

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
August 1, 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, July 18, 2016*(Page 2)
- B. Approval of the Minutes of the Finance and Budget Workshop, July 25, 2016, 2016* (Page 7)
- C. Approval of the Finance and Budget Workshop Report, July 25, 2016*(Page 10)
- D. Approval of the Recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Workshop Report, July 25, 2016* (Page 11)

5. Reports (Discussion and Possible Action)

- A. General Manager's Report
 - 1. Operations Report
 - 2. General Agency Updates
- B. Directors' Reports

6. New Business (Discussion and Possible Action)

- A. Consideration of Adoption of Resolution No. 2016-04, Setting Tax Rate for FY 2016-2017*(Page 29)
- B. Presentation on Whitewater Flume* (Page 35)

7. Topics for Future Agendas

8. Announcements

- A. Engineering Workshop, August 8, 2016 at 4:00 p.m.
- B. Regular Board Meeting, August 15, 2016 at 7:00 p.m.
- C. Finance and Budget Workshop, August 22, 2016 at 4:00 pm

9. Closed Session (1 Item)

- A. Public Employee Performance Evaluation (Government Code Section 54957)
Title: General Manager

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. (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 1 / 6 1 modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
July 18, 2016

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

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

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 7:00 p.m., July 18, 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. Dr. Della Condon wished to speak during item 6D. Mrs. Patsy Reeley wished to speak during item 6D. There were no other members of the public that wished to comment at this time.*
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, July 5, 2016
 - B. Approval of the Minutes of the Engineering Workshop, July 11, 2016

Director Duncan made a motion, seconded by Director Stephenson, 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 on the following: **A.** The Agency delivered 663 acre-feet so far this month. **B.** A shutdown is in place at Crafton Hills Pump Station for mechanical and electrical work to prepare for startup testing on the CHPS pumps.

(2) Whitewater Flume Update: Due to research that had been done by Banning Heights Mutual Water Company, Roy McDonald has come up with a potential solution that does not require a permit from United States Forest Service. General Manager Davis explained what the options are including negotiating a settlement agreement with USFS. The next step is to notify FERC, SCE and USFS of the options. General Manager Davis will report back to the Board on this issue as warranted.

(3) General Agency Updates: **1) EBX 2:** The fourth pump has been installed at Cherry Valley Pump Station; start-up testing has commenced. Pumps have been installed at Crafton Hills Reservoir. Pumps are scheduled to be installed at Citrus Pump Station. Testing of the pumps will take place during the course of the year. The installation should be completed by this year. **2) SBVMWD SWP Table A Water Purchase Agreement:** Doug Headrick (General Manager - SBVMWD) and General Manager Davis have drafted some principles of a Table A Water Purchase agreement whereby the Agency would purchase Table A water from SBVMWD. Mr. Headrick presented the draft principles to his Board and they were receptive to the proposed principles. **3) IERCD:** IERCD has been hired by the Agency to provide school programs. They provided 39 programs this year at six different schools. General Manager Davis stated that the program has proven to be very successful. **4) SGMA:** DWR did not approve the requested boundary changes for San Timoteo Basin. Another opportunity to request boundary changes will occur in 2018. Therefore, the Groundwater Sustainability Agencies will be working with the boundaries as they exist today. Within the next couple of months General Manager Davis will present a recommendation on a proposed GSA governance structure for the San Gorgonio Basin.

B. General Counsel Report: General Counsel Jeff Ferré deferred his report due to the number of items on today's agenda.

C. Directors Reports: **1) Director Stephenson** reported on the Whitewater Flume tour that was provided by the Agency. **2) Director Fenn** reported on the following: **a)** Whitewater Flume tour. **b)** BCVWD Board meeting in which General Manager Davis provided a presentation on the Sites Reservoir project. Director Fenn had to excuse himself from the meeting prior to hearing the presentation. He asked General Manager Davis how his presentation was received. General Manager Davis responded that BCVWD will be holding a special board meeting later this month to vote on participation of the project; the deadline to apply is July 29th. **c)** Director Fenn also attended the YVWD Board meeting. Due to the minor content on the agenda there was nothing to report. **3) Director Ball** reported on the following: **a)** Whitewater Flume tour. **b)** He attended BHMWC to help educate the board on the purpose of reducing the Agency's board size. **c)** He also attended South Mesa Water Company to help educate their board on the purpose of reducing the Agency's board size. **d)** Sand to Snow Public Comment session that was held at Yucaipa Community Center. **e)** BCVWD board meeting. **4) Director Duncan** stated that as a point of interest on July 23rd from 9 am-1 pm the City of Banning will be holding its Annual Disaster Preparedness seminar. He invited the Board and the public to participate in the preparation of this event and the day of the event itself.

6. New Business: (Discussion and Possible Action)

A. Consideration of Resolution No. 2016-02 Setting the Appropriations Limit for Fiscal Year 2016-2017: A staff report, the financial sheet for the Appropriations Limit, and Resolution No. 2016-02 were included in the agenda packet. General Manager Davis stated that this item is presented to the Board on an annual basis. A calculation of the Appropriations Limit is required by the California Constitution. For this fiscal year, the formula amount is \$55,656,726. The Agency's debt service and general fund budgets combined will be less than half this amount. Staff recommends that the Board adopt Resolution No. 2016-02 in accordance with California law. Director Duncan made a motion, seconded by Director Melleby, to adopt the Appropriation Limit for 2016-2017. *Motion passed 7-0.*

B. Consideration of Engaging Auditor for Fiscal Year 2015-2016: A staff report and a copy of Ahern Adcock Devlin (AAD) engagement letter were included in the agenda packet. General Manager Davis stated that the Agency is required by law to have the Agency's financial books audited. The auditor works for the Board of Directors and only the Board can hire the auditor. The hiring of the same auditing firm cannot exceed five years in succession. AAD has audited the Agency's books for the past four years. Staff will present a recommendation for the hiring of a new auditor service next year. It is anticipated that the cost will be approximately \$22,000.00. Director Duncan made a motion, seconded by Director Melleby, authorizing the President to sign the engagement letter with AAD, thus engaging ADD to perform the fiscal year 2015-2016 Agency audit. After discussion, President Jeter requested a roll call. *Motion passed 7-0.*

C. Discussion of Appointment of Sites Project Agreement Committee Members: General Manager Davis stated that last month the Board voted to participate in the Phase 1 of the Sites Reservoir. Part of the application process for participation is to name a director and alternate for the Sites Project Agreement Committee. General Manager Davis suggested that he be named as the director and Dale Melville of Provost and Pritchard as the alternate. Mr. Melville will charge by the hour for his attendance, if required. After discussion, Director Dickson made a motion, seconded by Director Fenn, to appoint General Manager Davis as the director and Dale Melville as the alternate. *Motion passed 7-0.*

D. Consideration of Resolution 2016-03 Rescinding Resolution No. 2015-04 and Halting all Efforts to Reduce the Size of the Board: General Counsel Ferre reviewed with the Board the steps that the Agency has taken to reduce the Board from seven members to five, which included the hiring of a lobbyist. He stated that the Board had a discussion on rescinding Resolution No. 2015-04 at the November 2, 2015 Board meeting. After consideration of the matter, the Board decided to continue to pursue the reduction of the Board size. Since the adoption of Resolution No. 2015-04 Staff and the Agency's lobbyist have engaged in numerous efforts to pursue the passage by the legislature of the revision to the Agency's Act. Senator Mike Morrell did initially agree to introduce a bill however, due to some letters of opposition Senator Morrell's office communicated that so long as there is opposition, the bill will not be introduced. At the July 5th Board meeting the Board discussed whether it wishes to continue to pursue a reduction in Board size due to a number of factors. General Counsel Ferre recommended two alternatives. 1) If the Board wishes to continue to pursue the Agency bill, no action is necessary. 2) If the Board wishes to stop pursuing a reduction

in Board size and wishes to keep the size of the Board at seven (7) members, then the Board needs to adopt Resolution 2016-03, which would rescind Resolution 2015-04. General Counsel Ferre reported to the Board that this item could not be presented to the voters during a General Election as we are a special act agency and the election code does not provide for this. President Jeter requested discussion on this item from the Board. Directors Fenn, Dickson, Duncan and Jeter spoke on the various reasons to rescind Resolution No. 2015-04 including representation, water retailers and members of the public not supporting this action, the amount of time and money spent on this matter, and the potential to deter members of the public who wish to run for the at-large 2 seat due to the short-term of this seat. Directors Ball and Melleby spoke on why the Agency should continue to pursue the reduction of the Board size, citing that it is a better way of being fiscally responsible while still providing representation for the whole area, the standard is a five member board, and to educate members of the public and water retailers in our service area. President Jeter requested public comment. Patsy Reeley (Cherry Valley resident), Lori Ball (Cherry Valley resident) and Jeff Cottrell (Beaumont resident) spoke in opposition to rescinding Resolution No. 2015-04. Della Condon (resident of Beaumont) was neutral. Director Ball made a motion, seconded by Director Melleby, to continue item 6D to January 2017. After discussion, President Jeter requested a roll call vote on the continuance of item 6D to January 2017.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Stephenson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion failed 3-3-1.

Director Stephenson made a motion, seconded by Director Duncan, to adopt Resolution No. 2016-03, thereby rescinding Resolution No. 2015-04. After discussion, President Jeter requested a roll call vote to adopt Resolution No. 2016-03.

<u>Roll Call:</u>	<i>Aye</i>	<i>Noes</i>	<i>Absent</i>	<i>Abstain</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 5-2.

E. Consideration of Termination of Letter Agreement for Legislative Services: General Manager Davis asked the Board if it wishes to continue to pay for legislative services. He informed the Board that the lobbyist provides services that are in addition to the Board size issue. These services includes: (1) monitoring and tracking legislation; (2) advocating on behalf of the Agency; (3) providing briefings as requested by the Agency; and (4) developing strategic relationships. The current cost is \$5,000 per month. Director Duncan made a motion, seconded by Director Stephenson, to terminate the letter of agreement for legislative services. President Jeter requested a roll call.

<u>Roll Call:</u>	Aye	Noes	Absent	Abstain
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Melleby	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Dickson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Jeter	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0.

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

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

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

9. Adjournment: *President Jeter adjourned the meeting at 8:46 p.m.*

Draft - Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

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SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
July 25, 2016

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

Directors Absent: John Jeter, President

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

1. **Call to Order, Flag Salute and Roll Call:** The Finance and Budget 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., July 25, 2016, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Chair Mary Ann Melleby led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** There were no adjustments to the agenda.
3. **Public Comment:** No member of the public wished to address the Board at this time.

Vice President Dickson turned the meeting over to the Chair of the Finance & Budget Committee, Director Mary Ann Melleby.

4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for June, 2016 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board ratify paid monthly invoices of \$939,155.00 and payroll of \$31,286.87 for the month of June, 2016, for a combined total of \$970,441.87. The motion passed 6 in favor, no opposed, with President Jeter absent.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Duncan, seconded by Director Stephenson, to recommend that the Board approve payment of the pending legal invoices for June, 2016. The motion passed 6 in favor, no opposed, with President Jeter absent.

- C. Review of June, 2016 Bank Reconciliation: After review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for June, 2016 as presented. The motion passed 6 in favor, no opposed, with President Jeter absent.
- D. Review of Budget Report for June, 2016: The budget report update presented is the last one for FY 2015-16, and is unaudited. General Manager Jeff Davis highlighted items that will change when the audit is complete. Finance Manager Tom Todd said a final version of the budget report for FY 2015-16 will be presented to the Board after the audit is completed. After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board acknowledge receipt of the Budget Report for June, 2016. The motion passed 6 in favor, no opposed, with President Jeter absent.
- E. Review of Proposed Debt Service Fund Budget for FY 2016-17: General Manager Davis opened the discussion. He reviewed the proposed budget, highlighting the major expense, bond payments to the Department of Water Resources. Finance Manager Todd noted that the proposed budget was about \$2 million less than last fiscal year's budget. When the discussion about the expenditures was finished, General Manager Davis introduced consideration of the tax rate.
- F. Discussion of Proposed FY 2016-17 Tax Rate: General Manager Davis reviewed the Board's previous tax rate objectives. The Board set a tax rate of 18.5 cents per \$100 of assessed value 4 years ago to reduce or eliminate the potential tax rate hikes that could result when the Agency needed to make bond payments which increase significantly during 2026 through 2029. Increasing the tax rate is projected to build reserves to allow the Agency to make bond payments without raising the tax rate, and allow the Agency to keep a 6 month reserve. General Manager Davis suggested 3 options for a tax rate for FY 2016-17: maintain the current rate of 18.5 cents; reduce the tax rate to 18.25 cents; or reduce the tax rate to 18.0 cents. Comments in favor of reducing the tax rate included the Agency's level of reserves, current positive economic indicators, potential increases in the region's assessed value due to building new homes and the Agency's conservative policies. Comments in favor of maintaining the current rate included uncertainty about the upcoming Presidential election, concern about economic indicators and potential cyclical recessions, and the Agency's conservative policies. After further review and discussion, a motion was made by Director Dickson, seconded by Director Duncan, to recommend that the Board maintain the tax rate at 18.5 per \$100 of assessed value for FY 2016-17. The motion passed 6 in favor, no opposed, with President Jeter absent. Next, a motion was made by Director Dickson, seconded by Director Stephenson, to recommend that the Board approve the proposed Debt Service Fund budget for

FY 2016-17. The motion passed 6 in favor, no opposed, with President Jeter absent.

G. **Review of Resolution 2008-03 Establishing Guidelines for Compensation of Directors:** Director David Fenn opened the discussion, highlighting item 4.c. of the resolution. Finance Manager Todd handed out a list of organizations of which the Agency is a member. Comments included benefits of networking at chamber events, directors going to a variety of meetings to be informed about regional issues, more than 1 director attending the same meeting to get different viewpoints, and Board members reporting about the meetings they attended at Board meetings so that all Board members can benefit. No action was taken.

