

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA 92223**  
**Minutes of the**  
**Board of Directors Engineering Workshop**  
**April 14, 2014**

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

**Directors Absent:** Bill Dickson, Vice President

**Staff Present:** Jeff Davis, General Manager  
Tom Todd, Financial Manager

**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., April 14, 2014 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Melleby led the Pledge of Allegiance to the flag. A quorum was present.

**2. Public Comment:** There was no public comment at this time. President Jeter turned the meeting over to Mary Ann Melleby, Vice Chair of the Engineering Committee.

**3. Review of SGPWA Act:** A copy of the San Gorgonio Pass Water Agency Act was included in the agenda package. General Manager Davis reviewed portions of the Act with the Board, in particular the powers of the Board. He noted that the Board has wide ranging powers granted by the legislature to construct public works and to finance them, including those powers expressly granted in the Act as well as powers necessarily implied by the Act. He also reviewed the sections of the act related to water rates and what may be included in them, a facility capacity fee, and dissolution of the Agency. He remarked that the Act states that it is the intent of the legislature that the Agency not be dissolved as long as there is bonded indebtedness to be paid off.

**4. Discussion on Draft Water Shortage Policy:** A copy of the latest revision of the draft policy was included in the agenda package. General Manager Davis noted the differences between this draft and the draft discussed last month; these were printed in bold letters. The language regarding the first priority for water deliveries (5% of the water ordered by retail water agencies in a

given year), was changed to be allocated, per Section 101-15.5 of the SGPWA Act, to direct delivery customers who have turned off wells to receive the direct deliveries, thus contributing to groundwater overdraft elimination. In the previous draft, this water had been allocated to the Agency, who could choose to allocate it for the same purpose. The second major revision from last month was on third priority water, which is 10% of retail water agency orders for use by the Agency at its discretion. General Manager Davis noted the addition of a sentence that provides flexibility to the Board of directors to reduce this 10%, depending on the needs of the retail water agencies in a given year. Other revisions merely accounted for these two changes. Discussion, including input from retail water agencies, centered on the fact that the policy as currently drafted does not include any water other than Table A water and the suggestion that this policy should be combined with a revised policy for Section 101-15.5 of the Agency Act. General Manager Davis indicated that he would try to develop some language that would include additional water in the policy (carryover water, Yuba water, and other water) and bring this back for discussion at a future workshop. No decision was made on whether this policy would be combined with a policy on Section 101-15.5 or not. General Manager Davis indicated that there would not be a sense of urgency to adopt this policy if the Board would provide direction to him regarding allocation of water this year to recharging retail water agencies. He asked the Board if he could invoice the two recharging retail agencies based on the percentages of their deliveries over the past three years, which would be relatively consistent with the proposed policy to deliver to such retailers in proportion to their orders for State Water Project water. The Board agreed to this by consensus.

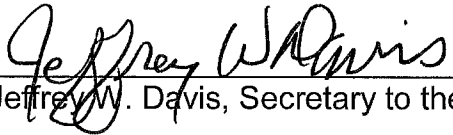
**5. Discussion on Contract Extension—Agreement in Principle:** After a five minute break, General Manager Davis presented a Power Point prepared by the State Water Contractors related to the Agreement in Principle currently being negotiated between the Contractors and the Department of Water Resources. The language for the AIP would be consistent with the results of the ten months of negotiations concluded last month. General Manager Davis indicated that it would likely be June or July before he would have an AIP for the Board to consider, and that this would not constitute a formal contract amendment, which would not come until an EIR is complete in approximately two years. However the AIP is requested by the Department to gage the acceptance of the terms of the contract amendment to the Contractors and to justify moving forward with an EIR.

**6. Announcements:**

- A. Regular Board Meeting, April 21, 2014 at 1:30 pm.
- B. San Gorgonio Pass Regional Water Alliance Group Tour—April 23, 2014 at 10:00 a.m.-3:30 p.m. (Tour begins and ends at the SGPWA Parking Lot)
- C. Finance and Budget Workshop, April 28, 2014 at 1:30 p.m.

D. Regular Board Meeting, May 5, 2014 at 1:30 p.m.

7. **Adjournment:** Vice Chair Melleby adjourned the meeting at 3:24 p.m.

  
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Jeffrey W. Davis, Secretary to the Board