

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
February 18, 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, February 3, 2014* (Page 2)
- B. Approval of the Minutes of the Engineering Workshop, February 10, 2014* (Page 6)

5. Reports (Discussion and Possible Action)

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

6. New Business (Discussion and Possible Action)

- A. Consideration and Possible Adoption of Resolution No. 2014-02 Regarding Policy on Meeting Future Water Demands* (Page 9)
- B. Consideration of Authorizing General Manager to Advertise for Beaumont Avenue Recharge Facility Pipeline* (Page 15)
- C. Update on Contract Extension
- D. Update on State Water Supply

7. Topics for Future Agendas

8. Announcements

- A. Finance and Budget Workshop, February 24, 2014 at 1:30 p.m.
- B. San Gorgonio Pass Water Task Force – Technical Committee Meeting, February 26, 2014 at 4:00 p.m. - Banning City Council Chambers
- C. San Gorgonio Pass Water Task Force – Committee Meeting, February 26, 2014 at 6:00 p.m. - Banning City Council Chambers
- D. Regular Board Meeting, March 3, 2014 at 1:30 p.m.

9. Closed Session (2 Items)

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (one potential case)
- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Consideration of Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (one potential case).

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: www.sgpwa.com (3) Any person with a disability who requires accommodation in order to participate 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
February 3, 2014

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

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Cheryle Rasmussen, Executive Assistant
Kenneth Falls, Operations and Maintenance Manager

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., February 3, 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:** President Jeter called upon Eric Fraser (General Manager of Beaumont Cherry Valley Water District). Mr. Fraser referenced a newspaper article relating to the \$11 million Beaumont Avenue Recharge Facility (BARF) project. He voiced his concerns, opinion and suggestions on said project.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 21, 2014
 - B. Approval of the Minutes of the Finance and Budget Workshop, January 27, 2014
 - C. Approval of the Finance and Budget Workshop Report, January 27, 2014

Director Dickson moved, seconded by Director Melleby, to approve the consent calendar as presented. Motion passed 7-0.

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 311 acre-feet to Beaumont Cherry Valley Water District ponds in the month of January. EBX II is shut down for the month of February for scheduled maintenance.

(2) General Agency Updates: **(a) Drought Issues:** 1. General Manager Davis informed the Board that DWR revised the State Water Project water allocation from 5% to 0% on January 31, 2014. 2. Snowpack measurements are the lowest for the date in more than a half-century of record keeping; snowpack is currently 12% of normal. 3. To date rainfall in Los Angeles is at 1.1 inches (normal for this date is 7.25 inches). 4. A number of rural communities are at risk of running out of water in 60-120 days. 5. Californians have been asked to voluntarily reduce water usage by 20%. 6. Without fresh water Delta salinity levels will increase. **(b) Press Enterprise (P.E.) News Article:** General Manager Davis informed the Board that the newspaper article in which Mr. Fraser referred to during item three of the agenda was from a P.E. article printed on January 23rd. He informed the Board that the reporter inaccurately stated that the cost of the facility was \$11 million. In fact, the project cost is \$8 million; \$3 million for the already purchased property and an additional \$5 million for the construction of the facility. A request for a correction to the misstatement has been submitted. **(c) Proposition 84 Funding:** The Agency may qualify for Prop. 84 funding for the upcoming Beaumont Avenue Recharge Facility project, as the Agency qualifies under a number of criteria that fall within the funding guidelines. The next round of funding will take place February 2015. **(d) Water Conservation Education:** 1) The Banning Library has requested that the Agency participate in two water education talks; one for children and one for adults; dates and times will be determined at a later date. 2) The Agency budgeted for twenty-two water education classes through the Inland Empire Regional Conservation District; the first class will take place this Friday. **(e) EBX II - Switch Gear Specification:** DWR is in the process of implementing an addendum to the Switch Gear contract that includes changes to specifications and an extension deadline date for bids; bid opening date is anticipated to be March 7th. **(f) Flume:** General Manager Davis attended an informal flume meeting with representatives from the city of Banning, Banning Heights, and the U.S. Forest Service. He informed the board that the U.S. Forest Service is holding firm on its position that some portion of the water has to be given up for the trees. **(g) Water Bond:** Both Senator Wolk and Assemblyman Rendon have made changes to their proposed water bonds (Wolk-SB 848 and Rendon-AB 1331), reducing the cost of each bond to approximately \$6.5 billion. **Bay Delta Conservation Plan (BDCP):** An open-house public meeting will be held on the BDCP this Wednesday, February 6th from 3-7 p.m. at Ontario Convention Center. Director Melleby added that there is one other water bond bill (Cannella-SB 927) that is being introduced. She also informed the Board that the upcoming BDCP open-house meeting is for commentary purposes only and that there will be no formal presentations.

