

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
April 5, 2010 at 1:30 p.m.

1. Call to Order, Flag Salute and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

4. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, March 15, 2010* (p. 2)
- B. Approval of the Minutes of the Board Finance & Budget Workshop, March 22, 2010*(p. 5)
- C. Approval of Recommendations from Finance & Budget Workshop* (p. 7)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Update on Water Deliveries to Retailers
 - 2. Update on Water Supplies* (p. 8)
 - 3. General Agency Updates
- B. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Abatement of Code Violation on Orchard St. Property* (p. 9)

7. Topics for Future Agendas

8. Announcements

- A. Board Water Conservation & Education Workshop, April 8, 2010 at 1:30 p.m.
- B. Board Engineering Workshop, **Tuesday, April 13**, 2010 at 1:30 p.m.
- C. Regular Board Meeting, April 19, 2010 at 1:30 p.m.
- D. Board Finance & Budget Workshop, April 26, 2010 at 1:30 p.m.

9. Closed Session (2 Items)

- A. Conference with Legal Counsel – Anticipated Litigation Pursuant to Subdivision (c) of Section 54956.9 (1 case).
- B. Conference with Real Property Negotiator Concerning Interest in Land in Kern County.
Agency Negotiator: Jeff Davis.

10. Adjournment

*Information included in Agenda Packet

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours.

(2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at <http://www.sgpwa.com>.

(3) Any person with a disability who requires accommodation in order (1) ate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
March 15, 2010

Directors Present: John Jeter, President
Ted Haring, Vice President
Dave Dysart, Treasurer
Bill Dickson, Director
Ray Morris, Director
Barbara Voigt, Director
Carl Workman, Director

Staff Present: Jeff Davis, General Manager
Peg Noble, Administrative Assistant

1. Call to Order, Flag Salute and Roll Call: The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 1:30 p.m., March 15, 2010 in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Director Dysart led the Pledge of Allegiance to the flag. A quorum was present.

2. Adoption and Adjustment of the Agenda: The agenda was adopted as presented.

3. Public Comment: No members of the public requested to speak at this time.

4. Consent Calendar:

- A. Approval of the minutes of the Regular Board Meeting, March 1, 2010
- B. Approval of the minutes of the Board Water Conservation & Education Workshop, March 4, 2010
- C. Approval of the minutes of the Board Engineering Workshop, March 8, 2010

Director Haring moved, seconded by Director Dysart, to approve the items on the consent calendar as presented. Motion passed unopposed.

5. Reports:

A. General Manager's Report:

1. Update on Water Deliveries to Retailers: General Manager Davis reported that deliveries had been shut down for scheduled maintenance on the East Branch Extension and some construction on the Noble Creek permanent connection but deliveries have resumed to Beaumont Cherry Valley Water District's spreading ponds. Approximately 71 acre-feet of water has been delivered to Beaumont Cherry Valley Water District's Noble Creek spreading facility so far in March. BCVWD is preparing for the annual fishing derby in March so the Agency will deliver water at 5 cfs, increasing to 14 cfs on Friday, to fill the two ponds that will be used for the derby.

2. Update on Water Supplies: General Manager Davis reported that precipitation statewide is at approximately 100% of normal for this time of the year and that has helped storage in reservoirs but Sierra runoff is only at approximately 50%. DWR has estimated that over 400,000 acre-feet of water has been lost to the ocean due to the implementation of the biological opinions. There has been no change yet in the 15% allocation.

3. **General Agency Updates:** (1) General Manager Davis reported that April 2 is the last day to preregister for the ACWA Spring Conference in Monterey. (2) Form 700 is due on April 1. (3) The Agency's January billing from DWR shows an approximate \$13,000 credit. This indicates that the Agency's water rate billed to its retailers should be adequate for this year.

B. **Directors' Reports:** Director Dickson reported that he attended the Water Education Foundation Lower Colorado River Tour March 10 through 12. The tour included information on the challenges of drought conditions and water shortages in the Colorado River basin, restoration of the Salton Sea, urban growth and supply planning, and many other issues. Director Haring reported that he attended the Beaumont Cherry Valley Water District's March 3, 2010 board meeting. They selected John Halliwell to fill the Board vacancy left by the resignation of Niki Magee and discussed the annexation of Cherry Valley Mutual Water Company.

