

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
August 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, August 4, 2014* (Page 2)
- B. Approval of the Minutes of the Engineering Workshop, August 11, 2014* (Page 6)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Operations Report
 - 2. Construction Update
 - 3. EBX 2 Update*(Page 8)
 - 4. Flume Update* (Page 9)
 - 5. General Agency Updates* (Page 16)
- B. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Ordinance 11 Creating an Administrative Code* (Page 17)
- B. Consideration of Issues Related to Leasing Agency Facilities to Private Parties and Service Groups* (Page 36)
- C. Consideration of Proposal from Inland Empire Resource Conservation District for Water Conservation Public Outreach Programs* (Page 39)

7. Topics for Future Agendas

8. Announcements

- A. Finance and Budget Workshop, August 25, 2014 at 1:30 p.m.
- B. San Gorgonio Pass Water Task Force – Technical Committee Meeting, August 27, 2014 at 4:00 p.m. - Banning City Hall Conference Room
- C. San Gorgonio Pass Water Task Force – Committee Meeting, August 27, 2014 at 6:00 p.m. - Banning City Council Chambers
- D. The office will be closed **Monday**, September 1, 2014 in observance of Labor Day
- E. Regular Board Meeting, **Tuesday**, September 2, 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 / 4 6 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
August 4, 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
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., August 4, 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, July 21, 2014
 - B. Approval of the Minutes of the Finance and Budget Workshop, July 28, 2014
 - C. Approval of the Finance and Budget Workshop Report, July 28, 2014

Director Duncan 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 617 acre-feet to Beaumont Cherry Valley Water District ponds for the month of July. The goal is to deliver 600 acre-feet monthly however, with Crafton Hills Reservoir being out of service there are no variable speed pumps, therefore the Agency has been receiving slightly more than what was ordered. **(b)** The process of filling Crafton Hills Reservoir with water will begin this month. The water will be delivered slowly to ensure there are no leaks. Servicing of water from the reservoir will likely take place in October.

(2) Beaumont Avenue Recharge Facility Pipeline Construction Update: (a) General Manager Davis provided current construction pictures and commentary on the Beaumont Avenue Regional Facility pipeline project. (b) **Timeline:** Beaumont Avenue was reopened on Friday, August 1st.

(3) Drought Update: (a) General Manager Davis stated that as of August 1st the State Water Resources Control Board's emergency regulations went into effect. (b) These newly mandated regulations were provided to the smaller water retailers at the SGPRWA Technical Committee meeting by General Manager Davis. (c) There are over 5000 water purveyors in the state; only 400 are members of ACWA. The State Board will be contacting water retailers to inform them of the new regulations. (d) The Agency has posted to its website these new regulations, along with an explanation that local water districts around the state are required to enforce said regulations; links to the local water retailer's websites were also included. (e) General Manager Davis secured two speakers for the SGPRWA Board meeting that was held on July 29th; the topic of discussion was on the drought. General Manager Davis reviewed with the Board the key points that were made by the speakers.

(4) General Agency Updates: (a) **The BDCP** comment period ended last week. State Water Contractors responded with a comment letter dated July 28, 2014; which was included in the agenda packet. The SWC stated in its letter that the proposed BDCP Alternative No. 4 is the most comprehensive effort ever undertaken to address the chronic water challenges facing the state and federal water projects in a manner that protects the Delta environment. They urged the state and federal governments to quickly resolve the remaining issues and to provide assurances that the BDCP will achieve California's coequal goals of water supply reliability and ecosystem restoration in a cost-effective manner and move forward with Alternative No. 4. (b) **State Water Resources Control Board** was sent a letter from DWR and the Department of the Interior requesting that the SWRCB use its recently granted emergency authority and order south and central Delta diverters claiming riparian and pre-1914 water rights to (1) provide information that supports the basis of any asserted right or rights and (2) reflect the quantity of water diverted and expected to be diverted. (c) **Legislation:** (1) The legislature is back in session today and will be in session for about one month. The number one issue on the agenda is to reach an agreement on a modified water bond for the November ballot. (2) Cap-and-trade regulation will be expanding to include producers of gasoline; however a key moderate Democrat is introducing a bill (AB 69) that would delay this expansion. (d) **EBX 2:** Recent rains did not impact EBX 2 construction that is taking place across the Santa Ana River. (e) **Verizon Cell Tower:** Construction will commence sometime this month. Staff will work with the contractor to minimize parking issues during board meetings.

