

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
September 6, 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, August 15, 2016* (Page 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, August 22, 2016,* (Page 6)
- C. Approval of the Finance and Budget Workshop Report, August 22, 2016*(Page 8)
- D. Approval of the Recommendations made at the Board Finance and Budget Workshop, as set forth in the Finance and Budget Workshop Report, August 22, 2016* (Page 9)
- E. Approval of the Minutes of the Special Regular Board Meeting, August 29, 2016* (Page 20)

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. 2016-05, Opposing Proposition 53 (The California Voter Approval Requirement for Revenue Bonds above \$2 Billion Initiative)* (Page 22)
- B. Consideration of Integrated Regional Water Management Plan (IRWMP) Memorandum of Understanding* (Page 30)
- C1. Consideration and Possible Action to Authorize the General Manager to Execute an Agreement for Legal Services with Atkinson Andelson for Review and Analysis of a Construction Dispute between DWR and DWR's Construction Contractor in Connection with the Mentone Pipeline – East Branch Extension* (Page 61)
- C2. Consideration and Possible Action to Authorize the General Manager to Execute a Cost Sharing Agreement with the San Bernardino Valley Municipal Water District to Share Equally the Cost of Services Rendered by Atkinson Andelson * (Page 61)

7. Topics for Future Agendas

8. Announcements

- A. Engineering Workshop, September 12, at 4:00 p.m.
- B. Regular Board Meeting, September 19, 2016 at 7:00 p.m.
- C. Finance and Budget Workshop, September 26, 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 disability-related modification or accommodation.

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
August 15, 2016

Directors Present: John Jeter, President
Bill Dickson, Vice President
Blair Ball, Director
Ron Duncan, Director
Leonard Stephenson, Director

Directors Absent: Mary Ann Melleby, Treasurer
David Fenn, 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., August 15, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.

2. **Adoption and Adjustment of the Agenda:** *President Jeter asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.

3. **Public Comment:** *President Jeter asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* There were no members of the public that wished to comment at this time.

4. **Consent Calendar:**

A. Approval of the Minutes of the Regular Board Meeting, August 1, 2016

Director Dickson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Motion passed 5-0, with Directors Melleby and Fenn absent.

5. **Reports:**

A. General Manager's Report:

(1) **Operations Report:** An operations report was not provided.

(2) **General Agency Updates: 1) Santa Ana Regional Water Quality Control Board (SARWQCB) Meeting:** General Manager Davis attended a SARWQCB meeting on August 10th; the meeting included the City of Beaumont, City of Banning, and Beaumont Cherry Valley Water District. The purpose of the meeting was to discuss the Maximum Benefit requirements and the 2014 commitments by local water agencies not being fulfilled. The outcome of the meeting resulted in the local water agencies agreeing to meet to discuss how to comply with the obligations. **2) California Water Fix Change In Point Of Diversion (CIPD) Hearings:** General

Manager Davis provided the latest information available on the hearings. **3) Cal WaterFix Audit:** General Manager Davis informed the Board that the legislature has called for an audit of the Cal WaterFix. **4) Sites Reservoir Update:** There has been no official update; however a spreadsheet was released that showed that south of the Delta there was requests from SWC and others that far exceeded what will be available.

B. General Counsel Report: General Counsel Jeff Ferré explained to the Board the challenges of acquiring property for the Cal WaterFix and how pre-condemnation works. He reported that the trial court and the court of appeals denied DWR's request to conduct geological testing on the grounds that the Department's authority to conduct the drilling could be obtained only through a classic condemnation action rather than through the statutory pre-condemnation procedure. However, the California Supreme Court came down with the ruling that there is already a process under California law for pre-condemnation investigations of property. The judgment of the Court of Appeal was reversed in its entirety.

C. Directors Reports: 1) Director Stephenson reported on the YVWD Board meeting that was held on August 3rd.

6. New Business: (Discussion and Possible Action)

A. Discussion and Possible Consideration of Cost of Integrated Regional Water Management Plan (Bruce Cash): General Manager Davis stated that Bruce Cash (representing Southwest Resources) spoke at the Agency's August 1st Board meeting pertaining to a funding offer to the San Geronio Pass Regional Water Alliance for the process of applying for an Integrated Regional Water Management Plan for the region; the purpose for this agenda item is related to the funding offer. Mr. Cash stated that at the September 27th Alliance meeting he offered financial backing to the Alliance so that the process of the IRWMP application could proceed. He stated that since that time a lot has transpired. He conveyed that the Alliance has not formally responded to his offer; additionally, he learned from a member of Riverside County that the Alliance was looking into receiving funding from Riverside County Flood Control. Mr. Cash expressed that he sought to reach out to the Alliance Chairperson, with no formal response as yet. He informed the Board that in the absence of a response his company is proceeding with a new 501 (c)(3) entity - Inland Desert Coalition, that will in fact represent the entirety of the Pass area; the intent is to prepare an application. He will continue to communicate with the Agency and other regional boards on the status of this action. Mr. Cash stated that he wanted to correct the record on the statements that he said at the Agency's August 1st Board meeting. The Coalition will provide the Agency with a copy of the application and the projects that the Coalition will be pursuing on behalf of the region.

B. Consideration of Adoption of Debt Service Budget for 2016-17: A staff report and related financial spreadsheets were included in the agenda packet. General Manager Davis stated that 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 action is to adopt the debt service budget for the year. Director Duncan made a motion, seconded by Director Dickson, to adopt the Debt Service Budget for 2016-17. Motion passed 5-0, with Directors Melleby and Fenn absent.

C. Consideration of Contract with Inland Empire Resource Conservation District for Water Education Programs for 2016-2017. A staff report and a contract from IERCD were included in the agenda. General Manager Davis explained that the Agency has contracted with IERCD for the past three years to produce educational and outreach programs for the local schools in the Agency's service area. Three years ago the program was implemented on a trial basis at a cost of \$4000. The program has shown to be successful. The Agency purchased a tabletop groundwater model that the District uses as part of its program. Each program consists of a Prezi presentation for each age group. The last two years the Agency has contracted with IERCD at a cost of \$10,000. A similar amount was budgeted for this fiscal year, and the proposal from the District reflects this. Last year the District was only able to present 39 programs instead of the contracted 48. Director Duncan requested that staff check to see if the Agency was billed for the full 48 programs or for the 39 programs. Director Duncan made a motion, seconded by Director Dickson, authorizing staff to sign the contract with IERCD for the 2016-2017 water conservation outreach program, not to exceed to \$10,000. Motion passed 4-1, Director Ball voting no, and Directors Melleby and Fenn absent.

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

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

- A. Finance and Budget Workshop, August 22, 2016 at 4:00 p.m.
- B. San Geronio 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.

General Counsel Ferre stated that he did not anticipate that there would be any action taken during closed session that is reportable under the Brown Act.

9. **Closed Session (One Item) Time: 7:32 p.m.**

- 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

The meeting reconvened to open session at **Time: 7:54 pm**

President Jeter asked General Counsel Ferre if there is anything to report. General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act. President Jeter adjourned the meeting.

10. **Adjournment Time: 7:54 pm**

Draft – Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
August 22, 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 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 President John Jeter 4:00 p.m., August 22, 2016, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Jeter led the Pledge of Allegiance to the flag. A quorum was present.

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

2. **Adoption and Adjustment of Agenda:** There were no adjustments to the agenda.
3. **Public Comment:** Debbie Franklin apologized for some misunderstandings as a result of some comments made by Bruce Cash at the Agency Board meeting on August 15, 2016. She will give a full report of the considerations and decisions that have been made about the Integrated Regional Water Management Plan at the San Gorgonio Regional Water Alliance meeting on August 24.
4. **New Business:**
 - A. **Ratification of Paid Invoices and Monthly Payroll for July, 2016 by Reviewing Check History Reports in Detail:** After review and discussion, a motion was made by Director Dickson, seconded by Director Stephenson, to recommend that the Board ratify paid monthly invoices of \$1,026,125.99 and payroll of \$31,008.65 for the month of July, 2016, for a combined total of \$1,057,134.64. The motion passed 7 in favor, no opposed.
 - 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 July, 2016. The motion passed 7 in favor, no opposed.

C. Review of July, 2016 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for July, 2016 as presented. The motion passed 7 in favor, no opposed.

D. Review of Budget Report for July, 2016: After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Budget Report for July, 2016. The motion passed 7 in favor, no opposed.

5. Announcements: General Manager Jeff Davis asked the Board to consider a Special Board meeting for updates on previously discussed matters that need immediate attention. The Agency will have a Special Board meeting on Monday, August 29 at 4:00 at the Agency offices. Chair Melleby reviewed the following announcements:

- A. San Gorgonio Pass Regional Water Alliance, August 24, 2016, 5:00 p.m. – Banning City Hall
- B. The office will be closed Monday, September 5, 2016 in observance of Labor Day
- C. Regular Board Meeting, Tuesday, September 6, 2016 at 7:00 p.m.
- D. Engineering Workshop, September 12, 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 4:25 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 August 22, 2106. The following recommendations were made:

1. The Board ratify payment of Invoices of \$1,026,125.99 and Payroll of \$31,008.65 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for July, 2016 for a combined total of \$1,057,134.64.

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

Best, Best & Krieger LLP	\$26,001.43
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for July, 2016
 - B. Budget Report for July, 2016

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

August 22, 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 July, 2016 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of July, 2016 Bank Reconciliation*
- D. Review of Budget Report for July, 2016*

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance, August 24, 2016, 5:00 p.m. – Banning City Hall
- B. The office will be closed Monday, September 5, 2016 in observance of Labor Day
- C. Regular Board Meeting, Tuesday, September 6, 2016 at 7:00 p.m.
- D. Engineering Workshop, September 12, 2016 at 4:00 p.m.

