

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**October 21, 2013**

**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 and Consultants Present:**

Jeff Davis, General Manager  
Thomas Todd, Finance Manager  
Kenneth Falls, Operations and Maintenance Manager  
Cheryle Rasmussen, Executive Assistant  
Russ Behrens, General Counsel  
Charity Schiller, Lead Counsel Environmental Impact Report  
– Best, Best & Krieger  
Mike Houlihan, Environmental Services Manager  
– FirstCarbon Solutions

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., October 21, 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, October 7, 2013
  - B. Approval of the Minutes of the Engineering Workshop, October 14, 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: **(a) SWP Water Deliveries:** The Agency delivered a total of 61 acre-feet to Little San Gorgonio (LSG) Creek ponds and a total of 596 acre-feet to Beaumont Cherry Valley Water District's facility, for a total of 657 acre-feet so far this month. **(b) East Branch Extension (EBX):** As of last week, Operations and Maintenance Manager Kenneth Falls officially began his part-time duties operating EBX at Greenspot Pumping Station. The

operating responsibilities of EBX are now shared by SBVMWD and SGPWA. **(c) EBX Maintenance & Operations:** Discussions are ongoing between the Department of Water Resources (DWR), General Manager Doug Headrick (SBVMWD) and General Manager Jeff Davis on whether DWR will relinquish the maintenance of EBX; which it is believed would result in a cost savings to both SBVMWD and the Agency. The Memorandum of Understanding (between the three entities) expires in December 2014.

**(2) Update on State Water Project Contract Extension Negotiations:** General Manager Davis reported on the October 16<sup>th</sup> Contract Extension Negotiations meeting that took place in Sacramento. He briefed the Board on specific provisions that both DWR and the Contractors deemed necessary in order to sign a contract. The next Contract Extension Negotiation meeting will take place on Wednesday, October 23<sup>rd</sup>.

**(3) General Agency Updates:** **(a) Agency Website Update:** General Manager Davis informed the Board that the Agency's website Transparency page has been implemented; however, there are some glitches that the web designer is resolving. A review of the additions and enhancements to the website will be provided at a future board meeting. **(b) Legislative Update:** General Manager Davis reported on the following items pertaining to this session of the legislature:

- I. There was no California Environmental Quality Act (CEQA) reform.
- II. 2013 Legislative session: Governor Brown signed 800 regular session bills and vetoed 100 bills; 1100 hundred bills were carried over to next year.
- III. Two bills that would repeal the existing 2014 water bond and place a modified measure on the November 2014 ballot were amended, but not taken up for a vote before lawmakers adjourned; the cost of each bill...\$6.47 billion and \$6.50 billion.
- IV. Urban Water Management Plan (UWMP) - The Natural Resources Defense Council is expected to introduce some bills next year revising requirements for UWMP's.
- V. On October 25<sup>th</sup>, California Air Resources Board (CARB) will be meeting to discuss an amendment that will allow the State Water Project to be given the same free allowances that the electrical industry has received over the last year. Should the allowances be denied it is estimated that the additional power costs, between now and 2020, will cost SWP Contractors over \$220 million; resulting in an estimated cost of \$1.5 million over the next seven years to this Agency.

**(c) Bay Delta Conservation Plan (BDCP):** The federal government shutdown has caused a month-long delay in the release of the BDCP. The plan was supposed to be released for public comment on November 15<sup>th</sup> and has been rescheduled to be released around December 6<sup>th</sup>. **(d) Solano County Area of Origin:** General Manager Davis reminded the Board that while in consultation with the Agency's general counsel on July 15<sup>th</sup>, the Board had voted in closed session to approve the Solano County litigation settlement agreement, commonly referred to as the Area of Origin litigation. The Board authorized the general manager to sign the settlement agreement at that time. General Manager Davis informed the Board that the agreement has been signed and submitted. General Counsel Behrens stated that all but one contractor signed the

settlement agreement and that it has been settled with a physical solution to the problem (pertaining to the area of origin during shortage conditions).

**B. Directors Report:** 1) Director Haring reported that he attended the State of Riverside County in Palm Springs on October 25<sup>th</sup> and the Yucaipa Valley Water District Board meeting on October 16<sup>th</sup>. 2) Director Melleby reported that she attended the San Geronio Pass Water Task Force (SGPWTF) meeting on October 14<sup>th</sup> and the State of the City of Banning on October 15<sup>th</sup>. 3) President Jeter stated that he also attended the State of the City of Banning.

