

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**October 19, 2015**

**Directors Present:** John Jeter, President  
Bill Dickson, Vice President  
Mary Ann Melleby, Treasurer  
Blair Ball, Director (arrived at 1:33 p.m.)  
Ron Duncan, Director  
David Fenn, Director  
Leonard Stephenson, Director

**Staff Present:** Jeff Davis, General Manager  
Jeff Ferré, General Counsel  
Thomas Todd, Finance Manager  
Cheryle Rasmussen, Executive Assistant

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 19, 2015 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:** *President Jeter asked if there were any adjustments to the agenda.* There being none the agenda was adopted as presented.
3. **Public Comment:** *President Jeter requested comments from the public.* 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 5, 2015
  - B. Approval of the Minutes of the Engineering Workshop, October 12, 2015

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

**5. Reports:**

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

**(1) Operations Report:** General Manager Davis reported on the following: **SWP Deliveries:** As of this morning water deliveries were shut down to conserve water in order to accommodate water retailers' water order requests, which included orders for non-potable direct deliveries for next year. General Manager Davis stated that he has since reversed this decision and will deny direct delivery of non-potable water, as he cannot rationalize non-potable water having the same priority as potable water. Therefore, deliveries will start up again in about 2-3 weeks. Direct deliveries for next year will only be for potable water. He noted that he did not believe that it was the intent of the Board to give non-potable water the same priority as potable water in dry years at the time the water policy was approved. General Manager Davis will be sending out an email to the water retailers informing them of his decision.

**(2) Legislative Report:** a) General Manager Davis informed the Board that Governor Brown had over 600 bills to act on over the past month. He reviewed key issues of AB 401- Low Income Water Funding & SB 20 - Sustainable Water Funding, as they are related to the water industry. b) The Governor will be presenting more climate change bills. c) SB 350 is a bill that could increase California's renewable energy mix to 50 percent; the intent is to look at predictability of renewables and impact on costs. d) Prop 1 (the water bond) is moving along, however implementation is a lengthy process.

**(3) General Update:** 1) General Manager Davis announced that Riverside County will be holding its State of the County event on November 19<sup>th</sup> at Morongo Casino; sponsorship will be discussed at the next board meeting. 2) Capacity Fee Cooperative Agreement Update: The ad-hoc committee is currently working on a strategy for implementation. General Manager Davis is spending time educating local cities (elected officials and staff) on the process. There have been discussions to provide a workshop for the City of Banning.

**B. General Counsel Report:** General Counsel Jeff Ferré reported to the Board on the following: 1) The initiative to amend Article X is in its formative stages. ACWA is working with Governor's staff and Attorney Kelly Salt (BBK – Partner), who is an expert on Prop 218. Article X has to do with the reasonable beneficial use of water. The proposed constitutional amendment to Article X (which would have to be approved by the voters) would allow a penalty on tiered rates in order to motivate people not to use as much water, and not tie it to an actual cost of getting water somewhere else. Currently, tiered rate revenue can only be used to buy supplemental water supplies (as needed) every time a customer goes up in tier. 2) Gov. Jerry Brown recently signed AB 401, which develops a plan for establishing and funding a low-income water rate assistance program. 3) He also signed AB 1390, which will streamline comprehensive groundwater adjudications without changing groundwater rights law.

**C. Directors Reports:** (1) **Director Fenn** reported that he attended the South Mesa Water Company (SMWC) Board meeting on October 14<sup>th</sup>. President George Jorritsma (SMWC) shared with Director Fenn that he would like for the Agency to be involved with the Bunker Hill Basin Conjunctive Use Project. Mr. Jorritsma also stated that SMWC does have plans to purchase water from the Agency in the future and would like more information on the capacity fee. (2) **Director Ball** reported on the BCVWD Board meeting that he attended on October 14<sup>th</sup>. He announced that Nathan Douglas was appointed to fill a vacancy on the board.

