

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
May 3, 2021, 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,
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 Tom Todd, Jr., Finance Manager
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 Lehtonen at 1:30 pm, May 3, 2021, by video/teleconference. Vice President Smith led the Pledge of Allegiance to the flag. Director Ball 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 asked if there were any adjustments to the agenda. General Manager Eckhart responded, stating that there was no adjustment to the agenda.
- 3. Public Comment:** President Lehtonen asked for public comments on any matter within the Agency's jurisdiction. Joyce McIntire (resident of Yucaipa Valley) voice her opinion on the Agency's website. General Manager Eckhart noted her comments. There were no other public comments currently at this time.

4. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, April 5, 2021
- B. Approval for the Minutes of the Finance and Budget Workshop, April 12, 2021

President Lehtonen asked for a motion on the Consent Calendar. Director Ball made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Director Valdivia noted item 8. A-2 of the April 19, 2021 Board minutes is to reflect evaluation instead of valuation. The motion passed with the noted revision.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Abstain</i>
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) Water transfer deals with the County of Ventura and are moving forward through their Water Commission.
 - 2) SB 559 – The State Water Resiliency Act of 2021 – was approved by the Senate Natural Resources and Water Committee. Senator Hurtado's bill to repair and restore SWP and CVP infrastructure will allocate \$785 million to repair vital water delivery systems that provide drinking water to communities throughout California and water to sustain the state's leading agricultural economy.
 - 3) SB 914 – The Drinking Water and Wastewater Infrastructure Act of 2021 was passed by the Senate on a bipartisan 89-2 vote. This bill will authorize the investment of more than \$35 billion in drinking water and wastewater infrastructure projects across the country that focus on upgrading aging infrastructure, addressing the threat of climate change to water systems, investing in new technologies, and providing assistance for marginalized communities.
 - 4) Review of State Water Resources Control Board letter dated 4/30/2021, which addresses compliance with water rights requirements in the Bay-Delta Watershed. A copy of this letter will be submitted to the Board. Director Valdivia asked for General Counsel Ferre's interruption of the letter received from the SWRCB at a future board meeting.

5) Carryover Water – The State is asking SWC to consider holding onto carryover water.

B. General Counsel’s Report: General Counsel Ferre stated that he had nothing to report today.

6. New Business:

A. Voluntary Agreement and Delta Regulations: A PowerPoint presentation was included in the agenda packet. General Manager Eckhart reviewed with the Board Delta Regulations, current permits, regulatory updates, and the Voluntary Agreements framework. He also reviewed with the Board the State Board Water Quality Control Plan and its different phases. General Manager Eckhart stated that refinements to the State’s Framework continue as well as ongoing discussions with the State. President Lehtonen opened this item for public comment. There being none, President Lehtonen opened this item up to discussion with Board and Staff.

B. Contract with PFM Asset Management LLC (PFMAM): A staff report and a copy of PFM Letter Agreement were included with the agenda. General Manager Eckhart introduced Sarah Meacham (Managing Director – PFMAM). He turned this item over to Finance Manager Thomas Todd. Mr. Todd noted that the Board has considered the possibility of contracting with a professional financial manager to take over some of the duties that he has done in the past. The pros of hiring a professional financial investment firm would allow access to a broader range of financial management tools, thereby maximizing returns and provide better fiscal administration. President Lehtonen opened this item for public comment. There being none, President Lehtonen opened this item up to discussion with Board and Staff. After discussion, the Board requested a change in the Investment Policy prior to signing a contract with PFM. The revision to the Investment Policy will be considered along with the proposed contract by PFM at the May 24, 2021 Board meeting.

7. Unfinished Business:

A. Agency Meeting Times: A PowerPoint presentation was included with the agenda. General Manager Eckhart noted that this is an ongoing item for Board consideration. He provided the Board with three options on proposed Agency meeting dates and times. General Manager Eckhart concluded his presentation. President Lehtonen requested public comment. Joyce McIntire (resident of Yucaipa) suggested keeping the meeting on Mondays. President Lehtonen requested discussion from the Board. After discussion, President Lehtonen made a motion, seconded by Director Smith to approve option 1. Director Letulle made a substitute motion, seconded by Director Ball to approve option 2. President Lehtonen requested a roll call vote on the substitute motion.

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

Motion passed 4-3, with Directors Duncan, Smith, and President Lehtonen opposed. General Counsel Ferre stated that this item will be brought back to the Board for consideration by a board resolution.

8. Reports – Directors

A. None

B. Committee Reports:

1) Director Ball stated he would be scheduling the Financial Feasibility Committee within the next couple of weeks.

- 9. Topics for Future Agendas: Director Ball:** **1)** Noted that he had difficulty locating the agenda on the Agency’s website. He suggested putting a link for the agendas on the home page. **2)** He also noted that the website does have a section to submit a public comment. It asks for the individual’s name, email address, and city of residence; he felt that this was inappropriate. He asked legal counsel to follow up on this and confirm whether this is allowable under the Brown Act. **3)** Director Ball suggested that the home page include a link to the public comment page. **4)** Director Ball requested a presentation on the SGPWA Act. **General Counsel Ferre** stated that items 1 and 3 could be acted upon separately from topics for future agendas. Item 2, he will address during a General Counsel report. Item 4 will be listed as a future agenda item. **Director Duncan:** **1)** Requested discussion on when the Agency will bring back in-person Board meetings. **2)** He requested that the agenda packet be listed on the Agency’s website for meeting materials. **Director Valdivia:** **1)** Director Valdivia stated that he is pleased with the current format of the website. **2)** He would like to know if the Agency can sell water to other than the current seven water retailers and if the Agency can sell water to the private sector. **3)** In regard to in-person meetings, he suggested that we conduct a hybrid opportunity for people to attend the meetings. **4)** He requested discussion of extending the SWP pipeline to the Banning area. **Director Letulle:** **1)** Requested discussion on grant consulting services or grant staffing.

10. Announcements

- A. Engineering Workshop, May 10, 2021 at 1:30 p.m..
- B. Regular Board Meeting, May 17, 2021 at 1:30 p.m. – rescheduled to May 24, at 1:30 p.m. - Teleconference/Zoom
- C. Rescheduled Regular Board Meeting and Finance and Budget Workshop, May 24, 2021 at 1:30 p.m.

11. Adjournment: President Lehtonen adjourned the meeting at 3:39 pm

A handwritten signature in black ink, appearing to read "Lance Eckhart", written over a horizontal line.

Lance Eckhart, Secretary of the Board

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