

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**June 17, 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  
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., June 17, 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:** Property owner Blair Ball stated that he wished to make a public comment on item 6b at the time that the item is being discussed. No other public comments were stated at this time.
4. **Consent Calendar:**
  - A. Approval of the Minutes of the Regular Board Meeting, June 3, 2013
  - B. Approval of the Minutes of the Engineering Workshop, June 10, 2013
  - C. Approval of the Minutes of the Special Budget Workshop, June 11, 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) Operations Report:** General Manager Davis reported on the following: **SWP Water Deliveries:** 1) The Agency delivered a total of 49 acre-feet to Little San Gorgonio (LSG) Creek ponds and a total of 480 acre-feet to Beaumont Cherry Valley Water District ponds, for a total of 529 acre-feet so far this month. 2) General Manager Davis announced that the Agency has delivered 10,000 acre-feet at LSG as of June 12<sup>th</sup>.

**(2) General Agency Updates: (a) EBX 2: 1)** General Manager Davis updated the Board on the EBX 2 Switchgear contract, stating that the contract could be redone in order to avoid redundancy; this could lead to a possible savings estimated at \$1.5 to \$2 million. DWR has stated that changes to the contract would delay the project. General Manager Doug Headrick (SBVMWD) and General Manager Davis have an appointment next week to meet with DWR officials to discuss this matter. **2)** General Manager Davis also updated the Board on the proposed EBX terminal tank that will provide surge protection to the system, some emergency and operational storage, and protection for the impellers at CVPS. The terminal tank will be paid for by the debt service funds and will reduce operations and maintenance costs over time. **(b) Bay Delta Conservation Plan (BDCP):** A BDCP workshop, sponsored by Southern California Water Committee, is scheduled for Friday, June 28<sup>th</sup> at Western Municipal Water District. The workshop features a panel discussion of state leaders and experts on the BDCP, including Dr. Jerry Meral, Deputy Secretary of California Natural Resources Agency. **(c) Hathaway Fire:** General Manager Davis reported that the Hathaway fire burned vegetation near the Banning flume, leaving a potential for water quality problems and mudslides in the future.

#### **B. Directors Report:**

**(1) Director Voigt** reported that she attended the Watermaster meeting that was held on June 5<sup>th</sup> and the Beaumont Cherry Valley Water District Board (BCVWD) meeting that was held on June 12<sup>th</sup>. **(2) Director Haring** reported that he attended the Watermaster meeting. **(3) Director Melleby** stated that she attended the Watermaster meeting, the BCVWD Board meeting, and the San Geronio Pass Water Task Force (SGPWTF) that was held this morning. She presented detailed information on both the Watermaster and BCVWD Board meetings. Director Melleby announced that she will not be available to attend next week's Finance and Budget workshop. **(4) Director Duncan** reported that he attended the Watermaster meeting, and the California Utility Executive Management Association (CUEMA) meeting that was held in Rancho Cucamonga on June 6<sup>th</sup>. He informed the Board that he will not be able to attend next week's Finance and Budget workshop. **(5) President Jeter** reported on the SGPWTF meeting. He stated that the attendees discussed topics to be addressed at upcoming meetings. President Jeter conveyed a list of their concerns.

#### **6. New Business: (Discussion and Possible Action)**

##### **A. Consideration of Resolution No. 2013-10, Supporting a Representative for ACWA**

**Region 9 Board:** A staff report, Resolution No. 2013-10 and ACWA Nomination documents were included in the agenda packet. Director Voigt made a motion, seconded by Director Haring, to nominate Director Melleby to serve on the Region 9 Board by including her name in Resolution 2013-10. Motion passed 7-0. Director Melleby thanked the Board for the nomination.

##### **B. Consideration of Crestline Lake Arrowhead Water Agency (CLAWA) Exchange**

**Agreement:** A staff report and a Water Exchange Agreement were included in the agenda packet. President Jeter introduced Legal Counsel Russ Behrens so that he could advise the Board on the water exchange agreement. Counsel Behrens explained to the Board that the Agency has in the past executed water exchange agreements with CLAWA. This particular water exchange agreement has been prepared by Best Best & Krieger (BBK). This agreement is between CLAWA and San Geronio Pass Water Agency (SGPWA), by which CLAWA would deliver 2,000 acre-feet of its allotted SWP

