

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Meeting**  
**Agenda**  
**February 16, 2016 at 7:00 p.m.**

**1. Call to Order, Flag Salute and Roll Call**

**2. Adoption and Adjustment of Agenda**

**3. Public Comment**

Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.

**4. Consent Calendar:**

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, February 1, 2016\* (Page 3)
- B. Approval of the Minutes of the Engineering Workshop, February 8, 2016\* (Page 7)

**5. Reports (Discussion and Possible Action)**

- A. General Manager's Report
  - 1. Report on Water Supply Conditions\* (Page 9)
  - 2. Report on ACWA Groundwater Management Committee Meeting
  - 3. General Agency Updates
- B. General Counsel Report
- C. Directors' Reports

**6. New Business (Discussion and Possible Action)**

- A. Consideration of Authorizing General Manager to Advertise for Beaumont Avenue Recharge Facility for Construction\* (Page 11)
- B. Consideration of Authorizing Legislative Advocacy Services\* (Page 14)
- C. Consideration of Participation in Bunker Hill Conjunctive Use Program Memorandum of Understanding\* (Page 19)
- D. Appointment of Ad Hoc Committee for Facilitated Process With Retail Water Agencies
- E. Consideration of Authorizing Letter to BCVWD Inviting BCVWD to Make a Presentation On its Recharge Facility\* (Page 35)
- F. Consideration of Requesting a Presentation of Historic Sales and Expenses of the Water Rate Fee of \$317 From February 2009 Through December 2015
- G. Consideration of Resuming Monthly Managers' Meetings

**7. Topics for Future Agendas**

**8. Announcements**

- A. Finance and Budget Workshop, February 22, 2016 at 4:00 p.m.
- B. San Gorgonio Pass Regional Water Alliance, February 24, 2016
  - 1. Technical Committee at 4:30 p.m. – Banning City Hall Conference Room
  - 2. Regular Board Meeting at 6:00 p.m. – Banning City Council Chambers
- C. Regular Board Meeting, March 7, 2016 at 7:00 p.m.

**9. Adjournment**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: [www.sgpwa.com](http://www.sgpwa.com) (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**February 1, 2016**

**Directors Present:** John Jeter, President  
Bill Dickson, Vice President  
Mary Ann Melleby, Treasurer  
Blair Ball, Director  
Ron Duncan, Director  
David Fenn, Director  
Leonard Stephenson, Director

**Staff Present:** Jeff Davis, General Manager  
Jeff Ferré, General Counsel  
Cheryle Rasmussen, Executive Assistant

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 7:00 p.m., February 1, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of the Agenda:** *President Jeter asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.
3. **Public Comment:** *President Jeter 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.* The following members of the public spoke on item 6C, in which they voiced their opinions opposing any change to the board meeting schedule: Lloyd White, Patsy Reeley, Nathan Douglass, and David Hoffman. General Manager Davis stated that the Agency received two emails via the Agency's website. Mr. Jeff Cottrell and Mr. John Carroll also opposed any change to Board meeting times
4. **Consent Calendar:**
  - A. Approval of the Minutes of the Regular Board Meeting, January 19, 2016
  - B. Approval of the Minutes of the Finance and Budget Workshop, January 25, 2016
  - C. Approval of the Finance and Budget Workshop Report, January 25, 2016
  - D. Approval of Continuing Monthly Finance and Budget Workshops

Director Ball requested items 4B and 4D be pulled for further discussion. Director Melleby made a motion, seconded by Director Dickson, to approve items A and C. Motion passed 7-0. After discussion, Director Duncan made a motion, seconded by Director Melleby, to adopt 4B as written. Motion passed 6-1, with Director Ball opposed. After discussion, the Board took no action on item 4D.

## 5. Reports:

### A. General Manager's Report:

**(1) Operations Report:** General Manager Davis reported on the following: **a) SWP Water Supply – Lake Oroville:** General Manager Davis reported that the Agency's allocation of SWP water has been increased from 10% to 15% (a copy of the allocation letter from DWR was included in the agenda packet). He reviewed the storage levels for Lake Oroville Reservoir to date. As of January 31, Lake Oroville's water level is at 66% of normal. **b) Snowpack:** Statewide we have received 14 times as much snow as what was received statewide last year.

**(2) Flume Update:** General Manager Davis reviewed in detail a map of where the flume is located, how water flows, and what part of the flume is irreparable. He explained the various options of what could be done to fix the flume, and also spoke on water flow issues relating to Burnt Canyon. He reported on various matters that have taken place since the last flume update, including: BHMWC's letter to the Secretary of Agriculture pertaining to its ownership of the right-of-way located upstream of Raywood Flat, and Southern California Edison's draft report on biological and hydrological resources in support of the FERC surrender process. He informed the Board that the Agency has submitted a comment letter on the Draft Biological and Hydrological Resources Technical Report, in which the letter states that there is no science that demonstrates any harm or impacts; San Bernardino National Forest had stated during a meeting in December that it would not issue a permit unless the Burnt Canyon issue is resolved. BHMWC Board President Julie Hutchinson provided input on this subject.

**(3) General Agency Updates:** **1) SGPRWA:** General Manager Davis reported that he updated the Alliance on the draft emergency conservation regulations during the January 27 meeting. SWRCB will be holding a public hearing on the emergency conservation regulations on February 2. **2) Delta Water Fix:** General Manager Davis will be speaking to the Board on a number of items pertaining to the BDCP. He stated that he will be bringing this to the Board at next week's Engineering workshop.

**B. General Counsel Report:** General Counsel Jeff Ferré stated that the Board had adopted a resolution to reduce the board from seven members to five, eliminating the two at-large positions. Board members, staff, he and a colleague have had meetings with local legislators, Assemblyman Chad Mayes, and Senator Mike Morrell, asking them to sponsor the bill. Language was submitted to Mike Morrell's office and was going through the legislative process. He informed the Board that Senator Morrell's Chief of Staff alerted his colleague that someone who is associated with Yucaipa Valley Water District had introduced to Senator Morrell's office competing legislation. General Counsel Ferre stated that as long as there is competing idea for the same legislation Senator Morrell will not sponsor a bill. The proposed competing bill language will remove elective officials and in its place have a full volunteer board, which would be appointed by water retailers. Because this happened this past Friday, General Counsel Ferre did not have a copy of the proposed competing bill, which would have the author's name. He stated that he will have more information later this week. At the next board meeting, General Counsel Ferre will provide to the Board a proposed BB&K Contract of Services for help on this matter going forward.

**C. Directors Reports:** 1) **Director Dickson** commented on the number of attendees at today's meeting, stating that he hopes it continues. 2) **Director Melleby** reported on the following meetings that she attended: January 21 – Beaumont Chamber of Commerce Government and Legislative Affairs Committee; January 27 – SGPRWA. She stated that General Manager Davis gave a good presentation on the State Board Emergency Conservation Regulations. She commented that on February 24, General Manager Davis will be providing another presentation to the SGPRWA on the SWP, Tunnels, California Fix and EBX2. 3) **Director Ball** commented on the appointment of Dr. Della Condon to the Beaumont City Council.

