

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
June 20, 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 Employee Guide Workshop June 2, 2016* (Page 2)
 - B. Approval of the Minutes of the Regular Board Meeting, June 6, 2016* (Page 4)
 - C. Approval of the Minutes of the Engineering Workshop, June 13, 2016* (Page 8)
- 5. Reports (Discussion and Possible Action)**
 - A. General Manager's Report
 1. Operations Report
 2. General Agency Updates
 - B. General Counsel Report
 - C. Directors' Reports
- 6. New Business (Discussion and Possible Action)**
 - A. Consideration of Cost of Living Adjustment for Staff* (Page 10)
 - B. Consideration of California Special Districts Association Board (CSDA) Elections* (Page 11)
 - C. Consideration of Sites Reservoir and Proposal to Participate* (Page 18)
 - D. Consideration of Payment of Cost of Candidates' Statements* (Page 39)
- 7. Topics for Future Agendas**
- 8. Announcements**
 - A. San Gorgonio Pass Regional Water Alliance, June 22, 2016
 1. Regular Meeting at 5:00 p.m. – Banning City Hall Conference Room
 - B. Finance and Budget Workshop, June 27, 2016 at 4:00 p.m.
 - C. Office closed July 4, 2016 in observance of Independence Day
 - D. Regular Board Meeting, **Tuesday**, July 5, 2016 at 7:00 p.m.
- 9. 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 (3) Any person with a disability who requires 1 / 4 1 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 Employee Guide Workshop
June 2, 2016

Directors Present: Bill Dickson, Vice President
Ron Duncan, Director
David Fenn, Director
Leonard Stephenson, Director

Directors Absent: John Jeter, President
Mary Ann Melleby, Treasurer
Blair Ball, Director

Staff and Consultants Present:
Jeff Davis, General Manager
Tom Todd, Jr., Finance Manager

1. **Call to Order, Flag Salute and Roll Call:** The Employee Guide workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Vice President Bill Dickson at 2:00 p.m., June 2, 2016, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Director Ron Duncan led the Pledge of Allegiance to the flag. A quorum was present.

Vice President Dickson turned the meeting over to Director David Fenn, Chair of the Employee Guide Committee.

2. **Public Comment:** There was no public comment at this time.

3. **New Business:**

- A. Consideration of Cost of Living Adjustment for Staff for FY 2016-17: General Manager Jeff Davis reviewed past actions of the Board related to cost of living adjustments. Finance Manager Tom Todd reviewed the memo in the agenda packet and explained the process by which the amounts were determined. After review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board authorize a 2.5% COLA increase for staff employees other than the General Manager, whose contract is negotiated separately. The motion passed unopposed, with President Jeter, and Directors Ball and Melleby absent.

4. **Announcements:** Director Fenn reviewed the following announcements:

- A. Regular Board Meeting, June 6, 2016 at **4:00 pm** – note the time change
- B. Engineering Workshop, June 13, 2016 at 4:00 pm
- C. Regular Board Meeting, June 20, 2016 at 7:00 pm

- 5. Adjournment:** The Employee Guide workshop of the San Geronio Pass Water Agency Board of Directors was adjourned at 2:30 p.m.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
June 6, 2016

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

Directors Absent: Mary Ann Melleby, Director
Ron Duncan, 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 4:00 p.m., June 6, 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. Jennifer Ayres presented the Board with a plaque and thanked them for the financial support and participation in the Inland Solar Challenge. The winner of this year's event was Banning High School.*
4. **Consent Calendar:** *President Jeter asked for an approval of the Consent Calendar.*
 - A. Approval of the Minutes of the Allocation Workshop, May 10, 2016
 - B. Approval of the Minutes of the Regular Board Meeting, May 16, 2016
 - C. Approval of the Minutes of the Finance and Budget Workshop, May 23, 2016
 - D. Approval of the Finance and Budget Workshop Report, May 23, 2016
 - E. Approval of the recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Workshop Report, May 23, 2016

Director Stephenson made a motion, seconded by Director Fenn, to approve the Consent Calendar as published. Director Dickson abstained from the May 23, 2016 Finance and Budget Workshop. Motion passed 5-0, with Directors Melleby and Duncan absent on items 4A and 4B. Motion passed 4-0, with Director Dickson abstaining, Directors Melleby and Duncan absent on items 4C, 4D, and 4E.

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **(a) SWP Water Deliveries:** The Agency delivered a total of 1213 acre-feet (an average of 20 cfs 24/7) to the Noble Creek Connection for the month of May. **(b) SCADA System:** A few minor mishaps have occurred resulting in a brief shutdown at CVPS for a couple of hours. Upstream demands are increasing in EBX, for the time being we will only receive 20-22 cfs until the end of summer.

(2) General Updates: **(1)** General Manager Davis gave an explanation as to why today's board meeting was changed from 7:00 p.m. to 4:00p.m. He stated that the Board has always been conscious that this building was built with tax dollars. The Agency strives to make this building available for public functions, including election days. The Registrar requested that two voting precincts be held here on June 7th, which requires time to set-up the night before the election. The change in the meeting time was to necessitate the election. **(2)** General Manager Davis informed the Board that DWR has sent out an estimate of its 2017 Statement of Charges, which is issued every calendar year. He stated that the SWC are concerned that costs keep going up. He reminded the Board that a letter (of which the Agency signed) had been sent to DWR on the increase issue. DWR responded with a letter in May informing SWC what the estimated Statement of Charges will be next year. He stated that the actual charges for this calendar year will be about \$18 million (without variable). The estimate for 2017 will be about \$20 million; an overall 9% increase for the Agency. A dry year water program implemented in 2014 and 2015 (requested by the SWC) contributed to the increase. Further discussion on this item will take place at the July Finance and Budget workshop. **(3)** General Manager Davis announced that the next Allocation workshop will take place on June 29th at 4:00 p.m. Director Fenn stated that he would not be able to attend, due to a prior commitment. In order to insure that all board members will be present for the allocation workshop, the Board was in agreement to postpone the workshop to July.

B. General Counsel Report: General Counsel Jeff Ferré deferred, as he will be presenting item 6C.

C. Directors Reports: **1) Director Fenn** reported on the May 26th Special Joint meeting regarding the proposed water allocation plan. He noted that there were not many attendees present. Due to the non-response from a number of water retailers both BCVWD and YVWD decided to put the water allocation meetings on hold. **2) Director Dickson** thanked the Agency for the flowers that were given for his wife's funeral.

6. New Business: (Discussion and Possible Action)

A. Consideration of Election of Special District Member and Alternate Special District Member of the Local Agency Formation Commission (LAFCO) – Eastern Riverside County: Ballot instructions and ballot material, including letters of support for Nancy Wright and Robert Stockton were included in the agenda packet. In addition, a letter of support was received today for Kristin Bloomer; the Board had been provided a copy. General Manager Davis stated that the Board had tabled this item during the May 16th Board meeting. After discussion, Director Dickson made a motion, seconded

by Director Fenn, to nominate Nancy Wright for the Special District Member seat. Motion passed 5-0, with Directors Melleby and Duncan absent. Director Fenn nominated Gail Paparian as the Alternate Special District Member. Motion died for lack of a second. Director Dickson nominated Robert Stockton as the Alternate Special District Member. Motion died for lack of a second. Director Ball nominated Dan Hughes as the Alternate Special District Member, seconded by Director Fenn. Motion passed 5-0, with Directors Melleby and Duncan absent.

B. Consideration of Conduct of Future Special District Selection Committee: A Ballot form for the Conduct of Future Special District Selection Committee Elections was included in the agenda packet. General Manager Davis stated that this ballot pertains to how future elections will be conducted, either by a plurality or majority of votes casted. Director Dickson made a motion, seconded by Director Stephenson, to vote for the candidate receiving the highest number of votes among nominees shall be elected. Motion passed 5-0, with Directors Melleby and Duncan absent.

C. Consideration of Resolution 2016-01, Updating California Environmental Quality Act Guidelines: Resolution No. 2016-01 and related material were included in the agenda packet. General Counsel Ferre stated that CEQA requires all public agencies adopt Local CEQA Guidelines. He conveyed that every year the Agency updates its local CEQA guidelines. The CEQA process determines whether or not it is exempt, or a negative declaration, or an EIR. It is recommended that the guidelines are adopted by way of a resolution. General Counsel Ferre reviewed the changes with the Board and recommended that the Board adopts Resolution No. 2016-01, which will amend and adopt the Agency's Local CEQA Guidelines. Director Dickson made a motion, seconded by Director Stephenson, adopting Resolution No. 2016-01, updating and amending the CEQA Guidelines. Motion passed 5-0, with Directors Melleby and Duncan absent.

D. Consideration of Potential Participation in Integrated Regional Water Management Plan (IRWMP) A staff report and related material was included in the agenda packet. General Manager Davis stated that this last item was requested by Director Melleby who is not present at today's meeting. The Alliance has been discussing the possibility of applying for an IRWMP planning grant for the pass area. This Agency is already included in two other IRWMPs. One of the main reasons to have an IRWMP is to get grant funding. The alliance believes that it has a reasonably good chance to get funding through an IRWMP planning grant. He explained that a proposal would need to be submitted by sometime in August and that there is a cost associated with producing an integrated plan for the region. The Alliance has asked its members to determine if they would be interested in participating in such a plan. At this time there is no commitment, the Alliance is merely asking who is interested. After discussion, it was the consensus of the Board to meet with the Alliance to talk about an IRWMP. General Manager Davis will report back to the Board during the June 13th Engineering workshop.