H. **Further Review of Water Rates:** Director Ball asked staff to prepare a comparison of the revenue and expenses projected by the Taussig rate study used to set water rates in 2009, and the Agency's actual experience. Finance Manager Todd handed out the spreadsheet he prepared. Director Ball said he did not expect discussion to take place at this meeting, as this was a lot of detailed information to digest. He asked Board members to review this spreadsheet, and review the Taussig rate study, in preparation for further discussion at a future Finance and Budget workshop.

5. **Announcements:** Chair Melleby reviewed the following announcements:

- A. San Gorgonio Pass Regional Water Alliance, July 27, 2016, 5:00 p.m. – Banning City Hall
- B. Regular Board Meeting, August 1, 2016 at 7:00 p.m.
- C. Engineering Workshop, August 8, 2016 at 4:00 p.m.

6. **Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 5:22 p.m.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Mary Ann Melleby, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on July 25, 2016. The following recommendations were made:

1. The Board ratify payment of Invoices of \$939,155.00 and Payroll of \$31,286.87 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for June, 2016 for a combined total of \$970,441.87.

2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$15,174.43
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for June, 2016
 - B. Budget Report for June, 2016

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

July 25, 2016, at 4:00 p.m.

1. Call to Order, Flag Salute

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

4. New Business (Discussion and possible recommendations for action at a future regular Board meeting)

- A. Ratification of Paid Invoices and Monthly Payroll for June, 2016 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of June, 2016 Bank Reconciliation*
- D. Review of Unaudited Budget Report for June, 2016*
- E. Review of Proposed Debt Service Fund Budget for FY 2016-17*
- F. Discussion of Proposed FY 2016-17 Tax Rate
- G. Review of Resolution 2008-03 Establishing Guidelines for Compensation of Directors*
- H. Further Review of Water Rates

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance, July 27, 2016, 5:00 p.m. – Banning City Hall
- B. Regular Board Meeting, August 1, 2016 at 7:00 p.m.
- C. Engineering Workshop, August 8, 2016 at 4:00 p.m.

6. 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 Ave., Beaumont, CA 92223 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, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <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 to request for a disability-related modification or accommodation.

San Geronio Pass Water Agency
Check History Report
 June 1 through June 30, 2016

ACCOUNTS PAYABLE

Date	Number	Name	Amount
06/03/2016	117970	BDL ALARMS, INC.	78.00
06/03/2016	117971	WILLIAM E. DICKSON	214.31
06/03/2016	117972	ROY McDONALD	2,517.69
06/03/2016	117973	THE RECORD-GAZETTE	24.95
06/03/2016	117974	UNDERGROUND SERVICE ALERT	10.50
06/03/2016	117975	VALLEY OFFICE EQUIPMENT, INC.	180.44
06/03/2016	117976	WASTE MANAGEMENT INLAND EMPIRE	94.37
06/03/2016	117977	XCEL PEST CONTROL	95.00
06/06/2016	117978	BEST BEST & KRIEGER	15,639.48
06/06/2016	117979	BEAUMONT HOME CENTER	46.72
06/06/2016	117980	GOPHER PATROL	48.00
06/06/2016	117981	UNLIMITED SERVICES BUILDING MAINT.	295.00
06/06/2016	117982	U. S. GEOLOGICAL SURVEY	31,729.50
06/13/2016	117983	SEE PAYROLL CATEGORY, JOHN R. JETER	
06/14/2016	117984	CALPERS RETIREMENT	4,272.30
06/14/2016	117985	CALPERS 457-SIP	1,150.00
06/14/2016	117986	FRANCHISE TAX BOARD	196.91
06/17/2016	117987	ARMSTRONG & BROOKS ENGINEERS	1,965.21
06/17/2016	117988	AUTOMATION PRIDE	100.00
06/17/2016	117989	BEAUMONT-CHERRY VALLEY WATER DISTRICT	430.78
06/17/2016	117990	CONTROL TEMP, INC.	1,150.00
06/17/2016	117991	FEDERAL EXPRESS	26.47
06/17/2016	117992	DAVID L. FENN	238.00
06/17/2016	117993	FRONTIER COMMUNICATIONS	1,206.76
06/17/2016	117994	INCONTACT, INC.	126.71
06/17/2016	117995	KENNEDY JENKS CONSULTANTS	188.50
06/17/2016	117996	MARY ANN HARVEY-MELLEBY	283.00
06/17/2016	117997	OFFICE SOLUTIONS	152.15
06/17/2016	117998	SOUTHERN CALIFORNIA GAS	9.64
06/17/2016	117999	THOMAS W. TODD, JR.	936.07
06/20/2016	118001	WELLS FARGO REMITTANCE CENTER	3,174.53
06/23/2016	118002	JEFFREY W. DAVIS	59.39
06/23/2016	118003	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
06/25/2016	118004	CALPERS RETIREMENT	4,230.95
06/25/2016	118005	CALPERS 457-SIP	1,150.00
06/25/2016	118006	STANDARD INSURANCE COMPANY	402.06
06/26/2016	118007	AT&T MOBILITY	254.29
06/26/2016	118008	BLAIR M. BALL	151.00
06/26/2016	118009	SOUTHERN CALIFORNIA EDISON	113.76
06/14/2016	523054	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,010.31
06/25/2016	523112	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,029.27
06/14/2016	542336	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,547.39
06/25/2016	558487	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,001.59
06/15/2016	900121	DEPARTMENT OF WATER RESOURCES	131,218.00
06/28/2016	900122	DEPARTMENT OF WATER RESOURCES	719,081.00
		TOTAL ACCOUNTS PAYABLE CHECKS	939,155.00

San Gorgonio Pass Water Agency
Check History Report
 June 1 through June 30, 2016

PAYROLL

		CHECKS		
Date	Number	Name	Amount	
06/13/2016	117983	JOHN R. JETER	724.41	
			TOTAL PAYROLL CHECKS	724.41

		DIRECT DEPOSIT		
Date	Number	Name	Amount	
06/13/2016	801220	JEFFREY W. DAVIS	4,316.25	
06/13/2016	801221	WILLIAM E. DICKSON	942.50	
06/13/2016	801222	KENNETH M. FALLS	2,817.29	
06/13/2016	801223	CHERYLE M. RASMUSSEN	2,054.32	
06/13/2016	801224	THOMAS W. TODD, JR.	3,165.70	
06/24/2016	801225	BLAIR M. BALL	911.53	
06/24/2016	801226	JEFFREY W. DAVIS	4,316.26	
06/24/2016	801227	RONALD A. DUNCAN	1,139.41	
06/24/2016	801228	KENNETH M. FALLS	2,710.94	
06/24/2016	801229	DAVID L. FENN	689.41	
06/24/2016	801230	MARY ANN HARVEY-MELLEBY	1,139.41	
06/24/2016	801231	CHERYLE M. RASMUSSEN	2,054.32	
06/24/2016	801232	LEONARD C. STEPHENSON	1,139.41	
06/24/2016	801233	THOMAS W. TODD, JR.	3,165.71	
			TOTAL PAYROLL DIRECT DEPOSIT	30,562.46
			TOTAL PAYROLL	31,286.87
			TOTAL DISBURSEMENTS FOR JUNE, 2016	<u>970,441.87</u>

SAN GORGONIO PASS WATER AGENCY
New Vendors List
July, 2017

Vendor - Name and Address	Expenditure Type
Provost & Pritchard 286 W. Cromwell Ave.; Fresno, CA 93711	Consultant

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

VENDOR	_INVOICE NBR	COMMENT _____	_AMOUNT_
BEST, BEST & KRIEGER	160630	LEGAL SERVICES JUN16	15,174.43

TOTAL PENDING INVOICES FOR JULY 2016 15,174.43

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
June 30, 2016**

BALANCE PER BANK AT 05/31/2016 - CHECKING ACCOUNT 80,333.35

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
118002	59.39	118007	254.29
118004	4,230.95	118008	151.00
118005	1,150.00	118009	113.76
118006	402.06		
	<u>5,842.40</u>		519.05

TOTAL OUTSTANDING CHECKS (6,361.45)

BALANCE PER GENERAL LEDGER 73,971.90

BALANCE PER GENERAL LEDGER AT 05/31/2016 54,548.42

CASH RECEIPTS FOR JUNE 714,977.36

CASH DISBURSEMENTS FOR JUNE

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	(939,155.00)	
NET PAYROLL FOR JUNE	(31,286.87)	(970,441.87)

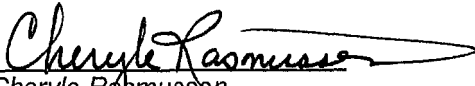
BANK CHARGES (112.01)

TRANSFER FROM LAIF OR WELLS FARGO 875,000.00

TRANSFER TO LAIF OR WELLS FARGO (600,000.00)

BALANCE PER GENERAL LEDGER AT 6/30/2016 73,971.90

REPORT PREPARED BY:


Cheryl Rasmussen

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF JUNE 2016**

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT	TOTAL DEPOSIT AMOUNT
DEPOSIT TO CHECKING ACCOUNT				
6/2/16	STATE OF CALIF/DWR	TEHACHAPI SERVICE CREDIT	39,349.00	39,349.00
6/2/16	STATE OF CALIF/DWR	REFUND GAS HEDGING	25.72	25.72
6/6/16	RIVERSIDE COUNTY	PROPERTY TAXES	246,568.06	246,568.06
6/7/16	RIVERSIDE COUNTY	PROPERTY TAXES	32,453.76	32,453.76
6/7/16	RIVERSIDE COUNTY	PROPERTY TAXES	4,542.78	4,542.78
6/17/16	BCVWD	WATER SALES	331,899.00	331,899.00
6/21/16	YVWD	WATER SALES	23,817.72	23,817.72
6/22/16	STATE OF CALIF/CERBT	OPEB REIMBURSEMENT	21,502.58	21,502.58
6/24/16	SO CAL EDISON	NET METERING CREDIT	87.73	87.73
6/28/16	TVI	CD - BOND INTEREST	14,731.01	14,731.01
TOTAL FOR JUNE 2016			714,977.36	714,977.36

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2015-16
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2016**

UNAUDITED

FOR THE FISCAL YEAR JULY 1, 2015 - JUNE 30, 2016

18/81

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME					
INCOME					
WATER SALES	1,400,000		1,400,000	1,395,316.18	0.33%
TAX REVENUE	2,000,000		2,000,000	2,135,677.93	-6.78%
INTEREST	29,000		29,000	71,920.16	-148.00%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	110,000		110,000	95,554.33	13.13%
TOTAL GENERAL FUND INCOME	3,539,000	0	3,539,000	3,698,468.60	-4.51%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	1,200,000		1,200,000	796,939.19	33.59%
TOTAL COMMODITY PURCHASE	1,200,000	0	1,200,000	796,939.19	33.59%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	420,000		420,000	414,335.38	1.35%
PAYROLL TAXES	36,000		36,000	36,037.58	-0.10%
RETIREMENT	105,000		105,000	97,223.32	7.41%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	21,000		21,000	21,502.58	-2.39%
HEALTH INSURANCE	48,000		48,000	48,881.45	-1.84%
DENTAL INSURANCE	6,000		6,000	4,438.56	26.02%
LIFE INSURANCE	1,000		1,000	1,089.08	-8.91%
DISABILITY INSURANCE	4,200		4,200	4,287.52	-2.08%
WORKERS COMP INSURANCE	4,000		4,000	3,824.00	4.40%
SGPWA STAFF MISC. MEDICAL	9,000		9,000	7,445.41	17.27%
EMPLOYEE EDUCATION	2,000		2,000	299.00	85.05%
TOTAL SALARIES AND EMPLOYEE BENEFITS	656,200	0	656,200	639,363.88	2.57%

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2015-16
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2016**

UNAUDITED

FOR THE FISCAL YEAR JULY 1, 2015 - JUNE 30, 2016

19/61

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	104,000		104,000	101,765.12	2.15%
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	11,704.28	41.48%
DIRECTORS MISC. MEDICAL	31,000		31,000	15,124.43	51.21%
OFFICE EXPENDITURES					
OFFICE EXPENSE	15,000		15,000	15,775.27	-5.17%
POSTAGE	1,200		1,200	857.51	28.54%
TELEPHONE	9,000		9,000	9,881.63	-9.80%
UTILITIES	4,500		4,500	4,434.35	1.46%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	16,000		16,000	11,652.33	27.17%
GENERAL MANAGER & STAFF TRAVEL	17,000		17,000	19,451.19	-14.42%
INSURANCE & BONDS	23,000		23,000	21,681.00	5.73%
ACCOUNTING & AUDITING	21,000	1,000	22,000	21,755.00	1.11%
STATE WATER CONTRACT AUDIT	5,000		5,000	4,866.00	2.68%
DUES & ASSESSMENTS	33,000		33,000	27,705.67	16.04%
SPONSORSHIPS	10,000		10,000	1,000.00	90.00%
OUTSIDE PROFESSIONAL SERVICES	3,000		3,000	4,350.00	-45.00%
BANK CHARGES	1,200		1,200	1,478.92	-23.24%
MISCELLANEOUS EXPENSES	1,000		1,000	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	3,000		3,000	3,490.33	-16.34%
VEHICLE REPAIR & MAINTENANCE	8,000		8,000	8,526.23	-6.58%
MAINTENANCE & REPAIRS - BUILDING	12,000		12,000	11,536.83	3.86%
MAINTENANCE & REPAIRS - FIELD	6,500		6,500	5,773.02	11.18%
CONTRACT OPERATIONS AND MAINTENANCE	90,000		90,000	36,913.55	58.98%
COUNTY EXPENDITURES					
LAFCO COST SHARE	4,500		4,500	4,694.59	-4.32%
ELECTION EXPENSE	0		0	0.00	0.00%
TAX COLLECTION CHARGES	8,000		8,000	9,952.62	-24.41%
TOTAL ADMINISTRATIVE & PROFESSIONAL	446,900	1,000	447,900	354,369.87	20.88%

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2015-16
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2016**

