

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
March 21, 2016 at 7:00 p.m.

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 items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.

4. Consent Calendar:

If any board member requests that an item be removed from the Consent Calendar, It will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Special Session Board Meeting, February 29, 2016* (Page 2)
- B. Approval of the Minutes of the Regular Board Meeting, March 7, 2016* (Page 5)
- C. Approval of the Minutes of the Engineering Workshop, March 14, 2016* (Page 10)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Water Supply Report* (Page 12)
 - 2. Operations Report
 - 3. Update on California Water Fix
- B. General Counsel Report
- C. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Presentation on Beaumont Cherry Valley Water District Recharge Facility (Dan Jagers – BCVWD Engineer)
- B. Consideration of Methodology for Discussing Alternate Allocation Policy* (Page 14)
- C. Consideration of Participation in Joint Board Meeting* (Page 17)
- D. Consideration of Scheduling Various Staff Reports
- E. Review and Further Consideration of Ad Hoc Members for the Proposed Facilitated Meetings

7. Topics for Future Agendas

8. Announcements

- A. San Gorgonio Pass Regional Water Alliance, March 23, 2016
 - 1. Business Meeting at 5:00 pm – Banning City Hall Conference Room
 - 2. Presentation at 6:00 pm – Banning City Council Chambers
- B. Finance and Budget Workshop, March 28, 2016 at 4:00 pm
- C. Regular Board Meeting, April 4, 2016 at 7:00 pm

9. 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: 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 accommodation.

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Avenue, Beaumont, CA

Meeting of the Board of Directors

Agenda

February 29, 2016

Special Session - 7:00 p.m.

Directors Present: John Jeter, President
Bill Dickson, Vice President
Mary Ann Melleby, Treasurer
Blair Ball, Director
Ron Duncan, Director
David Fenn, Director
Leonard Stephenson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferré, General Counsel
Cheryle Rasmussen, Executive Assistant

1. **Call to Order, Flag Salute and Roll Call:** The Special Meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 7:00 p.m., February 29, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Jeter invited Dawson Fenn to lead the Pledge of Allegiance to the flag. A quorum was present. President Jeter stated the following: 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 Monday, February 29, 2016 at 7:00 p.m. at the San Gorgonio Pass Water Agency located at 1210 Beaumont Avenue, Beaumont, CA.
2. **Adoption and Adjustment of the Agenda:** The Agenda was adopted as presented.
3. **Public Comment:** *President Jeter informed the members of the public that they may address the Board at this time concerning only items listed on the Special Meeting agenda.* Tom Shalhoub (Director – YVWD) commented on agenda items 4A and 4B. Nathan Douglass (Director – BCVWD) commented on agenda items 4A and 4B. Deborah Franklin (President of the San Gorgonio Pass Regional Water Alliance, and Councilwoman of the City of Banning) spoke in regard to the role of the San Gorgonio Pass Regional Water Alliance (SGPRWA).
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 (SGPWA), Beaumont Cherry Valley Water District (BCVWD), Yucaipa Valley Water District (YVWD), and San Bernardino Valley Municipal Water District (SBVMWD):** A staff report

that incorporated both agenda items 4A and 4B was included in the agenda package. General Manager Davis provided an overview of the staff report and commented on the following. During the Agency's February 16th Board meeting, members of the board discussed this issue at length resulting in a number of recommendations, with no consensus and no action. Since the February 16th meeting, YVWD and BCVWD have proposed a joint board meeting to be held at BCVWD on March 10th, to include the Agency, local water retailers, and city officials within the Agency's boundaries. Another proposal that the Board may want to consider is the proposal from Deborah Franklin pertaining to the SGPRWA forum. After discussion from the Board members and members of the public, Director Dickson made a motion, seconded by Director Duncan, proposing a facilitated process in regards to the regional water supply issues, concepts, and solutions, by and between an ad hoc committee of the SGPWA, BCVWD, YVWD and SBVMWD; and to invite all other public and private water retailers both public and private entities for which the Agency provides water on a retail basis. Legal Counsel Ferre recommended that the facilitated meetings be open to the public and noticed under the Brown Act. *After discussion President Jeter requested a roll call vote:*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 5-2, with Directors Ball and Fenn opposed.

