

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the Board of Directors
December 4, 2023

THIS MEETING WAS HELD IN PERSON,
WITH PUBLIC AVAILABILITY PROVIDED VIA ZOOM.

Board Present

In person

Larry Smith, President
Mickey Valdivia, Vice President
Chander Letulle, Treasurer
Robert Ybarra, Secretary
Dr. Blair M Ball, Director
Ron Duncan, Director
Kevin Walton, Director

Staff Present

In person

Lance Eckhart, General Manager
Tom Todd, Jr., Chief Financial Officer
Emmett Campbell, Sr. Water Resources Planner
Matt Howard, Operations Manager
Scott Tirrell, Finance Assistant

Consultants Present

In person

Jeff Ferre, Legal Counsel

Via teleconference

Synthia Gunzel, Legal Counsel

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 President Larry Smith at 1:30 p.m. on December 4, 2023. President Smith led the Pledge of Allegiance to the flag. Mr. Letulle gave the invocation. President Smith requested a roll call.

<i>Roll Call</i>	<i>Present</i>	<i>Absent</i>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/> (arrived at 1:36 p.m.)
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Treasurer Letulle	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President Valdivia	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Secretary 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. Adjustment and Adoption of Agenda

The agenda was adopted as published.

3. Public Comment

None.

4. Consent Calendar

- A. Approval of the Minutes of the Regular Board Meeting, November 6, 2023
- B. Approval of the Minutes of the Regular Board Meeting, November 20, 2023

Mr. Letulle moved, seconded by Mr. Ybarra, to approve the consent calendar. President Smith requested a roll call vote.

The motion passed 6-0, with Dr. Blair Ball not yet arrived.

5. Reports

A. General Manager's Report

Mr. Eckhart reported on the following:

1. Introduction of Scott Tirrell. Mr. Tirrell is a part-time employee who assists in the Finance Department.
2. Met with the Beaumont City Manager, Elizabeth Gibbs, and BCVWD General Manager, Dan Jaggars, to discuss recycled water.
3. Attended the 2023 ACWA Fall Conference. Discussed the Delta Tunnel and AVEK banking arrangement for a regional water bank that involves Class 8 members.
4. Planning an update on the water portfolio strategic plan with Zanjero; an offsite workshop is planned for January 29th.
5. DWR will present a ceremonial check on January 8th for the grant SGPWA has been awarded for monitoring wells.
6. SGPWA is planning a holiday get-together with refreshments on December 18th from 5 to 6 p.m. The regular board meeting will begin at 6:00 p.m.
7. The SGPWA office will be closed during the holidays.

B. Legal Counsel's Report

Mr. Ferre discussed AB 334 (introduced by Assembly Member Blanca Rubio) relating to contracts and public officials.

6. Informational Presentations

A. 2024 Water Portfolio Update

Mr. Campbell began his presentation by informing the Board that 19,000 acre-feet has been recharged in the region to date. The Agency hopes to deliver 20,000 acre-feet by the end of the year. Only 60% of the allocated Table A for 2023 is expected to be delivered statewide. The remaining 40% would be classified as "Unused Table A." DWR has notified State Water Contractors that the initial Table A allocation for 2024 is 10%, which is conservative. Agency water deliveries are estimated to be over 24,000 acre-feet for 2024. Mr. Campbell reviewed the conservation conditions related to flood control for reservoirs throughout the state. Mr. Eckhart spoke on the CLAWA exchange agreement.

B. Zanjero Contract Extension

The Procurement Policy requires the General Manager to notify the Board concerning various contracts and extensions. Zanjero is contracted with the Agency to develop a Water Supply Portfolio Plan. Zanjero is nearly done with the plan, but additional work is scheduled before it is presented to the Board. The

6. Informational Presentations (con't.)

contract extension is for \$20,000. Mr. Valdivia requested that items such as this be included in the consent calendar in the future for efficiency.

C. Discussion of 2024 Officers

Mr. Ferre opened the discussion about the timing of the election of officers for 2024. The Agency’s statute under the Special Act Section 101-11 states that at its first meeting in the month of January of each even-numbered year, the Board of Directors shall choose one of its members as president, and another of its members as vice president. The Board has also passed an additional resolution to elect officers in the other years. He noted that the Board can have a discussion now about who the officers might be for the new year, but cannot make an official decision at this time. The Board discussed the possibility of a slate for the 2024 officers.