B. Directors Report:

1) **Director Melleby** reported that she attended the Southern California Water Committee meeting held in Irwindale on July 25th. She also attended the SGPRWA Technical Committee meeting and the SGPRWA Board meeting on July 29th; the Technical Committee is working on creating a website. 2) **Director Duncan** reported that he attended the Cabazon Water District Board meeting. He also attended the Banning Chamber of Commerce Board meeting and announced that he was appointed the new chamber president. 3) **Director Voigt** reported that she attended the SGPRWA Technical meeting and the SGPRWA Board meeting. 4) **President Jeter** reported that he attended the SGPRWA and commented that the speakers gave exceptional presentations.

6. New Business: (Discussion and Possible Action)

A. Consideration of Resolution No. 2014-05, Resolution of the Board of Directors of the San Gorgonio Pass Water Agency Determining the Amount of Money Needed to Make Annual Payment for the Interest and Principle on General Obligation Bonds for Other Indebtedness Approved by the Voters Prior to July 1, 1978, and/or for Which a Tax Levy is Required Under Article 1, Section 10 of the United States Constitution and Making a Tax Levy Thereof: A staff report and a copy of Resolution No. 2014-05 were included in the agenda packet. General Manager Davis stated that setting the tax rate is voted on annually and the action that the board takes today will impact all real estate property owners within the boundaries of the Agency. The Board reviewed the financial and budgetary data at the July 28th Finance and Budget workshop. At that time, the Board voted to recommend that the Agency's tax rate remain at \$0.185 per \$100 of assessed valuation for fiscal year 2014-2015. Director Dickson made a motion, seconded by Director Voigt, that the Board approve its recommendation from the Finance and Budget workshop of July 28th, to approve Resolution No. 2014-05, setting the ad valorem tax rate at its current level for fiscal year 2014-2015. President Jeter requested a roll call. Ayes: Haring, Voigt, Morris, Melleby, Duncan, Dickson and Jeter. Noes: none. Absent: none. Motion carried 7-0.

B. Consideration of Fiscal Year 2014-2015 Debt Service Fund Budget: A staff report and the Proposed Debt Service Budget for Fiscal Year 2014-2015 were included in the agenda packet. General Manager Davis stated that the Board cannot adopt a debt service budget until it adopts a tax rate for the fiscal year, which was approved during item 6A. The purpose of this Board action is to approve a debt service budget for fiscal year 2014-2015. The Board reviewed the proposed debt service budget in detail and recommended it for approval at the Finance and Budget workshop on July 28th. Director Duncan made a motion, seconded by Director Morris, to approve the 2014-2015 Debt Service Fund Budget. Motion carried 7-0.

C. Consideration of Continuing as Lead Agency for California Environmental Quality Act (CEQA) Purposes for FERC 344 Project and Contracting with Dr. Roy McDonald and Dr. Richard Harris to Provide Consulting Services Therefore: A staff report and Contracts No. 1-2014, 2-2014 and 8-2014 were included in the agenda. General Manager Davis reviewed this item in detail including the history of the Whitewater flume. The purpose of this proposed Board action is to determine if the Board wishes to continue as lead agency on CEQA issues related to improvements to the Whitewater flume (aka FERC 344 project). The Agency was the lead for CEQA documentation related to the 2008 four party agreement, continuation as lead agency makes sense for the Agency and other parties involved. The cost of Dr. McDonald's consulting services will not exceed \$40,000. The cost of Dr. Harris' consulting services will not exceed \$6,000. It is probable that these expenditures will be reimbursed either by Southern California Edison or the City of Banning. Julie Hutchinson (Board President of Banning Heights Mutual Water Company) was in attendance. Ms. Hutchinson expressed her deep appreciation to the board for considering this item. She emphasized that protecting the water that is provided by the Whitewater flume is critical to residents of Banning Heights and the City of Banning. She commented on the challenges that they have had to endure. After discussion, Director Melleby made a motion, seconded by Director Dickson, recommending that the Board approve the proposed contracts with Dr. McDonald and Dr. Harris for a combined maximum amount not to exceed \$46,000. Motion carried 7-0.