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: A staff report that incorporated both agenda items 4A and 4B was included in the agenda package: General Counsel Ferre explained to the Board that attending the joint meeting as a member of the public would only allow the Agency's Board members to comment during public comment and would not allow them to be a participant in the joint meeting. Should the Board wish to participate in the joint meeting, an agenda would need to be posted if there was any possibility that a quorum of the Board would be in attendance. In addition, each participating agency would also need to post its own agenda. All agendas would have commonality for the discussion items. Director Ball made a motion, seconded by Director Duncan, recommending that the Board attend the joint meeting as participants. Director Ball stated that the agenda is to itemize current concerns among the agencies, and opportunities to work together

among the agencies. Director Melleby stated that the March 10th joint meeting should be about identifying the issues that will be discussed during the facilitated process. Director Ball agreed with Director Melleby, stating that it is an opportunity to stand on common ground. *After discussion President Jeter requested a roll call vote:*

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 7-0.

5. Announcements: *President Jeter reviewed the following announcements:*

- A. Regular Board Meeting, March 7, 2016 at 7:00 p.m.
- B. Special Joint Board Meeting, March 10, 2016 at 6:00 p.m.
Location: Beaumont Cherry Valley Water District
560 Magnolia Avenue, Beaumont
- C. Engineering Workshop, March 14, 2016 at 4:00 p.m.

6. Adjournment: *President Jeter adjourned the meeting at 8:17 p.m.*

Draft - Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
March 7, 2016

Directors Present: John Jeter, President
 Bill Dickson, Vice President
 Mary Ann Melleby, Treasurer
 Blair Ball, Director
 Ron Duncan, Director
 David Fenn, Director
 Leonard Stephenson, Director

Staff Present: Jeff Davis, General Manager
 Jeff Ferré, General Counsel
 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 7:00 p.m., March 7, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. *President Jeter requested a roll call.*

<u>Roll Call:</u>	<i>Present</i>	<i>Absent</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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 published.
3. **Public Comment:** *President Jeter asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* There were no members of the public that wished to comment at this time.
4. **Consent Calendar:** General Manager Davis informed the Board that a new line item (D) has been added to the consent calendar, as requested by the Board at the February 22nd Finance and Budget workshop.
 - A. Approval of the Minutes of the Regular Board Meeting, February 16, 2016
 - B. Approval of the Minutes of the Finance and Budget Workshop, February 22, 2016
 - C. Approval of the Finance and Budget Workshop Report, February 22, 2016

D. Approval of the Recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Report, February 22, 2016

Director Dickson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Motion passed 7-0.

5. Reports:

A. General Manager's Report:

(1) Report on Water Supply Conditions: General Manager Davis reported on the following: **a) SWP Water Supply:** General Manager Davis reported that the Agency's allocation of SWP water has been increased from 15% to 30% (a copy of the allocation letter from DWR was included in the agenda packet). **b)** General Manager Davis provided two updated graphs of the snow water content and the Lake Oroville storage conditions. He reviewed the storage levels for Lake Oroville Reservoir to date. As of today the Statewide percent of April 1 is 76% and the Statewide percent of average for the dated is 82%. We are currently at three-fourths of the snow pack that we have in an average year. Lake Oroville is at 58% of total capacity and 82% of historical average. **c)** General Manager Davis received an email today on the current water conditions, indicating that the SWP water allocation may increase again, this is due to recent storms and the potential of more storms. General Manager Davis explained the implications should the allocation be increased.

(2) Operations Report: General Manager Davis stated that the shutdown is over but we have new SCADA at Cherry Valley Pump Station and are currently operating out of Crafton Hills Pump Station, instead of Greenspot. He reviewed the process and timeline to begin pumping from Crafton Hills Pumping Station. It is anticipated that pumping and deliveries will begin on April 4th. An update will be provided at the next Engineering workshop. We are on schedule to finish construction by the end of the year; then a start-up period will commence. A field trip to EBX 2 will take place in April or May.