7. New Business – Discussion and Possible Action

A. Review and Update of Procurement Policy

Mr. Todd stated that the Procurement Policy provides the framework that allows Staff to complete financial activities. The Procurement Policy outlines how to handle financial activities that fall outside the realm of “day-to-day.” Mr. Todd provided a summary of the provisions of the current Procurement Policy. He summarized the provisions of the proposed updated Procurement Policy. He noted that the Procurement Policy has not been changed for 15 years. A chart was provided that outlined the policies and procedures. After discussion, Mr. Eckhart suggested that this item be presented to the Finance and Budget Committee for further discussion, and then presented for Board consideration at a future meeting. The item was tabled without objection.

B. Cost-of-Living Adjustment (COLA) for FY 2023-24

Mr. Eckhart stated that on May 22, 2023, the Board authorized a 2.3% COLA for Staff effective July 1, 2023, and agreed to consider an additional 2.3% at the year’s end. After discussion, Mr. Valdivia moved, seconded by President Smith, to authorize a 2.3% cost-of-living adjustment for Staff, retroactive to July 1, 2023. President Smith requested a roll call vote.

<i>Roll Call</i>	<i>Ayes</i>	<i>Noes</i>	<i>Abstain</i>	<i>Absent</i>
Director Ball	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President Valdivia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secretary Ybarra	<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"/>
President Smith	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The motion passed 6-1, with Mr. Ball opposed.

C. Non-Profit Next Steps: Name and Purpose

Mr. Ferre reminded the Board that it authorized Staff and Legal Counsel to proceed with forming a nonprofit. Some decisions need to be made for the formation of a nonprofit. The Board provided the following direction:

- The nonprofit will be called the PWA Foundation.
- The nonprofit's purpose as related to the proposed answers is as follows: (a) requires further input from the Board. The proposed answers (b) – (d) did not meet with objection.
- The nonprofit will be governed by the Board. After discussion, the Board gave Mr. Ferre direction on the language of the governance of the nonprofit.
- The annual gross receipts of the nonprofit are not expected to exceed \$50,000 in any of the next three (3) years. Mr. Ferre will get more information on this item.
- Based on input from the Board, a final draft will be provided at a future Board meeting for consideration.

D. Ad-Hoc Committee American Rescue Plan Act (ARPA) Funding

Mr. Eckhart provided background information on ARPA funds. Meetings have occurred with the Riverside County Supervisor, Yxstian Gutierrez, regarding supporting some programs the Agency is considering. Mr. Ferre recommended forming an ad hoc committee to attend meetings and bring information back to the Board. Mr. Eckhart suggested that President Smith consider forming an ad hoc committee. President Smith named Mr. Valdivia, Mr. Walton, and himself as members of the ARPA Ad Hoc Committee.

8. Reports - Directors and Committee Reports

Director Duncan:

- Cabazon Water District Board Meeting
- Chamber Breakfast
- YVWD Board Meeting
- 2023 ACWA Fall Conference

Director Letulle:

- 2023 ACWA Fall Conference

Vice President Valdivia reported on:

- Collaborative Agencies Committee Meeting - November
- 2023 ACWA Fall Conference
- Chamber Breakfasts
- YVWD Board Meeting
- BCVWD Board Meeting

Director Walton:

- Sites Reservoir Committee
- 2023 ACWA Fall Conference

8. Reports - Directors and Committee Reports (con't.)

Director Ybarra:

- 2023 ACWA Fall Conference

President Smith:

- 2023 ACWA Fall Conference

President Smith responded to concerns that there is not enough Southern California representation at ACWA conferences and suggested petitioning ACWA for a Southern California Caucus.

9. Topics for Future Agendas

Mr. Ball requested a discussion on a policy concerning vandalism.

10. Announcements

President Smith reviewed the following announcements:

- A. Water Conservation & Education Committee Meeting, December 12, 2023 at 1:30 p.m.
- B. Finance & Budget Committee Meeting, December 14, 2023 at 9:00 a.m.
- C. Banning Winter Wonderland, December 16, 2023 from 10:00 a.m. to 3:00 p.m. IERCD is representing the Agency and will have a booth at this event.
- D. Winter Soiree, December 18, 2023 from 5:00 to 6:00 p.m.
- E. Regular Board Meeting, December 18, 2023 at 6:00 p.m.
- F. The office will be closed in observance of Christmas and New Year's Holidays, December 25th – 29th, 2023. The office will re-open on January 2, 2024.

Mr. Todd requested that reimbursement reports be submitted no later than noon on December 12th and pay requests be submitted no later than 8 a.m. on December 18th for year-end processing. The last payroll deposit will be on December 20th.

11. Adjournment

President Smith adjourned the meeting at 3:40 p.m.

Draft – Subject to Board Approval

Robert Ybarra, Secretary of the Board

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