

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
September 15, 2014 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 relating to any matter within the Agency's jurisdiction. 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, September 2, 2014* (Page 2)
- B. Approval of the Minutes of the Engineering Workshop, September 8, 2014* (Page 6)
- C. Approval of the Minutes of the Water Conservation and Education Workshop, September 11, 2014* (Page 8)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Operations Report
 - 2. Construction Update
 - 3. General Agency Updates
- B. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Policy on Use of Agency Facilities* (Page 9)
- B. Consideration of Revisions to Agency Procurement Policy* (Page 12)
- C. Consideration of Resolution No. 2014-07 Supporting Proposition 1* (Page 17)
- D. Consideration of Adult Water Conservation Programs* (Page 18)
- E. Consideration of Alternative Water Supply Study for Banning and Banning Heights* (Page 25)

7. Topics for Future Agendas

8. Announcements

- A. Finance and Budget Workshop, September 22, 2014 at 1:30 p.m.
- B. San Gorgonio Pass Regional Water Alliance – Technical Committee Meeting, September 24, 2014 at 4:30 p.m. - Banning City Hall Conference Room
- C. San Gorgonio Pass Regional Water Alliance – Committee Meeting, September 24, 2014 at 6:00 p.m. - Banning City Council Chambers
- D. Regular Board Meeting, October 6, 2014 at 1:30 p.m.

9. 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: www.sgpwa 1 / 2 8 person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 h 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
September 2, 2014

Directors Present: John Jeter, President
Bill Dickson, Vice President
Ron Duncan, Director (arrived at 1:43 p.m.)
Ted Haring, Director
Mary Ann Melleby, Director
Barbara Voigt, Director

Directors Absent: Ray Morris, Director

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Ken Falls, Operations and Maintenance Manager
Cheryle Rasmussen, Executive Assistant
Russ Behrens, Legal Counsel

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., September 2, 2014 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson 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, August 18, 2014
 - B. Approval of the Minutes of the Finance and Budget Workshop, August 25, 2014
 - C. Approval of the Finance and Budget Workshop Report, August 25, 2014

Director Dickson moved, seconded by Director Melleby, to approve the consent calendar as presented. Motion carried 6-0, with Director Morris absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **(a) SWP Water Deliveries:** The Agency delivered a total of 701 acre-feet to Beaumont Cherry Valley Water District ponds for the month of August. **(b)** A scheduled shut down by DWR took place last Monday and the first half of Tuesday at Cherry Valley Pump Station which inhibited the delivery of SWP water. **(c)** On Wednesday, Cherry Valley Pump Station had a maintenance issue on the Uninterrupted Power System, which also inhibited the delivery of SWP water; the issue was resolved the next day. **(d)** Crafton Hills Reservoir refilling of water began today.

(2) EBX 2: (a) General Manager Davis provided pictures and commentary on EBX 2 construction. The presentation included the ongoing construction projects for Citrus Reservoir, Mentone Pipeline, Crafton Hills Pump Station and Crafton Hills Reservoir.

(3) Construction Update: (a) General Manager Davis provided pictures and commentary of the Beaumont Avenue Recharge Facility pipeline. **(b)** He informed the Board that an act of vandalism occurred on the construction site. A white male driving a white Nissan Murano was seen late at night drilling holes into the pipe; a police report was filed that evening. The Agency is following-up with the police department and would like to see this individual prosecuted. Construction had to be delayed in order to video the pipe that had already been laid. **(c)** Digging of the trench line in the area of Beaumont Avenue and Orchard St. was slowed down due to extremely rocky terrain and an excessive amount of large boulders.

