

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**September 15, 2014**

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

**Directors Absent:** Ray Morris, Director

**Staff Present:** Jeff Davis, General Manager  
Thomas Todd, Finance Manager  
Cheryle Rasmussen, Executive Assistant  
Russ Behrens, General 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., September 15, 2014 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, September 2, 2014
  - B. Approval of the Minutes of the Engineering Workshop, September 8, 2014
  - C. Approval of the Minutes of the Water Conservation and Education Workshop, September 11, 2014

Director Melleby moved, seconded by Director Dickson, to approve the consent calendar as presented. Motion carried 6-0, with Director Morris absent.

**5. Reports:**

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

**(1) Operations Report:** **a)** General Manager Davis informed the Board that SWP water is still being delivered through the bypass. **b)** Crafton Hills Reservoir is now completely filled with water as of September 6<sup>th</sup>; however the water will need time to settle. Water quality tests will be performed prior to any deliveries. **c)** As of September 1, the Agency has about 2000 acre feet more of SWP water to deliver for the remainder of this year. Once the 2000 acre feet have been delivered distributions will end for the year, leaving about 500 acre feet of carryover for next year.

**(2) Construction Update:** a) General Manager Davis provided the Board with an update and a slide presentation on the construction of the Beaumont Avenue Recharge Facility Pipeline. He informed the Board that construction is nearing the end. b) General Manager Davis updated the Board on the status of Verizon's cell tower that will be built on the Agency's property behind the parking lot, stating that during the last conversation with the representative he was told that they were waiting for the City of Beaumont to issue the required permits.

**(3) General Agency Updates:** General Manager Davis informed the Board that a news article that was in the Desert Sun about three months ago, regarding Arrowhead's Bottling Plant, seems to have caught the eye of a number of news outlets. General Manager Davis has received a number of phone calls from the news media asking him for his perspective on this issue.

**B. Directors Reports:** (1) **Director Dickson** reported that he attended the Beaumont Cherry Valley Water District Board meeting that took place on September 10<sup>th</sup>. (2) **Director Voigt** reported on the BCVWD Board meeting. (3) **Director Melleby** gave a report on the YVWD's Workshop that she attended on September 9<sup>th</sup> and the ACWA Communication Committee meeting that she attended on September 10<sup>th</sup>. She also attended the Beaumont Chamber of Commerce Breakfast meeting on September 12<sup>th</sup>. (4) **Director Duncan** reported that he attended Beaumont Chamber of Commerce Breakfast meeting. He announced that Cabazon Water District will be holding its Board meeting this evening. (5) **President Jeter** reported on the BCVWD Board meeting that he attended on September 10<sup>th</sup>. (6) **Director Melleby** inquired if staff had made contact with the police officer that had done the report on the pipe vandalism. General Manager Davis explained the he has not been able to make contact with the officer, due to the officer's work schedule. He will continue to attempt to make contact with him and will report back to the Board accordingly. (7) **Director Haring** inquired if it would be feasible to include a Water Conservation and Education Update under item 5a of the Board's bi-weekly meeting agendas. It was the consensus of the Board that any updates on water conservation and education would be included in the General Manager's Report under General Agency Updates.

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

**A. Consideration of Policy on Use of Agency Facilities:** A staff report and a copy of the proposed Board Room Use Policy were included in the agenda packet. General Manager Davis stated that the Board had directed staff along with General Counsel to present a draft policy for the use of the Agency's facilities. The policy allows use of the Board room by other governmental agencies and prioritizes usage. General Manager Davis reviewed the policy with the Board in detail. Legal Counsel Russ Behrens explained the need for an indemnity agreement and how it protects the Agency. Legal Counsel Behrens stated that he will provide a standard indemnity form for implementation should this policy be adopted. President Jeter made a recommendation to Section 8.02, requesting that it be revised to include retail/mutual water agencies and prioritize them as the second highest priority. It was the consensus of the Board to approve this policy with the requested change to Section 8.02. Director Voigt requested that Section 8.02 is to specify retail/mutual water agencies within the Agency's jurisdiction. Director Duncan made a motion, seconded by Director Voigt, to approve the Policy on Use of Agency Facilities with the amendments specified. Motion carried unopposed 6-0, with Director Morris absent.

**B. Consideration of Revisions to Agency Procurement Policy:** A copy of a staff report and a copy of the Draft SGPWA Procurement Policy were included in the agenda packet. General Manager Davis stated that he had reviewed the Agency's Procurement Policy at the September 8<sup>th</sup> Engineering workshop, at which time he proposed making revisions to the policy. General Manager Davis reviewed with the Board the drafted Procurement Policy with the suggested changes. During discussion, the Board requested a number of additional changes to the policy. It was the consensus of the Board to table this item until staff has made the appropriate changes. General Manager Davis stated that he will review with the Board the newly revised policy that will include the requested changes at the September 22<sup>nd</sup> Finance and Budget workshop.

