

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
February 6, 2017

Directors Present: David Fenn, President
Lenny Stephenson, Treasurer
Blair Ball, Director
Stephen Lehtonen, Director
David Castaldo, Director
Michael Thompson, Director

Director Absent: Ron Duncan, Vice President

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

- Call to Order, Flag Salute and Moment of Silence:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President David Fenn at 7:00 p.m., February 6, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Stephenson led the Pledge of Allegiance to the flag. President Fenn requested a moment of silence. *President Fenn 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 Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

- Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* General Manager Davis stated that an item came to the attention of the Agency after the Agenda had been published, in addition a time limitation is associated with it. The Board will need to approve adding the item to the agenda. The new item would be listed as 6D: Consideration of Agreement with Roy McDonald to Perform Services Related to Developing Science-Based Flow Release Scenarios for the Whitewater River. It is urgent because a letter was received from the U.S. Forest Service Thursday or Friday responding to the Special Use Permit application, in which they are rejecting the flow releases that were included in the application. The U.S. Forest Service is requesting additional flow releases that are based on science and that a number of studies take place in the future. A revised application needs to be resubmitted by March 3, 2017. Should the Participating Entities desire to use the consultant's studies the Board would need to authorize the agreement tonight, this would be contingent upon whether or not the Participating Entities choose to use the studies. Legal Counsel

Ferre provided insight on the Government Code allowing the addition to the agenda. It would take a two-thirds vote, or if less than two-thirds are present than a unanimous vote of the board to add item 6D to the agenda as written. Director Castaldo made a motion, seconded by Director Stephenson, to add item 6D as written. Director Ball requested a 15 minute recess prior to item 6D, allowing board members to read through the material. President Fenn was in agreement with Director Ball's request. *President Fenn 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Duncan absent.

3. **Public Comment:** *President Fenn 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:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 17, 2017
 - B. Approval of the Minutes of the Finance and Budget Workshop, January 23, 2017
 - C. Approval of the Finance and Budget Workshop Report, January 23, 2017

Director Stephenson made a motion, seconded by Director Ball, to adopt the consent calendar as presented. Motion passed 6-0, with Director Duncan absent.

5. **Reports:**

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **A.** The Agency delivered 1340 acre-feet to the Noble connection for the month of January. Deliveries are being directed solely to Yucaipa Valley Water District at this time, as Beaumont Cherry Valley Water District is doing maintenance on its ponds. It is anticipated the deliveries to BCVWD will resume next Monday at 10 cfs, then gradually increase.

(2) Water Supply Report: General Manager Davis reported on the following: **A.** SWP Table A water allocation is still at 60%. **B.** Eleven inches of additional precipitation is expected this week in the Feather River Basin. **C.** Water is spilling at Lake Oroville as much as 80,000 cfs. **D.** The San Joaquin River is running high, which

means we can have high exports from the South Delta. **E.** The SWP share of the San Luis Reservoir is expected to fill this week. **F.** Total San Luis Reservoir storage is likely to be full by the end of February or early March. **G.** Article 21 water may be available sometime this month. **H.** February 1st snowpack was the best reading since 1995 – 173% of average for the date. January 1st snowpack was 64% of normal. **I.** Mark Anderson predicts that DWR will break their all-time record of 3.7 MAF this year. **J.** General Manager Davis provided a review of the current California snow water content for the North, Central and South; as well as the storage levels for Lake Oroville and San Luis Reservoir.

