonen made a motion, seconded by Director Ball, to approve the consent calendar as presented. President Duncan requested a roll call vote. Director Valdivia questioned if newly elected Board members should abstain from the motion. Legal Counsel Ferre stated that it was not necessary.

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

Motion passed 6-0-1, with Director Valdivia abstaining.

5. Reports:

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

- 1) State Water Contractors (SWC) who are investing in the Delta Conveyance Project are wrapping up their participation levels. The largest financial participant, Metropolitan Water District, will help determine how the project gets funded and moves forward. There is a potential of purchasing above the current Table A allocation and participating in extra conveyance.
- 2) On December 3, 2020, the Regional UWMP Group met with a consultant to coordinate the collective wholesale/retail Regional UWMPs. These meetings will continue through January.
- 3) On December 3, 2020, the Department of Water Resources (DWR) notified SWC that the 2021 SWP Initial Allocation is 10 percent.

B. General Counsel Reports: General Counsel Ferre stated that he had nothing to report today.

C. Directors Reports: 1) Director Fenn announced that today is his last meeting. He thanked the Board for the opportunity of serving on the Board, and he welcomed the newly elected Board members. Director Fenn reported on the Beaumont Basin Watermaster meeting that was held on December 2nd. He also reported on the Beaumont City Council meeting. President Duncan asked General Manager Eckhart to report on the Cherry Valley Pump Station leak. General Manager Eckhart made a brief report on the leak. He noted that the leak was stopped pretty quickly. DWR thinks that the breach may have been caused during a power-outage restart, where the cap at the end of a pipeline was too thin and the cap was corroded. He noted that there is some erosion at the CVPS property, due to the flowing water. He stated that this is a DWR issue and they are working diligently on it. He mentioned that we should be recharging whenever possible, as issues like this could happen anywhere along the pipeline, which would affect this region.

D. Committee Reports: 1) A written report on the ACWA JPIA Board meeting that was held on November 30, 2020 was provided by **Lenny Stephenson** (former Division 3 Board member). **2) Director Ball** stated that the Capacity Fee Committee has met a number of times during the past four months. The Committee desires to come to the Board for discussion on the option of going back to the legislature to refine the SGPWA Act with sufficient wording to make it clear that the Agency has the capability to collect funds independent of other public agencies in order to secure the water needed. **3) President Duncan** made a change to the Capacity Fee Committee. The name of the Capacity Fee Committee will be changed (effective today) to the Financial Feasibility Meeting Committee; which will continue to be an ad hoc committee. Director Ball will be the Chair of this committee. The committee will have discussions on the capacity fee as well as other areas of financial concern. Director Ball is to meet

with General Manager Eckhart to help him move the committee forward. The other two members of the committee will be Directors Valdivia and Letulle.

6. New Business:

A. Consideration of and Possible Action on USGS Joint Funding Agreement 2020-2021 for the Annual Extension of the Cooperative Water Resources Program. A staff report, Joint Funding Agreement letter from USGS, Joint Funding Agreement 2020-2021, and related materials were included in the agenda packet. General Manager Eckhart noted that the Agency has contracted with USGS since 1995. USGS has completed multiple endeavors for the Agency, including large scale scientific studies, developing groundwater models, developing a monitoring program, installing groundwater-monitoring wells, and undertaking other specific studies to try to increase the body of knowledge, which allows for solid management decisions. The elements of this proposed cooperative agreement consist of:

- Basin Wide Groundwater-Level Monitoring Network
- Basin Wide Groundwater Water Quality Monitoring Network
- Geographic Information System (GIS) support

The fiscal impact for the Agency would be \$149,200, with \$26,200 being matched by USGS for a total of \$175,400 for FFY 2020-2021. The tasks mentioned fall within the Agency’s 2019 Strategic Plan. Staff recommends the execution of a Joint Funding Agreement regarding the annual extension of the Cooperative Water Resources Program between the Agency and USGS for FY 2020-21. President Duncan requested comments from the public. No members of the public commented on this item. President Duncan asked for Board discussion on this item. After discussion, Director Lehtonen made a motion, seconded by Director Fenn, to approve this item. President Duncan requested a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Ball	<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 Letulle	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Valdivia	<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.