7. Topics for Future Agendas: There were no topics for future agendas given.

8. Announcements

- A. Engineering Workshop, June 13, 2016 at 4:00 p.m.
- B. Regular Board Meeting, June 20, 2016 at 7:00 p.m.
- C. San Geronio Pass Regional Water Alliance, June 22, 2016
 - 1. Administrative Committee Meeting at 4:00 pm – Banning City Hall Conference Room
 - 2. Regular Meeting at 5:00 pm – Banning City Hall Conference Room

9. Adjournment

Time: 4:52 pm

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
June 13, 2016

Directors Present: John Jeter, President
Blair Ball, Director
Bill Dickson, Vice President
Ron Duncan, Director
David Fenn, Director
Mary Ann Melleby, Director
Leonard Stephenson, 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., June 13, 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 Regarding Potential Participation in a Potential Integrated Regional Water Management Plan.** The Board had asked this to be added to the agenda for today's meeting after last week's Board meeting. Director Melleby, who is the Agency's representative on the Regional Water Alliance, was not present at the June 6 Board meeting. She indicated that she supported the concept of an integrated plan for the Pass region but that she does not want the Agency to fund the entire proposal. Other Board members supported this view and the consensus was that the Agency continue to monitor Alliance discussions on this subject and show support for such an effort. If the Alliance wishes to commit to the effort required to produce a proposal for an IRWMP, this issue would have to come back to the Board for approval, as the cost allocation would have to be defined, as well as the lead agency.
4. **Further Discussion and Presentation on Sites Reservoir.** General Manager Davis presented a slide show on Sites Reservoir, with more details than previous presentations. He noted that this project is a water project with a built-in environmental component, which will make it easier to implement. He pointed out some of the advantages of the project—that it is both a new water project as

well as a dry year yield project, that it provides public benefits, that it has been studied for over 30 years, and that it will almost certainly obtain Prop 1 funding. He recommended to the Board that it consider participation in Phase 1 of the project for 10,000 AF. This would likely cost the Agency approximately \$300,000 over the next 18 months. The consensus of the Board was that it supported this recommendation and that the Board would like to consider this recommendation at its next meeting. The deadline to apply for participation in the project is July 29.

5. Announcements:

- A. Regular Board Meeting, June 20, 2016 at 7:00 pm.
- B. San Gorgonio Pass Regional Water Alliance, June 22, 2016
 - 1. Administrative Committee Meeting at 4:00 pm—Banning City Hall Conference Room
 - 2. Regular Meeting at 5:00 pm—Banning City Hall Conference Room
- C. Finance and Budget Workshop, June 27, 2016 at 4:00 pm.

6. Adjournment: Chairman Dickson adjourned the meeting at 5:10 p.m.

DRAFT - SUBJECT TO BOARD APPROVAL

Jeffrey W. Davis, Secretary to the Board

MEMORANDUM

TO: Board of Directors
FROM: General Manager
RE: Cost of Living Adjustment for Staff
DATE: June 20, 2016

Summary:

At the Employee Guide workshop on June 2, the Board voted to recommend granting staff a 2.5% cost of living adjustment, effective July 1. The purpose of this proposed Board action is to ratify that recommendation.

Background:

Each year, the Board considers whether to provide a cost of living salary adjustment to the Agency staff (not including the General Manager). This decision is based on the Consumer Price Index for Los Angeles, Orange, and Riverside Counties, as well as the financial health of the Agency.

Detailed Report:

At the June 2 workshop, the Board indicated that it was desirous of providing a cost of living adjustment for staff equal to the consumer price index increase over the past 24 months, which is 2.5%. No cost of living increase was awarded last year.

Fiscal Impact:

A modest cost of living adjustment was incorporated into the budget for this year, so there is no appreciable fiscal impact to this action.

Recommendation:

Staff recommends that the Board approve its recommendation from the Employee Guide workshop of June 2 to provide a 2.5% cost of living adjustment to staff as of July 1.



**California Special
Districts Association**

Districts Stronger Together

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

2016 BOARD ELECTIONS

MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Network for Seat B.

Each of CSDA's six (6) networks has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your network. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its network.

We have enclosed the candidate information for each candidate who submitted one. Please vote for **only one** candidate to represent your network in Seat B and be sure to sign, date and fill in your member district information. If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 5, 2016.**

If you do not use the enclosed envelope, please mail in your ballot to:

California Special Districts Association

Attn: 2016 Board Elections

1112 I Street, Suite 200

Sacramento, CA 95814

Please contact Charlotte Lowe toll-free at 877.924.CSDA or charlottel@csla.net with any questions.



2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Bill Nelson

District/Company: Orange County Cemetery District

Title: Trustee & Vice Chair of the Board

Elected/Appointed/Staff: Appointed

Length of Service with District: 43 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

CSDA 2016 President. Chair of Fiscal Committee - 2014, Served on the Board for five years, Served on all of CSDA Committees, attended at least 10 CSDA Legislative Days and Annual Conferences, Received Special District Leadership Foundation Recognition in Special District Governance.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Board of Directors - California Association of Public Cemeteries 2008 to 2016

Board of Directors - Institute For Local Government - 2016 to present

Board of Directors - California Association of Realtors - 2004 to 2012

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

City Council Member - City of Villa Park - 2014 to present

Trustee - Orange County Mosquito and Vector Control District - 2016 to present

4. List civic organization involvement:

Orange County Grand Jury 2002-2003

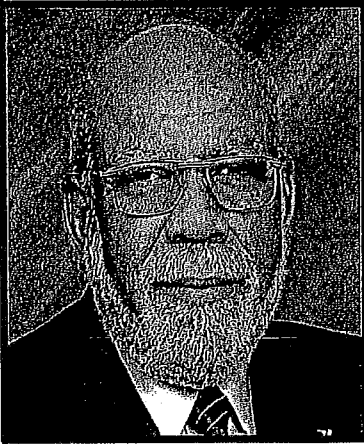
Board of Directors - Orange County Grand Jurors Association 2005-2011

City of Villa Park Investment Advisory Committee - 2008 to 2014 - Chair last two years

Villa Park Community Services Foundation - Treasurer - 2010 to 2014

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

Re-Elect CSDA President Bill Nelson To CSDA Board of Directors



PROVEN EXPERIENCE LEADING SPECIAL DISTRICTS

I am committed to building on CSDA's present foundation of educational programs and legislative advocacy. My enthusiasm, commitment and comprehensive knowledge of special districts bring years of experience to the CSDA Board. It would be an honor to continue serving special districts in the Southern Network.

- ✓ EXPERIENCED LEADER
 - ✓ COMMITTED TO SPECIAL DISTRICTS
 - ✓ FISCALLY RESPONSIBLE
 - ✓ DEDICATED

CSDA EXPERIENCE

- ❖ CSDA President 2016
- ❖ Served on the Board for five years
- ❖ Chair of Fiscal Committee 2014
- ❖ Membership Committee 2013-16

DISTRICT EXPERIENCE

- ❖ Appointed to Board of Trustees Orange County Cemetery District in 2003
- ❖ Chair of the Board 2006, 2010 & 2014. Currently Vice Chair
- ❖ Chair of Finance Committee 2004 to present

OTHER LEADERSHIP EXPERIENCE

- ❖ Board of Directors - California Association of Public Cemeteries 2008 to 2016
- ❖ Board of Directors - Institute for Local Government - 2016 to present
- ❖ Board of Directors - California Association of Realtors - 2004-2012
- ❖ Board of Trustees Orange County Mosquito & Vector Control - 2016 to present

COMMUNITY INVOLVEMENT-

- ❖ Orange County Grand Jury 2002-2003
- ❖ Board of Directors - Orange County Grand Jurors Association 2005 to 2011
- ❖ City of Villa Park Investment Advisory Committee- 2008 to 2014 - Chair last two years
- ❖ Villa Park Community Services Foundation - Treasurer - 2010 to 2014
- ❖ Villa Park City Council Member - 2014 to present

BUSINESS EXPERIENCE

- ❖ Financial Executive for 25 years with Atlantic Richfield Company (ARCO) & Southern Calif. Gas Co.

EDUCATION

- ❖ MBA Finance University of Southern California
- ❖ BA Economics California State University Dominguez Hills



California Special Districts Association
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Ronald L. Coats

District/Company: East Valley Water District

Title: Chairman of the Board

Elected/Appointed/Staff: Elected

Length of Service with District: 2 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I am proud to be a lifetime member of the CSDA Leadership Foundation. Additionally, I have completed numerous CSDA webinars, including the CIDAC series on local agency finances and investments. Additionally, I have attended annual CSDA conferences.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I am currently affiliated with ACWA, WaterReuse, and AWWA. I have attended every ACWA conference since my election.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

I am a member of the Association of San Bernardino County Special Districts, serve on both the Citizen's Oversight Committee for the San Bernardino Community College District (3 years) and the Citizens Oversight Committee for the San Bernardino Unified School District (7 years).

4. List civic organization involvement:

Arrowhead United Way Planning and Allocations and Community Cabinet (15 years), as a member and ambassador of the San Bernardino Chamber of Commerce (17 years), Toastmasters International (10 years), American Legion (34 years), and California Sheriff's Association (27 years).

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.

MY FELLOW CSDA MEMBER:

As Chairman of East Valley Water District I take great pride in the opportunity to serve my community. Prior to joining the Governing Board, I was an active public participant, and felt honored when elected in 2014. I firmly believe in the importance of transparent government and public service. With these foundational principles, I look forward to representing this region in a professional manner, as the Southern Network, Seat B, Board of Directors representative for CSDA.

I have had the opportunity to work with a number of organizations through CSDA and believe that we all benefit from interacting and sharing experiences. I am a proud lifetime member of the CSDA Leadership Foundation and have participated in a number of trainings opportunities.

At East Valley Water District, we have made a commitment to good governance and accountability. This is clearly demonstrated through the numerous awards we have received from the Government Finance Officers Association, CAPIO, CalPERS, and even CSDA. But I am proud to be a part of EVWD for more than the awards, they are an organization that delivers. As a performance based agency, we continue to achieve the impossible. Whether it is constructing a headquarters facility ahead of an already tight schedule, implementing budget based rates to provide customers with rate stability during the drought emergency, or developing a succession plan to prepare for the change in our workforce; we set our sights high to enhance the quality of life of this community.

As a CSDA Director, I will bring that passion for good governance and public service. Thank you for your consideration and for allowing me the opportunity to share my experience and perspective. I look forward to serving as a representative on the CSDA Board of Directors.

Sincerely,

A handwritten signature in black ink that reads "Ronald Coats". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Ronald Coats
EVWD Chairman



California Special
Districts Association
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: John DeMonaco

District/Company: Chino Valley Independent Fire District

Title: Director

Elected/Appointed/Staff: Elected

Length of Service with District: 10 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I am on the Legislative and Fiscal Committees.

