

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Engineering Workshop**  
**May 16, 2022**

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:** Larry Smith, President  
All participants Mickey Valdivia, Vice President  
attended by video Blair Ball, Director  
conferencing/ Ron Duncan, Director  
teleconferencing Kevin Walton, Director  
Robert Ybarra, Director

**Board Absent:** Chander Letulle, Treasurer

**Staff Present:** Lance Eckhart, General Manager  
Tom Todd, Jr., Chief Financial Officer  
Cheryle Stiff, Executive Assistant

**Consultants Present:** Jeff Ferre, Legal Counsel

- 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 Valdivia at 6:00 p.m., May 16, 2022. Vice President Valdivia led the Pledge of Allegiance to the flag. Director Walton gave the invocation. Vice President Valdivia requested a roll call.

<b><u>Roll Call:</u></b>	<b><i>Present</i></b>	<b><i>Absent</i></b>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Treasurer Letulle	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President Valdivia	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ybarra	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Walton	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

- 2. Adoption and Adjustment of Agenda**  
Vice President Valdivia requested a reordering of the agenda items. The agenda was adopted with the requested changes.

### **3. Public Comment**

Vice President Valdivia asked for public comment on any matter within the Agency's jurisdiction. Nyles O'Harra (YVWD Board Member) provided public comment. There was no other public comment.

### **4. Reports**

**A. General Manager's Report:** General Manager Eckhart provided a brief update on the water conditions for the region, noting that conditions are dry and will stay dry throughout the summer.

### **5. New Business Finance & Budget**

**A. PFM Economic Outlook Update**  
(Sara Meacham and Richard Babbe) Mr. Babbe provided a Market update for the Quarter Ending March 31, 2022. Ms. Meacham provided a review of the Agency's Portfolio Performance for the Quarter Ending March 31, 2022. Both Mr. Babbe and Ms. Meacham answered questions from the Board. Vice President Valdivia requested public comment. There was none.

### **6. New Business Engineering**

**A. Conjunctive Use Project Plan (CUPP)**  
Mr. Eckhart informed the Board that the Agency has been discussing the concept of a local storage account with San Bernardino Valley Municipal Water District (SBVMWD) and Yucaipa Valley Water District (YVWD) for the last several years. The ability to bank water is an essential aspect of the Agency's growing water portfolio that needs to be further development. The CUPP could help with storage by utilizing the 2018 SBVMWD/Agency Surplus Water Sale Agreement. A study to consider impacts to the basin needs to be completed. Geoscience, Inc. has been selected by SBVMWD to complete the study, and SBVMWD will manage the contract. The cost is \$178,396 and will be equally divided by the participating Agencies. The Agency's cost will be \$59,645. Staff requests the Board to approve the contract at a future Regular Board meeting. Mr. Eckhart answered questions from the Board. Vice President Valdivia requested public comment. There was none. It was the consensus of the Board to consider this item at the next Board meeting.

**B. Calimesa Multi-Benefit Recharge Facility Design**  
Mr. Eckhart provided background and analysis of the Project. He informed the Board that the Calimesa Multi-Benefit Recharge Facility design requires additional work. A proposal from LEC to perform design/entitlement work for the Project at a cost not to exceed \$190,000 was included in the agenda packet. Staff requests the Board to approve the LEC proposal at a future Regular Board meeting. Mr. Eckhart answered questions from the Board. Vice President Valdivia requested public comment. Joyce McIntire (YVWD Board Member) provided public comment. After discussion, it was the consensus of the Board to consider this item at the next Board meeting.

## 5. New Business Finance and Budget

### B. Proposed General Fund Budget FY 2022-23

Mr. Eckhart made a presentation about significant items that are being included in the proposed General Fund Budget for FY 2022-23. Mr. Todd reviewed the Draft General Fund and Consigned Fund Budget for FY 2022-23, and the additions to income, expenditures, and changes in reserves. Mr. Eckhart asked for Board input. The Board provide input, and Mr. Eckhart and Mr. Todd responded. Vice President Valdivia requested public comment. There was none. After discussion, it was the consensus of the Board to consider this item at the next Board meeting.

