

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Meeting**  
**Agenda**  
**April 18, 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, April 4, 2016\* (Page 2)

C. Approval of the Minutes of the Engineering Workshop, April 11, 2016\* (Page 6)

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

A. General Manager's Report

1. Water Supply Report\* (Page 8)

2. Operations Report

3. General Agency Updates

B. General Counsel Report

C. Directors' Reports

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

A. Review Document from March Water Alliance Meeting\* (Page 10)

**7. Topics for Future Agendas**

**8. Announcements**

A. Finance and Budget Workshop, April 25, 2016 at 4:00 pm

B. San Gorgonio Pass Regional Water Alliance, April 27, 2016

1. Business Meeting at 5:00 pm – Banning City Hall Conference Room

2. Presentation at 6:00 pm – Banning City Council Chambers

C. Regular Board Meeting, May 2, 2016 at 7:00 pm

**9. Closed Session (1 Item)**

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) and initiation of litigation pursuant to paragraph (4) of subdivision (d), of Government Code Section 54956.9 (two potential cases)

**10. Adjournment**

**\*Information included in Agenda Packet**

(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 accommodation.

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**April 4, 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  
Thomas Todd, Finance Manager  
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., April 4, 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.* There were no members of the public that wished to comment at this time.
4. **Consent Calendar:**
  - A. Approval of the Minutes of the Special Board Meeting, March 10, 2016
  - B. Approval of the Minutes of the Regular Board Meeting, March 21, 2016
  - C. Approval of the Minutes of the Finance and Budget Workshop, March 28, 2016
  - D. Approval of the Finance and Budget Workshop Report, March 28, 2016
  - E. Approval of the Recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Report, March 28, 2016

Director Dickson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. President Jeter requested a vote. Motion passed 7-0.

## 5. Reports:

### A. General Manager's Report:

**(1) Operations Report:** General Manager Davis reported to the Board that after three months of being shut down for maintenance, pump tie-ins, and installations, the Agency is officially back online as of today, pumping 24 hours a day. The plan is to continue this schedule for the rest of the year.

**(2) Report on Water Supply Conditions:** General Manager Davis reported on the storage conditions as of April 1<sup>st</sup>. Lake Oroville storage level is at 114% for this date. The storage level for San Luis Reservoir as of April 4<sup>th</sup> is 57% of average. The California snow water content as of April 1<sup>st</sup> for the Northern Sierra is at 95%; Central Sierra is at 88%; and the Southern Sierra is at 73%. General Manager Davis reviewed the Daily Reservoir Storage Summary report, which reported Lake Oroville inflow is at 8,172 cfs, mainly from snowmelt.

**(3) General Agency Updates:** **1) News Article on Delta Tunnels:** General Manager Davis briefly reviewed an LA Times article on the Delta Tunnels, providing his opinion on the content. **2) Beaumont Basin Water Master Application:** General Manager Davis stated that the Agency's application for a storage account has been received by the Watermaster. Discussion on the application will be listed on the Watermaster's agenda for June. **3) Regional Water Issues - Joint Board Meeting:** General Manager Davis attended the joint board meeting that was held on March 31<sup>st</sup>, as a member of the public. He noted that fewer participants were in attendance. General Manager Joe Zoba (YVWD) gave the same allocation plan presentation that had been given to our board members in the past. **4) SBVMWD – Facilitated Meeting:** President Mark Bulot (SBVMWD) sent out a letter last week to board presidents and mayors within the Agency's boundaries, offering to host the facilitated process. An initial meeting will take place in the next couple of weeks. **5) Water Expert:** General Manager Davis requested direction from the board pertaining to their preference on scheduling the meeting(s) for the water expert to discuss water allocation. It was the consensus of the board to schedule the meetings separately from the board meetings and to hold the meeting(s) at 4:00 pm; it is anticipated that the first meeting will take place in April. Director Ball noted that he will not be available April 21 – 24. Director Melleby noted that she will not be available April 15<sup>th</sup>.