UNAUDITED

FOR THE FISCAL YEAR JULY 1, 2015 - JUNE 30, 2016

20 / 61

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
GENERAL ENGINEERING					
RECHARGE					
B.A.R.F. DESIGN + CONSTRUCTION: REPORTED IN CAPITAL EXPENDITURES					
B.A.R.F. ENVIRONMENTAL MITIGATION	65,000		65,000	0.00	100.00%
FERC/FLUME					
ALTERNATIVE WATER SUPPLY BANNING/BHMWC	0		0	0.00	0.00%
NOTICE OF PREPARATION + EIR	50,000	-50,000	0	0	0.00%
WHITewater FLUME TUNNEL	90,000		90,000	56,418.57	37.31%
ENVIRONMENTAL JUSTICE	27,000	-27,000	0	0.00	0.00%
BALANCE HYDROLOGICS	0	10,802	10,802	10,799.30	0.03%
FLUME SUPPORT	0	22,000	22,000	22,000.00	0.00%
STUDIES					
USGS - Agreement #96710	125,000		125,000	128,044.37	-2.44%
WATER RATE NEXUS STUDY	45,000		45,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	20,000		20,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	0		0	15,026.48	0.00%
SUPPORT - CAPACITY FEE & AGREEMENTS	0		0	999.50	0.00%
EMERGING CONTAMINANTS TASK FORCE	0		0	0.00	0.00%
UPDATED UWMP	50,000		50,000	30,456.40	39.09%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE	15,000		15,000	13,924.00	7.17%
MODELING 15.5 ANALYSIS	25,000		25,000	0.00	100.00%
GENERAL AGENCY - CEQA AND GIS SERVICES	15,000		15,000	17,369.26	-15.80%
TOTAL GENERAL ENGINEERING	527,000	-44,198	482,802	295,037.88	38.89%

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2015-16
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2016**

UNAUDITED

FOR THE FISCAL YEAR JULY 1, 2015 - JUNE 30, 2016

21/61

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	175,000		175,000	150,845.17	13.80%
TOTAL LEGAL SERVICES	175,000	0	175,000	150,845.17	13.80%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	14,000		14,000	10,600.00	24.29%
ADULT EDUCATION PROGRAMS	5,000		5,000	1,000.00	80.00%
OTHER CONSERVATION, EDUCATION AND P. R.	10,000	15,000	25,000	3,839.83	84.64%
TOTAL CONSERVATION & EDUCATION	29,000	15,000	44,000	15,439.83	64.91%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING	15,000		15,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	5,000		5,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	0.00%
TRANSPORTATION EQUIPMENT	48,000		48,000	44,947.00	6.36%
B.A.R.F. CONSTRUCTION	4,635,000		4,635,000	91,719.87	98.02%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	4,703,000	0	4,703,000	136,666.87	97.09%
TRANSFERS TO OTHER FUNDS	0	0	0	0.00	
TOTAL GENERAL FUND EXPENSES	7,737,100	-28,198	7,708,902	2,388,662.69	69.01%
TRANSFERS FROM RESERVES	4,700,000		4,700,000		
TOTAL TRANSFERS FROM RESERVES	4,700,000	0	4,700,000	0	
GENERAL FUND NET INCOME YEAR TO DATE	501,900	28,198	530,098	1,309,805.91	

**SAN GORGONIO PASS WATER AGENCY
FISCAL YEAR BUDGET 2015-16
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE TWELVE MONTHS ENDING ON JUNE 30, 2016**

UNAUDITED

FOR THE FISCAL YEAR JULY 1, 2015 - JUNE 30, 2016

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME					
INCOME					
TAX REVENUE	18,300,000		18,300,000	18,605,908.94	-1.67%
INTEREST	73,000		73,000	184,661.04	-152.96%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	2,900,000		2,900,000	3,090,461.72	-6.57%
TOTAL DEBT SERVICE FUND INCOME	21,273,000	0	21,273,000	21,881,031.70	-2.86%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	50,000		50,000	50,543.37	-1.09%
PAYROLL TAXES	4,000		4,000	3,866.54	3.34%
BENEFITS	25,000		25,000	25,109.19	-0.44%
SWC CONTRACTOR DUES	44,000		44,000	41,390.00	5.93%
STATE WATER CONTRACT PAYMENTS	20,700,000		20,700,000	20,639,936.00	0.29%
PURCHASED WATER	0		0	4,145.00	0.00%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	0.00%
USGS - <i>Agreement #23100</i>	60,000		60,000	8,418.84	85.97%
CONTRACT OPERATIONS AND MAINTENANCE	100,000		100,000	58,856.69	41.14%
SWP ENGINEERING	40,000		40,000	8,897.89	77.76%
DEBT SERVICE UTILITIES	9,200		9,200	9,509.49	-3.36%
TAX COLLECTION CHARGES	44,000		44,000	56,398.20	-28.18%
TOTAL DEBT SERVICE FUND EXPENSES	21,076,200	0	21,076,200	20,907,071.21	0.80%
TRANSFERS FROM RESERVES			0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	196,800	0	196,800	973,960.49	

22/61

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2016-17**

DEBT SERVICE EXPENDITURES			
DEPARTMENT OF WATER RESOURCES - STATEMENT OF CHARGES			
INVOICE NUMBER	FOR THE PERIOD JUL - DEC 16	FOR THE PERIOD JAN - JUN 17	
xx-022-T - ATTACHMENT 1 (Water Supply)	2,526,924	2,920,988	
xx-005-DCC - ATTACHMENT 1A (Devil Canyon)	131,599	140,891	
xx-020-O - ATTACHMENT 1-1 (OAP)	58,286	5,640	
xx-087-U - ATTACHMENT 1-2 (RAS)	0	0	
xx-002-X - ATTACHMENT 1-5 (EBX)	8,357,216	4,343,355	
xx-012-TAB - ATTACHMENT 1-6 (TEHACHAPI)	24,744	22,918	
DWR FIXED CHARGES	11,098,769	7,433,792	
TOTAL DWR STATEMENT OF CHARGES		18,532,561	
OTHER DWR EXPENSES		0	
TOTAL PROJECTED DWR EXPENDITURES		18,532,561	
OVERDRAFT MITIGATION			
VARIABLE O.M.P.R. COMPONENT			
OPERATIONAL DISTRIBUTIONS			
10 AF 2016 RATE (\$210)	2,100		
10 AF 2017 RATE (\$272)		2,720	
TOTAL OPERATIONAL DISTRIBUTIONS		4,820	
TOTAL DWR DIRECT + OPERATIONS		18,537,381	
ADDITIONAL EXPENSES PAID ON BEHALF OF DWR			
DEBT SERVICE SALARIES		52,000	
DEBT SERVICE PAYROLL TAXES		4,000	
DEBT SERVICE BENEFITS		28,000	
DEBT SERVICE UTILITIES		10,000	
TAX COLLECTION CHARGES		60,000	
SWC CONTRACTOR DUES		33,000	
SWP LEGAL SERVICES		0	
U.S.G.S CONTRACT		0	
CONTRACT OPERATIONS AND MAINTENANCE		120,000	
SWP ENGINEERING - EBX1, EBX2		30,000	
TOTAL ADDITIONAL EXPENSES		337,000	
GRAND TOTAL DEBT SERVICE EXPENDITURES		18,874,381	

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2016-17**

DEBT SERVICE REVENUE

ESTIMATED DWR REFUNDS + INTEREST		
ESTIMATE OF BOND REFUNDS		3,152,783
DWR ~ ALLOCATION OF EARNED INTEREST 2015		25,000
TOTAL ESTIMATE OF DWR REFUNDS + INTEREST		3,177,783
SGPWA ALLOCATED EARNED INTEREST		170,000
TOTAL REFUNDS + INTEREST		3,347,783
DEBT SERVICE TAX REVENUE		
DEBT SERVICE INCOME FY 2015-16	18,605,909	
TAX REVENUE PER CENT OF TAX LEVY		
(Current Tax Rate: 18.5 Cents)	1,005,725	
Projection for FY 2016-17		
4% increase	40,229	
ESTIMATED TAX REVENUE PER CENT OF TAX LEVY, FY 2016-17		1,045,954
ESTIMATED REVENUE AT 18.25 CENTS	18.25	19,088,657
TAX REVENUE ESTIMATE		19,088,657
TOTAL ESTIMATED REVENUE (REFUNDS + TAX)		22,436,440
DEBT SERVICE EXPENDITURES COMBINED WITH REVENUE AT TAX RATE OF 18.5 CENTS		3,562,059

**SAN GORGONIO PASS WATER AGENCY
DEBT SERVICE EXPENSE REQUIREMENTS
FOR THE FISCAL YEAR 2016-17**

DEBT SERVICE REVENUE

ESTIMATED DWR REFUNDS + INTEREST		
ESTIMATE OF BOND REFUNDS		3,152,783
DWR ~ ALLOCATION OF EARNED INTEREST 2015		25,000
TOTAL ESTIMATE OF DWR REFUNDS + INTEREST		3,177,783
SGPWA ALLOCATED EARNED INTEREST		
		170,000
TOTAL REFUNDS + INTEREST		3,347,783
DEBT SERVICE TAX REVENUE		
DEBT SERVICE INCOME FY 2015-16	18,605,909	
TAX REVENUE PER CENT OF TAX LEVY (Current Tax Rate: 18.5 Cents)	1,005,725	
Projection for FY 2016-17 4% increase	40,229	
ESTIMATED TAX REVENUE PER CENT OF TAX LEVY, FY 2016-17		1,045,954
ESTIMATED REVENUE AT 18.00 CENTS	18.00	18,827,169
TAX REVENUE ESTIMATE		18,827,169
TOTAL ESTIMATED REVENUE (REFUNDS + TAX)		22,174,952
DEBT SERVICE EXPENDITURES COMBINED WITH REVENUE AT TAX RATE OF 18.5 CENTS		3,300,571

RESOLUTION NO. 2008-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN GORGONIO PASS WATER AGENCY
ESTABLISHING GUIDELINES FOR COMPENSATION OF DIRECTORS
AND
RESCINDING RESOLUTION NO. 2007-08**

WHEREAS, on May 18, 1998, The Board of Directors adopted Ordinance No. 7 which provides for the compensation to be received by the Directors of San Gorgonio Pass Water Agency (hereinafter Agency) in accordance with Chapter 2 of Division 10 of the Water Code of the State of California (Water Code Section 20200 et seq.);

WHEREAS, the Water Code of the State of California, Section 20202 allows for members of the Board to be compensated for up to a total of ten (10) days in any calendar month, and;

WHEREAS, the Agency's Directors are regularly called upon to spend in excess of five (5) days per month in the performance of their duties, including the attendance of Board meetings, committee meetings, and other functions related to carrying on the business of the Agency; and

WHEREAS, it is the policy of the Board that the Directors receive fair and reasonable compensation for their service to the Agency so that they may devote as much time as is necessary or beneficial to the full performance of their roles:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Gorgonio Pass Water Agency as follows:

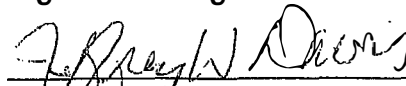
1. That the Board of Directors rescinds Resolution No. 2007-08 regarding Compensation of Directors.
2. That Resolution No. 2008-03 is effective March 3, 2008.
3. That the maximum number of days per month which a Director of the Agency may receive compensation and reimbursement of expenses for each day's service rendered as a member of the Board of Directors is set forth in Ordinance No. 7.
4. That the definition of a day of service shall be:
 - a. Attendance at any meeting of the San Gorgonio Pass Water Agency that requires public notice in accordance with the Brown Act.
 - b. Attendance at any meeting of a San Gorgonio Pass Water Agency ad hoc committee, that committee having been established by the president of the Board.
 - c. Attendance at regular, special or committee meetings of any organization in which San Gorgonio Pass Water Agency is a member.

- d. Attendance at Beaumont Basin Watermaster meetings, San Timoteo Watershed Management Authority Commission meetings, Santa Ana Watershed Project Authority Commission meetings and Regional Coordination Conferences of Pass Water Officials Serving Pass Area Communities.
 - e. Attendance at special events, programs, or symposiums (not to exceed 1 day) or conferences (not to exceed 3 days) for the following organizations:
 - 1. Association of California Water Agencies
 - 2. Special District Association of Riverside County
 - 3. State Water Contractors
 - 4. Water Education Foundation
 - 5. Special District's Board Management Institute
 - 6. Riverside County Water Symposium
 - 7. American Water Works Association
 - 8. Association of Ground Water Agencies
 - f. Attendance at any meeting related to or informing the Board members on matters within the jurisdiction of the statutory powers of the Agency, provided that such meetings deal with substantive issues and consume more than a minor amount of the Board member's time.
 - g. Attendance of any meeting submitted for consideration and approved as a day of service by the Agency's Board of Directors.
5. That the Finance and Budget Committee of the Agency shall determine by examination and vote, that the meetings submitted for payment of Director's fees are in accordance with these guidelines. The Directors shall have the right to appeal the decision of the Finance & Budget Committee to the Board of Directors.

Resolution #2008-03 was adopted upon roll call by the following vote:

AYES: Larsen, Voigt, Morris, Andersen, Snyder, Mann and Jeter
NOES: None
ABSTAIN: None
ABSENT: None

I certify that the foregoing is a true, full and correct copy of Resolution #2008-03 adopted by the Board of Directors of the San Gorgonio Pass Water Agency at its regular meeting held on March 3, 2008.



Jeffrey W. Davis, Secretary to the Board
San Gorgonio Pass Water Agency

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Adoption of Resolution 2016-04 Setting the Ad Valorem Tax Rate for 2016-2017

DATE: August 1, 2016

Summary:

After reviewing financial and budgetary data at the July Finance and Budget workshop, the Board voted on July 25 to recommend that the Agency's tax rate remain at \$0.185 per \$100 of assessed valuation for fiscal year 2016-2017. The purpose of this Board action is to implement that recommendation.

Background:

The Burns-Porter Act of 1960 authorized residents of California to vote on a \$1.75 billion bond that would fund construction of the State Water Project. The bill explicitly stated that the State's General Fund would not pay off the bonds sold for the Project, but that any water agencies who contracted with the State to purchase the water would have to back the bonds by levying property taxes within their service areas or through other revenue streams. The bond issue passed.