6. Adjournment

*Information Included In Agenda Packet

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San Gorgonio Pass Water Agency
Check History Report
 July 1 through July 31, 2016

ACCOUNTS PAYABLE

Date	Number	Name	Amount
07/01/2016	118010	ACWA BENEFITS	747.04
07/01/2016	118011	CALPERS HEALTH	6,909.28
07/07/2016	118012	ACWA BENEFITS	743.04
07/07/2016	118013	ACWA JPIA	1,054.00
07/07/2016	118014	BDL ALARMS, INC.	78.00
07/07/2016	118015	KENNEDY JENKS CONSULTANTS	325.00
07/07/2016	118016	MARY ANN HARVEY-MELLEBY	2,300.00
07/07/2016	118017	CHERYLE M. RASMUSSEN	253.10
07/07/2016	118018	UNDERGROUND SERVICE ALERT	9.00
07/07/2016	118019	UNLIMITED SERVICES BUILDING MAINT.	295.00
07/07/2016	118020	VALLEY OFFICE EQUIPMENT, INC.	121.34
07/07/2016	118021	WASTE MANAGEMENT INLAND EMPIRE	94.37
07/11/2016	118022	BEST BEST & KRIEGER	9,899.48
07/11/2016	118023	ROY McDONALD	3,091.84
07/11/2016	118024	PROVOST & PRITCHARD	5,265.14
07/11/2016	118025	LAFCO RIVERSIDE	4,440.49
07/11/2016	118026	STATE WATER CONTRACTORS	32,911.00
07/13/2016	118027	SEE PAYROLL CATEGORY, JOHN R. JETER	
07/14/2016	118028	CALPERS RETIREMENT	4,368.48
07/14/2016	118029	CALPERS 457-SIP	1,150.00
07/14/2016	118030	FRANCHISE TAX BOARD	196.91
07/18/2016	118031	BANNING CHAMBER OF COMMERCE	350.00
07/18/2016	118032	CALPERS HEALTH	6,908.59
07/18/2016	118033	CONTROL TEMP, INC.	213.20
07/18/2016	118034	JEFFREY W. DAVIS	258.54
07/18/2016	118035	RONALD A. DUNCAN	151.08
07/18/2016	118036	FRONTIER COMMUNICATIONS	1,214.75
07/18/2016	118037	GOPHER PATROL	48.00
07/18/2016	118038	INCONTACT, INC.	96.14
07/18/2016	118039	KENNEDY JENKS CONSULTANTS	578.50
07/18/2016	118040	PROVOST & PRITCHARD	1,462.50
07/18/2016	118041	SOUTHERN CALIFORNIA GAS	0.99
07/18/2016	118042	WELLS FARGO REMITTANCE CENTER	1,848.66
07/25/2016	118043	AT&T MOBILITY	259.52
07/25/2016	118044	BEAUMONT CHAMBER OF COMMERCE	300.00
07/25/2016	118045	WILLIAM E. DICKSON	698.88
07/25/2016	118046	ERNST & YOUNG LLP	1,504.00
07/25/2016	118047	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
07/25/2016	118048	MST BACKFLOW	631.96
07/25/2016	118049	OFFICE SOLUTIONS	249.76
07/25/2016	118050	CHERYLE M. RASMUSSEN	66.59
07/25/2016	118051	SANTA ANA WATERSHED PROJ. AUTHORITY	20,180.00
07/25/2016	118052	SOUTHERN CALIFORNIA EDISON	171.80
07/25/2016	118053	THOMAS W. TODD, JR.	1,310.43
07/27/2016	118054	CALPERS RETIREMENT	4,368.48
07/27/2016	118055	CALPERS 457-SIP	1,150.00
07/27/2016	118056	STANDARD INSURANCE COMPANY	401.37

San Gorgonio Pass Water Agency
Check History Report
 July 1 through July 31, 2016

ACCOUNTS PAYABLE (CON'T)

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
07/14/2016	536674	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,905.50
07/14/2016	559397	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,095.06
07/27/2016	534525	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,030.92
07/27/2016	583323	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,862.26
07/30/2016	900123	DEPARTMENT OF WATER RESOURCES	891,231.00
TOTAL ACCOUNTS PAYABLE CHECKS			<u>1,026,125.99</u>

ROLL

<u>Date</u>	<u>Number</u>	<u>CHECKS Name</u>	<u>Amount</u>
07/13/2016	118027	JOHN R. JETER	724.41
TOTAL PAYROLL CHECKS			724.41

<u>Date</u>	<u>Number</u>	<u>DIRECT DEPOSIT Name</u>	<u>Amount</u>
07/13/2016	801234	JEFFREY W. DAVIS	4,316.25
07/13/2016	801235	WILLIAM E. DICKSON	942.50
07/13/2016	801236	KENNETH M. FALLS	3,266.97
07/13/2016	801237	CHERYLE M. RASMUSSEN	2,098.18
07/13/2016	801238	THOMAS W. TODD, JR.	3,251.13
07/26/2016	801239	JEFFREY W. DAVIS	4,316.25
07/26/2016	801240	RONALD A. DUNCAN	1,139.41
07/26/2016	801241	KENNETH M. FALLS	2,636.01
07/26/2016	801242	DAVID L. FENN	689.41
07/26/2016	801243	MARY ANN HARVEY-MELLEBY	1,139.41
07/26/2016	801244	CHERYLE M. RASMUSSEN	2,098.18
07/26/2016	801245	LEONARD C. STEPHENSON	1,139.41
07/26/2016	801246	THOMAS W. TODD, JR.	3,251.13

TOTAL PAYROLL DIRECT DEPOSIT			30,284.24
TOTAL PAYROLL			31,008.65
TOTAL DISBURSEMENTS FOR JULY, 2016			<u>1,057,134.64</u>

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

VENDOR	_ INVOICE NBR	COMMENT _____	_ AMOUNT _
BEST, BEST & KRIEGER	160731	LEGAL SERVICES JUL16	21,401.43
BEST, BEST & KRIEGER	777661	Annual Public Policy & Ethics	4,600.00

TOTAL PENDING INVOICES FOR AUGUST 2016

26,001.43

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
July 31, 2016**

BALANCE PER BANK AT 07/31/2016 - CHECKING ACCOUNT 525,151.21

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	AMOUNT	CHECK NUMBER	AMOUNT
118008	151.00	118050	66.59
118031	350.00	118054	4,368.48
118043	259.52	118055	1,150.00
118044	300.00	118056	401.37
	<u>1,060.52</u>		5,986.44

TOTAL OUTSTANDING CHECKS (7,046.96)

BALANCE PER GENERAL LEDGER 518,104.25

BALANCE PER GENERAL LEDGER AT 06/30/2016 73,971.90

CASH RECEIPTS FOR JULY 901,409.02

CASH DISBURSEMENTS FOR JULY

ACCOUNTS PAYABLE - CHECK HISTORY REPORT (1,026,125.99)

NET PAYROLL FOR JULY (31,008.65) (1,057,134.64)

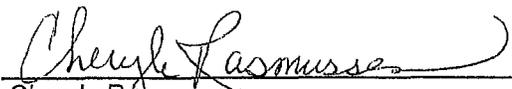
BANK CHARGES (142.03)

TRANSFER FROM LAIF OR WELLS FARGO 925,000.00

TRANSFER TO LAIF OR WELLS FARGO (325,000.00)

BALANCE PER GENERAL LEDGER AT 7/31/2016 518,104.25

REPORT PREPARED BY:



 Cheryl Rasmussen

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

DATE	RECEIVED FROM	DESCRIPTION	AMOUNT	TOTAL DEPOSIT AMOUNT
DEPOSIT TO CHECKING ACCOUNT				
7/5/16	CITY OF BANNING	WATER SALES	52,622.00	52,622.00
7/7/16	SBVMWD	REPAYMENT CONSULTANTS EXP.	21,418.03	21,418.03
7/18/16	YVWD	WATER SALES	30,995.79	30,995.79
7/18/16	BCVWD	WATER SALES	328,412.00	328,412.00
7/27/16	TVI	CD - BOND INTEREST	12,265.63	12,265.63
7/28/16	RIVERSIDE COUNTY	PROPERTY TAXES	88,794.36	88,794.36
7/28/16	RIVERSIDE COUNTY	PROPERTY TAXES	9,078.14	9,078.14
7/28/16	RIVERSIDE COUNTY	PROPERTY TAXES	2,792.25	2,792.25
7/29/16	RIVERSIDE COUNTY	PROPERTY TAXES	225,454.79	225,454.79
7/29/16	RIVERSIDE COUNTY	PROPERTY TAXES	129,576.03	129,576.03
TOTAL FOR JULY 2016			901,409.02	901,409.02