**B. General Counsel Report:** General Counsel Jeff Ferré stated that a State Water Resources Control Board Public Workshop will take place on April 20<sup>th</sup>. The State Board will receive input on the potential modification of the current Emergency Regulation for Statewide Urban Water Conservation. This will be an informational workshop only and the State Water Board will take no formal action. A decision on a revised or new regulation is anticipated in May, 2016.

**C. Directors Reports:** **1) Director Ball** reported on the joint meeting that was held on March 31<sup>st</sup>. He stated that the next upcoming meeting was changed from April 21<sup>st</sup> to April 28<sup>th</sup>. **2) Director Melleby** reported on the SGPRWA meeting that was held on March 23<sup>rd</sup>. During the meeting the group was tasked with identifying and ranking regional needs. Director Melleby stated that the group was asked to request from board members what does long term reliability and sustainability actually mean, and

what steps are needed to achieve reliability and sustainability for the region. Director Melleby proposed that this topic be on the next Engineering workshop agenda in order to have a thoughtful discussion on this topic. Director Melleby reported that General Manager Davis gave a presentation on the California Water Fix at the March 23<sup>rd</sup> SGPRWA. He also gave the same presentation at the San Geronio Pass Rotary Club on March 24<sup>th</sup>. The presentation was well received.

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

**A. Consideration of Budget Revision:** A staff report and a financial spreadsheet pertaining to the proposed budget revision for fiscal year July 1, 2015 – June 30, 2016 were included in the agenda packet. General Manager Davis stated that this item was discussed during the Finance and Budget workshop on March 28<sup>th</sup>. He provided a detailed explanation on the proposed budget revision. The net result is a reduction in the General Fund of \$39k. Director Stephenson made a motion, seconded by Director Melleby, approving the budget revision. President Jeter requested a vote. *Motion passed 7-0.*

**B. Presentation on SGPWA's Water Rates:** A staff report was included in the agenda package. A handout of the PowerPoint slides was provided to the Board and to members of the public. General Manager Davis stated that this presentation is for informational purposes only; there will be no recommendation, and no action to take. This is a follow-up to a presentation that was provided last November, however many of the slides have been updated to include all financial data through last year. General Manager Davis presented on the following:

- SGPWA Water Rates and the SGPWA Act
- Degree of Subsidization
- SGPWA Ordinance 8-Rules and Regulations for SGPWA Water Service
- State Water Project Costs
- Early SGPWA Water Rates: 2004 – 2006
- 2008 – 2009 Rate Setting Process
- Variable Rate
- Spending of Revenues
- Sensitivity Analysis
- Off-Aqueduct Charges
- Current Water Rates
- Credit Allocation
- Water Rate Expenditures – Projections & Actual

In summary, the Agency is losing money on purchased water. SWP variable costs are increasing rapidly and off-aqueduct costs are being shifted to variable component. General Manager Davis took questions from the Board and members of the public. General Manager Eric Fraser (BCWWD) voiced his objection to the presentation and provided a number of DWR's invoices to the Board members. After discussion, General Manager Davis concluded his presentation. President Jeter stated that further discussion on this item will take place again in the near future.

**C. Consideration of Canceling the May 2<sup>nd</sup> Board Meeting:** General Manager Davis informed the Board that he and possibly other board member(s) will be attending the ACWA conference and will be unable to attend the May 2<sup>nd</sup> Board meeting. He

proposed that the meeting be canceled. After discussion, it was the consensus of the Board to not cancel the meeting.

**D. Appointment of Ad Hoc Committee for Facilitated Process:** President Jeter announced that Directors Dickson and Stephenson are appointed to the ad hoc committee for the facilitated process. Director Ball expressed his reasons as to why and who should be on the committee. Director Fenn expressed his desire to have a third person on the committee and that he would be willing to be a participant. President Jeter stated that Directors Dickson and Stephenson will remain as the appointees to the ad hoc committee for the facilitated process.

**7. Topics for Future Agendas:** Discussion on long term reliability and sustainability.

**8. Announcements:** *President Jeter reviewed the following announcements:*

- A. Engineering Workshop, April 11, 2016 at 4:00 p.m.
- B. Regular Board Meeting, April 18, 2016 at 7:00 p.m.
- C. Finance and Budget Workshop, April 25, 2016 at 4:00 pm

**9. Adjournment:** *President Jeter adjourned the meeting at 8:47 p.m.*

**Draft – Subject to Board Approval**

Jeffrey W. Davis, Secretary of the Board

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

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

**Directors Absent:** John Jeter, President

**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 Vice President Bill Dickson at 4:00 p.m., April 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.