I have also served on the Education and Membership Committees.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I am on the Board of Directors for the Fire Districts Association of California.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

N/A

4. List civic organization involvement:

I am a member and past president of the Rotary Club of Chino.

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

I am seeking election to a seat on the Board of Directors of the California Special Districts Association.

I have served on the Board of Directors of the Chino Valley Independent Fire District for ten years, elected in 2006. I am very proud to state that the Fire District is the **first** fire district to receive the District of Distinction Accreditation from the Special Districts Leadership Foundation (SDLF). We have been a District of Distinction since 2008. We also hold a District of Transparency Certificate of Excellence. I have completed the SDLF Recognition of Special District Governance.

I serve on the CSDA Legislative and the Fiscal Committees. I have previously served on the CSDA Education and Membership committees.

I am a retired Fire Chief with 33 years of Fire Service experience. I have been involved in city, county, JPAs and special districts in various capacities. I am currently on the Board of Directors of the Fire Districts Association of California and also serve on the Conference Committee. I am a Past President of the Chino Rotary Club and the current Chairman of the Chino Rotary Foundation.

I understand, and I am committed to legislative advocacy for special districts. Special Districts provide one of the most effective, efficient, and accountable forms of local service. It is vital that we continue to work together to influence and monitor policy decisions affecting California special districts.

My commitment and extensive experience, education in public service and as a special district board member & policy-maker, provides me with the ability to effectively serve as a CSDA Board Member representing all California Special Districts. I look forward to your support!

If you would like to speak with me, I can be reached at (909) 816-8396 or at jdemonaco@chofire.org

John DeMonaco

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Participation in Phase 1 Sites Reservoir Studies

DATE: June 20, 2016

Summary:

Staff has discussed Sites Reservoir with the Board on several occasions, most recently the June 13 Engineering workshop. Staff has researched this water supply opportunity and believes it would be in the best interest of the Agency to participate in the Phase 1 studies. The purpose of this proposed Board action is to obtain the Board's authorization to develop an agreement or agreements with the Sites Reservoir Authority for the Agency's participation in Phase 1 of the Sites Reservoir Project for up to 10,000 AF per year of water supply.

Background:

One potential new water supply that staff has been following for some time is the Sites Reservoir, an offstream reservoir north of Sacramento. The site has been studied for over 30 years as a water supply project by the California Department of Water Resources. Since 2010, the site has been studied by a new joint powers agency, the Sites Project Authority, who would be the owner of the project if it were to be constructed.

The site has the potential for 1.3 to 1.8 million acre-feet of storage, with plans for a number of different diversions from various points on the Sacramento River. The annual yield of the proposed project is approximately 500,000 acre-feet per year, of which 250,000 is proposed for public benefit and 250,000 for water supply. The large yield is due to the relatively large, uncontrolled watershed that would provide the water. This would come from tributaries of the Sacramento that are currently not regulated.

Detailed Report:

The Sites Reservoir Authority, a joint powers agency, has been set up in part to apply for a Proposition 1 grant for planning and possibly construction of the reservoir and associated infrastructure. It consists of 10 Northern California water agencies. A number of these agencies, and a few more, have agreed to purchase 130,000 acre-feet of the proposed project's yield, leaving 120,000 acre-feet available for others to purchase. This additional yield is being offered solely to State Water Contractors and Central Valley Contractors. The Authority is developing a participation agreement process for potential partners.

The current estimated cost per acre-foot from this project ranges from \$600 to \$700 per acre-foot (delivered north of the Delta). This compares to roughly \$1900 per acre-foot for State Water Project (delivered to the Delta). Neither of these costs includes transportation to the Pass area.

Several SWP and CVP Contractors have showed interest in the proposed project. Staff assumes that, based on this interest, the entire 120,000 of available yield will be subscribed. Phase 1 planning costs (the cost to develop and submit an application for Prop 1 funding) are estimated at \$7.2 million. Assuming all 250,000 acre-feet of yield is subscribed, as expected, the Phase 1 cost per acre-foot would be approximately \$30.

Fiscal Impact:

Participation by the Agency in 10,000 acre-feet of yield would cost approximately \$300,000. Staff recommends that these costs be funded from the New Water reserve, which currently has approximately \$5.7 million.

Relationship to Strategic Plan:

The strategic plan calls for a regional water supply plan. Participation in Sites Reservoir would be part of a regional water supply plan by the Agency.

Recommendation:

Staff recommends that the Board authorize the General Manager to develop an agreement or agreements with the Sites Reservoir Authority for the Agency's participation in Phase 1 of the proposed

project for up to 10,000 acre-feet of annual water supply. Any participation agreements would have to be approved by the General Counsel and the Board prior to becoming effective.

For Immediate Release:
June 06, 2016

Contact:
Jim Watson, P.E., General Manager
Sites Project Authority
jwatson@sitesjpa.net
(530) 410-8250

Sites Project Authority Seeks Additional Participation in Phase 1 of the Sites Reservoir Project

Maxwell, Calif. – The Sites Project Authority (Authority) today has announced it has reached a major milestone in its efforts to advance the Sites Reservoir Project by launching a formal process for entities to participate in Phase 1 of the Sites Reservoir Project. The call date for proposals is 4:00 pm on Friday July 29, 2016.

The Authority is a Joint Powers Authority comprised of counties and water districts in the Sacramento Valley to advance the Sites Reservoir Project, which is a proposed off-stream regulating reservoir on the west-side of the Sacramento Valley, just west of the town of Maxwell. The project will have a capacity to store up to 1,800,000 acre-feet of water of which approximately 500,000 acre-feet per year would be available on an average, annualized long-term basis for beneficial uses. Under Proposition 1, chapter 8, up to half of this annualized amount is eligible for state funding to provide public benefits to improve conditions in the Sacramento River and Delta.

“The Authority is excited about reaching this milestone which will advance the Sites Reservoir Project in partnership with both the Department of Water Resources and Bureau of Reclamation,” said the Authority’s chairperson Kim Dolbow Vann. “Aside from providing flows under Proposition 1 that will improve the ecosystem and provide water quality benefits, our first priority is to deliver water for the benefit of the Sacramento Valley, where we plan to provide these public water agencies with nearly 130,000 acre-feet of water for beneficial use. We are also looking for additional water agencies to join us in advancing this important project for the benefit of California.”

The Authority is seeking additional water agencies to formally participate in Phase 1 of the Sites Reservoir Project, which includes completing the studies needed to submit an application for funding under Proposition 1, Chapter 8 by June 2017. Subsequent phases will include completion of the environmental documentation based on the public’s input, acquisition of permits, engineering design, rights-of-way acquisition, and construction. The Authority has already started work on studies needed to submit the Proposition 1 application to the California Water Commission for their consideration. Key requirements include documentation of the project’s technical and economic feasibility, a publicly available draft environmental document, and a preliminary description of the project’s operations.

“The past five years have shown the importance and need for more reliable water supplies for all beneficial purposes in California,” said the Authority’s vice-chairperson, Fritz Durst. “The California Department of Water Resources has estimated that if Sites Reservoir were operating in 2015 - a critically dry water year type in Northern California - Sites Reservoir would have been capable of storing 400,000 acre-feet. The same analysis for 2016, would have resulted in more than 1,000,000 acre-feet into storage. This is water that could have helped in a meaningful manner to minimize the effect of the drought on people and the environment.”

Details on the “Phase 1 Proposal to Participate” are available on the Authority’s website:
<http://www.sitesjpa.net/>

547 Market Street, Ste. 102 - Colusa, CA 95932

(530) 458-0509

www.Sitesjpa.net

June 6, 2016

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

Regarding: Sites Reservoir Project

Dear Senator Feinstein:

We would like to express our extreme gratitude for taking the time to personally meet with representatives from our organization on May 12 to discuss the status of our efforts to develop the Sites Reservoir Project (Project) in conjunction with California's Proposition 1. This letter transmits our response to your questions regarding the Project's governance, financing, and operations; all of which have been shaped to align with (1) the requirements of California's Proposition 1, specifically the requirements of Chapter 8 (Prop 1) and (2) the State's co-equal goals for managing the Delta.

Governance: The Sites Project Authority (Authority) is a local joint exercise of powers authority created to develop the Project using the concept of beneficiary pays. Currently, the Authority members are all within the northern Sacramento Valley. They consist of the two counties where the proposed Project would be located and eight water districts whose service areas include the two counties. In addition, both the California Department of Water Resources (DWR) and the United States Bureau of Reclamation (USBR) are working in cooperation with the Authority. Prop 1 includes specific provisions that: (1) allows non-local agencies the ability to participate in the Project's development, but only in the financing of the Project and (2) precludes for-profit companies from being members of the Authority. These provisions have been incorporated into the Authority's governance documents. Further details are provided in the attached White Paper #1.

Financing: Under the beneficiary pays concept, each of the primary stakeholders would contribute their share of costs in exchange for the expected benefits; which for (a) the State, will consist of ecosystem and water quality benefits, (b) the federal government, it could consist of a combination of ecosystem and water supply benefits¹, and (c) the participating public water

¹ USBR is currently working with the Authority to complete a congressionally-mandated feasibility study (PL 108-361, Section 103(d)(1)(A)(ii)(I)). Efforts prior to the passage of Prop 1 were based on a project that was either a State-Federal joint use facility or a Federal owned facility. The Project's development under Prop 1 creates the opportunity for USBR to only participate in the Project's development at the level deemed by congress to be in the federal interest. With this change, USBR is currently reevaluating its role and potential level of participation in the Project.

agencies, it would consist of water supply reliability benefits. As it relates to the participation of any for-profit company, the governance precludes them from being members of the Authority (see prior Section discussing Governance). In addition, the Authority is currently working to expand membership in the Project. An element of this effort gives a priority to public water agencies that have pre-existing water delivery contracts with either the Central Valley Project (CVP) or State Water Project (SWP). Given the water delivery constraints of the past few years, it is anticipated that this water supply demand from these public water agencies will exceed the amount of water that can be made available, on an annualized basis, assuming the State elects to participate at the Prop 1 maximum of fifty (50) percent.

