

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
March 15, 2021

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, THIS MEETING WAS HELD VIA ZOOM.

Board Present: Steve Lehtonen, President
Board members Larry Smith, Vice President
Attended by video Mickey Valdivia, Treasurer
conferencing/ Blair Ball, Director
teleconferencing Ron Duncan, Director
Chander Letulle, Director
Robert Ybarra, Director

Staff Present: Lance Eckhart, General Manager
Staff members Thomas Todd, Finance Manager
attended by video Cheryle Stiff, Executive Assistant
conferencing/ Jeff Ferre, Legal 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 Lehtonen at 1:30 p.m., March 15, 2021 by video/teleconference. Director Ball led the Pledge of Allegiance to the flag. Director Ybarra gave the invocation. President Lehtonen requested a roll call.

<u>Roll Call:</u>	<i>Present</i>	<i>Absent</i>
Director Ball	☒	☐
Director Duncan	☒	☐
Director Letulle	☒	☐
Director Smith	☒	☐
Director Valdivia	☒	☐
Director Ybarra	☒	☐
President Lehtonen	☒	☐

A quorum was present.

2. **Adoption and Adjustment of Agenda:** President Lehtonen announced that item B of the agenda has been changed to item A, and that item A has been changed to item B. There were no other adjustments to the agenda.
3. **Public Comment:** President Lehtonen asked for public comments on any matter within the jurisdiction of the Agency. There was no public comment at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, March 1, 2021
 - B. Approval of the Engineering Workshop Report, March 8, 2021

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

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

Motion passed 7-0.

5. Reports:

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

1) General Manager Eckhart informed the Board that the Banning Chamber of Commerce sent an invitation to the Board to attend its annual installation dinner. Tickets are available at an individual price, or the Board could sponsor a table with various options of sponsorship. After discussion, the Board decided to authorize the General Manager participate in some form of sponsorship for the event.

B. General Counsel Reports: None.

6. New Business:

A. Discussion and Possible Action to Contract with Public Financial Management (PFM): President Lehtonen referred this item to General Manager Eckhart. General Manager Eckhart stated that this item was discussed at the February 22nd Finance and Budget workshop. He provided background information which was outlined in the Staff Report. During the February 22nd meeting, the Board recommended further consideration, including a proposed agreement. He stated that staff is looking for a recommendation from the Board that would authorize staff to enter into an agreement with PFM. General Manager Eckhart introduced Sarah Meacham and Richard Babbe. Ms. Meacham stated that they approach all engagements as a fiduciary responsibility to the client, as this is a contractual part of PFM's requirements as a registered investment advisor with the Securities and Exchange Commission. This means that PFM acts in the best interest of the client, which is PFM's standard for practice. Ms. Meacham answered questions from the Board. The Board expressed concerns about how the monies would be invested and asked for more information including types of investments for public funds, and possibly testimony from some of PFM's clients. Ms. Meacham stated she has two hours of webinars available on the CAMP website, which includes education

on the investments types allowed for public agencies by the California Government Code. Another webinar is an introduction to investments for public agencies called Investments 101; both webinars would be beneficial to the Board. Ms. Meacham offered to provide the same information at another board meeting. President Lehtonen stated that the Board will follow-up with the information provided and asked PFM to come back at a future Board meeting in April.

- B. 2020 Wholesale Urban Water Management Plan (UWMP) Update – Presentation by Gwyn-Mohr Tully (Tully & Young):** General Manager Eckhart introduced Gwyn-Mohr Tully and Greg Young of Tully & Young, and also Sarah Foley of Best Best & Krieger. General Manger Eckhart stated that this is not only a planning document, but it is also a legal document. He provided background information on the UWMP Act, information on what is an UWMP, and why the region is now collaborating in the UWMP process. General Manager Eckhart turned the discussion over to Mr. Tully. Mr. Tully stated that these documents have legal significance. He stated that this is a foundational document for land-use planning, as you cannot have development without a good foundational UWMP. Mr. Tully provided in-depth detail on the UWMP process and the Agency’s role. The UWMP public hearing will need to take place May 2021. The UWMP will need to be submitted to DWR by July 2021. Mr. Tully concluded his presentation and answered questions from the Board.