(3) General Agency Updates: **1) EBX Partnering Session:** General Manager Davis reported on the EBX Partnering session that he attended last week. The session is being facilitated. The facilitator is able to identify the issues and is trying to come up with solutions. **2) Legislation to Reduce Board Size:** General Manager Davis reported on his conversation that he had with the Agency's lobbyist, Syrus Devers. Mr. Devers indicated that the Agency's bill, which is a spot bill, may still pass; even in light of recent actions by Yucaipa Valley Water District of submitting their own bill to change the governance of the Agency. **3) Fish Cannon:** General Manager Davis recently watched a video on a fish cannon and inquired if the Board would be interested in viewing the video. The Board was in agreement of viewing the video at a future meeting.

B. General Counsel Report: General Counsel Jeff Ferré stated that due to the lengthy agenda, he would defer reporting.

C. Directors Reports: **1) Director Melleby** reported on the February 24 – San Gorgonio Pass Regional Water Alliance meeting that she attended.

6. New Business: (Discussion and Possible Action)

A. Consideration of Yucaipa Basin Studies Participation: A staff report was included in the agenda packet. General Manager Davis stated that at the February 8th Engineering workshop the Board discussed possible participation in the next phase of the Yucaipa Basin studies. A number of entities, including the Valley District, the Agency, South Mesa, Yucaipa Valley Water District, and others, have funded several phases of the studies to determine if groundwater basins in the Yucaipa and Calimesa area could store groundwater in large quantities. These studies have shown that there is a considerable amount of storage available. The next phase of the study is to test some areas for recharge. The purpose of this item is for the Board to decide if they wish to participate in the next phase of the Yucaipa Basin studies, for a total cost of \$2953. The studies would be a benefit to Calimesa and Yucaipa, and possible a benefit to the Agency should it decide to store water within the Yucaipa Basin. Director Dickson made a motion, seconded by Director Melleby, approving the participation in the studies at a cost of \$3,000. After discussion, President Jeter requested a vote. *Motion passed 7-0.*

B. Consideration of USGS Work Plan: A staff report and a cooperative program letter from USGS with related material were included in the agenda package. General Manager Davis stated that we have made monitoring commitments to both retail agencies and to the Regional Water Control Board. This item had been discussed during the Finance and Budget workshop in order to commit to a budget item for next fiscal year. USGS is requested that a cooperative agreement be signed. After discussion, Director Melleby made a motion, seconded by Director Dickson, that the Board authorize the General Manager to sign the proposed cooperative agreement with USGS. After discussion, President Jeter requested a vote. *Motion passed 7-0.*

C. Appointment of ACWA JPIA Board Member: General Manager Davis stated that the Agency gets most of its insurance through ACWA JPIA. ACWA JPIA mandates that each member agency appoint an elected board member to serve on its board; an alternate may be an employee of the Agency. President Jeter has been this Agency's representative (General Manager Davis the alternate) for the past ten years. President Jeter has asked to be relieved of his responsibilities. After discussion, Director Duncan made a motion, seconded by Director Melleby to appoint Director Leonard Stephenson as the Agency's representative. *President Jeter requested a roll call vote.*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 7-0.

D. Discussion Regarding Governance: A copy of an email that was sent to the General Manager from Director Ball was included in the agenda packet. Director Ball reviewed with the Board the importance of good governance. He invited the Board to comment on this topic. Director Melleby explained that an ad hoc committee had been formed at a prior Board meeting to implement a Board Handbook. The purpose of the Board Handbook is to provide guidelines on how to operate as a board. Director Melleby stated that she had attended a CSDA leadership development course, at which time half of the day was spent discussing this very topic. Some of the guidelines that were discussed were commitment to ethical behavior, the Brown Act, and AB1234. Also discussed were guidance for ethical issues and decision making, who we are, what is our purpose, what do we stand for, what do we value and believe in our work, what do we want to accomplish as a team, the role of the board and staff, collective vs. individual authority, powers and decision making, what the board needs from staff, and what staff needs from the board. And the key principals of integrity, leadership, selflessness, objectivity, accountability, transparency, honesty, respect, conduct, relationships, presentation and appearance to the public, proper use of safeguarding of director property and resources, use of confidential information and information requests. CSDA strongly believes that all boards should have these guidelines in place for the board of directors. Director Melleby stated that this is why an ad hoc committee was formed. She noted that other water agencies have adopted such guidelines. The Agency's ad hoc committee will work on the Board Handbook and bring back suggestions to the Board, which would address some of Director Ball's concerns. She stated that this discussion on governance would work best in a workshop instead of today's Board meeting, as a bulk period of time should be spent on this topic. Director Ball's concern is that he does not want others influencing the general manager on how he presents board items. After discussion, the Board was in consensus of pursuing the ad hoc committee process on the board governance.

