

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the Board of Directors
Special Board Meeting, Finance and Engineering Workshop
December 20, 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

Consultants Present: Jeff Davis

- 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 6:00 p.m., December 20, 2021, by video/teleconference. President Lehtonen led the Pledge of Allegiance to the flag. Director Duncan 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:** 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. Reports:

- A. General Manager's Report:** Water Conditions Update: General Manager Eckhart reported on the following: Weather & Reservoir Conditions, Forecasted Hydrologic Conditions, Water Debt, 2021 Requests, 2021 Deliveries, and 2022 Requests.
- B. Legal Counsel's Report: None.**

5. New Business: President Lehtonen turned the meeting over to Treasurer Valdivia. Treasurer Valdivia reviewed Agenda items 5. A-C. Agenda item 5. D was discussed separately.

- A. Ratification of Paid Invoices and Monthly Payroll for November, 2021 by Reviewing Check History Reports in Detail: The Board reviewed paid monthly invoices of \$1,286,433.58 and payroll of \$47,267.42 for the month of November, 2021, for a combined total of \$1,333,701.00.
- B. Review of November, 2021 Bank Reconciliation: The Board reviewed the bank reconciliation for November, 2021.
- C. Review of Budget Report for November, 2021: The Board reviewed the budget report for November, 2021.

Treasurer Valdivia requested public comment; there was none. Treasurer Valdivia requested Board comment. After discussion, Treasurer Valdivia requested a motion on items 5. A-C. Vice President Smith made a motion, seconded by Director Duncan, to accept items A, B, and 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 7-0.

- D. Review of Pending Legal Invoices for November 2021: The Board reviewed the pending legal invoice for November, 2021 for amount of \$6,800.74.

Treasurer Valdivia requested public comment; there was none. Treasurer Valdivia requested Board comment. Treasurer Valdivia requested a motion on item 5. D. Director Duncan made a motion, seconded by Treasurer Valdivia, to approve payment of the legal invoice. 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 7-0.

6. New Business:

A. Sites Report: President Lehtonen turned this item over to Mr. Eckhart. Mr. Eckhart presented a short video (Build Sites Now via YouTube) that supports the project. After the video, Mr. Eckhart introduced Jeff Davis. Mr. Davis has been working very hard behind the scenes with the Sites Committee, speaking to various appointed secretaries of the State of California that deal with resource management decisions. Mr. Davis noted that he has been working very closely with just about everyone in the video, who are all working to move the project forward. Mr. Davis spoke on the governance of the project. The Sites Authority was created by an Act of the legislature in 2010. There is also a Reservoir Committee, which consists of the investors in the project. The Committee includes 23 separate water agencies from around the State. A few of the water agencies are members of both the Authority and the Reservoir Committee. SGPWA became a member of the Reservoir Committee in 2016. The Agency is the third-largest investor at about 8.5% of the total storage of the project. Metropolitan is the largest investor, and SBVMWD is the second-largest investor. Mr. Davis reviewed the various aspects of his involvement in the project. His primary focus has been negotiating with the State of California regarding an amendment to the Water Supply Contract. This is a complex issue, and the process to resolve the various concerns has been complex. He noted there is still more work to be done and that others will need to finish the process. The rest of his time has been spent on various management issues related to his role as Vice-Chair and Chair of the Reservoir Committee, specifically, planning agendas, meetings with the executive director, legislative issues, federal funding, outreach, and legislative issues. He concluded his presentation and answered questions from the Board. President Lehtonen thanked

Mr. Davis for his service and for joining the meeting today to speak to the Board.

- B. Sites Reservoir Project – Third Amendment to the 2019 Reservoir Project Agreement:** A staff report and the Third Amendment to the 2019 Reservoir Project Agreement were included in the agenda packet. Mr. Eckhart explained that the total estimated cost of Amendment 3 for the Agency will not exceed \$4 million, based on a 10,000 AF share of participation. The Agency’s total participation cost to date is \$2,085,000. This does not include BCVWD participation. President Lehtonen asked for public comment. President Lehtonen asked for Board comment. After discussion, Director Smith made a motion, seconded by President Lehtonen, authorizing the General Manager to execute the Third Amendment to the 2019 Reservoir Project Agreement by and among Sites Project Authority and the Project Agreement Members Listed Herein, Dated as of January 1, 2022. 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. Real Estate Purchase APN No. 411-150-027:** A staff report and a Contract for Purchase and Sale of APN No. 411-150-027 were included in the agenda packet. Mr. Eckhart noted that the Yucaipa Groundwater Sustainability Plan has identified the need for recharge in the Calimesa Groundwater Basin. The Agency has no recharge capability within the Basin at this time. A piece of property within the City of Calimesa has been identified as a potentially suitable location for Basin recharge. The purchase price of the property is \$2,350,000. The Agency would use funds from the General Fund Budget for the purchase. Mr. Eckhart noted that John Boyd, Special Counsel for the Agency, is participating in the meeting today to answer any questions related to the purchase of the property. President Lehtonen requested Board comment. After discussion, President Lehtonen asked for public comment. Members of the public who spoke favorably about the project included Joe Zoba (General Manager YVWD) by a message sent to Mr. Eckhart, Lonnie Granlund (YVWD), Nyles O’Harra (YVWD), Joyce McIntire (YVWD) and Kevin Walton. After further discussion, Director Smith made a motion,

seconded by President Lehtonen, authorizing the General Manager to execute the contract to purchase parcel APN No. 411-150-027. 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. Announcements:

- A. Office closed December 24th and December 27th, in observance of the Christmas Holiday
- B. Canceled: Regular Board Meeting, December 27, 2021
- C. Office closed December 30th and December 31st in observance of the New Year's Holiday
- D. San Geronio Pass Subbasin (Verbenia) Groundwater Sustainability Agency Special Meeting, January 11, 2022 at 10:00 a.m. – Teleconference/Zoom
- E. San Geronio Pass Subbasin - Groundwater Sustainability Agency Special Meeting, January 12, 2022 at 10:00 a.m. – Teleconference/Zoom

President Lehtonen adjourned to closed session: Time: 7:49 p.m.

8. Closed Session: (2 items)

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: Legal Counsel
- B. 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

President Lehtonen reconvened to Open Session: Time: 9:21 p.m.

General Counsel Ferre reported that the Board considered the matters listed on the agenda. No action was taken that is reportable under the Brown Act.

9. Adjournment: President Lehtonen adjourned the meeting at 9:22 p.m.



Lance Eckhart, Secretary of the Board