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

**A. Consideration of and Potential Adoption of Resolution No. 2013-13, for the Certification of an Environmental Impact Report and Approval of the Beaumont Avenue Recharge Facility and Pipeline Project:** President Jeter introduced this matter and then called upon General Manager Davis to proceed. General Manager Davis introduced the following consultants: Attorneys Charity Schiller and Jeff Ferré with Best, Best and Krieger, Joseph Caldwell with Albert A. Webb Associates. General Manager Davis provided an outline as to the sequence of the proceedings:

1. Staff will provide an outline of the benefits of the project.
2. Michael Houlihan with FirstCarbon Solutions (aka Michael Brandman & Associates) wrote the Environmental Impact Report (EIR). He will be speaking on the environmental review process and the comments that were received pertaining to the Draft EIR.
3. Public comments will follow.
4. The Board will have the opportunity to comment and ask questions.
5. General Counsel (or his designee) will review with the Board, the proposed Resolution No. 2013-13.
6. Lastly, Resolution No. 2013-13 will then be considered by the Board for possible adoption.

General Manager Davis announced that a court reporter is present at today's meeting. He requested that anyone wishing to make a comment to please wait until the Board President calls upon them, and to not speak over another person in order to assist the court reporter in making an accurate record of the proceedings. General Manager Davis reminded the Board that staff, along with Michael Houlihan, had reviewed the Draft EIR with the Board at the June 10, 2013 Engineering Workshop. At that time, the Board was informed that the Draft EIR concluded that there would be no environmental impacts that would not be mitigated to a level of less than significant. Mr. Davis stated that this statement has not changed. He stated that based on the analysis and mitigation measures that will be implemented, there will be no significant environmental impacts. General Manager Davis explained where and how the project would be implemented, as well as why it is recommended that the Board approve certification of the EIR and approve this project. He provided a PowerPoint presentation that detailed six major benefits of the project, as follows.

1. Completion of EBX 2 – The ability to take all allotted Table A water when it is available and put storage locally
2. Management of Table A Water – Less carryover water in the San Luis Reservoir; a place to store water in wet years.

3. Conjunctive Use – The ability to take more water in wet years and store it at the Beaumont Avenue Recharge Facility for subsequent dry years.
4. Service to Retail Customers – Water deliveries to smaller retailers; Banning would have the ability to spread water in this facility; the Beaumont Cherry Valley Water District (BCVWD) would need to utilize this facility if it wants to purchase more than 20 cfs of water.
5. Integrated Regional Water Management Plan (IRWMP) – San Geronio Pass Water Task Force is considering developing an IRWMP, which typically involves more opportunities to store water in local groundwater basins.
6. Reduce Reliance on Delta – As stipulated in the recently implemented Delta Plan, the Agency must demonstrate “reduced reliance” on the Delta. This can be accomplished by having less reliance in dry years when the Delta is stressed, but overall no reduction. In order to implement this proposed policy on reduced reliance the Agency would need the ability to take more water during wet years. By moving forward with the project, the Agency is being consistent with the State Water Contractors’ view on what reduced reliance means, which is to take less in dry years, but take more in wet years.

The operation of the facility is outlined as follows:

- ➔ The facility would be used mostly in wet years.
- ➔ The facility would be used little or not at all in dry years, like many conjunctive use projects.
- ➔ City of Banning may ask the Agency to spread 100 AF per month sometime in the future.
- ➔ Beaumont Cherry Valley Water District (BCVWD) may have the need to spread water at the Beaumont Avenue Recharge Facility, as BCVWD’s facility is limited to 20 cfs.
- ➔ The Agency would have storage available for Article 21 water; in addition to wet years, Article 21 water is sometimes available in average years.