The Project's current, pre-feasibility cost is estimated to be \$4.4 Billion, which (a) includes a commensurate amount of contingency for the level of studies completed to date and (b) reflects only the direct costs (i.e. before adding in the finance costs). Assuming the State elects to participate at the maximum fifty (50) percent of the Project's costs, with 500,000 acre-foot/year diverted into Sites reservoir over a long-term average (see next Section discussing Operations), the estimated annual repayment cost for the participating public agencies is estimated to be \$600/acre-foot². Further details of the Authority's finance and repayment are provided in the attached White Paper #2.

In addition, the Authority is aggressively working on strategies to reduce the finance costs. One promising strategy is to be able to apply for lower-interest loans through a program such as the Reclamation Infrastructure Finance and Improvement Act (RIFIA), which is contemplated in your Senate Bill 2533. Another promising strategy is to reduce the Project's overall schedule, which could be accomplished through the streamlining of environmental permitting processes, as contemplated in your Senate Bill 2533, and/or through the use of alternative delivery methods for the design and construction work.

Operations: The Project is strategically located to be able to capture excess flows in the upper Sacramento River below Keswick dam for use later in time. As an off-stream reservoir, it will not have to maintain a significant flood reservation, which will enable water in the reservoir to be carried over as storage from year to year with a low probability of spill or loss. Using the current CALSIM model, which reflects the best available science, over a long-term average, the Project could divert into storage approximately 500,000 acre-feet per year after all senior water rights holders' water demands have been met. Furthermore, the modeling indicates that (a) additional flows (than the 500,000 acre-feet per year) could have been diverted in dry and critical water years³ and (b) this diversion amount is not

² The \$600/acre-foot is based on delivery in the northern Sacramento Valley. The cost to delivery water south of the Delta is considerably higher.

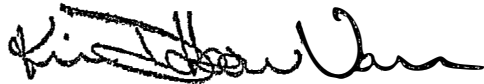
³ Analysis conducted by DWR indicates that if Sites reservoir was in operation in 2016, it could have diverted over 1,065,000 acre-feet, which is equivalent to the total storage in Folsom lake.

dependent upon snow melt, making the Project more resilient to climate change than Shasta, Oroville, Folsom.

The Authority is working with DWR and USBR to advance the concept of integrated operations, which would enable water diverted for the Project to be diverted to meet other demands – both regulatory and consumptive – in lieu of making releases from Shasta, Oroville, Folsom and Trinity. Such an approach would enable these existing reservoirs to, among other benefits, maintain higher carryover storage in dry and critical water year types and therefore contribute to increasing their respective cold water pool, which has significant ecological value. Some of these releases could occur in the fall to benefit winter-run salmonids' egg incubation and then could either be re-diverted back into Sites reservoir for other uses, or to flow into the Delta to provide both water quality improvements and potential exports south of the Delta. Further details of the proposed operations are provided in the attached White Paper #3.

On behalf of the Sites Project Authority, I'd like to thank you for your continued interest and support in the Project and to be able to provide responses to your questions. Going forward, should you or your staff have any questions, please contact me using the information provided below and copy Jim Watson, our general manager.

Sincerely,



Kim Dolbow Vann
Chairperson
Email: KVann@countyofcolusa.com

Cc: J. Watson, JWatson@sitesjpa.net
A. Nordyke

w/ Attachments:

White Paper #1: Governance
White Paper #2: Proposed Financing
White Paper #3: Project's Operations

Sites Reservoir Project White Paper #1: Governance

Purpose: This document has been prepared in response to questions raised related to the Sites Project Authorities’ decision-making process and how water will be allocated to water agencies participating in the development of the Sites Reservoir Project.

Synopsis of Regulations: Proposition 1, chapter 8¹ makes available up to \$2.7 billion of State-sponsored funds for the construction of eligible water storage projects on the condition that the project sponsor meet certain eligibility requirements that include contracts with those resource agencies that will receive the public benefits and the Water Commission who will administer the funding. The following summarizes the key provisions of Chapter 8 that an applicant is required to comply with in order to be eligible to receive State-sponsored funding:

- “The funds allocated for [] surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000²[] may be provided [] to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region []” (CWC § 79759 (a)).
- **“A joint powers authority subject to this section shall own, govern, manage, and operate a surface water storage project, subject to the requirement that the ownership, governance, management, and operation of the surface water storage project shall advance the purposes set forth in this chapter³”** (CWC §79759 (c), emphasis added).
- **“The joint powers authorities [] may include in their membership governmental partners that are not located within their respective hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. Notwithstanding Section 6525 of the Government Code, the joint powers agencies described in subdivision (a) shall not include in their membership any for-profit corporation or any mutual water company whose shareholders and members include a for-profit corporation or any other private entity”** (CWC § 79759 (b), emphasis added).
- “The [Water Resources D]epartment shall be an ex officio member of each joint powers authority subject to this section, but the department shall not control the

1 California voters approved the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (California Water Code Division 26.7). Chapter 8 specifically allocates up to \$2.7 Billion for the State to invest in water storage projects.

2 Sites Reservoir was previously studied under CALFED as the North of Delta Offstream Storage (NDOS), which resulted in Reclamation publishing a Notice of Intent in the Federal Register on November 9, 2001 (Volume 66, Number 218, page 56708-56709).

3 Purposes refers to the design, acquisition, and construction of surface storage projects (CWC 79759 (a)) to provide eligible public benefits, which are limited to: Ecosystem improvements, Water quality improvements, Flood control benefits, Emergency response, and Recreational purposes (CWC §79753 (a)).

Stage:	Initial Draft	Version:	1
Purpose:	Informational	Date:	2016 May 19
Control:		Number:	14.380-01
Control:		Page:	1 of 4

White Paper #1: Governance

governance, management, or operation of the surface water storage projects” (CWC § 79759 (b)).

In addition to Proposition 1, the Water Commission has developed draft regulations⁴ that include additional requirements to be used to evaluate an applicant’s ability to develop a project:

- Applications will be “deemed complete and meet basic eligibility requirements” based on the applicant’s “**managerial, technical, and financial capacity**” (Draft Regulations 6002(c)(5)(a)(12), emphasis added).
- “[] [T]he applicant [] acknowledgement that they would enter into a funding agreement with the Commission if the application is successful” (Draft Regulations 6002(c)(2)(B)).
- The project applicant has entered into a contract with the California Department of Fish and Wildlife, the State Water Resources Control Board, and the Department that administer public benefits of the project []” (Draft Regulations 6003(b)(2)).

Project: The Sites Reservoir Project will include up to a 1.8 million-acre-foot reservoir and associated facilities to store excess Sacramento River flows. The project is located west of Maxwell in the Sacramento Valley.

Project Development: The Sites Project Authority (Authority) intends to apply for Proposition 1, chapter 8 funding and is therefore prepared to comply with the applicable requirements. In fact, the Authority has developed its governance to specifically align with Proposition 1, chapter 8 requirements (refer to Figure 1) where membership in the Authority is limited to public agencies whose service area is within the northern Sacramento Valley. Separately, the Authority has established a Project Agreement Committee comprised of those entities that would like to obtain water for consumptive uses (i.e. non-eligible public benefits as defined in Proposition 1, chapter 8) in exchange for providing their pro-rata share of costs to initially develop the Sites Reservoir and then to repay the financing (for current membership, refer to Figure 2).

As the project progresses, the Authority and the Project Agreement Committee will determine the final allocation of project yield between the Project’s members (both other Sacramento Valley and non-Sacramento Valley (south of Delta) interests). Work will not proceed on the project unless there is agreement between the Authority and other represented interests (refer to Figure 3).

Currently, both the Authority’s governance document (i.e. Agreement and Bylaws) are approved and the Requirements of the Phase 1 Reservoir Project Agreement have been approved for use – including to on-board additional members, which is expected to occur by July 1.

⁴ Draft Regulations, dated January 11, 2016 are planned to become part of the California Code of Regulations, Title 23: Waters, Division 7: California Water Commission.