**6. New Business: (Discussion and Possible Action)**

**A. Consideration of Water Exchange with Crestline Lake Arrowhead Water Agency (CLAWA):** A staff report and a draft copy of the SGPWA and Crestline-Lake Arrowhead Water Agency Water Exchange Agreement were included in the agenda packet. General Manager Davis reviewed the process of how water exchanges take place. He also explained the different kinds of water exchanges that take place between State Water Contractors. The proposed exchange is an unbalanced water exchange. CLAWA would exchange 1200 AF to the Agency in 2016. Depending on the final Table A allotment this year, the Agency would owe either 600 AF or 800 AF back to CLAWA by the end of 2026. General Manager Davis recommended that the Board authorize him to sign the contract in its final form. After discussion, Director Dickson made a motion, seconded by Director Fenn, approving the water exchange contract with CLAWA. *Motion passed 7-0.*

**B. Consideration of Sponsorship of Inland Solar Challenge:** A staff report and event materials were included in the agenda package. General Manager Davis introduced the Chair of the Inland Solar Challenge, Cecilia Griego. Cecilia thanked the Board for its past sponsorship and gave a brief description of what will take place at this year's event. The requested sponsorship amount is for \$5000. Staff recommended that the Agency sponsor the same amount as it has for a number of years of \$4000. The Agency has budgeted (under water education programs for students) \$4000 to be a sponsor of this year's event. After discussion, Director Melleby made a motion, seconded by Director Dickson, to approve sponsoring the Inland Solar Challenge event at the \$4000 level. *Motion passed 6-1, with Director Ball opposed.*

**C. Consideration of Board Meeting Times:** President Jeter turned this item over to Director Duncan. Director Duncan explained why he requested this item on the agenda. He thanked the members of the public for attending today's meeting and hopes that the attendance continues. No action was taken.

**D. Appointment of Committees:** President Jeter requested that Director Fenn be appointed to the Strategic Planning Ad Hoc Committee. Director Dickson made a motion, seconded by Director Duncan, to appoint Director Fenn to the Strategic Planning Ad Hoc Committee. *Motion carried 7-0.*

**7. Topics for Future Agendas:** 1) **Director Ball** requested that the Brown Act requirements, as it pertains to meetings and what constitutes action, be placed on an upcoming Board Agenda. He will consult with General Counsel Ferre. Director Ball also requested that staff provide pie charts of historical expenditures, since the rate of \$317

of February 2009 to December 2015. He requested information on the trends, i.e. flat lining, power charges, sales, etc., to get a better understanding of the rates. Lastly, he requested reports on what facilities are available within the Agency's geographical area for recharge. **2) Director Duncan** requested a follow-up to the water retailer agencies workshop. **3) Director Fenn** suggested that the explanation of the water rates be incorporated into the follow-up meeting requested by Director Duncan.

**8. Announcements**

- A. Engineering Workshop, February 8, 2016 at 4:00 p.m.
- B. The office will be closed February 15, 2016, in observance of President's Day.
- C. Regular Board Meeting, Tuesday, February 16, 2016 at 7:00 p.m.

***General Counsel Ferre stated that there will be no action taken during closed session that is reportable under the Brown Act.***

**10. Closed Session (One Item) Time: 8:45 p.m.**

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) and initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 (one potential case)

**11. Adjournment: *President Jeter adjourned the meeting at 9:02 p.m.***

***Draft – Subject to Board Approval***

Jeffrey W. Davis, Secretary of the Board

cmr

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA 92223**  
**Minutes of the**  
**Board of Directors Engineering Workshop**  
**February 8, 2016**

**Directors Present:** John Jeter, President  
Blair Ball, Director  
Bill Dickson, Vice President  
David Fenn, Director  
Mary Ann Melleby, Director  
Leonard Stephenson, Director

**Directors Absent:** Ron Duncan, Director

**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., February 8, 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. Overview of California WaterFix.** General Manager Davis presented a short video and a more detailed power point outlining the history of the California WaterFix, formerly the Bay Delta Conservation Plan, as well as upcoming milestones and some of the advantages of the proposed project. He noted that he will be bringing the Board at least three items for action in the upcoming months, including potential participation in the Design Construction Entity (DCE), potential participation in an interim funding agreement, and a decision on whether to participate in the project at all. He ended with a summary of the two greatest challenges facing the California WaterFix—yield and cost allocation.

**4. Discussion of Yucaipa Basin Groundwater Studies.** General Manager Davis reviewed a staff report prepared by SBVMWD staff for a board meeting tomorrow that outlines the next phase of the Yucaipa Basin studies and proposed a cost allocation showing the Agency paying 8% of the costs, or about \$3000. He reviewed the purpose behind the studies in the basin and noted that the goal is to produce a basin management plan that will aid all retail agencies who have

wells in the basin. He noted that he would likely bring a proposed action item to the Board in the near future to participate financially in the next phase, with the likely amount to be approximately \$3000.

**5. Discussion of Bunker Hill Conjunctive Use Project Memorandum of Understanding.** A copy of the proposed MOU was included in the agenda package. General Manager Davis reviewed the project with the Board. He informed them that he has met with South Mesa Water Company and the Yucaipa Valley Water District and that they are supportive of the Agency's participation in this project. The participation level discussed was for 1000 AF for peak use and 1000 AF for off-peak use. It was pointed out that the only proposed action would be to approve the MOU, which does not commit any participant to any cost sharing but merely proposes that the signers will work together to develop a final cost allocation model by December of this year. Any participation in the project would be brought to the Board in the future, after the details of cost allocation are worked out. General Manager Davis indicated that he would expect to bring this MOU to the Board for consideration in the near future.

**6. Discussion of Proposed USGS Work Plan.** A copy of the proposed work plan was included in the agenda package. General Manager Davis noted that the USGS operates on a different fiscal year calendar than the Agency, and so the Agency frequently has to approve work plans outside of the normal budget process. He explained the proposed work plan and noted that it was based on information he had given the USGS and fulfills commitments that the Agency has made as part of the most recent Basin Plan Amendment with the Regional Board. The Board did not have any objection to the proposed work plan but indicated that it wanted the costs to be reviewed at the next Finance and Budget workshop.

**7. Announcements:**

- A. Office closed February 15, 2016 in observance of Presidents Day.
- B. Regular Board Meeting, **Tuesday**, February 16, 2016 at 7:00 pm.
- C. Finance and Budget Workshop, February 22, 2016 at 4:00 pm.
- D. San Geronio Pass Regional Water Alliance, February 24, 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