7. **Topics for Future Agendas:** President Jeter requested an update on EBX 2.

8. **Announcements:**

- A. Beaumont Basin Watermaster Meeting, August 6, 2014 at 10:00 a.m.
- Beaumont Cherry Valley Water District Board Room
- B. Engineering Workshop, August 11, 2014 at 1:30 p.m.
- C. Regular Board Meeting, August 18, 2014 at 1:30 p.m.
- D. Finance and Budget Workshop, August 25, 2014 at 1:30 p.m.

President Jeter adjourned the meeting to closed session at 2:44 p.m.

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

- A. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of
Government Code Section 54956.9 (one potential case)

President Jeter reconvened the meeting to open session at 3:22 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.

9. **Adjournment:** *President Jeter adjourned the meeting at 3:23 p.m.*

DRAFT – SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary of the Board
cmr

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
August 11, 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
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., August 11, 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: Director Voigt, as a member of the public, announced that her kayak club had raised \$8000 for the Ronald McDonald House over the weekend. There were no other members of the public who wished to comment at this time.

3. Discussion of Draft Third Joint Facilities Agreement. A copy of the draft agreement with the San Bernardino Valley Municipal Water District, along with other past agreements, were included in the agenda package. In addition, two graphics were handed out that helped to explain ownership in various reaches of the EBX system over time. General Manager Davis reviewed the history of joint facilities agreements and other facilities agreements between the Agency and the Valley District, and reviewed why the proposed draft agreement is necessary. He explained that a previous agreement indicated that the Agency would eventually sell back its 16 cfs of capacity in the Greenspot and Mill Creek systems to Valley District; but that since the Agency will eventually need this capacity, the proposed agreement is necessary in order to reverse the previous agreement. He noted that the Board had previously agreed to this. Other features to the proposed agreement include the option for the Agency to purchase an addition 32 cfs in the Foothill Pipeline, the expansion of capacity in the final reach to 52 cfs from 48 cfs, the opportunity for either the District or the Agency to wheel water for the other prior to EBX 2 coming online, and the

potential for cost sharing on an EBX terminal tank that the Agency will likely construct in the near future. He explained that the agreement itself, as well as the accompanying exhibit, require some minor revisions prior to bringing to the Board for final approval, but that he expects this will happen within the next 2-3 months.

4. Construction Update. General Manager Davis presented slides showing progress on the construction of the Beaumont Avenue Recharge Facility Pipeline. He noted that last week, an old box culvert was found in the pipeline alignment that took a few days to get through but that construction progress is still being made.

5. Announcements:

- A. Regular Board Meeting, August 18, 2014 at 1:30 pm.
- B. Finance and Budget Workshop, August 25, 2014 at 1:30 p.m.
- C. San Gorgonio Pass Regional Water Alliance - Technical Committee Meeting—Wednesday, August 27, 2014 at 4:00 p.m. - Banning City Hall Conference Room.
- D. San Gorgonio Pass Regional Water Alliance Meeting -Wednesday, August 27, 2014 at 6:00 p.m. – Banning City Council Chambers.

6. Adjournment: Chairman Dickson adjourned the meeting at 2:35 p.m.

DRAFT – SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary to the Board

Jeff Davis

From: Strusinski, Paul@DWR <Paul.Strusinski@water.ca.gov>
Sent: Wednesday, August 13, 2014 11:09 AM
To: Jeff Davis; 'dough@sbgmwd.com'
Cc: Mike Esquer; Peddy, Jim@DWR; Diaz, Cosme@DWR
Subject: EBX II Update

Follow Up Flag: Follow up
Flag Status: Flagged

Status of Citrus Reservoir and Pump Station

- Citrus Reservoir final inspection was on 7/9/14. The contract is being closed out now.
- Citrus Pump Station – Initial contractor is beginning punch list items now—closeout expected in coming months.
- Crafton Hills Pump Station – Initial contractor (same contract as Citrus Pump Station) – beginning punch list items now.