White Paper #1: Governance

Figure 1: Organizational Structure and Proposition 1, Chapter 8 Requirements

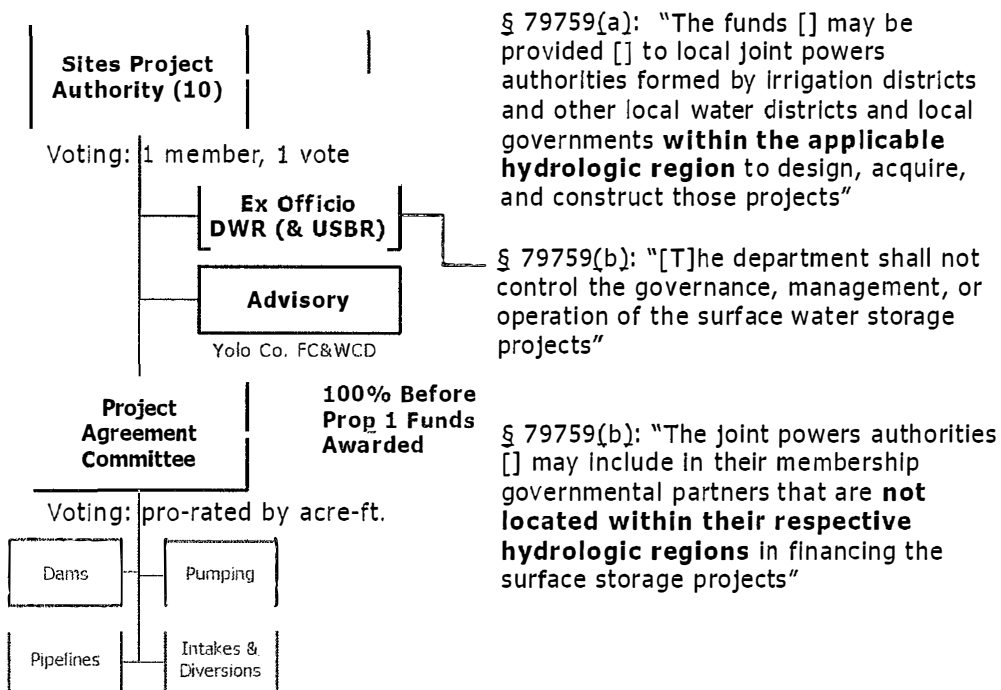


Figure 2: Current Organizational Structure & Members

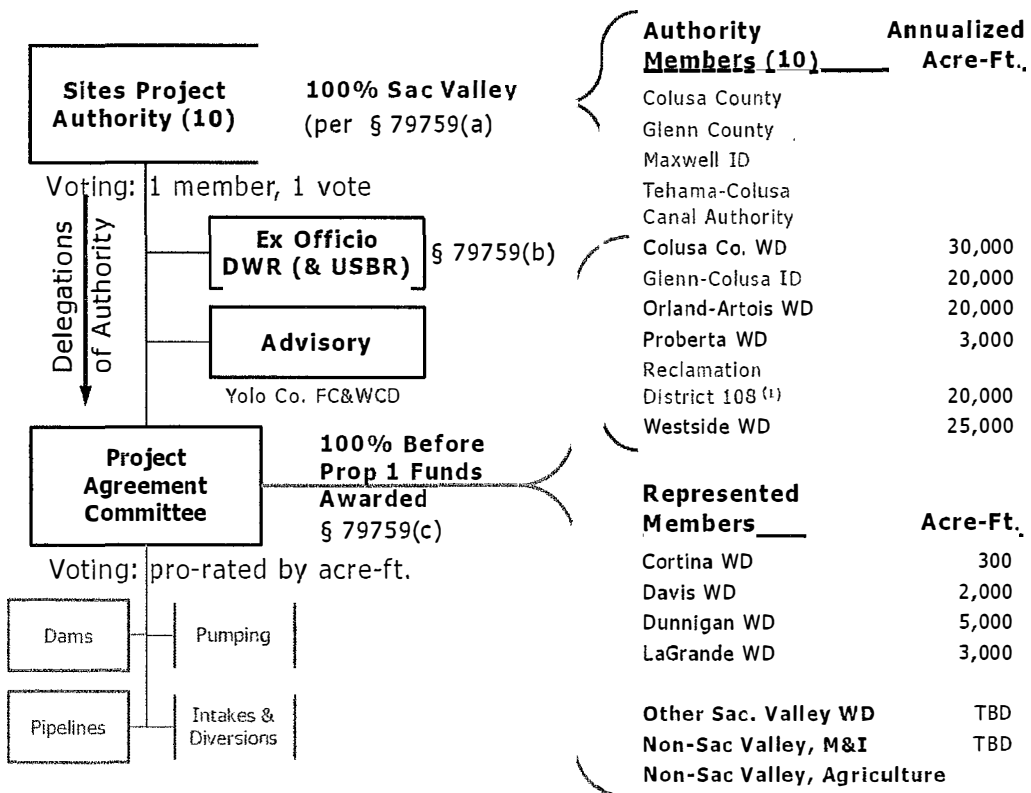
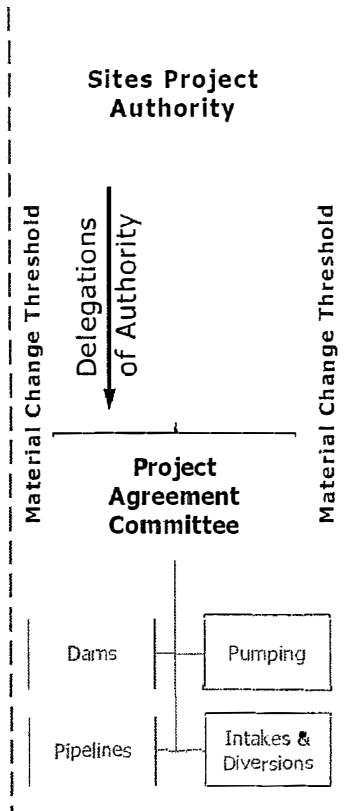


Figure 3: Decision-making process



Approach:

- ❑ Sites Project Authority: Chartering Document and Bylaws
- ❑ Project Agreement Committee: Bylaws and compliance with terms and conditions of the Project Agreement (delegated by the Sites Project Authority).

Material Change Categories:

- Prop 1 eligibility
- Changes in scope, schedule &/or cost
- Changes in facility performance or reliability
- Change in power or generation
- Shifting of significant risk
- Changes to water rights and/or annualized yield
- Compliance with laws & regulations (e.g. dam safety)
- Changes in environmental mitigation or compliance obligations.

Sites Reservoir Project White Paper #2: Proposed Financing & Repayment

Purpose: This document has been prepared in response to questions raised related to how the Sites Project Authority operations and organizational structure can ensure that the public interests are protected in the development and delivery of water from Sites Reservoir.

Synopsis of Regulations: Proposition 1, chapter 8¹ provides State-sponsored funds for the construction of eligible water storage projects on the condition that the State’s cost-share be used solely for specifically-defined public benefits. Furthermore, the amount of funding is tied to compliance with specific requirements. The following summarize the key provisions of Chapter 8 that an applicant is required to comply with in order to be eligible to receive funding:

- “The funds allocated for [] surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000²[] may be provided [] to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region []” (CWC § 79759 (a)).
- “The joint powers authorities [] may include in their membership governmental partners that are not located within their respective hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. Notwithstanding Section 6525 of the Government Code, **the joint powers agencies described in subdivision (a) shall not include in their membership any for-profit corporation or any mutual water company whose shareholders and members include a for-profit corporation or any other private entity**” (CWC § 79759 (b), emphasis added).
- “The public benefit cost share of a project [] shall not exceed 50 percent of the total costs of any project” (CWC §79756 (a)).
- “No project may be funded unless it provides ecosystem improvements [] that are at least 50 percent of total public benefits of the project funded” (CWC §79756 (b)).
- “Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits³ []” (CWC §79753(b)).

¹ California voters approved the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (California Water Code Division 26.7). Chapter 8 specifically allocates up to \$2.7 Billion for the State to invest in water storage projects.

² Sites Reservoir was previously studied under CALFED as the North of Delta Offstream Storage (NDOS), which resulted in Reclamation publishing a Notice of Intent in the Federal Register on November 9, 2001 (Volume 66, Number 218, page 56708-56709).

³ Eligible public benefits are limited to: Ecosystem improvements, Water quality improvements, Flood control benefits, Emergency response, and Recreational purposes (CWC §79753 (a)).

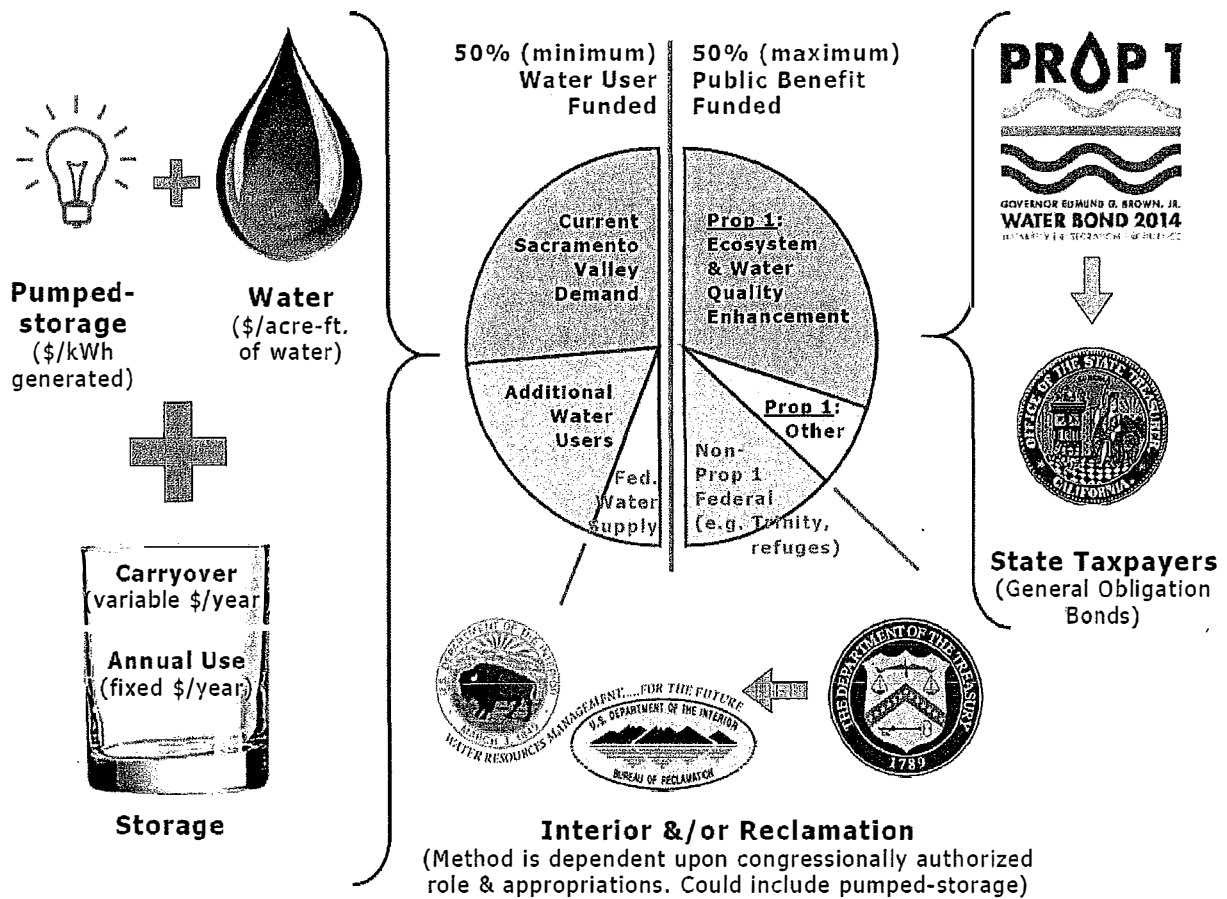
Subject	Initial Draft	Version	1
Purpose	Informational	Date	2016 May 19
Project		Reference	14.380-01
Page		Page	1 of 2

White Paper #2: Proposed Financing & Repayment

Project: The Sites Reservoir Project will include up to a 1.8 million-acre-foot reservoir and associated facilities to store excess Sacramento River flows. The project is located west of Maxwell in the Sacramento Valley.

Project Development: The Sites Project Authority (Authority)⁴ intends to apply for Proposition 1, chapter 8 funding and is therefore prepared to comply with the applicable requirements. The authority is currently using the following finance and repayment model⁵, that will be incorporated into its application to the Water Commission, which is due mid-year in 2017.