(4) Whitewater Flume Update: (a) General Manager Davis reported on the Whitewater Flume meeting that was held at Southern California Edison on August 25th in Rancho Cucamonga. The U.S. Forest Service is willing to participate in a FERC dispute resolution process. The date as to when this process will begin will be forthcoming. **(b)** The participating parties will hold a strategy session on September 3rd at the Agency's office. **(c)** Julie Hutchinson (Board President - Banning Heights Mutual Water Company) met with Jody Noiron (Forest Supervisor of the US Forest Service - San Bernardino National Forest) last week. General Manager Davis invited Ms. Hutchinson to provide comments regarding the informal meeting. Ms. Hutchinson stated that it was a good opportunity for both sides to discuss the issues and to come away with a better understanding of the different viewpoints. She informed the Board there is absolutely no water available from the flume at this time. The City of Banning is supplementing Banning Heights Mutual Water Company with additional water during this crisis. **(d)** The Agency, BHMWC, City of Banning and consultants will be participating in strategy meetings to prepare for the dispute resolution process.

(5) General Agency Updates: (a) Cap-and-Trade: General Manager Davis reported that the bill to delay the Cap-and-Trade on oil refineries did not pass; therefore, it will go into effect January 1st, 2015. **(b) Groundwater Management:** A three-bill package aimed at advancing sustainable groundwater management throughout California was approved by the legislature on Friday. The bills are largely based on recommendations by ACWA's Groundwater Task Force. **(c) CalPERS:** General Manager Davis reported on the financial sustainability of CalPERS. CalPERS reported excellent returns for this past fiscal year as follows:

- Fiscal year ending June 30: Total return of 18.4% (their discount rate, or long-term average that benefits are calculated on, is 7.5%).
- Investment return over past 20 years is 8.5% annually.
- Current funding level: 76%.
- CalPers assets are at an all-time high (\$290 billion as of April 30).
- In 2009, assets shrunk from \$239 billion to \$181 billion in one year (25% loss). CalPERS is up over \$100 billion since that time.

B. Directors Report:

1) **Director Haring** reported on the Yucaipa Valley Water District Workshop that he attended on August 26th. He stated that staff had provided an overview on the status of the recycled water permit and potential future recycled water customers. 2) **Director Voigt** reported that she attended the YVWD Workshop. 3) **Director Melleby** reported that she attended the San Bernardino County Water Conference that was held on August 22nd at Cal State University, San Bernardino. Dr. Bill Patzert (Oceanographer, California Institute of Technology's NASA Jet Propulsion Laboratory) spoke on the amount of rainfall to expect this winter. Director Melleby reported on the number of different sessions that she attended at the conference. She also attended the YVWD Workshop on August 26th and the SGPRWA Technical Committee meeting on August 27th. Director Melleby informed the Board that ACWA Regions 8, 9 & 10 will be hosting a Joint Tour & Program "Local Paths to Reliability" from October 26th through October 27th in Del Mar/San Diego. 4) **Director Duncan** reported that he traveled on Beaumont Avenue this past weekend and that there were no traffic issues from the construction project. He also reported that he attended Cabazon Water District's Board meeting on August 18th.

6. New Business: (Discussion and Possible Action)

A. Consideration of Resolution No. 2014-06, Confirming Intended Use of Beaumont Avenue Recharge Facility and Pipeline Project: A staff report and a copy of Resolution No. 2014-06 were included in the agenda packet. (A replacement copy of the resolution was provided, due to a typographical error on the copy that was included in the agenda packet). General Manager Davis stated that the Agency is currently attempting to obtain grant funding for construction of the Beaumont Avenue Recharge Facility. In order to include the facility in the Upper Santa Ana Integrated Regional Water Management Plan, which will make the project eligible for grant funding, the Basin Technical Advisory Committee (BTAC) must approve the project. BTAC has requested that the Agency provide a resolution stating the Agency's intent is to have the Beaumont Avenue Recharge Facility serve as a conjunctive use facility. President Jeter called upon Dr. Blair Ball for his comments. Dr. Ball asked for clarification on the last paragraph of the first page of the resolution. General Manager Davis explained that it relates to water that is available and is not purchased by any of the water retailers. After discussion, Director Voigt made a motion, seconded by Director Melleby, to approve Resolution No. 2014-06 – Reconfirming the Agency's use of the Beaumont Avenue Recharge Facility and Pipeline Project in Connection with Potential Funding Opportunities. Motion passed 6-0, with Director Morris absent.

