

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Meeting**  
**Agenda**  
**November 7, 2016 at 3:00 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, October 17, 2016\* (Page 3)
- B. Approval of the Minutes of the Finance and Budget Workshop, October 24, 2016\* (Page 7)
- C. Approval of the Finance and Budget Workshop Report, October 24, 2016\* (Page 9)

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

- A. General Manager's Report
  - 1. Operations Report
  - 2. General Agency Updates
- B. Finance Manager Report
- C. General Counsel Report
- D. Directors' Report

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

- A. Consideration of Adoption of Resolution No. 2016-07, Amending Conflict of Interest Code (Page 26)
- B. Consideration of Expenditure for New Directors' attendance at the 2016 ACWA Fall Conference\* (Page 35)
- C. Consideration of Amendment to Kennedy/Jenks Contract for Urban Water Management Plan\* (Page 37)
- D. Consideration of Amendment to Provost & Pritchard Contract Related to Allocation Issues \*(Page 40)
- E. Consideration of Authorization to Contract with Provost & Pritchard regarding Assistance in Procuring Additional Water Supplies\* (Page 42)
- F. Consideration of Authorization to file as GSA for One Square Mile in San Geronio Pass Sub-basin\* (Page 48)

**7. Topics for Future Agendas**

**8. Announcements**

- A. Office closed November 11, 2016 in observance of Veterans Day
- B. Engineering Workshop, November 14, 2016 at 4:00 p.m.
- C. Regular Board Meeting, November 21, 2016 at 7:00 p.m.
- D. Finance and Budget Workshop, November 28, 2016 at 4:00 p.m.

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

- A. 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

**10. Adjournment**

**Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: [www.sgpwa.com](http://www.sgpwa.com) (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**October 17, 2016**

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

**Director(s) Absent:** Mary Ann Melleby, Treasurer

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

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., October 17, 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 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, October 3, 2016
  - B. Approval of the Minutes of the Engineering Workshop, October 10, 2016

Director Dickson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Director Ball noted that there was a typographical error in the October 3, 2016 Board Minutes - Item 7(2); Minutes will be amended accordingly. Motion passed 6-0-1, with Director Melleby absent.

**5. Reports:**

**A. General Manager's Report:**

**(1) Operations Report: (a) SWP Water Deliveries:** The Agency delivered a total of 745 acre-feet to the Noble Creek Connection, so far this month.

**(2) General Agency Updates: (a) New Water Year:** The new water year started October 1<sup>st</sup>. **(b) SWC Operations Committee:** General Manager Davis will attempt to attend the SWC Operations Committee workshop next month. These meetings provide a great deal of information on weather forecasting which is provided by DWR's meteorologists.

**B. General Counsel Report:** General Counsel Jeff Ferré deferred reporting due to the amount of items on the agenda.

**C. Directors Reports:** **1) Director Fenn** reported on the BCVWD Board meeting that he attended on October 12<sup>th</sup>, when its board extended Pardee's Will Serve letters with conditions. One of the conditions is to meet with the Agency's board within 90 days to discuss additional water sources. He shared with the Board that on November 7<sup>th</sup> Beaumont City Council will be making a decision on what to do with its Sewer Treatment Facility or to accept YVWD's offer to tie into its Wastewater Treatment Facility; he encouraged all board members to attend and voice their opinions. **2) Director Ball** reported on the BCVWD Board meeting, stating that General Manager Davis gave a presentation and it was well received. **3) Director Duncan** reported that he had received a phone call from the Building Industry Association (BIA) asking questions about the availability of water in the city of Banning. Director Duncan referred the representative to Art Vela (City of Banning – Public Works Director), as he had previously announced during a city council meeting that Banning had plenty of water.