B. Directors Report: 1) **Director Melleby** reported that she attended the ACWA Region 9 Board Meeting at Elsinore Valley Municipal Water District in Lake Elsinore and she attended the Calimesa Chamber of Commerce Annual Awards Dinner, both of which occurred on January 23rd. She also informed the Board that she attended the California State Groundwater Elevation Monitoring (CASGEM) meeting in Riverside on January 22nd. The CASGEM meeting was held by ACWA and DWR to discuss prioritizing basins under the CASGEM program. 2) **Director Voigt** reported that she attended the SGPRWA Technical Committee meeting on January 22nd. She informed the Board that the Emergency Response Network of Inland Empire (ERNIE) will be holding a meeting on February 12th at 1:30 p.m. Director Voigt stated that the Technical Committee would like to set-up a field trip to tour EBX 2, sometime in April, with the assistance of Project Manager Mike Esquer. General Manager Davis will follow-up with Mr. Esquer regarding this request. 3) **Director Duncan** informed the Board that Cabazon Water District held a Board meeting on January 28th. Mr. Tobias resigned his position as board president, but remains as a board member. Board member Kerri Mariner was elected as the new board president. He also informed the Board

that Cabazon's board members Alan Davis and Frances Magness have resigned from the board. Therefore, Cabazon Water District will be initiating the appointment process for two open seats. **4) Director Haring** reported that he attended the Calimesa Chamber of Commerce Annual Awards Dinner and that he had the opportunity to participate in the event. He emphasized the importance of board members attendance at Chamber of Commerce events.

6. New Business: (Discussion and Possible Action)

- A. Consideration of Resolution No. 2014-01, Public Records Act:** A staff report, a copy of Resolution #2014-01 and a draft of the Public Records Act Policy were included the agenda packet. President Jeter stated that this item was discussed at length in December. General Manager Davis stated that this item was on the January 21st Board Meeting Agenda, but that it did not include a copy of the resolution. Director Melleby made a motion, seconded by Director Dickson, to adopt Resolution No. 2014-01 setting a policy for request for inspection and/or copying of public records. President Jeter requested a roll call. Ayes: Haring, Voigt, Morris, Melleby, Duncan, Dickson and Jeter. Noes: None. Motion carried 7 – 0.
- B. Consideration of Payment to California Employers' Retiree Benefit Trust:** A staff report was included in the agenda packet. President Jeter stated that this item had been discussed at length at the January 27th Finance and Budget workshop. General Manager Davis stated that the Agency is currently receiving 0.5% interest on reserves. By investing in the trust for post-employment benefits the agency will receive 7% return while paying down long-term liabilities. Director Voigt made a motion, seconded by Director Haring, to authorize a one-time contribution of \$300,000 to the California Employers' Retiree Benefit Trust from the Replacement Reserve fund. Joe Zoba (General Manager of Yucaipa Valley Water District) questioned why the payment would come from the Replacement Reserve fund and how it impacts the nexus. General Manager Davis explained that the Agency's Reserve Policy states that the Board can take money out of any reserve fund for expenditures. President Jeter stated that this subject was discussed at length and the Board feels that this payment is in the best interest of the taxpayers. President Jeter requested a roll call. Ayes: Haring, Voigt, Morris, Melleby, Duncan, Dickson and Jeter. Noes: None. Motion carried 7 – 0.
- C. Consideration of Sponsorship for Water Education Foundation Event:** A staff report and Water Education Foundation Sponsorship materials were included in the agenda packet. General Manager Davis stated that Executive Director Rita Schmidt Sudman is retiring from the Water Education Foundation and a reception in her honor will take place in Sacramento. The Foundation is asking for sponsorships to help support programs that Mrs. Sudman implemented. He reminded the Board that the Agency is a member of the foundation at a cost of \$1900.00 per year. After discussion, Director Haring made a motion, seconded by Director Melleby, to authorize \$1,000 as a gift to the foundation. President Jeter reminded the Board that the Agency is currently sponsoring several local educational programs. He suggested that the Board should consider educational sponsorships be kept local. After discussion, Director Haring rescinded his motion.