E. Discussion of Cost Analysis for Beaumont Avenue Recharge Facility: Director Ball made a request that staff provide a cost benefit of spending money \$4 million for the Beaumont Avenue Recharge Facility, which allows no additional water, verses other projects that may cost less that would provide water. Trying to see if there are opportunities to have a project that works well or continue with what we have done in the past in order to use the \$4 million dollars to a better end. Director Ball invited the board members for their input. Director Stephenson remarked that this item will come up in this week's special meeting. He suggested that this item be tabled until after that meeting. Director Ball concurred. Director Ball requested that the General Manager prepare a cost analysis after BCVWD's report on its facility, and also after knowing other locations within the Agency's boundaries that may have facilities. He would like to have this information before a bid process. Dan Jagers (Engineer for BCVWD) stated that he will be providing the board with a presentation on its recharge facility on March 21st.

F. Appointments for Employee Guide Standing Committee: General Manager Davis stated that there is an opening on this committee, due to the passing of Director Morris. President Jeter appointed Director Fenn as the Chair. Director Duncan will remain as the Vice Chair and Director Stephenson as a member. Director Ball made a motion, seconded by Director Duncan, appointing Director Fenn as the Chair of the Employee Guide Standing Committee. *President Jeter requested a roll call vote.*

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 7-0.

G. Appointment of Ad Hoc Committee on Regional Water Supply Issues:
 President Jeter stated that this item is to be tabled. Director Melleby made a motion, seconded by Director Duncan to table this item until after the March 10th Special Board meeting. President Jeter requested a roll call vote.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion carried 5-2, with Directors Stephenson and Fenn voting no.

7. Topics for Future Agendas:

8. Announcements

- A. Special Joint Meeting, March 10, 2016 at 6:00 p.m.
 - Location: Beaumont Cherry Valley Water District
 560 Magnolia Avenue, Beaumont, CA
- B. Engineering Workshop, March 14, 2016 at 4:00 p.m.
- C. Regular Board Meeting, March 21, 2016 at 7:00 p.m.

9. Adjournment: *President Jeter adjourned the meeting at 8:27 p.m.*

Draft – Subject to Board Approval
 Jeffrey W. Davis, Secretary of the Board

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
March 14, 2016

Directors Present: John Jeter, President
Blair Ball, Director
Bill Dickson, Vice President
Ron Duncan, Director
David Fenn, Director
Mary Ann Melleby, Director
Leonard Stephenson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Rasmussen, Executive Assistant

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 4:00 p.m., March 14, 2016 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present. President Jeter turned the meeting over to Vice President Dickson, Chair of the Engineering Committee.

2. **Public Comment.** No member of the public wished to speak at this time.

3. **Update on Water Supply Conditions.** General Manager Davis presented two slides summarizing the Sierra snowpack and Lake Oroville storage as of today. He noted that Lake Oroville storage is at 97% of normal for the date and is likely to exceed 100% of normal soon. He also noted that the snowpack is approximately 90% of the April 1 average. He explained that this will likely lead to an increase in the Table A allocation of somewhere between 40% and 50% from the current 30%. He indicated that the Agency should be able to deliver all the water this year by using Valley District capacity in EBX 2, which is possible due to the adoption of the Third Joint Facilities Agreement last year.

4. **Update on East Branch Extension Phase 2.** General Manager Davis presented an overview of the East Branch Extension, including the original construction, Phase 1, Phase 1 Improvements, and Phase 2. He summarized the construction that still needs to be performed on EBX 2 and showed pictures of the ongoing construction. He noted that construction should end in December, with startup beginning next January and lasting 3-6 months.