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2016

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME					
INCOME					
WATER SALES	3,993,000		3,993,000	0.00	100.00%
TAX REVENUE	2,240,000		2,240,000	43,075.78	98.08%
INTEREST	64,000		64,000	3,200.94	95.00%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000		69,000	0.00	100.00%
TOTAL GENERAL FUND INCOME	6,366,000	0	6,366,000	46,276.72	99.27%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	3,875,000		3,875,000	0.00	100.00%
TOTAL COMMODITY PURCHASE	3,875,000	0	3,875,000	0.00	100.00%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	431,000		431,000	35,136.97	91.85%
PAYROLL TAXES	39,000		39,000	3,237.87	91.70%
RETIREMENT	108,000		108,000	6,824.30	93.68%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000		23,000	3,754.06	83.68%
HEALTH INSURANCE	52,000		52,000	8,506.26	83.64%
DENTAL INSURANCE	4,500		4,500	715.04	84.11%
LIFE INSURANCE	1,100		1,100	204.12	81.44%
DISABILITY INSURANCE	4,500		4,500	359.79	92.00%
WORKERS COMP INSURANCE	3,700		3,700	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	530.05	94.70%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	677,800	0	677,800	59,268.46	91.26%

15/66

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2016

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES					
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
	105,000		105,000	7,402.80	92.95%
DIRECTORS FEES					
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	0.00	100.00%
DIRECTORS MISC. MEDICAL	32,000		32,000	698.88	97.82%
OFFICE EXPENDITURES					
OFFICE EXPENSE	18,000		18,000	264.21	98.53%
POSTAGE	1,000		1,000	37.43	96.26%
TELEPHONE	10,000		10,000	840.28	91.60%
UTILITIES	5,000		5,000	104.20	97.92%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	0.00	100.00%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	1,053.63	94.73%
INSURANCE & BONDS	23,000		23,000	0.00	100.00%
ACCOUNTING & AUDITING	22,000		22,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	5,000		5,000	1,504.00	69.92%
DUES & ASSESSMENTS	29,000		29,000	823.50	97.16%
SPONSORSHIPS	8,000		8,000	0.00	100.00%
OUTSIDE PROFESSIONAL SERVICES	650		650	0.00	100.00%
BANK CHARGES	1,600		1,600	142.03	91.12%
MISCELLANEOUS EXPENSES	1,000		1,000	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	3,500		3,500	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	9,000		9,000	75.00	99.17%
MAINTENANCE & REPAIRS - BUILDING	11,000		11,000	762.37	93.07%
MAINTENANCE & REPAIRS - FIELD	6,500		6,500	0.00	100.00%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	5,000		5,000	4,440.49	11.19%
ELECTION EXPENSE	175,000		175,000	0.00	0.00%
TAX COLLECTION CHARGES	9,500		9,500	132.78	98.60%
TOTAL ADMINISTRATIVE & PROFESSIONAL	679,750	0	679,750	18,281.60	97.31%

9/9/91

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2016**

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	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					
B.A.R.F. ENVIRONMENTAL MITIGATION					
FERC/FLUME					
FLUME SUPPORT					
	40,000		40,000	0.00	0.00%
NEW WATER					
PROGRAMATIC EIR					
	75,000		75,000	0.00	100.00%
UPDATED STUDY ON AVAILABLE SOURCES					
	45,000		45,000	0.00	100.00%
SITES RESERVOIR					
	300,000		300,000	0.00	100.00%
BCVWD CONNECTION					
ENGINEERING					
	30,000		30,000	0.00	100.00%
CEQA					
	15,000		15,000	0.00	100.00%
INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP)					
	5,000		5,000	0.00	100.00%
SGMA SUPPORT					
	15,000		15,000	0.00	100.00%
STUDIES					
USGS					
	100,000		100,000	0.00	100.00%
WATER RATE NEXUS STUDY					
	50,000		50,000	0.00	100.00%
WATER RATE FINANCIAL MODELING					
	30,000		30,000	0.00	0.00%
CAPACITY FEE NEXUS STUDY UPDATE					
	0		0	0.00	0.00%
SUPPORT - CAPACITY FEE & AGREEMENTS					
	0		0	0.00	0.00%
UPDATED UWMP					
	10,000		10,000	0.00	100.00%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE					
	21,000		21,000	20,180.00	3.90%
BUNKER HILL CONJUNCTIVE USE PROJECT					
	20,000		20,000	0.00	100.00%
GENERAL AGENCY - CEQA AND GIS SERVICES					
	35,000		35,000	0.00	100.00%
TOTAL GENERAL ENGINEERING					
	791,000	0	791,000	20,180.00	97.45%

17/66

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2016

		FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017				
		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	0.00	100.00%
	TOTAL LEGAL SERVICES	175,000	0	175,000	0.00	100.00%
CONSERVATION & EDUCATION						
	SCHOOL EDUCATION PROGRAMS	10,000		10,000	0.00	100.00%
	ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
	OTHER CONSERVATION, EDUCATION AND P. R.	20,000	15,000	35,000	0.00	100.00%
	TOTAL CONSERVATION & EDUCATION	35,000	15,000	50,000	0.00	100.00%
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	37,000		37,000	0.00	100.00%
	MT. VIEW TURNOUT + B.A.R.F. CONSTRUCTION	0		0	20,000.00	
	SBVMWD PIPELINE CAPACITY PURCHASE	330,000		330,000	0.00	100.00%
	TOTAL GENERAL FUND CAPITAL EXPENDITURES	387,000	0	387,000	20,000.00	94.83%
	TRANSFERS TO OTHER FUNDS	0	0	0	0.00	
	TOTAL GENERAL FUND EXPENSES	6,620,550	15,000	6,635,550	117,730.06	98.23%
	TRANSFERS FROM RESERVES	300,000		300,000		
	TOTAL TRANSFERS FROM RESERVES	300,000	0	300,000	0	
	GENERAL FUND NET INCOME YEAR TO DATE	45,450	-15,000	30,450	-71,453.34	

99/81

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2016

FOR THE FISCAL YEAR JULY 1, 2016 - JUNE 30, 2017

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME					
INCOME					
TAX REVENUE	19,350,000		19,350,000	413,504.98	97.86%
INTEREST	170,000		170,000	10,716.18	93.70%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	3,170,000		3,170,000	0.00	100.00%
TOTAL DEBT SERVICE FUND INCOME	22,690,000	0	22,690,000	424,221.16	98.13%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	52,000		52,000	4,540.96	91.27%
PAYROLL TAXES	4,000		4,000	347.38	91.32%
BENEFITS	28,000		28,000	2,700.29	90.36%
SWC CONTRACTOR DUES	33,000		33,000	32,911.00	0.27%
STATE WATER CONTRACT PAYMENTS	18,600,000		18,600,000	871,231.00	95.32%
PURCHASED WATER	5,000		5,000	0.00	0.00%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	0.00%
USGS	0		0	0.00	0.00%
CONTRACT OPERATIONS AND MAINTENANCE	120,000		120,000	0.00	100.00%
SWP ENGINEERING	30,000		30,000	0.00	100.00%
DEBT SERVICE UTILITIES	10,000		10,000	875.73	91.24%
TAX COLLECTION CHARGES	60,000		60,000	752.41	98.75%
TOTAL DEBT SERVICE FUND EXPENSES	18,942,000	0	18,942,000	913,358.77	95.18%
TRANSFERS FROM RESERVES			0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	3,748,000	0	3,748,000	-489,137.61	

19/61
99/66

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Special Board of Directors Meeting
August 29, 2016

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

Directors Absent: Bill Dickson, Vice President

Staff Present: Jeff Davis, General Manager
Cheryle Rasmussen, Executive Assistant
Thomas Todd, Finance Manager
Jeff Ferre, General Counsel

1. **Call to Order, Flag Salute and Roll Call:** The special meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 4:00 p.m., August 29, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Fenn led the Pledge of Allegiance to the flag.
2. **Statement Regarding Teleconference:** Legal Counsel Jeffrey Ferre noted that Director Dickson will not be able to be present at today's meeting via teleconference.
3. **Roll Call:** *President Jeter asked that the record show Director Dickson absent and all other Directors present. A quorum was present.*
4. **Public Comment:** *President Jeter asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency. There were no members of the public that wished to comment at this time.*
5. **Adoption and Adjustment of Agenda:** *President Jeter asked if there were any adjustments to the agenda. There being none the agenda was adopted as published.*
6. **Announcements:** *General Manager Davis provided the following announcements:*
 - A. Office **closed Monday**, September 5, 2016 in observance of Labor Day
 - B. Regular Board Meeting, **Tuesday**, September 6, 2016 at 7:00 p.m.
 - C. Engineering Workshop, September 12, 2016 at 4:00 p.m.
7. **Closed Session (2 Items) Time: 4:05 p.m.**

General Counsel Ferre stated that he did not anticipate any reportable action.

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

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

One potential case

The meeting reconvened to open session at: Time: 5:13 pm

General Counsel Ferre stated that the items listed under closed session were discussed and staff was given some direction. There was no action taken during closed session that is reportable under the Brown Act. *President Jeter adjourned the meeting.*

8. Adjournment

Time: 5:13 pm

Draft – Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Opposition to Proposition 53—The Cortopassi Initiative

DATE: September 6, 2016

Summary:

A proposed initiative on the November ballot, Proposition 53, would require a statewide approval of any public infrastructure project that would utilize more than \$2 billion in revenue bonds. The purpose of this proposed Board action is to take a formal stance in opposition to this initiative.

Background:

Proposition 53 was written by Dean Cortopassi, a Delta farmer who opposes the Cal Water Fix and who has sued the Department of Water Resources in the past for damage to his property. The proposition would require any state-sponsored project that sells more than \$2 billion in bonds to have statewide voter approval, if those bonds would raise taxes or fees to pay off the bonds. Certain projects would be exempted, including local projects not funded by the State, freeways, University of California projects, and natural disaster response projects. The purpose of the proposed proposition is to make it more difficult to construct the Cal Water Fix.

