

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
May 24, 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 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 24, 2021 by video/teleconference. President Lehtonen led the Pledge of Allegiance to the flag. Director Letulle gave the invocation. President Lehtonen requested a roll call.

<u>Roll Call:</u>	Present	Absent
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<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"/>
Director Ybarra	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

- 2. Adoption and Adjustment of Agenda:** President Lehtonen noted that 7A will be moved to directly after Item 3 - Public Comment.
- 3. Public Comment:** President Lehtonen asked for public comments on any matter within the jurisdiction of the Agency. There were no members of the public that wished to speak at this time.

7. New Business:

A. 2020 Regional Urban Water Management Plan (UWMP): A staff report and a copy of the Draft 2020 Regional UWMP Draft were included in the agenda packet. General Manager Eckhart presented the administrative review draft of the 2020 Regional UWMP. On August 17th, the Board authorized contracting with Tully & Young to prepare the plan. The Agency has been working with the stakeholders since October 2020 on a regular basis. UWMPs are prepared by urban water suppliers every five years. These plans support long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. General Manager Eckhart explained the process and then introduced Gwyn-Mohr Tully and Greg Young from Tully & Young and Sarah Foley with Best, Best & Krieger. Ms. Foley informed the Board that BB&K's goal is to make sure that the plan that the Agency adopts is not subject to legal challenge. She stated that the plan is a tool for broad decision-making and must be supported by evidence. The audience for this plan is the public, water retailers, and land-use decision-making entities. Mr. Tully spoke in detail on the draft 2020 UWMP. He asked the Board to review the UWMP document as it will be discussed in the upcoming June 7th Board meeting. General Manager Eckhart requested the Board to submit to him written comments on the UWMP by June 1st. He noted that the public review draft will be presented at the June 7th Board meeting. The Board will be asked to approve the plan at the Board meeting on June 21st. President Lehtonen requested comments from the public. There being none, he requested comments and discussion from the Board. After discussion, President Lehtonen thanked the consultants for their participation.

4. Consent Calendar:

- A. Approval of the Minutes of the Regular Board Meeting, May 3, 2021
- B. Approval for the Minutes of the Engineering Workshop, May 10, 2021

President Lehtonen asked for a motion on the Consent Calendar. Director Duncan made a motion, seconded by Director Valdivia, to adopt the consent calendar as presented.

<u>Roll Call:</u>	Aye	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 reviewed the following items with the Board:

- 1) Letter from SWRCB to DWR dated 4/30/2021 regarding water right requirements in the Bay-Delta Watershed.
- 2) Response letter from DWR to SWRCB dated 5/17/2021.

General Manager Eckhart answered questions from the Board about the letters.

B. General Counsel's Report: General Counsel Ferre stated that there were several questions pertaining to the Brown Act during a previous board meeting. Regarding a direct link to the agenda on the Agency's website and requirements for public comments, he stated that the Agency is in full compliance. President Lehtonen asked for public comment on both reports. There were no public comments.

6. Old Business:

A. Ordinance No. 16 – Changing Meeting Times and Dates: General Manager Eckhart noted that Ordinance No. 16 will replace Ordinance No. 12. He reviewed the draft Ordinance with the Board. President Lehtonen requested a motion from the Board. Director Ball made a motion, seconded by Director Duncan, to combine both Board workshops into one meeting to be held on the second Thursday of each month at 6:00 pm. President Lehtonen opened this item up for discussion with the Board. After discussion from the Board, President Lehtonen opened this item up for public comment. Joyce McIntire's preference was to keep the meetings on Mondays. There were no other public comments. Discussion ensued by the Board. Director Duncan withdrew his motion. President Lehtonen asked if there was any other board member that wished to second the motion that is on the floor. The motion died for lack of a second. Director Duncan made a motion, seconded by Director Valdivia, to combine the Finance and Budget workshop and the Engineering workshop into one meeting held on the second Monday of the month. Regular Board meetings to be held on the first and third Monday of the month, all meetings to be held at 1:30 pm. Director Letulle made a substitute motion, seconded by Director Ball, to make the noted changes to Ordinance No. 16 – Section 3, read as follows: Regular meetings of the Board shall convene at 1:30 pm on the first and fourth Monday each month. Section 4 – Meetings of the Board of Directors Combined Engineering and Finance/Budget Workshop shall convene at 6:00 pm on the third Monday of each month. After discussion, Director Letulle made a change to the substitute motion, seconded by Director Valdivia, Ordinance No. 16 – Section 3 is to read as follows: Regular meetings of the Board shall convene at 1:30 pm on the second and fourth Monday each month. Section 4 is to read as follows – Meetings of the Board of Directors Combined Engineering and Finance/Budget Workshop shall convene at 6:00 pm on the third Monday of each month. President Lehtonen requested a roll call vote on the motion.