B. Consideration and Action to Downsize the Board of Directors of the San Gorgonio Pass Water Agency from 7 to 5 Directors by November 2022 Elections with the Phase-Out of the 2 At Large Director Positions.

A written report by Director Ball was included in the agenda packet. Director Ball reviewed his written report with the Board and the attending public, stating that in anticipation that each person has read the agenda, he would go over facts about it. The SGPWA was instituted and created by the California Legislature as a seven-member board. On the same day that the State Legislature created the SGPWA, they also created Desert Water

Agency with a five-member board. It is unknown what the agenda was in the creation of a seven-member board. Some speculation was that several members of the community, active in promoting the passage by the voters, each wanted a seat at the table. They created a five-member board with divisional seats and then an overlap of a two-member board, which are the At Large positions. He stated that the Agency's seven-member Board is unique in the region. In his opinion, it is redundant and inefficient and has been an unnecessary expense for the past sixty years. He stated that the benefit of downsizing to a five-member board would be a relief to the public of an unnecessary expense. It is also his opinion that the Agency has spent upwards to \$1 million from 1961 to the present date on the two additional At Large members. He reported that he came up with this figure by considering stipends, accommodations for travel, election costs, and conventions and meeting costs. He noted that he did not burden the Agency's Finance Manager with calculating the costs. In his opinion, the Board reduction should have been remedied decades ago, but it has not, and it is left up to someone to bring it to the attention and try to remedy the situation. He believes that a five-member board is sufficient to run a public agency the size of the SGPWA. He stated that Riverside County has five elected supervisors. Director Ball stated that now is an opportune time to reduce the Board, as it will cause a minimal amount of disruption. He understands that change can be difficult to break away from tradition, but change can be healthy and beneficial as it will be in this case. In fact, this Board approved a change in the structure of the Class 8 member agencies on how they left a sitting member on the Delta Conveyance Authority Board of Directors. It was needed, it was more efficient, and common sense ruled among other reasons; so boards can change and do change in its structure. There is a human element in eliminating two seats on any board. It could be difficult to set aside the admiration for the director versus performing the duties of putting first what is best for the people's business, above our own emotions or our own self-serving interest. Due to Director's Fenn resignation, the Board must decide to hold an At Large No. 2 election or appointment for someone to take his place. In all likelihood, we will choose to appoint because of costs and he noted that he has not seen it done any other way in over thirty years. As this Board moves to a five-member board in two years, the new appointee will understand that the seat will sunset and dissolve at the November 2022 election. In the case of the second At Large position, now held by newly elected director Mickey Valdivia, he will serve the two years rather than the four years, at which time the At Large No. 1 seat will also sunset. The three new Board members are used to and experienced in a five-member board. He noted that the meetings will be shorter, and that staff will benefit by having fewer members to oversee, by 30%. Director Ball responded to the public comment suggesting that he has an agenda. He noted that during public comment a comment was made that Director Ball has an agenda. Director Ball stated that he certainly does have an agenda, which is cost containment. There is no hidden agenda on his part. President Duncan requested comments from the public. Members of the public provided public comment as follows:

1. Lonni Granlund (resident of Yucaipa) stated that she agrees with Director Ball, but that she had not requested to speak.

2. Kerri Mariner (resident of Cabazon) stated that she does not agree with what Director Ball is attempting to do. She feels that total representation is needed for all areas.

3. Larry Ellis (Banning Bench Community of Interest) stated that the actual cost would be \$17,000 per year for the two At Large Board members. In his opinion, this is not an extreme amount given the overall budget. The outlying communities have not received any water to date, and have been paying on the SWP since 1961. He feels that this is taxation without representation, and that he was in favor of keeping a seven-member board.

4. Joyce McIntyre (resident of Calimesa) stated that as a resident, she has been paying taxes since 1961. She believes that there was a reason why the legislature mandated a seven-member board. The people covered by the At Large positions need representation. Should the Agency become a five-member board, then how are At Large residents going to be represented? She noted that Director Ball said the cost for the two seats is \$1 million, whereas another person stated that the cost is \$17,000 per year. She is all for saving money, if that would lower the tax rate, but she didn't think it would. Therefore, there is no reason to lower from seven to five members.