Status of Mentone Pipeline

- The Mentone Pipeline contractor has 95% of the pipe in the ground.
- Vaults along the pipeline are under various stages of construction.
- The contractor's primary focus is getting the river crossing completed by September 30th. The contractor has been keeping schedule and we believe this portion of the work will be completed this year.
- At this point it is not clear when the pipeline will be operational, but probably late 2014.
- As the pump stations will not be operational until late 2015/early 2016, the delays in the Mentone Pipeline are not an concern.

Status of Crafton Hills Reservoir Expansion

- Crafton Hills Reservoir Expansion is almost complete.
- Seeding is underway.
- Refilling is scheduled for 8/25/14.

Status of Switchgear spec

- The EBX II Switchgear contract was awarded to Point Eight on 4/29/14.
- The contractor is preparing shop drawings which will be submitted to the Department for review before manufacturing begins.
- At this point the contract is on schedule. Equipment to be furnished in May 2015.

Status of pump station completion spec

- The EBX Pump Stations – Completion Contract staff review of plans and specifications was completed 8/11/14.
- Comments are being compiled and will soon be addressed.
- Contract is presently scheduled for advertise in October, hopefully we'll have a contractor on site in January, 2015.

Power Supply for Citrus Pump Station

- Southern California Edison is on schedule to provide power to the Citrus Pump Station site by September 2015. It is appearing likely they will beat the schedule.

Status of Pumps and Motors

- Pumps and Motors are being fabricated and are expected to be delivered in February and March of 2015.

Banning Heights Mutual Water Company

7091 Bluff Street Banning, California 92220
Office (951) 849-2540 • Fax (951) 849-6068 • bhmwc@aol.com

August 11, 2014

Frank L. Blackett, P.E., Regional Engineer
Federal Energy Regulatory Commission, Office of Energy Projects
Division of Dam Safety and Inspections- San Francisco Regional Office
100 First Street, Suite 2300
San Francisco, CA 94105-3084

Re: Forest Service Temporary Pipeline Removal Order, FERC Project No. 344

Dear Mr. Blackett:

The licensee for FERC Project No. 344 (“P-344”), Southern California Edison Company (“SCE”), has been ordered by the San Bernardino National Forest (“SBNF”) to remove the 1,100 foot long portion of the almost one mile long temporary pipeline that crosses Forest lands.¹ The temporary pipeline was constructed by SCE in 2005 to bypass a damaged section of the original P-344 canal between Raywood Flat and Powerhouse No. 1 and expeditiously restore water deliveries to the community of Banning Heights. Because the temporary pipeline is now to be removed, and water deliveries to Banning Heights will be curtailed, the Commission will need to enforce its standing orders for SCE to proceed in repairing the damaged section of canal located within the licensed P-344 right-of-way.²

A review of the San Francisco Region’s files will show the installation of the temporary pipeline, outside of the licensed P-344 right-of-way in Burnt Canyon, was the result of an agreement between SCE and Banning Heights Mutual Water Company (“BHMWC”) in considering the immediate need to restore water deliveries and uncertainty as to how long it might take to permit and restore the damaged canal.³ The Region recognized the non-project pipeline would be a temporary facility and that restoring the original canal in the licensed right-of-way would be considered further within the context of license surrender and issuance of a new license. In the meantime, SCE was directed to continue pursuing any further approvals needed to restore the original canal.⁴

¹ See attached SBNF order issued January 15, 2013.

² See attached Commission orders dated September 6, 2001, and July 3, 2002.

³ See attached Agreement between SCE and BHMWC dated June 20, 2002.