6. New Business:

A. **Consideration of Amendment No. 3 to Dry Year Purchase Program (Yuba Water):** A staff report and summary of the amendment were included in the agenda packet. After discussion, a motion was made by Director Dickson, seconded by Director Morris, to approve Amendment 3 in principle and authorize the General Manager to sign it and transmit it to DWR by the March 31, 2010 deadline. The motion passed unopposed.

B. **Consideration of Resolution #2010-07, Supporting the Safe Clean and Reliable Drinking Water Supply Act of 2010:** A copy of the resolution was included in the agenda packet. General Manager Davis reported that at the March 1, 2010 board meeting it was requested that he prepare a resolution supporting the Safe Clean and Reliable Drinking Water Supply Act of 2010 for presentation at this meeting. He stated that there are pros and cons of the bond issue. After discussion a motion was made by Director Haring, seconded by Director Workman, to adopt Resolution #2010-07 as presented. Ayes: Haring, Voigt, Morris, Workman, Dysart, Dickson and Jeter. Noes: none. The motion passed unanimously.

C. **Consideration of Sponsorship of the 2010 Inland Empire Solar Challenge:** Information on the Solar Challenge was included in the agenda packet. General Manager Davis reported that this issue was discussed at the March Water Conservation and Education Workshop. After discussion, a motion was made by Director Dysart, seconded by Director Haring, to sponsor the Solar Challenge at the \$3,000 Captain level. The motion passed unopposed. Director Voigt requested that Banning High School students make a presentation to the Board about their participation in the Challenge.

D. **Consideration of Moving Board Workshops from Monday Mornings:** After discussion, a motion was made by Director Morris, seconded by Director Haring, to typically schedule Board Engineering and Finance & Budget workshops on Monday at 1:30 p.m. and Water Conservation and Education workshops at 1:30 p.m. When the scheduled Monday is a holiday the workshops will typically move to the following Tuesday at 1:30 p.m. The motion passed unopposed.

7. **Topics for Future Agendas:** Director Voigt requested an update on staff meetings regarding the Agency's proposed capacity fee. There were no other topics for future agendas requested at this time.

8. Announcements:

- A. Board Finance & Budget Workshop, March 22, 2010 at 1:30 p.m.
- B. Regular Board Meeting, April 5, 2010 at 1:30 p.m.

9. Adjournment: The meeting adjourned at 2:01 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
March 22, 2010

Directors Present: John Jeter, President
Ted Haring, Vice President
Dave Dysart, Treasurer
Bill Dickson, Director
Barbara Voigt, Director
Carl Workman, Director

Directors Absent: Ray Morris, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 1:30 p.m., March 22, 2010 in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** The agenda was adopted as presented.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
President Jeter turned the meeting over to Director Voigt, Chair of the Finance & Budget Committee.
 - A. **Ratification of Paid Invoices and Monthly Payroll for the Month of February, 2010 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Dickson, seconded by Director Voigt, to recommend that the Board ratify paid monthly invoices and payroll for the month of February, 2010, for a combined total of \$566,036.25. The motion passed unopposed with Director Morris absent.
 - B. **Review and Consideration of Pending Legal Invoices for February, 2010:** After review and discussion, a motion was made by Director Haring, seconded by Director Dysart, to recommend that the Board approve payment of the pending legal invoices for February, 2010. The motion passed unopposed with Director Morris absent.

- C. Review February, 2010 Bank Reconciliation:** After review and discussion, a motion was made by Director Dysart, seconded by Director Dickson, to acknowledge receipt of the Wells Fargo bank reconciliation for February, 2010 as presented. The motion passed unopposed with Director Morris absent.
- D. Review Budget Report for February, 2010:** After review and discussion, a motion was made by Director Dickson, seconded by Director Haring, to acknowledge receipt of the Budget Report for February, 2010 as presented. The motion passed unopposed with Director Morris absent.
- 5. Announcements:** Director Voigt reviewed the following announcements:
- A. Regular Board Meeting, April 5, 2010 at 1:30 p.m.
 - B. Engineering Workshop, April 12, 2010 at 1:30 p.m.
 - C. Regular Board Meeting, April 19, 2010 at 1:30 p.m.
- General Manager Jeff Davis announced that a Water Conservation & Education Workshop will be held on Thursday, April 8, 2010 at 1:30 p.m.
- 6. Adjournment:** The Finance and Budget workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 1:53 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Director Barbara Voigt, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on Monday, March 22, 1010. The following recommendations were made:

1. Ratify payment of Invoices of \$543,964.91 and Payroll of \$22,071.34 as detailed in the Check History and Payroll Check History Reports for February, 2010 for a combined total of \$566,036.25.
2. Payment of the following vendor's amounts:
McCormick, Kidman & Behrens, LLP \$5,137.53

The Board acknowledged receipt of the following:

1. Wells Fargo bank reconciliation for February, 2010
2. Budget Report for February, 2010

**NOTICE TO STATE WATER PROJECT CONTRACTORS****Number:** 10-06**Date:** MAR 30 2010**Subject:** 2010 State Water Project Allocation Increase to 20 Percent**From:** Raphael A. Torres 
Deputy Director, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) is increasing the allocation of 2010 State Water Project (SWP) water for long-term contractors from 625,798 acre-feet to 834,398 acre-feet. Based on recent precipitation and current water supply conditions, SWP supplies are projected to meet 20 percent of SWP Contractors' 2010 requested Table A amounts, which total 4,171,996 acre-feet. Attached is the revised 2010 SWP allocation table.

DWR's new approval considered several factors including existing storage in SWP conservation reservoirs; SWP operational constraints such as the conditions of the recent Biological Opinions for delta smelt and salmonids and the incidental take permit for longfin smelt; and 2010 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Abatement of Code Violation on Orchard Street Property

DATE: April 5, 2010

Summary:

The Agency has received a Notice of Violation regarding grading of property on Orchard Street that we purchased last year. This is identical to the Notice of Violation given to the previous owner that was not abated. The Notice relates to dumping of fill dirt on the property over a period of time.

Background:

When the Agency purchased the Orchard Street property last year, the previous code violation was discovered in the title search. In researching the issue, staff determined at that time that the issues related to the code violation could probably be abated for approximately \$15,000. The Agency reduced its offer on the property by this amount, and it was accepted by the previous owner. The property was purchased for \$200,000, as opposed to the original contract for \$215,000.

Detailed Report:

Staff has contacted three County employees to discuss this issue—one in Code Enforcement, one in Building and Safety, and one in Environmental Programs.

Based on these conversations, it appears that abatement of this violation would primarily consist of a restoration plan, which would involve exporting dirt (or moving it around on the site) and possibly planting some native grasses on the site. An engineer would have to be hired to develop the restoration plan. A survey might be required to determine the depth of the fill dirt. Depending on what County

inspectors would be willing to accept, this could be done for as little as \$10,000 or perhaps as much as \$20,000 (these are estimates).

The funds would be used to pay the engineer (and possibly the surveyor), the contractor who performs the work, County inspectors, and permit fees.

County staff contacted by the Agency staff appear willing to work with the Agency on a plan that is economical and that meets the needs of the County.

If the Agency were to do nothing, the County could step in and perform the abatement, and then bill the Agency afterward for the costs. The County would also put a lien on the property. Since the Agency has no plans to sell the property in the near future, that would have no impact on us at this time.

While the Agency is exempt from some County regulations, such as obtaining a grading permit for a water related facility, it is unclear whether the Agency is exempt from abating this code violation. County staff has not been able to answer that direct question, and it is possible that we would get different answers from different County staff on this question.

Fiscal Impact:

Were the Agency to abate the violation, the likely cost would be between \$10,000 and \$20,000, though it is possible that it could be higher than this. Based on everything we know at this time, \$30,000 would be the maximum that this would likely cost. While this is not budgeted for this fiscal year, the savings of \$15,000 on the property purchase would cover most of the cost of any abatement, and possibly all abatement costs.

Recommendation:

The Board has three options:

- Abate the violation now at an approximate cost of \$10,000 to \$20,000. This would resolve the problem in its entirety. The Agency has the funds to perform this work now.
- Wait until next fiscal year (beginning in July) to perform the abatement so that the funds can be included in next year's

budget. This would involve working with the County to give the Agency an extension. Staff believes that this could be done with no penalty.

- Take no action and wait for the County to either issue the violation again or take its own action to abate the violation and bill the Agency for its costs. The Agency would have no influence over the costs in this scenario. It is likely that, were this to occur, it would be a year or more before the County would take an action. It is also possible that this will result in no cost to the Agency if the County decides that the Agency is exempt from the code violation.

Staff recommends either the first or the second option. Taking no action leaves the situation open and could result in higher costs later, at a time when the Agency might be in a different financial position.