B. Consideration of PERS Side Fund Payoff: A staff report and a draft copy of CalPERS Retirement Side Fund Projection of Payments were included in the agenda packet. General Manager Davis reviewed steps that the Board has implemented since the 2008 recession to ensure that the Agency remains in solid financial condition. The Board has reduced the general fund budget and has invested reserves to receive a better return. In 2010, the Board authorized the installation of solar panels on its property at a cost of \$120,000, going from a 0.5% to a 9% return on investment. In February of 2014 the Board directed staff to make a \$300,000 prepayment towards the Other Post Employment Benefit Trust Fund, thereby receiving a 7.75% return. Today's action of paying off the PERS side fund will equate to an 8% return on the estimated \$280,000 prepayment, plus a savings of \$75,000 in interest. General Manager Davis noted that the Agency is ridding itself of long-term debt. Director Dickson made a motion, seconded by Director Duncan, to authorize staff to pay off the PERS side fund using budgeted funds from the Agency's reserves in the amount of approximately \$205,000. Motion carried 6-0, with Director Morris absent.

C. Discussion on 2014 Bond Issue and Possible Resolution of Support:

Materials relating to the 2014 Water Bond were included in the agenda packet. General Manager Davis reviewed the materials with the Board. He informed the Board that ACWA is asking its members to adopt a formal resolution supporting the \$7.545 billion water bond. General Manager Davis also reviewed the Guidelines for Public Agencies Regarding Ballot Measures. Legal Counsel Russ Behrens provided input on this matter, stating that he agreed with ACWA's guidelines. General Manager Davis stated that should any board member have any questions on what a board member can or cannot say, they are to contact Legal Counsel Behrens for clarification. General Manager Davis requested direction from the Board as to whether or not he is to provide a resolution for consideration at a future board meeting. Director Dickson made a motion, seconded by Director Melleby, directing staff to draft a formal resolution of support for the 2014 Water Bond, which will be considered for adoption at a future board meeting. Motion carried 6-0, with Director Morris absent.

7. **Topics for Future Agendas:** No topics were requested for future agendas.

8. **Announcements:**

- A. Engineering Workshop, September 8, 2014 at 1:30 p.m.
- B. Regular Board Meeting, September 15, 2014 at 1:30 p.m.
- C. Finance and Budget Workshop, September 22, 2014 at 1:30 p.m.

President Jeter adjourned the meeting to closed session at 2:46 p.m.

9. **Closed Session (1 Item)**

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (One case).

President Jeter reconvened the meeting to open session at 3:11 p.m.

Legal Counsel Russ Behrens reported that the Board met in closed session and discussed the matter listed. No action was taken that is reportable under the Brown Act.

10. **Adjournment:** *President Jeter adjourned the meeting at 3:11 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, CA 92223
Minutes of the
Board of Directors Engineering Workshop
September 8, 2014

Directors Present: John Jeter, President
Bill Dickson, Vice President
Ron Duncan, Director
Ted Haring, Director
Mary Ann Melleby, Director
Barbara Voigt, Director

Directors Absent: Ray Morris

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Rasmussen, Executive Assistant

1. Call to Order, Flag Salute and Roll Call: The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by President John Jeter at 1:30 p.m., September 8, 2014 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment: No members of the public wished to address the Board. At this time, President Jeter turned the meeting over to Director Dickson, Chair of the Engineering Committee.