This is the purpose of the Agency's ad valorem tax levied by the Board each year—to pay the Agency's share of the debt service on the State Water Project, along with miscellaneous other costs associated with operating and maintaining the Project.

When the Agency constructed Phase 1 of the East Branch Extension (EBX 1) in the 1990's, the Board raised the tax rate significantly to pay the additional debt service (from 8.83 cents in 1992 to 17 cents in 2000). In return, the region was finally able to receive State Water Project water to begin offsetting the groundwater overdraft that had been occurring for decades.

The Board decided to phase the construction of the EBX partly to reduce costs and partly because it recognized that water demands at the time were not high enough to justify paying a higher amount for a pipeline that would be only partially utilized for a number of years. Now that the Agency is constructing EBX 2, debt service payments have increased significantly.

EBX 2 is needed at this time so that the Agency can import all available water in wet years. With only Phase 1 of the pipeline installed, the Agency cannot import all the water available in any year with an allocation greater than 60%. With EBX 2 online, and with additional facilities to store the water, the future of the area will be more secure, as the Agency will be able to import and store more water in wet years to help offset lesser amounts of water available in dry and average years. The 60% average reliability of the State Water Project is reduced even more if the Agency cannot take all available water in wet years. The construction of EBX 2 and the ability to convey the additional water out of the pipeline and into storage are absolute necessities for the region. The long-term regional water supply depends on it.

In order to prepare for paying off EBX 2 bonds, the Board voted five years ago to increase the ad valorem tax rate from \$0.17 to \$0.185 after eleven years at the same rate. As discussed at the workshop, the Agency is currently in a good situation financially with its debt service fund and has options related to setting the tax rate this year and in the future. After a lengthy discussion, the Board voted to recommend maintaining the tax rate at \$0.185 for the 2016-2017 fiscal year, recognizing that balloon debt repayments for EBX bonds in 2026-2029 will increase significantly (up to \$6 million in additional costs) and that the Board does not want to increase the tax rate at that time to cover the temporary increases.

The Board also considered a potential upcoming recession (reduction in property values), the desire to construct the California Water Fix, and the need to maintain large reserves in the future as reasons to maintain the current tax rate at this time. However the Board recognized that the Agency will in the near future be in a position to reduce its tax rate, if proposed development becomes a reality and a major recession does not occur in the next few years.

Fiscal Impact:

Based on figures presented by staff at the Finance and Budget workshop, it is estimated that the Agency will accrue an additional \$3.8 million in debt service reserves in 2016-2017, assuming Department of Water Resources costs do not increase significantly over those provided in the annual Statement of Charges. Assuming this becomes a reality, it will provide even more flexibility to the Board in setting the tax rate in future years.

Relationship to Strategic Plan:

This action relates to the strategic plan through Goal 3—Regional Capital Facilities Plan. By setting the tax rate as recommended, the Board is providing continuing funding for EBX 1 and EBX 2, which are required as part of a regional capital facilities plan.

Recommendation:

Staff recommends that the Board adopt its recommendation from the Finance and Budget workshop to adopt Resolution 2016-04, maintaining the ad valorem tax rate at its current level for fiscal year 2016-2017.

RESOLUTION NO. 2016-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DETERMINING THE AMOUNT OF MONEY NEEDED TO MAKE ANNUAL PAYMENTS FOR THE INTEREST AND PRINCIPAL ON GENERAL OBLIGATION BONDS AND FOR OTHER INDEBTEDNESS APPROVED BY THE VOTERS PRIOR TO JULY 1, 1978, AND/OR FOR WHICH A TAX LEVY IS REQUIRED UNDER ARTICLE 1, SECTION 10 OF THE UNITED STATES CONSTITUTION AND MAKING A TAX LEVY THEREOF.

WHEREAS, the Attorney General of the State of California has ruled in his opinion No. CV 78/90 that property taxes levied by local water districts necessary to provide for payments to the state under the state water supply contract fall within Section 1 (b) of Article XIII A of the California Constitution; now therefore,

BE IT RESOLVED by the Board of Directors of the San Gorgonio Pass Water Agency, as follows:

1. That said Board of Directors has determined that the amount of money needed to make annual payments during the fiscal year beginning July 1, 2016, and ending June 30, 2017, for the interest and principal on general obligation bonds and other indebtedness approved by the voters prior to July 1, 1978, and/or required by Article 1, Section 10 of the United States Constitution is **\$18,874,381** for payments on the Contract between the State of California Department of Water Resources and San Gorgonio Pass Water Agency for a water supply dated November 16, 1962, and hereby fixes the rate of tax which will raise the amount of money required by said Agency at the following amounts per hundred dollars of assessed valuation of taxable property within said Agency:

\$__0.185_ State Water Contract

2. That the Board of Directors of the San Gorgonio Pass Water Agency does hereby certify the rate so fixed, and as herein before set forth, to the Board of Supervisors of the County of Riverside, State of California, and to the County Auditor of said County.

3. That pursuant to California Water Code - Appendix Section 101-27 the determination of the amount necessary to be raised by taxation for such purpose during the fiscal year and the order fixing the rate of tax made herein shall constitute a valid assessment of the property within the Agency and a valid levy of the taxes so fixed. Said levy is permitted by California Revenue and Taxation Code Section 93 and/or required by Article 1, Section 10 of the United States Constitution.

4. That a certified copy of this resolution be transmitted to the County Auditor of said County, and that when so transmitted, said certified copy shall constitute the certification required in Section 101-27 of the California Water Code - Appendix.

5. That funds received by the San Gorgonio Pass Water Agency pursuant to the aforesaid tax levy shall be placed in a separate fund identified for such indebtedness set forth above and shall be disbursed only for lawful payments on such indebtedness.

Said Resolution was adopted by roll call vote as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

I certify that the foregoing is a true and correct copy of Resolution No. 2016-04, adopted by the Board of Directors of the San Gorgonio Pass Water Agency at its regular meeting held on August 1, 2016.

Jeffrey W. Davis, Secretary to the Board

RESOLUTION NO. 2016-04

STATE OF CALIFORNIA)

:

COUNTY OF RIVERSIDE)

I, Jeffrey W. Davis, the duly elected and acting Secretary of the Board of Directors of the San Geronio Pass Water Agency, hereby certify the foregoing to be a full and correct copy of Resolution No. 2016-04 adopted by the Board of Directors on August 1, 2016, at a duly held meeting at which a quorum was present.

I, Jeffrey W. Davis, also hereby certify that a copy of this Resolution No. 2016-04 has been forwarded to the County Auditor/Controller's office for recording as of the date stated below and to the officer whose signature appears below.

Jeffrey W. Davis
Secretary of the Board

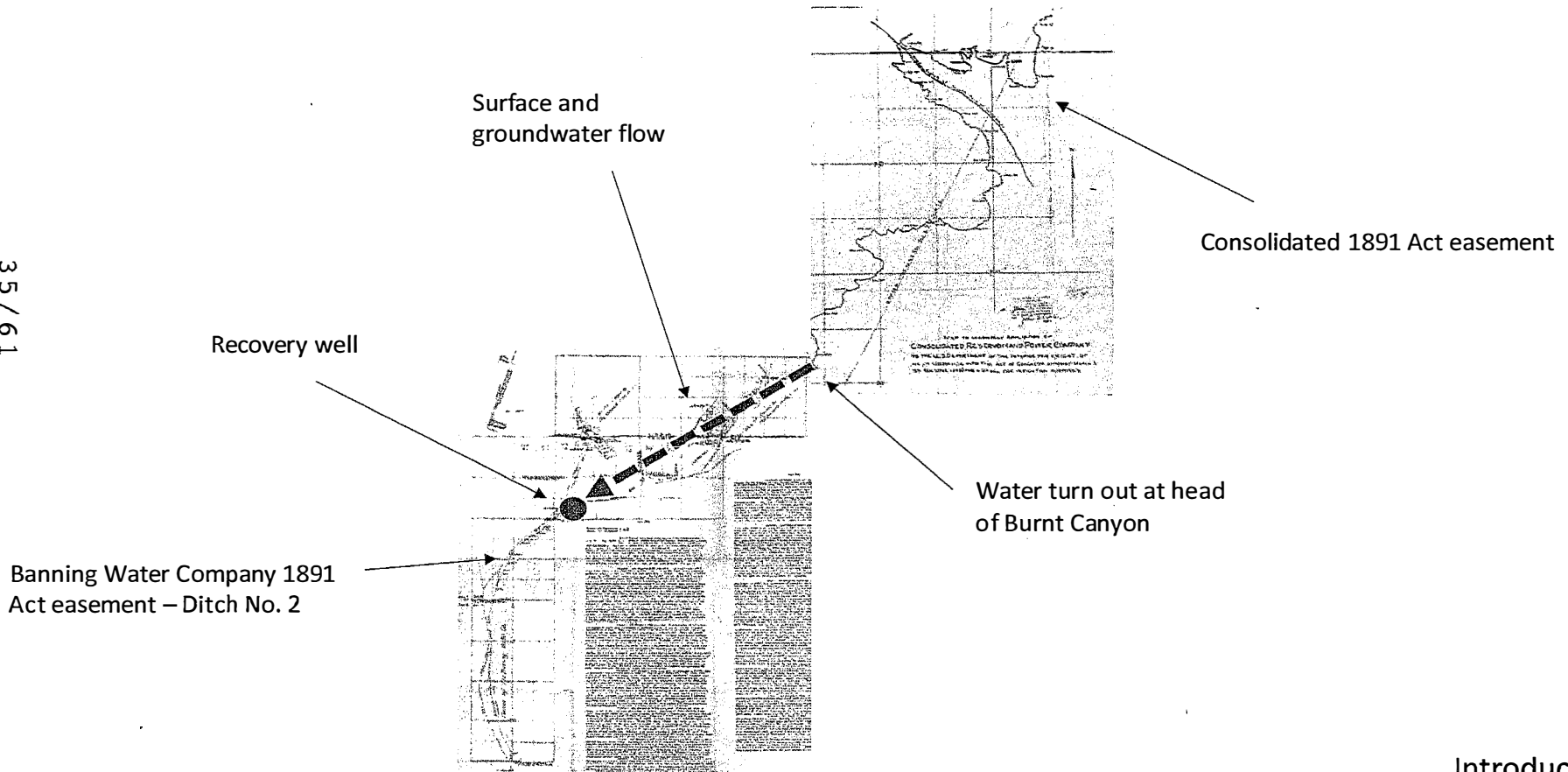
DATE _____

Officer - County Auditor/Controller

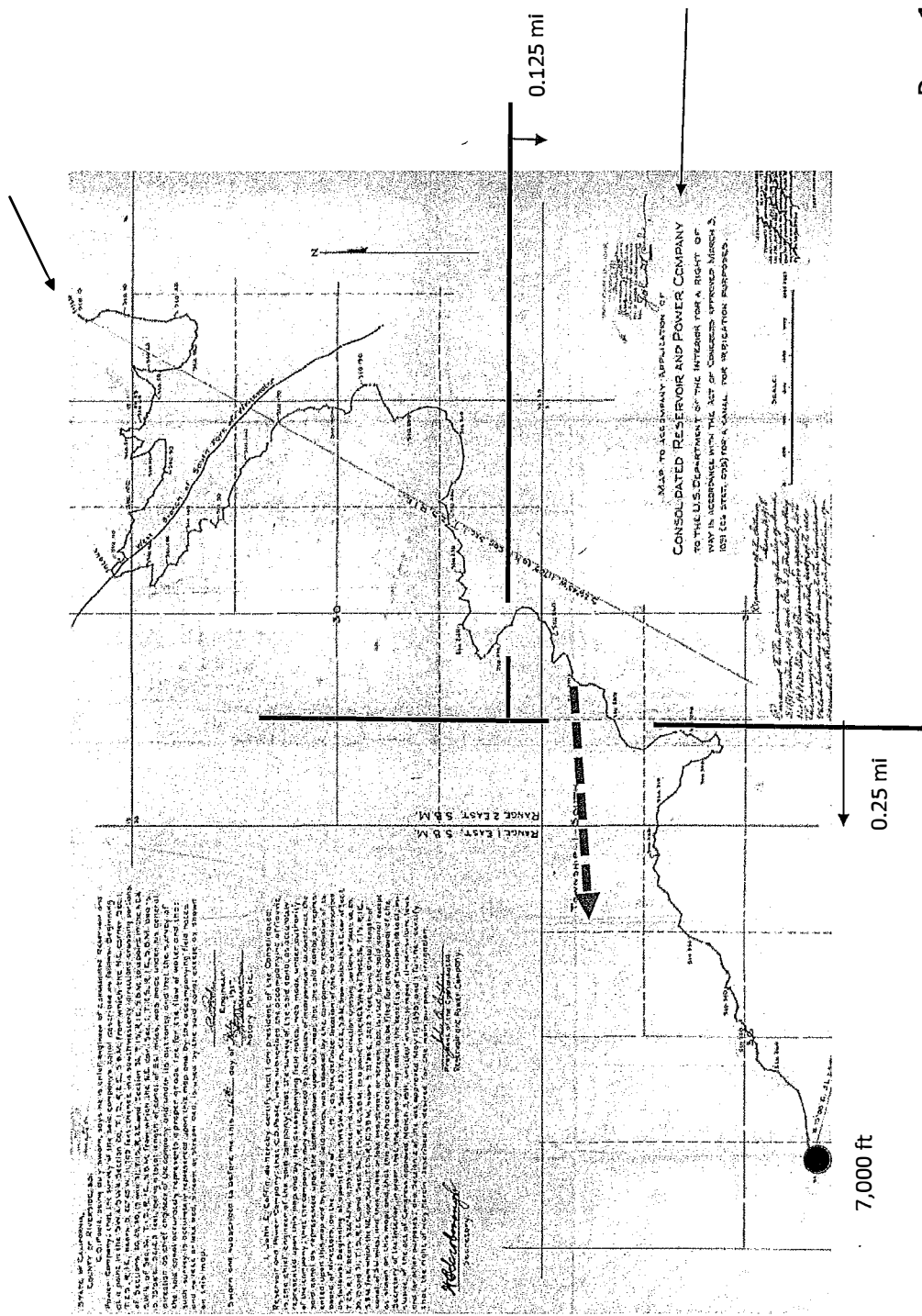
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BHMWC could consider returning to the 1913 - 1923 project layout