General Manager Davis concluded his presentation and introduced Michael Houlihan, the principal author of the Draft EIR. Mr. Houlihan provided a PowerPoint presentation on the Beaumont Avenue Recharge Facility and Pipeline Project. He reviewed in detail the following with the Board:

- Outreach Efforts
- Proposed Project (Recharge Facility, Underground Pipeline & Service Connection Facility)
- Project Approvals (Required Approvals and Potential Approval from California Department of Fish and Wildlife)
- Draft EIR Environmental Issues
- Potential Significant Impacts before Mitigation Measures
- Potential Significant Impacts and Recommended Mitigation Measures
- Level of Impact after Mitigation Measures
- Comments on the Draft EIR – 9 Comment Letters
- Summary of Comments Received on Draft EIR
- Final EIR
- Overview of Environmental Process Schedule

Mr. Houlihan finished his presentation. General Manager Davis announced that the staff presentations have concluded. President Jeter then stated that this was the time for the receipt of public comments and that each speaker was requested to limit their


comments to five minutes. Each speaker was asked to provide their name; name of organization that is being represented, if applicable; and if the speaker owns property in the area. Each speaker was requested to complete a Request to Speak form which would include such information. It was also explained that Board and Staff would not address public comments or questions until after conclusion of the public comment period, at which time staff would provide any follow up information or answer questions that were raised during the public comment period. The following members of the public spoke during the public comment period: Blair Ball and General Manager Joe Zoba (Yucaipa Valley Water District). President Jeter inquired if there were any more comments from the public. There being none, the public comment period was closed and President Jeter then inquired if there were any comments or questions raised during the public comment period that the Board would like to have addressed or that staff would like to address. At this point in time, Counsel Behrens provided guidance to the Board regarding the next steps in this proceeding. President Jeter then called upon staff to respond to certain comments which were made during the public comment period. General Manager Davis stated that staff had taken notes on the comments that were made and that the comments related more to policy and economic/financial issues, than they did to the EIR document. Mr. Davis stated that staff felt all of the EIR-related comments have been addressed adequately in the document. The Board then took the matter under consideration. President Jeter then called upon Charity Schiller (BBK) who provided guidance to the Board regarding the Resolution and accompanying documents that were before the Board. She informed the Board that Resolution No. 2013-13 will certify that the EIR has been completed for this project and it would also take other actions as required by CEQA, and would also approve the project. There are three Exhibits to the Resolution. Exhibit "A" is CEQA Findings, which explains the conclusions. The findings confirm that there are no significant or unavoidable impacts that will result from this project; Exhibit "B" is the Statement of Benefits, which summarizes the benefits that Mr. Davis expanded on and is also set forth in the EIR; Exhibit "C" is the Mitigation Monitoring and Reporting Plan (MMRP), which is a CEQA requirement and guarantees that every mitigation that was set forth in the EIR will in fact be binding to the Agency, and that the Agency will comply with the MMRP; therefore, all CEQA requirements have been met. President Jeter called upon General Counsel Behrens. Counsel Behrens stated that he has reviewed the documents that Charity Schiller was lead counsel on. He agreed with her analysis concerning this document stating that the EIR is a complete document that evaluates all of the impacts and mitigation measures, and shows (along with the MMRP) there will not be any significant impacts to the area in which it operates. He stated that he supports staff's recommendation, as this project has significant regional and local benefits and is consistent with the Agency's UWMP. A motion was made by Director Haring, seconded by Director Melleby to adopt Resolution No. 2013-13, for the Certification of an Environmental Impact Report and Approval of the Beaumont Avenue Recharge Facility and Pipeline Project. President Jeter requested a roll call. Ayes: Haring, Voigt, Morris, Melleby, Duncan, Dickson and Jeter, Noes: none, Absent: none. Motion carried 7-0.

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

**8. Announcements:**

- A. Finance and Budget Workshop, October 28, 2013 at 1:30 p.m.
- B. Regular Board Meeting, November 4, 2013 at 1:30 p.m.
- C. San Geronio Pass Water Task Force, November 4, 2013 at 6:00 p.m.  
at Banning City Council Chambers
- D. Office is closed November 11, 2013 in remembrance of Veterans Day
- E. Engineering Workshop, November 12, 2013 at 1:30 p.m.

- 9. Adjournment:** President Jeter thanked everyone for their attendance. The meeting was adjourned at 2:34 p.m.