5. Update on Sustainable Groundwater Management Act. A copy of the Mission Springs Water District's application to be the Groundwater Sustainability Agency for one section of land within the San Gorgonio Sub-Basin was included in the agenda package. General Manager Davis presented a slide show on SGMA, including a summary of its goals, timetable of some key issues, and the results of recent meetings of local water agencies. He informed the Board that it may want to consider being a part of any Groundwater Sustainability Agency (GSA) formed within the Agency's service area. The consensus of the Board was that it would like to do this, and gave general direction to General Manager Davis to monitor applications for GSA's in the region and to take necessary steps to apply as GSA's at an appropriate time in the future. No formal action was taken besides this general direction.

6. Discussion of Special Joint Board Meeting. General Manager Davis indicated that he added this item to the agenda in the event the Board wanted to discuss the special joint board meeting of March 10 in which regional water supply issues were discussed. The Board discussed this meeting and expressed opinions regarding its effectiveness, along with the potential effectiveness of a facilitated process to accomplish similar goals. The Board acknowledged that it has previously voted to participate in a facilitated process with other local water districts and cities and expressed a desire to begin this process. No specific direction was given other than for the General Manager to determine if a facilitated process could begin in the near future.

7. Announcements:

- A. Regular Board Meeting, **March 21**, 2016 at 7:00 pm.
- B. San Gorgonio Pass Regional Water Alliance, March 23, 2016
 - 1. Business Meeting at 5:00 pm—Banning City Hall Conference Room
 - 2. Presentation at 6:00 pm—Banning City Council Chambers
- C. Finance and Budget Workshop, March 28, 2016 at 4:00 pm.

8. Adjournment: Chairman Dickson adjourned the meeting at 6:20 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary to the Board

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** MAK 17 2016**Number:** 16 - 05**Subject:** 2016 State Water Project Allocation – 45 Percent**From:**

A handwritten signature in black ink, reading "Mark E. Andersen". The signature is written in a cursive style and is positioned above a horizontal line.

Mark E. Andersen
Acting Deputy Director
Department of Water Resources

The Department of Water Resources (DWR) is increasing the allocation of 2016 State Water Project (SWP) water for the long-term contractors from 1,268,724 acre-feet to 1,898,964 acre-feet. Due primarily to recent storms, SWP supplies are projected to increase from 30 percent to 45 percent of most SWP contractors' requests for Table A water, which totals 4,172,786 acre-feet. Attached is the updated 2016 SWP Allocation Table.

In addition, DWR received requests for delivery of SWP contractors' allocated carryover water from previous years totaling 184,274 acre-feet based on the 2015 Water Delivery Finalization Report. DWR approves all requested carryover water for delivery in 2016.

This allocation increase is made consistent with the current and projected hydrological conditions and also with the long-term water supply contracts and public policy. DWR considered several factors, including California's persistent drought evidenced by below normal runoff compared to rain received thus far this winter and resulting continued low storage in SWP conservation facilities; SWP operational constraints under its water right permits; the Biological Opinions for Delta Smelt and Salmon; the Longfin Smelt incidental take permit; and the 2016 contractors demands.

If you have any questions or need additional information, please contact Pedro Villalobos, Acting Chief, State Water Project Analysis Office, at (916) 653-5117.