The Agency and other urban State Water Contractors support the Cal Water Fix as the most cost effective way to increase reliability of the State Water Project. The Cal Water Fix has been in the planning and environmental clearance phase for nearly a decade, and approximately \$250 million has been invested in it to date. The State is on the verge of final approval of the EIR.

Detailed Report:

Were Prop 53 to pass, the Cal Water Fix would require statewide voter approval in order to be constructed. This approval could be difficult to obtain, similar to the Peripheral Canal vote in 1982,

because northern California is expected to vote against such approval monolithically. In addition, the funds to pay for the Cal Water Fix would not come from the State, but from individual Contractors, who would raise the money to pay their respective shares via whatever means are suitable for each individual Contractor (perhaps higher taxes, perhaps higher water rates, perhaps other funds).

It is clear that this initiative is designed to place another impediment in front of the Cal Water Fix. If the Board believes that the Cal Water Fix would benefit the Agency, it should support this resolution, which expresses formal opposition to Prop 53.

Fiscal Impact:

There is no fiscal impact to this action.

Relationship to Strategic Plan:

There is no direct relationship to the Agency's strategic plan.

Recommendation:

Staff recommends that the Board approve Resolution 2016-05 opposing Proposition 53, and send a copy of the signed resolution to ACWA and the State Water Contractors.

Jeff Davis

From: ACWA <acwabox@acwa.com>
Sent: Tuesday, August 30, 2016 3:11 PM
To: Jeff Davis
Subject: Proposition 53 Would Undermine Local Control and Water Projects

Follow Up Flag: Flag for follow up
Flag Status: Flagged

AUGUST 30, 2016

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ACWA **OUTREACH** Alert

GRASSROOTS SUPPORT TO ACHIEVE RESULTS

ACWA Members Encouraged to Take Action on Proposition 53

ACWA Opposes "Cortopassi Initiative" on November Ballot

Proposition 53, also known as the "Cortopassi Initiative," will appear on the Nov. 8 ballot. If approved by the voters, the measure would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over \$2 billion. Many legal experts believe the measure could impact ACWA members and the construction of vital state and local projects, including water storage, recycling facilities and other projects.

ACWA's Board of Directors voted in July 2015 to oppose the measure, citing its potential to undermine local control and restrict critical infrastructure projects in the future. ACWA Executive Director Timothy Quinn is one of three signatories to the ballot argument opposing the measure. Others include representatives of the California Professional Firefighters Association and the Office of Emergency Services.

Proponents of the measure and its sponsor, Delta landowner Dean Cortopassi, say Proposition 53 is aimed at giving voters a say before state government incurs large amounts of new debt. It is widely believed, however, that the measure targets a specific state project designed to improve water conveyance in the Delta. The measure is



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written in such a way that it could affect local projects pursued by joint powers authorities.

ACWA distributed a toolkit in July to brief members on Proposition 53 and assist them with educating key audiences. It is permissible for public agencies to take a position on a ballot measure, and to provide balanced, educational materials to the public on the measure, its potential impacts and the agencies' position. Materials and guidelines on permissible activities are available at <http://www.acwa.com/spotlight/prop-53-information>.

Thus far, several ACWA member agencies have passed resolutions in opposition to Proposition 53, and several more have placed a resolution on the agenda for an upcoming meeting. ACWA encourages members to take a formal position on the measure.

Suggested Actions to Take

- Have your board of directors adopt a resolution in opposition to Proposition 53. A sample resolution is included.
- Forward your board's resolution to ACWA by emailing it to Marie Meade at mariem@acwa.com. ACWA will then forward your resolution to the campaign opposing the measure so your agency can be added to the list of Proposition 53 opponents.
- Report your board's action in an article in your agency's customer newsletter and on your website. A sample article is included.
- Prepare a press release to distribute to local media outlets. A sample press release is included.
- Use balanced, educational materials on Proposition 53 to inform the community at public meetings or in community presentations when asked.

Materials Available for Use

ACWA has prepared a communications toolkit for use in public education on Proposition 53. These tools offer a balanced perspective on the initiative, outlining its content and possible impact as described by the impartial Legislative Analyst's Office and the state Department of Finance.

The toolkit includes:

- A fact sheet
- A sample resolution
- A sample website/newsletter article
- A sample news release
- Guidelines on permissible actions by local agencies
- Talking points that can be customized with local examples
- Pro and con arguments about Proposition 53

**ACWA STATE LEGISLATIVE
COMMITTEE**

REGULATORY ISSUES

ACWA POLICY PRINCIPLES

CONTACTS

Lisa Lien-Mager
ACWA Communications
Director
Lisalm@acwa.com

The complete toolkit is available [here](#). Member login is required.

Other Resources

Here is a link to a website offering opponents' views on the measure www.savelocalcontrol.com.

Here is a link to a website offering proponents' views on the measure www.stopblankchecks.com.

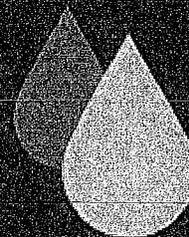
Questions?

Please feel free to contact ACWA Director of Communications Lisa Lien-Mager at (916) 441-4545 with any questions about the communications toolkit or Proposition 53.

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Communications Toolkit

Facts about Proposition 53

Proposition 53 will appear on the Nov. 8, 2016 ballot. The measure, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed by revenue bonds over \$2 billion.

Many legal experts believe that the measure could impact the construction of water projects – both state and local.

ACWA's Board of Directors voted in July 2015 to oppose the measure.

Facts about Proposition 53:

- Requires statewide voter approval for projects that are financed, owned, operated, or managed by the state or any joint powers authority created by or including the state, if the revenue bond amount exceeds \$2 billion.
- Affects local control by requiring statewide voter approval even for some local infrastructure projects.
- Prohibits the dividing of projects into multiple separate projects to avoid statewide voter approval requirement.
- Applies to revenue bonds, which are repaid by users of a project who directly benefit, not statewide taxpayers.
- Applies to a broad range of projects, including: water storage facilities, desalination plants, water treatments facilities, roads and highways, hospitals and healthcare facilities, UC and CSU facilities, ports, and bridges.
- Contains no exemption for cases where earthquakes or other natural disasters have damaged infrastructure.



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Communications Toolkit

Key Talking Points on Proposition 53

- Proposition 53, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over \$2 billion.
- Proposition 53 could undermine local control by delaying or blocking much-needed infrastructure projects pursued by local water agencies and other local jurisdictions.
- Proposition 53 proponents claim the measure is aimed at big projects proposed by the state; however, the language of the measure could affect local projects pursued by joint powers authorities.
- The measure would impact a wide range of infrastructure projects in California. Projects include: water storage facilities, desalination plants, water treatments facilities, roads and highways, hospitals and healthcare facilities, UC and CSU facilities, ports, and bridges.
- Proposition 53 would empower voters in distant communities to reject projects outside of their communities. (Customize with specific examples for your agency.)
- The measure contains no exemptions for emergencies or major disasters. That means in the event of a major disaster such as an earthquake or flood, local governments may have to wait as long as two years to get statewide voter approval to repair bridges, water recycling plants and other critical projects.
- The measure targets revenue bonds, which are typically backed by private investors. Revenue bonds are repaid by users of a project who directly benefit, not taxpayers.
- According to the Legislative Analyst's Office, the new voter requirement might discourage some jurisdictions from pursuing projects due to the additional costs and uncertainty associated with voter approval.



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Communications Toolkit

Proposition 53 – Pro and Con Arguments

Proposition 53 will appear on the Nov. 8, 2016 ballot. The measure, if approved by voters, would amend the California Constitution to require statewide voter approval of infrastructure projects financed through revenue bonds over \$2 billion. The website of opponents of the measure is www.savelocalcontrol.com. The proponents' website is www.stopblankchecks.com.

Below are some of the arguments being made in the initiative discussion.

What Supporters Say

- Proposition 53 shifts power from Sacramento politicians and gives more power to the electorate by requiring that all multi-billion state bonds go to a statewide vote.
- Proposition 53 gives voters a say when the state government wants to incur enormous new debt that the public will have to repay.
- Proposition 53 will help protect California's financial future by allowing the electorate to rein in the state's massive debt.
- Proposition 53 will bring transparency to state spending by showing voters the actual costs and benefits of large projects.

What Opponents Say

- Proposition 53 diminishes local control by requiring statewide voter approval for some local infrastructure projects that could be funded by a mix of local and state funds.
- Proposition 53 impacts revenue bonds, which are paid for by users of a project who directly benefit, not the general public.
- Proposition 53 threatens California's future by jeopardizing the building and improvement of aging infrastructure, including water projects voters envisioned when they passed Proposition 1.
- Proposition 53 is poorly written and, according the Legislative Analyst's Office, creates uncertainties about which projects would be affected by the measure.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Participation in San Gorgonio Integrated Regional Water Management Plan

DATE: September 6, 2016

Summary:

The Board has discussed the possibility of an integrated regional water management plan for the region at several board meetings and workshops over the past few months. The San Gorgonio Pass Regional Water Alliance has also discussed such a plan. Recently, a subset of Alliance members has banded together to undertake such an integrated plan. The purpose of this proposed Board action is to support this effort by approving the Memorandum of Understanding that defines the process.

Background:

The Board has discussed the possibility of participating in an integrated regional water management plan a number of times recently, and budgeted \$5,000 for this effort in this year's General Fund budget.