5. Michael Thompson (resident of Beaumont) stated that the base pay per Board member is between \$15,000 to \$16,000 per year, which does not include election costs. He believes that election costs are double what a normal divisional seat is. Director Ball may be accurate about the \$1 million figure since 1961. He stated that the SGPWA is covered by divisional directors; there are two At Large positions that are beyond what is needed. It is not taxation without representation because every single division covers the entire boundaries of the Agency. In his opinion, having seven members opens the Agency up to outside entities buying a seat on the Board. He is not in favor of a seven-member board.

6. Julie Hutchinson (Banning Heights Mutual Water Company, Board President) stated that she is contacting the Agency on behalf of the Banning Heights Mutual Water Company Board of Directors regarding their opposition to the proposal to reduce the Board members and phase out the At Large directors. The Banning Heights Mutual Water Company Board of Directors (BHMWC) is concerned with the agenda item today to reduce the Board of Directors of the San Gorgonio Pass Water Agency (SGPWA), and remains opposed to it at this time. The BHMWC Board feels it is important that they express their concerns and reasons for opposition to this action for consideration of the SGPWA Board today. She noted that her Board applauds a Director's concern to be fiscally prudent with tax payer funds; however the letter provided as part of today's agenda does not lay out a comprehensive justification for the change. While there may be a modest cost savings, the document is silent on all the unintended costs that may still remain or actually increase with a five-member board. Our Pass Area continues to see development and associated population increases, and by reducing the Board, it may impact the ability of the remaining members to meet the expected constituent meetings with fair representation. The recent 2020 Census information may also impact our existing division boundaries, and any reorganization without a complete administrative, fiscal,

operational, and legislative representation analysis is premature. She noted that as mentioned in the recent director's reduction proposal, this proposed reduction of directors would require a sponsored bill to be presented in the legislature for this proposed change. Again, further analysis on any impact of opening up the existing Act that created the SGPWA must be fully evaluated. Moving on this type of legislation without a comprehensive study of the actual savings compared to the impacts to the operation and administration will take time, but also may create opportunities for unintended consequences of other changes to this Act without SGPWA Board or adequate public input. As mentioned previously, there are substantial water issues facing the Pass Area and the State as a whole, and it is the opinion of the BHMWC Board that reducing Board members of the SGPWA will significantly dilute the ability of that Board to represent and consider the needs and challenges of all the people that the agency has a responsibility to represent. As a small mutual water company, the BHMWC feels that they would not receive adequate representation, as the workload would quickly overwhelm the SGPWA Board and staff. The demand placed on the SGPWA Board members to attend individual, tribal, regional, and statewide meetings to stay informed and up to date on matters affecting communities and water companies are already taxing the current seven-member Board. A reduction in Board members would place an undue burden on the remaining five members. As an unintended consequence, it is likely that key meetings and interactions with constituents (taxpayers within the Agency's boundaries) from the smaller communities would become a very low priority and representation would be limited or non-existent due to the unmanageable workload. The other concern we have is that potential candidates for the SGPWA Board from the smaller communities will have less of an opportunity to be elected to the Board due to fewer available positions. This will further limit the involvement and representation of all communities and taxpayers in the boundaries of the SGPWA. We have already seen a proposal in 2016 by the larger water agencies in the Pass Area to reduce the SGPWA Board and take control of all the seats on the Board. Either proposal would further diminish the voice of all those who are supposed to be represented. It is also estimated that this change in the Board will save a small amount (about \$50,000 annually) of taxpayer money on elections, but the trade-off is less representation of all the taxpayers. That small amount of savings is not worth excluding or limiting the ability or responsibility of the Board of the SGPWA to represent all people in their boundaries. There are other cost-saving measures that can be taken to save this small amount of money for an Agency of this size and budget. In our opinion, it is not a valid cost-savings argument to support this change. The SGPWA has been a long-standing part of the Pass communities and their seven-member Board has served these rural and urban communities and the public well. In fact, the SGPWA has provided leadership, support, guidance, and networking for all the water agencies and the public. As an example, for more than twenty years, the SGPWA has been instrumental in helping our community and the City of Banning protect its more than 100-year-old flume and valid water rights. The recent Apple Fire has further complicated these efforts. The support and partnership of the SGPWA Board and staff, City of Banning, and BHMWC has been invaluable in helping to navigate the federal processes with the Federal Energy Regulatory Commission, United States Forest Service, and Southern California Edison, to protect our water source to the benefit of the whole region. This is an example of good government and the public is the beneficiary of those collaborative efforts. In closing, the BHMWC is opposed to any effort to reduce the Board of Directors of the San Gorgonio Pass Water Agency as highlighted in this