35 / 61



Introduction

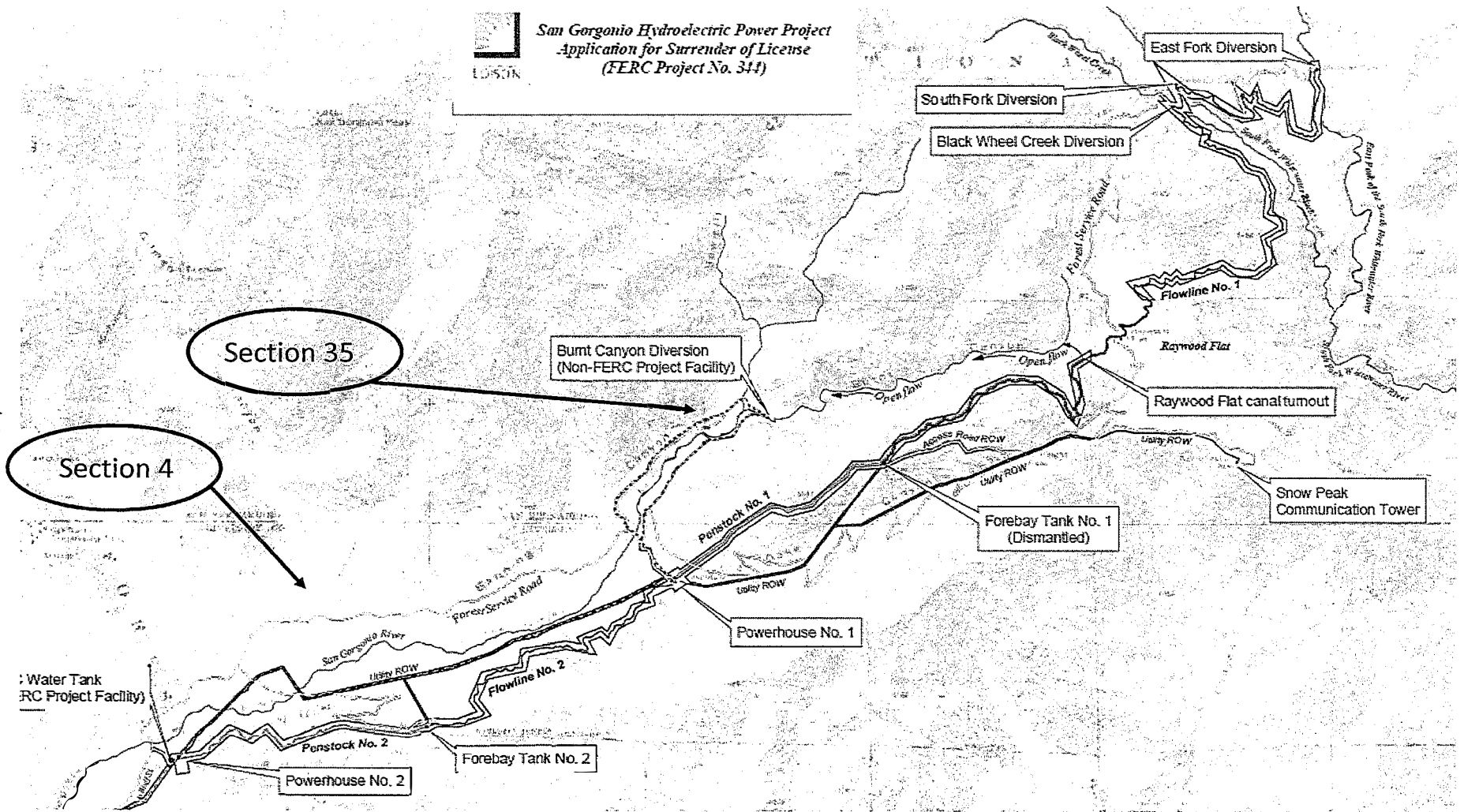


State of California,
County of Alameda,
I, John E. Coffin, as chief engineer, do hereby certify that the above described reservoir and canal system was constructed in accordance with the plans and specifications filed in my office on the 15th day of August, 1905, and that the same are in conformity with the Act of Congress approved March 2, 1891, and the Act of Congress approved March 2, 1893, and the Act of Congress approved March 2, 1895, and the Act of Congress approved March 2, 1897, and the Act of Congress approved March 2, 1899, and the Act of Congress approved March 2, 1901, and the Act of Congress approved March 2, 1903, and the Act of Congress approved March 2, 1905, and the Act of Congress approved March 2, 1907, and the Act of Congress approved March 2, 1909, and the Act of Congress approved March 2, 1911, and the Act of Congress approved March 2, 1913, and the Act of Congress approved March 2, 1915, and the Act of Congress approved March 2, 1917, and the Act of Congress approved March 2, 1919, and the Act of Congress approved March 2, 1921, and the Act of Congress approved March 2, 1923, and the Act of Congress approved March 2, 1925, and the Act of Congress approved March 2, 1927, and the Act of Congress approved March 2, 1929, and the Act of Congress approved March 2, 1931, and the Act of Congress approved March 2, 1933, and the Act of Congress approved March 2, 1935, and the Act of Congress approved March 2, 1937, and the Act of Congress approved March 2, 1939, and the Act of Congress approved March 2, 1941, and the Act of Congress approved March 2, 1943, and the Act of Congress approved March 2, 1945, and the Act of Congress approved March 2, 1947, and the Act of Congress approved March 2, 1949, and the Act of Congress approved March 2, 1951, and the Act of Congress approved March 2, 1953, and the Act of Congress approved March 2, 1955, and the Act of Congress approved March 2, 1957, and the Act of Congress approved March 2, 1959, and the Act of Congress approved March 2, 1961, and the Act of Congress approved March 2, 1963, and the Act of Congress approved March 2, 1965, and the Act of Congress approved March 2, 1967, and the Act of Congress approved March 2, 1969, and the Act of Congress approved March 2, 1971, and the Act of Congress approved March 2, 1973, and the Act of Congress approved March 2, 1975, and the Act of Congress approved March 2, 1977, and the Act of Congress approved March 2, 1979, and the Act of Congress approved March 2, 1981, and the Act of Congress approved March 2, 1983, and the Act of Congress approved March 2, 1985, and the Act of Congress approved March 2, 1987, and the Act of Congress approved March 2, 1989, and the Act of Congress approved March 2, 1991, and the Act of Congress approved March 2, 1993, and the Act of Congress approved March 2, 1995, and the Act of Congress approved March 2, 1997, and the Act of Congress approved March 2, 1999, and the Act of Congress approved March 2, 2001, and the Act of Congress approved March 2, 2003, and the Act of Congress approved March 2, 2005, and the Act of Congress approved March 2, 2007, and the Act of Congress approved March 2, 2009, and the Act of Congress approved March 2, 2011, and the Act of Congress approved March 2, 2013, and the Act of Congress approved March 2, 2015, and the Act of Congress approved March 2, 2017, and the Act of Congress approved March 2, 2019, and the Act of Congress approved March 2, 2021, and the Act of Congress approved March 2, 2023, and the Act of Congress approved March 2, 2025.

John E. Coffin, Chief Engineer
 State of California
 County of Alameda
 Secretary

San Geronio Hydroelectric Power Project
Application for Surrender of License
(FERC Project No. 344)

37/61



CONSOLIDATED RESERVOIR & POWER CO
and
BANNING WATER COMPANY

AGREEMENT

THIS AGREEMENT, made this 10th day of January 1913 by and between the CONSOLIDATED RESERVOIR & POWER COMPANY, a corporation organized under the laws of the State of California with its principal place of business at the City of Los Angeles, California, the first party, and the BANNING WATER COMPANY, a corporation organized under the laws of the State of California, with its principal place of business at the City of Banning, California, the second party,

= Burnt Canyon

WITNESSETH: FIRST—That for and in consideration of the sum of one dollar (\$1.00) and other valuable considerations, the receipt of all of which is hereby acknowledged, the said first party agrees to hereafter discharge in to the San Gorgonio River Canyon at or between the head of Black Canyon and a point below the lower power plant, which said first party may hereafter construct in said San Gorgonio River Canyon, all waste water hereafter flowing in the canals, ditches, and pipes constituting the water system of the said first party leading from the Whitewater River into the San Gorgonio River Canyon. Said discharge is to be commenced as soon as said water system is sufficiently complete to carry said water; and said waste water upon its discharge into said San Gorgonio River Canyon shall become the property of the said second party.

= water not used for power generation

38/61

39/61

6. The parties hereto shall upon and after the commencement of the diversion and discharge of said waste water, join, and cooperate to prevent the occurrence of anything that would prevent the continuance of such diversion and discharge and should anything occur at any time to prevent such diversion and discharge, then either party may proceed to remove said preventing cause and to restore that part of said water system from the head gate or intake thereof to the said waste gate leading into Black Canyon to the extent necessary to divert and discharge the water as aforesaid and any expense or cost necessarily incurred therein shall be added to the cost of maintenance, except that no expense of any kind incurred at any time for attorneys fees shall be considered a portion of the expense of maintenance. In said expense of cost of maintenance is paid by the second party, the first party shall repay nine tenths (9/10) of the amount so expended within ten days after demand accompanied by an itemized statement of such expense.

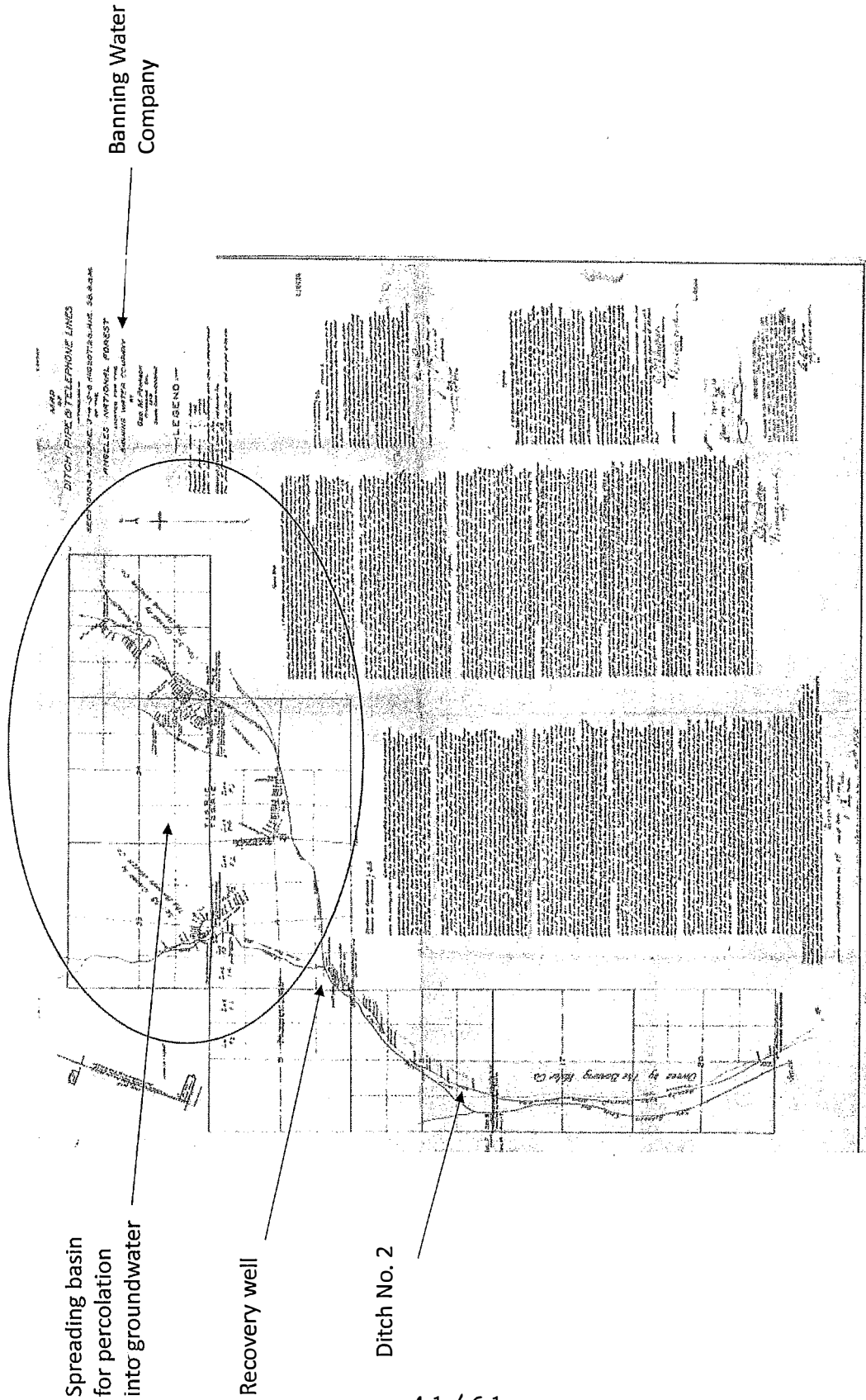
Purpose = Spreading for groundwater percolation

