

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
August 15, 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 Regular Board Meeting, August 1, 2016* (Page 2)

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. Discussion and Possible Consideration of Integrated Regional Water Management Plan (Bruce Cash)
- B. Consideration of Adoption of Debt Service Budget for 2016-2017* (Page 6)
- C. Consideration of Contract with Inland Empire Resource Conservation District for Water Education Programs for 2016-2017* (Page 10)

7. Topics for Future Agendas

8. Announcements

- A. Finance and Budget Workshop, August 22, 2016 at 4:00 p.m.
- B. San Gorgonio Pass Regional Water Alliance, August 24, 2016
 - 1. Regular Meeting at 5:00 p.m. – Banning City Hall Conference Room
- C. Office **closed Monday**, September 5, 2016 in observance of Labor Day
- D. Regular Board Meeting, **Tuesday**, September 6, 2016 at 7:00 p.m.

9. Closed Session (1 Item)

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: APN 311-360-008 and 311-360-009
Agency negotiator: Jeff Davis, General Manager
Negotiating party: Carlo Wilcox
Under negotiation: price and terms of payment

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. (3) Any person with a disability who requires special accommodations in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

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

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

Directors Absent: John Jeter, President
Blair Ball, Director

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

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board Vice President Bill Dickson at 7:00 p.m., August 1, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Fenn led the Pledge of Allegiance to the flag. *Vice President Dickson requested roll call.*

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

A quorum was present.

2. **Adoption and Adjustment of the Agenda:** *Vice President Dickson asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.
3. **Public Comment:** *Vice President Dickson asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* There were no members of the public that wished to comment at this time.
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, July 18, 2016
 - B. Approval of the Minutes of the Finance and Budget Workshop, July 25, 2016
 - C. Approval of the Finance and Budget Workshop Report, July 25, 2016

- D. Approval of the Recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Report, July 25, 2016

Director Stephenson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Motion passed 5-0, with President Jeter and Director Ball absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: General Manager Davis reported on the following: **A.** The Agency delivered 952 acre-feet for the month of July. **B.** During the course of the month a shutdown took place for a week at Crafton Hills Pump Station for testing of the pumps. General Manager Davis stated that the Agency and SBVMWD spent approximately \$30 million to expand the Crafton Hills Reservoir, thereby allowing water to still be delivered should there be a shutdown; as a result of the expansion deliveries continued at 8 cfs for the Agency and 17 cfs for YVWD. Due to the level of the reservoir and the high temperatures algae blooms formed, this resulted in Agency deliveries being stopped for a couple of days; deliveries are back to 20 cfs. **C.** Starting in August the Agency will be receiving exchange water from CLAWA of 1200 acre-feet over several months.

(2) General Agency Updates: **1) California Water Fix Change in Point of Diversion (CIPD) Hearings:** General Manager Davis attended the first hearing on July 27. He provided a policy statement for the Agency. Hearings will continue for the next couple of months. **2) Sites Reservoir:** The Agency's application was submitted with a request of 14,000 acre-feet (10,000 for the Agency and 4,000 acre-feet on behalf of BCVWD). **3: State of the Watershed Event:** The 2nd Annual State of the Watershed event is tentatively scheduled to take place in September; more information to follow. **4. Beaumont Basin Watermaster:** The agenda for the August 3rd Watermaster meeting has been issued. The Agency's request for a Groundwater Storage Agreement was listed as a topic for future meetings. The Agency was under the impression that this item would be listed on the agenda for discussion and possible action. General Manager Davis submitted inquiries to a couple Watermaster committee members as to why the item is being postponed. **5. Upcoming Engineering Workshop:** General Manager Davis is waiting on two draft documents to bring to the Board. It is a possibility that the August 8th Engineering Workshop will be canceled should these documents not be available in time for the agenda package.

B. Directors Reports: **1) Director Stephenson** reported that he attended the YVWD Board meeting that was held on July 26th. Items of discussion included a shutdown due to algae; and consideration of customers water rates from flat rate to a tiered rate. He reported that the brine line is fully operational. **2) Director Melleby** reported on the SGPRWA meeting that took place on July 27th. She provided a detailed report on the discussions that are taking place pertaining to the Integrated Regional Water Management Plan. Vice President Dickson invited Bruce Cash (representing Southwest Resources) to speak on this subject. Mr. Cash is offering to pay for the IRWMP application as a regional partner. He stated that a letter will be submitted to the SGPRWA chairman tomorrow so that Southwest Resources can have clarity as to

whether the Alliance would like to accept the offer. **4) Director Duncan:** Director Duncan stated that during attendance of one of the SGPRWA meetings the City of Beaumont announced that they will no longer be participating in the SGPRWA. Director Duncan reported on the Banning Chamber of Commerce meeting that took place on July 21st and on the City of Banning Council meeting that he attended on July 26.