<u>Roll Call:</u>	Aye	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.

- B. Revision to Board Committees:** President Lehtonen stated that the changes to the Board Committees were announced at the last Engineering workshop. Today's action is to receive and file these changes. Director Valdivia made a motion, seconded by Director Ball, to receive and file the changes. President Lehtonen asked for public comment. There being none, President Lehtonen requested a roll call vote.

<u>Roll Call:</u>	Aye	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.

7. New Business:

- B. Approval of the Revised Board Investment Policy:** A staff report and Resolution No. 2021-07 were included in the agenda packet. General Manager Eckhart stated that staff recommends Board approval of the updated Agency Investment Policy, Resolution 2021-07, and Board authorization for the General Manager to enter into an agreement with PFM Asset Management for investment management advice and education (Agenda Item 7.C). Finance Manager Todd noted that the changes to the former Investment Policy are highlighted in yellow. The changes allow the Agency to contract with PFM if it so desires. President Lehtonen requested public comment. There being none, President Lehtonen opened this item for Board discussion. After discussion, Director Letulle made a motion, seconded by Director Valdivia, to approve Resolution No. 2021-07. President Letulle requested a roll call vote.

<u>Roll Call:</u>	Aye	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.

- C. Contract with PFM Asset Management LLC (PFMAM):** A staff report and a copy of the contract with PFM were included in the agenda packet. President Lehtonen requested comments from the public. There being none, he opened this item for Board discussion. After discussion, Director Valdivia made a motion, seconded by Director Duncan, to authorize the General Manager to enter into an agreement with PFMAM. President Lehtonen requested a roll call vote.

<u>Roll Call:</u>	Aye	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.

- D. Naming of Beaumont Avenue Recharge Facility:** Director Duncan, Chair of the Recharge Facility Review Committee, stated that the Committee met and discussed this item. The Committee is recommending that the new name for the recharge facility be the San Gorgonio Recharge Facility at Brookside. President Lehtonen requested public comments. There being none, he opened this item for Board discussion. After discussion, Director Duncan made a motion, seconded by Director Valdivia, to name the recharge facility the San Gorgonio Recharge Facility at Brookside. President Lehtonen requested a roll call vote.

<u>Roll Call:</u>	Aye	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.			

8. A. Reports - Directors:

- 1) **Director Ball** reported that he attended the BCVWD Board meeting held on May 12th.
- 2) **Director Duncan** reported that he attended the Banning Chamber Breakfast.
- 3) **Director Valdivia** reported that he is halfway through meeting with the Agency's water retailers.
- 4) **Director Smith** reported that he attended the Banning Chamber Breakfast and Beaumont Chamber Breakfast.

B. Committee Reports:

- 1) **Director Duncan** asked that the Recharge Facility Review Committee be dissolved at President Lehtonen's discretion. President Lehtonen stated that he would take Director Duncan's comment under advisement.

9. Topics for Future Agendas. None.

10. Finance and Budget Workshop

New Business:

The meeting was turned over to Treasurer Mickey Valdivia at 3:08 pm. Items A-D were discussed as a group:

A. Ratification of Paid Invoices and Monthly Payroll for April, 2021 by Reviewing Check History Reports in Detail: The Board reviewed paid monthly invoices of \$1,647,828.71 and payroll of \$41,463.81 for the month of April, 2021, for a combined total of \$1,689,292.52.

B. Review Pending Legal Invoices: The Board reviewed the pending legal invoice for April, 2021 for \$12,043.65.

C. Review of April, 2021 Bank Reconciliation: The Board reviewed the bank reconciliation for April, 2021.

D. Budget Report for April, 2021: The Board reviewed the Budget Report for April, 2021.

A motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board approve Items A and B, and accept Items C and D as presented. Treasurer 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.

E. Overview of Significant Items – General Fund Budget FY 2021-22: A PowerPoint presentation was included in the agenda packet. General Manager Eckhart reviewed the presentation of significant items that will appear in the proposed budget for the coming fiscal year 2021-22. The budget will be presented to the Board at the meeting scheduled for June 7, 2021.

11. Announcements

- A. Office closed Monday, May 31, 2021, in observance of Memorial Day
- B. Regular Board Meeting, June 7, 2021, at 1:30 pm.
- C. Engineering Workshop, June 14, 2021, at 1:30 pm.

President Lehtonen announced that the Board will go into Closed Session at 4:00 pm.

Adjourned to Closed Session:

Time: 4:00 p.m.

12. Closed Session: (1 item) –

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 – One potential case

- **The Board came out of closed session at - Time: 5:38 p.m.**

General Counsel Jeff Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

13. Adjournment: President Lehtonen adjourned the meeting at 5:38 p.m.