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Jeffrey W. Davis, Secretary of the Board

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**RESOLUTION NO. 2013-13**

**A RESOLUTION OF THE SAN GORGONIO PASS WATER AGENCY CERTIFYING THE DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE BEAUMONT AVENUE RECHARGE FACILITY AND PIPELINE PROJECT; ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM; ADOPTING A STATEMENT OF PROJECT BENEFITS; AND APPROVING THE BEAUMONT AVENUE RECHARGE FACILITY AND PIPELINE PROJECT**

**WHEREAS**, the San Gorgonio Pass Water Agency (the “Agency” or “SGPWA”) 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 most heavily developed portion of the Agency’s service area, the Beaumont Basin, is currently experiencing an overdraft condition; and

**WHEREAS**, In 2003, Phase I of SWP’s East Branch Extension (“EBX”) was completed, bringing raw SWP water into SGPWA’s service area; however, the capacity of Phase I allows for a maximum of approximately 12,000 acre feet per year (“AFY”) of the Agency’s existing SWP supply contract Table A amount (17,300 AFY); and

**WHEREAS**, In response to these conditions, the Agency proposes to construct a groundwater recharge facility on a vacant, undeveloped property in the City of Beaumont, California, to increase recharge capabilities with the delivery SWP water, as well as other supplemental water sources via a proposed pipeline and service connection facility and to enable the Agency to replenish the groundwater basin and provide water supply for the ongoing and projected needs of the Agency’s service area (the “Project”).

**WHEREAS**, pursuant to section 21067 of the Public Resources Code, and section 15367 of the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), the Agency is the lead agency for the Project; and

**WHEREAS**, the Agency solicited comments, including details about the scope and content of the environmental information, as well as potential feasible mitigation measures, from responsible agencies, trustee agencies, and the public, in a Notice of Preparation (“NOP”) for the EIR for the Project, which was issued on November 13, 2012 and circulated for a period of 30 days pursuant to State CEQA Guidelines sections 15082, subdivision (a) and 15375; and

**WHEREAS**, approximately seven (7) written comment letters were received by the Agency in response to the NOP, which assisted the Agency in expanding the issues and alternatives for analysis in the Draft EIR; and

**WHEREAS**, pursuant to State CEQA Guidelines section 15083, the Agency held a public scoping meeting on December 3, 2012, to solicit public comments on the EIR for the Project; and

**WHEREAS**, the Draft EIR was completed and released for public review on June 6, 2013, and the Agency initiated a 45-day public comment period by filing a Notice of Completion and Availability with the State Office of Planning and Research and the Riverside County Clerk; and

**WHEREAS**, pursuant to Public Resources Code section 21092, the Agency also provided a Notice of Completion and Availability to all organizations and individuals who had previously requested such notice; and

**WHEREAS**, during the 45-day comment period (June 11, 2013 to July 26, 2013), the Agency consulted with and requested comments from all responsible and trustee agencies, other regulatory agencies and other interested parties pursuant to State CEQA Guidelines section 15086; and

**WHEREAS**, during the official public review period for the Draft EIR, the Agency received nine (9) written comment letters; and

**WHEREAS**, pursuant to Public Resources Code section 21092.5, the Agency provided copies of the written responses to all commenting public agencies; and

**WHEREAS**, the "EIR" consists of the Draft EIR and the Final EIR (including the comments, responses to comments, errata, and other supporting documents); and

**WHEREAS**, all potentially significant adverse environmental impacts were fully analyzed in the EIR; and

**WHEREAS**, as contained herein, the Agency has endeavored in good faith to set forth the basis for its decision on the Project; and

**WHEREAS**, all requirements of the Public Resources Code and the State CEQA Guidelines have been satisfied in the EIR, which is sufficiently detailed so that all of the potentially significant environmental effects of the Project, as well as feasible mitigation measures, have been adequately evaluated; and

**WHEREAS**, prior to taking action, the Agency has heard, been presented with, reviewed and considered all of the information and data in the administrative record and all oral and written evidence presented to it during all meetings; and

**WHEREAS**, the Agency's written CEQA findings are attached hereto as Exhibit "A"; and



**WHEREAS**, the Agency's Statement of Project Benefits is attached hereto as Exhibit "B"; and

**WHEREAS**, the Agency's Mitigation Monitoring and Reporting Program setting forth the mitigation measures to which the Agency shall bind itself in connection with the Project is attached hereto as Exhibit "C"; and