6. New Business: (Discussion and Possible Action)

A. Consideration of Adoption of Resolution No. 2016-04, Setting Tax Rate for FY 2016-2017: A staff report and financial materials were included in the agenda packet. General Manager Davis stated the tax rate is used to pay for the State Water Project. The Board had deliberated at length on this issue at the Finance and Budget workshop. The Board was provided three potential tax rates to adopt for this coming year. It was recommended at that time to maintain the current tax rate of \$0.185 in order to prepare for larger payments in 2026-2029. Director Melleby made a motion, seconded by Director Duncan to adopt Resolution No. 2016-04, maintaining the ad valorem tax rate at its current level for fiscal year 2016-2017. Vice President Dickson requested a roll call vote.

<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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion passed 5-2, with President Jeter and Director Ball absent.

B. Presentation on Whitewater Flume: Materials related to the Whitewater Flume PowerPoint presentation were included in the agenda package. General Manager Davis informed the Board that this item will be revisited at a future meeting due to the sensitivity of the issue and some small uncertainties in the researched documents.

7. Topics for Future Agendas: A tour of EBX II is tentatively scheduled to place in October.

8. Announcements: *Vice President Dickson reviewed the following announcements:*

- A. Engineering Workshop (potential of being cancelled) 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 (One Item) Time: 7:40 p.m.

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION – (Government Code Section 54957
 Title: General Manager

The meeting reconvened to open session at: Time: 7:49 pm

Vice President Dickson stated that there was no action taken during closed session that is reportable under the Brown Act. This item will be revisited at the September 6, 2016 Regular Board meeting. Vice President Dickson adjourned the meeting.

10. Adjournment

Time: 7:49 pm

Draft - Subject to Board Approval —
Jeffrey W. Davis, Secretary of the Board

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Fiscal Year 2016-2017 Debt Service Budget

DATE: August 15, 2016

Summary:

The Board passed the General Fund Fiscal Year 2016-2017 budget at the July 5 board meeting. The Board cannot adopt a debt service budget until it adopts a tax rate for the fiscal year. The purpose of this Board action is to approve a debt service budget for fiscal year 2016-2017. The Board reviewed the proposed debt service budget in detail and recommended it for approval at the Finance and Budget workshop on July 25.

Background:

The Agency has two funds that it adopts budgets for each year—a General Fund, which is used to operate the Agency, and a Debt Service Fund, used to pay annual debt service and other costs associated with the State Water Project. The Debt Service Fund is funded with ad valorem tax dollars. The General Fund is funded with what is commonly referred to as 1% tax dollars, as well as revenues from water sales. The 1% tax dollars are tax revenues from the County and are not tied to the Agency's ad valorem tax.

Detailed Report:

Staff reviewed the proposed debt service budget with the Board on July 25. The expenditures were detailed at that time. Revenues were identified based on three different tax rates. The Board adopted a tax rate of \$0.185 per \$100 at its August 1 meeting.

As the budget shows, total debt service expenditures are expected to be approximately \$18,874,000, based on the information available today. At a tax rate of 18.5 cents, total debt service revenues (including bond cover refunds and interest) are expected to be

approximately \$22,698,000. This leaves a budgeted debt service surplus of approximately \$3.8 million for the year. The Board recognized at the workshop that debt service payments for EBX will increase significantly in 2026-2029, and the Board wishes to ensure that the Agency will not have to raise taxes at that time to pay off these higher annual payments.

Fiscal Impact:

The impact of adopting this budget will be to increase debt service reserves. The Board's plan of maintaining a constant tax rate should be able to sustain debt service payments well into the future, assuming that property values do not undergo a sharp decrease similar to the one from 2008 to 2012.