The Alliance was eventually presented with a number of funding options for such a plan. A subset of the Alliance, including the City of Banning, Cabazon Water District, High Valleys Water District, and the Banning Heights Mutual Water Company, decided to partner with the Riverside County Flood Control and Water Conservation District to prepare an integrated plan. The Agency has been part of this planning effort and has attended two meetings of this group, which essentially covers the Colorado River Basin portion of the Agency's service area (the eastern half).

Detailed Report:

Within the last two weeks, a representative of Supervisor Ashley's office contacted the Riverside County Flood Control and Water

Conservation District, who has been involved in a number of other integrated plans in the County. The RCFC&WCD General Manager, Jason Uhley, agreed to fund the integrated plan proposal and to have the District participate in it. A consultant, RMC Environmental, was contracted with to write the proposal. Two meetings have now been held with the participants and RMC. Weekly meetings are scheduled for the next four weeks to ensure that the proposal can be completed by the September 23 deadline.

Fiscal Impact:

There is no immediate financial impact to this action, as the Flood Control District is funding the proposal. However, if a plan is funded, there will be an annual cost of managing and administering the plan and grant, once adopted. The City of Banning, the Flood Control District, and the Agency would likely split the cost of this equally. It is anticipated that this will be in the neighborhood of \$45,000 per year total. Some of this could possibly be through in-kind contributions.

Relationship to Strategic Plan:

Participation in an integrated regional water management plan is consistent with the Agency's strategic plan, which calls for a regional infrastructure plan and a regional finance plan. Participation in an IRWMP could be part of both of these.

Recommendation:

Staff recommends that the Board approve the MOU, including any non-substantive revisions approved by the General Counsel and General Manager, authorize the General Manager to sign it, (if approved by the General Counsel) and participate in the integrated plan.

**MEMORANDUM OF UNDERSTANDING
TO CONDUCT INTEGRATED REGIONAL WATER MANAGEMENT PLANNING
FOR THE SAN GORGONIO REGION**

This Memorandum of Understanding ("MOU") is made and entered into this ____ day of _____ 2016 ("Effective Date") among the CITY OF BANNING, BANNING HEIGHTS MUTUAL WATER COMPANY, CABAZON WATER DISTRICT, HIGH VALLEYS WATER DISTRICT, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY, each hereinafter individually called "AGENCY" and collectively "AGENCIES" .

RECITALS

A. WHEREAS, the Department of Water Resources is administering a grant program for Integrated Regional Water Management or "IRWM" Planning and;

B. WHEREAS, the AGENCIES are willing to cooperate and work collaboratively with the stakeholders of the Banning and San Gorgonio Pass area to form an IRWM Region through the Department of Water Resources' IRWM Regional Acceptance Process, prepare an IRWM Plan and implement a regional planning process for the geographic area described on Exhibit 'A' attached hereto ("Planning Region") if accepted by the Department of Water Resources in the Regional Acceptance Process; and

C. WHEREAS, the AGENCIES collectively cover the entire planning area to be covered by this IRWM Plan that contains significant need for water resources projects and programs; and

D. WHEREAS, the AGENCIES collectively have made significant investments in planning for flood control, floodplain and stormwater management, water conservation,

water supply and reliability, recycled water, habitat preservation, conservation and water quality and related water management strategies; and

E. WHEREAS, the AGENCIES collectively and with the Stakeholder Advisory Committee represent entities significant to water management planning in the area; and

F. WHEREAS, the AGENCIES have the authority and willingness to act in the best interest of the Planning Region in planning and implementing IRWM efforts; and

G. WHEREAS, the AGENCIES are committed to conduct planning efforts in an open accessible process including the Stakeholder Advisory Committee and the public; and

H. WHEREAS, the CITY OF BANNING is willing to take the lead administrative role in contracting for planning, making applications for funding and implementing funded efforts on behalf of all potential project proponents and stakeholders within the Planning Region; and

I. WHEREAS, the AGENCIES collectively have the institutional and fiscal capacity and systems to carry out planning and implementation efforts; and

J. WHEREAS, the AGENCIES are collectively willing to provide funding or in-kind assistance as set forth herein and as mutually agreeable in separate board actions; and

L. WHEREAS, the AGENCIES will each benefit from their participation in this MOU.

NOW, THEREFORE, the AGENCIES hereby mutually agree as follows:

1. The CITY OF BANNING shall facilitate work required to create and maintain an IRWM Plan and submit grant applications for funding consideration under the IRWM Program.

2. Each AGENCY hereby designates its Chief Executive, or the Chief Executive's designated representative, to represent its board as the person charged with the authority to review and approve the IRWM Plan and other IRWM related documents and efforts conducted by or on behalf of the IRWM Planning Region. Approval of IRWM Plans, documents and efforts shall be based on a consensus of the AGENCIES' designated representatives, to be further defined in the IRWM Plan section discussion on governance to be prepared.

3. The MOU authorizes that applications be made to the California Department of Water Resources or other State or Federal departments to obtain IRWM Planning and Implementation Grants pursuant to the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Public Resources Code Section 79740 et seq.), or future sources of funding and to enter into agreements to receive grant funds for the Planning Region. The City Manager of CITY OF BANNING, or their designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such applications, and execute grant agreements with the California Department of Water Resources, contract to disburse funds to designated partners or sub-grantees, and to make changes as needed to contracts or other documents to implement the IRWM process to the benefit of the Planning Region.

4. This MOU authorizes the establishment of a Stakeholder Advisory Committee (hereinafter "Committee") subject to the terms of this MOU and any applicable rules that the AGENCIES may promulgate. The AGENCIES will review and select by

consensus members, to be further defined in the IRWM Plan section discussion on governance that will be prepared, of the Committee from stakeholder organizations in the Planning Region. Stakeholders represent their agency or organization and serve at the pleasure of the AGENCIES and shall not be required (but may be asked) to contribute funds except in-kind services. No more than one representative of any organization shall be named to the Committee. The representative shall represent all interests of the organization and the Planning Region. The Committee acts in an advisory role to the AGENCIES for plan goals and priorities outreach and project integration. Stakeholders need not be a member of the Committee to participate in the planning process. The Committee may become dormant if no planning efforts are ongoing or it is no longer needed.

5. The IRWM Plan, grant applications and related efforts provided for in this MOU aggregate, compile and integrate existing plans and documents as well as solicit new projects and programs. Nothing in these plans, documents or actions, limits the authority of the AGENCIES or their powers or modifies any of the referenced plans, ordinances or actions of the AGENCIES, committee members or stakeholders.

6. Nothing contained within this MOU binds the parties beyond the scope or term of this MOU unless specifically documented in subsequent MOU amendments or contracts.

7. The AGENCIES shall provide a share of funding for management of the IRWM Program, and intend to provide a share of funding for the preparation of IRWM Planning and Implementation Grant applications, preparation of and initial IRWM Plan and updates, and management of IRWM Planning and Implementation Grant contracts with the California Department of Water Resources, as follows:

a. The CITY OF BANNING, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY shall equally share funding for a consultant, or mutually agreed upon in-kind services, to manage the IRWM Program.

b. The AGENCIES intend to provide a share of funding for a consultant to prepare IRWM Planning and Implementation Grant applications. The appropriate funding share will be calculated and announced on a case by case basis as grant opportunities become available and may incorporate reimbursement from recipients of grant awards via administrative fees charged to the grant.

c. The AGENCIES intend to provide a share of funding for a consultant to prepare an IRWM Plan and subsequent updates. The CITY OF BANNING, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY agree to equally share match costs for the initial planning grant to establish the IRWM Program. The funding share for future efforts to be provided by the AGENCIES shall be determined in the future during the scoping of the IRWM Plan and updates to reflect requirements by the Department of Water Resources or otherwise necessary. The cost to update the IRWM plan may be offset by IRWM Planning Grant awards.

d. The AGENCIES intend that grant recipients would bear a share of funding needed to manage IRWM Planning and Implementation Grant

contracts with California Department of Water Resources via an administrative fee taken out of grant awards. The appropriate funding share will be calculated on case by case basis as grants are awarded.

8. The AGENCIES cannot be assured of the results or success of the IRWM plan and application for funding. Nothing within this MOU should be construed as creating a promise or guarantee of future funding nor shall any liability accrue to the AGENCIES from any third party or one of the AGENCIES should funding not be forthcoming. Nor shall any additional liability accrue to the CITY OF BANNING by its willingness to act as lead for contracting and application on behalf of the AGENCIES.

9. The term of this MOU is indefinite, unless replaced by other agreements or terminated by any of the AGENCIES with 120 days notice. .

10. Withdrawal of AGENCIES or addition of other agencies not included will be allowed with the majority concurrence of the AGENCIES and upon execution of this agreement's terms by their governing boards.

11. Any notices sent or required to be sent to any party shall be mailed to the following addresses:

CITY OF BANNING

BANNING HEIGHTS MUTUAL
WATER COMPANY

CABAZON WATER DISTRICT

HIGH VALLEYS WATER
DISTRICT
7091 Bluff Street
Banning, CA 92220

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501

SAN GORGONIO PASS
WATER AGENCY

Comment [PSC1]: Need to fill in appropriate addresses

12. Each AGENCY, to the fullest extent permitted by law, shall defend, indemnify and hold harmless the other AGENCIES, their consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages, losses, expenses and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with the performance of the work performed pursuant to this MOU; such obligation shall not apply to any loss, damage or injury, as may be caused solely and exclusively by the fault or negligence of an AGENCY.

13. This MOU is to be construed in accordance with the laws of the State of California.

14. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.

15. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.

16. This MOU is the result of negotiations between the parties hereto and with the advice and assistance of their respective counsel. No provision contained herein shall be construed against DISTRICT solely because, as a matter of convenience, it prepared this MOU in final form.

