

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
May 14, 2018

Directors Present: David Fenn, President
Blair Ball, Director
David Castaldo, Director
Steve Lehtonen, Director
Leonard Stephenson, Director
Michael Thompson, Director

Directors Absent: Ron Duncan, Vice President

Staff Present: Jeff Davis, General Manager
Tom Todd, Finance Manager
Cheryle Stiff, 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 Fenn at 1:30 p.m., May 14, 2018 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. A quorum was present.

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

3. Presentation and Discussion on California Water Fix and Associated Issues. A draft resolution and draft gap funding agreement were included in the agenda package. General Manager Davis opened by discussing the California Water Fix, including description of a legislative oversight hearing and a luncheon address by Governor Brown that he attended last week. He then presented a detailed Power Point describing the Cal WaterFix, its goals, cost allocation principles, and a summary of side deals that the Agency is currently involved with that would increase its yield from the WaterFix. He then reviewed the draft resolution that he will include in the May 21 Board agenda package, along with the draft gap funding agreement that has been distributed to State Water Contractors. He informed the Board that next week he will ask them to approve the Cal WaterFix up to a financial participation of 0.43% of the SWP portion, approve a gap funding agreement, and approve membership in the proposed Finance JPA. After discussion, it was the consensus of the Board that the Agency also join the Design and Construction (DCA) JPA. General Manager Davis noted in his presentation that the Cal WaterFix will lower the Agency's marginal cost of water from the State Water Project and therefore is very beneficial to the region.

4. Discussion on State Water Project Contract Extension. A copy of this proposed amendment extending the State Water Project contract to 2085 was included in the agenda package. General Manager Davis briefly described the amendment and why it is important to the Agency and other Contractors. He noted that the great majority of the language in the amendment relates to transitioning to pay-as-you-go funding from the current SWP funding methodology. He added that the amendment does create two new funds, a SWRDS reinvestment account and a

SWRDS support account, and creates a new committee, the SWRDS Finance Committee. These additions to the contract will enable DWR and the Contractors manage the SWP in a more fiscally responsible manner. He indicated that he will bring this amendment to the Board for consideration within 60 days of a legislative hearing, probably in June or July.


5. Discussion of Potential Future EBX Extension to Banning and Cabazon. A list of issues related to this potential infrastructure project was included in the agenda package. General Manager Davis reviewed the history of this project with the Board and identified some of the key issues that the Board would have to decide on prior to moving forward with construction. After a lengthy discussion, it was the consensus of the Board that the Agency is not ready to move forward with this project at this time, in no small measure due to SGMA. The Board recognized that it would be beneficial to complete the Groundwater Sustainability Plan for the San Geronio Pass sub-basin prior to making any decisions on this pipeline project.

6. Announcements

- A. Regular Board Meeting, May 21, 2018 at 1:30 pm
- B. San Geronio Pass Regional Water Alliance, May 23, 2018 at 5:00 pm
– Banning City Hall
- C. Finance and Budget Workshop, Tuesday May 29, 2018 at 1:30 pm

7. Adjournment

President Fenn adjourned the meeting at 3:34 pm



Jeff Davis, Secretary to the Board