

SAN GORGONIO PASS WATER AGENCY

ORDINANCE NO. 10

ORDINANCE ESTABLISHING WATER SHORTAGE PLAN

WHEREAS, the San Gorgonio Pass Water Agency ("Agency) is a State Water Project ("SWP") Contractor authorized to acquire waterworks, waters, and/or water rights, including but not limited to, water from the State of California from the SWP, and to provide, sell, and deliver that water under the control of the Agency to cities, agencies, districts, persons, corporations or private entities within the Agency ("Purchasers") for use within the service area of the Agency. The Agency is a wholesale water agency organized and operating under the Chapter 101 of the San Gorgonio Pass Water Agency Law set forth in the Water Code Appendix; and

WHEREAS, the Agency has a contract with the California Department of Water Resources for 17,300 acre-feet of SWP water which is designated as "Table A Water" and which is used to supplement local demands including eliminating groundwater overdraft; and

WHEREAS, the Agency is required to order SWP water from the California Department of Water Resources. The Board desires to adopt a policy regarding how the Agency will allocate deliveries of water to Purchasers during single and multiple dry years where the total amount of annual orders from Purchasers exceeds the amount of SWP water available in that calendar year or years. This policy shall pertain to the allocation of SWP water that is designated as Table A Water, Yuba Water, and other water not designated as "spot water," that is delivered at the request of a Purchaser. It shall not apply to Carryover Water, which shall be delivered to Purchasers at the discretion of the Board of Directors; and

WHEREAS, Water Code Section 375 et seq. provides that the Agency may, by a majority vote of the members of the Board after holding a public hearing upon notice, adopt and enforce a water shortage plan to allocate deliveries of water to Purchasers during single and multiple dry years; and

WHEREAS, the Board of Directors previously adopted Ordinance No. 8 which established the "Rules And Regulations For SGPWA Water Service." The Rules And Regulations may be revised from time to time. The Board desires to adopt this Ordinance No. 10 in order to establish procedures for allocating reduced deliveries of water to Purchasers in the event of single and multiple dry years and a shortage of water available to meet the demands of Purchasers.

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

Section 1 All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Ordinance.

Section 2 The Board conducted a public hearing on July 7, 2014 at 1210 Beaumont Avenue, Beaumont, CA in order for members of the public to have the opportunity to be heard to protest against, and to present their respective needs to the Board regarding the proposed adoption of this Ordinance. Notice of the public hearing was published on July 11, 2014 in the Record Gazette, a newspaper of general circulation within the area in which the subject water supply is distributed. Said notice was published at least 7 days prior to the date of the hearing.

Section 3 ARTICLE IV, DELIVERY, Section 4.11 Water Shortage Plan is hereby added to the Rules And Regulations For SGPWA Water Service as follows:

1. Definitions

(a) Water Shortage Year(s) – a calendar year or years in which the total amount of SWP Orders from Purchasers, which are necessary to meet actual demands of Purchasers, plus water required by the Agency as defined below, exceeds the amount of SWP Water that is available for purchase by the Agency from the SWP in that applicable calendar year.

(b) First Priority Water Deliveries – Section 101-15.5 of the San Geronio Pass Water Agency Law provides that in allocating water received from the SWP under the Law, the highest priority shall be given to eliminating groundwater overdraft conditions within the Agency’s boundaries. The Board hereby determines that five percent (5%) of the total amount of SWP Orders from Purchasers shall be allocated to direct delivery Purchasers, in a given Water Shortage Year, who take deliveries to the connection or other facilities of the Purchasers for domestic, industrial, and municipal purposes ("Direct Deliveries"). Said Direct Deliveries shall be for Purchasers who take Direct Deliveries in order to avoid the need for groundwater extractions, thereby helping to eliminate groundwater overdraft.

(c) Second Priority Water Deliveries - SWP Orders from Purchasers for Direct Deliveries in a given Water Shortage Year.

(d) Third Priority Water Deliveries – SWP water to be purchased by the Agency to be used in the Agency’s discretion and which will be over and above the water needed to meet water demand projections for Direct Deliveries in the First and Second Priority Water Deliveries. Third Priority Water Deliveries shall not exceed 10% of the total amount of SWP Orders from Purchasers in a given Water Shortage Year. The Board of Directors shall have discretion to change this percentage in any given Water Shortage Year, based on Purchaser needs in that year.

(e) Fourth Priority Water Deliveries – SWP Orders from Purchasers for SWP water which would be utilized for groundwater replenishment by spreading or injecting in order to meet projected demands of Purchasers in a given Water Shortage Year.

(f) Fifth Priority Water Deliveries – If the amount of SWP water available for purchase by the Agency exceeds the total amount of SWP Orders necessary to meet all of the First, Second, Third and Fourth Priority Water Deliveries, then the water year shall not be classified as a Water Shortage Year and no water shortage year allocation shall be implemented by the Agency.

2. Allocations

(a) Water Shortage Year Allocation - If during any particular Water Shortage Year, the total amount of SWP Orders from Purchasers for First Priority Water Deliveries exceeds the amount of SWP water which is available for purchase by the Agency at any time during that Water Shortage Year, then the only deliveries of SWP water by the Agency for that Water Shortage Year shall be for Direct Deliveries under the First Priority Water Deliveries. First Priority Water Deliveries will be made in proportion to the ordered amount of SWP water by each Purchaser. Each Purchaser who orders water for Direct Deliveries under a First Priority Water Delivery shall receive an equal allocation of the available SWP water for said First Priority Water Deliveries in proportion to all other Purchasers who have made such orders. Said determination shall be made on a year-by-year basis for any such year which may be deemed to be a Water Shortage Year.