7. Reports - Directors:

A. Directors Reports:

- 1) **Director Smith** reported that he attended YVWD’s meeting, Beaumont’s Collaborative meeting, and BCVWD’s meeting.
- 2) **Director Valdivia** reported that he attended Beaumont’s Collaborative Agency’s meeting.

B. Committee Reports:

- 1) **Director Duncan** stated that he will be calling a Recharge Facilities Committee meeting soon. The next Water Conservation and Education Committee meeting will be held on April 14th.
- 2) **Director Ybarra** reported that he attended a BCVWD Board meeting and he also attended an ACWA Legislative webinar on SB222 & SB223.

8. Topics for Future Agendas. None.

9. Announcements:

- A. Finance & Budget Workshop, March 22, 2021 at 1:30 p.m. – Teleconference/Zoom
- B. Regular Board Meeting, April 5, 2021 at 1:30 p.m. – Teleconference/Zoom
- C. Engineering Workshop, April 12, 2021 at 1:30 p.m. – Teleconference/Zoom

10. Adjournment: President Lehtonen adjourned the meeting at 4:07 p.m.

Draft - Subject to Board Approval

Lance Eckhart, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
March 22, 2021

In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor's Executive Order N-29-20, this meeting was held via Zoom.

Directors Present via Zoom:

Steve Lehtonen, President
Mickey Valdivia, Treasurer
Blair Ball, Director (joined at 1:37 pm)
Ron Duncan, Director
Chander Letulle, Director
Larry Smith, Director
Robert Ybarra, Director

Staff and Consultants Present via Zoom:

Lance Eckhart, General Manager
Tom Todd, Jr., Finance Manager
Lauren Demine, Raftelis Consultants

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget Workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Treasurer and Chair Mickey Valdivia at 1:30 pm, March 22, 2021. Chair Valdivia led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as posted.
3. **Public Comment:** Treasurer Valdivia asked if anyone connected to the meeting wished to make a comment. Joyce McIntyre asked that the Agency meetings not be moved from Mondays.
4. **New Business:**
 - A. Lauren Demine of Raftelis Consultants made a presentation about the financial model being developed for the Agency. She reviewed information about Raftelis, including their experience, their plan and some of their clients. Then, she showed a progress version of the financial model for the Agency and demonstrated how the Dashboard tab could work by adjusting the water rate. She and staff answered general questions about the model.

Items B, C, D and E were discussed as a group:

- B. Ratification of Paid Invoices and Monthly Payroll for February, 2021 by Reviewing Check History Reports in Detail: The Board reviewed paid monthly invoices of \$2,972,103.24 and payroll of \$41,462.59 for the month of February, 2021, for a combined total of \$3,013,565.83.
- C. Review Pending Legal Invoices: The Board reviewed the pending legal invoice for February, 2021 for \$10,566.90.

- D. Review of February, 2021 Bank Reconciliation: The Board reviewed the bank reconciliation for February, 2021.
- E. Budget Report for February, 2021: The Board reviewed the Budget Report for February, 2021,

A motion was made by Director Smith, seconded by Director Duncan, to recommend that the Board approve items B and C, and accept items D and E as presented. Chair Valdivia requested a roll call vote:

Roll Call	Ayes	Noes	Abstain	Absent
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<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"/>
Director Ybarra	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion passed, 7 in favor, 0 opposed.

- 5. **Announcements:** Treasurer Valdivia reviewed the announcements:
 - A. Regular Board meeting, April 5, 2021, 1:30 pm – Zoom/Teleconference
 - B. Engineering Workshop, April 12, 2021, 1:30 pm – Zoom/Teleconference
- 6. **Adjournment:** The Finance and Budget Workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 2:34 pm.

Draft - Not
Approved

Lance E. Eckhart, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mikey Valdivia

The Finance and Budget Workshop was held on March 22, 2021. The following recommendations were made:

1. The Board approve payment of Invoices of \$2,972,103.24 and Payroll of \$41,462.59 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for February, 2021 for a combined total of \$3,013,565.83.

2. The Board approve payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$10,566.90
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3. The Board accept the following:
 - A. Wells Fargo bank reconciliation for February, 2021
 - B. Budget Report for February, 2021