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

**A. Update on Sustainable Groundwater Management Act (SGMA):** **1)** A staff report and related materials were included in the agenda packet. General Manager Davis stated that the purpose of this agenda item is to update the Board on staff's efforts to implement SGMA. General Manager Davis stated that Special Attorney Paeter Garcia (Partner - Best Best & Krieger) is an expert in SGMA and very familiar with groundwater law in this area, and is here today to assist in the update. **2)** General Manager Davis reviewed the east (San Geronio sub-basin) and west (San Timoteo sub-basin) basins within the Agency's service area that require GSP(s) and GSA(s). Monthly meetings have been taking place for over six months on the San Geronio Pass sub-basin; Mr. Garcia has been attending these meetings. An MOU has been drafted and defines the GSAs as BHMWC, City of Banning, Cabazon Water District, High Valleys Water District, Mission Springs Water District, Desert Water Agency, Morongo Band of Mission Indians, and SGPWA. General Manager Davis informed the Board that Morongo Reservation is located in the middle of the basin; SGMA law exempts Native Americans from participating in SGMA. The group is working together to resolve this issue. Mr. Garcia spoke on the cooperation of the Morongo Band of Mission Indians and the uniqueness of this issue. He provided insight on the laws and provisions under SGMA. General Manager Davis reported that Desert Water Agency filed paperwork to become the sole GSA for the portion that is located just to the east of the Agency's boundary. The wording in Desert Water Agency's resolution, adopting its Agency to become the sole GSA, states that they will work with GSA(s) within the Agency's service area. General Manager Davis announced that a GSA Memorandum of Understanding for the San Geronio sub-basin will be presented to the Board within the next 60-90 days for discussion and consideration. General Manager Davis informed the Board that Mission Springs Water District filed to be the sole GSA for the one-square mile area of land that is within the Agency's boundaries and has been approved by DWR as of today. Therefore, if any other entity wanted to be part of the GSA for that one-square mile they would have to make that declaration within the next 90 days (by January 17). Mission Springs has said that they had no objection to our Agency also being a part of the GSA for that one-square mile. General Manager Davis will come back to the board in the near future make a recommendation regarding becoming part of the GSA for that one-square mile. **3)** The Agency is working together with YVWD,

BCVWD and possibly the Watermaster to jointly become the GSA for the San Timoteo sub-basin.

**B. Discussion of Watermaster Storage Account Conditions:** A staff report and a copy of the Beaumont Basin Watermaster Memorandum No. 16-18, were included in the agenda packet. General Manager Davis reported that in March 2016 the Agency submitted an application for a storage account to the Beaumont Basin Watermaster. Due to various reasons the Watermaster did not take any action when the application was being discussed at previous meetings this year. The Agency's application was listed on the Watermaster's October Board Meeting Agenda as a discussion item. General Manager Davis attended the meeting and stated that the Watermaster has concerns and has placed a number of "conditions" for the storage account. The (draft) conditions are listed in the Beaumont Basin Watermaster Memorandum No. 16-18. The Watermaster asked General Manager Davis to present this Memorandum to the Board for review and comments. General Manager Davis reviewed each condition with the Board. After discussion, it was the consensus of the Board to authorize Mr. Garcia to meet with the Watermaster's legal counsel to revise certain portions, before consideration by the Board. .

**C. Consideration of Counteroffer from Sites Reservoir JPA regarding Participation in Phase 1:** A staff report and a copy of a letter from Sites Reservoir Authority (SRA) regarding the Sites Reservoir Project, Proposal to Participate in the Phase 1 Reservoir Project Agreement were included in the agenda packet. General Manager Davis stated that the Agency had applied to the Sites Reservoir Authority for 14,000 acre-feet of yield, of which the Agency would be responsible for paying for 10,000 acre-feet and BCVWD would be responsible for 4,000 acre-feet of yield. Once all of the applications were received by SRA the outcome is that the yield of the proposed project was over-subscribed. Therefore, the counteroffer made to the Agency by SRA is 7,966 acre-feet of yield as "Class 1" water, with the remaining 6,034 acre-feet offered as "Class 2" water. The Agency can accept SRA's counteroffer or make a counter-counteroffer. General Manager Davis stated that BCVWD also needs to weigh in on any decision making on the counteroffer, since they had agreed to the 4,000 acre-feet. He then gave explanation in detail as to how Class 1 and Class 2 are distinguished. General Manager Davis stated that some kind of an action needs to be taken tonight. After discussion, Director Ball made a motion, seconded by Director Duncan, to accept the counteroffer. Staff is to contact BCVWD to see if they would like to participate to the same degree and same proportions as they had previously indicated. Motion passed 6-0-1, with Director Melleby absent.

**7. Topics for Future Agendas:** Director Duncan requested an update on the Flume.

**8. Announcements**

- A. Finance and Budget Workshop, October 24, 2016 at 4:00 p.m.
- B. San Gorgonio Pass Regional Water Alliance, October 26, 2016
  - 1. Business Meeting at 4:30 p.m. – Banning City Hall Conference Room
  - 2. Regular Meeting at 5:30 p.m. – Banning City Hall Conference Room
- C. Regular Board Meeting, November 7, 2016 at **4:00 p.m.**

Director Fenn requested a time change for the November 7<sup>th</sup> Board meeting from 4:00 to 3:00 p.m., thereby allowing board members to attend the City of Beaumont Council Meeting at 5:00 p.m. on the same date. The council will be deciding what to do about

the City's wastewater treatment facility. After discussion, it was the consensus of the Board to hold the November 7<sup>th</sup> Board meeting at 3:00 p.m.