Figure 1: Illustration of finance and repayment of Project’s development costs using the beneficiary pays concept.



⁴ The governance details are provided in a separate White Paper. The organization has been reviewed by the Water Commission’s legal counsel as being in general conformance with the requirements of Proposition 1.

⁵ Should the Reclamation Infrastructure Finance and Improvement Act (RIFIA) become public law, it would apply solely to the water user (blue-shaded) portion. Early estimates indicate an approximate \$100/acre-ft. reduction in annualized repayment cost.

Sites Reservoir Project White Paper #3: Operations

Purpose: This document has been prepared in response to questions related to how the proposed Sites Reservoir will operate to provide water for both consumptive uses and eligible public benefits.

Synopsis of Regulations: Proposition 1, chapter 8¹ provides State-sponsored funds for the construction of eligible water storage projects on the condition that the project provides specific public benefits². The following summarizes the key provisions of Chapter 8 that an applicant is required to comply with in order to be eligible to receive State-sponsored funding:

- “No project may be funded unless it provides ecosystem improvements [] that are at least 50 percent of total public benefits of the project funded” (CWC §79756 (b)).
- “Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations **except for those associated with providing the public benefits []**” (CWC §79753(b), emphasis added).

Project: The Sites Reservoir Project will include up to a 1.8 million-acre-foot reservoir and associated facilities to store excess Sacramento River flows. The project is located west of Maxwell in the Sacramento Valley.

Operations: Due to the geographic location of the proposed Sites Reservoir, its operations can be integrated with both Reclamation’s Central Valley Project and the Department of Water Resources’ State Water Project (refer to Figure 1). Due to the timing when storm-generated flows in the Sacramento River occur, water can be diverted and stored in the proposed Sites Reservoir (i.e. when the Delta is in excess flow conditions and all senior water rights have been satisfied) and released later when flows are needed at other critical times of the year to enhance ecological conditions or support compliance with various statutory requirements (e.g. State Water Resources Control Board’s decision D-1641, United States Fish and Wildlife Service’s Biological Opinion (smelt), and National Marine Fisheries Service’s Biological Opinion (salmonids)). Flows released from Sites Reservoir can be used to either (a) directly provide public benefits (both consumptive and those eligible under Proposition 1, chapter 8) and (b) to improve operational flexibility and supply reliability through integrated operations. Releases from Sites Reservoir can be made in lieu of releases from other reservoirs, namely Shasta, Oroville, and Folsom Lakes (i.e. to primarily conserve cold water pool reservoir storage and improve Delta water quality conditions). This dual operational capability increases operational flexibility and the amount of water that can be made available for both the water users funding

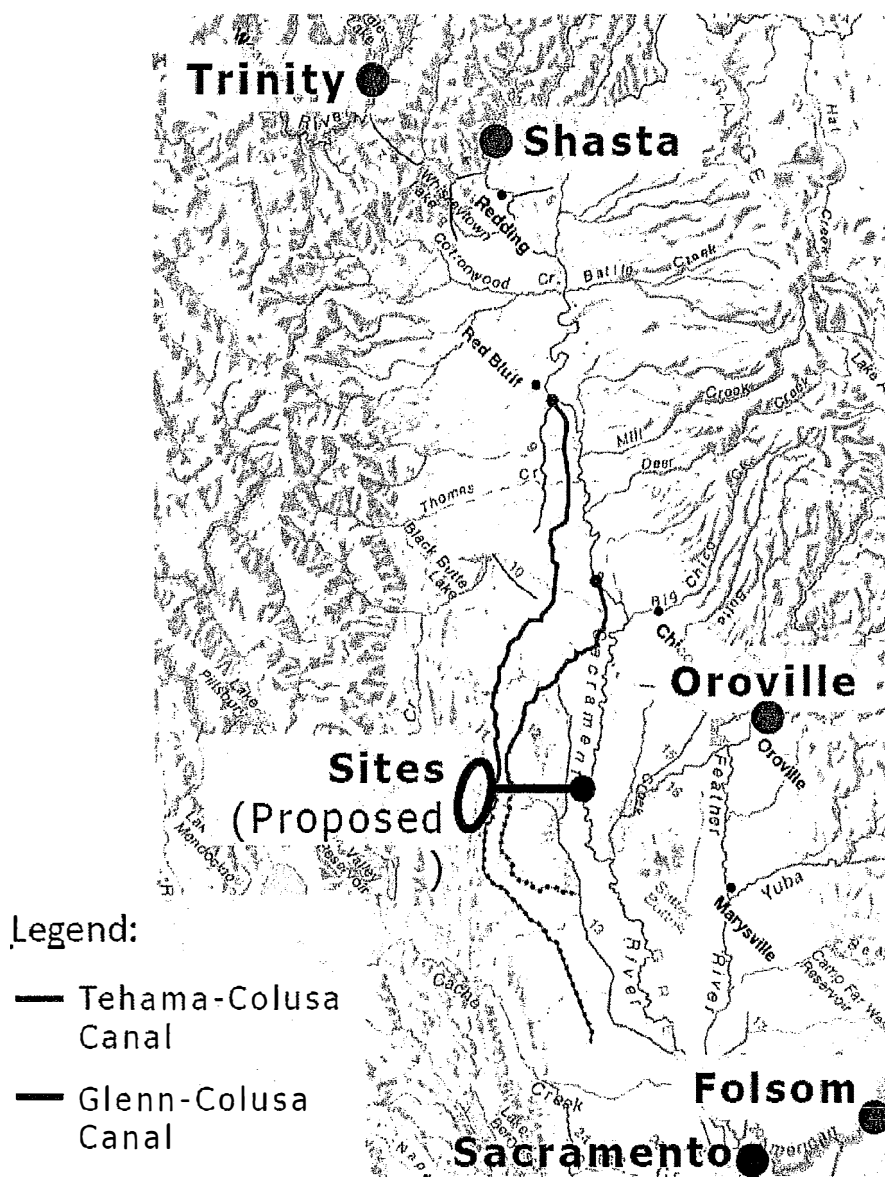
¹ California voters approved the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (aka California Water Code (CWC) Division 26.7). Chapter 8 specifically allocates up to \$2.7 Billion for the State to invest in water storage projects.

² Eligible public benefits are limited to: Ecosystem improvements, Water quality improvements, Flood control benefits, Emergency response, and Recreational purposes (CWC §79753 (a)).

their share of the construction and the state's cost-share in exchange for obtaining public benefits. Furthermore, the Sites Project Authority is contemplating the dedication of an amount of water for the resource agencies, who will contract for the applicable public benefits, to manage on a year-to-year basis.

Integrated Sites Reservoir operations can provide substantial benefits during critical drought conditions to support: (a) increased cold water pool conservation in Shasta, Oroville, and Folsom Lakes; (b) regulation of Sacramento River flows to improve temperature conditions for anadromous fish; and (c) Delta water quality, and (d) increased water supplies to agricultural, municipal, and industrial water users.

Figure 1: Location of Sites Reservoir Project relative to Shasta, Oroville, Folsom, & Trinity River.



A hydrologic operations planning model, CALSIM II, was used to evaluate integrated operations and corresponding public benefits of the project. CALSIM II uses monthly time steps and 82 years of prior hydrologic conditions that when combined with forecasts of future demand and current regulatory requirements is used to attempt maximize the amount of water available for public benefits, which include the same ecological and water quality benefits that Proposition 1, chapter 8 requires in order to be eligible for the State’s cost-share. CALSIM II results provided in Figures 2 through 7 show the range of benefits, along with a concept of how eligible public benefits could be provided (Figure 8).

This integrated operation will enable Sites Reservoir to significantly improve the operational flexibility of the state water system, which when combined with Proposition 1, chapter 8-eligible public benefits will (1) improve ecologic conditions in the Delta and improve the reliability of water supplies for those water users that rely on water being exported at the Delta pumps (i.e. Jones and Banks pumping plants) and (2) improve dry year carryover storage in Shasta, Oroville, and Folsom Lakes.

Figure 2: Sites Reservoir Refill frequency for different alternatives under consideration. Net results is the reservoir will refill on a 3 to 5-year frequency.

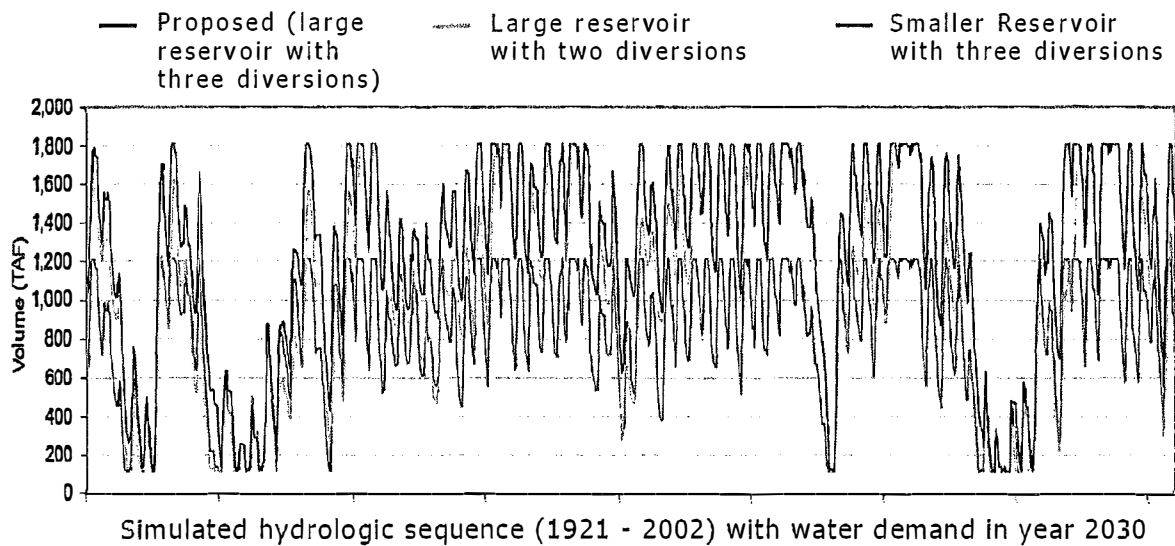


Figure 3: Integrated operations, increase in monthly storage in Shasta, Oroville, and proposed Sites Reservoir.