3. EBX Operations and Maintenance Agreement Discussion. A copy of the draft agreement was included in the agenda package. General Manager Davis reviewed the draft agreement with the Board, noting that management of the three parties (the Agency, Valley District, and DWR) had approved the draft agreement. He added that DWR attorneys are currently reviewing it. He reviewed it with the Board, indicating the improvements over the previous agreement. The creation of a Management Committee and an Operations Committee that meet on a regular basis, plus the Agency taking over maintenance on the buildings and other minor equipment, represents a clearly better deal for the Agency. He noted that the three parties still need to decide if they wish to add a formal alternative dispute resolution process to the agreement in the event the Management Committee cannot resolved a problem.

4. Review Procurement Policy. A copy of the current policy, approved by the Board in 2006, was included in the agenda package. General Manager Davis noted that the policy states that the Board will review the policy annually or upon change in Agency management. He reviewed the policy with the Board and indicated that there were a few minor "tweaks" that he would like to bring to the Board for consideration. This includes the authority regarding purchase of automobiles, procuring professional services, and the possibility of creating a

new policy that would set a firm limit on the spending authority of the General Manager. The Board agreed to consider any revisions General Manager Davis would bring to them, and agreed to discuss the issue of a spending limit at the Finance and Budget workshop later this month.

5. Flume Update – discussion of Alternative Supply Study. General Manager Davis shared three items with the Board. The first was a recent letter from the San Bernardino National Forest to FERC asking FERC to once again consider decommissioning the entire facility, which would jeopardize water supplies to the Banning Bench and the City of Banning. Next, he shared a new strategy on the part of the Participating Entities—to attempt to convince SCE and FERC to repair the original flume system in its original right of way, which would include construction of a new pipeline or tunnel downstream of Raywood Flat. If this were to be accomplished, he noted, the Participating Entities would not have to worry about the Forest Service any more, and the need for its approval would be obviated. This would mean that the temporary above-ground pipeline that the Forest Service has ordered removed would not be needed. Thirdly, he informed the Board that the City’s consultant has indicated that it is important to identify the mitigation cost of eliminating a water source for both Banning Heights and the City of Banning, and that a consultant should be hired to determine mitigation actions and the cost of them. He noted that both Banning Heights and the City have told him verbally that they would share costs in such a study. It was the consensus of the Board that General Manager Davis could bring such an action to the Board at the next meeting for consideration, even though it is not budgeted.

6. Construction Update. General Manager Davis presented a slide show summarizing construction of the Beaumont Avenue Recharge Facility Pipeline from the past week. He noted that the soil is gradually getting better, meaning less boulders, and that construction is beginning to move faster. He indicated that the contract should be completed this month, perhaps within two weeks or so.

7. Announcements:

- A. Water Conservation and Education Workshop, September 11, 2014 at 1:30 pm.
- B. Regular Board Meeting, September 15, 2014 at 1:30 pm.
- C. Finance and Budget Workshop, September 22, 2014 at 1:30 p.m.
- D. San Gorgonio Pass Regional Water Alliance - Technical Committee Meeting—Wednesday, September 24, 2014 at 4:30 p.m. - Banning City Hall Conference Room.
- E. San Gorgonio Pass Regional Water Alliance Meeting -Wednesday, September 24, 2014 at 6:00 p.m. – Banning City Council Chambers.

8. Adjournment: Chairman Dickson adjourned the meeting at 2:54 p.m.

DRAFT – SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary to the Board

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Water Conservation and Education Workshop
September 11, 2014

Directors Present: John Jeter, President
Bill Dickson, Vice President
Ted Haring, Director
Mary Ann Melleby, Director
Barbara Voigt, Director (arrived 1:44 pm)

Directors Absent: Ron Duncan, Director
Ray Morris, Director

Staff Present: Jeff Davis, General Manager

1. Call to Order, Flag Salute and Roll Call: The Water Conservation & Education workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 1:30 p.m., September 11, 2014, 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. Public Comment: No members of the public wished to address the Board at this time. President Jeter then turned the meeting over to Ted Haring, Chairman of the Water Conservation and Education Committee.