Strategic Plan:

This action is related to the strategic plan under Goal 4—Regional Funding Plan. This budget allows for tax revenues sufficient to continue to make payments on EBX 1 and to allow the Board to continue making higher payments on EBX 2, which is required to meet the future water demands of the region.

Recommendation:

Staff recommends that the Board adopt the attached debt service budget, discussed in detail and recommended for approval at the Finance and Budget workshop July 25.

**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 11 (CAF)	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 (TE HACHAPI)	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, F Y2016-17	1,045,954	
ESTIMATED REVENUE AT 18.50 CENTS	18.50	19, 50,146
TAX REVENUE ESTIMATE		19, 50,146
TOTAL ESTIMATED REVENUE (REFUNDS + TAX)		22,697,929
DEBT SERVICE EXPENDITURES COMBINED WITH REVENUE AT TAX RATE OF 18.5 CENTS		3,823,548

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Water Conservation Public Outreach Programs

DATE: August 15, 2016

Summary:

The purpose of this proposed Board action is to continue the Agency's water conservation outreach program in local schools, through the Inland Empire Resource Conservation District. A proposal from the District is included as part of this agenda package.

Background:

Three years ago, the Board decided to contract with the Inland Empire Resource Conservation District, based in Redlands, to provide water conservation programs to schools in the Beaumont and Banning school districts. The Yucaipa Valley Water District currently sponsors such programs in the Yucaipa-Calimesa Unified School District.

As part of the outreach effort, the Agency purchased a tabletop groundwater model that the District uses as part of its program. Each program consists of a Prezi presentation appropriate for the particular age group, along with a demonstration of the groundwater model. Staff participated in a number of the early programs and was impressed with the attention given to the program by the students.

Detailed Report:

Three years ago, the Agency contracted with the District on a trial basis for \$4000 to produce a number of water education outreach programs. The program was successful, and the Agency increased the amount to \$10,000 for each of the past two years. A similar amount was budgeted for this fiscal year, and the proposal from the District reflects this.

Two years ago, these programs reached over 1600 students in elementary, middle, and high schools. This past year saw programs for just under 1200 students. The reason for the fewer number of students was because only 39 programs were presented instead of 48. This was because of education department staff shortages and limited school schedules due to end of year testing.

The District does not anticipate that being an issue in the upcoming school year.

Fiscal Impact:

The Agency has budgeted \$10,000 for this work. This is the same amount budgeted each of the last two years. The Agency can include the number of students reached as part of its urban water management plan, which is a benefit to the Agency. Since the funds are budgeted, there will be no appreciable impact of the expenditure.

Relationship to Strategic Plan:

The strategic plan includes a goal of developing a strategic communications plan. Such outreach efforts as those proposed in this Board action are consistent with a communications plan that would enable the Agency to be more visible in the community and to be associated with high quality educational programs.

Recommendation:

Staff recommends that the Board approve the proposal from the Inland Empire Resource Conservation District for water conservation outreach programs to local schools this year.

*CONTRACT FOR PERFORMANCE OF
WATER CONSERVATION PUBLIC
OUTREACH PROGRAMS*

2016-17 Academic Year

Proposal To:

*San Geronio Pass Water Agency (SGPWA)
Contact: Jeff Davis, General Manager
1210 Beaumont Ave
Beaumont, Ca 92223*

Proposal From:

*Inland Empire Resource Conservation District
Contact: Mandy Parkes, District Manager
25864-K Business Center Drive
Redlands, CA 92374*



INLAND EMPIRE
RESOURCE
CONSERVATION DISTRICT

INLAND EMPIRE RESOURCE CONSERVATION DISTRICT BACKGROUND:

This proposal is being presented to the San Geronio Pass Water Agency (SGPWA), from the Inland Empire Resource Conservation District (IERCD/the "District"). The IERCD is a public agency, headquartered in the City of Redlands and serving the residents of both cities and unincorporated areas of San Bernardino and Riverside Counties. The District operates under the principle that the quality of the environment determines the corresponding quality of life; accordingly, IERCD board and staff work to perform the restoration, conservation, and education and outreach work designed to benefit local residents, wildlands, and dependent environs. Tasks associated with this work include preservation of open space, removal of invasive vegetation and replacement with appropriate native species, and dissemination of conservation information to area students and community groups.