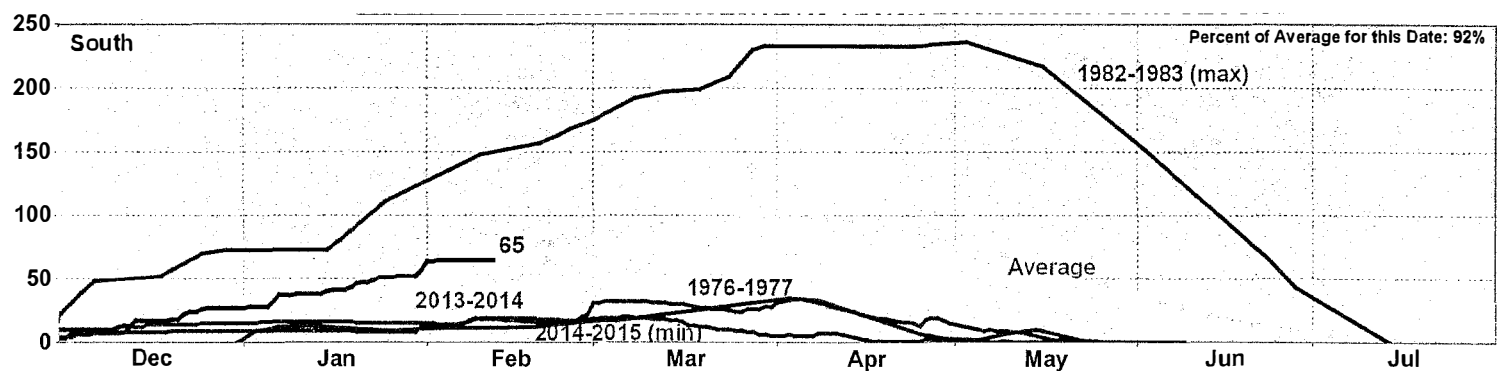
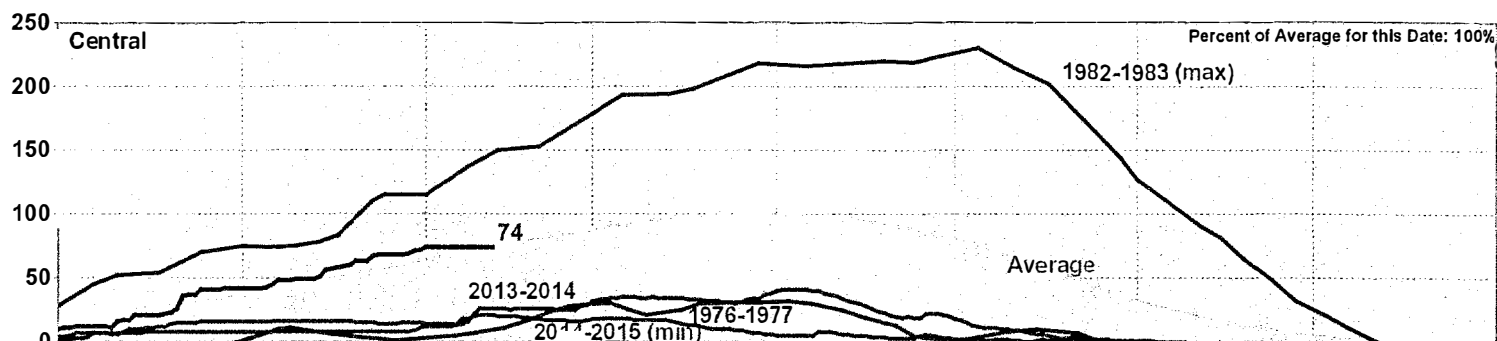
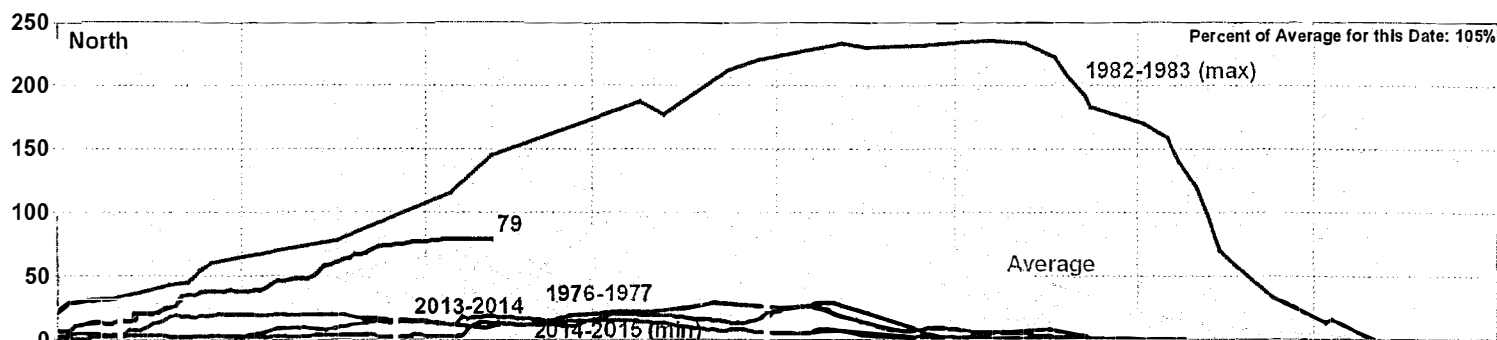
**8. Adjournment:** Chairman Dickson adjourned the meeting at 5:32 p.m.

*DRAFT - SUBJECT TO BOARD APPROVAL*

Jeffrey W. Davis, Secretary to the Board

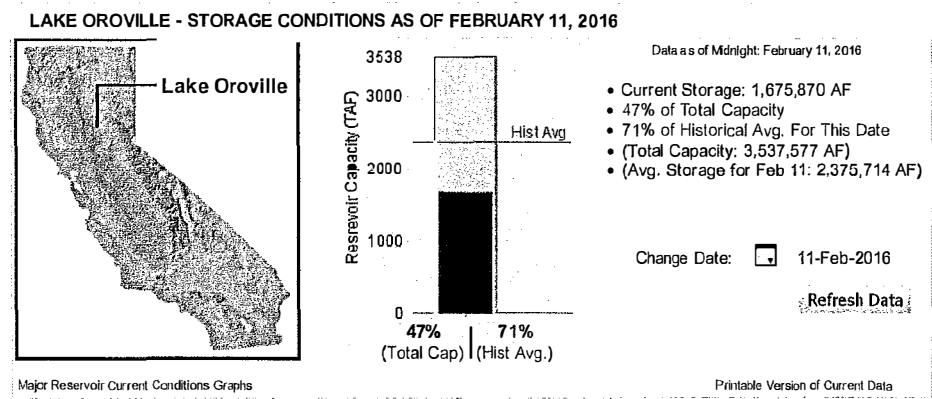


# California Snow Water Content, February 12, 2016, Percent of April 1 Average



Statewide Percent of April 1: 73%

Statewide Percent of Average for Date: 100%



## **MEMORANDUM**

**TO:** Board of Directors

**FROM:** General Manager

**RE:** Authorization to Advertise for Construction

**DATE:** February 16, 2016

### **Summary:**

At the November 16 Board meeting, the Board authorized the General Manager to contract with Albert A. Webb & Associates to complete all work necessary to advertise the construction of the Beaumont Avenue Recharge Facility. At that time, the Board indicated that actual authorization to advertise would be by separate Board action. The purpose of this proposed Board action is to determine if the Board wishes to advertise this project for construction.

### **Background:**

Here is a brief summary of the major Board actions taken regarding the proposed Beaumont Avenue Recharge Facility.

September 2011—Purchased the land.

June 2012—Contracted with consultants to produce and EIR and to prepare final design drawings.

December 2012—Held public scoping meeting for the EIR.

October 2013—Certified the EIR.

May 2014—Construction of pipeline began.