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

**3. Further Discussion of Bunker Hill Conjunctive Use Project.** General Manager Davis informed the Board that he had anticipated receiving an amendment to the MOU signed by the Agency regarding this project, but since he did not receive it, this item would have to be put off to a future workshop.

**4. Review and Discussion of Water Supply Issues Discussed at Regional Water Alliance Meeting.** A memorandum to the Board of Directors from Director Melleby, along with a list of regional water needs, was included in the agenda package. Director Melleby informed the Board that the Regional Water Alliance had discussed regional supply issues at the March meeting, and that long term reliability and sustainability was the overwhelming choice as the most important water supply issue. She led the Board in a discussion of what reliability and sustainability mean, and reviewed the sources of water available in the region and the challenges of each. She noted that diversification of water supplies is an important issue, just as diversification of a retirement investment portfolio is important. The sources of water discussed included groundwater, local surface water, imported water, recycled water, stormwater, desalinated water, and water conservation.

**5. Discussion of Sites Reservoir.** A number of documents related to the Sites Reservoir project, also known as North of Delta Offstream Storage, was included in the agenda package. General Manager Davis introduced the proposed reservoir project to the Board and noted some of the key elements of the project, including some advantages and disadvantages. He informed the Board that a Joint Power Authority has been formed by water districts in the vicinity of the proposed reservoir in order to help plan, design, construct, own, operated, and fund the project. He noted that the current JPA is seeking new members and investors in the project. Some of the advantages of the project include the fact that it has the backing of some important people and organizations, it has a yield of between 300,000 and 400,000 acre-feet, it has identified public benefits, and it has been studied for a number of years and appears to be a very viable project. Some of the disadvantages include that it is located north of the Delta, water would have to be pumped to it from the Sacramento River, and it would have to go through a CEQA process which could significantly delay the project or end it. General Manager Davis answered questions from the Board. He informed the Board that the San Bernardino Valley Municipal Water District is looking into participating in the project as an investor, and that several other State Water Contractors are likely to consider doing so as well. He summarized the project, saying that it is one of the best projects in the State right now that would create new water supplies and it is likely to be popular with other water agencies. The Board indicated that it has no strong aversion to the Project, and General Manager Davis indicated that he would continue to gather information and keep the Board informed as progress is made.

**6. Announcements:**

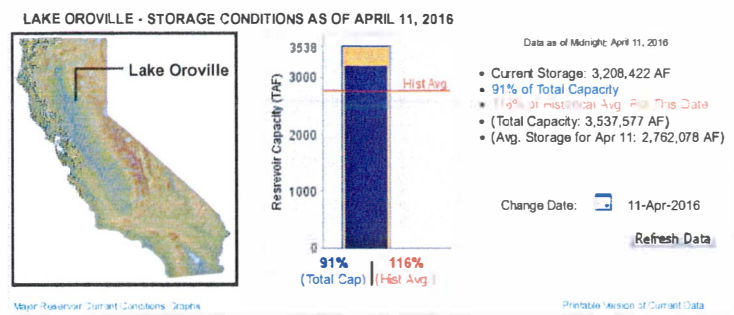
- A. Regular Board Meeting, April 18, 2016 at 7:00 p.m.
- B. Finance and Budget Workshop, April 25, 2016 at 4:00 pm
- C. San Gorgonio Pass Regional Water Alliance, April 27, 2016
  - 1. Business Meeting at 5:00 pm—Banning City Hall Conference Room
  - 2. Presentation at 6:00 pm—Banning City Council Chambers

**7. Adjournment:** Chairman Dickson adjourned the meeting at 5:09 p.m.

*DRAFT – SUBJECT TO BOARD APPROVAL*

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Jeffrey W. Davis, Secretary to the Board

