

**SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA**

NOTICE AND CALL OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN, that pursuant to Government Code Section 54956, a Special Meeting of the San Gorgonio Pass Water Agency Board of Directors is hereby called by the President of the Board for:

Date/Time: Monday, February 29, 2016 at 7:00 p.m.

Location: San Gorgonio Pass Water Agency
1210 Beaumont Avenue, Beaumont, CA

SPECIAL MEETING AGENDA

1. Call to Order, Flag Salute and Roll Call

2. Adoption and Adjustment of Agenda

3. Public Comment: Members of the public may address the Board at this time concerning only items listed on this Special Meeting Agenda. Please complete a speaker's request form and hand it to the Board secretary.

4. New Business (Discussion and Possible Action)

- A. Consideration and possible action to propose a facilitated process in regard to the regional water supply issues, concepts, and solutions, by and between San Gorgonio Pass Water Agency, Beaumont Cherry Valley Water District, Yucaipa Valley Water District, and San Bernardino Valley Municipal Water District* (Page 2)
- B. Consideration and possible action regarding proposed joint public meeting with the Board of Directors of the San Gorgonio Pass Water Agency, Beaumont Cherry Valley Water District, Yucaipa Valley Water District, and possibly other public and private water retailers in the Agency's service area. Proposed date and time – Thursday, March 10, 2016 at 6:00 pm at the Beaumont Cherry Valley Water District.* (Page 2)

5. Announcements

- A. Regular Board Meeting, March 7, 2016 at 7:00 pm
- B. Engineering Workshop, March 14, 2016 at 4:00 pm

6. Adjournment

***Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at <http://www.sgpwa.com>. (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Proposed facilitated process in regard to regional water supply issues by and between the Agency, Yucaipa Valley Water District (YVWD), and Beaumont Cherry Valley Water District (BCVWD)

Proposed joint public meeting with Boards of Directors of the Agency, YVWD, BCVWD, and possibly others

DATE: February 29, 2016

Summary:

Several weeks ago, momentum started to build to initiate a process between the Agency and some of its retail water purveyors to improve communication and possibly to resolve some philosophical differences related to obtaining future water supplies for the region. That process has yet to be defined. In fact, at this time there are at least three processes that have been initiated at some level. The purpose of this proposed Board action is to determine which process or processes the Board wishes to participate in.

Background:

For some time, YVWD and BCVWD have expressed dissatisfaction with the Agency's direction. Issues that have been the focus of this dissatisfaction include, but are not limited to, the Agency's desire to fund new water supplies partially through capacity fees and the Agency's plans to construct a regional water storage facility to drought-proof the region.

Both of these purveyors recently considered Board agenda items that would have directed their staffs to revise the San Gorgonio Pass Water Agency Act to change the governance structure of the Board to be appointed by five retail water agencies instead of directly elected by the taxpayers. In each case, opposition to the resolutions was strong from other retail water purveyors and the Agency, and both

retail water purveyors tabled consideration of the proposed actions. In the process, YVWD set a deadline of 60 days for the Agency to evidently achieve measurable results and if not, it plans to continue to pursue its proposed legislation.

During the discussions at those Board meetings, Agency Board members and other elected officials discussed the possibility of holding some joint board meetings and/or beginning a facilitated process with ad hoc committees of the elected bodies that could improve communications and/or bring some of the contested issues to a resolution.

At the YVWD meeting, Mark Bulot, President of the San Bernardino Valley Municipal Water District, volunteered to sponsor a facilitated process that would include the Valley District, Yucaipa Valley Water District, and the Agency. This suggestion was well received at this meeting. However, when the YVWD Board tabled the proposed action, it was not made contingent on participation in this process.

At the BCVWD meeting, tabling of the proposed resolution relating to governance of the Agency was coupled with a motion to appoint an ad hoc committee of the BCVWD Board to participate in a process with other Boards, including the Agency.

At the Agency's February 16 Board meeting, the Board discussed this issue at length under an agenda item to appoint an ad hoc committee to participate in a facilitated process with other elected officials. At that meeting, the Board came to no conclusions and no action was taken. Board members expressed a wide array of opinions, including participation in a facilitated vs. a non-facilitated process, use of full boards vs. use of ad hoc committees, and participation with just these two retail purveyors vs. participation with other retail agencies and elected bodies as well. The current agenda provides flexibility for the Board to consider all these options.