letter. There remains concern that the legislative process and proposed changes would have a significant impact on the representation of the public and our community. We believe this proposed change in the SGPWA Board could influence the regional water perspective due to limited coverage and lack of representation. With the water issues we continue to face, any distraction from collaboration, planning for storage, recharge, alternative sources, and most importantly, balancing sustainability and conservation with future growth will have serious impacts for us all. We encourage the Board of Directors to consider the timing, justification, and value of this recommendation to reduce the Board, as it is not necessary now and would have serious adverse impacts on the representation of the public.

7. John Covington (Beaumont/Cherry Valley Water District, President of the Board) stated that the topic on the agenda today has been discussed since 2011. In 2015 and 2016, it was sponsored by Director Ball. From what he recalls, SB 1378 was pulled by Senator Morrell because he felt that this bill had undisclosed underlying issues, none of which were about saving money, but appeared to be politically motivated, and for those reasons, that bill and his support were relinquished. Moving forward in that same year, in May of 2016 he (John) came to a Board meeting and proposed some cost-saving measures, which would help the Board reduce some of the Board costs on an annual basis. To date, he has yet to see any of those cost-saving measures on an agenda. He questioned if this was really about cost savings. In May of 2016, BCVWD (which he is representing today as a single board member, and as the Board President) sent a letter of support to reduce the SGPWA Board to a five-member board; looking back at that effort, that was embarrassing for our District. He opposed that action then and he opposes it today. There is no comprehensive analysis as to why the SGPWA Board should be reduced from seven members to five members. As he recalls, BHMWC, South Mesa Water Company and Cabazon Water District sent letters in opposition to this action, which did not sit well with Senator Morrell and his staff. At the same time this was going on in 2016, there was movement by others to diminish the Agency as a whole. In his opinion, this is not about money, but is politically motivated. President Covington noted that Director Ball stated in his report that he provided in today's agenda, that the size of the Agency's Board is an anomaly and that there are no other public agencies in the area that have a seven-member board including cities, water districts, libraries and school districts. President Covington noted that the Agency should not be categorized with those public agencies, as the Agency is not even a water district, the San Gorgonio Pass Water Agency is a State Water Contractor (SWC). He stated that across the state 50% of SWC have five-member boards, 48% have seven-member boards, and the remaining 2% have agencies that sit on their board. In closing, he failed to see how this has anything to do about money.

8. Diana Morris (resident of Cabazon) stated that she is opposed to this action. She noted that she pays over \$1,000 per year on the debt service charge. As a resident she deserves representation; taking that away is not okay.

9. Daniela Andrade (resident of Banning) stated that she opposes going from a seven-member board of directors to a five-member board of directors. She stated that the report given does not justify, as the money is not an issue and not a good enough reason to take away representation. The City of Banning does not have enough representation. She was concerned about silencing the

citizen's vote and voices. She questioned why this item is being discussed after the November 2020 election. She mentioned other means of saving money. She asked the Board to listen to the people and that this is not something that should be done.

10. David Armstrong (South Mesa Water Co., General Manager) stated that he agreed with Julie Hutchinson, Calvin Louie and John Covington. He recalled some of what played out the last time there was an agenda item to reduce the size of the Board. He stated that there was an attempt to dissolve the Agency, bringing in three new board members and appointing two general managers, one from Yucaipa Valley Water District and one from Beaumont Cherry Valley Water District. The current Board has done a great job. South Mesa Water Company strongly suggests not changing the Board structure.

11. Lonni Granlund (a resident of Yucaipa) stated that everyone in the district has representation for someone; this is a second representation. She does not know of any other water districts that have two board members to represent every voter. In her opinion there is no need for two as it is a redundancy.