November 2015—Contracted with Albert A. Webb & Associates to complete contract documents in preparation for advertising for construction.

The project is to be constructed in three phases. Phase 1, the pipeline, has been completed. Phase 2 would be the construction of the actual recharge facility. Phase 3 would be the Mountain View Service Connection. Design work on the connection is currently being completed.

The estimated cost of the entire project, including land, environmental, design, construction, and construction management, is approximately \$8.5 to \$9 million. Of this, approximately \$5.5 million has been expended to date.

**Detailed Report:**

Staff has made numerous presentations to the Board regarding the need for additional storage, the importance of conjunctive use, and the Board's goals, including the strategic plan. Staff has related to the Board the Agency's efforts to develop additional storage by other, less expensive means, and the inability to implement those efforts.

Construction of the facility, if authorized by the Board, would not impact any retail water agency's ability to purchase water from the Agency. Any retail purveyor could purchase water from the Agency and recharge it in the proposed facility or in a different facility, if so desired.

Staff has recounted to the Board the fact that there is only 20 cfs of connected capacity to the EBX in our service area, and in a wet year water would have to be left in San Luis Reservoir due to this limitation. With the additional connected capacity and storage facility, the Agency would be able to import, on behalf of retail agencies and the region, any water available in wet years.

The project was reviewed by the Basin Technical Advisory Committee (BTAC) in the San Bernardino area as a potential addition to approved projects under the Upper Santa Ana Watershed IRWMP. The BTAC enthusiastically approved the project as one that met its criteria for inclusion in the IRWMP and for potential grant funding. BTAC recognized that the project benefits the region.

This proposed action involves only the authorization to advertise the facility for construction. Should the Board approve the authorization, staff would ask the Board in the near future for authorization to contract with Albert A. Webb & Associates to perform all post design duties, with an environmental consultant to implement the adopted Mitigation Monitoring and Reporting Program, and with a grant writer to apply for Prop 1 and other funding opportunities for this project. All these costs would fit well under the Agency's adopted budget for this

project for this year. Upon opening bids and reviewing them, staff would return to the Board to request authorization to award a construction contract.

**Fiscal Impact:**

It is anticipated that the construction contract will be approximately \$2 million. A large portion of the project costs will be in diesel fuel to drive heavy equipment. Since diesel fuel is currently at historic low rates, there is a possibility that the contract price could be less. The budgeted amount for all work associated with this project (contracted amounts, post design services, survey, soils consultant, construction management, environmental mitigation) is \$4.6 million this year. The actual costs will be considerably less than this. It is anticipated that total future capital costs for this project will be between \$3 and \$3.5 million.

The Board has previously indicated that it wishes to pay cash for this construction. If the Board still wishes to fund the construction in this manner, it will result in a reduction in the Agency's reserves over the next several quarters. This has long been planned by the Agency and will have no significant negative consequences. This year's General Fund budget includes a withdrawal from reserves of \$4.7 million for this project. Staff estimates that the actual amount will be considerably less than this, partly because not all work will be completed this fiscal year and partly because the actual cost to construct should be far less than the budgeted amount.

**Relationship to Strategic Plan:**

This facility is part of the Agency's regional infrastructure plan, which is one of the specific goals of the strategic plan.

**Recommendation:**

Staff recommends that the Board authorize advertisement of the Beaumont Avenue Recharge Facility for construction, with the exact date to be determined by the General Manager.

# MEMORANDUM

**TO:** Board of Directors

**FROM:** General Counsel

**RE:** Consideration and possible action to authorize legislative advocacy services

**DATE:** February 16, 2016

## Summary:

On July 6, 2015, the Board adopted Resolution 2015-04 which provides that it is the desire of the Board to reduce its size from seven to five members and directs the General Manager to ask the legislature to revise the Agency's Act to reflect a reduction in the size of the Board.

Efforts were made through BB&K's Director of Governmental Affairs, Syrus Devers, to determine if the necessary language could be added at the end of last year's legislative session into an existing bill in order to expedite the process. Those efforts were not successful due to the nature and pace of bills which are pushed at the end of a legislative session.

Since then, at no charge, Mr. Devers has scheduled and attended meetings between local legislators and Agency representatives. In addition, at no charge, Mr. Devers has been in communication with legislators' offices in the State Capitol. Through these meetings and other networking, the groundwork is being laid for seeking the sponsorship of an Agency bill by one of these legislators. These networking efforts have also resulted in obtaining information about what is evidently a competing bill from another party.

In addition, very recently both the Yucaipa Valley Water District ("YVWD") and the Beaumont Cherry Valley Water District ("BCVWD") have initiated efforts to introduce their own collective version of a bill which would change the structure of the Agency Board. This

language would reduce the Board from seven to five members but would also change the governance structure to consist of only appointed individuals from only the public agencies that provide drinking water services within the boundary of the Agency. This would do away with the current governance structure whereby the voters decide who will sit on the Agency Board.

In the staff reports accompanying their proposal, YVWD and BCVWD have stated the reasons for their proposal and also stated disagreements they have with the Agency. Through public comments at the board meetings of YVWD and BCVWD, representatives and supporters of the Agency have voiced reasons against the YVWD/BCVWD proposal. In addition, by the very nature of the proposed change in the governance structure of the Agency Board, the YVWD/BCVWD proposal is in conflict with the bill that the Agency supports.

The boards of YVWD and BCVWD took actions to continue or table action on their resolutions. In the case of YVWD, the action was to continue the matter for two months.

Therefore, it is proposed that work be done to establish the necessary relationships and tell the Agency story to legislators. Such efforts are needed in order to pursue passage of the Agency's bill and to respond to the issues and disagreements which have manifested themselves in the YVWD/BCVWD proposal. There is always the potential that YVWD and/or BCVWD could revisit the tabling of their proposals at any time.

### **Recommendation:**

It is recommended that the Board take action to authorize BB&K, through Syrus Devers, to continue to provide state legislative services to pursue the goals and objectives set forth herein.

Such services are contemplated by, are in addition to, and would be provided consistent with, the terms and conditions for legal services under the current BBK agreement with SGPWA. Since such services are provided based on a monthly fee, as opposed to an hourly rate, an additional letter agreement will confirm such details.

The fee would be \$5,000 per month commencing upon Board approval through January 1, 2017. Please note that the amount being charged is less than half of what the fee would normally be for such services and is likely much lower than what other public agencies are charged by other legislative advocacy firms. This discounted fee is being provided due to the long standing relationship with the Agency and a limited ability to dedicate resources to this effort. The arrangement can be terminated at any time by the Agency for any reason or no reason.

**Alternatives:**

If the Board does not wish to retain BB&K for these additional services, there would seem to be the following alternatives:

1. Hire another lobbying firm;
2. Look to Agency staff to perform the networking and outreach which we believe is critical to a successful bill and to responding to the competing YVWD/BCVWD bill;
3. Make a request of the applicable local legislator to sponsor the Agency bill and then devote limited staff time to following up on the request to see if the bill is selected by the legislator and pushed by the legislator's office.



