

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Engineering Workshop
July 19, 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
Larry Smith, Vice President
Mickey Valdivia, Treasurer
Blair Ball, Director
Ron Duncan, Director
Chander Letulle, Director
Robert Ybarra, Director

Staff and Consultants - Present via Zoom:

Lance Eckhart, General Manager
Jeffry Ferre, Legal Counsel
Tom Todd, Jr., Chief Financial Officer
Cheryle Stiff, Executive Assistant

- 1. Call to Order, Flag Salute and Roll Call:** The Finance and Engineering Workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Vice President Smith at 6:00 p.m., July 19, 2021. General Manager Eckhart led the Pledge of Allegiance to the flag. Vice President Smith provided the invocation. Vice President Smith requested a roll call.

<u>Roll Call:</u>	<i>Present</i>	<i>Absent</i>
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:** The agenda was adopted as posted.
- 3. Public Comment:** Vice President Smith asked if anyone connected to the meeting wished to make a comment; no members of the public requested to speak at this time.

4. New Business: Vice President Smith turned the meeting over to Treasurer Valdivia to conduct the Finance portion of the agenda, Items 4A – 4G. Treasurer Valdivia noted that Items 4A – 4C will be discussed collectively, and items 4D through 4I will be discussed individually.

- A. Ratification of Paid Invoices and Monthly Payroll for June, 2021 by Reviewing Check History Reports in Detail: The Board reviewed paid monthly invoices of \$1,071,606.70 and payroll of \$47,219.83 for the month of June, 2021, for a combined total of \$1,118,826.53.
- B. Review Pending Legal Invoices: The Board reviewed the pending legal invoice for June, 2021 for \$9,241.90.
- C. Review of June, 2021 Bank Reconciliation: The Board reviewed the bank reconciliation for June, 2021.

After discussion, a motion was made by Director Duncan, seconded by Director Ball, to recommend that the Board approve items A, B, and accept C 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.

- D. Review of Budget Report for June, 2021: The Board reviewed the Budget Report for June, 2021.

After discussion, a motion was made by Vice President Smith, seconded by Director Duncan, to recommend that the Board accept item 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. Review of Cash Reconciliation Report for June, 2021: The Board reviewed the Cash Reconciliation Report for June, 2021.

After discussion, a motion was made by Director Ball, seconded by Director Letulle, to recommend that the Board accept item E 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.

- F. Review of Reserve Allocation Report for June, 2021: The Board reviewed the Reserve Allocation Report for June, 2021.

After discussion, a motion was made by Treasurer Valdivia, seconded by Vice President Smith, to recommend that the Board approve item F 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.

- G. Review of Investment Report for June, 2021: The Board reviewed the Investment Report for June, 2021.

After discussion, a motion was made by Director Letulle, seconded by Director Ball, to recommend that the Board approve item G 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.

- H. Review of Proposed Debt Service Fund Budget for FY 2021-22: The Board reviewed the Proposed Debt Service Fund Budget for FY 2021-22.

After discussion, a motion was made by Director Duncan, seconded by Treasurer Valdivia, to recommend that the Board approve item G 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.

- I. Review of Proposed Revised Credit Card Policy: General Manager Eckhart and Chief Financial Officer Todd explained the purpose of issuing an Agency credit card to the CFO. The Board reviewed the proposed revisions to the Credit Card Policy.

After discussion, Director Ball made a motion to review the issuance of credit cards to Directors. A motion was made by Director Letulle, seconded by Vice President Smith, to recommend that the Board approve item I 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.

5. **A. Reports - Staff: Water Conditions Update:** General Manager Eckhart reported that California is still in a dry weather pattern. He does not foresee the weather pattern changing anytime soon. He noted that deliveries should resume in the last quarter of 2021. **Return of In-person Board meetings:** General Manager Eckhart asked for Board input on when they wished to resume in-person Board meetings. General Counsel Ferre noted that the Governor's Executive Order expires on September 30th. He clarified the possible options under the Executive Order. General Manager Eckhart provided different options of holding board meetings before and

after September 30th. Several Board members noted that the Board may want to delay resuming in-person meetings until the end of September, and after Staff has consulted with a contractor about upgrading the board room.

6. **A. Sites Update:** General Manager Eckhart discussed the history of the proposed Sites Reservoir. He noted that this has been discussed for many decades, as far back as 1957. He reviewed the actual and forecasted cost share. He described the benefits of Sites and the projected water deliveries once Sites is completed. He then reviewed the amount that has been invested by the Agency and by BCVWD, and the payment schedule for future payments. He also reviewed the Sites Reservoir Project Schedule. General Manager Eckhart responded to questions asked by the Board. Director Letulle was concerned about the project, stating that he needed more detailed information. General Manager Eckhart addressed Director Letulle's concern. Treasurer Valdivia recommended a joint workshop with BCVWD. Treasurer Valdivia then requested public comment. General Manager Jaggars (BCVWD) stated that the Sites Reservoir project is critical to the region. He described Sites Reservoir as a generational opportunity. He continued by saying he does not see any other source of supply for the region, other than transfers and buying water from agriculture entities, who most likely do not have the water to sell. He noted that SGMA is going to create a tremendous management issue for areas in central and northern California. Sites Reservoir will be a statewide resource to help bolster the water supply. He also said that BCVWD's Ad-hoc committee has discussed having a joint workshop with SGPWA on the project. Treasurer Valdivia requested any further comments from the public. No other members of the public wished to comment.

Treasurer Valdivia read the following announcements:

7. Announcements:

- A. Board Meeting, July 26, 2021, at 1:30 p.m. - Teleconference/Zoom
- B. Board Meeting, August 9, 2021, at 1:30 p.m. - Teleconference/Zoom
- C. Water Conservation & Education Committee Meeting, August 10, 2021 at 1:30 p.m. - Teleconference/Zoom

8. **Adjournment:** The Finance and Engineering Workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 8:03 p.m.



Lance E. Eckhart, Secretary of the Board

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