D. Consideration of Authorizing Replacement of Water Feature: A staff report and materials related to the cost of the water feature replacement were included in the agenda packet. General Manager Davis stated that the Board had requested additional information regarding the tile that would be used in applying the Agency's logo in front of the administration building. The information provided by the contractor states that glass tile is more resistant to chemicals and dirt, and is easier to maintain than regular ceramic tile. Additional research was done by staff and found that glass tile is resistant to temperature extremes and will not fade or decay. After discussion, Director Dickson made a motion, seconded by Director Haring, authorizing an amount not to exceed \$6000 to replace the existing fountain with the tile design proposal provided. Ayes: Haring, Voigt, Morris, Duncan, Dickson and Jeter. Noes: Melleby. Motion passed 6-1.

E. Update on Contract Extension Negotiations: General Manager Davis reviewed with the Board key issues that were discussed at the January 29th meeting as follows:

- **Contract Term**
- **Reserves - General Operating Account**
- **Accounts (SWRDS - SRA, SSA, FCA)**
- **Flow of Funds**
- **Supplemental Billing**
- **Revenue Limitations**
- **Reporting Requirements**
- **Simplification of Billing**
- **Billing Authorization**

The next Contract Extension Negotiations session is scheduled for February 12th. Once the drafted contract has been agreed upon the document will be turned over to the attorneys for written legal language.

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

8. Announcements: President Jeter reviewed the following announcements:

- A. Engineering Workshop, February 10, 2014 at 1:30 p.m.
- B. Office Closed February 17, 2014 in observance of Presidents' Day
- C. Board of Directors Meeting, **Tuesday**, February 18, 2014 at 1:30 p.m.
- D. Finance and Budget Workshop, February 24, 2014 at 1:30 p.m.

9. Adjournment: President Jeter adjourned the meeting at 2:30 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board

0.00

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
February 10, 2014

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

Staff Present: Jeff Davis, General Manager
Ken Falls, Operations and Maintenance Manager
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., February 10, 2014 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment: There was no public comment at this time. President Jeter turned the meeting over to Bill Dickson, Chairman of the Engineering Committee.

3. Review Draft Policy for Meeting Future Supplemental Water Demands. A copy of the draft policy was included in the agenda package. General Manager Davis reviewed the draft policy with the Board, noting that some changes had occurred since the last workshop, including insertion of water quality language and deletion of most of the wheeling language. The Board requested that the policy make reference to the Agency's planned water shortage policy. After discussion, Director Morris moved, seconded by Director Melleby, that the draft policy be brought to the Board for consideration as revised. The motion passed unanimously. General Manager Davis noted that it would likely be in resolution form.

