

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board Water Rate Workshop
September 13, 2018

Directors Present: David Fenn, President
Ron Duncan, Vice President
Leonard Stephenson, Treasurer
Blair Ball, Director
David Castaldo, Director (left at 6:20 pm)
Steve Lehtonen, Director
Michael Thompson, Director

Staff and

Consultants Present: Jeff Davis, General Manager
Jeff Ferre, Legal Counsel
Thomas Todd, Finance Manager
Cheryle Stiff, Administrative Assistant
Andrea Roess (David Taussig & Associates)
Steve Runk (David Taussig & Associates)

1. Call to Order and Flag Salute: The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Fenn at 6:00 p.m., September 13, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. A quorum was present.

2. Adoption and Adjustment of Agenda: **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* General Manager Davis stated there were no adjustments to the agenda. There being none, the agenda was adopted as published.

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 that are not on today's agenda.* There were no public comments.

4. Discussion of Draft Water Rate Model (Steve Runk & Andrea Roess – David Taussig & Associates): President Fenn announced that there will be opening comments from General Manager Davis, then a presentation by representatives from Taussig & Associates. Public comments will be received after the presentation. The Board will then discuss the issues. General Manager Davis stated that this workshop is a follow-up to the March 1, 2018 Water Rate Workshop. At that time a review took place on the current water rate and the types of revenues that the Agency has available to pay bills. At that time the Board made the decision to only recover the cost that is associated with the purchase and delivery of water to our customers and no other costs. General Manager Davis noted that the water rate has not changed since 2009. Costs have risen significantly in the past 2-3 years partly due to DWR power costs and procuring 100% reliable water. Costs have exceeded revenues in 2017 and 2018 projections. The rate model goes back to 2017 and projects costs for 2018, 2019, 2020 and 2021. Andrea Roess presented a PowerPoint presentation on the Water Rate Study. During the presentation a 2018

Rate Analysis and a Model Run were provided to both the Board and the members of the public. The topics that were reviewed by Ms. Roess were:

- Current Water Rate Cost Recovery
- Water Rate History
- Water Rate Model Assumptions
- Rate Model
- Water Rate Scenarios

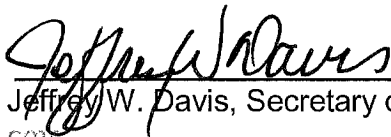
After the presentation public comments were received from the following members of the public: Jeff Chambers – Pardee Homes, General Manager Dan Jagers – BCVWD, Mike Turner – Argent Management, General Manager Joe Zoba – YVWD, Kathleen Hallberg – YVWD.

After discussion, the Board gave staff direction to gather input from the public and retail agencies, and wanted to discuss the issue again at a future board meeting or workshop.

5. Announcements

- A. Regular Board Meeting, September 17, 2018 at 1:30 p.m.
- B. Finance and Budget Workshop, September 24, 2018 at 1:30 p.m.
- C. San Gorgonio Pass Regional Water Alliance, September 26, 2018 at 5:00 p.m. – Banning City Hall

6. Adjournment - *President Fenn adjourned the meeting at: 8:15 pm*



Jeffrey W. Davis, Secretary of the Board

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