

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**May 20, 2013**

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

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

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 1:30 p.m., May 20, 2013 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, May 6, 2013

Director Dickson moved, seconded by Director Duncan, to approve the consent calendar as presented. Motion passed unopposed.

5. **Reports:**

**A. General Manager's Report:**

**(1) Introduction:** General Manager Davis introduced Jeff Ferré of Best Best and Krieger (BBK). Attorney Ferré is a partner with BBK and is the firm's Environmental Law & Natural Resources and Special Districts practice group leader. He will be assisting the Agency's General Counsel, Russ Behrens with the Agency's legal issues.

**(2) Operations Report:** General Manager Davis reported on the following: **SWP Water Deliveries:** The Agency delivered a total of 41 acre-feet to Little San Gorgonio (LSG) Creek ponds and a total of 572 acre-feet to Beaumont Cherry Valley Water District ponds, for a total of 613 acre-feet so far this month.

**(3) General Agency Updates: (a) BDCP:** The formal schedule for the release of the draft Bay Delta Conservation Plan (BDCP) and accompanying environmental documents for public review and comment is October 1, 2013, as announced by the Governor.

**(b) Litigation: 1)** A San Joaquin County Superior Court judge on Thursday ruled against Delta landowner Dino Cortopassi in his suit to force state officials to dredge the Mokelumne River along his property. Mr. Cortopassi had argued that California's water delivery system was to blame for bringing decades of mud and silt into the Delta, material that then settled onto the bottom of waterways, diminishing its capacity to carry high flows. The judge ruled against the lawsuit, citing that the state Department of Water Resources provided "persuasive evidence" that upstream hydraulic mining caused the river to constrict. **2) Agua Caliente Band of Cahuilla Indians** filed a federal lawsuit to declare the Tribe's water rights to the local aquifer as the controlling rights in the Coachella Valley. The Tribe claims that the Coachella Valley Water District (CVWD) and Desert Water Agency (DWA) have not done enough to protect the local water supply in the Coachella Valley Groundwater Basin. The tribe alleges that CVWD and DWA have been over-drafting from the aquifer for years and recharging it with water from the Colorado River, which contains high concentrations of salinity. **(c) San Geronio Pass Water Task Force (SGPWTF):** President Jeter and General Manager Davis attended the first SGPWTF meeting that took place today in Banning.

## **B. Directors Report:**

**(1) Director Dickson** commended Jennifer Ares and the Inland Empire Solar Challenge Committee on the excellent work that they did on the 2013 Inland Solar Challenge event, which was held May 17-19 at Yucaipa Regional Park. He stated that it was a privilege judging the event. **(2) Director Duncan** requested that Jennifer Ares be introduced for a presentation of an award. **(3) Ms. Ares** presented the Agency with a sponsorship award and thanked Directors Melleby, Duncan and Dickson for their involvement with the event. **(4) Director Duncan** provided insight on some of the competitions that took place at the Inland Empire Solar Challenge. He praised the Banning team for their teamwork and perseverance, as they won second place in the overall competition. **(5) Director Melleby** gave an extensive report on the ACWA 2013 Spring Conference, which was held May 7-10, 2013 in Sacramento. She stated that Governor Jerry Brown made an unscheduled appearance at a luncheon that she attended. He spoke about the BDCP and his unwavering support for it. She provided the board and staff with a copy of an ACWA *California Water Update* article on the proposal for a modified 2014 water bond. ACWA's Board of Directors are supporting modifications to the current 2014 water bond in order to protect key statewide priority areas and aid its passage next year. **(6) Director Haring** commended the three directors that participated as judges at the Inland Solar Challenge and applauded the Agency for the financial support that the Agency provided for this event. **(7) President Jeter** attended the ACWA Joint Powers Insurance Authority meeting in Sacramento on May 6, 2013. He informed the Board that the Workers' Compensation rate has not been raised in three years.

## **6. New Business:**

**A. Status Report on East Branch Extension 2 (EBX-2):** EBX Summary of Detailed Schedules and EBX Schedules, Budget and Expenditure Summary were included in the agenda packet. **1)** General Manager Davis referred the Board to the Summary of Detailed Schedules. He reviewed the timetable with the Board and stated that he had emphasized to DWR that should 2015 be a wet year EBX-2 needs to go online by July 1, 2015, as the summary show. **2)** General Manager Davis provided an overview of EBX-1 improvements budget. He informed the Board that the budget was over by

almost \$2.5 million, mainly because a cut-off wall was built; this expenditure had not been a part of the original budget. An overview of the EBX-2 summary was also provided. 2) There has been a delay with the backfill for the pipeline; however the issue is being resolved. 3) Director Melleby questioned the date that the bonds are set to be sold. General Manager Davis stated that the bonds will be sold on May 21<sup>st</sup>.

**B. Status Report on Contract Extension Negotiations:** A staff memorandum and contract extension negotiation materials were included in the agenda packet. General Manager Davis directed the Board to the May 1, 2013 Draft Meeting Summary and Action Items, stating that this summary provides a complete overview of the meeting proceedings, which he had previously reported on at the May 6<sup>th</sup> Board meeting. He reviewed with the Board the May 15<sup>th</sup> Agenda and Facilitation Plan. General Manager Davis informed the Board that Plumas and Butte County have gone on record for another objective that all contractors have the option to opt out of the cost and other burdens and benefits of the Bay Delta Conservation Plan and any implementing and related projects. General Manager Davis provided explanation of the initial offer for extension of the SWP water supply contract objectives, presenting detailed information on the converting to pay-as-you-go billing methodology and the unintended consequences to billing methodologies. General Manager Davis stated that during the negotiations DWR reviewed the necessity for having reserves. SWC responded by asking DWR for more specifics as to why reserves need to be increased from \$27 million to approximately \$200 million.

**C. Consideration of Letter of Support for FERC Application by City of Banning:** A staff report was included in the agenda packet. President Jeter requested a motion from the Board. Director Voigt made a motion, seconded by Director Morris, to authorize the General Manager to submit a letter of support for the City's FERC application. The motion passed 7-0.

**7. Topics for Future Agendas:** Director Dickson requested that the topic of the Banning pipeline be placed on a future agenda.

**8. Announcements:** President Jeter reviewed the following announcements:

- A. The office will be closed May 27, 2013 in observance of Memorial Day
- B. Finance and Budget Workshop, May 28, 2013 at 1:30 p.m.
- C. Regular Board Meeting, June 3, 2013 at 1:30 p.m.
- D. Special Budget Workshop, Thursday, June 6, 2013 at 1:30 p.m.
- E. Engineering Workshop, June 10, 2013 at 1:30 p.m.

**9. Adjournment:** President Jeter adjourned the meeting at 2:37 p.m.

  
Jeffrey W. Davis, Secretary of the Board