The performance of environmental education programs to a variety of audiences within the District's service area is a key function of the Inland Empire Resource Conservation District. Three full-time educators and one part-time educator, overseen by one full-time education coordinator are tasked with presentation of eight core programs directly correlated to the Next Generation Science Standards for California Public Schools as well as the nationwide Common Core standards as part of the District's service to its residents. IERCD education programming has steadily increased since inception, with a total of 970 programs presented to 29,100 students in the 2015-16 school year, up from a total of 48 programs presented to 1,440 students in the 2003-04 school year. This significant increase in number of annual presentations has been accompanied by multi-disciplinary educator training, development of detailed lesson plans and pre/post-program activities to build content comprehension, and an improved distribution of programs among IERCD's service area. These improvements to IERCD presentations have resulted in a program package that is both highly attractive to requesting educators and effective for participating students as evidenced by administration of post-program content quizzes.

Critical changes to IERCD presentation protocols in the 2015-16 academic year centered primarily on staff training on content and student engagement, in addition to development of a suite of pre and post-program content materials as a companion to classroom presentations. In recognition of academic trends and student needs, the District's education department continued all presentation topics including Water Conservation using software allowing inclusion of images, video and audio. These multi-media presentations are designed to further underscore program content in the classroom for student and resource conservation benefit.

The 2016-17 proposal for water conservation programming on behalf of the San Geronio Pass Water Agency is being presented for consideration and possible adoption in the 2016-17 fiscal year.

BUDGET DESCRIPTION

At the beginning of the 2015-16 fiscal year, the Board of Directors of the San Geronio Pass Water Agency reviewed a proposal for performance of water use efficiency education on its behalf by the Inland Empire Resource Conservation District. Ultimately, the SGPWA elected to approve the concepts described within the proposal and set a budget for performance of proposal elements in 2015-16 of \$10,000.

The following sections outline 2016-17 deliverables from the IERCD based on the budget set by the SGPWA Board of Directors for the 2015-16 fiscal year, and assumed to remain consistent in the current fiscal year.

WATER CONSERVATION EDUCATION: CLASSROOM PROGRAMS

Total Proposed Budget: \$10,000

Total Classroom Programs: 48, to be performed in a range of K-12 classrooms and including all of the following services:

- *Outreach to educators and community groups:*
 - Creation and distribution of SGPWA hard copy and electronic flyers
 - Presentations directly to district-wide administrator meetings and/or grade level and full staff school meetings.
 - Incentives for booking programs advertised to schools and community leaders
 - Email outreach to SGPWA-service area partners advertising WUE programs
- *Each individual program will be performed to the following standards:*
 - Consistency with newly and in-progress education standards including:
 - Common Core Standards
 - Next Generation Science Standards
 - Program preparation and post-performance reinforcement of content: each requesting educator will receive grade-appropriate preparation vocabulary/abbreviated activity ideas to prepare students for program concepts, in addition to questions and activities designed to maximize content retention following program performance.
 - Minimization of waste through use of the following educational tools
 - Electronic presentation using Prezi rather than hard copy materials
 - Using portable hand-held white boards to minimize use of paper and maximize student engagement throughout all segments of programming
 - Hands-on activities consisting of one of the following:
 - Water Conservation Enviroscope® model or aquifer model
 - Native plant activity involving student planting of drought-tolerant wildflower/shrub seeds in individual peat pots to take home
 - Check for comprehension: at the end of every program, the educator will administer a short quiz entitled "Do you remember" focusing on major concepts of the Water Use Efficiency presentation
 - Other activities, time permitting:
 - Question wheel with small conservation-themed prizes for correct answers
 - Additional activities and short games designed to increase content retention for participating students.

FEE BREAKDOWN FOR CLASSROOM PROGRAMS:

Task	Description	Approximate Cost
Program Preparation/ Clean-up	Assembling materials, Travel, Set-up, Clean-Up	\$60.00
Presentation	Classroom content portion	\$110.00
Materials/Mileage/Outreach/ Misc Program Development	Enviroscape® Materials, Handouts, Mileage	\$30.00
Per-Program Total		\$200.00
Total Programs Proposed		48
Set-Up Fee		\$400.00
Total Potential Cost for all FY 2014-15 Youth Programs		\$10,000.00

SIGNATURES

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

Inland Empire Resource Conservation District
25864-K Business Center Drive
Redlands, CA 92374

Jeff Davis, General Manager

Mandy Parkes, District Manager

Date

Date