

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
June 11, 2018

Directors Present: David Fenn, President
Blair Ball, Director (arrived 1:44 pm)
Ron Duncan, Vice President
Steve Lehtonen, Director
Leonard Stephenson, Director

Directors Absent: David Castaldo, Director
Michael Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel

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 Duncan at 1:36 p.m., June 11, 2018 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Vice President Duncan led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment. Dan Jagers, General Manager of Beaumont Cherry Valley Water District, regarding Agenda Item 3, inquired as to how water orders will be handled in the future, and also commented that a funding strategy would be needed in order to fund the purchase of surplus water from San Bernardino Valley Water District. David Armstrong, General Manager of South Mesa Water Company, expressed gratitude for the work of General Manager Davis and General Manager Doug Headrick of Valley District in developing the surplus water sales agreement discussed in Agenda Item 3. No other members of the public wished to address the Board at this time.

3. Discussion of Revised Surplus Water Agreement with Valley District. A copy of the agreement and a letter of support from the Yucaipa Valley Water District were included in the agenda package. General Manager Davis explained that the Board had discussed a previous version of this agreement, but that some changes had been made at the request of the Yucaipa Valley Water District and the South Mesa Water Company. He reviewed the revised agreement with the Board and explained that the Agency and Valley District worked closely with YVWD and SMWC in developing the final language, and that both parties support it. He noted that, due to the 400,000 AF hole in the Bunker Hill basin, it would likely be a number of years before any surplus water would be available for the Agency to purchase. He pointed out that, with this agreement, the Agency would be ahead of the Metropolitan Water District of Southern California in line for surplus water in years when Valley District declares a surplus, giving the Agency right of first refusal for up to 5000 acre-feet of water in those years. He stated that this agreement will be brought to the Board for consideration at the July 2 Board meeting.

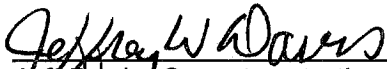
4. Discussion of Agency Exchanges and Future Water Owed. General Manager Davis handed out a spread sheet summarizing the five exchanges the Agency is currently involved with, showing how much water is owed by the Agency and when that is due. The Board expressed concern with owing so much water (4400 AF total) and discussed a plan to repay the exchange water. General Manager Davis noted that the Agency does not control when the water is exchanged back; the other party can call for it when needed. However, the Agency has written into its exchange agreements that it has discretion in dry years to not return water, or to negotiate the amount of return water. He also noted that the return water for the recent Ventura/Casitas deal, if not returned within ten years, can be incorporated into a long-term transfer agreement with those parties. He indicated that the amount owed to Crestline-Lake Arrowhead (CLAWA) is a relatively small amount of water to the Agency and that the Agency could easily handle it in any given year. He impressed on the Board that the water owed under these exchanges is not a major issue for the Agency and perhaps does not merit a specific plan to pay it back. He told the Board that this issue will come up again when the Agency discusses a policy for use of water in its storage account, sometime later this year, and again in other policy discussions in the future. The Board asked him to keep the Board apprised of the balance of these exchanges on a regular basis.

5. Announcements

- A. San Geronio Pass Regional Water Alliance, June 20, 2018 at 5:00 pm – Banning City Hall.
- B. Finance and Budget Workshop, June 25, 2018 at 1:30 pm.
- C. Regular Board Meeting, July 2, 2018 at 1:30 pm.

6. Adjournment

Vice President Duncan adjourned the meeting at 2:54 pm



Jeff Davis, Secretary to the Board