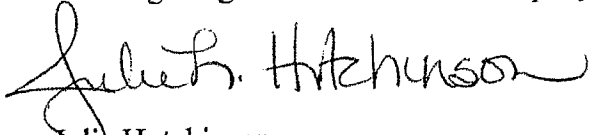
⁴ See attached Commission order of July 3, 2002.

The January 15, 2013, SBNF pipeline removal order is forcing SCE to reconstruct the damaged canal now, under the current P-344 license, to avoid curtailing all water deliveries to the community of Banning Heights. The good news is that there is a comprehensive repair plan ready to be implemented.⁵ This plan was developed by SCE in consultation with the affected agencies and approved by the San Francisco Region. It is very important for SCE to move forward immediately with the reconstruction to avoid interrupting water service to Banning Heights.

Please let me know if you have any questions or require any further clarification. We believe immediate action is necessary to assure public health and safety in Banning Heights.

Sincerely yours,

Banning Heights Mutual Water Company



Julie Hutchinson
Board President

Attachments

Cc. Samuel Lee, FERC San Francisco Region
Secretary Bose, FERC Washington, D.C.
Service and Mailing Lists for P-344 and P-14520

⁵ See attached SCE repair plan attached to SCE progress report dated May 30, 2002.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

CITY OF BANNING, CALIFORNIA,)
)
) Project No. 344
) Project No. 14520

ADDITIONAL INFORMATION IN SUPPORT OF
CITY OF BANNING'S JULY 1, 2013,
REQUEST FOR REHEARING OF ORDER DISMISSING LICENSE APPLICATION

The City of Banning ("City") files this additional information in support of our July 1, 2013, Request for Rehearing of the June 5, 2013, Order Dismissing License Application ("Order") issued by the Federal Energy Regulatory Commission ("Commission") for the Whitewater Flume Water Power Project, FERC No. 14520, which proposes to use facilities that are components of the San Geronio Nos. 1 and 2 Project, FERC No. 344.

The additional information relates to recent developments since the original July 1, 2013, request was filed with the Commission. The July 1, 2013, Request for Rehearing should continue to be considered by the Commission as filed, with consideration given to the additional information provided in the following.

Communication with respect to this filing should be sent to:

Duane Burk
Director of Public Works
City of Banning, California
P. O. Box 998
Banning, CA 92220-0998

And,

Roy McDonald
2743 14th Street
Sacramento, CA 95818

REQUEST FOR HEARING:
ADDITIONAL SUPPORTING INFORMATION

Statement of Issues

1. There are two important recent developments. 1) The first is the Forest Service's notification to the Commission that it will not accept a City use permit application that includes power generation unless the Commission first accepts the City's Application for License for filing. 2) The second is the City's filing of an Amendment to Application that includes responses to comments received during a 90-day agency draft application review. Each of these recent developments is discussed in the following.

Forest Service Notification of June 11, 2014

2. On June 11, 2014, the Forest Service notified the Commission that it would not accept the City's application for a use permit to continue to operate the FERC Project No. 344 ("P-344") facilities for power generation unless the Commission first accepts the City's Application for License for filing.¹

3. This is an important development because the Forest Service has also refused to accept the City's application for a non-power (water supply only) use permit. This Forest Service rejection of the City's non-power use permit application cited irreconcilable inconsistencies with the Forest's Land Management Plan.² And, the City was informed by the Forest Service that the decision to reject the non-power use permit application was not subject to appeal.

4. For these reasons, and the reasons cited in the City's July 1, 2013, Request for Rehearing, the City believes the Commission should accept the City's Application for License for FERC Project No. 14520 ("P-14520").

Amendment to Application for License Filed July 21, 2014

5. In the July 1, 2013, Request for Rehearing, the City asked the Commission to waive the requirement for a 90-day pre-filing agency review period to avoid duplication of effort and

¹ "I want to alert Commission staff that I will not be able to accept an application that includes the generation of electricity unless the City has a valid license application before the Commission..." (Jody Noiron, Forest Supervisor, letter of June 11, 2014)

² "The proposal does not meet first level screening item 2 (36 CFR 251.54€(1)(ii)), which requires that: *The proposed use is consistent or can be made consistent with standards and guidelines in the applicable forest land and resource management plan prepared under the National Forest Management Act and 36 CFR part 219.*" (Jody Noiron, Forest Supervisor, letter of January 15, 2013)

redundant review. The City also said, however, that if the Commission did not act immediately on our Request for Rehearing, the City would go ahead and circulate the May 7, 2013, Application for License as a draft license application for a 90-day review.