Modern-day Big
Oaks Canyon

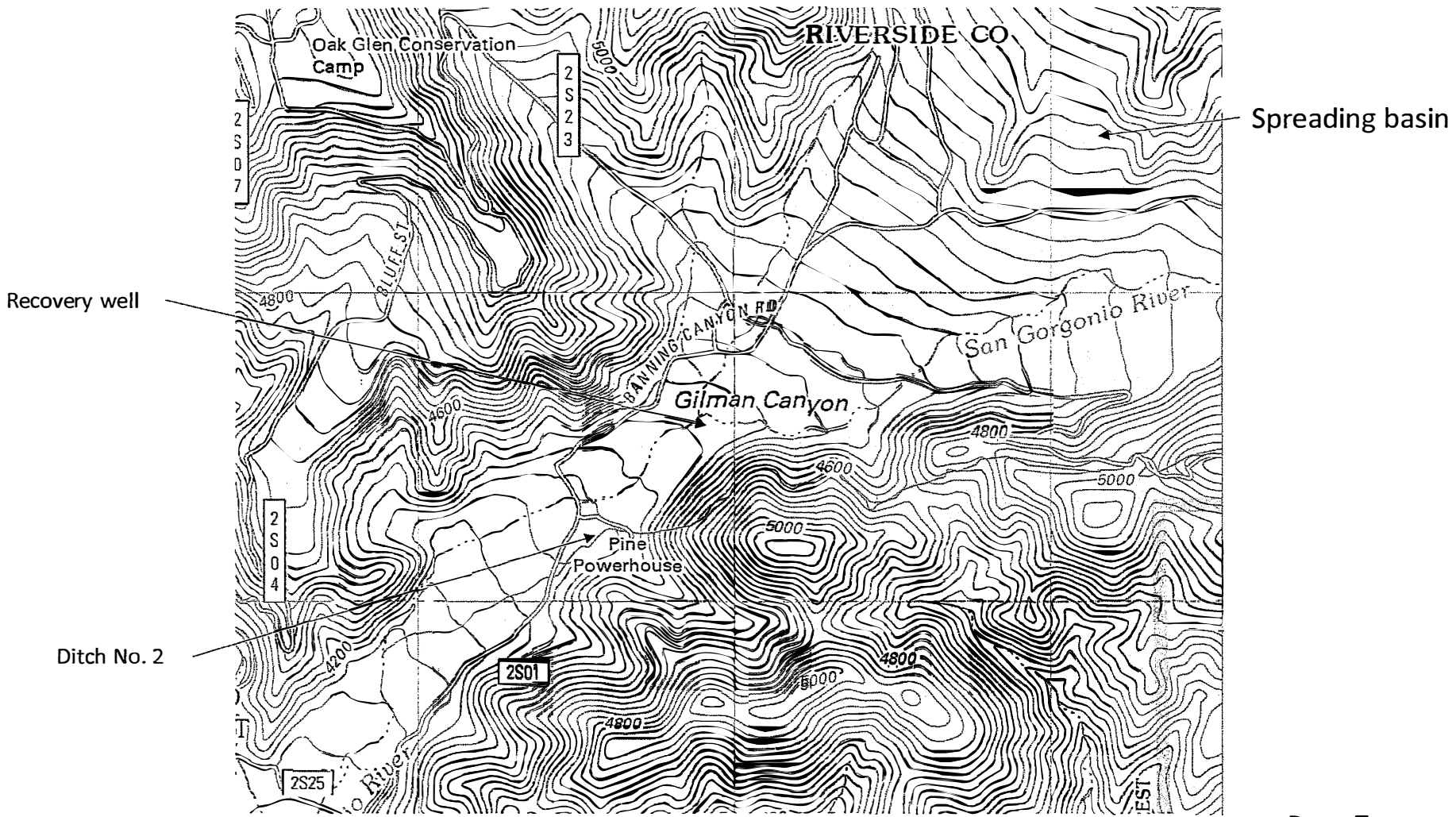


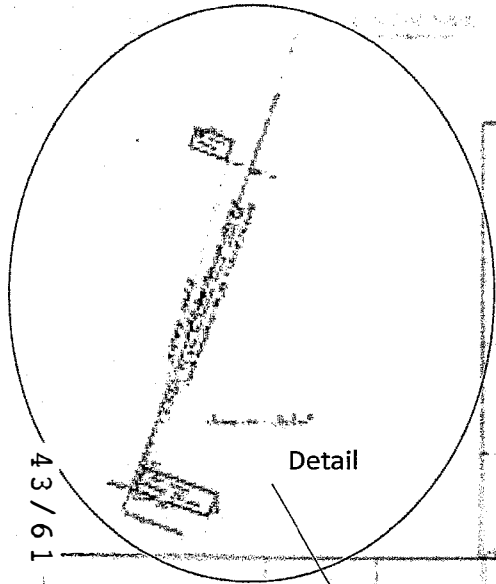
During the period from the first day of November of each year to the first day of May of the following year, the said first party may spread water from its said water system in what is known as Burnt ___ Canyon located in said San Geronio River Canyon, and said first party may thereafter, during the period between the first day of May and the first day of November of each year, take and divert into its ditches or pipe lines, at the mouth of said Canyon all water naturally flowing on the surface of said Canyon shall be developed, drawn off, or taken in any manner whatsoever by either party hereto, and that said first party shall take and divert only such waters as shall naturally rise to or flow on the surface of said Canyon above the mouth thereof between said dates; the mouth of said Canyon being designated as the line on which the said ditches or pipe lines of said first party now cross said Canyon.

