

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the Board of Directors**  
**March 4, 2024**

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

**Board Present:** Mickey Valdivia, President  
**In-person:** Robert Ybarra, Treasurer  
Kevin Walton, Secretary  
Blair M Ball, Director  
Ron Duncan, Director  
Larry Smith, Director

**Board Absent:** Chander Letulle, Vice President

**Staff Present:** Lance Eckhart, General Manager  
**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 President Mickey Valdivia at 1:30 p.m., March 4, 2024. President Valdivia gave the invocation. President Valdivia led the Pledge of Allegiance to the flag. President Valdivia requested a roll call.

<b>Roll Call</b>	<b>Present</b>	<b>Absent</b>
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 type="checkbox"/>	<input checked="" type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Valdivia	<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**

None.

**4. Consent Calendar**

A. Approval of the Minutes of the Board Meeting, February 26, 2024. President Valdivia moved, seconded by Mr. Ybarra, to approve the consent calendar.

The motion passed by voice vote 6-0, with Mr. Letulle absent.

**5. Reports**

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

1. The Water Education Foundation requested the Agency to sponsor one of their water leaders from the Coachella Valley Water District. The request is related to SGMA and our experience with adjudications.

B. **Legal Counsel's Report:** Mr. Ferre reported on AB 764 regarding new rules for division boundaries.

**6. Informational**

A. **Investment Report (Richard Babbe, PFM)**

Mr. Todd introduced Mr. Babbe, who spoke at the February 26, 2024 Finance and Budget Workshop. His discussion topics included economic resilience, cooling inflation, the Federal Reserve, possible rate reductions, and reduced Treasury yields. He also spoke on the Agency's investment status, noting that the portfolio performance is better than the benchmark. Mr. Babbe expanded on the report's details and discussed the contents of the Investment Report. Mr. Ball requested that future reports include a graph of inflation over time.

B. **Santa Ana Watershed Project Authority Cloud Seeding (Jeff Mosher, General Manager-SAWPA)**

Mr. Eckhart introduced Mr. Mosher. Mr. Eckhart noted that the Agency participates in SAWPA's Cloud Seeding Program. Mr. Mosher noted that this is a pilot program for a limited amount of time to see if this concept works for our region. He reviewed background information, operations, and communications. Mr. Mosher provided a slide presentation that explained how cloud seeding increases precipitation during the storm season, both rain and snow, and the benefits of cloud seeding. He provided an update on how the program is doing so far. Ms. Joyce McIntyre (member of the public) provided public comment.

**7. New Business – Discussion and Possible Action**

A. **South Mesa Gap Funding Related to Approved Proposition 68 Grant Funds**

Mr. Eckhart provided a short presentation about the gap funding program, noting that the Agency has tested this program for about one year. The pilot program was initiated with Cabazon Water District to help it fulfill obligations associated with grant projects. The program has proven beneficial for the Agency and the District. South Mesa Water Company is seeking gap funding not to exceed \$7,000,000 between reimbursement cycles. Mr. Eckhart asked that the Board consider an agreement to provide gap funding to the South Mesa Water Company to utilize Proposition 68 Grant Funds through the State Water Resources Control Board. Dave Armstrong (General Manager, SMWC) provided public comment.

He informed the Agency that Don Ortega (Chair of the Metropolitan Water District) contacted him and stated that the State Water Board requested a meeting that would include himself, Mr. Eckhart, and Heather Dyer (General Manager, SBVMWD) to discuss the success of collaborative efforts like this. Mr. Armstrong thanked the Board for their consideration. Mr. Ball requested that the contract include a late payment clause. Mr. Dan Jagers (General Manager, BCVWD) provided public comment. After further discussion, Mr. Ybarra moved, seconded by Mr. Duncan, to approve the agreement with an additional sentence added to section 8. B. as follows: Said repayment schedule may include, in the Agency's reasonable discretion, an interest rate at a rate as permitted by law. President Valdivia requested a roll call vote.

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

The motion passed 6-0, with Vice President Letulle absent.

**B. Audited Financial Statements for Fiscal Year Ended June 30, 2023**

Mr. Todd reviewed a brief presentation to introduce the Agency audited financial statements for the year ending June 30, 2023. This audit is a summary of the financial activity of the Agency for FY 2022-23 and a snapshot of its financial position at June 30, 2023. Mr. Todd was pleased to report that this is a 'clean audit.' He provided the total cash position, and reviewed other significant financial information. Mr. Paul Kaymark (Nigro & Nigro, partner and audit supervisor) reviewed a brief presentation titled 'Dashboard – Audited Financial Statements' that was included in the agenda packet. After further discussion, President Valdivia moved, seconded by Mr. Ybarra, to receive and file the Audited Financial Statements for the fiscal year ending June 30, 2023. President Valdivia requested a roll call vote.

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

The motion passed 6-0, with Vice President Letulle absent.

## 8. Reports - Directors and Committee Reports

**Director Smith** reported on:

- Colorado River Round Table

**Director Walton** reported on:

- Colorado River Round Table
- POI Committee Meeting

**Director Duncan** reported on:

- Colorado River Round Table
- POI Committee Meeting

**President Valdivia** reported on:

- City of Banning Council Meeting
- Recharge Facility Tour (SBVMWD)

## 9. Topics for Future Agendas

- A. President Valdivia requested that the next Board agenda include establishing a Pass Water Agency Foundation Ad-Hoc Committee.

## 10. Announcements

President Valdivia reviewed the following announcements:

- A. Regular Board Meeting, March 18, 2024 at 6:00 p.m.
- B. Finance & Budget Committee Meeting March 28, 2024 at 10:00 a.m.
- C. Regular Board Meeting, April 1, 2024 at 1:30 p.m.
- D. Water Conservation and Education Committee Meeting, April 9, 2024 at 1:30 p.m.

**Save the Date:** George Jorritsma Dedication, March 15, 2024 from 1-3 p.m.  
926 Douglas Street, Calimesa

## 11. Adjournment

President Valdivia adjourned the meeting at 3:31 p.m.



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Kevin Walton, Secretary of the Board

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