12. Daniela Andrade (resident of Banning) clarified that she is not confused about districting; however the areas that are smaller may not have ample representation. Her perception is that because someone does not like the person who is elected, after two years he wants to kick him off the Board. She wants the At Large position to stay in order to have additional representation.

13. Joyce McIntyre (resident of Calimesa) questioned if everybody in the Agency's area has representation from the five divisional Board members.

14. Calvin Louie (resident of Cabazon) stated that in February 2012, former General Manager Davis stated that unless the resolution was unanimously approved, a bill is not likely to pass at the state level. Therefore, all the costs to present this to the legislature would be wasted.

15. John Covington (Beaumont/Cherry Valley Water District, President of the Board) provided examples of how the Board could save money by cutting the number of Board meetings.

President Duncan requested Board discussion on this item. Director Fenn provided background information on his appointment to the Board. When he was appointed to the Board, he was informed that a decision had been made prior to his appointment that the Board would be reduced from seven to five members. Once this was brought up again in 2016, there was a motion to carry on that effort, of which he abstained. There was a new vote to discontinue the effort, which passed. He asked Director Ball what might be different this time, and speculated if it would go further through the committee. He stated that he felt that Director Ball is transparent and has always had the mindset that the Board should consist of only five members. He asked President Duncan if he could vote last on this issue. Director Lehtonen stated that Director Ball generally has proven to have the motivation to try to save the taxpayer money whenever he can. Director Lehtonen stated that he does have an issue with the \$1 million dollar figure. He would rather see somebody do a little bit of work before a figure like this gets thrown around. His guess would be \$500,000 or less, but prefers to have it validated in some form. The cost of the two directors now is about one-third of one percent of the annual budget. His main comment is on the legislative aspect of the bill. Director Lehtonen noted that he was a

registered lobbyist in Sacramento for over twenty years. He stated that the cost to hire a lobbyist to get a simple bill sent to the legislature would be \$60,000, although it could be more or it could be less. There is also an extra added burden on staff for filing lobbyist employer statements or the cost of hiring someone to do it. The most critical thing is that when a bill is sent up to the California Legislature, we have to hope that somebody doesn't decide that our bill is important enough that they can take it and do whatever they want. You could want a five-member board and end up with a fifteen-member board. Director Lehtonen noted that this Board has had some big issues to vote on that were decided by a 4-3 vote, those issues would have been different at 3-2. He believes that seven people are needed on these important issues that the Agency faces. He stated that he would urge a no vote on this issue. Director Letulle stated that this is not a small matter. He has a few concerns with this item, the first one being the timing of presenting this issue on the heels of a recent election. The second is the lack of specific data. The third is a balanced perspective, as the report is one-sided. For those reasons he is not in favor of this. Director Smith stated that he appreciated all the public comments. He stated that at this juncture, he does not feel that there is enough information to move this forward for an up or down vote. Perhaps an ad hoc committee is needed to vet this item more fully. He stated that he agrees with the premise, but believes that there are facts missing that he would need to secure a vote that he feels comfortable with. Director Valdivia thanked the public for their comments. Director Valdivia requested an Agency map to be displayed. He noted that the concerns from the public relate to the lack of representation. Four of the five divisions fall within the City of Beaumont and three of the five divisions fall within the City of Banning. The gist of what the public is saying is that leaves them with only one vote, unless someone in the At Large position supports the things that those voters are pushing for. While there is representation, sometimes there is not enough representation to push something through. For the residents in Cabazon, that only leaves them with one vote, unless someone in an At Large capacity supports them for things that they are pushing for. He noted that the two previous At Large Board members resided in Beaumont. The premise of the argument is cost containment. He is not convinced that there is a tremendous cost-savings measure. He stated that he is concerned about the written report given by Director Ball. This report can be construed as a personal agenda item or a conservative agenda item. Director Valdivia noted the recent fiscal actions of a 2.4% COLA, at the same time for four years in a row property taxes were lowered. We have a contract with a consultant in the amount of \$50,000 for the Delta Conveyance Project, and other expenditures. He noted that the Agency is not in fiscal triage. He found it hard to support the fact that this is a cost-containment effort. In his opinion, if this fails, and we generally feel that the public wants to support this, this should be a ballot initiative. Regarding the comment made about Riverside County having a five-member board, Riverside County has 22,000 employees to execute the will of the five-member Board. Not once did he hear from his constituents that the SGPWA Board should be downsized. What he did hear a lot was why there are so many meetings. There are cost-saving measures that can be introduced. This is not a cost containment issue that is well supported. He stated that he will not be supporting this. In the future I hope that if we bring