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February 5, 2016

San Geronio Pass Water Agency  
Attn: Jeff Davis, General Manager  
1210 Beaumont Avenue  
Beaumont, CA 92223

**Legislative Services**

Dear Jeff:

This letter confirms the understanding and agreement between Best Best & Krieger (BBK) and the San Geronio Pass Water Agency (SGPWA) with respect to state legislative services to be provided by BBK to SGPWA. Such services will be consistent with the scope of services, compensation, and other terms described below. In addition, such services are contemplated by, are in addition to, and will be provided consistent with, the terms and conditions for legal services under the current BBK agreement with SGPWA.

**Scope of Services**

Overall, services to be provided by BBK will consist of the following duties:

1. Monitor and track legislation of interest to SGPWA.
2. Advocate on behalf of SGPWA before the state legislature and state administrative agencies. All prepared testimony and advocacy materials shall be subject to approval by SGPWA.
3. Provide policy and legislative briefings on a monthly basis, or as requested by SGPWA.
4. Develop strategic relationships relevant to SGPWA's interests.

**Compensation and Terms**

The fee for the above-described services will be \$5,000 per month commencing on \_\_\_\_\_, 2016 through January 1, 2017 and may be terminated by either party, without cause or prejudice, with thirty days written notice or as otherwise provided for under the current BBK agreement for legal services. SGPWA agrees to reimburse BBK for necessary expenses for any travel by Syrus Devers to attend SGPWA board meetings as approved in advance by SGPWA.



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

San Geronio Pass Water Agency  
February 5, 2016  
Page 2

Agreed and Accepted By:

**Jeff Ferre**  
Best Best & Krieger

Dated:

**Jeff Davis**  
General Manager  
San Geronio Pass Water Agency

Dated:

# **MEMORANDUM**

**TO: Board of Directors**

**FROM: General Manager**

**RE: Participation in Bunker Hill CUP Memorandum of Understanding**

**DATE: February 16, 2016**

## **Summary:**

At the February 8 Engineering workshop, the Board discussed the Bunker Hill Conjunctive Use Project and a potential Memorandum of Understanding with other water agencies regarding participation and cost allocation for the proposed project. The purpose of this proposed Board action is to consider whether the Board wishes to be a signatory to the MOU.

## **Background:**

The San Bernardino Valley Municipal Water District is leading an effort to construct a conjunctive use facility in the Bunker Hill groundwater basin in the Redlands/Highland area with a dry year yield of 35,000 acre-feet. The facilities to be constructed would be a series of extraction wells and conveyance pipelines to enable participants to retrieve stored water from the basin during dry years. As part of this leadership effort, Valley District is willing to pay for 10% of all costs.

Agency staff has participated in a series of informational meetings over the past year. Valley District hired a consultant to plan the project and to produce cost estimates. A number of water districts in the San Bernardino/Riverside area are interested in participating in this project.

## **Detailed Report:**

A key component of the project is how costs will be allocated to participants. It is anticipated that two “classes” of service will be provided—on-peak and off-peak. Participants can join in one or both of these “classes.” It is likely that “peak” participants will fund over

50% of the costs, “off-peak” participants less than 50%, and Valley District 10%. The primary purpose of the MOU is to determine the details of these estimates. Participation in the MOU does not commit to participation in the project.

Staff believes that it may be beneficial to participate in the project with small amounts in both the peak and off-peak classes in order to support and back up two retail water agencies—Yucaipa Valley Water District and South Mesa Water Company. The Board will have an opportunity to make the final decision at some point later in 2016 or in 2017.

The MOU expires at the end of 2016, with the anticipation that a cost allocation structure will have been agreed to by that time. The primary purpose of the MOU is for the participants to determine a financing plan and a cost allocation proposal. If a consultant is hired to support this effort, signatories will be required to cost-share for the consultant fee.

**Fiscal Impact:**

There could be a very minor fiscal impact to the Agency if the signatories hire a consultant and the Agency pays a portion of the consultant fees. However it will not be significant and will not impact the Agency’s General Fund budget.

**Relationship to Strategic Plan:**

The strategic plan calls for both a regional water supply plan and a regional capital facilities plan. The Bunker Hill CUP could end up being part of one or both of these plans; thus participation in the MOU in order to determine if this proposed project is consistent with the Agency’s needs, is consistent with the strategic plan.

**Recommendation:**

Staff recommends that the Board authorize the General Manager to sign the Memorandum of Understanding, subject to the approval of the General Counsel.

**Memorandum of Understanding  
For the Bunker Hill Basin Conjunctive Use Project**

This Memorandum of Understanding for the Bunker Hill Basin Conjunctive Use Project (“MOU”) is entered into and effective this 15th day of December, 2015 by and among the City of Colton (“**Colton**”), the City of Redlands (“**Redlands**”), the City of Rialto (“**Rialto**”), the City of Riverside Public Utilities (“**RPU**”), the City of San Bernardino Municipal Water Department (“**SBMWD**”), East Valley Water District (“**East Valley**”), San Bernardino Valley Municipal Water District (“**Valley District**”), Western Municipal Water District of Riverside County (“**Western**”), West Valley Water District (“**WVWD**”), South Mesa Water Company (“**SMWC**”), San Gorgonio Pass Water Agency (“**SGPWA**”), Western Heights Water Company, Elsinore Valley Municipal Water District (“**EVMWD**”), and Yucaipa Valley Water District (“**Yucaipa Valley**”), each of which is referred to as a “**Party**.”

**Recitals**

A. In September 2014, the California Legislature enacted the Sustainable Groundwater Management Act of 2014 (SGMA), which established a statewide framework for the sustainable management of groundwater resources.

B. In the Upper Santa Ana River Groundwater Basin, as defined by the California Department of Water Resources’ Bulletin 118, there are a number of groundwater basins: the Arlington Basin, Rialto-Colton Basin (including the area commonly known as No Man’s Land), the Riverside Basin, the San Bernardino Basin Area (including the Bunker Hill Basin and the Lytle Basin), the San Timoteo Basin and the Yucaipa Basin, surface water and groundwater supplies are governed by a number of judicial decrees and contracts, including but not limited to the *Orange County* Judgment, the *Western* Judgment, and the 1961 decree governing the Rialto-Colton Basin.

C. The Parties to this MOU wish to collaborate in an effort to build on the foundation of existing laws and regulations, contracts and judicial decrees, and the recent enactment of SGMA to develop a cooperative effort to conjunctively manage surface water and groundwater in the Bunker Hill Basin so as to improve their drought resilience and water supply reliability.

D. The Parties wish to memorialize their commitments by means of this MOU.

**Understandings**

1. *Term.* This MOU shall remain in full force and effect until December 31, 2016 unless terminated earlier by a written agreement signed by all of the Parties.
  - a. It is the Parties’ intent to develop one or more detailed agreements for the projects to be studied under the auspices of this MOU by December 31, 2016.