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

**A. Update on Whitewater Flume:** On October 13<sup>th</sup>, General Manager Davis attended a federal public hearing that Senator Feinstein hosted for the Sand to Snow National Monument bill that encompasses 135,000 acres from the desert floor in Coachella Valley to the peak of Mount San Geronio, which includes the Whitewater flume area. Hundreds of people were in attendance and many provided input. Supporters of the monument designation say it would preserve the land for future generations. Opponents argue that it would impose unwanted rules restricting long-standing uses of the land, including mining. Because the Sand to Snow Monument includes the area that the Whitewater flume sits on the Participating Entities are following this issue closely. General Manager Davis provided an extensive update on

various flume activities that the Participating Entities are working on, including studies and the FERC dispute resolution process.

**B. Report on ACWA Webinar on Conservation Regulations:** General Manager Davis reminded the Board that the State Water Resources Control Board has imposed water conservation regulations on large retail water agencies. The issue at hand is that the regulations do not take into account numerous variables that should be considered. General Manager Davis is on the San Geronio Pass Regional Water Alliance (SGPRWA) Conservation Committee and has been working on this very issue. The Conservation Committee developed a document on different ways to grade the water agencies' mandatory water conservation efforts. This document has been receiving attention from ACWA and other water agencies. ACWA has convened a Water Caucus consisting of over one hundred members; General Manager Davis is a member as representation for our region is needed in order to provide input and recommendations. On October 13, 2015 ACWA hosted a webinar to discuss the current water conservation regulations. The Water Caucus designated technical committees assigning them to draft recommendations for changes in the regulations. The intent is to bring these recommendations to the State Water Board for consideration. The biggest issue for the water industry is that the current regulations are not made permanent. Should the current regulations continue into next year the water industry is looking to the State Water Board to implement ACWA's recommendations. General Manager Davis will continue to attend the Water Caucus meetings and will report back to the Board, as well as SGPRWA.

**C. Report on 2014-2015 Water Year:** General Manager Davis reminded the Board that the Water Year starts on October 1<sup>st</sup> and ends September 30<sup>th</sup>. California has been in drought status for the last four years; however the past two years have been more serious. He provided a SWC slide presentation that explained just how seriously dry water year 2014-2015 was, and the many factors affecting the available water supply.

**D. Review of Updated Agency Website:** General Manager Davis stated that the main reason for the website upgrade is to allow staff to make changes to the site as needed, rather than waiting on the web designer to implement the changes. In addition, the website has been upgraded to be more functional, more user friendly than the current website, and will be mobile-friendly. General Manager Davis reviewed the additions and enhancements that have been implemented on the upgraded website with the Board. Director Fenn suggested that the website include a search engine optimizer, if it does not already have one. Director Melleby suggested that a press release be submitted.

**7. Topics for Future Agendas:** Director Duncan requested that meeting times be discussed. There were no other topics for future agendas given.

## **8. Announcements**

- A. Finance and Budget Workshop, October 26, 2015 at 1:30 p.m.
- B. San Geronio Pass Regional Water Alliance, October 28, 2015
  1. Technical Committee at 4:30 p.m. – Banning City Hall Conference Room
  2. Regular Board Meeting at 6:00 p.m. – Banning City Council Chambers
- C. Regular Board Meeting, November 2, 2015 at 1:30 p.m.

*President Jeter adjourned the meeting to closed session at 2:45 p.m.*

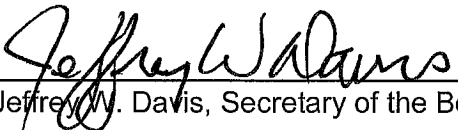
**9. Closed Session (1 Item)**

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –**  
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d)  
of Section 54956.9 (one potential case).

**The meeting was reconvened to open session. Time: 3:26 p.m.**

General Counsel Ferre reported that the Board met in closed session to discuss item 9A, as listed on the agenda. There was no reportable action, however there was some direction given to legal counsel.

**10. Adjournment:** *President Jeter adjourned the meeting at 3:26 p.m.*

  
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Jeffrey W. Davis, Secretary of the Board