Attachment

2016 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	TABLE A	INITIAL REQUEST	APPROVED ALLOCATION	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
	(1)	(2)	(3)	(4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	20,625	75%
Plumas County FC&WCD	2,700	2,700	1,215	45%
City of Yuba City	9,600	9,600	5,760	60%
Subtotal	39,800	39,800	27,600	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	17,415	60%
Solano County WA	47,756	47,756	28,654	60%
Subtotal	76,781	76,781	46,069	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	36,279	45%
Alameda County WD	42,000	42,000	18,900	45%
Santa Clara Valley WD	100,000	100,000	45,000	45%
Subtotal	222,619	222,619	100,179	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	2,565	45%
County of Kings	9,305	9,305	4,187	45%
Dudley Ridge WD	45,350	45,350	20,408	45%
Empire West Side ID	3,000	3,000	1,350	45%
Kern County WA	982,730	982,730	442,229	45%
Tulare Lake Basin WSD	87,471	87,471	39,362	45%
Subtotal	1,133,556	1,133,556	510,101	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	11,250	45%
Santa Barbara County FC&WCD	45,486	45,486	20,469	45%
Subtotal	70,486	70,486	31,719	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	65,180	45%
Castaic Lake WA	95,200	95,200	42,840	45%
Coachella Valley WD	138,350	138,350	62,258	45%
Crestline-Lake Arrowhead WA	5,800	5,800	2,610	45%
Desert WA	55,750	55,750	25,088	45%
Little Rock Creek ID	2,300	2,300	1,035	45%
Metropolitan WDSC	1,911,500	1,911,500	860,175	45%
Mojave WA	85,800	85,800	38,610	45%
Palmdale WD	21,300	21,300	9,585	45%
San Bernardino Valley MWD	102,600	102,600	46,170	45%
San Gabriel Valley MWD	28,800	28,800	12,960	45%
San Geronio Pass WA	17,300	17,300	7,785	45%
Ventura County WPD	20,000	20,000	9,000	45%
Subtotal	2,629,544	2,629,544	1,183,296	
TOTAL	4,172,786	4,172,786	1,898,964	

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Potential Methodology for Discussing Alternate Allocation Methods

DATE: March 21, 2016

Background:

At the Engineering workshop on March 14, during a discussion of the Joint Board Meeting of March 10, the General Manager mentioned that if the Board wished to consider allocating water differently from the current method, one of the best ways to do so would be to discuss the concept in a workshop format with an outside water industry expert bringing his expertise to the meeting. The Board expressed an interest in this possibility and asked that it be included on the agenda for this Board meeting.

Detailed Report:

The Agency has a plan and methodology for allocating its water to retail water agencies. The methodology is defined by various ordinances and policies adopted by the Board over the past few years. The allocation methodology is based on orders from retail water agencies that purchase water from the Agency and sets priorities based on whether the request is for potable direct deliveries, replenishment deliveries, or other. Orders must be consistent with urban water management plans formally adopted by retail water agencies.

This methodology is similar to methodologies used by regional water agencies around the State and takes into consideration retailers' need for water and impact on groundwater basins. It also allows requests to increase over time to reflect new growth within the service area of a retail water agency.

Based on the discussion at the Engineering workshop, the Board appears to be willing to consider other alternative methodologies that make sense for the Agency and for the region. The Board has not committed to changing its current methodology, but has only expressed a desire to determine if there may be other alternative methodologies that it may want to consider as an alternative.

Staff believes that the best format for discussing such alternatives would be under the guidance of a seasoned water industry veteran who is knowledgeable about such issues and can manage a meeting where various points of view are presented. Such an outsider would be less likely to have “baggage” associated with being an employee of the Agency or one of the local retail water agencies, and could speak on the subject of allocation with authority.

The purpose of this proposed Board action item is to determine if the Board wishes to try this methodology to explore other opportunities to allocate Agency water using a different methodology. The proposed workshop (or, possibly, multiple workshops) would be managed by the outside consultant, whose deliverable at the end of the process would be a report summarizing the various alternatives discussed during the process, with pros and cons of each.

The proposed scope of the consultant would be to study the Agency’s current allocation methodology, the plan presented by retail agencies, and other allocation methodologies used by other wholesale water agencies with similar governance and finance structures; to manage one or more workshops; and to write up a final report for the Board.

This process would be outside of and separate from the facilitated process the Board has elected to pursue with other entities. That process would explore multiple issues, including allocation, and would include ad hoc committees of various public agencies.

The Board may want to consider if it wants these two processes going on simultaneously, or possibly to wait for one of them to end prior to beginning the other.

Fiscal Impact:

The fiscal impact of this proposal, if implemented by the Board, would be minimal. It would employ a consultant for one or more meetings, to prepare for the meetings, and to write a final report. It is anticipated that this will cost well under \$5000. This is not budgeted for this year. However, the Board could choose to implement a budget revision to account for this. It would not have a significant impact on the Agency's budget for this year.

Relationship to Strategic Plan:

The strategic plan calls for the Agency to be a regional leader and to implement a communication plan. The methodology proposed in this action could be considered an effort to show leadership and to communicate better with other local public agencies, including retail water agencies.

