

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the Board of Directors
February 5, 2024

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

Board Present: Chander Letulle, Vice President
In person Robert Ybarra, Treasurer
Kevin Walton, Secretary
Blair M Ball, Director
Larry Smith, Director

Board Present: Ron Duncan, Director
By videoconference

Board Absent: Mickey Valdivia, President

Staff Present: Lance Eckhart, General Manager
Present in person Tom Todd, Jr., Chief Financial Officer
Cheryle Stiff, Executive Assistant
Emmett Campbell, Sr. Water Resources Planner
Matt Howard, Operations Manager

Consultants Present: Jeffry Ferre, Legal Counsel
In person

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 Vice President Chander Letulle at 1:30 p.m., February 5, 2024. Legal counsel explained that since the Governor had declared a State of Emergency due to the “early February 2024 storms,” the provisions of Government Code Section 54953(e)(1)(B) could be utilized to permit virtual participation by Board members. Director Ron Duncan requested to attend virtually. The Board determined that due to the proclaimed state of emergency, and the ongoing storms, there were imminent risks to health and safety for Board members seeking to attend the meeting in person and that Board members could attend virtually. Mr. Walton moved, seconded by Mr. Smith, to permit Mr. Duncan to attend virtually. The motion passed, 6-0, with President Valdivia absent. Vice President Letulle led the Pledge of Allegiance to the flag. Mr. Walton gave the invocation. Vice President Letulle requested a roll call.

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

A quorum was present.

2. Adoption and Adjustment of Agenda

The agenda was adopted as published.

3. Public Comment

Public comment was provided by Joyce McIntyre (Board Member, YVWD).

4. Consent Calendar

A. Approval of the Minutes of the Board Meeting, January 22, 2024. Mr. Duncan moved, seconded by Mr. Ball, to approve the consent calendar.

The motion passed 6-0, with President Valdivia absent.

5. Reports

A. General Manager's Report: Mr. Eckhart reported on the following:

1. WaterSMART Turf Grant, recipient Solara Community located in Beaumont.
2. Senator Ochoa Bogh's Infrastructure Roundtable event was held on January 26th. Mr. Eckhart participated in the panel discussion.
3. Update on Executive Assistant employment search.

B. Legal Counsel's Report: Mr. Ferre reported on AB 480 regarding the disposition of surplus land.

6. Informational

A. Water Portfolio Update

Mr. Campbell presented an update on the Agency's Water Portfolio, which included a recap of the 2023 Water Portfolio, the statewide allocated Table A delivered in 2023, and the outlook for 2024. Mr. Smith proposed that future reports include saltwater intrusion data. Mr. Dan Jagers (BCVWD, General Manager) provided public comment.

B. Mid-Year Budget Review FY 2023-24

Mr. Todd presented the Mid-Year Budget Review for FY 2023-24. He stated that this is a six-month review. The General Fund expenditure level is 25% of the projected budget, income received is 20%. The Debt Service Fund expenditure level is 58% of the projected budget, and income is 64%. Mr. Todd provided a detailed report on the following items:

1. Unrestricted Funds – General Fund Revenue and Expenditures
2. Unrestricted Funds – Consigned State Water Project Fund
3. Restricted Funds – Debt Service Fund Revenue and Expenditures
4. Gap Funding Program
5. Adjustments – General Fund

Mr. Todd informed the Board that the Finance and Budget Committee will review the adjustments at the meeting on February 20.

C. Budget Presentation Update

Mr. Eckhart noted that there has been discussion on future budget presentations. Staff reviewed practices of a number of other State Water Contactors related to budgets. The goal is to provide a budget that is informative, transparent, and easy to understand. Staff put together some elements that will accomplish this goal. The presentation is a draft showing how the proposed elements fit together. Staff will be presenting the budget for FY 2024-25 to the Finance and Budget Committee first, for discussion and input, before presenting the budget to the Board. Mr. Smith suggested keeping pie charts for the budget. He also suggested a report on legal updates related to projections of exposure and liabilities. The Board offered other suggestions.