### C. Cost of Living Increase (COLA) FY 2022-23

Mr. Eckhart noted the attached Bureau of Labor Statistics press release about the Cost Price Index (CPI) in the Inland Empire. Mr. Todd provided background information on the process of reviewing the COLA. The main purposes for the COLA is to encourage employee retention and to maintain competitive salary levels to attract new employees. The Agency reviews the Bureau of Labor Statistics statistical data annually for the statistical area of Riverside-San Bernardino-Ontario from March of the previous year to March of the current year. Over the last 12 months, the Consumer Price Index increased 10.0%. If approved by the Board, the COLA for staff would become effective on July 1<sup>st</sup>. Vice President Valdivia requested public comment. Nyles O’Harra (YVWD Board Member) provided public comment. The Board discussed this item. It was the consensus of the Board to recommend approval of a 10.0% increase for staff at the next regular Board meeting, to be effective July 1, 2022.

Vice President Valdivia stated that earlier today he reviewed the documentation provided by Staff for items 5. D-G.

D. Ratification of Paid Invoices and Monthly Payroll for April 2022: The Board reviewed paid monthly invoices of \$1,160,537.04 and payroll of \$42,155.72 for April 2022 for a combined total of \$1,202,692.76.

E. Review of April 2022 Bank Reconciliation: The Board reviewed the bank reconciliation and asked clarifying questions.

F. Review of Budget Report for April 2022: Mr. Todd reviewed the Budget Report. Vice President Valdivia asked for clarifying questions from the Board. After discussion, Vice President Valdivia requested a motion. Director Duncan made a motion to recommend that the Board accept items 5. D-F at the next regular Board meeting. Director Walton seconded the motion. Vice President Valdivia requested public comment. There was none. Vice President Valdivia requested a roll call vote.

<b>Roll Call</b>	<b>Ayes</b>	<b>Noes</b>	<b>Abstain</b>	<b>Absent</b>
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"/>
Treasurer Letulle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President Valdivia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Walton	<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 Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion passed 6-0, with Director Letulle absent.

G. Review of Pending Legal Invoices for April 2022: Vice President Valdivia requested public comment. There was none. Vice President Valdivia asked for Board comment. There was none. Director Ybarra made a motion to recommend that the Board approve payment of the legal invoice in the amount of \$14,164.86 at the next regular Board meeting. Director Walton seconded the motion. Vice President Valdivia requested a roll call vote.

<b>Roll Call</b>	<b>Ayes</b>	<b>Noes</b>	<b>Abstain</b>	<b>Absent</b>
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"/>
Treasurer Letulle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President Valdivia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Walton	<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 Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion passed 6-0, with Director Letulle absent.

H. Audit Process Update: Mr. Todd explained the process of hiring a new Audit Firm for the Agency. He noted that he submitted requests for proposals and three firms have responded. Staff will review the proposals and provide a recommendation to the Board. FY 2021-22 will be the first year audited by the new firm.

**7. Announcements**

Vice President Valdivia reviewed the following announcements:

- A. Regular Board Meeting, May 23, 2022, at 1:30 p.m. – Teleconference/Zoom
- B. Office closed May 30, 2022 in observance of Memorial Day
- C. Regular Board Meeting, June 13, 2022, at 1:30 p.m. – Teleconference/Zoom

Additional Announcements: Bay Delta Tour – May 17 thru May 20, 2022, Inland Empire Solar Challenge – May 20 thru May 22, 2022

**10. Closed Session – (1 Item)**

**A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957

Title: General Manager

**B. CONFERENCE WITH LABOR NEGOTIATOR**

Pursuant to Government Code Section 54957.6

Agency Designated Representative: President Larry Smith

Unrepresented Employee: General Manager Lance Eckhart

The Board recessed at 9:31 p.m.

The Board convened to closed session at 9:36 p.m.

The Board adjourned from closed session at 10:20 p.m.

Due to technical difficulties with the virtual technology, the Board was deemed to have adjourned from closed session into open session and to have adjourned the meeting, with no reportable action, at 10:30 p.m.

**11. Adjournment**

President Smith adjourned the meeting at 10:30 p.m.

***Draft – Subject to Board Approval***

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Lance Eckhart, Secretary of the Board

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