

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
January 11, 2016

Directors Present: John Jeter, President
Blair Ball, Director
Bill Dickson, Vice President
Ron Duncan, Director (arrived at 4:02)
David Fenn, Director
Mary Ann Melleby, Director
Leonard Stephenson, Director (arrived at 4:05)

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Rasmussen, 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 John Jeter at 4:00 p.m., January 11, 2016 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present. President Jeter turned the meeting over to Vice President Dickson, Chair of the Engineering Committee.

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

3. Review of ACWA Letter to State Board on Proposed Regulatory Framework for Water Conservation Regulations. A copy of the letter was included in the agenda package. General Manager Davis reviewed the letter with the Board, pointing out that ACWA has several concerns about the proposed regulatory framework and articulated them well in the letter. He noted that this framework does not provide good incentives for local water agencies to pursue new infrastructure or to develop new drought resilient water sources. General Counsel Ferre noted that the State Board still needs to adopt the framework as official state policy and that the purpose of the letter was to express the industry's concerns prior to the framework being adopted as final.

4. Further Discussion of Potential SWPCA Habitat Agreement. General Manager Davis reviewed a Power Point presentation with the Board that he had shared at a recent Engineering workshop. He noted that even though he had presented this information previously, he wanted to review this with the Board again since a decision on participation in a funding agreement that would finance habitat creation will come soon. He indicated that the State Water Contractors

believe that approximately \$100 million can be saved in habitat creation costs if it is done by the Contractors and others besides the Department of Water Resources. An agreement will be available for consideration within one to two months that would provide the opportunity for the Agency to participate in such a funding mechanism; the agreement would include an oversight committee. The mechanism would require up front funding from Contractors that would eventually be reimbursed after it is used to establish a revolving fund that would finance the creation of several thousand acres of fish habitat in the Delta. This habitat is required by current permits.

5. Discussion of Principles of Potential CLAWA Exchange Agreement.

General Manager Davis reviewed the history of two previous exchanges with CLAWA (Crestline-Lake Arrowhead Water Agency) and noted that CLAWA is a good partner for the Agency for exchanges because it is close, small, and has complementary water supply needs. He related that he has been in discussion with CLAWA's General Counsel about another potential 1200 AF exchange this year that would be either a 3-for-2 or a 2-for-1 exchange. He noted that since the rules related to exchanges will likely loosen up in the future, the Agency may not be held to the current ten year payback time, which would benefit the Agency. He asked for direction from the Board on whether he should pursue this exchange or not. After discussion, it was the consensus of the Board that the General Manager should negotiate an exchange agreement with CLAWA this year that would be brought back to the Board for consideration.

6. Announcements:

- A. Office closed January 18, 2016 in observance of Martin Luther King Day.
- B. Regular Board Meeting, Tuesday, January 19, 2016 at 7:00 pm.
- C. Finance and Budget Workshop, January 25, 2016 at 4:00 pm.
- D. San Geronio Pass Regional Water Alliance, January 27, 2016
 - 1. Technical Committee at 4:30 pm—Banning City Hall Conference Room
 - 2. Regular Board Meeting at 6:00 pm—Banning City Council Chambers

7. Adjournment: Chairman Dickson adjourned the meeting at 4:50 p.m.


Jeffrey W. Davis, Secretary to the Board