(b) SWP Water Exceeds First Priority Water Delivery Needs - If the amount of SWP water available for purchase by the Agency exceeds the total amount of SWP Orders necessary to meet all of the First Priority Water Deliveries, then Second Priority Water Deliveries will be made. Second Priority Water Deliveries will be made in proportion to the ordered amount of SWP water by each Purchaser. Each Purchaser who orders water under a Second Priority Water Delivery shall receive an equal allocation of the available SWP water for said Second Priority Water Deliveries in proportion to all other Purchasers who have made such orders. Said determination shall be made on a year-by-year basis for any such year which may be deemed to be a Water Shortage Year.

(c) SWP Water Exceeds First And Second Priority Water Delivery Needs – If the amount of SWP water available for purchase by the Agency exceeds the total amount of SWP Orders necessary to meet all of the First and Second Priority Water Deliveries, then Third Priority Water Deliveries will be made, if the Board determines that the water required by the Agency in that year is greater than zero.

(d) SWP Water Exceeds First, Second And Third Priority Water Delivery Needs - If the amount of SWP water available for purchase by the Agency exceeds the total amount of SWP Orders necessary to meet all of the First, Second and Third Priority Water Deliveries, then Fourth Priority Water Deliveries will be made. Fourth Priority Water Deliveries will be made in proportion to the ordered amount of SWP water by each Purchaser. Each Purchaser who orders replenishment

water under a Fourth Priority Water Delivery shall receive an equal allocation of the available SWP water for said Fourth Priority Water Deliveries in proportion to all other Purchasers who have made such orders. Said determination shall be made on a year-by-year basis for any such year which may be deemed to be a Water Shortage Year.

(e) SWP Water Exceeds First, Second, Third And Fourth Priority Water Delivery Needs - If the amount of SWP water available for purchase by the Agency exceeds the total amount of SWP Orders necessary to meet all of the First, Second, Third and Fourth Priority Water Deliveries, then the water year shall not be classified as a Water Shortage Year and no water shortage year allocation shall be implemented by the Agency.

3. Use Of Agency Purchase The Board of Directors shall have the discretion to determine how the Agency purchase for Third Priority Water Deliveries is utilized, as described below:

(a) Selling said water to a Purchaser for Direct Deliveries or groundwater replenishment based on a demonstrated need in a particular calendar year and pursuant to a written request and procedures as may be determined by the Board or the Agency's General Manager.

(b) Utilizing/storing said water for overdraft mitigation.

(c) Utilizing the water to meet the terms of a previous water exchange agreement with another State Water Contractor or other water agency, or to participate in a water exchange in order to obtain water for a future year.

(d) Designating said water as carry over water for use by the Agency in the next year or a future year.

4. Potential Availability Of Spot Water - In a Water Shortage Year, there may be "Spot Water" available for purchase by a Purchaser at an additional cost. "Spot Water" is commonly referred to as water that may be available for purchase from the SWP or from another source in any given year for that year only. In the event that Spot Water is available and a Purchaser desires to acquire said water, said Purchaser shall submit a written request pursuant to procedures as may be determined by the Board or the Agency's General Manager. All additional costs of purchasing and delivering said Spot Water shall be the sole responsibility of the requesting Purchaser. For example, the Agency would purchase such water specifically for delivery to one or more requesting Purchasers and the Agency would pass through all costs associated with said purchase and delivery to said Purchasers in proportion to their requests.

Section 4 All ordinances, resolutions, minute orders, or administrative actions by the Board of Directors, or parts thereof, that are inconsistent with any provision of this Ordinance No. 10 are hereby superseded only to the extent of such inconsistency. Except as specifically set

forth in this Ordinance No. 10 in regard to the addition of Section 4.11 Water Shortage Plan, all other provisions of the Rules And Regulations For SGPWA Water Service shall remain in full force and effect.

Section 5 The Board finds that the addition of a water shortage plan constitutes general policy and procedure making and also constitutes organizational or administrative activities that will not result in direct or indirect physical changes in the environment. Based on this finding, the Board determines that the implementation of a water shortage plan, by way of adoption of this Ordinance No. 10, is exempt from the requirements of the California Environmental Quality Act pursuant to section 15378(b)(2) and (5) of the State CEQA Guidelines.

Section 6 The President of the Board of Directors shall sign this Ordinance No. 10 and the Secretary of the Board of Directors shall attest thereto, and this Ordinance No. 10 shall be in full force and effect immediately upon adoption. The Board of Directors shall review this Ordinance in each water shortage year, as defined herein. Within 10 days after adoption of this Ordinance No. 10, a copy of this Ordinance shall be published one time in a newspaper of general circulation with the names of the Directors voting for and against this Ordinance.

Section 7 If any section, subsection, clause or phrase in this Ordinance is for any reason held invalid, the validity of the remainder of this Ordinance shall not be affected thereby. The Board hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED this 21st day of July 2014, by the Board of Directors of the San Gorgonio Pass Water Agency.

Said Ordinance was adopted, on roll call, by the following vote:

AYES: Haring, Voigt, Melleby, Duncan, Dickson and Jeter
NOES: None
ABSTAIN: None
ABSENT: Morris

SAN GORGONIO PASS WATER AGENCY



John Jeter
President of the Board of Directors

ATTEST:



Jeffrey Davis
Secretary of the Board of Directors