**Closed Session (1 item)**

**Time: 8:21 pm**

**9. 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

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

**The meeting reconvened to open session - Time: 8:35 p.m.**

General Counsel Ferre reported that the Board met in Closed Session on item 9, pursuant to Government Code Section 54956.8. There was no action taken during closed session that is reportable under the Brown Act. *President Jeter adjourned the meeting.*

**10. Adjournment**

**Time: 8:36 p.m.**

**Draft - Subject to Board Approval**

Jeffrey W. Davis, Secretary of the Board

10/17

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Budget Workshop**  
**October 24, 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 at 4:00 p.m., October 24, 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:** The agenda was adopted as published.
3. **Public Comment:** David Castaldo made a comment about the rain.
4. **New Business:**
  - A. Ratification of Paid Invoices and Monthly Payroll for September, 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 \$9,211,599.96 and payroll of \$31,658.26 for the month of September, 2016, for a combined total of \$9,243,258.22. 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 September, 2016. The motion passed 7 in favor, no opposed.

- C. Review of September, 2016 Bank Reconciliation: After review and discussion, a motion was made by Director Duncan, seconded by Director Dickson, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for September, 2016 as presented. The motion passed 7 in favor, no opposed.
  - D. Review of Budget Report for September, 2016: After review and discussion, a motion was made by Director Fenn, seconded by Director Stephenson, to recommend that the Board acknowledge receipt of the Budget Report for September, 2016. The motion passed 7 in favor, no opposed.
  - E. Review of Draft Cash Reconciliation Report for September 30, 2016: This is a draft, as the starting balances from June 30, 2016 for the funds have not been finalized by the auditors. General Manager Jeff Davis introduced this report by mentioning the large bond payment made by the Agency in September, and then asked Finance Manager Tom Todd to review the report. After review and discussion, a motion was made by Director Stephenson, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Cash Reconciliation Report for September 30, 2016. The motion passed 7 in favor, no opposed.
  - F. Review of Draft Investment Report for September 30, 2016: This is a draft, as the final amounts for the various investment categories have not been finalized by the auditors. Finance Manager Todd reviewed each investment, and highlighted the difference between purchase cost, face value or carrying value, and current value. After further review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to acknowledge receipt of the Investment Report for December 31, 2015. The motion passed 7 in favor, no opposed.
- 5. Announcements:** Chair Melleby reviewed the following announcements:
- A. San Gorgonio Pass Regional Water Alliance, October 26, 2016
    - 1. Business Meeting, 4:30 p.m. – Banning City Hall Conference Room
    - 2. Regular Meeting, 5:30 p.m. – Banning City Hall Conference Room
  - B. Regular Board Meeting, November 7, 2016, **3:00 p.m.** (note time change)
  - C. Engineering Workshop, November 14, 2016, 4:00 p.m.
- 6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 4:50 p.m.

Draft - Not Approved

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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 October 24, 2016. The following recommendations were made:

1. The Board ratify payment of Invoices of \$9,211,599.96 and Payroll of \$31,658.26 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for October, 2016 for a combined total of \$9,243,258.22.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$20,467.02
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3. The Board acknowledge receipt of the following:
  - A. Wells Fargo bank reconciliation for September, 2016
  - B. Budget Report for September, 2016
4. The Board approve these reports as presented:
  - A. Draft Cash Reconciliation Report for September 30, 2016
  - B. Draft Investment Report for September 30, 2016

# **SAN GORGONIO PASS WATER AGENCY**

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

October 24, 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 September, 2016 by Reviewing Check History Reports in Detail\*
- B. Review of Pending Legal Invoices\*
- C. Review of September, 2016 Bank Reconciliation\*
- D. Review of Budget Report for September, 2016\*
- E. Review of Draft Cash Reconciliation Report for September 30, 2016\*
- F. Review of Draft Investment Report September 30, 2016\*

**5. Announcements**

- A. San Gorgonio Pass Regional Water Alliance, October 26, 2016
  - 1. Business Meeting, 4:30 p.m. – Banning City Hall Conference Room
  - 2. Regular Meeting, 5:30 p.m. – Banning City Hall Conference Room
- B. Regular Board Meeting, November 7, 2016, **3:00 p.m.** (note time change)
- C. Engineering Workshop, November 14, 2016, 4:00 p.m.

**6. Adjournment**

\*Information Included In Agenda Packet

1. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Ave., Beaumont, CA 92223 during normal business hours. 2. Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meet 1 0 / 5 2 quest for a disability-related modification or accommodation.