17. Any waiver by AGENCIES of any breach by the other of any one or more of the terms of this MOU shall not be construed to be a waiver of any subsequent or other

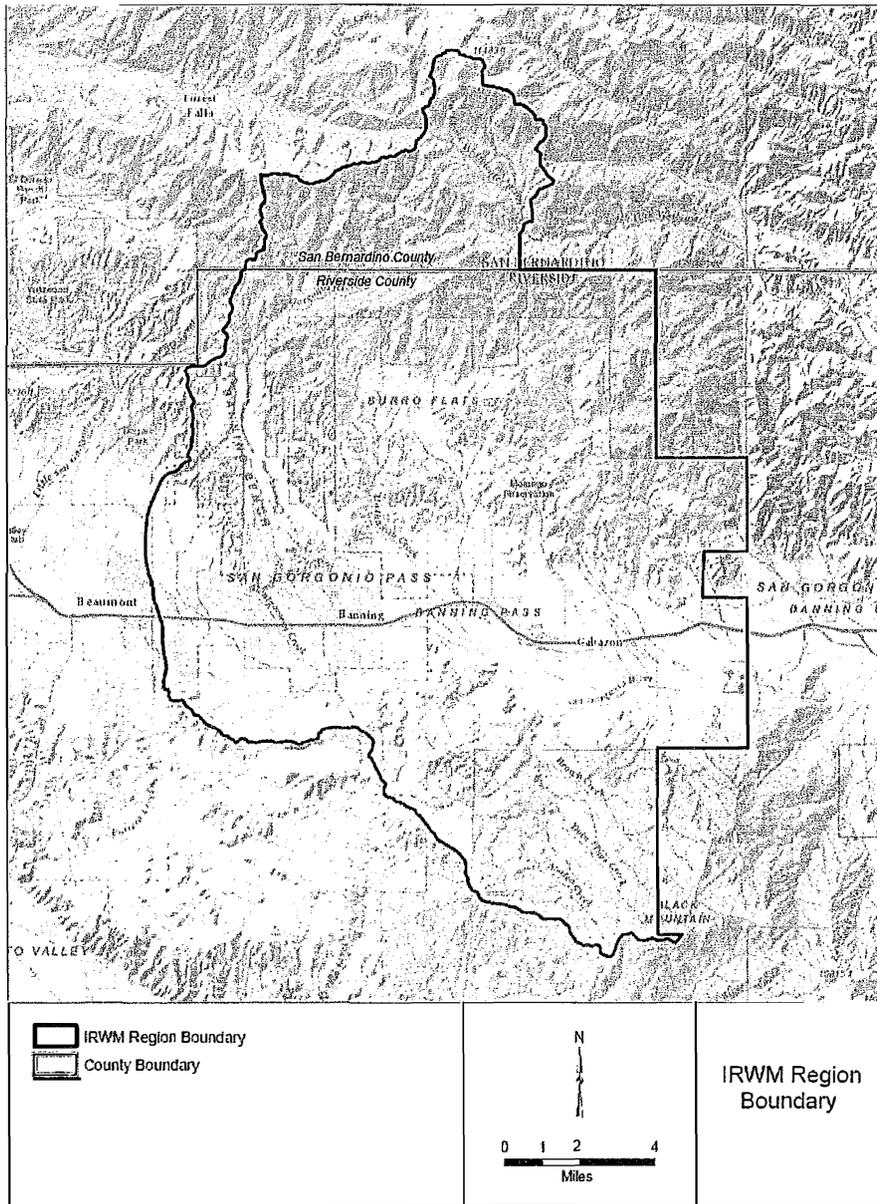
breach of the same or of any other term hereof. Failure on the part of any of the respective AGENCIES to require from the others exact, full and complete compliance with any terms of the MOU shall not be construed as in any manner changing the terms hereof, or stopping the respective AGENCIES from enforcement hereof.

18. This MOU may be executed and delivered in any number of counterparts or copies, hereinafter called "COUNTERPART", by the parties hereto. When each party has signed and delivered at least one COUNTERPART to the other parties hereto, each COUNTERPART shall be deemed an original and, taken together, shall constitute one and the same MOU, which shall be binding and effective as to the parties hereto.

19. This MOU is intended by the AGENCIES hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and conditions thereof. This MOU shall not be changed or modified except by the written consent of all AGENCIES hereto.

ATTACHMENT A

MAP OF THE PLANNING REGION



RECOMMENDED FOR APPROVAL:

CITY OF BANNING

By _____
XXXXXXXXXX

By _____
XXXXXXX,

APPROVED AS TO FORM:

ATTEST:

XXXXXXXXXX

XXXXXXXXXX

By _____
XXXXXXXXXX

By _____
XXXXXXXXXX

RECOMMENDED FOR APPROVAL:

**BANNING HEIGHTS MUTUAL WATER
COMPANY**

By _____
XXXXXXXX

By _____
XXXXXX,

APPROVED AS TO FORM:

ATTEST:

XXXXXXXX
County Counsel

XXXXXXXX
Clerk of the Board

By _____
XXXXXXXX

By _____
XXXXXXXX

Dated _____

(SEAL)

RECOMMENDED FOR APPROVAL: **CABAZON WATER DISTRICT**

By _____
XXXXXXXXXX

By _____
XXXXXXX,

APPROVED AS TO FORM:

ATTEST:

XXXXXXXXXX
County Counsel

XXXXXXXXXX
Clerk of the Board

By _____
XXXXXXXXXX

By _____
XXXXXXXXXX

RECOMMENDED FOR APPROVAL: **HIGH VALLEYS WATER DISTRICT**

By _____
XXXXXXXX

By _____
XXXXXX,

APPROVED AS TO FORM:

XXXXXXXX
County Counsel

ATTEST:

XXXXXXXX
Clerk of the Board

By _____
XXXXXXXX

By _____
XXXXXXXX

RECOMMENDED FOR APPROVAL:

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By _____
JASON UHLEY
General Manager-Chief Engineer

By _____
MARION ASHLEY, Chairman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

GREG PRIAMOS
County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By _____
AARON GETTIS
Deputy County Counsel

By _____
Deputy

Dated _____

(SEAL)

RECOMMENDED FOR APPROVAL: **SAN GORGONIO PASS WATER AGENCY**

By _____
XXXXXXXX

By _____
XXXXXX,

APPROVED AS TO FORM:

XXXXXXXX
County Counsel

ATTEST:

XXXXXXXX
Clerk of the Board

By _____
XXXXXXXX

By _____
XXXXXXXX

w/ comments from MBM1

**MEMORANDUM OF UNDERSTANDING
TO CONDUCT INTEGRATED REGIONAL WATER MANAGEMENT PLANNING
FOR THE SAN GORGONIO REGION**

This Memorandum of Understanding ("MOU") is made and entered into this _____ day of _____ 2016 ("Effective Date") among the CITY OF BANNING, BANNING HEIGHTS MUTUAL WATER COMPANY, CABAZON WATER DISTRICT, HIGH VALLEYS WATER DISTRICT, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY, each hereinafter individually called "AGENCY" and collectively "AGENCIES" .

RECITALS

A. WHEREAS, the Department of Water Resources is administering a grant program for Integrated Regional Water Management or "IRWM" Planning and;

B. WHEREAS, the AGENCIES are willing to cooperate and work collaboratively with the stakeholders of the Banning and San Gorgonio Pass area to form an IRWM Region through the Department of Water Resources' IRWM Regional Acceptance Process, prepare an IRWM Plan and implement a regional planning process for the geographic area described on Exhibit 'A' attached hereto ("Planning Region") if accepted by the Department of Water Resources in the Regional Acceptance Process; and

C. WHEREAS, the AGENCIES collectively cover the entire planning area to be covered by this IRWM Plan that contains significant need for water resources projects and programs; and

D. WHEREAS, the AGENCIES collectively have made significant investments in planning for flood control, floodplain and stormwater management, water conservation,

water supply and reliability, recycled water, habitat preservation, conservation and water quality and related water management strategies; and

E. WHEREAS, the AGENCIES collectively and with the Stakeholder Advisory Committee represent entities significant to water management planning in the area; and

F. WHEREAS, the AGENCIES have the authority and willingness to act in the best interest of the Planning Region in planning and implementing IRWM efforts; and

G. WHEREAS, the AGENCIES are committed to conduct planning efforts in an open accessible process including the Stakeholder Advisory Committee and the public; and

H. WHEREAS, the CITY OF BANNING is willing to take the lead administrative role in contracting for planning, making applications for funding and implementing funded efforts on behalf of all potential project proponents and stakeholders within the Planning Region; and

I. WHEREAS, the AGENCIES collectively have the institutional and fiscal capacity and systems to carry out planning and implementation efforts; and

J. WHEREAS, the AGENCIES are collectively willing to provide funding or in-kind assistance as set forth herein and as mutually agreeable in separate board actions; and

L. WHEREAS, the AGENCIES will each benefit from their participation in this MOU.

NOW, THEREFORE, the AGENCIES hereby mutually agree as follows:

1. The CITY OF BANNING shall facilitate work required to create and maintain an IRWM Plan and submit grant applications for funding consideration under the IRWM Program.

2. Each AGENCY hereby designates its Chief Executive, or the Chief Executive's designated representative, to represent its board as the person charged with the authority to review and approve the IRWM Plan and other IRWM related documents and efforts conducted by or on behalf of the IRWM Planning Region. Approval of IRWM Plans, documents and efforts shall be based on a consensus of the AGENCIES' designated representatives, to be further defined in the IRWM Plan section discussion on governance to be prepared.