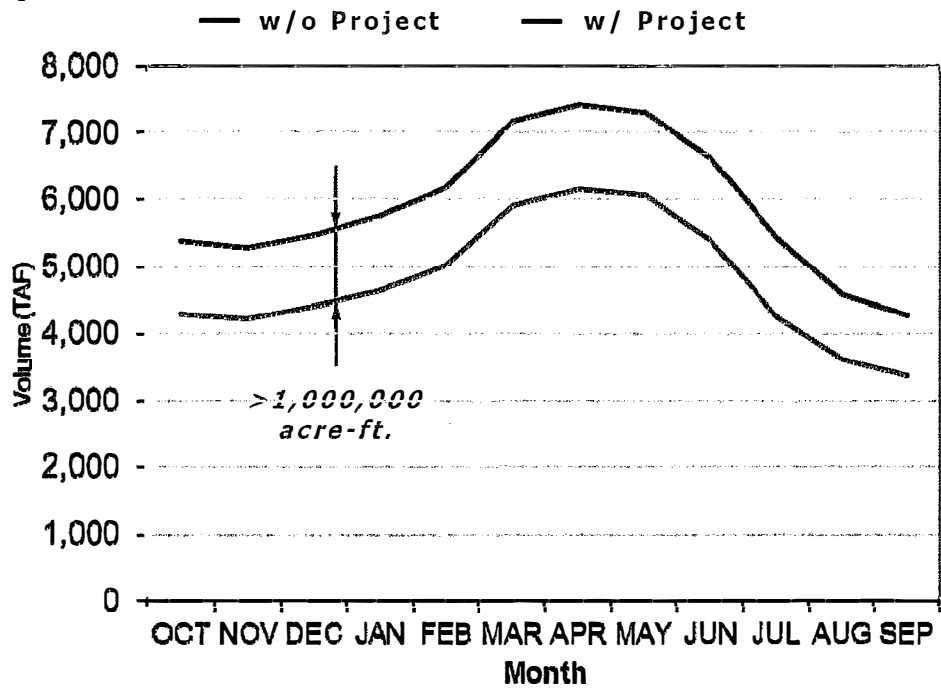
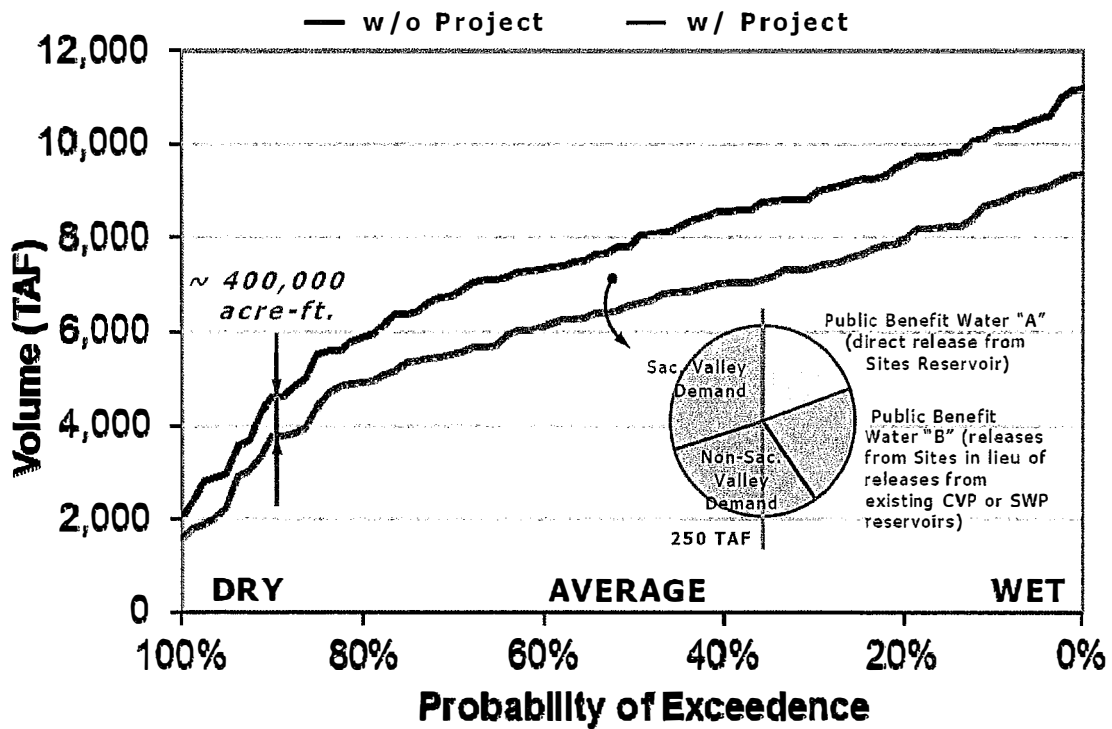


Figure 4: Integrated operations, increase in end of September carryover storage in Shasta, Oroville, and proposed Sites Reservoir.



NOTE: W/o Project represents current conditions.

Figure 5: Integrated operations by water year type, Total North of Delta Central Valley Project & State Water Project Storage with proposed Sites Reservoir, end of September carryover storage (Shasta, Oroville, and Sites).

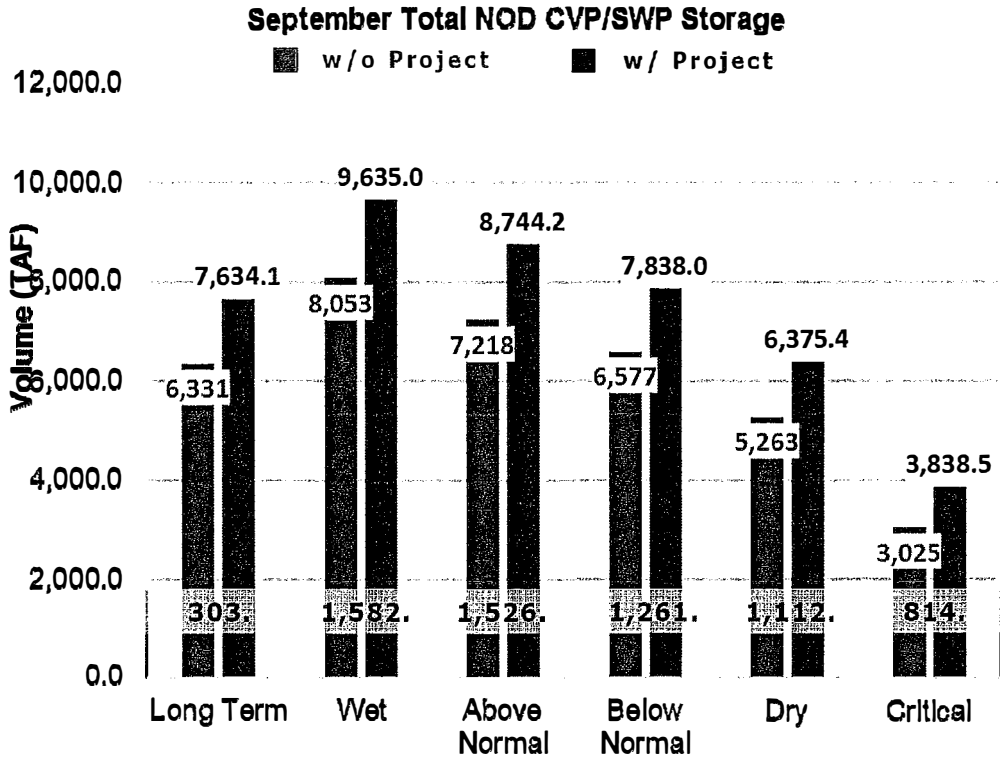


Figure 6: Annualized diversions into Sites Reservoir by water year type, Total Sacramento River Diversions to Fill Sites Reservoir (October-September)

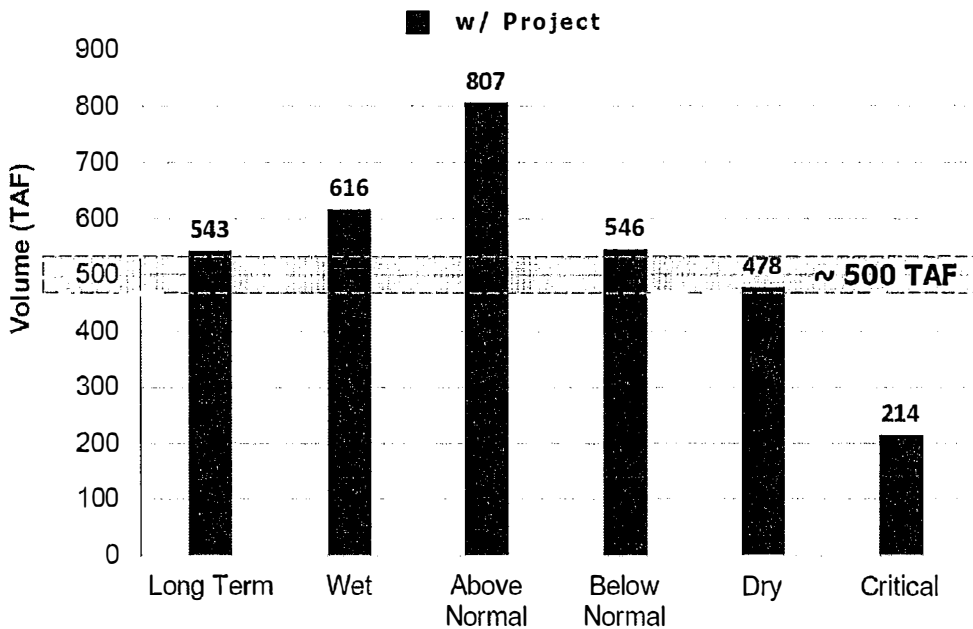


Figure 7: Average performance during historical drought periods.