4. Review Draft Policy Regarding Ordering of Water. A copy of the draft policy was included in the agenda package. General Manager Davis noted that the version included in the agenda package did not include clauses relating to an ordinance, for simplicity. Only the policy language itself was included. General Manager Davis noted that changes had been made since the last workshop,

including dropping the purchase commitment and dropping arbitration as an option for retail water agencies who do not agree with the Board's decision. General Manager Davis noted that General Counsel Behrens had indicated that the Board cannot delegate its authority over Agency water to an arbitration board or any other entity. General Manager Davis noted that the word "Purchasers" had been used in the policy because it is a revision of the Agency's Ordinance 8, which uses this word in lieu of "retail water agency." The Board requested that "Purchasers" be replaced throughout the ordinance with "retail water agencies" or other similar language, and that the retail water agencies be listed in the ordinance. It was noted that a retail water agency could include both direct deliveries and replenishment deliveries on its order form. After discussion, President Jeter moved, seconded by Director Duncan, that the draft policy be brought to the Board for adoption. The motion passed unanimously. General Manager Davis noted that, since this would require several changes to Ordinance 8, that it would likely not be brought to the Board at the next Board meeting on February 18.

5. Review Draft Policy Establishing a Water Shortage Plan. A copy of the draft policy was included in the agenda package. General Manager Davis noted the changes since the last workshop, including adding a new first priority for the Agency in order to comply with Section 15.5 of the Agency's Act, and changing the name to a water shortage policy from a drought contingency policy. General Manager Davis noted that the addition of the new first priority is intended solely to meet the Agency's Act, and was written to place no additional burdens on any retail water agency. He explained why the Agency needs some amount of water to use at its discretion, noting that the Agency has agreed to repay Crestline-Lake Arrowhead Water Agency water from two previous exchanges, that the Agency needs to be able to carry over water in order to meet needs of direct delivery customers in the event of a zero allocation year, and in order to be able to possibly participate in an exchange which could bring more water to the region in future years. He suggested that the word "recreational" in the paragraph on second priority water be deleted. After discussion President Jeter moved, seconded by Director Haring, that the draft policy be brought forward to the Board for consideration and approval. The motion failed on a 3-4 vote, with Directors Morris, Haring, and President Jeter voting in favor and Directors Voigt, Dickson, Duncan, and Melleby opposed. The Board requested that General Manager Davis bring the policy back for discussion at a future workshop.

6. Announcements:

- A. The office will be closed Monday, February 17, 2014 in observance Presidents' Day.
- B. Regular Board Meeting, Tuesday, February 18, 2014 at 1:30 p.m.
- C. Finance and Budget Workshop, February 24, 2014 at 1:30 p.m.
- D. San Gorgonio Pass Regional Water Alliance—Technical Committee, Wednesday, February 26, 2014 at 4:00 pm, Banning City Council Chambers.

E. San Gorgonio Pass Regional Water Alliance—Wednesday, February 26, 2014 at 6:00 pm, Banning City Council Chambers.

7. **Adjournment:** Chairman Dickson adjourned the meeting at 3:11 p.m.

DRAFT – SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary to the Board

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Policy on Meeting Future Water Demands

DATE: February 18, 2014

Summary:

At the January and February Engineering workshops, the Board discussed at length a proposed policy stating that the Agency is prepared to meet all future supplemental water demands in its service area. The purpose of this proposed Board action is to formally adopt that policy, as recommended by the Board at the February 10 Engineering workshop.

Background:

The Board has recently discussed a number of proposed policies, three of them related to water service. The concept behind this proposed policy is to formally declare that it is the official policy of the Agency that it will meet all future supplemental water demands within its service area by any number of means.

Detailed Report:

One impact of adopting this policy is to officially make the Agency more than just a State Water Contractor responsible for managing its Table A water. The policy puts the Agency into a broader category of water agencies that are committed to meeting future water demands. This commitment means that the Agency will acquire whatever short-term or long-term water it deems appropriate in order to meet the expanding water demands of its service area.

The policy does not commit the Agency to acquiring any particular water or water right, but defines a number of different types of water and states that the Board will pursue any and all opportunities to meet regional water demands with any or all of these types of water.

The Agency has already demonstrated this commitment, having participated in three separate water exchanges in the past, and having purchased 1000 acre-feet of multi-year pool water in 2013. Agency staff is currently pursuing possible exchange opportunities this year, as well as negotiating with the San Bernardino Valley Municipal Water District for surplus water in 2015 and beyond.