3. The MOU authorizes that applications be made to the California Department of Water Resources or other State or Federal departments to obtain IRWM Planning and Implementation Grants pursuant to the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Public Resources Code Section 79740 et seq.), or future sources of funding and to enter into agreements to receive grant funds for the Planning Region. The City Manager of CITY OF BANNING, or their designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such applications, and execute grant agreements with the California Department of Water Resources, contract to disburse funds to designated partners or sub-grantees, and to make changes as needed to contracts or other documents to implement the IRWM process to the benefit of the Planning Region.

4. This MOU authorizes the establishment of a Stakeholder Advisory Committee (hereinafter "Committee") subject to the terms of this MOU and any applicable rules that the AGENCIES may promulgate. The AGENCIES will review and select by

consensus members, to be further defined in the IRWM Plan section discussion on governance that will be prepared, of the Committee from stakeholder organizations in the Planning Region. Stakeholders represent their agency or organization and serve at the pleasure of the AGENCIES and shall not be required (but may be asked) to contribute funds except in-kind services. No more than one representative of any organization shall be named to the Committee. The representative shall represent all interests of the organization and the Planning Region. The Committee acts in an advisory role to the AGENCIES for plan goals and priorities outreach and project integration. Stakeholders need not be a member of the Committee to participate in the planning process. The Committee may become dormant if no planning efforts are ongoing or it is no longer needed.

5. The IRWM Plan, grant applications and related efforts provided for in this MOU aggregate, compile and integrate existing plans and documents as well as solicit new projects and programs. Nothing in these plans, documents or actions, limits the authority of the AGENCIES or their powers or modifies any of the referenced plans, ordinances or actions of the AGENCIES, committee members or stakeholders.

6. Nothing contained within this MOU binds the parties beyond the scope or term of this MOU unless specifically documented in subsequent MOU amendments or contracts.

7. The AGENCIES shall provide a share of funding for management of the IRWM Program, and intend to provide a share of funding for the preparation of IRWM Planning and Implementation Grant applications, preparation of and initial IRWM Plan and updates, and management of IRWM Planning and Implementation Grant contracts with the California Department of Water Resources, as follows:

a. The CITY OF BANNING, RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, and the SAN GORGONIO PASS WATER AGENCY shall equally share funding for a consultant, or mutually agreed upon in-kind services, to manage the IRWM Program.

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d. The AGENCIES intend that grant recipients would bear a share of funding needed to manage IRWM Planning and Implementation Grant

contracts with California Department of Water Resources via an administrative fee taken out of grant awards. The appropriate funding share will be calculated on case by case basis as grants are awarded.

8. The AGENCIES cannot be assured of the results or success of the IRWM plan and application for funding. Nothing within this MOU should be construed as creating a promise or guarantee of future funding nor shall any liability accrue to the AGENCIES from any third party or one of the AGENCIES should funding not be forthcoming. Nor shall any additional liability accrue to the CITY OF BANNING by its willingness to act as lead for contracting and application on behalf of the AGENCIES.

9. ~~The term of this MOU is indefinite, unless replaced or amended in writing by other written agreement(s) or terminated by majority vote of the AGENCIES. Notwithstanding the foregoing, any AGENCY may withdraw from participation as an AGENCY, without forfeiting its ability to participate as a stakeholder, by giving to each of the other AGENCIES sixty (60) days' written notice of its intent to withdraw from participation as an AGENCY.~~
~~The term of this MOU is indefinite, unless replaced by other agreements or terminated by any of the AGENCIES with 120 days notice.~~

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10. ~~Any entity not listed herein as an AGENCY will be allowed to become an AGENCY under this MOU with the majority concurrence of all existing AGENCIES and upon the execution of this MOU terms by its governing board. Withdrawal of AGENCIES or addition of other agencies not included will be allowed with the majority concurrence of the AGENCIES and upon execution of this agreement's terms by their governing boards.~~

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11. Any notices sent or required to be sent to any party shall be mailed to the following addresses:

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DISTRICT
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Banning, CA 92220

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501

SAN GORGONIO PASS
WATER AGENCY

Comment [PSC1]: Need to fill in appropriate addresses

12. Each AGENCY, to the fullest extent permitted by law, shall defend, indemnify and hold harmless the other AGENCIES, and their respective consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages, losses, expenses and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with the action(s) or omission(s) of that AGENCY, or arising or resulting from or in connection with any action(s) or omission(s) taken by a majority of the AGENCIES with approval of the AGENCY from whom indemnification is sought performance of the work performed pursuant to this MOU; such obligation shall not apply to any loss, damage or injury, as may be caused solely and exclusively by the fault or negligence of an AGENCY.

13. This MOU is to be construed in accordance with the laws of the State of California.

14. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.

15. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by this MOU shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.

16. This MOU is the result of negotiations between the parties hereto and with the advice and assistance of their respective counsel. No provision contained herein shall be construed against DISTRICT solely because, as a matter of convenience, it prepared this MOU in final form.

17. Any waiver by AGENCIES of any breach by the other of any one or more of the terms of this MOU shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any of the respective AGENCIES to require from the others exact, full and complete compliance with any terms of the MOU shall not be construed as in any manner changing the terms hereof, or stopping the respective AGENCIES from enforcement hereof.

18. This MOU may be executed and delivered in any number of counterparts or copies, hereinafter called "COUNTERPART", by the parties hereto. When each party has signed and delivered at least one COUNTERPART to the other parties hereto, each COUNTERPART shall be deemed an original and, taken together, shall constitute one and the same MOU, which shall be binding and effective as to the parties hereto.

19. This MOU is intended by the AGENCIES hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and

conditions thereof. This MOU shall not be changed or modified except by the written consent of all AGENCIES hereto.



**San Gorgonio IRWM RAP and Planning Grant
Applications Preparation**

Meeting #2

August 31, 2016

Complex Challenges | Innovative Solutions rmcwater.com

Agenda

- A. Outstanding action items from 8/24
- B. Applications preparation schedule
- C. IRWM Planning needs
 - 1. IRWM Plan overview and cost estimate
 - 2. Additional planning needs

Outstanding action items

Item	Responsible Person/Agency	Due Date
Confirm representative from Cabazon Water District	Cabazon WD	8/26
Provide final comments on MOU and send for legal review, if needed	All	8/26
Send stakeholder solicitation letters	City of Banning	8/26
Provide signature sheets required by your agency for inclusion in the MOU	All	8/26



Schedule

- See handout



IRWM Plan Overview: Plan Standards

Region Description	Governance	Objectives	Resource Management Strategies
Integration	Project Review Process	Impacts and Benefits	Plan Performance and Monitoring
Data Management	Finance	Technical Analysis	Relation to Local Water Planning
Relation to Local Land Use Planning	Stakeholder Involvement	Coordination	Climate Change



5

IRWM Plan: Estimated Cost

Task	Cost
Project / Grant Admin	\$45k
Planning workshops	\$80k
Develop Plan sections	\$185k
Draft, Revised, Final Plan	\$30k
Outreach/Coordination/Meetings	\$60k
Total	\$400k



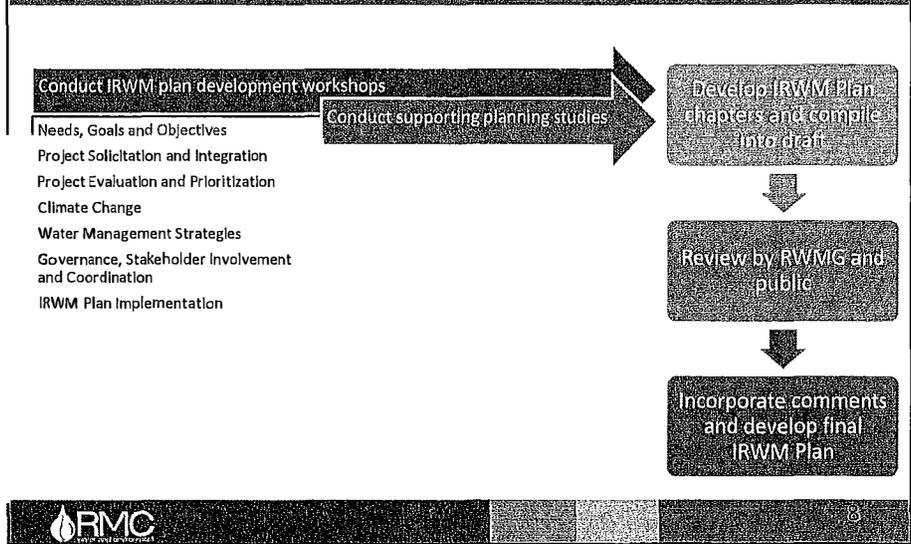
6

IRWM Plan: Grant Funding and Match

- IRWM Plan development
 - ▣ Total IRWM Plan cost: \$400,000
 - ▣ Required match: \$20,000 (5% of total Plan cost)
- Grant funding available
 - ▣ Maximum per region: \$1,000,000
 - ▣ IRWM Plan grant request: \$380,000
 - ▣ Additional grant funds available: \$620,000



IRWM Plan: Development Process



Additional planning studies: Potential ideas

- **Do you want to go after Prop 1 stormwater funding?** Stormwater resources plans are required to receive grant funds and must be incorporated into IRWM plans. (~\$400k-\$1M)
- **Does the Region have groundwater quality issues?** IRWM plans must include a description of location, extent and impacts of nitrate, arsenic, perchlorate or hexavalent chromium contamination.
- **Are you interested in salt and nutrient management planning or recycled water planning?** Developing salt and nutrient management plans or recycled water plans can identify additional projects and needs for later funding opportunities. (~\$100k-\$200k)
- **Are you aware of the water resources issues and needs of disadvantaged and tribal communities?** Focused outreach to DACs and tribes can be conducted to identify these communities' needs and facilitate project development. (~50k-\$100k)
- **Is there a need for habitat and open space planning?** (~\$180k)
- **Others?**



San Geronio IRWM RAP and Planning Grant Applications Preparation

Meeting #2

August 31, 2016

Complex Challenges | Innovative Solutions

rmcwater.com

MEMORANDUM

TO: Board of Directors

FROM: Agency Staff and General Counsel

RE: Consideration and possible action to authorize the General Manager to execute an agreement for legal services with Atkinson Andelson for review and analysis of a construction dispute between DWR and DWR's construction contractor in connection with the Mentone Pipeline – East Branch Extension.