something forward that it is more thoroughly vetted with staff's opinion. President Duncan stated that six of the seven water districts he spoke to said "no," to downsizing the board, with the exception was Yucaipa Valley Water District. President Duncan detailed the cost of an elected At Large seat, stating that typically speaking it is \$80,000 for an election cycle; that's \$20,000 each year of the election. For the last ten years of the election cycle for the At Large seats, the cost has been \$3,525, just to put it on the ballot. However, we have not put anything on the ballot because either the Board member ran unopposed or it was an appointed position. The actual payroll amount for a director is \$18,658.50, including medical reimbursement. This does not include fees that a director can incur for education. The past two attempts to reduce the Board have failed as a result of the legislature saying "no," because they didn't want to put this forward, as too many of the people that we represent said "no." Senator Morrell killed the bill for two reasons: 1) There was a recommendation to dissolve the Board of Directors and to put in its place a five-member volunteer board, and 2) Senator Morrell did not want to put the bill on the floor of the Senate, as it would be a waste of time and money if it did not pass. He stated that if there is not a 100% consensus, it would probably not make it out of committee. President Duncan stated that he spoke to Senator Ochoa-Bogh about this matter. She did not give an opinion, but requested a copy of the minutes. As far as getting a new At Large director, the Agency will run an ad in the newspaper and post a Notice of Vacancy at three different public locations. If we do not appoint someone within sixty days the Riverside County Supervisors will appoint someone. He stated that he echoes the sentiments of the speakers that it is a "no" on this item. Director Ball stated that he understands that most people making public comments that opposed this item live within President Duncan's division. This is an issue of redundancy and inefficiencies. He stated that he is after good government, that he is fiscally responsible and that this has nothing to do with anything else. He is concerned about Board seats being bought and by going down to a five-member board; it's much harder to find one citizen in the 20,000 population base to do their bidding. Concerning reducing the number of Board meetings, he stated that we need an ad hoc committee for finances, we do not need seven people for a fifteen minute meeting at \$250 per meeting. Concerning representation in the Act, he states that we should divide the boundaries in five equal areas as best as possible, we will take the center of the district and make a pie from the center, or whatever it takes. He noted that seven directors with four employees is top-heavy. If we wish to stay a seven-member board, why do we not collectively as directors reduce our pay per day and ease the burden on the public. He is in favor of good governance and he believes that a five-member board is the way to go. Regarding Director Smith's comment wanting more vetting, Director Ball would certainly be in favor of having an ad hoc committee vet this more. Director Ball concluded by saying he wished to withdraw his motion at the present time. President Duncan referred the request to Legal Counsel. Legal Counsel Ferre stated that the item is on the agenda for all Board members to consider. The Board can either take an action to approve, take an action not to approve, or not take any action. Director Ball asked to table the item. Legal Counsel Ferre stated that a motion to table would mean that it would not come back unless the Board voted to bring it back. President

Duncan requested a second. There being none, the motion failed. Director Valdivia made a motion to not approve Agenda item 6B, seconded by President Duncan. President Duncan noted that there are a number of State Water Contractor Boards that have seven board members and that we are not unique. Director Smith called for the question. President Duncan requested 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 Fenn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Letulle	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Valdivia	<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 5-1-1, with Director Ball opposed, Director Fenn abstaining.

7. Topics for Future Agendas: No future agendas items were requested at this time.

8. Announcements:

- A. Cancelled - Water Conservation and Education Committee - December 9, 2020 at 1:30 p.m.
- B. Engineering Workshop December 14, 2020 at 1:30 p.m. via Teleconference/Zoom
- C. Regular Board Meeting, December 21, 2020 at 1:30 p.m. via Teleconference/Zoom
- D. Office closed December 24, 2020 in observance of Christmas Eve
- E. Office closed December 25, 2020 in observance of Christmas Day

9. Adjournment

Time: 4:29 p.m.



Lance Eckhart, Secretary of the Board

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