

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
June 3, 2013

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

Directors Absent: Mary Ann Melleby, Treasurer

Staff Present: Jeff Davis, General Manager
Thomas Todd, Finance Manager
Ken Falls, Operation & 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., June 3, 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:** None.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, May 20, 2013
 - B. Approval of the Minutes of the Finance and Budget Workshop, May 28, 2013
 - C. Approval of the Finance and Budget Workshop Report, May 28, 2013

Director Duncan requested a correction to the May 20, 2013 *Minutes of the Regular Board Meeting* item 6C, stating that he had misinterpreted the motion. Director Duncan acknowledged that he fully supports the FERC application by the City of Banning and requested that the motion reflect a 7-0 vote.

Director Dickson moved, seconded by Director Morris, to approve the consent calendar as corrected. Motion passed unopposed with Director Melleby 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 66 acre-feet to Little San Geronio (LSG) Creek ponds and a total of 911 acre-feet to Beaumont Cherry Valley Water District ponds, for a total of 977 acre-feet for the month of May.

(2) General Agency Updates: General Manager Davis provided updates on the following: **(a) Bond Sale:** EBX 1 Improvement and EBX 2 bonds sold on May 21st at an interest rate of 3.22%. **(b) Final Delta Plan:** On May 16th the Delta Stewardship Council adopted the Final Delta Plan. State Water Contractors are considering litigation as the Delta Plan does not meet the co-equal goals of habitat restoration and reliable water supply. **(c) Bay Delta Conservation Plan (BDCP):** On May 29th the California Natural Resources Agency released the final draft of the BDCP. The report demonstrates net benefits over a 50-year period of approximately \$5 billion of the twin tunnel, 9,000 cfs system.

B. Directors Report: (1) Director Haring reported that he attended the Regional Water Resource Alliance meeting that was held on May 30, 2013 at Yucaipa Valley Water District. Scott Goldman of RMC Water and Environment spoke on the North San Diego County Regional Recycling Water Project.

6. New Business: (Discussion and Possible Action)

A. Consideration of Multi-Year Pool Agreement: A staff report, an agreement letter from the Department of Water Resources for the 2013-2014 Multi-Year Water Pool Demonstration Program, and the agreement were included in the agenda packet. General Manager Davis explained in detail how this new pilot program functions. The benefits are as follows:

- ✓ Will allow water short State Water Project (SWP) contractors to purchase SWP water from other willing SWP contractors, for two consecutive years, at a reasonable cost.
- ✓ State Water Contractors (SWC) can sell any unused Table A water or carryover water for a price that is much higher than the turnback pool price which varies depending on the final allocation.
- ✓ Contractors can implement multiple year exchanges.
- ✓ There are two "pools", one pool is comprised of Metropolitan Water District and Kern County Water Agency, the other pool encompasses the remaining Contractors.

This program provides flexibility to Contractors in managing water supplies, especially in dry years. Property owner Blair Ball asked what the cost of this water would be to the water retailers. General Manager Davis stated that the cost to the water retailers would be the then current rate, which is currently \$317 per acre-foot. After discussion, Director Haring made a motion, seconded by Director Dickson, recommending the approval of the 2013-2014 Multi-Year Water Pool Demonstration

Program agreement and the purchase of 1000 acre-feet this year and a maximum of 1000 acre-feet next year. The motion passed unopposed with Director Melleby absent.

B. Summary of Contract Extension Negotiation Session of May 29th: The May 15th Contract Extension Meeting Summary, the May 29th Negotiation Meeting #3 Agenda, and the May 29th Facilitation Plan meeting objectives were included in the agenda packet. General Manager Davis attended the May 29th Contract Extension Negotiation session in Sacramento. He explained many discussions are taking place in caucuses, and are not public. He stated that most of the discussions were pertaining to the topics of *Reserves* and *Other Project Purposes Account*. An agreement for the "new billing procedure" is close. No discussion took place on the length of the extension. The June 12th meeting was canceled; the next meeting will take place on June 26th.

7. Topics for Future Agendas: Director Dickson requested that the topic of the City of Banning pipeline be placed on a future agenda. No other topics were requested for future agendas.

8. Announcements: President Jeter reviewed the following announcements:

- A. Engineering Workshop, June 10, 2013 at 1:30 p.m.
- B. Special Budget Workshop, June 11, 2013 at 1:30 p.m.
- C. San Geronio Pass Water Task Force, June 17, 2013 - 10:00 a.m., Banning City Hall Council Chambers
- D. Regular Board Meeting, June 17, 2013 at 1:30 p.m.
- E. Finance and Budget Workshop, June 24, 2013 at 1:30 p.m.

9. Adjournment: President Jeter adjourned the meeting at 2:12 p.m.



Jeffrey W. Davis, Secretary of the Board
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