Fiscal Impact:

Acquiring additional water, for either the short-term or long-term, will have a huge fiscal impact on the Agency in the future. This is why the Agency has built its reserve for new water over the years to more than \$5 million.

Relationship to Strategic Plan:

The strategic plan calls for the Agency to develop a regional water supply plan. This policy will be an integral part of that plan, and thus is directly related to adoption of the Strategic Plan.

Recommendation:

Staff recommends that the Board approve Resolution 2014-02 establishing a policy for meeting future water demands.

RESOLUTION NO. 2014-02

A RESOLUTION OF THE SAN GORGONIO PASS WATER AGENCY ESTABLISHING A POLICY FOR MEETING FUTURE WATER DEMANDS

WHEREAS, the San Gorgonio Pass Water Agency (“Agency”) is a state water contractor that was formed with the purpose of importing water from the State Water Project (“SWP”) into the San Gorgonio Pass area in 1961. The Agency’s service area encompasses approximately 228 square miles and includes the Cities of Beaumont, Calimesa, and Banning, as well as the unincorporated areas of Cherry Valley, Cabazon, Poppet Flat, Banning Bench, and San Timoteo and Live Oak Canyons; and

WHEREAS, the mission of the Agency is to import water and to protect and enhance local water supplies for use by present and future water users and to sell imported water to local water agencies within the Agency’s service area. The Agency is able to import water from sources that provide the highest quality and the most cost effective price, including the SWP and other potential sources. The Agency also works with local retail agencies to manage local and regional water resources in a sustainable manner designed to manage overdraft within the Agency’s service area; and

WHEREAS, the Agency has a contract with the California Department of Water Resources for 17,300 acre-feet of SWP water which is used to supplement local demands including eliminating groundwater overdraft. Information and reports obtained by the Agency, including but not limited to, the Agency’s 2010 Urban Water Management Plan, indicate that said amount of SWP water will likely not be sufficient to meet all future supplemental water demands within the Agency’s service area. The Agency has the responsibility to manage the present and future water supply needs for all users within its jurisdiction. Increased demand from new growth and decreasing reliability will continue to present challenges to the Agency’s ability to deliver wholesale water on a reliable basis. In addition, the Agency has made substantial investments in facilities and infrastructure to bring said supplies to the region and to store and deliver said supplies. Said facilities include pipelines, pump stations, turnouts, reservoirs and spreading grounds; and

WHEREAS, the Board of Directors of the Agency desires to adopt this Resolution in order to establish a policy which will work toward the goal of meeting future water demands in the region.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY AS FOLLOWS:

1. Incorporation of Recitals All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

2. Definitions The types of water rights, supplies and resources which are subject to this Resolution and the policy set forth herein include, but are not limited to, the following:

(a) Carryover Water - Water belonging to a State Water Contractor that is not used in a given calendar year and thus is carried over to the next year for use in that year or in a future year.

(b) Dry Year Yield Water - Water made available in a dry year for that year only, typically from a farming interest, irrigation district or other type of agency providing service to farming interests.

(c) Exchange Water - Water obtained from another water agency in exchange for a promise of water at a subsequent time such as in a future month or future year. An exchange may be a one-to-one exchange or an exchange with a different ratio.

(d) Long-Term Water Rights - Water rights owned by another entity which is willing to sell the rights to the water and not just a water supply. Long-Term Water Rights are frequently defined as lasting as long as the State Water Project.

(e) Short-Term Water - Water available under certain conditions in any given year or for a limited number of years for a defined period only.

(f) Spot Water - Water available in any given year for that year only.

(g) Transfer Water - Water transferred from one area of the state to another through the actions of public agencies.

3. Regional Water Management

(a) Meeting The Water Supply Needs Of The Region - The Agency is prepared to take the necessary actions to provide its service area with adequate supplies of water to meet expanding and increasing needs in the years ahead. As additional water resources are required to meet increasing needs, the Agency will be prepared to take the necessary actions to deliver such supplies.