More recently, the Agency has received an invitation to participate in a joint Board meeting on Thursday, March 10 in the BCVWD Board room. The YVWD Board and the BCVWD Board would be present at that meeting. Other Boards or elected bodies have been invited and may or may not participate. Apparently, the plan is to have an

elected official representing one of the vested interests facilitate the meeting. When the Agency has asked for specifics regarding this point, no clear answers have been provided. The goal of this proposed Joint Meeting has also not been made clear, other than generally to start a dialog.

In addition to these actions, the San Gorgonio Pass Water Alliance, led by its President, Debbie Franklin, has offered to be the forum for resolving the differences between the two retail purveyors and the Agency. This was suggested by her at the Board's February 16 meeting.

Detailed Report:

The Agency Board must make a decision on whether it wishes to participate in some sort of dialog process and, if so, what process or processes it should choose.

A "facilitated process" with a trained facilitator has some advantages over a process that does not include an outside facilitator. First, an outside facilitator that has no vested interest in any particular outcome would be more likely and able to lead a group to compromise positions. Second, an outside facilitator would be able to get the group to agree on an achievable goal in the first meeting, and keep the group on track towards reaching that goal. Third, an outside facilitator would be more likely to be able to handle conflict when it comes up. Fourth, an outside facilitator would be better able to reign in discussions and keep a group focused on the goal.

A facilitated process would be likely to include ad hoc committees as opposed to full Boards. Use of ad hoc committees would reduce the number of participants and make achieving stated goals easier to attain in a shorter period of time, as ad hoc committees could meet more frequently than larger bodies. The Yucaipa Valley Water District has set a deadline of 60 days to achieve measurable results.

A series of joint board meetings would be more inclusive, and elected officials might feel better about being able to have their voices heard. By the same token, with more people talking, it could take longer to achieve stated goals. As an example, the proposed Joint Meeting on

March 10 would have at least 17 participants with just three Boards, and could have many more if other public agencies decide to participate. With an insider facilitating the process, that facilitator will have a vested interest in the outcome and thus may not be objective in leading the discussion and moving the group to a compromise acceptable to all parties. Thus, a process led by an inside facilitator may be less likely to result in a timely outcome that is fully trusted by all parties.

The San Geronio Pass Water Alliance proposal has issues in that it consists of one elected representative from all the water purveyors and the cities in the Pass. It is in place now and meets monthly to discuss various issues of common interest. With only one member of each elected body participating, utilizing the Alliance to reach some compromises would of necessity leave most of the elected officials out of the process, and therefore may not be seen as a viable option for some participants. The monthly schedule of these meetings does not lend itself to quick resolutions.

Staff has met with the individual who has been put forth by the Valley District as the facilitator. Mr. Bill Kelly of Kelly Associates Management Group is experienced in bringing parties together and in dealing with conflict. Valley District has been gracious to volunteer to fund the first phase of this process and to participate in it as a good neighbor.

Fiscal Impact:

There is no significant fiscal impact associated with any of the options presented in this report.

Relationship to Strategic Plan:

Participation in a communication process, whether through joint Board meetings or a facilitated process with ad hoc committees, is consistent with the strategic plan's goals of the Agency asserting its regional leadership role and of a communication plan.

Recommendation:

Staff recommends that the Board appoint an ad hoc committee of two members to participate in a facilitated process with Valley District, YVWD, and BCVWD to attempt to resolve differences. It is also

recommended that the Board direct Staff to present this proposed structure of ad hoc committees and a facilitator to YVWD and BCVWD to determine if they wish to participate. The facilitated process offers the best opportunity to progress quickly to a reasonable goal that all parties can agree on and buy into. Members of each ad hoc committee can report back to their Boards the results of the facilitated meetings and bring input from their Boards back to the next facilitated meeting.

The Board may also wish to participate in some manner in the scheduled March 10 joint Board meeting of the YVWD and BCVWD. Should the Board decide to actively participate in this meeting, the Board may wish to use the opportunity to advocate for the ad hoc committees and facilitated process.

Depending on the outcome of the chosen process, the Board may wish to begin a "Phase 2" process that could include other local elected bodies. In this manner, all parties could participate in some sort of process and not feel left out. The details of this Phase 2, if the Board wished to pursue it, could be decided upon later.