3. Discussion of Water Conservation Workshops for Adults: A copy of a proposal from Director Melleby and a resume of Susan Savolainen were included in the agenda package. General Manager Davis and Director Melleby reviewed the proposal with the Board, along with a summary of a presentation Ms. Savolainen made recently at Sun Lakes that was well received. Ms. Savolainen has a number of workshop topics that she could present, along with a basic workshop on "11 Simple and Inexpensive Things you Can do to Save Money and Water in Your Landscape." After discussion a motion was made by Director Dickson, seconded by Director Melleby, to recommend that the Board authorize a contract for up to \$5000 in budgeted funds with Ms. Savolainen to produce water conservation workshops throughout the region. The motion pass unanimously with Directors Duncan and Morris absent.

4. Announcements:

- A. Regular Board Meeting, September 15, 2014 at 1:30 pm.
- B. Finance and Budget Workshop, September 22, 2014 at 1:30 pm.
- C. San Gorgonio Pass Regional Water Alliance Technical Committee, September 24, 2014 at 4:30 pm, Banning City Hall conference room.
- D. San Gorgonio Pass Regional Water Alliance Regular Meeting, September 24, 2014, Banning City Council Chambers.

5. Adjournment: Chairman Haring adjourned the Board workshop at 2:08 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary to the Board 8 / 28

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Policy Regarding Use of Board Room

DATE: September 15, 2014

Summary:

In August, the Board asked staff to prepare a policy regarding use of the Agency's Board room by others. The purpose of this proposed Board action is to adopt such a policy.

Background:

The Agency has allowed other public agencies to use its Board room on numerous occasions at no cost to the agencies. Recently, a non-governmental organization inquired as to whether the Agency's Board room might be available for use for a fee. In considering this, the Board asked staff to develop a policy for use of the Board room by governmental agencies only. The Board expressed a desire to not allow other organizations to be able to use the Board room.

Detailed Report:

The attached policy is simple and straightforward. It allows use of the Board room by other governmental agencies and prioritizes usage. It requires those entities to prepare the room prior to use, to clean the room after use, and to indemnify the Agency for any damage caused during its use. The proposed policy allows the General Manager to set more specific rules, such as use of the room after normal working hours.

Fiscal Impact:

There is no fiscal impact to adopting this policy.

Relationship to Strategic Plan:

There is no direct relationship to the strategic plan. The proposed action is to adopt an internal administrative policy.

Recommendation:

Staff recommends that the Board approve the proposed policy (attached) and that it be added to the Agency's Administrative Code, currently being developed.

BOARD ROOM USE POLICY

September 15, 2014

Section 8.01 Board Room Available For Public Use - The Agency's Board Room will be made available for public purposes as set forth in this policy. The privilege of using the Board Room is subject to revision and is revocable by and in the discretion of the Board at any time. The Agency's Board Room will only be made available for public purposes of public agencies, as set forth in this policy.

Section 8.02 Priority Of Authorized Users – A public agency eligible for consideration to use the Board Room (“Requestor”) shall be assigned in the priority set forth below, at the discretion of the General Manager. Agency-related meetings and activities have priority on the Board Room and all reserved dates for other public purposes are revocable at any time.

- (a) San Geronio Pass Water Agency;
- (b) Local governmental agencies;
- (c) Political subdivisions of the state of California.

Section 8.03 Authority Of General Manager – The General Manager may make reasonable rules and regulations to implement this policy. Uses shall not be inconsistent with the use of the Board Room for Agency purposes, nor shall such use interfere with, or be disruptive to, the regular conduct of Agency business. The Board Room may be reserved on a first-come, first-served basis, according to the priorities set forth in this policy. The General Manager, or his/her designee, shall examine and allow or deny requests for use of the Board Room. The Agency reserves the right to preempt uses at any time in the event the Board Room is needed for Agency business.