- b. In the event that any Party chooses to withdraw from this MOU, the MOU shall remain in force among the remaining Parties.
- c. Nothing in this MOU shall be construed to interfere with or prohibit two or more Parties, either acting independently or with all or a portion of the other Parties or with non-Parties, from developing one or more projects that would serve to conjunctively manage surface water and groundwater in the Bunker Hill Basin so as to improve drought resilience and water supply reliability. Such projects may, but need not, be the subject of a detailed agreement of the type referred to in subparagraph (a) above.
2. *Project Development.* As a general matter, the Parties wish to develop plans for: (i) the physical systems necessary to use the Bunker Hill Basin conjunctively to enhance water supply reliability and flexibility for the region, and (ii) an equitable cost allocation for these physical systems for potential participants based on classes of service and value.
- a. *Project Facilities.* The Parties agree to evaluate the feasibility and cost of the facilities listed on Exhibit A, which is attached hereto and incorporated herein by reference. The Parties understand that the goal of this effort is to develop up to 35,000 afy of new dry-year yield. Any additional capacity as a result of design refinement and operation optimization will be shared proportionally among the Parties based on their respective participation levels.
- b. *Operational Scenarios.* As part of the evaluation of the facilities listed on Exhibit A, the Parties agree also to evaluate a range of operational scenarios wherein the Parties would import wet-year water for direct or in-lieu recharge and subsequent extraction. Recharge shall take place in advance of extraction and any extraction amounts will be subject to the loss factor described below.
- c. *Financing.* The Parties will develop a coordinated financing plan for the proposed facilities that will include, without limitation, seeking bond funding, state loan funds, and imposing appropriate fees and assessments.
- d. *Loss Factor.* The Parties understand that a loss factor currently estimated to be approximately 10% will be scientifically developed based on anticipated evapotranspiration and reduced natural recharge due to the project. The loss factor will be applied accordingly upon implementation of the project. The factor may be revisited from time to time as deemed necessarily by the Parties.
- e. *Cost Allocation.* The Parties will develop an equitable cost-allocation proposal for consideration by all Parties no later than June 30, 2016. The proposed cost-allocation will be generally based on the following principles:
- (1) Up to 70% of the cost will be paid by participants receiving a firm supply, with 20% of the cost being paid by participants receiving an interruptible

supply. The remaining 10% of the cost will be paid by Valley District as the basin manager; or

(2) Up to 55% of the cost will be paid by Parties with peak capacity rights (May through October deliveries) while Parties with off-peak capacity rights will pay up to 35% of the cost for deliveries from November through April. The remaining 10% of the cost will be paid by Valley District as the basin manager.

(3) Each Party may purchase a quantity of water to be supplied on either a firm or interruptible basis, on a peak or non-peak capacity, or a combination thereof. The Party's costs will be based on its selection of a type of supply, the capacity being used and the quantity. A sample proposed cost-allocation is attached hereto as Exhibit B for illustrative purposes only.

(4) The Parties understand that the cost allocation will be developed and refined collaboratively. The final cost allocation and methodology may be different than identified from those above when fully developed.

3. *Schedule.* The Parties agree that they will use their best efforts to complete the project evaluation described in paragraph 2 above no later than June 30, 2016 so as to allow for the negotiation of definitive project agreement(s) and for the approval of those agreement(s) by governing boards no later than December 31, 2016.

4. *Water Rights and Prior Agreements.* Nothing in this MOU shall be construed to create or confer any new rights to the groundwater basin to any of the Parties or to interfere with or divest any non-Party of any right to the groundwater basin that may exist as of the effective date of this MOU. This MOU shall not operate to validate or invalidate, modify or affect any Party's water rights or any Party's obligations under any agreement, contract or memorandum of understanding/agreement entered into prior to the effective date of this MOU. Each Party to this MOU reserves any and all claims and causes of action respecting its water rights and/or any agreement, contract or memorandum of understanding/agreement; any and all defenses against any water rights claims or claims under any agreement, contract or memorandum of understanding/agreement; and any claims arising from contamination or water quality degradation.

5. *Cost-Sharing.* Each Party agrees that it will devote sufficient staff time and other resources to actively participate in this effort. If a Party wishes to involve counsel in the review or development of the project agreement(s), all such costs will be borne only by that Party. The Parties shall agree on how the technical/consultant costs associated with implementing this MOU will be funded, which allocation is likely to be based on the Parties' respective participation levels.

- 110 6. *Withdrawal.* Any Party may withdraw by providing the other Parties with sixty days'  
 111 written notice of withdrawal. Such Party's withdrawal shall be conditioned upon the  
 112 Party's payment of its proportionate share of the costs of this effort, as described in  
 113 paragraph 5 above, up through and including the date of its notice of withdrawal.
- 114 7. *General Provisions*
- 115 a. *Authority.* Each signatory of this MOU represents that s/he is authorized to  
 116 execute this MOU on behalf of the Party for which s/he signs. Each Party  
 117 represents that it has legal authority to enter into this MOU and to perform all  
 118 obligations under this MOU.
- 119 b. *Amendment.* This MOU may be amended or modified only by a written  
 120 instrument executed by each of the Parties to this MOU.
- 121 c. *Jurisdiction and Venue.* This MOU shall be governed by and construed in  
 122 accordance with the laws of the State of California, except for its conflicts of law  
 123 rules. Any suit, action, or proceeding brought under the scope of this MOU shall  
 124 be brought and maintained to the extent allowed by law in the County of San  
 125 Bernardino, California.
- 126 d. *Headings.* The paragraph headings used in this MOU are intended for  
 127 convenience only and shall not be used in interpreting this MOU or in  
 128 determining any of the rights or obligations of the Parties to this MOU.
- 129 e. *Construction and Interpretation.* This MOU has been arrived at through  
 130 negotiations and each Party has had a full and fair opportunity to revise the terms  
 131 of this MOU. As a result, the normal rule of construction that any ambiguities are  
 132 to be resolved against the drafting Party shall not apply in the construction or  
 133 interpretation of this MOU.
- 134 f. *Entire Agreement.* This MOU constitutes the entire agreement of the Parties with  
 135 respect to the subject matter of this MOU and supersedes any prior oral or written  
 136 agreement, understanding, or representation relating to the subject matter of this  
 137 MOU.
- 138 g. *Partial Invalidity.* If, after the date of execution of this MOU, any provision of  
 139 this MOU is held to be illegal, invalid, or unenforceable under present or future  
 140 laws effective during the term of this MOU, such provision shall be fully  
 141 severable. However, in lieu thereof, there shall be added a provision as similar in  
 142 terms to such illegal, invalid or unenforceable provision as may be possible and  
 143 be legal, valid and enforceable.
- 144 h. *Successors and Assigns.* This MOU shall be binding on and inure to the benefit  
 145 of the successors and assigns of the respective Parties to this MOU. No Party



may assign its interests in or obligations under this MOU without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

- i. *Waivers.* Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this MOU and forbearance to enforce one or more of the remedies provided in this MOU shall not be deemed to be a waiver of that remedy.
- j. *Attorneys' Fees and Costs.* The prevailing Party in any litigation or other action to enforce or interpret this MOU shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.
- k. *Necessary Actions.* Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this MOU.
- l. *Compliance with Law.* In performing their respective obligations under this MOU, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.
- m. *Third Party Beneficiaries.* This MOU shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.
- n. *Counterparts.* This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.
- o. *Notices.* All notices, requests, demands or other communications required or permitted under this MOU shall be in writing unless provided otherwise in this MOU and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by electronic mail or facsimile transmission on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as set forth in its signature block below.