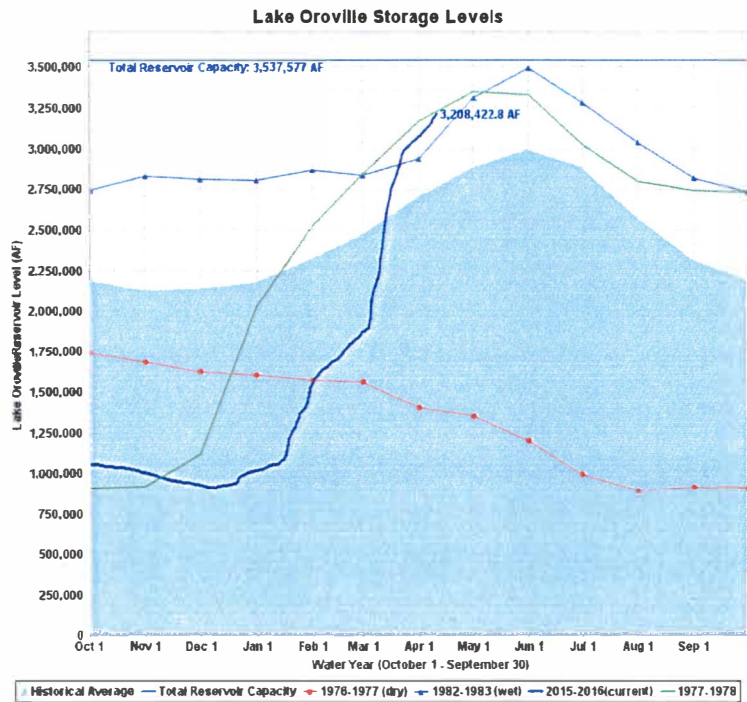


Lake Oroville Storage Level Graph: choose water years to plot:

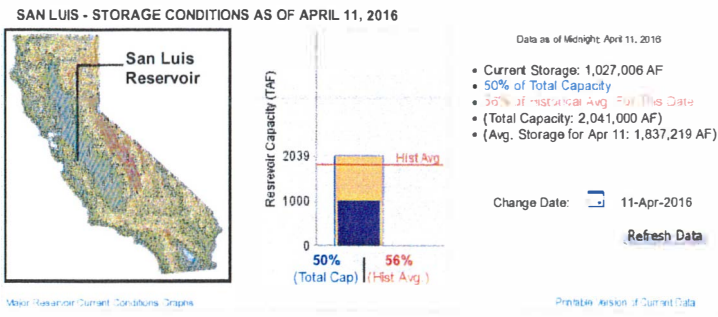
- 1976-1977 (dry)
- 1977-1978
- 1982-1983 (wet)
- 1988-1989
- 1989-1990

[Draw chart](#)

(chart legend appears at bottom)







## **Cooperation**

### **Defined:**

**Cooperation is the process of groups of organisms working or acting together for common or mutual benefit, as opposed to working in competition for individual benefit.**

### **Purpose:**

**To help the group reach its objectives. As members share the same code of conduct the group's norms dictate the responsibilities and obligations of each member. This combination of choices, decisions and behaviors generally fosters a harmonious functioning among group members.**

### **Givens:**

- 1. Everyone deserves respect when talking. One speaker should speak at a time.**
- 2. No one's opinion is of more value than someone else's.**
- 3. The focus should always be on topic, not on individuals.**
- 4. It is okay to disagree, respectfully.**
- 5. Regional objectives may need to supersede individual agency priorities**
- 6. Long term objectives need agreement to be achieved**
- 7. Group consensus moves an item forward**
- 8. Facts, not emotions or biases. Note – facts may change**
- 9. Consider how much each agency has invested in dollars**
  - A) Fair equitable**
  - B) Proportional entitlements per investments**
- 10. Living document/ agreements – subject to change**

### **Agreed upon group goals:**

- 1. To improve coordination, collaboration, and communication among local, state, and federal governments and water purveyors and other water resource stakeholders in the San Geronio region, to achieve greater efficiency and effectiveness in delivering water supplies. Services will remain under local control**
- 2. To develop and promote common water strategies that will, when implemented, fulfill the water demands of the regional area for the foreseeable future**