Section 8.04 Costs And Expenses – In the event the use of the Board Room results in the Agency incurring any costs or expenses, said amounts shall be paid by the Requestor.

Section 8.05 Board Room Set Up And Clean Up – Requestor shall be responsible for setting up the Board Room and furnishing any equipment and materials needed for the scheduled use, and for removing all Requestor-furnished equipment and materials at the end of the scheduled use. Requestor shall be responsible for removal and disposal of any trash generated during the scheduled use.

Section 8.06 Liability For Damages – The Requestor shall be responsible, in the reasonable discretion of the General Manager, to control, limit and/or cover any liability or damages which may arise. If any activity results in damage or destruction to Agency personal or real property, the Requestor shall pay an amount necessary to restore damaged personal or real property. Requestor shall indemnify, defend, and hold harmless the Agency from and against any claims, damages, injuries, or other liabilities which may result from, or be related to, the Requestor's use of the Board Room

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Revisions to Procurement Policy

DATE: September 15, 2014

Summary:

At the September Engineering workshop, staff presented some ideas for revisions to the Agency's procurement policy for discussion. The purpose of this proposed Board action is to consider minor revisions to the policy, as discussed at the workshop.

Background:

The Agency adopted a procurement policy in 2006 and has reviewed it a number of times since then. The policy governs procurement of equipment, supplies, and services, including consultants, as well as construction contracts.

Detailed Report:

A number of minor revisions were discussed at the workshop. These included the following:

- It provides the General Manager with authority to procure materials, supplies, and equipment up to \$20,000 without Board authorization. This authority includes the purchase of automobiles. Since it is not likely that the Agency would purchase a vehicle for less than \$20,000, staff recommends removing the phrase "including vehicles" from this clause.
- It requires the General Manager to follow certain procedures for procuring consultants, specifically with regard to asking for proposals from multiple consultants for contracts in excess of a certain dollar amount. Staff is recommending that these requirements be eliminated from the policy, thus giving staff more flexibility in procuring consultants. The Board would still be required to approve all contracts in excess of \$40,000, which it does now. The authority of the Board would not be

changed under this proposed revision. The Board would have the authority to require the General Manager to obtain multiple proposals prior to consideration of a contract.

- It requires the Board to review the policy annually and upon change in Agency management. The proposed revision is to change the review to every two years instead of every year.
- All other requirements of the policy would remain unchanged.

A copy of the proposed revisions is included in the agenda package.

Fiscal Impact:

It is not anticipated that these revisions would have any fiscal impact on the Agency. If anything, it is likely to free up more of staff's time for other tasks that would otherwise be spent writing RFP's and evaluating proposals.

Relationship to Strategic Plan:

This proposed action is not directly related to the Agency's strategic plan, as it involves revising internal administrative policies.

Recommendation:

Staff recommends that the Board approve the proposed changes in the procurement policy.

DRAFT SGPWA Procurement Policy

~~Adopted December 18, 2006~~

Section 1. Purpose and Applicability: The purpose of this policy is to define the Agency's policies and procedures applicable to bidding of construction for new improvements and the procurement of materials, supplies, equipment, and professional services as well as for public works, including maintenance, pursuant to the provisions of Public Contract Code Section 21510 et seq. pertaining to the Agency. This Policy does not apply to operating expenses such as payroll, utilities, employee benefits, water purchases or taxes.

Section 2. Authority of the General Manager to Execute Contracts

The General Manager is authorized to execute contracts as follows without prior approval from the Board:

- a. Contracts for materials, supplies and equipment (including cooperative purchasing as set out in Section 6 below) up to \$20,000, ~~including vehicles~~. For items where the cost exceeds \$10,000, the General Manager shall solicit at least three quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. If the item is not readily available or a specific type is required to fit with existing Agency's equipment, the General Manager shall note the justification for sole source acquisition as set out in Section 6.
- b. Contracts for professional services up to \$40,000.
- c. Contracts for maintenance or construction up to \$50,000. For contracts above \$20,000, the General Manager shall solicit at least two quotes for the work, if possible, from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. If at least two quotes are not received, the General Manager shall note the justification for sole source procurement as set out in Section 6.
- d. Emergency contracts specified below in Section 6.