181    AGREED AND ACCEPTED:  
182

183    Name of Party:  
184

185  
186  
187    Signatory:  
188    Title:  
189

190    Notice E-mail: \_\_\_\_\_  
191    Address:  
192

193    Phone:  
194

**Exhibit A.**

# Proposed Bunker Hill CUP Facilities (Phase 1)

### Legend

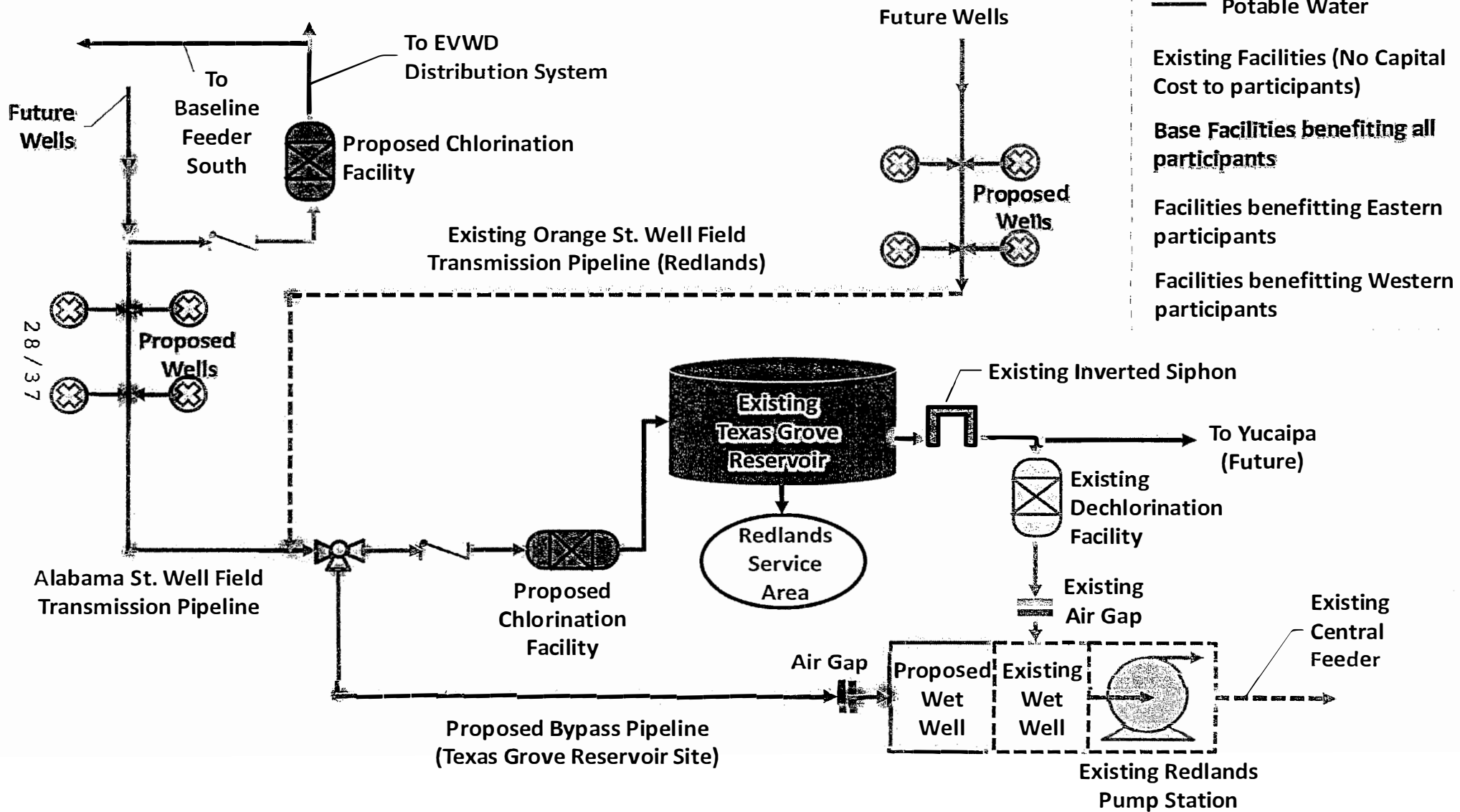
- 
- Project Wells
  - Existing Redlands Wells
  - Jack & Bore Locations
  - Existing Redlands Pipeline
  - Central Feeder
  - Easements

## Project Pipelines

- Alabama St  
— Orange St



# Sample Cost Allocation to Specific Participants



## Original Cost Allocation Concept (Firm & Interruptible)

- Create two main types of participant levels: Firm and Interruptible
- Firm Capacity participants pay more for firm water and can request water up to their requested Share %; 70% Cost
- Interruptible Capacity participants pay less, but their rights to capacity are junior to Firm Capacity participants – beneficial to users with access to their own storage capacity; 20% Cost
- Basin Management reserved for Valley District to manage groundwater levels, typically in wet years; 10% Cost
- A participant may subscribe to more than one level of service class

## Proposed Cost Allocation (Peak and Off-Peak)

- Create two types of participant levels based on the seasonal demand patterns: Peak and Off-Peak
- Peak Capacity participants pay more for capacity during peak demand season: May – October; 50-60% Cost
- Off-Peak Capacity participants pay less, but their rights to capacity limited to lower demand season: November – April; 30-40% Cost
- Basin Management reserved for Valley District to manage groundwater levels, typically in wet years; 10% Cost
- A participant may subscribe to more than one level of service class up to System maximum capacity

## Proposed Cost Allocation by Seasonal Demands

Capital Cost = \$29.5M

Amortized Cost (30 years @ 4%) = \$1.71M

### Cost Allocation by Participant Level

Participant Level	Capital Cost Level Example	Annual Amortized Capital Cost
Peak	55% (50-60%)	\$941,000
Off-Peak	35% (30-40%)	\$599,000
Basin Mgmt	10%	\$171,000
<b>Total</b>	<b>100%</b>	<b>\$1,710,000</b>

The division of costs at 55/35/10 percent is selected for the proposed cost allocation, and may be adjusted before the program is finalized

## Proposed Capital Cost Allocation – Peak Capacity (May-Oct)

Capital Cost = \$29.5M

Amortized Cost (30 years @ 4%) = \$1.71M

Share of Capital Cost = 55%

32/37

User	Extraction Capacity Purchased (AF)	Extraction Capacity Purchased (%)	Cost Allocation	Annual Capital Cost	Delivery Capacity Capacity (cfs)
SBVMWD	3,000	17%	9%	\$157,000	8.4
YVWD/SGPWA	5,000	28%	15%	\$261,000	13.9
WMWD	3,500	19%	11%	\$183,000	9.7
WVWD	1,500	8%	5%	\$78,000	4.2
Rialto/Colton	500	3%	2%	\$26,000	1.4
SBMWD	4,000	22%	12%	\$209,000	11.1
WHWC	500	3%	2%	\$26,000	1.4
<b>Total</b>	<b>18,000</b>	<b>100%</b>	<b>55%</b>	<b>\$940,000</b>	<b>50.1</b>