Average using prior drought periods (28-34, 76-77, 87-92):

<u>Reservoir</u>	<u>Storage (acre-ft.)</u>	<u>Percent increase</u>	<u>Ecosystem Benefits</u>
Shasta	240,000	12.1	} <i>Prop 1 Eligible (cold-water pool & Delta Water quality)</i>
Oroville	105,000	7.1	
Folsom	37,000	9.6	
Trinity	79,000	8.5	← <i>Non-Prop 1 (possible Federal)</i>
Sites	660,000 (*)		← <i>Prop 1 Eligible (flows & habitat)</i>
Total	1,121,000	23.4	

While meeting the existing water quality and flow obligations of the CVP & SWP

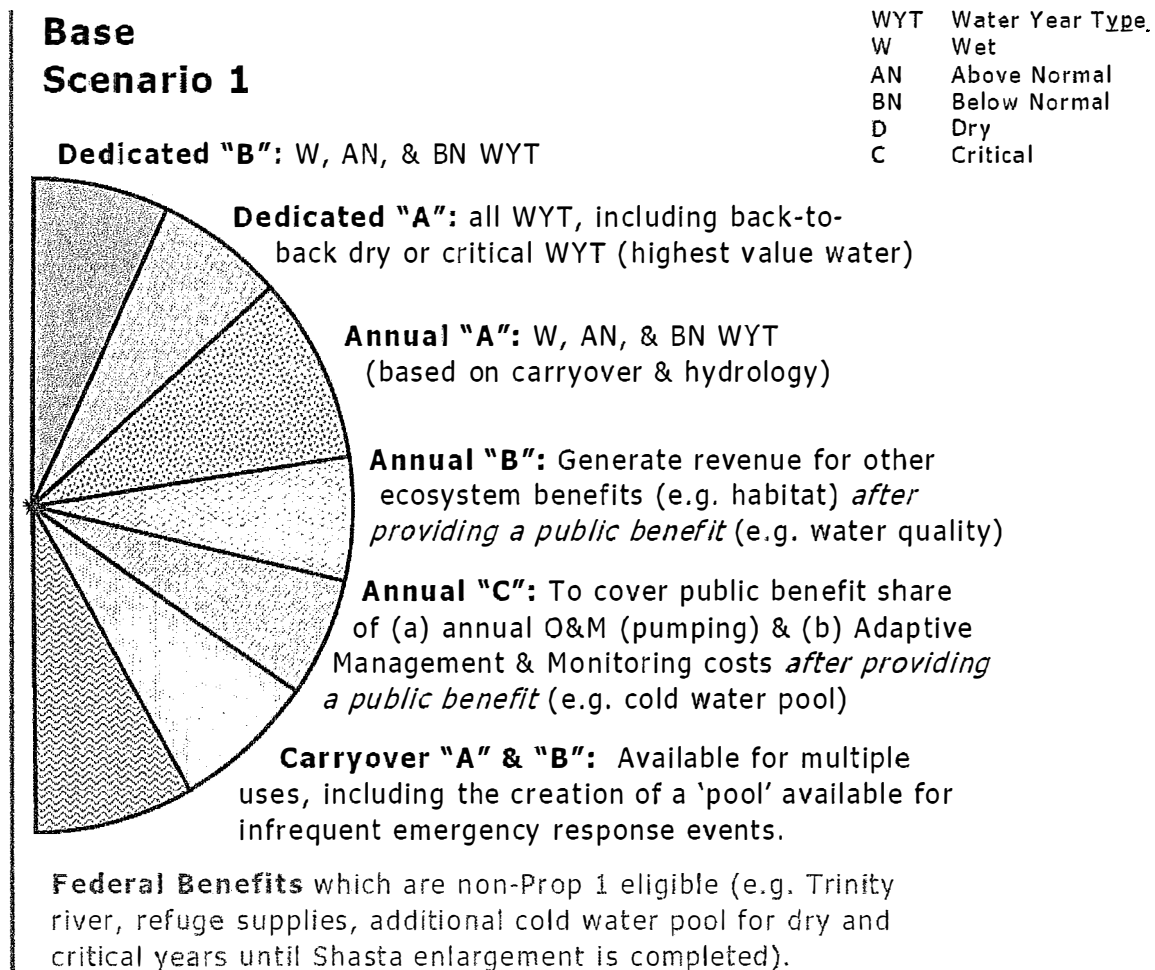
() This water is independent of CVP & SWP water contracts*

Note 1: Benefits to Trinity³, which could be a federal benefit that would be separate from State-funded public benefits

Note 2: Ecosystem benefits to Shasta, Oroville, and Folsom represent Public Benefit Water “B” per Figure 4 while the Sites represents a combination of consumptive water available to public water agencies plus Public Benefit Water “A” per figure 4.

³ “Tributaries to the Delta means all river systems that make up the Sacramento River watershed and the San Joaquin River watershed (i.e., the topographic hydrologic basins). Tributaries to the Delta include areas upstream of dams or other impoundments. Tributaries to the Delta do not include the Trinity River watershed or the Tulare Lake Basin” (Draft Regulations, Section 6000(a)(101))

Figure 8: Concept of how potential Proposition 1, Chapter 8 eligible public benefits could be made available (a) in exchange for the State's cost-share in the Project and (b) with potential federal participation for additional ecosystem benefits.



MEMORANDUM

TO: Board of Directors
FROM: General Manager
RE: Cost of Printing Candidate Statements
DATE: June 20, 2016

Summary:

This year, five seats on the Agency's Board of Directors are up for re-election. As always, the Board must decide who will pay for candidate's statements—the Agency, or individual candidates.

Background:

Detailed Report:

In past years the Agency's Board has always voted to have individual candidates running for election to the Board pay for their own candidate statements. As in past years, the Agency must tell the Registrar of Voters who will pay in order to complete the appropriate documentation to hold the election.

Fiscal Impact:

Should the Board vote to have the Agency fund these statements, it would have a significant impact on the Agency, since this was not budgeted. In the past, the Board has voted to have individuals fund their own candidate statements.

Relationship to Strategic Plan:

There is no direct relationship to the strategic plan.

Recommendation:

Staff recommends that the Board follow its past practice of having individuals fund their own candidate statements for the November election.

REBECCA SPENCER
Registrar of Voters



ART TINOCO
Assistant Registrar of Voters

REGISTRAR OF VOTERS
COUNTY OF RIVERSIDE

June 6, 2016

Cheryle Rasmussen
San Geronio Pass Water Agency
1210 Beaumont Ave
Beaumont, CA 92223

Dear Ms. Rasmussen:

In preparation for your upcoming November 8, 2016 General District Election, we are providing the following information:

- 🇺🇸 **ELECTION CALENDAR:** For your review. We will be having a seminar on **June 29, 2016** to answer your questions and to coordinate the procedures involved in the conduct of the election.
- 🇺🇸 **NOTICE OF GENERAL DISTRICT ELECTION FORM:** Complete and return this form to us as soon as it is approved at your board meeting. You **must** adopt regulations regarding payment of the cost of the candidate's statement. This form **must** be returned to us by **July 6, 2016**. Remember also that a map of your district showing the current boundaries **must** be included.
- 🇺🇸 **ESTIMATED COST OF THE CANDIDATE STATEMENT:** The estimated cost of the candidate statement for your jurisdiction is **At Large 1 \$650, At Large 2 \$650, Division 1 \$400, Division 2 \$400 & Division 5 \$400**. Please note that this is only an estimate. Candidates may receive a bill or refund for the difference depending on how many candidates actually file a candidate statement.

Please note the date of the nomination seminar and mark your calendar. At the seminar, we will issue the nomination material and review the procedures for issuing the documents. We will also discuss new legislation which concerns general district elections. If you have any questions, please feel free to call Leticia Flores at (951) 486-7212.

Sincerely,

REBECCA SPENCER
Registrar of Voters

By _____
Leticia Flores
Elections Coordinator

Enclosures

**NOTICE TO THE REGISTRAR OF VOTERS
(ELECTIONS CODE §§ 10509, 10522; W.C. § 71451)
GENERAL DISTRICT ELECTION, NOVEMBER 8, 2016**

DISTRICT: San Gorgonio Pass Water Agency **PHONE:** (951) 845-2577

ADDRESS: 1210 Beaumont Avenue, Beaumont, CA **FAX:** (951) 845-0281

MAILING ADDRESS: 1210 Beaumont Avenue, Beaumont, CA 92223 **E-MAIL:** crasmussen@sgpwa.com

LIST NAMES OF DISTRICT DIRECTORS WHOSE TERMS EXPIRE ON DECEMBER 2, 2016.

NAME OF DIRECTOR	DIVISION NUMBER (IF APPLICABLE)
Ronald Duncan	Division 1
William Dickson	Division 2
Leonard Stephenson, Mary Ann Melleby	Division 5, At Large 1

The following section applies only if a Director(s) was/were appointed to fill a vacancy in an office, which is not normally scheduled to be voted on this year (Short term).

NAME	DIVISION (If applicable)	DATE APPOINTED	DIRECTOR REPLACED
David Fenn	At Large 2	08/10/2015	William (Ray) Morris

STATEMENT OF ECONOMIC INTERESTS: The Government Code now requires all candidates to file a Form 700 with the Registrar of Voters by the nomination period deadline. If the candidate has previously filed an initial, assuming office, or annual statement for the same office sought within 60 days before the nomination deadline then the candidate does not have to file the Form 700 again.

CANDIDATE'S STATEMENT: Who is to pay the cost of the printing and handling of statement?
Please check appropriate box. **CANDIDATE** **DISTRICT**

NOTICE OF ELECTION published by Registrar of Voters in _____
(Insert name of Local Newspaper)

CANDIDATES may obtain nomination documents from the Registrar of Voters, 2724 Gateway Drive, Riverside, CA 92507, or from the District Secretary located at:

N/A

(Insert Location Name, Address, and Business Hours)

DISTRICT MAP: Attach 34" x 42" map showing district boundaries and divisions, if applicable.

Enclosed Map Contains Boundary/Division Changes YES NO

I certify that the enclosed map of the district boundaries and divisions is true and correct as of this date, and is submitted in compliance with Section 10522 of the California Elections Code for use in the General District Election to be held on November 8, 2016, or that there have been no changes to the boundaries as of the last General District Election.

Dated: _____ **Contact Person:** _____

Sign: _____
(District Secretary)