(3) General Agency Updates:

- 1. Flume Update:** SCE still needs to obtain a surrender license that is issued by the Federal Energy Regulatory Commission. The commission is a five member quorum that currently only has two members. Therefore there is no quorum at this time to take an action.
- 2. Beaumont Basin Watermaster Application:** A Watermaster meeting took place last Wednesday; the agenda include discussion on the Agency's storage account application. Discussions are taking place on the conditions. The next meeting will take place on April 5th. General Manager Davis will bring to the Board the conditions for approval.
- 3. SGMA Update:** There is a draft MOA for the San Gorgonio Pass Sub-basin. A group meeting is scheduled to take place next week to review the draft in detail. Upon completion of the draft document it will be brought to the respective boards for approval, as will the draft MOA for the San Timoteo Basin in March or April.
- 4. Beaumont Avenue Recharge Facility Update:** There are three parts to the project; the recharge facility, the pipeline from EBX, and the connection to EBX. The pipeline has been built. The connection and facility design is complete and ready to advertise for construction. The Agency has been waiting for Prop 1 funds to become available in order to submit an application for funding. Calls for proposals will commence either late 2017 or early 2018.
- 5.** Registration for the 2015 ACWA Spring Conference is open.

B. General Counsel Report: General Counsel Ferre passed on reporting.

C. Directors Reports:

- 1) Director Thompson** reported on the SGPRWA meeting that took place on January 25, 2017. Director Thompson also reported on the Water Education Foundation Water 101 Workshop that he attended in Sacramento, stating that it was extremely informative and encouraged others to attend.
- 2) Director Ball** reported on the BCVWD Special Engineering Workshop meeting that took place on February 2, 2017.
- 3) Director Castaldo** reported on the SGPRWA meeting that took place on January 25, 2017. Director Castaldo also reported on the Water 101 Workshop that he attended in Sacramento.
- 4. Director Lehtonen** regretted that he was not able to attend the Water 101 Workshop.
- 5. President Fenn** reported that he attended the Banning City Council meeting. He announced that the City Council meeting time has been moved to 5:00 p.m. During the meeting Debbie Franklin (City of Banning Councilwoman) and Julie Hutchinson (President, BHMWC) invited President Fenn to attend a Flume teleconference meeting. At that meeting President Fenn asked for another opinion of what has and is taking place relating to the Flume. He noted that this is not to deter from what General Manager Davis has done for the Agency pertaining to this matter. He shared an email from Scott White (City of Banning and BHMWC Consultant) that summarized the issues from 1913 to the most recent activities. He noted that this will help the new board members to understand where we are, and to also help enlighten why item 6D that was added to the agenda.

6. New Business:

A. Consideration of Acceptance of 2015 Water Conditions Report: A staff report and a copy of the 2015 Water Conditions Report were included in the agenda packet. General Manager Davis stated that a considerable amount of time was spent during the January Engineering workshop reviewing this report. Due to a court settlement, the Board needs to formally receive and file this document. General Manager Davis pointed out that that in Table 1 it shows that in 2014 there was a total of 30,671 acre feet in production, whereas in 2015 there was 22,835 acre feet in production, resulting in about 24.5% reduction in production within the boundaries of the Agency. Director Stephenson made a motion, seconded by Director Ball, to receive and file the 2015 Water Conditions Report. Motion passed 6-0, with Director Duncan absent.

B. Presentation on Revised Water Conservation Regulations: A PowerPoint slide presentation was included in the agenda packet. General Manager Davis stated that there are two separate issues. #1: The temporary emergency regulations put into place by the State Water Resources Control Board in response to three separate executive orders by the Governor, which will be voted upon to be extended for another 270 days, portions of which will be permanent. #2: Proposed permanent regulations that have not been adopted yet, but will probably be adopted later on this year, which is what the presentation is on. After providing explanation on the temporary emergency regulations, General Manager Davis reviewed with the Board during his presentation the Implementation of Executive Order B-37-16 (which is the last of the three executive orders) and its objectives, as well as the Water Industry concerns and what the Industry is doing. ACWA has formed committees to review and submit comments and speak at public hearings in Sacramento.