## Proposed Capital Cost Allocation – Off-Peak Capacity (Nov-Apr)

Capital Cost = \$29.5M

Amortized Cost (30 years @ 4%) = \$1.71M

Share of Capital Cost = 35%

User	Extraction Capacity	Extraction Capacity	Cost	Annual Capital	Delivery Capacity
	Purchased (AF)	Purchased (%)	Allocation	Cost	Purchased (cfs)
YVWD/SGPWA	5,000	29%	10%	\$176,000	13.9
WMWD	4,500	26%	9%	\$158,000	12.5
WVWD	1,500	9%	3%	\$53,000	4.2
Rialto/Colton	500	3%	1%	\$18,000	1.4
SBMWD	5,000	29%	10%	\$176,000	13.9
SMWC	500	3%	1%	\$18,000	1.4
<b>Total</b>	<b>17,000</b>	<b>100%</b>	<b>35%</b>	<b>\$599,000</b>	<b>47.4</b>

## Sample Dry Year (Peak & Off-Peak Capacity)

Agency	Subscribed Capacity Share %	Cost Allocation (%)	Water Produced (AF)
SBVMWD	17%	9%	3,000
YVWD/SGPWA	28%	15%	5,000
WMWD	19%	11%	3,500
WVWD	8%	5%	1,500
Rialto/Colton	3%	2%	500
SBMWD	22%	12%	4,000
WHWC	3%	2%	500
Subtotal: Peak	100%	55%	18,000
YVWD/SGPWA	29%	10%	5,000
WMWD	26%	9%	4,500
WVWD	9%	3%	1,500
Rialto/Colton	3%	1%	500
SBMWD	29%	10%	5,000
SMWC	3%	1%	500
Subtotal: Off-Peak	100%	35%	17,000
Total		90%	35,000

**Subject:** FW: Agenda items Feb 16,2016 sgpwa board meeting

To the Board of Directors of the San Gorgonio Pass Water Agency:

At the end of our last general board meeting I, (Director Ball) , asked to receive a presentation on the water rates we impose on our retail water customers. Director Duncan suggested having a follow up meeting with the elected officials we had invited to provide comment to us a few months prior and Director Fenn suggested we combine the two events in some fashion. After attending the recent YVWD workshop and the BCVWD board meeting and being encouraged by the general feeling that elected officials need to become more involved and foster a better spirit of communication and cooperation, we three directors met and propose the following as three separate agenda items for discussion and action at the February16, 2016 general board meeting.

Respectfully submitted,

Director Ball  
Director Duncan  
Director Fenn

Agenda item one:

Authorize a letter inviting the Beaumont Cherry Valley Water District to make a presentation of their recharge facility on Beaumont Avenue to members of this board, the general public and interested elected water officials.

The invitation will be sent under signature of President Jeter and addressed to President Cottrell, President of the BCVWD. Upon acceptance of the invitation, additional letters announcing the date and time of the meeting will be sent to the presidents of the other retail water districts and inviting all electeds to attend.

Suggested date: March 21, 2016 at our regularly scheduled 7pm general board meeting.

Length of presentation: 20 minutes, with time following allowed for questions as needed.

Presenter: Left to the discretion of BCVWD Board of Directors

Presentation to include size of pipe(s) and water flow that feed the facility, historical records showing acre feet recharged per year, current customers using this facility, fees per acre foot to recharge, availability for other customers to use this facility, future plans for the facility, costs to maintain per year, number of days facility is used per year, other recharge facilities owned by the water district that may be available for use with its historical data, and other data deemed pertinent to the presentation.

Relationship to SGPWA 2012 Strategic Plan- 1) Part of any strategy to purchase water is determining the most cost effective method to either store the water for future use or allow for directly utilizing existing infrastructure. Storage opportunities presently exist in the region and may prove to be the most cost effective,...P.iv.  
2). Conduct an inventory of existing facilities that may be used for regional benefit. P.v.  
3).Utilization of existing facilities has the added benefit of reducing future capital costs and having facilities in place to take advantage of new supply opportunities that may become available in the short term. P.v.

4). From each retail agency in the Agency's service area, compile a list of facilities that may be available for use as a regional facility and what capacities, limitations, or restrictions on use currently exist or may exist in the future by July 2013. P.v.

Agenda item two:

Receive, review and discuss a presentation of the historical sales and expenses of the water rate fee of \$317.00 per acre ft. of water from February 2009 through December 2015.

The SGPWA board approved a water rate increase to \$317.00 per acre foot of water to its retail customers in February 2009 as recommended by The David Taussig Final Draft Water Rate Study of the SGPWA dated February 2, 2009. Periodically, a revisit of the structure and components of the rate fee is warranted. A review of the operating income and expenses on a yearly basis in a fashion similar to Table 1, page 18 of the final draft would be useful, as well as a year by year bar graph of each individual expense category like those presented in the January 2016 budget meeting. This offers an easy upward or downward trend visual for each income and expense item over the 6 year time frame.

Presentation date: Monday March 7, 2016 at the 7pm general board meeting.

Presenter: Director of Finance Thomas Todd

Agenda three:

Resume the general manager's monthly meeting.

Board discussion about resuming the general managers monthly meeting under a slightly different format. Each general manager of the seven retail water customers are invited to the meeting along with the SGPWA general manager. Topics of common interest would be discussed using a meeting agenda. One member of the SGPWA Board of Directors would conduct and moderate the meeting. This will be board determined. It is anticipated that the meeting would last one hour.

2012 Strategic Plan: Goal #1 Regional Leadership Role...A) develop collaborative relationships with the various entities and stakeholders in the Agency service area ....

B). Conduct formal monthly "Manager's Meetings" that have as their focus the purpose of providing routine updates on various regional project proposals and project status reports.

### Goal #3 Objectives Continued:

2. Conduct an inventory of existing facilities that may be used for regional benefit.

Development of new facilities should accommodate new water supply to offset the impending supply deficit as shown in Table 5-2 of the UWMP through 2035. It is recommended that the Agency identify the infrastructure needs to accommodate the supply deficit for the following three planning horizons:

<b>Planning Year</b>	<b>Supply Deficit</b>
2025	5,049 acre-feet
2030	12,023 acre-feet
2035	16,476 acre-feet

Utilization of existing facilities has the added benefit of reducing future capital costs and having facilities in place to take advantage of new supply opportunities that may become available in the short-term. Additionally, a number of projects have been considered in the past which should be reviewed to determine if they remain viable in the long-term. In order to take advantage of the opportunity to utilize existing facilities it is recommended that the Agency do the following:

1. From each retail agency in the Agency's service area, compile a list of facilities that may be available for use as a regional facility and what capacities, limitations or restrictions on use currently exist or may exist in the future by July 2013,
2. Review existing proposed projects to determine if they remain viable for potential water transfer and storage – Banning Pipeline Upsizing, Cabazon Pipeline Extension, Beaumont Basin Recharge Facility and the Cabazon Basin Recharge Facility. This review should be completed by July 2013,
3. Develop budget estimates for repairs and needed upgrades to potential joint-use facilities by October 2013,
4. Where existing facilities owned and operated by retail agencies will be used for regional benefit, a "Facility Use Agreement" for shared services should be developed.

### Goal #4: Regional Financial Plan

In 2010, the Agency authorized the preparation of a Capacity Fee Study as a means of developing a revenue stream to offset future infrastructure and water acquisition costs with fees placed on new development. Existing revenue sources such as the