**WHEREAS**, the EIR reflects the independent judgment of the Agency and is fully adequate for purposes of making decisions on the merits of the Project; and

**WHEREAS**, the Agency has not received any comments or other information constituting substantial new information requiring recirculation of the EIR pursuant to Public Resources Code section 21092.1 and State CEQA Guidelines section 15088.5; and

**WHEREAS**, on October 21, 2013 the Agency conducted a duly noticed public meeting at which the Project was considered, at which time all persons wishing to testify were heard, and the Project was fully considered; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1 – Consideration of EIR.** The Agency finds that it has reviewed and considered the EIR (including the comment letters, responses to comments, and errata) in evaluating the Project's potential impacts; that the EIR has been completed in full compliance with CEQA, the State CEQA Guidelines, and the Agency's local procedures for implementing CEQA; and that the EIR reflects the independent judgment and analysis of the Agency.

**SECTION 2 - Recirculation.** Based on the entire record before the Agency, including all written and oral evidence presented, the Agency hereby finds that no evidence of new significant impacts or any other "significant new information" as defined by State CEQA Guidelines section 15088.5 has been received by the Agency after circulation of the Draft EIR which would require recirculation.

**SECTION 3 – CEQA Findings.** Based on the entire record before the Agency, including all written and oral evidence presented, the Agency hereby adopts the written CEQA Findings attached hereto as Exhibit "A" to this Resolution.

**SECTION 4 – Project Benefits.** Based on the entire record before the Agency, including all written and oral evidence presented, the Agency hereby adopts the Statement of Project Benefits attached as Exhibit "B" to this Resolution.

**SECTION 5 – Certification of EIR.** Based on the entire record before the Agency, including all written and oral evidence presented, the Agency hereby certifies the EIR and finds that the implementation of the Project will not have any significant and unavoidable environmental effects. All potentially significant environmental impacts have been analyzed

in the EIR and will be mitigated to a level of less than significant. Additionally, the Board finds that a range of reasonable and potentially feasible alternatives to the Project were fully analyzed in the EIR, but are rejected in favor of the Project.

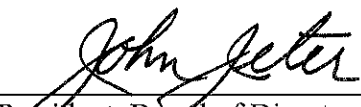
**SECTION 6 - MMRP.** Pursuant to Public Resources Code section 21081.6, the Agency adopts the Mitigation Monitoring and Reporting Plan attached as Exhibit "C" to this Resolution. In the event of any inconsistencies between the mitigation measures as set forth in the EIR or the CEQA Findings in Exhibit A and the Mitigation Monitoring and Reporting Plan, the Mitigation Monitoring and Reporting Plan shall control.

**SECTION 7 – Project Approval.** Based on the entire record before the Agency, all written and oral evidence presented, the CEQA Findings, the Statement of Project Benefits, and Mitigation Monitoring Reporting Plan, and all other evidence, the Agency hereby approves the Beaumont Avenue Recharge Facility and Pipeline Project.

**SECTION 8 – Custodian of Record.** The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at the San Gorgonio Pass Water Agency, 1210 Beaumont Ave., Beaumont, CA 92223. The custodian for these records is Jeff Davis, General Manager. This information is provided in compliance with Public Resources Code section 21081.6.

**SECTION 9 – Notice of Determination.** Agency staff shall cause a Notice of Determination to be filed and posted with the Clerk of the County of Riverside and the State Clearinghouse within five (5) working days of Project approval.

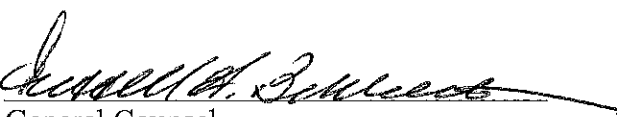
**ADOPTED AND APPROVED** this 21<sup>st</sup> day of October, 2013.

  
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President, Board of Directors  
San Gorgonio Pass Water Agency

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors  
San Gorgonio Pass Water Agency

APPROVED AS TO FORM:

  
\_\_\_\_\_  
General Counsel  
San Gorgonio Pass Water Agency

**[Exhibit "A"]**

**Findings of Fact**

[Exhibit "B"]

**Statement of Project Benefits**

[Exhibit "C"]

**Mitigation Monitoring and Reporting Program**