

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
April 10, 2017

Directors Present: Blair Ball, Director
David Castaldo, Director
Ron Duncan, Director
Steve Lehtonen, Director
Leonard Stephenson, Director
Mike Thompson, Director

Directors Absent: David Fenn, President

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 Vice President Ron Duncan at 4:00 p.m., April 10, 2017 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Ball led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment. Jeff Hewitt, Mayor of Calimesa, indicated a desire to speak on Item 3 when that item is being discussed by the Board.

3. Further Discussion on Resolution 2014-02, A Policy for Meeting Future Water Demands. A staff report, a copy of a revised version of the resolution, and an email from President Fenn were included in the agenda package. General Counsel Ferre briefly reviewed the revisions, which were suggested by him as a result of last month's discussion on this issue. The email from President Fenn suggested that there was consensus from the Board on most of the language. General Counsel Ferre suggested that the Board may want to wait for further action from the Capacity Fee Ad Hoc Committee, as this may change the resolution's language. Jeff Hewitt from Calimesa stated that he believes that the revised resolution takes away from the Agency's mission by reducing the Agency's role in the region. Joe Zoba of the Yucaipa Valley Water District indicated that he felt that the revised resolution, as currently worded, would invalidate the Agency's UWMP as well as the UWMP's of its retailers. General Counsel Ferre disagreed with that interpretation. Vice President Duncan asked each to submit their comments in writing by April 24 so that the Board could consider them the next time this issue is discussed. He also suggested additional language that would state that nothing in the proposed resolution would detract from authority given to the Board by the SGPWA Act. It was the consensus of the Board that this be brought back for further discussion in the near future.

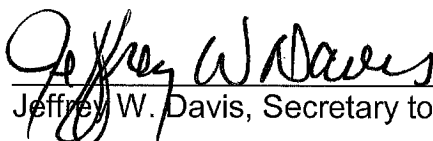
4. Discussion of Wheeling Rate and Wheeling Policy Issues. A written outline of a possible wheeling policy was included in the agenda package. General Manager Davis reviewed this outline with the Board and then handed out an example of a wheeling rate calculation that he reviewed with the Board. The example suggested three components of a wheeling rate—fixed costs, energy costs, and administrative costs. General Counsel Ferre indicated that the East Stockton case last year provided that wheeling charges should include incremental costs of wheeling water, without defining what this would be. General Manager Davis told the Board he would work with General Counsel Ferre to develop a more focused wheeling rate recommendation in line with this court case, and bring it back to the Board. Both Joe Zoba and Jeff Hewitt suggested that the Board should have a sense of urgency in adopting this policy and rate.

5. Status Report on Beaumont Wastewater. General Manager Davis reviewed two meetings that he has held with City of Beaumont staff regarding their wastewater and the effort to recycle it and use it in the region. He informed the Board that Director Castaldo had asked him to do this, and that President Fenn had encouraged it as well. General Manager Davis indicated that the Agency has never previously planned to get involved in the issue, but could do so if it would help keep the resource within the region. He noted that there is discussion at staff level of a joint agreement with Beaumont, BCVWD, and the Agency to work together to find the most cost-effective way of accomplishing this. He also indicated that the three parties needed to meet together to discuss this, that he has only met with the City, but has not met with any representatives of BCVWD. The City has indicated that it will set up such a meeting.

6. Announcements:

- A. Regular Board Meeting, Monday, April 17, 2017 at 7:00 pm.
- B. Finance and Budget Workshop, April 24, 2017 at 4:00 p.m.
- C. San Geronio Pass Regional Water Alliance, April 26, 2017
 - 1. IRWMP at 4:30 p.m. – Banning City Hall
 - 2. Regular Meeting at 5:30 p.m. – Banning City Hall

7. Adjournment: Vice President Duncan adjourned the meeting at 5:44 p.m.



Jeffrey W. Davis, Secretary to the Board