7. New Business – Discussion and Possible Action

A. Request for Board Travel Outside California

Mr. Eckhart notified the Board that Vice President Letulle has requested to travel outside California to attend the ACWA 2024 Washington D.C. Conference. Mr. Eckhart reviewed the Board policy on travel. He stated that travel outside the state of California requires Board approval. Mr. Letulle is on several ACWA committees, and his attendance would benefit the Agency. Anticipated expenses are approximately \$3,500. There are several projects for which grants would be beneficial, including the Backbone Pipeline. Mr. Letulle stated that he has access to federal and state lobbyists and will meet with them during his time in D.C. Mr. Smith suggested sending someone annually to this particular event. After discussion, Mr. Ybarra moved, seconded by Mr. Walton, to approve travel to the ACWA Washington D.C. Conference for Vice President Letulle. Vice President Letulle requested a roll call vote.

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

The motion passed 6-0, with President Valdivia absent.

B. Adopt Resolution No. 2024-01 to Authorize the Turf Replacement Application for the WaterSMART Water and Energy Efficiency Grant through the Bureau of Reclamation

Mr. Eckhart informed the Board that Staff have been working with Solara Oak Valley Green Homeowner Association to develop a turf replacement pilot project. This project will replace ornamental turf with drought-tolerant landscaping. The Bureau of Reclamation is offering a WaterSMART Water and Energy Efficiency Grant that would provide funding for various projects that save water and energy. The projected cost is approximately \$1,000,000. It is expected that the grant

7. New Business – Discussion and Possible Action (cont.)

would provide a 50% funding match. Solara would provide the local match. Mr. Eckhart explained how the grant funding would work, stating that the Agency would be considered a pass-through entity. Expenditures for this project will come from the General Fund and will be limited to the expenses related to preparing the grant, which is projected to be between \$5,000 and \$9,000. Mr. Dan Jagers (General Manager, BCVWD) provided public comment. After further discussion, Mr. Ybarra moved, seconded by Mr. Walton, to adopt Resolution 2024-01 authorizing the Turf Replacement Application for the WaterSMART Water and Energy Efficiency Grant through the Bureau of Reclamation. Vice President Letulle requested a roll call vote.

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

The motion passed 6-0, with President Valdivia absent.

8. Reports - Directors and Committee Reports

Director Smith reported on:

- ACWA Region 9 Committee Meeting

Director Walton reported on:

- Board relationships with other Water Retailers

Director Ybarra reported on:

- Beaumont Chamber Installation
- Calimesa Chamber Installation
- Senator Ochoa Bogh Infrastructure Roundtable
- Southern Calif Water Coalition Luncheon

Director Duncan reported on:

- Southern Calif Water Coalition Luncheon
- Senator Ochoa Bogh Infrastructure Roundtable

Director Ball reported on:

- Cherry Valley Mutual Water District Annual Shareholder Meeting

Vice President Letulle reported on:

- Senator Ochoa Bogh Infrastructure Roundtable

9. Topics for Future Agendas

1. Mr. Walton requested a Heli-Hydrant update.
2. Mr. Ybarra requested an update on the Flume Tour.
3. Vice President Letulle requested information regarding a 50-60% water allocation year to review delivery capacity constraints and vulnerabilities.

10. Announcements

Vice President Letulle reviewed the following announcements:

- A. Canceled: Water Conservation & Education Committee Meeting, February 13, 2024 at 1:30 p.m.
- B. SBVMWD & SGPWA Joint Workshop, February 13, 2024 at 2:00 p.m.
Location: SBVMWD 380 East Vanderbilt Way, San Bernardino, CA
- C. South Mesa Water Company Groundbreaking Celebration,
Date: February 16, 2024 Time: 11:00 a.m. – 1:00 p.m.
Location: Fourth Street Community Park, Calimesa.
Parking: 960 4th Street, Calimesa
- D. Office closed February 19, 2024 in observance of Presidents' Day
- E. Finance & Budget Committee Meeting, February 20, 2024 at 9:00 a.m.

11. Adjournment

Vice President Letulle adjourned the meeting at 3:29 p.m.

Draft – Subject to Board Approval

Kevin Walton, Secretary of the Board

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