6. In fact, the City circulated the draft license application for review by agencies and interested parties on July 9, 2013. This draft was updated from the May 7, 2013, version reflecting the publication of the Commission's Final EA for P-344 on July 3, 2013. A 90-day response schedule was provided, but late comments were accepted. The City received one comment letter, dated October 14, 2013. The letter was from the California State Water Resources Control Board.

7. The Application for License was then revised to respond to this comment letter. It was also revised to include information and analyses that were not available when the license application was filed in May 2013. Specifically, it includes the results of a December 2013 study on the potential for downstream resource enhancement through flow releases. The City filed the revised license application with the Commission on July 21, 2014, as an Amendment to Application.

8. The Commission should be aware the City's Application for License, as amended, is unusual in that it contains a Commission-prepared Final EA that fully evaluates the effects of continuing to operate the P-344 facilities for water and power generation. The Final EA concludes there will be no significant adverse effects associated with either use.³

9. Furthermore, the Final EA for P-344 needs only minor edits to satisfy the Commission's National Environmental Policy Act ("NEPA") review and disclosure requirements for both P-344 surrender and P-14520 power generation. The City submitted timely comments on the P-344 Draft EA that provided detailed guidance to Commission staff on the needed edits (Attachment 1). Commission staff made several of the requested edits, such as deleting reference in the Proposed Action to removing the generating equipment from the Pine Powerhouse. But, no specific references to power generation under a new Commission license were added to the Proposed Action or Alternative 1. And, there was no recognition in the Final EA of the irreconcilable inconsistency, revealed by Forest Service on January 15, 2013, between the Forest Land Management Plan and a non-power (water supply only) project. The City believes the Commission should reconsider our comments on the P-344 Draft EA, make all of the City's requested changes, and issue revised Draft and Final EAs for a combined decision on P-344 and P-14520. These two applications are two halves of a single Proposed Action.

³ The difference between operation and maintenance for a non-power versus a power generating project lies only in how the water will be directed within the Pine Powerhouse; whether the water will strike the turbine on its way through the existing pipes or not. There are two minor repair-related differences. Tank No. 2 would remain in place and be repaired or replaced for a power generating project. And, the tailrace to the Pine Powerhouse would remain in place for a power generating project.

Requested Actions:

10. In considering the additional information above, the City respectfully asks the Commission to accept for filing the City's amended July 21, 2014, Application for License.

11. The City also continues to believe the most appropriate way forward is for the Commission to: 1) revise the Final EA for Project No. 344 to consider the City's plan to operate the repaired and transferred facilities for both water supply and power generation under a license from the Commission; and 2) consider the P-344 surrender and P-14520 license applications concurrently to assure consistency with the 2010 SCE Transfer Agreement, enhance NEPA compliance, and avoid additional redundant reviews of complete information and analyses.

Concluding Remarks

Thank you for your consideration of our request. Please let me know if you have any questions or require any further clarification at all.

Respectfully submitted,

By: 

Duane Burk
Director of Public Works
City of Banning

Dated: July 28, 2014

**Specifics of the Bond Approved by the Legislature
Water Quality, Supply, and Infrastructure Improvement Act of 2014
- \$7.545B**

Storage - \$2.7B

- Continuous appropriation for water storage projects

Regional Water Reliability – \$810M

- Integrated regional water management \$510M.
- Stormwater Capture \$200M.
- Water conservation \$100M.

Safe Drinking Water - \$520M

- Provide clean, safe and reliable drinking water to all Californians. With minimum to leverage federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program \$260M.
- Drinking Water Public Infrastructure \$260M.

Water Recycling - \$725M

- Statewide water recycling projects and activities.