C. Consideration and Possible Action to Rescind or Revise Resolution No. 2014-02: General Counsel Ferre stated that this item was discussed at length at a previous board meeting. Director Ball requested that this item be placed on today's agenda for possible action. In the staff report there are three options that the board can take. #1: Adopt Resolution No. 2017-02, thereby rescinding Resolution No. 2014-02; or #2: Take action to adopt a revised version of Resolution No 2014-02; or #3: Take no action, then Resolution No. 2014-02 remains in effect. General Counsel Ferre referred to Director Ball for his comments. Director Ball commented that his letter states that in a public meeting at BCVWD he listened to a discussion between BCVWD Board, staff, a home builder company's representatives and its attorney. The Agency's Resolution No. 2014-02 was discussed and in essence their sentiment was that this Agency would "make good" on all their water needs. He personally does not feel that this Board can make such broad sweeping statements. He noted that Resolution 2014-02 was enacted by a prior Board. Director Ball stated that he did not feel that we have the capability to provide all of the water needs as there are so many other uncontrollable variables, such as weather patterns, DWR allocations, and that we are not a land planning use agency. President Fenn opened the floor to Board discussion. After discussion, President Fenn asked for John Covington's (Director, BCVWD) public comment. Mr. Covington spoke in opposition of rescinding Resolution No. 2014-02. After further discussion, Director Ball made a motion, seconded by President Fenn, to rescind Resolution No. 2014-02 and form an ad hoc committee of three directors to bring back a revised resolution in 90 days for discussion. President Fenn 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 Lehtonen	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion did not pass. Vote 2-4, with Director Duncan absent.

Director Stephenson made a motion, seconded by Director Castaldo, to leave Resolution No. 2014-02 in place and to bring this item back at a future meeting. Motion passed 6-0, with Director Duncan absent.

President Fenn requested a fifteen minute recess to allow the Board to review item 6D.
Time: 9:05 Reconvened: Time: 9:21.

D. Consideration of Agreement with Roy McDonald to Perform Services Related to Developing Science-Based Flow Release Scenarios for the Whitewater River: A staff report and related material including a proposal to perform services by Roy McDonald were included in the agenda packet. General Manager Davis informed the Board that the Participating Entities received a letter from the US Forest Service last week related to a Special Use Permit application submitted by the PE's on January 3rd. The letter calls for additional studies to be performed in order to define managed flow releases that meet the Forest Service's criteria. The purpose of this proposed Board action is to utilize studies that have already been performed for this exact task, and to make the results of these studies available to the PE's should they wish to use them. The PE's have long maintained that the Forest Service does not have the authority to require such flows. However, the Forest Service indicates that these studies need to be done and paid for by the PE's. These studies are likely going to cost upwards of a hundred thousand dollars and take a year or more to complete. The Forest Service has asked that a revised permit application be submitted by March 3, so the PE's have very little time to make a decision on how to deal with this issue. Staff believes that such studies have already been completed and that the completed studies will meet the Forest Service criteria. Art Vela (City of Banning, Public Works Director) provided input and agreed that this does give the PE's another option. Director Stephenson made a motion, seconded by Director Thompson, authorizing the General Manager to execute a contract with Roy McDonald, in an amount not to exceed \$26,250. Motion passed 6-0, with Director Duncan absent.

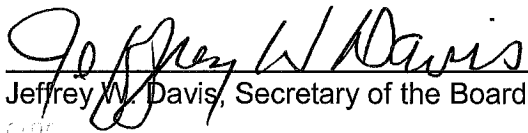
- 7. Topics for Future Agendas:** Revisit Resolution No. 2014-02. Director Thompson requested a discussion and possible action at the March 6th Board meeting on the following items: Revising Moment of Silence. Pursue water transfer with neighboring coastal cities who deal with desalination.

8. Announcements:

- A. Engineering Workshop, February 13, 2017 at 4:00 p.m.
- B. Office closed February 20, 2017 in observance of Presidents' Day
- C. Regular Board Meeting, **Tuesday**, February 21, 2017 at 7:00 p.m.
- D. Finance and Budget Workshop, February 27, 2017 at 4:00 pm

9. Adjournment

Time: 9:48 pm



Jeffrey W. Davis, Secretary of the Board