All contracts over \$15,000, along with their price, shall be reported to the Board at the earliest practicable time after the contract has been executed. The General Manager may not delegate his purchasing authority to any other employee.

Section 3. Improvements and Public Works Construction Estimated to Cost more than \$50,000

Where the improvement or unit of work is estimated by the General Manager to cost more than \$50,000, or the materials and supplies for use in any new construction will cost \$50,000 or more, the Agency shall comply with the following bidding procedures:

- A. The work may be performed in one or more contracts and the call for bids shall state whether the work shall be performed in one unit or divided into parts.

B. The call for bids shall describe the project and shall invite and specify procedures for the submission of sealed bids for such project. The call for bids shall describe how to obtain information regarding the project in order to submit such a bid and shall specify the deadline for submission of bids and the time for their opening.

C. The Agency shall advertise the work by publishing the call for bids three times in a daily newspaper of general circulation printed and published within the Agency boundaries or two times in a weekly newspaper of general circulation printed and published within the Agency boundaries.

D. At the time set for the opening of bids, the General Manager shall open and review all bids and shall determine which is the lowest responsible bidder(s).

E. The contract(s) with the lowest responsible bidder(s) shall be approved by the Board prior to execution.

F. The Board shall require the successful bidder to file labor and materials and faithful performance bonds in the form specified in Civil Code Section 3082 et seq.

G. Notwithstanding, the Board may reject any and all bids and may perform the work by force account or by contracting in the open market or may acquire the materials and supplies in the open market.

H. In the event no bids are received, the Board may direct the General Manager to rebid the project or may proceed under Section (G) above.

I. Construction change orders may be approved by the General Manager without prior approval of the Board of Directors in amounts up to 10% of the contract cost. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Change orders for more than 10% of a contract price must be approved by the Board of Directors prior to execution.

Section 4. Professional Services Contracts

Professional services contracts by law do not require bidding. All professional service contracts in excess of \$40,000 shall be approved by the Board prior to execution. ~~In these cases, the General Manager shall solicit proposals from at least two consultants and, based on proposals received, make a recommendation to the Board based on multiple factors, including but not limited to price. For contracts in excess of \$50,000, the General Manager shall solicit proposals from at least three consultants. Exceptions to this procedure must be approved by the Board in advance.~~

In addition to the authority to execute professional services contracts as set out in Section 2, the General Manager shall have the authority to approve increases in all such contracts up to 10% of the contract amount. All such changes shall be reported to the Board.

Section 6. Exceptions

A. Emergency conditions. An emergency is defined as a breakdown in machinery or equipment resulting in the interruption of an essential service, or threat to public health, safety, or welfare. In the case of an emergency requiring the immediate

purchase of supplies, materials, equipment or contractual services, the General Manager hereby is authorized to secure in the open market, without bidding, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the amount of the expenditure and to report such action to the Board at its next meeting, in compliance with Public Contract Code Section 22050.

B. Limited availability/ sole source. Occasionally, required supplies, material, equipment, or services are of a proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. After reasonable efforts to find alternative suppliers, the General Manager may make or may recommend making the purchase from the sole source.

C. Cooperative purchasing. The Agency shall have the authority to join with other public jurisdictions in cooperative purchasing agreements or to buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this policy, even if the Agency has not joined with that public agency in a formal agreement. The Agency also may purchase from the United States of America or any state, municipality or other public corporation or agency without following formal purchasing procedures as defined in this policy.

Section 7. Review

The Board of Directors will review this policy ~~annually in December~~ bi-annually, and also upon change in Agency management.