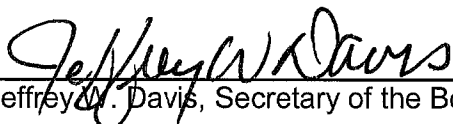
**C. Consideration of Resolution No. 2014-07:** A copy of Resolution No. 2014-07 was included in the agenda packet. General Manager Davis stated that ACWA is asking its members to pass a resolution in support of Proposition 1. Director Dickson made a motion, seconded by Director Melleby, to approve Resolution No. 2014-07 In Support of Proposition 1. Motion passed unopposed 6-0, with Director Morris absent.

**D. Consideration of Adult Water Conservation Programs:** A staff report and a copy of the proposal for Water Conservation Education Program for Homeowners were included in the agenda packet. General Manager Davis stated that the Board had discussed this program at the September 11<sup>th</sup> Water Conservation and Education workshop and had voted unanimously to bring this proposal to the full Board for consideration. This program will be extended to HOA's, garden clubs and neighborhood associations. President Jeter requested Director Melleby to report on this program. Director Melleby provided background information on the development of the adult conservation program. A session was provided to Sun Lakes residents on August 19<sup>th</sup>. There were 36 residents in attendance and the session was well received. Sun Lakes HOA is interested in having more sessions. Four Seasons HOA has requested a presentation. The presenter, Susan Savolainen, has been asked to speak at the San Geronio Pass Regional Water Alliance. After discussion, Director Duncan made a motion, seconded by Director Dickson, recommending the approval of the proposal and the contract of the Water Conservation Education Program for Adults with Ms. Savolainen, not to exceed a cost of \$5,000. Motion carried 6-0, with Director Morris absent.

**E. Consideration of Alternative Water Supply Study for Banning and Banning Heights:** A staff report was included in the agenda packet. General Manager Davis stated that this item was not included in the 2014-2015 Budget; however, the dispute with the U.S. Forest Service on the flume was not something that could have been foreseen. A dispute resolution process between the three participants (City of Banning, Banning Heights Mutual Water Company and the Agency), FERC, who will be leading the process, and the U.S. Forest Service will commence. The purpose of the dispute resolution process is to find a mutually acceptable way for the City of Banning to attain its FERC permit, thereby allowing them to continue the operation of the flume system in a manner that the Forest Service will accept. The Forest Service has to this point, been non-negotiable in water releases. The Forest Service is standing firm on obtaining water from the flume for the trees. General Manager Davis stated that the three entities will not accept any loss of water without mitigation. Should the end result be in favor of the Forest Service and the people lose out on any water that they have rights to, then somebody (most likely Edison) would have to provide an alternative source with an equivalent amount of water. What is needed is a study to find out what the costs would be that is associated with receiving an alternative water source. An engineer will need

to be hired to perform an engineering study that would identify and quantify the loss of water supply to both the Banning Bench and the City of Banning, and develop an alternative supply, along with a capital and operating cost estimate of the alternative supply. General Manager Davis stated that he has verbally spoken to the City of Banning's Public Works Director Duane Burk and to Banning Heights President Julie Hutchinson about cost sharing. They both have agreed verbally to share the cost with the Agency that is associated with the study. General Manager Davis recommended the following: **1.** That the Board authorizes staff to sign a contract with an engineering consultant (preferably Webb & Associates) to perform a study that would identify alternative water supplies at an estimated cost of \$40,000 - \$60,000. **2.** That the Board directs staff to negotiate cost-sharing agreements (with the assistance of legal counsel) between Banning Heights Mutual Water Company, City of Banning, and the Agency; each entity's cost would be one-third of the total amount. **3.** That the Board direct staff to provide a budget revision for the study and to present said revision for Board approval. Director Dickson made a motion, seconded by Director Duncan, to approve the Alternative Water Supply Study for Banning and Banning Heights, for an amount not to exceed \$60,000. Motion carried 6-0, with Director Morris absent. General Manager Davis will make a recommendation on the budget revision at the September 22<sup>nd</sup> Finance and Budget workshop.

7. **Topics for Future Agendas:** There were no topics for future agendas requested at this time.
8. **Announcements:** *President Jeter reviewed the following announcements:*
  - A. Finance and Budget Workshop, September 22, 2014 at 1:30 p.m.
  - B. San Gorgonio Pass Regional Water Alliance – Technical Committee Meeting, September 24, 2014 at 4:30 p.m. - Banning City Hall Conference Room
  - C. San Gorgonio Pass Regional Water Alliance – Committee Meeting, September 24, 2014 at 6:00 p.m. - Banning City Council Chambers
  - D. Regular Board Meeting, October 6, 2014 at 1:30 p.m.
9. **Adjournment:** *President Jeter adjourned the meeting at 2:35 p.m.*

  
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Jeffrey W. Davis, Secretary of the Board