Groundwater Sustainability - \$900M

- Prevent and reduce groundwater contaminants \$800M.
- Provide sustainable groundwater management planning and implementation \$100M.

Watershed Protection, Watershed Ecosystem Restoration, State Settlements - \$1.495M

- Conservancies \$327.5M.
- Wildlife Conservation Board \$200M (restoration of flows).
- Department of Fish and Wildlife \$285M (out of delta, no mitigation on BDCP).
- Department of Fish and Wildlife \$87.5M (in delta with constraints).
- State settlement obligations including CVPIA \$475M.
- Rivers and Creeks \$120M.

Statewide Flood Management - \$395M

- Statewide flood management projects and activities (\$100M).
- For Delta levee subvention programs and delta flood protection projects (\$295M).

General Provisions

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.
- Assumes repurposing of \$105M from Prop. 84, \$95M of Prop 50, \$81M from Prop 13, \$25.5M from Prop 204, \$13.5M from Prop 44, \$5M from Prop 82, \$100M from Prop. IE and \$7.120B on new debt.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Adoption of an Administrative Code

DATE: August 18, 2014

Summary:

During a discussion on adoption of some new policies over the past several months, the possibility of adopting an administrative code was mentioned. Such a code would be the “home” of various Board and staff policies, which would make them easier to find, to reference, and to revise as needed. The purpose of this proposed Board action is to adopt an administrative code and to direct staff to develop and maintain it.

Background:

Over a period of a number of years, the Board has adopted a number of policies that govern activities by both the Board and staff. Some of these were by ordinance, some were by resolution, and some were simply Board actions. There is no single place where all of these policies may be found. The purpose of an administrative code is to house these policies, and perhaps other Board actions, in one location so that they may be easily referenced and more readily available. Other public agencies, including water agencies, have such a code. While it is not required, it provides administrative strength, making policies more readily accessible.

Detailed Report:

An initial version of the administrative code is included in this agenda package. It includes the ordinances that govern water deliveries. Staff will add to this other policies pertaining to the Board and staff, and will distribute the updated administrative code to the Board when it is complete. Staff members will also have a copy of the code available for reference. Staff will update and maintain the code as

policies are revised and new policies are adopted. Updated versions will continue to be distributed to Board members in the future.

Fiscal Impact:

There is no direct fiscal impact to adopting an administrative code. Some staff time will be required to put it together and to annotate it, but this will be insignificant.

Relationship to Strategic Plan:

There is no direct relationship to the strategic plan. This is an administrative action that will result in the Agency being able to function a bit more efficiently.

Recommendation:

Staff recommends that the Board adopt Ordinance 11 establishing an administrative code and direct staff to complete the code by adding other policies and Board actions as appropriate.

**SAN GORGONIO PASS WATER AGENCY
ORDINANCE NO. 11**

ORDINANCE ESTABLISHING ADMINISTRATIVE CODE

WHEREAS, the San Gorgonio Pass Water Agency (“Agency) is a State Water Project (“SWP”) Contractor authorized to acquire waterworks, waters, and/or water rights, including but not limited to, water from the State of California from the SWP, and to provide, sell, and deliver that water under the control of the Agency to cities, agencies, districts, persons, corporations or private entities within the Agency for use within the service area of the Agency. 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. The Agency is a wholesale water agency organized and operating under the Chapter 101 of the San Gorgonio Pass Water Agency Law set forth in the Water Code Appendix; and

WHEREAS, the Agency has a contract with the California Department of Water Resources for 17,300 acre-feet of SWP water which is designated as “Table A Water” and which is used to supplement local demands including eliminating groundwater overdraft; and

WHEREAS, the Board of Directors previously adopted Ordinance No. 8 which established the “Rules And Regulations For SGPWA Water Service.” The Board desires to formally establish the rules and regulations for Agency water service as a stand-alone policy document that may be revised and amended in the future by way of subsequent ordinances or other appropriate action of the Board. In addition, the Board desires to establish said stand-alone policy document as the “Administrative Code of the San Gorgonio Pass Water Agency” in order to set forth in one document not only the policies for water service, but also other policies of the Agency which are deemed to warrant inclusion in the Administrative Code.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY AS FOLLOWS:

Section 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 Ordinance.

