

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
October 9, 2017

Directors Present: David Fenn, President
Blair Ball, Director (arrived at 1:32 pm)
David Castaldo, Director
Ron Duncan, Director
Steve Lehtonen, Director
Leonard Stephenson, 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 Director Duncan at 1:30 p.m., October 9, 2017 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Thompson led the Pledge of Allegiance to the flag. A quorum was present.

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

3. Recent Developments under the Sustainable Groundwater Management Act of Statewide and Agency Significance. Director Duncan turned the meeting over to General Counsel Ferre, who introduced Deborah Wordham of Best Best & Krieger. Ms. Wordham updated the Board on current statewide SGMA issues, including the need to notify DWR prior to beginning a GSP, the recent Proposal Solicitation Package for SGMA grants, the fact that January 1 will open a new basin boundary revision window, and the recent signing of SB 252 regarding severely overdrafted basins.

4. Summary of Agency Activities Related to Compliance with Sustainable Groundwater Management Act. A summary of four Groundwater Sustainability Agencies (GSA's) that the Agency is a member of was included in the agenda package. General Manager Davis summarized recent and ongoing activities for each, including pending grant proposals for the Yucaipa and the San Gorgonio Pass sub-basins. He indicated that he will bring a resolution of authorization for a SGMA grant to the Board at the October 16 Board meeting.

5. Discussion of Potential Pipeline to Banning and Cabazon. A copy of a 2007 letter to the City of Banning regarding potential upsizing of a pipeline from Cherry Valley to Banning was included in the agenda package to demonstrate that this issue has been discussed and addressed for some time. General Manager Davis gave a brief summary of the history of this planned pipeline and noted that SGMA may force the Agency and others to push up a timetable to plan, design, and construct it in the next few years. Dan Jagers from BCVWD, John Covington from the Morongo Band of Mission Indians, Art Vela from the City of Banning, Calvin Louie from the Cabazon Water District, and Stan Houghton from High Valleys Water District all contributed to the discussion. General Manager Davis informed the Board that the ongoing IRWMP for the San Gorgonio Pass will likely recommend such a pipeline, and that will likely trigger additional discussions when it is completed early next year. The Board asked to have a further discussion on this issue at that time.

6. Discussion of High Valleys Water District Application for Water Service.

A copy of the completed application was included in the agenda package for information. General Manager Davis informed the Board that this had been received in the past month, after two years of discussions with High Valleys. He summarized the likely next steps to be taken by staff to try to construct a deal whereby the City of Banning would replace its water rate for High Valleys with a wheeling rate and treatment charge, while Banning could save money by using the Agency's proposed recharge facility instead of the BCVWD facility that costs the City approximately \$60 per acre-foot to use.

7. Discussion of Yucaipa Valley Water District Application for Additional Delivery Points.

A copy of the District's letter and application package were included in the agenda package. General Manager Davis explained the application process and indicated that the application would trigger some actions on the part of the Agency regarding a policy on storage of water outside of Riverside County. He noted that he will work to bring these issues to the Board for discussion and action in the next few months, and that he expected that the Board would be able to approve the application once the new policies and possibly agreements are in place.

8. Discussion of Proposed Surplus Water Sale Agreement with San Bernardino Valley Municipal Water District.

A copy of the most recent draft agreement was included in the agenda package. General Manager Davis reminded the Board that they had approved the principles of this agreement a few months ago and this represented the resulting agreement. After explaining the details to the Board and answering questions, he stated that this will likely be on the agenda for next week's Board meeting for action.

9. Announcements

- A. Regular Board Meeting, October 16, 2017 at 1:30 pm.
- B. Finance and Budget Workshop, October 23, 2017 at 1:30 pm.
- C. San Gorgonio Pass Regional Water Alliance Meeting, October 25, 2017, 5:00 pm—Banning City Hall.

10. Closed Session (1 item) Time: 3:34 pm

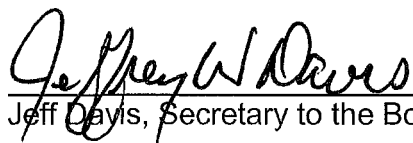
- A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(Paragraph (1) of subdivision (d) of Government Code Section 54956.9
Name of case: San Gorgonio Pass Water Agency vs. Beaumont Basin
Watermaster Case No. RIC 1716346

The meeting reconvened to open session at 3:56 pm.

General Counsel Ferre announced that the Board considered the item noted on the agenda and no action was taken during the closed session that is reportable under the Brown Act.

11. Adjournment

Director Duncan adjourned the meeting at 3:56 pm.



Jeff Davis, Secretary to the Board

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