RESOLUTION NO. 2014-07

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN GORGONIO PASS WATER AGENCY
IN SUPPORT OF PROPOSITION 1 –
THE WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT
ACT OF 2014**

WHEREAS, California is in a severe, multi-year drought and faces a growing list of challenges associated with aging infrastructure, climate change, population growth and other factors; and

WHEREAS, water managers and top leaders including Governor Jerry Brown agree that we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health; and

WHEREAS, the Legislature has approved and Governor Brown has signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4 ballot and provide much-needed funding to advance a statewide comprehensive water plan to secure our water future; and

WHEREAS, if approved by voters, the measure would provide \$7.545 billion in bond funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs the Association of California Water Agencies and its members have long advocated as a part of a statewide comprehensive plan; and

WHEREAS, ACWA's Board of Directors voted unanimously to formally support Proposition 1 in a special meeting on Aug. 19;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the San Gorgonio Pass Water Agency formally supports Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014 on the November ballot.

PASSED, APPROVED AND ADOPTED THIS 15th DAY OF September, 2014.

JOHN JETER, PRESIDENT
BOARD OF DIRECTORS
SAN GORGONIO PASS WATER AGENCY

ATTEST:

JEFF DAVIS, SECRETARY
BOARD OF DIRECTORS
SAN GORGONIO PASS WATER AGENCY

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Development of Water Conservation Programs for Adults

DATE: September 15, 2014

Summary:

At the Water Conservation and Education workshop last week, the Board discussed the attached proposal to contract with Susan Savolainen to develop and present water conservation seminars for various groups, including HOA's, garden clubs, and neighborhood associations. The Board voted unanimously to bring this proposal to the full Board for consideration. The purpose of this proposed Board action is to allow the Board to consider and vote on this water conservation activity.

Background:

The Agency has a history of spending funds to encourage water conservation for both children and adults. In the past, the Agency submitted two separate proposals for a large water conservation garden, one to be located at the regional park and the other to be located at the Edward Dean Museum. Neither proposal was accepted for funding, so the Board constructed a smaller garden behind the Administration Building that includes flyers identifying each of the plants in the garden. Last year several school classes were brought to the garden for water conservation activities, and more are planned for this year.

Several years ago, the Agency held water conservation workshops throughout the service area, one in each city and one in Cherry Valley. These workshops included presentation from Riverside County Master Gardeners on water efficient landscaping. Several conservation-themed programs have been conducted at Sun Lakes that had good attendance.

This year, the Board budgeted \$5000 for adult water conservation programs, knowing that it was a drought year and that the Agency would have to do some regional water conservation activities. This is in addition to the \$10,000 already contracted for classroom water conservation programs and \$4000 budgeted for the Inland Solar Challenge.

Detailed Report:

The attached proposal reviews some of the qualifications of Ms. Savolainen and lists some of the programs that she could produce in the region for various audiences.

For the \$5000 that the Agency has budgeted, approximately 25 programs could be produced throughout the region. At the Conservation Committee meeting of the San Geronio Regional Water Alliance last month, there was some discussion of some Alliance members cost sharing some of these programs within their service areas, which could extend the funds further, resulting in more programs.

In light of the recent mandatory water restrictions imposed by the State Water Resources Control Board, this would appear to be an excellent time to bring these programs to our region. The drought is a hot topic of conversation in the region and people are asking what they can do to conserve water, especially outdoor water use.

Fiscal Impact:

The fiscal impact of this action to the Agency would be the expenditure of up to \$5000 in budgeted funds for the purpose of water conservation education. Since the funds would be expended in a drought year, the effect of the programs could be maximized, with larger and more attentive audiences than might be found in other years.

Relationship to Strategic Plan:

The proposed action is consistent with the Agency's strategic plan as it relates to two goals. First, a regional water supply plan. Water conservation must be considered as part of any long-term water supply plan. Second, a regional communication plan that enables the Agency to bring its core message to the public. Producing these