Table A water to SGPWA in Calendar Year 2013, and SGPWA would thereby return 1,300 acre-feet of SWP Table A water to CLAWA no later than the end of Calendar Year 2023; thereby netting the Agency 700 acre-feet of SWP water. Council Behrens notified the Board that BBK represents both the Agency and CLAWA, which could present a possible conflict of interest. He stated that the potential for a conflict is not fatal as to the ability of the firm to represent both parties, provided that there are waivers signed by both parties. Council Behrens informed the Board that CLAWA has already signed a conflict waiver. He stated that in the event that there was a conflict that could not be resolved, BBK would be disqualified from representing either party, so that the Agency and CLAWA would be fully protected in terms of ongoing representation in the transaction. He emphasized that this is a waiver "only" for this transaction. He stated that he has brought with him today a Conflict Waiver for Discussions and Negotiations with CLAWA re Water Exchange Agreement for the Board to authorize the general manager to sign. (A copy of the Conflict Waiver was at this time provided to the Board and the public). Counsel Behrens answered questions from the Board. President Jeter asked counsel if the conflict waiver could be considered under the emergency provision of the Brown Act. Counsel Behrens explained that the Conflict Waiver was within the umbrella of the approval of the Agreement, as it is part of the Water Exchange Agreement and the circumstances surrounding the Agreement, thereby making it appropriate to consider it without invoking the emergency provision. After discussion, Director Duncan made a motion, seconded by Director Morris, authorizing staff to sign the Water Exchange Agreement, the Conflict Waiver for Discussions and Negotiations with CLAWA re Water Exchange Agreement, and to also file an exemption form. Property owner Blair Ball addressed the Board with questions pertaining to the water exchange and how CLAWA benefits from the exchange. General Manager Davis answered Mr. Ball's questions. Mr. Ball thanked the Agency for looking out for deals of this nature. General Manager Eric Frasier (BCVWD) questioned where the water would be delivered to and the costs associated with it. General Manager Davis educated Mr. Frasier on both issues. President Jeter stated that the motion is on the table and asked if all board members were in favor. The motion passed unopposed.

- C. Discussion of Banning Pipeline:** A staff report was included in the agenda packet. Director Dickson stated that he had requested that this item be placed on the agenda. He specified that this item has been placed on hold for quite some time and that eventually the pipeline will need to be built and is concerned about how much the pipeline design will cost if it is prolonged. General Manager Davis gave a brief background on the pipeline design; including costs. As stated in a previous board meeting, the City of Banning owns the incomplete design work and is not willing to incur the cost to complete the design. Because the pipeline would be for the Pass region it would be in the Agency's interest to pay for the completion of the design. To be able to move forward on the design the City of Banning would need to release the design to either the Agency or to the consultant. General Manager Davis then explained that the pipeline could serve to deliver SWP water directly to the City of Banning for recharge or direct delivery, and it could also serve as the first phase of a pipeline that would eventually continue to Cabazon to serve retailers in that area and also to possibly recharge the Cabazon Basin and/or to store water in the Cabazon basin. The course of action under consideration at this time is to complete the pipeline design. After discussion, the Board directed staff to contact Banning's Director of Public Works and the City Manager to get definitive answers as what the

City's intent is for the incomplete design and if the City is willing to release the design.

**D. Appointment of Ad Hoc Committee on General Manager's Evaluation:** President Jeter stated that the current Ad Hoc Committee on General Manager's Evaluation is comprised of Directors Dickson, Melleby and Voigt. These directors were discharge and reappointed to the Ad Hoc Committee on General Manager's Evaluation.

**7. Topics for Future Agendas:** Director Duncan requested that the topic of the Agency's meeting times be placed on an agenda.

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

- A. Finance and Budget Workshop ,**Thursday**, June 27, 2013 at 1:30 p.m.
- B. Regular Board Meeting, July 1, 2013 at 1:30 p.m.
- C. Office Closed – Thursday, July 4<sup>th</sup> in Observance of Independence Day
- D. Engineering Workshop, July 8, 2013 at 1:30 p.m.

**9. Closed Session (1 Item):** The meeting adjourned to closed session at 2:41 p.m.

- A. Public Employee Performance Evaluation (Government Code Section 54957)  
Title: General Manager

The meeting reconvened to open session at 4:05 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 4:05 p.m.



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Jeffrey W. Davis, Secretary of the Board  
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## RESOLUTION NO. 2013-10

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY PLACING IN NOMINATION MARY ANN MELLEBY AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 9 BOARD MEMBER

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

A. Recitals


- (i) The Board of Directors (Board) of the San Gorgonio Pass Water Agency does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).
- (ii) **Mary Ann Melleby** has indicated a desire to serve as a Board Member of ACWA Region 9.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY,


- (i) Does place its full and unreserved support in the nomination of **Mary Ann Melleby** for the Board Member position of ACWA Region 9.
- (ii) Does hereby determine that the expenses attendant with the service of **Mary Ann Melleby** in ACWA Region 9 shall be borne by the San Gorgonio Pass Water Agency.

Adopted and approved this 17<sup>th</sup> day of June, 2013.

  
**Mary Ann Melleby**, Director  
San Gorgonio Pass Water Agency

(SEAL)

ATTEST

  
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Jeffrey W. Davis, Secretary


I, Jeffrey W. Davis, Secretary to the Board of Directors of San Geronio Pass Water Agency, hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 17<sup>th</sup> day of June 2013, and was adopted at that meeting by the following roll call vote:

AYES: Haring, Voigt, Morris, Melleby, Duncan, Dickson and Jeter

NOES: none

ABSENT: none

ATTEST:

  
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Jeffrey W. Davis, Secretary to the  
Board of Directors of  
San Geronio Pass Water Agency