(b) Funding And Construction Of Facilities - Taxpayers and water users residing within the Agency's service area already have obligated themselves for the construction of a supply and distribution system. This system has been designed and constructed, and future facilities will be designed and constructed, in a manner to deliver the Agency's full share of SWP water, as well as water from other sources as may be required in the years ahead.

(c) Acquiring Supplemental Water Supplies - The Agency is prepared to take the necessary actions to meet the water supply needs of the region. For example, and not by way of limitation, the Agency is authorized to pursue the acquisition of Short-Term Water, Spot Water, Dry Year Yield Water, and Long-Term Water Rights. The Board of Directors of the Agency has the discretion to reasonably determine the timing and other details of acquiring such supplies, and will also manage the Agency's current supplies to maximum effect, as determined in the Board's direction. In order to meet this commitment, the Agency has the discretion to reasonably determine which type of water source to pursue including, but not limited to, Carryover Water, one-year or multi-year Exchange Water, Transfers, or other purchases of water or water rights.

4. Consideration Of A Wheeling Request The Agency will consider “wheeling” water to the region subject to the terms of this Resolution, Agency wheeling policies, applicable law, and upon payment of the applicable charge. In the event of any such wheeling, the Agency’s facilities, including its rights to use SWP facilities, may be used to transport water not owned or controlled by the Agency to a retail agency or other public or private entity within the Agency’s service area.

5. Potential For Future Policies Regarding Water Supplies Nothing in this Resolution shall limit or otherwise impact the authority of the Board to adopt future policies regarding water supplies including, but not limited to, any potential water shortage plans that the Board may deem to be necessary in order to establish how the Agency will allocate deliveries of water to local retail agencies during single and multiple dry years where the total amount of annual orders from local retail agencies exceeds the amount of SWP water available in that calendar year or years.

6. Controlling Effect All ordinances, resolutions, minute orders, or administrative actions by the Board of Directors, or parts thereof, that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.

7. CEQA Compliance - The Board finds that the establishment of a policy for meeting future water demands constitutes general policy and procedure making and also constitutes organizational or administrative activities that will not result in direct or indirect physical changes in the environment. Based on this finding, the Board determines that the establishment of a policy for meeting future water demands, by way of adoption of this Resolution, is exempt from the requirements of the California Environmental Quality Act pursuant to section 15378(b)(2) and (5) of the State CEQA Guidelines.

8. Effective Date - The President of the Board shall sign this Resolution and the Secretary of the Board shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption.

9. Severability - If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED AND APPROVED this 18th day of February, 2014.

President, Board of Directors
San Geronio Pass Water Agency

ATTEST:

Secretary, Board of Directors
San Geronio Pass Water Agency

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Authorization to Advertise Beaumont Avenue Recharge Facility Pipeline for Construction

DATE: February 18, 2014

Summary:

The Board certified the EIR for the Beaumont Avenue Recharge Facility and Pipeline on October 21. At that time, the Board directed staff to continue moving the project forward towards completion of design and construction. The purpose of this proposed Board action is to request authorization from the Board to advertise the first phase of the project, the pipeline, for construction.

Background:

The Agency has been planning and moving toward construction of regional recharge facility for some time. The initial attempt was for a small, in-stream recharge facility that would utilize Noble Creek. This was preferred because it did not require purchase of property and had a low capital cost. The location of that project had political ramifications and, due to opposition from local parties, the Board dropped it as an option.

Eventually, when a piece of property that had been identified in a 2006 Agency study as another possible recharge site became available in bankruptcy, the Agency purchased that property at a below-market price. When other efforts to develop a regional recharge facility did not come to fruition, the Agency Board directed staff to move forward on a larger facility on the recently purchased property.

The Board approved the EIR for this project in October. In the EIR, the Agency committed to constructing the pipeline from the East Branch Extension to the recharge facility (under Orchard Street and