

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
March 11, 2019

Directors Present: Ron Duncan, President
Leonard Stephenson, Vice President
Blair Ball, Director
David Castaldo, Director
David Fenn, Director
Steve Lehtonen, Director

Directors Absent: Mike Thompson, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Stiff, Executive Assistant
Tom Todd, Finance Manager
Casmir Olaivar, Student Intern

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 Stephenson at 1:30 p.m., March 11, 2019 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Vice President Stephenson led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment: No member of the public wished to address the Board at this time.

3. Discussion of a New Water Rate for 2019 Only. Director Stephenson turned this portion of the meeting over to President Duncan, as it was considered to be a water rate workshop. General Manager Davis presented a graph and two tables to the Board, copies of which were made available to the public. The graph showed the progression of power costs that the Agency has paid to DWR over the years, and how they have changed with annual SWP allocation. The first table summarized revenues and expenses incurred related to water deliveries since 2004. The second summarized projected costs for this year at various delivery rates, and the required commodity rate to recover costs for each. The Board discussed this table in detail and heard comment from Dan Jaggars of BCVWD and Joe Zoba of YVWD. After discussion, it was the consensus of the Board that a water rate for 2019 should be adopted based on projected costs. Staff was directed to bring back two alternatives—one that did not include any Nickel water in the rate, and one that included half of the projected Nickel expenses in the rate. This would be for a decision at an upcoming Board meeting. The Board recognized that a longer term rate would require completion of a capacity fee nexus study, which will take several months.

4. Discussion of a Potential Policy on Use of Water in Agency Storage Account. President Duncan turned the meeting back over to Vice President Stephenson. General Manager Davis presented a list of potential issues to be considered in adopting a policy governing sale of water in the Agency's Beaumont Basin storage account. This list was handed out to the public as well. The Board

discussed whether stored water should be for dry year yield only or available at other times as well. After discussion, the Board requested staff to bring back the issue again at a future workshop, expressing some consensus on three of the issues presented. The Board expressed a desire for further discussion on the issue of dry year yield and when the Agency should make water in its storage account available for sale.

5. Announcements:

- A. Water Conservation and Education Committee Meeting,
March 14, 2019 at 1:30 pm.
- B. Regular Board Meeting, Monday, March 18, 2019 at 1:30 p.m.
- C. Finance and Budget Workshop, March 25, 2019 at 1:30 pm

6. Closed Session (1 Item) 3:20 pm

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code section 54956.8
Property: Potential water rights/supplies
Agency negotiator: Jeff Davis, General Manager
Negotiating Parties: Ron Gastelum
Under negotiation: price and terms of payment

At 3:36, the Board came out of closed session. General Counsel Ferre announced that no action was taken that is reportable under the Brown Act.

7. Adjournment: Vice President Stephenson adjourned the meeting at 3:36 pm.



Jeff Davis, Secretary to the Board

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