Recommendation:

Staff has no recommendation. The Board has three options:

- Authorize the General Manager to move forward with this proposal immediately.
- Wait to see how the facilitated process turns out and then decide if it wants to move forward with this proposal.
- Do not implement this proposal at all, with the expectation that the facilitated process will deal sufficiently with this and other issues of contention.

Jeff Davis

From: Joseph Zoba <jzoba@yvwd.dst.ca.us>
Sent: Wednesday, March 16, 2016 9:45 AM
To: Arden Wallum; Arturo Vela; Banning Heights; Bonnie Johnson; Calvin Louie; Cheryle Rasmussen; Dave Armstrong; Elizabeth Gibbs-Urriaga; Eric Fraser; Jeff Davis; Stan Houghton
Subject: Joint Board Meeting - Additional Meeting Dates
Attachments: 160331 Joint Board Meeting Agenda - TEMPLATE.docx; 151214 Presentation to SGPWA Re 120912 Retail Water Agency Allocation Agreement.docx

At the joint meeting of elected officials held on Thursday, March 10, 2016, the elected officials decided to conduct additional meetings to discuss water supply issues in the San Gorgonio Pass area.

The next joint board meetings of the elected officials have been tentatively scheduled for the following dates:

- Thursday, March 31, 2016, at 6:00 pm,
- Thursday, April 21, 2016, at 6:00 pm, and
- Thursday, May 12, 2016, at 6:00 pm.

Please share these dates with your elected officials.

Unless the elected officials decide to have the meetings in a different location we will continue to meet at the offices of the Beaumont Cherry Valley Water District. The address for the Beaumont Cherry Valley Water District is 560 Magnolia Avenue, Beaumont, California 92223.

On March 10, 2016, the elected officials requested a single agenda item regarding the development of an allocation strategy for imported water received by the San Gorgonio Pass Water Agency. I drafted a sample agenda reflecting the requested item. Please modify the template accordingly for your use.

On March 31, 2016, all elected officials will be encouraged to actively participate in the discussion about the allocation of imported water from the San Gorgonio Pass Water Agency. Please have your elected officials prepared to discuss alternative strategies, concepts, and ideas related to this issue. To facilitate the discussion, I have attached a presentation provided to the San Gorgonio Pass Water Agency Board of Directors on December 14, 2015. Please feel free to modify this Word document in a manner that can provide solutions and support from a majority of water agencies in the service area of the San Gorgonio Pass Water Agency.

The active involvement from the elected officials of the San Gorgonio Pass Water Agency will play an important role in this meeting. While there was a discussion about the elected officials from the San Gorgonio Pass Water Agency not attending this meeting, there was not a consensus from the elected officials to exclude the San Gorgonio Pass Water Agency. Therefore, the elected officials from the San Gorgonio Pass Water Agency are strongly encouraged to attend in order to fully discuss this issue from all perspectives and to evaluate the full range of issues and solutions.

Please contact me directly if you have any questions or concerns.

Joe

PS – Please feel free to forward this email message to anyone inadvertently excluded from the distribution list.

Joseph B. Zoba, General Manager
Yucaipa Valley Water District

Insert Agency Logo

Insert Agency Address

**Notice and Call of a Special Meeting
of the [Board of Directors/City Council] at the
Beaumont Cherry Valley Water District
560 Magnolia Avenue, Beaumont, California 92223**

Thursday, March 31, 2016 at 6:00 PM

NOTICE IS HEREBY GIVEN that a Special Meeting of the [Board of Directors/City Council] of the [Agency] will be held on March 31, 2016, at 6:00 pm, at the Beaumont Cherry Valley Water District located at the address above. The following business will be transacted and is the Agenda for this Special Meeting:

AGENDA

1. Call Meeting to Order
2. Welcome and Introductions
3. Public Comment - *At this time, members of the public may provide general comments. To provide comments on specific agenda items, please complete a speaker's request form and submit the completed form to the Board Secretary before that agenda item.*
4. Discussion Regarding the Development of an Allocation Strategy for Imported Water within the San Gorgonio Pass Water Agency
5. Topics for Future Meetings
6. Next Meeting Date and Time
7. Adjournment