Section 2 Establishment of the Administrative Code of the San Gorgonio Pass Water Agency The Board hereby establishes the Administrative Code of the San Gorgonio Pass Water Agency (“Code”), a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference. All provisions of the Code are subject to revision and amendment from time to time as determined in the discretion of the Board. The Code includes the rules and regulations for Agency water service and shall include other policies of the Agency, whether adopted by ordinance, resolution, or other appropriate action of the Board, which are deemed to warrant inclusion in the Administrative Code. The procedures and criteria for including current and future policies in the Code are set forth in the General Provisions of the Code. As a result, the rules and regulations will not be set forth exclusively in, or through amendment to, Ordinance No. 8 or any other ordinance. The rules and regulations and other policies shall hereafter include

a reference to the particular ordinance, resolution, or other appropriate Board action, which may be taken in order to make any future revisions or amendments to the rules and regulations and other policies.

Section 3 Consistency All ordinances, resolutions, minute orders, or administrative actions by the Board, or parts thereof, that are inconsistent with any provision of this Ordinance No. 11 are hereby superseded only to the extent of such inconsistency. Except as specifically set forth herein, all other provisions of the rules and regulations for Agency water service, and all other policies of the Agency, as adopted by way of Ordinance No. 8 or any other ordinance, resolution or Board action, shall remain in full force and effect.

Section 4 CEQA The Board finds that the establishment of an administrative code which includes the rules and regulations for Agency water service and other policies of the Agency 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 establishment of an administrative code, by way of adoption of this Ordinance No. 11 and establishment of the Code, are exempt from the requirements of the California Environmental Quality Act pursuant to section 15378(b)(2) and (5) of the State CEQA Guidelines.

Section 5 Effective Date The President of the Board of Directors shall sign this Ordinance No. 11 and the Secretary of the Board of Directors shall attest thereto, and this Ordinance No. 11 shall be in full force and effect immediately upon adoption. Within 10 days after adoption of this Ordinance No. 11, a copy of this Ordinance shall be published one time in a newspaper of general circulation with the names of the Directors voting for and against this Ordinance.

Section 6 Severability If any section, subsection, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance 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 this 18th day of August 2014, by the Board of Directors of the San Gorgonio Pass Water Agency.

SAN GORGONIO PASS WATER AGENCY

John Jeter
President of the Board of Directors

ATTEST:

Jeffrey Davis
Secretary of the Board of Directors

EXHIBIT "A"

Administrative Code of the San Geronio Pass Water Agency

As of August 18, 2014

ADMINISTRATIVE CODE
OF THE
SAN GORGONIO PASS WATER AGENCY

TABLE OF CONTENTS

ARTICLE I – GENERAL PROVISIONS

- Section 1.1 Adoption of code
- Section 1.2 Adoption of ordinances
- Section 1.3 Adoption of resolutions
- Section 1.4 Citation
- Section 1.5 Consistency with other laws, construction, and severability
- Section 1.6 Authority

ARTICLE II – DEFINITIONS

- Section 2.1 Definitions

ARTICLE III - AUTHORIZATION FOR SERVICE

- Section 3.1 Application for Service
- Section 3.2 Investigation and Action by SGPWA
- Section 3.3 Service Connections
- Section 3.4 Meter Testing
- Section 3.5 Indemnification

ARTICLE IV - DELIVERY

- Section 4.01 Establishment and Payment of Water Charges
- Section 4.02 Need Forecasting Procedures
- Section 4.03 Weekly Water Delivery Schedules
- Section 4.04 State Water Project Contract
- Section 4.05 Variable Supply
- Section 4.06 Wholesale Only
- Section 4.07 Water Quality
- Section 4.08 SGPWA Boundaries
- Section 4.09 Return Flows
- Section 4.10 Hydraulic Head
- Section 4.11 Water Shortage Plan