

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
June 10, 2019

Directors Present: Ron Duncan, President
Leonard Stephenson, Vice President
Blair Ball, Director
David Fenn, Director
Steve Lehtonen, Director
Mike Thompson, Director (arrived at 1:50 pm)

Directors Absent: David Castaldo

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
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 Vice President Stephenson at 1:30 p.m., June 10, 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: There were no members of the public who wished to speak at this time.

3. Discussion of Draft Term Sheet for Proposed Agreement with Yucaipa Valley Water District and San Bernardino Valley Municipal Water District to Facilitate Deliveries in Riverside County. A copy of a term sheet and a three party agreement with SBVMWD, DWR, and the Agency (SWPAO 16-030) were included in the agenda package. General Manager Davis noted that the Board had recently approved the three party agreement that allows DWR to directly bill the Agency for water sold to YVWD, and indicated that the three party agreement to follow, terms of which are included in the agenda package, would memorialize actions that have been followed for the past 13 years. He told the Board that the actual agreement would be presented for action at a joint board meeting with SBVMWD and YVWD in July. The Board asked a number of questions about the term sheet. Director Ball suggested adding a sentence that states that, as of the signing of the agreement, none of the parties owes money to any other party. Neither General Counsel Ferre nor General Manager Davis had an objection to adding this language.

4. Discussion of Draft Amendment to 2008 Cooperative Agreement with Santa Ana Regional Water Quality Control Board. A copy of the draft agreement, the original cooperative agreement, and a Memorandum of Understanding to implement the cooperative agreement were included in the agenda package. General Manager Davis cited the history of the cooperative agreement and how the Agency, and others, have had to pay for modeling every six years to fulfill it. He explained that the amendment will decrease the frequency of the modeling to once every ten years, and would put it under the purview of the Basin Monitoring Task Force. He also noted that, since the Agency recharges its water into a management zone with a

max benefit agreement, the Agency is exempt from the modeling. In exchange for this exemption, the Agency has other obligations in the Beaumont Management Zone. After answering questions from the Board, he indicated that he will bring the final amendment to the Board for consideration in the future.

5. Discussion of Sites Reservoir Funding Options. General Manager Davis recounted the Agency's participation in the Sites project, noting that it is an excellent project for the Agency and the region, but expressed concern that, in the event that the reservoir is not deemed to be part of the State Water Project, the Agency may have difficulty in funding its proposed 10,000 AF share. He voiced his opinion that the proposed Agency capacity fee would be critical in ensuring that the Agency can fund its participation in the project, and suggested that the Board may want to consider notifying other elected officials in the region of this fact, beginning with the Alliance.

6. Announcements:

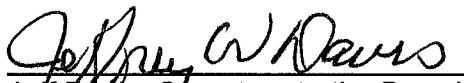
- A. San Gorgonio Pass Subbasin Stakeholder Meeting, June 12, 2019 at 3:30 pm—San Gorgonio Pass Water Agency Board Room
- B. Water Conservation and Education Committee Meeting, June 13, 2019 at 1:30 pm.
- C. Regular Board Meeting, June 17, 2019 at 1:30 pm
- D. Finance and Budget Workshop, June 24, 2019 at 1:30 pm
- E. San Gorgonio Pass Regional Water Alliance, June 26, 2019, 5:00 pm, Banning City Hall

7. Closed Session (2 items)

- A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

The Board went into closed session at 2:28 pm and reconvened to open session at 3:13 pm. General Counsel Ferre announced that no action was taken that is reportable under the Brown Act.

9. Adjournment: Vice President Stephenson adjourned the meeting at 3:14 pm.



Jeff Davis, Secretary to the Board
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