40/61



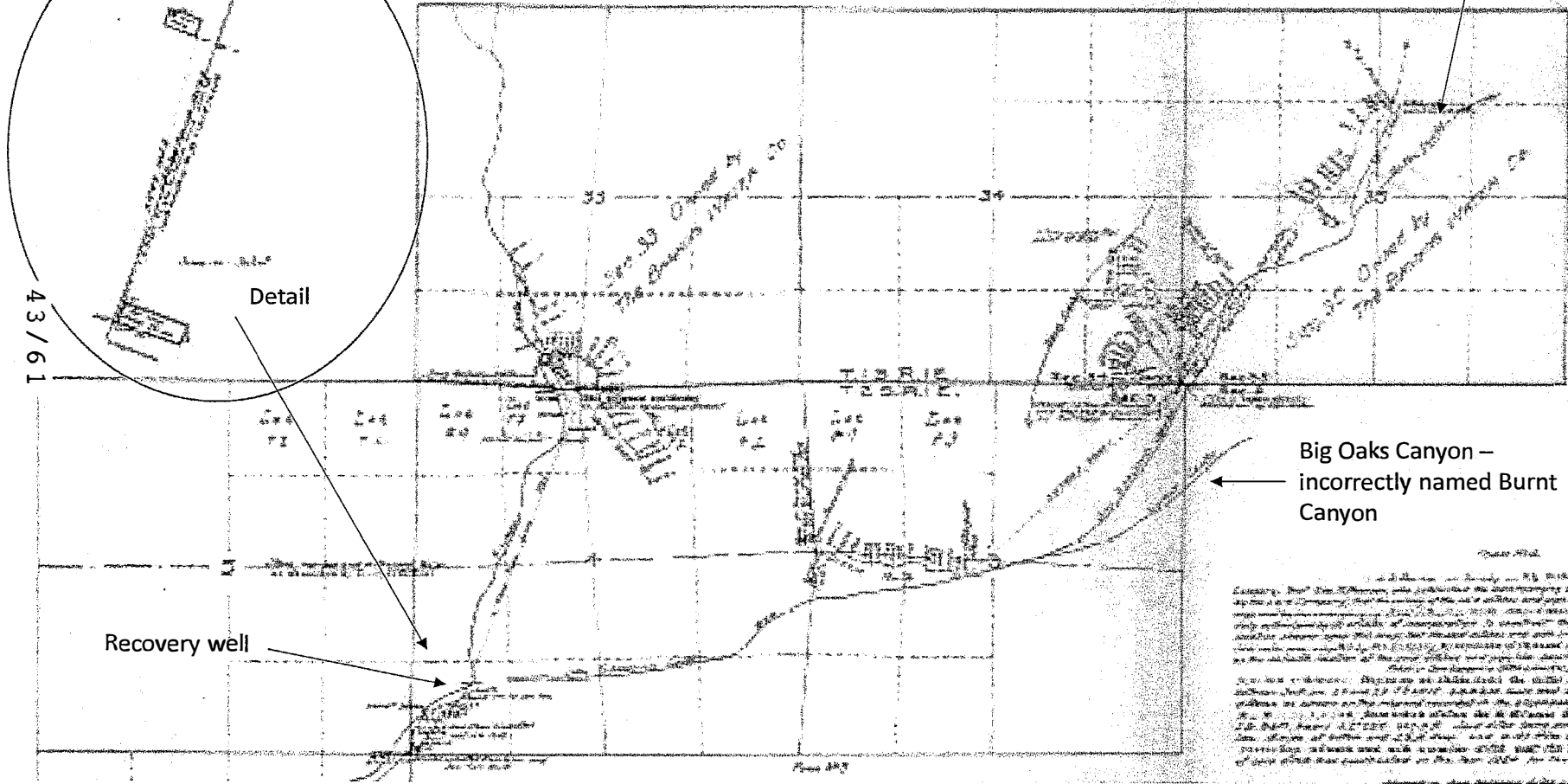
42/61





Burnt Canyon – incorrectly named Black Canyon

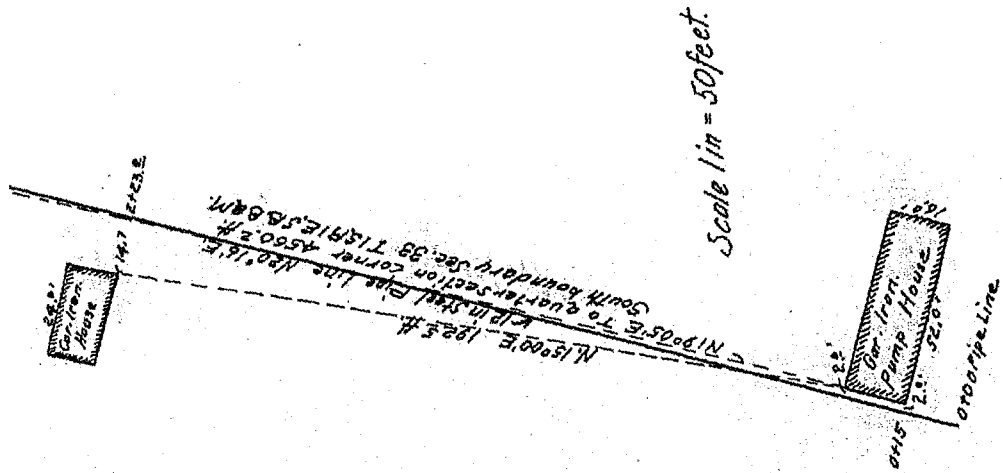
SECTION



Big Oaks Canyon – incorrectly named Burnt Canyon

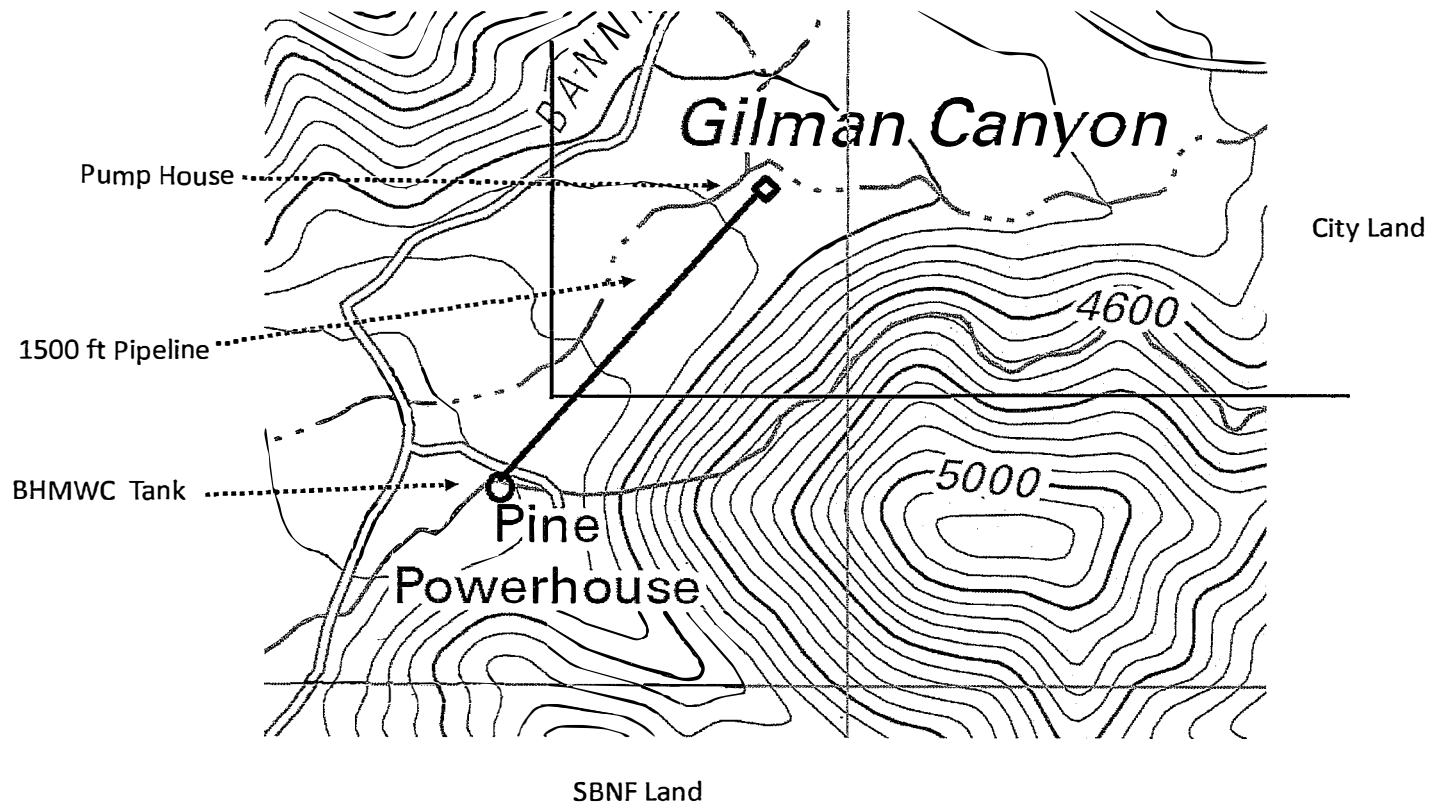
Recovery well

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SECTION 34
SECTION 35
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SECTION 45
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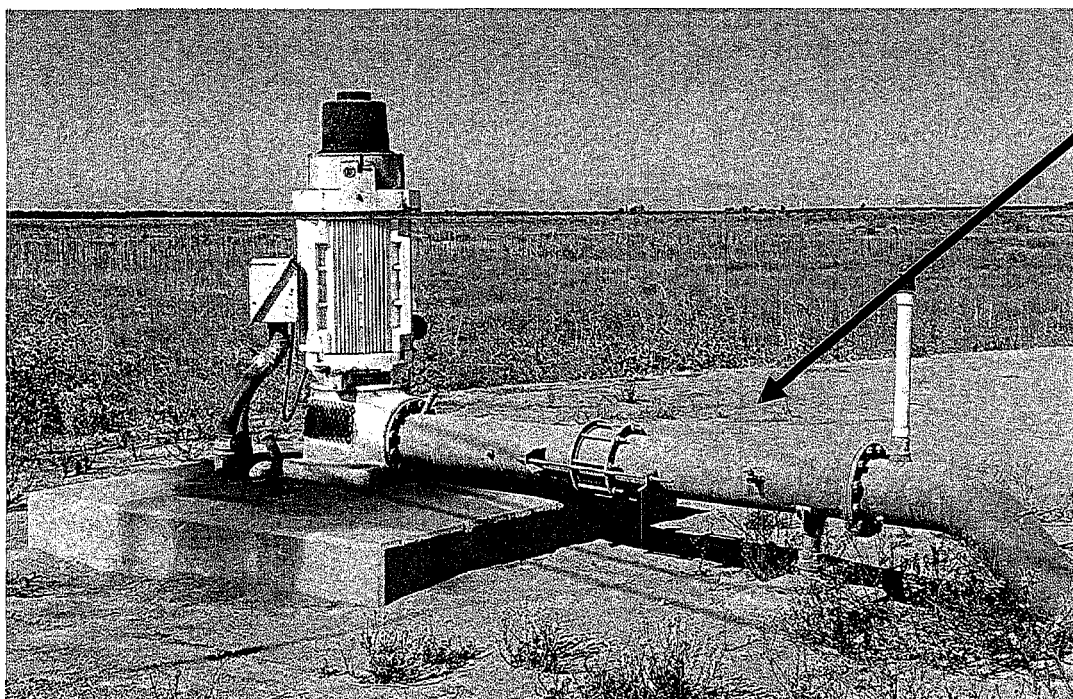


Potential facility restoration concept

46/61

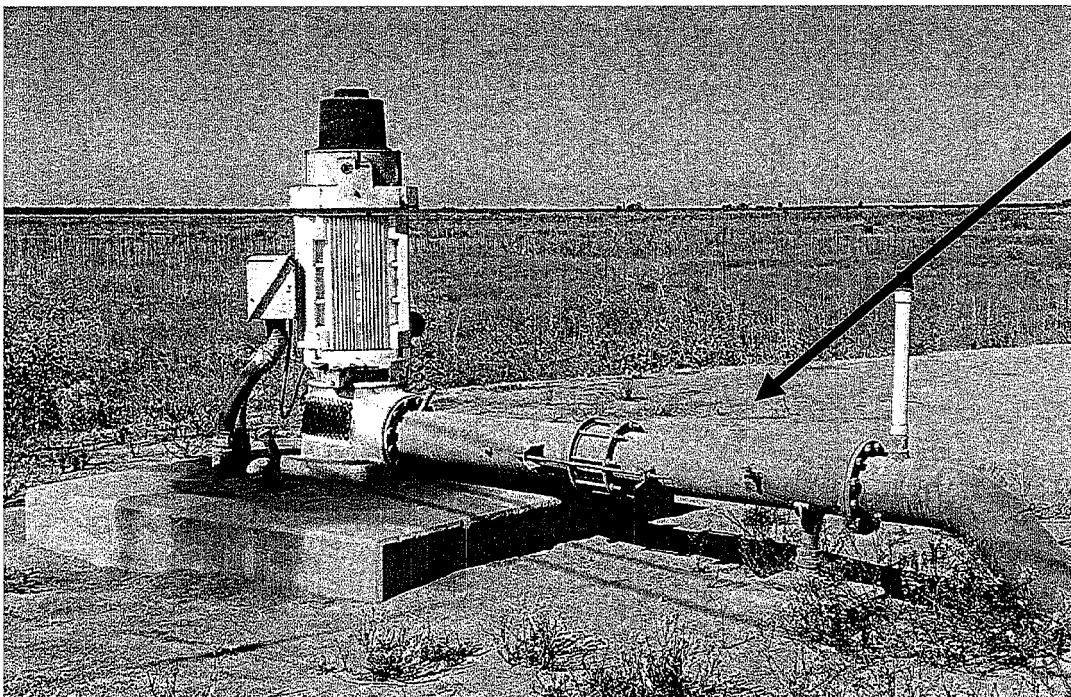


What would happen if the PEs built a well to recover Burnt Canyon losses?



Immediate 30 percent increase in water supply to Banning Bench

What would happen if the PEs built a well to recover Burnt Canyon losses?

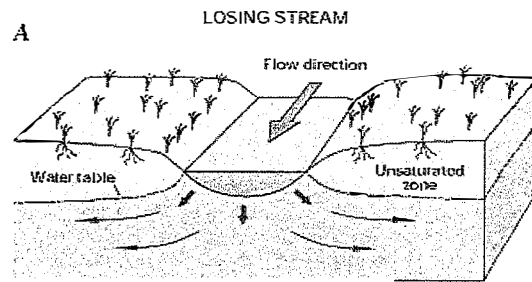


Immediate 30 percent increase in water supply to Banning Bench

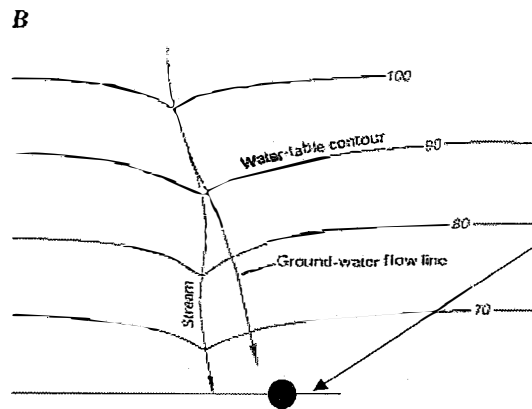
48 / 61

BHMWC could recover project water lost to seepage in Burnt Canyon
 - This is a critical issue during water emergencies – it could make a difference immediately

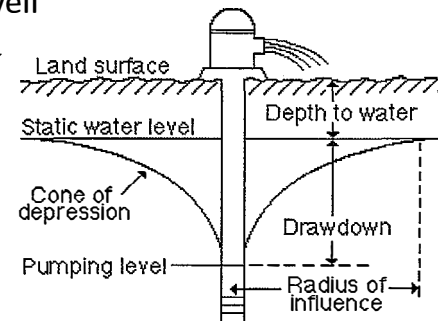
49 / 61



Recovery well could immediately boost
 Banning Bench water supply by 30 percent
 based on measured losses in Burnt Canyon

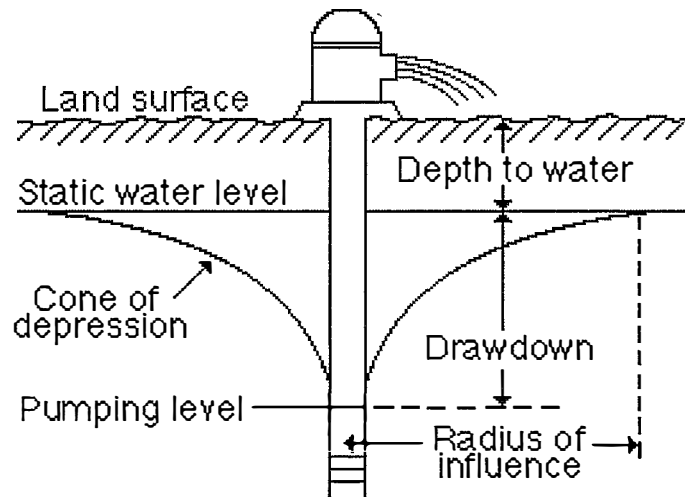


Recovery well



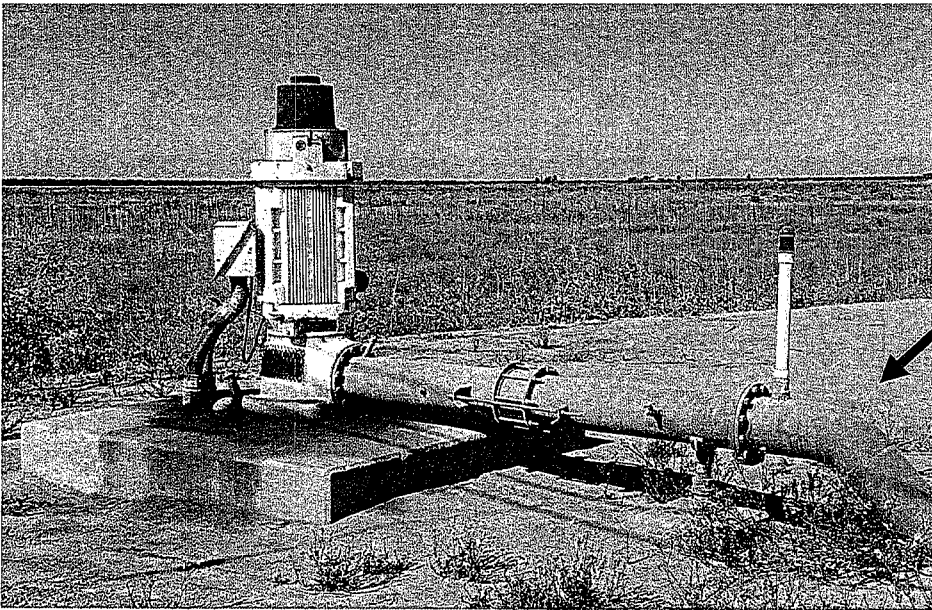
Possibility that recovery well could suffice for Banning Bench water supply

50/61



Pump testing to determine long-term safe yield.
Yield targets = 1) current demand; and 2) future demand.

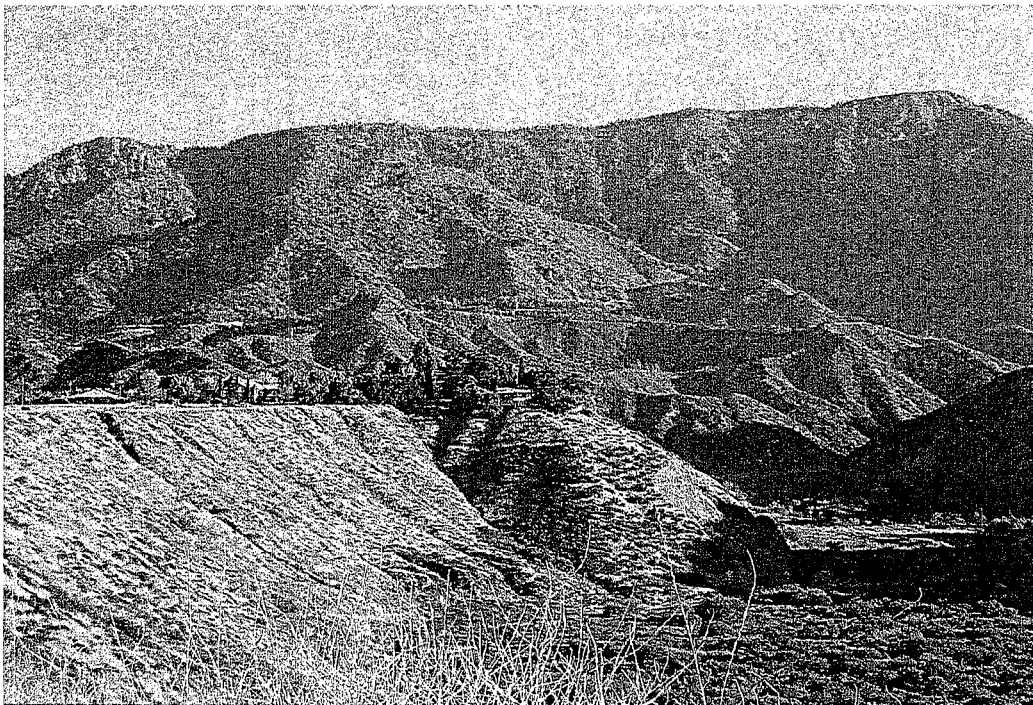
What would happen if the recovery well proved to have a safe yield meeting current demand?



Recovering Burnt Canyon losses is immediate benefit. But, history and geology suggest the well could meet current and future Bench demand.

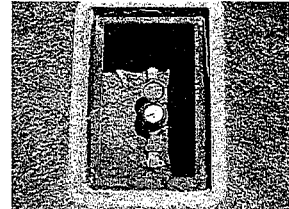
After constructing a recovery well that meets current demand, then what?

5 2 / 6 1



Banning Bench will have a secure and reliable source of water

BHMWC might be able to begin filling new water meter requests



And, a number of strategic opportunities would be created.....