Consideration and possible action to authorize the General Manager to execute a cost sharing agreement with the San Bernardino Valley Municipal Water District to share equally the cost of services rendered by Atkinson Andelson.

DATE: September 6, 2016

Summary:

DWR contracted with Spinello Companies for the construction of the Mentone Pipeline – East Branch Extension. The Pipeline is to be built and owned by DWR. However, as the State Water Contractors that will be receiving water through the Pipeline, the Agency and the San Bernardino Valley Municipal Water District (“Valley District”) have financial obligations to pay for construction. Spinello has filed a claim against DWR seeking compensation for what they allege to be changes in the work for which they seek additional compensation.

Since the Agency and Valley District could ultimately be required to pay for such overages, it is recommended that the Agency and Valley District share the costs of retaining an attorney to review, analyze and monitor the litigation and resolution of this claim. That way, the Agency and Valley District can make their own judgment on the justification, if any, for DWR to ultimately seek payment for any such amounts from the Agency and Valley District.

Valley District previously retained Mary Salamone of Atkinson, Andelson, Loya, Ruud & Romo (“Atkinson Andelson”) to start a review of this matter. In order to review and share any such studies or information between the two entities, and to preserve the confidentiality of an attorney-client privilege, the Agency would need to enter into its own agreement for legal services with Atkinson Andelson. Such an agreement would include an accompanying disclosure which acknowledges the dual representation arrangements between the Agency and Valley District. If the Board wishes to proceed with such an agreement, it is recommended that the Agency split the costs with Valley District on a 50-50 basis.

Such work by Atkinson Andelson would be limited to the review, analysis and monitoring of the DWR contractor construction dispute. The services would not extend to initiating or defending any litigation

Fiscal Impacts:

Mary Salamone’s current rate is \$465 per hour. Once Ms. Salamone develops a budget for the estimated fees and any consultant/expert costs, that amount will be communicated to the Boards of both the Agency and Valley District. Please keep in mind that the agreement with the law firm would be subject to termination at any time by the Agency and such services would be limited to the analysis described above and not the initiation or defense of litigation.

Recommendations:

1. Authorize the General Manager to execute an agreement, and accompanying documentation, for legal services with Atkinson Andelson for review and analysis of a construction dispute between DWR and its construction contractor in connection with the Mentone Pipeline – East Branch Extension.
2. Authorize the General Manager to execute, subject to review and approval by Staff and General Counsel, a cost sharing agreement with Valley District to share equally the cost of services rendered by Atkinson Andelson in connection with the DWR construction contractor dispute regarding the Mentone Pipeline – East Branch Extension.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION

CERRITOS
(562) 653-3200

FRESNO
(559) 225-6700

PASADENA
(626) 583-8600

PLEASANTON
(925) 227-9200

ATTORNEYS AT LAW

20 PACIFICA, SUITE 1100
IRVINE, CALIFORNIA 92618-3371
(949) 453-4260

FAX (949) 453-4262
WWW.AALRR.COM

RIVERSIDE
(951) 683-1122

SACRAMENTO
(916) 923-1200

SAN DIEGO
(619) 435-9126

DRAFT
OUR FILE NUMBER:

August 29, 2016

VIA EMAIL TRANSMISSION

Jeff Davis, P.E.
General Manager and Chief Engineer
SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, CA 92223

Re: Joint Representation/Conflict Waiver involving Mentone Pipeline Project

Dear Mr. Davis:

As you know, our firm has been asked by both San Gorgonio Pass Water Agency (“Pass Water Agency”) and San Bernardino Valley Municipal Water District (“Valley District”) to represent their respective interests in connection with a multi-million dollar claim submitted by Spiniello Companies (“Spiniello”) on a public work of improvement known as the Mentone Pipeline – East Branch Extension Project for which the Department of Water Resources (“DWR”) was responsible for the design and construction management.

As you may be aware, we are governed by specific rules relating to our representation of clients when actual or potential conflicts of interest exist with current or former clients. Under these standards we are required to bring to your attention that a potential conflict of interest exists between Pass Water Agency and Valley District in this matter. We are also required to obtain informed written consent to our representation of both parties in this matter.

Avoiding the Representation of Adverse Interests. California Rule of Professional Conduct 3-310(C)(1) provides that a member of the State Bar of California “shall not, without the informed written consent of each client, accept representation of more than one client in a matter in which the interests of the clients potentially conflict.” This applies to concurrent representation of multiple parties in litigation or some other legal relationship. In such a situation, “for the sake of convenience or economy, the parties may well prefer to employ a single counsel, but a member must disclose the potential adverse aspects of such multiple representation...and must obtain informed written consent.”¹

¹ Rule 3-310 *Discussion*, available at <http://rules.calbar.ca.gov/Rules/RulesofProfessionalConduct/CurrentRules/Rule3310.aspx>.

Jeff Davis, P. E.
August 29, 2016
Page 2

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In an action involving multiple parties, a possibility exists that a party's interests may at some point become adverse or conflict with the other represented party during the proceedings. Even when all parties' interests are initially compatible, circumstances can change and an adverse relationship or conflict of interest can develop. In litigation, such scenarios can result from a variety of circumstances. They can occur, for instance, because of the possibility of changes between the individual parties' positions with respect to the opposing party; because of the existence of substantially different possibilities of settlement with respect to the various individual parties should a legal dispute arise; or because of the existence of substantial discrepancies in the parties' testimony. This list of examples is not exhaustive.

Additionally, in the event that you develop inconsistent defenses or objectives, such that one of you wishes us to pursue a defense which would adversely affect the interests of the other, a conflict would arise which could require us to withdraw as counsel for either of you. Thus, we will make every effort during the course of representation to confirm that each of you has a commonality of interest in connection with the positions asserted on your respective behalves. If your interests diverge during the course of the representation, further disclosure and waiver of the conflict, or withdrawal from representation, could be necessary.

Thus far, while Spiniello has commenced an arbitration proceeding against DWR, Pass Water Agency and Valley District are not named as parties, nor likely will be. Therefore, at this time, this is simply a matter for which Pass Water Agency and Valley District are seeking our legal advice. It is my understanding that Jeff Davis, General Manager for Pass Water Agency and Doug Headrick, General Manager for Valley District have spoken and have agreed to split 50-50 the legal costs associated with the representation on the Project. It is our opinion that we may proceed to represent both parties without adversely affecting the interests of either party at this juncture.

We should inform you that as part of the firm's concurrent representation, you should consider that, there is no right to assert the attorney-client privilege as to communications we receive from either Pass Water Agency or Valley District in connection with the concurrent representation. If you are presently aware of any information that relates to the issues in this action, which you feel should be kept confidential from the Valley District, it would be advisable for you to seek the advice of independent counsel. If, during the pendency of this action, any such information comes to your attention which you do not want disclosed to Valley District, we ask that you advise us in writing of this fact without telling us what the information is, so that we can determine whether we can proceed.

You confirm by executing this letter that you understand that information received by this firm from you in connection with this matter may be communicated to Valley District. You further acknowledge that, assuming the information learned from you is significant, we may have an

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ethical duty to disclose that information to Valley District. In undertaking the concurrent representation of each of you, we cannot and will not advise either of you as to any matters upon which an actual conflict of interest develops among you. In the event that any conflict, dispute or disagreement arises between you as to your respective rights and defenses, we shall decline to represent you in any manner in connection with that dispute or disagreement.

Prior to execution of this letter you may consult with independent counsel with respect to executing the letter and with respect to any issues which may arise in connection with our firm's representation of both Pass Water Agency and Valley District in this matter. If you consent to our representation of both Pass Water Agency and Valley District in this matter, please execute the enclosed copy of this consent and return it to our office at your earliest convenience.

Finally, if you have any concerns or questions regarding the requested informed written consent or any of the information contained in this correspondence, please do not hesitate to call me.

Very truly yours,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

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CONSENT

San Gorgonio Pass Water Agency (“Pass Water Agency”) is informed and understands that a conflict of interest with San Bernardino Valley Municipal Water District (“Valley District”) could potentially arise with respect to Atkinson, Andelson, Loya, Ruud & Romo’s representation of both clients in the matter involving the Mentone Pipeline - East Branch Extension Project. With full understanding of the foregoing letter to which this consent is attached, I hereby give my informed written consent to the concurrent representation of Pass Water Agency and Valley District by Atkinson, Andelson, Loya, Ruud & Romo in the above-referenced matter.

Dated: _____

By: _____
Jeff Davis, P.E., General Manager and Chief
Engineer, San Gorgonio Pass Water Agency