

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
October 25, 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., Chief Financial Officer
attended by video Cheryle Stiff, Executive Assistant
conferencing/ Jeff Ferre, Legal Counsel
teleconferencing Stephanie Smith (BB&K – Director of Election Services)

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The San Gorgonio Pass Water Agency Board of Directors meeting was called to order by Board President Steve Lehtonen at 1:30 pm, October 25, 2021, by video/teleconference. President Lehtonen led the Pledge of Allegiance to the flag. Director Valdivia gave the invocation. President Lehtonen requested a roll call.

<u>Roll Call:</u>	Present	Absent	
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arrived at 1:50 p.m.
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 published.
3. **Public Comment:** President Lehtonen asked for public comment on any matter within the jurisdiction of the Agency. There was no public comment.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, October 11, 2021
 - B. Approval for the Minutes of the Finance & Engineering Workshop, October 18, 2021

President Lehtonen asked for a motion to approve the Consent Calendar. Director Smith made a motion to approve the consent calendar. Director Duncan seconded the motion. President Lehtonen requested a roll call vote.

Roll Call	Ayes	Noes	Abstain	Absent
Director Ball	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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, 6-0-1, with Director Ball absent.

5. Reports:

A. General Manager's Report: General Manager Eckhart updated the Board on progress achieved with the Backbone Pipeline. Mr. Eckhart described discussions that have taken place about a Backbone Pipeline and other local facilities. Mr. Eckhart reviewed the previous 2005 study, grant potential, costs, and the October 2021 Backbone Water System Feasibility Study. The goal for a completed study is March 2022. Mr. Eckhart will make a presentation to Banning's City Council meeting about the Backbone Pipeline. Mr. Eckhart answered questions from the Board. Director Valdivia requested that Tripoint be included in the conversations.

B. Legal Counsel's Report: Redistricting Kick-off - Legal Counsel Ferre noted that today's meeting is being conducted under AB 361. He introduced Stephanie Smith (BB&K – Director of Election Services), who specializes in the process of redistricting. Ms. Smith has extensive experience in election issues and is spearheading the Agency's redistricting. Ms. Smith explained the process and answered questions from the Board. She noted that the Election Code requires: 1) population balance, and 2) compliance with the U.S. Constitution and the California Election Code. Agencies holding an election on Nov. 8, 2022 must adopt their maps no later than April 17, 2022. She concluded her presentation.

6. New Business:

A. Audited Financial Statements for FY 2020-21: The Audited Financial Statements for FYE 6/30/2021 and 6/30/2020 were included in the agenda packet. President Lehtonen introduced Eden C. Casareno (Eadie & Payne), who presented the Independent Auditor's Report and other communications required by government auditing standards. She noted that in Eadie & Payne's opinion, the financial statements are presented fairly in accordance with GAAP. There were no material weaknesses; no corrected or uncorrected misstatements; and there were no disagreements with management. Ms. Casareno reviewed the Statements of Net Position

Summary for FYE 6/30/2021 and FYE 6/30/2020. She also reviewed the Statements of Revenues, Expenses and Changes in Net Position Summary. She concluded her presentation and answered questions from the Board. President Lehtonen requested public comment. There was no public comment. Director Valdivia made a motion to receive and file the Audited Financial Statements for FY 2020-21. Director Duncan seconded the motion. President Lehtonen 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, 7-0.

- B. Amendment to Contract with Jeff Davis, as Retired Annuitant, Regarding Extension of Term:** A staff report, and a First Amendment to the Davis Limited-Term Appointment Agreement were included in the agenda packet. Mr. Eckhart reminded the Board that Mr. Davis' contract ends 12/31/2021. He also informed the Board that Mr. Davis is the Chairperson for the Sites Reservoir Committee; his term ends 2/28/2022. He stated that Mr. Davis was allocated \$50k for his term of service and currently has a remaining balance around \$22k. Extending his contract would not incur any additional costs to the Agency. Director Valdivia requested that a presentation from Mr. Davis be given on Sites Reservoir at a future Board meeting. After discussion, Director Duncan made a motion to approve the First Amendment to the Limited-Term Appointment Agreement with Mr. Jeff Davis to extend his contract for consulting services through February 28, 2022. Director Ybarra seconded the motion. President Lehtonen request public comment. Jim Tickemyer spoke. President Lehtonen 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, 7-0.

- C. Consideration of New Staff Position:** A staff report and related materials were included in the agenda packet. Mr. Eckhart cited the previous

discussions and action taken by the Board to allow for an additional staff member. He noted that today's action is to adopt a change to the Organization Chart. After discussion, Director Duncan made a motion to adopt a change to the Organization Chart to include the position of Senior Water Resources Specialist/Geologist/Engineer and authorize the General Manager to advertise and recruit to fill the position. Director Ybarra seconded the motion. President Lehtonen requested public comment. There was no public comment. He requested comment from the Board. There was no additional discussion. President Lehtonen 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, 7-0.

7. **A. Reports – Directors and Committee:** 1) Director Ball noted that the Financial Feasibility Committee will be meeting November 2nd. He reported on the BCVWD meeting that he attended. 2) Director Valdivia noted that the 2021 ACWA Fall Conference is scheduled from November 1st through December 2nd. He stated that he attended the Local Capital Improvement Committee meeting and the Water Conservation and Education Committee meeting. 3) Director Duncan reported on the Water Conservation and Education Committee meeting. 4) Director Ybarra reported that he attended the Water Conservation and Education Committee and he reported on the Local Capital Improvement Committee meeting. 5) Director Smith reported on the BCVWD meeting and the Banning State of the City event.

8. **Topics for Future Agendas.** Director Valdivia requested: 1) a presentation from Mr. Davis on Sites Reservoir project, and 2) a review of the CalPERS lifetime employee medical health benefit. Director Ball requested a report on how the Agency's K-rails held up during the recent rains.

9. **Announcements:** (Director Ybarra announced meetings not related to the Agency meetings). President Lehtonen made the following announcements:
 - A. Regular Board meeting, November 8, 2021, at 1:30 p.m.
- Teleconference/Zoom
 - B. Office closed in observance of Veteran's Day, November 11, 2021
 - C. Finance and Engineering Workshop, November 15, 2021, at 6:00 p.m.
- Teleconference/Zoom

President Lehtonen adjourned the meeting to Closed Session at 3:31 pm.

10. 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 adjourned from closed session at 3:56 p.m.
- The Board reconvened to open session at 3:57 p.m.

Legal Counsel Jeff Ferre stated that the Board conducted the closed session for Item 10 (A) and there was no reportable action.

11. Adjournment: President Lehtonen adjourned the meeting at 3:58 p.m.

Draft - Subject to Board Approval

Lance Eckhart, Secretary of the Board

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