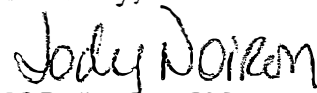
The Bench would have a reliable source of water even if SBNF removes the temporary pipeline
- This would eliminate an issue used by SBNF to pressure the PEs to make water rights concessions

Date: June 14, 2013

The Special Use Permit (CAJ4116) for a temporary water transmission line, originally issued in June 2002 and reissued in August 2008, expired on December 31, 2012 and has terminated. Continuance of this use is not authorized and removal of these improvements and restoration to the site must occur according to the terms of the permit. Please reference clauses II. A, E; V. D of the permit:

53/61

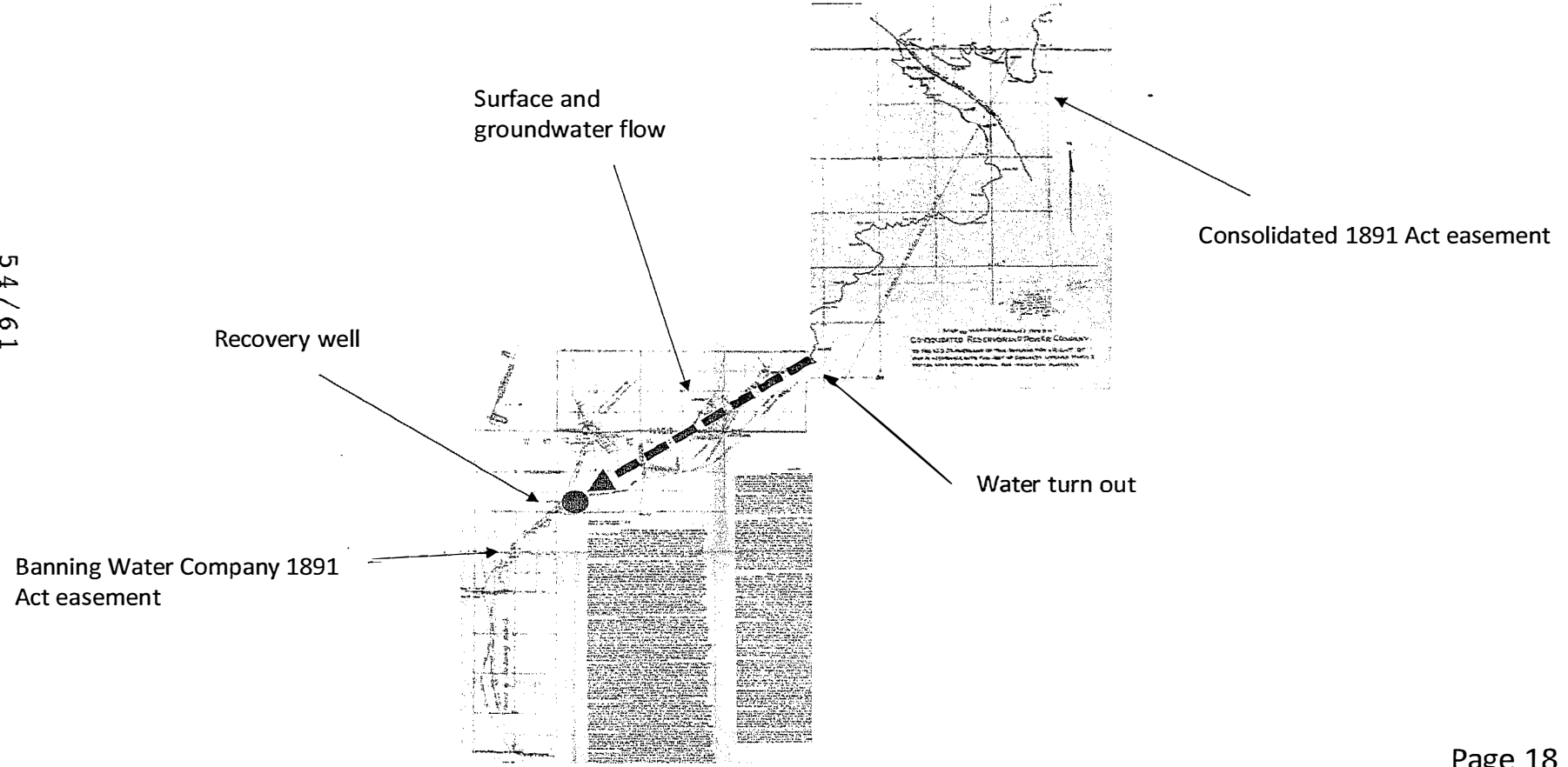
Sincerely,



JODY NOIRON
Forest Supervisor

BHMWC could consider returning to the 1913 - 1923 project layout
- This would avoid all SBNF jurisdictional oversight, including permits, studies, and conditions.

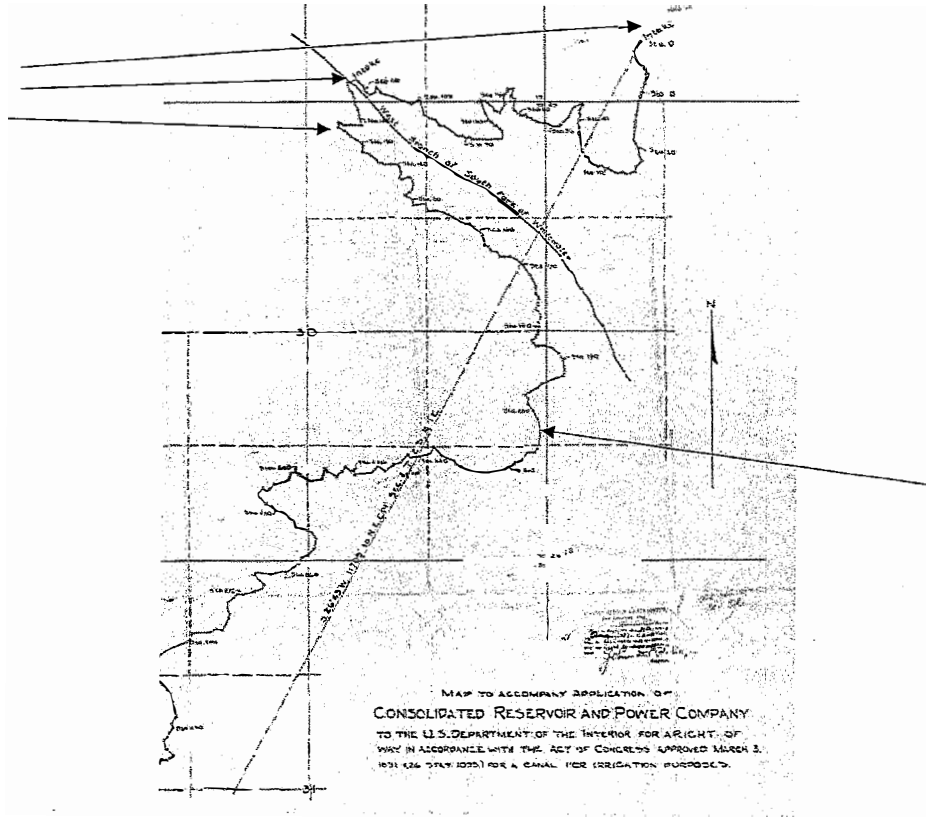
54 / 61



55 / 61

The PEs can repair the upper project without the need for additional discretionary (yes/no) permits
- (Several administrative permits would be needed for work in streams and to prevent pollution)

Repair dams



Replace canal with pipeline

Cost-saving implications

- City could stop most permit-related spending, including:
 - No need for streamflow gaging and analysis
 - No need for environmental/technical studies
 - No SBNF EIS (\$300 to \$500 k)
 - \$1 million+ savings
- No maintenance costs for Flowline No. 2
 - Estimated \$50 to \$100 k annual savings

56/61

Implications for future SBNF jurisdictional role

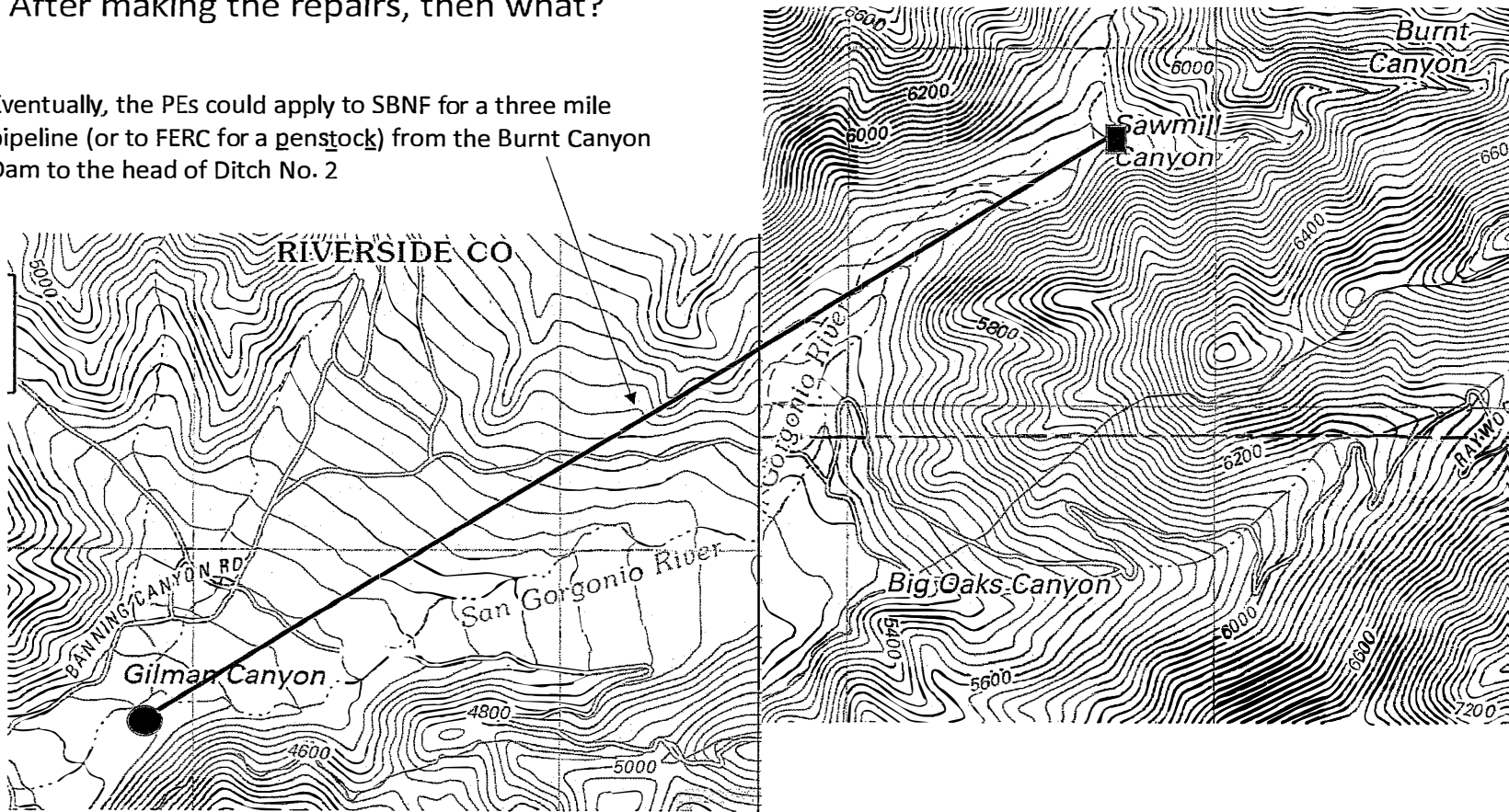
- SBNF would have no direct jurisdictional role
 - No terms or conditions
 - No consultation requirements

- SBNF would continue to be empowered to file claims for damage to Forest lands
 - Burden of proof would be upon SBNF
 - Facts do not support damage at diversions or at Burnt Canyon turn out

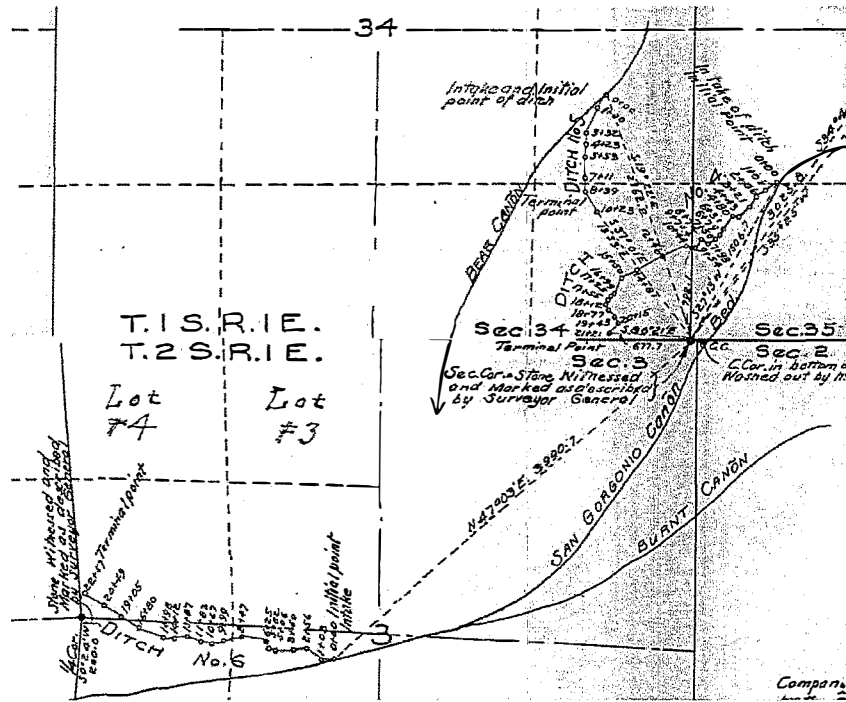
After making the repairs, then what?

Eventually, the PEs could apply to SBNF for a three mile pipeline (or to FERC for a penstock) from the Burnt Canyon Dam to the head of Ditch No. 2

58/61



The pipeline (or penstock) could use 1891 Act easements through FS lands via Ditches No. 6 & 4
- Only 0.5 miles of new pipe would need SBNF approval



Restoring the 1913 - 1923 project layout would dramatically improve the PE's negotiating position

- SBNF would have no jurisdictional authority over continued operation and maintenance unless a new application is filed
- SBNF could file a claim for damages from project operation and maintenance, but the burden of proof would be on SBNF and the facts do not support a claim
- The PEs would be in a much stronger position to negotiate
- The PEs could negotiate with SBNF for an easement for a Burnt Canyon to Ditch No. 2 pipeline
- Or, apply for a FERC license with a penstock from Burnt Canyon to a powerhouse at the head of Ditch No. 2
- Or, to restore the P-344 right-of-way including Flowline No. 2, with or without power generation

Suggested next steps

- Solicit design/build/test bids for recovery well and pipeline
- Develop strategic plan to manage FERC DRD/SBNF process/surrender order and JDRT design and SCE cost recovery