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

ACCOUNTS PAYABLE
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Date	Number	Name	Amount
09/06/2016	118102	ACWA BENEFITS	755.07
09/06/2016	118103	ALBERT WEBB ASSOCIATES	115.00
09/06/2016	118104	BEAUMONT-CHERRY VALLEY WATER DISTRICT	488.62
09/06/2016	118105	BDL ALARMS, INC.	78.00
09/06/2016	118106	BEST BEST & KRIEGER	26,001.43
09/06/2016	118107	CALIMESA CHAMBER OF COMMERCE	35.00
09/06/2016	118108	ROY McDONALD	6,108.68
09/06/2016	118109	STATE WATER PROJECT CONT. AUTHORITY	5,801.00
09/06/2016	118110	UNDERGROUND SERVICE ALERT	10.50
09/06/2016	118111	UNLIMITED SERVICES BUILDING MAINT.	295.00
09/06/2016	118112	WASTE MANAGEMENT INLAND EMPIRE	94.37
09/15/2016	118113	CALPERS RETIREMENT	4,453.37
09/15/2016	118114	CALPERS 457-SIP	1,150.00
09/15/2016	118115	FRANCHISE TAX BOARD	196.91
09/19/2016	118116	BEAUMONT HOME CENTER	822.18
09/19/2016	118117	CALPERS HEALTH	6,908.59
09/19/2016	118118	JEFFREY W. DAVIS	676.75
09/19/2016	118119	ERNST & YOUNG LLP	1,002.00
09/19/2016	118120	FRONTIER COMMUNICATIONS	1,214.33
09/19/2016	118121	GOPHER PATROL	48.00
09/19/2016	118122	INCONTACT, INC.	109.23
09/19/2016	118123	KENNEDY JENKS CONSULTANTS	14,045.20
09/19/2016	118124	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
09/19/2016	118125	PROVOST & PRITCHARD	11,329.10
09/19/2016	118126	THOMAS W. TODD, JR.	1,178.61
09/19/2016	118127	U. S. GEOLOGICAL SURVEY	26,735.08
09/19/2016	118128	WELLS FARGO REMITTANCE CENTER	1,581.69
09/21/2016	118129	RIVERSIDE ECONOMIC DEVEL. AGENCY	1,000.00
09/22/2016	118130	OFFICE SOLUTIONS	214.19
09/22/2016	118131	SOUTHERN CALIFORNIA EDISON	163.84
09/22/2016	118132	SPEC SERVICES, INC.	2,635.24
09/22/2016	118133	VALLEY OFFICE EQUIPMENT, INC.	126.40
09/26/2016	118134	ACWA JPIA	19,692.00
09/26/2016	118135	AT&T MOBILITY	256.52
09/26/2016	118136	CV STRATEGIES	6,580.84
09/26/2016	118137	PROVOST & PRITCHARD	7,020.00
09/26/2016	118138	VOID	
09/26/2016	118139	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	147,286.03
09/28/2016	118140	SEE PAYROLL CATEGORY, JOHN R. JETER	
09/29/2016	118141	CALPERS RETIREMENT	4,408.76
09/29/2016	118142	CALPERS 457-SIP	1,150.00
09/29/2016	118143	STANDARD INSURANCE COMPANY	404.08
09/15/2016	524525	EMPLOYMENT DEVELOPMENT DEPARTMENT	998.69
09/15/2016	555492	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	5,527.01
09/29/2016	581648	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,224.87
09/29/2016	507027	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,268.78
09/30/2016	900126	DEPARTMENT OF WATER RESOURCES	8,894,084.00
TOTAL ACCOUNTS PAYABLE CHECKS			9,211,599.96

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

PAYROLL
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CHECKS			
Date	Number	Name	Amount
09/28/2016	118140	JOHN R. JETER	724.41
TOTAL PAYROLL CHECKS			724.41
DIRECT DEPOSIT			
Date	Number	Name	Amount
09/14/2016	801261	JEFFREY W. DAVIS	4,548.56
09/14/2016	801262	WILLIAM E. DICKSON	942.50
09/14/2016	801263	KENNETH M. FALLS	2,693.59
09/14/2016	801264	CHERYLE M. RASMUSSEN	2,119.57
09/14/2016	801265	THOMAS W. TODD, JR.	3,306.77
09/28/2016	801266	BLAIR M. BALL	1,139.41
09/28/2016	801267	JEFFREY W. DAVIS	4,762.09
09/28/2016	801268	RONALD A. DUNCAN	1,139.41
09/28/2016	801269	KENNETH M. FALLS	2,577.61
09/28/2016	801270	MARY ANN HARVEY-MELLEBY	1,139.41
09/28/2016	801271	CHERYLE M. RASMUSSEN	2,119.59
09/28/2016	801272	LEONARD C. STEPHENSON	1,139.41
09/28/2016	801273	THOMAS W. TODD, JR.	3,305.93
TOTAL PAYROLL DIRECT DEPOSIT			30,933.85
TOTAL PAYROLL			31,658.26
TOTAL DISBURSEMENTS FOR SEPTEMBER, 2016			9,243,258.22

SAN GORGONIO PASS WATER AGENCY  
New Vendors List  
October, 2016

Vendor - Name and Address	Expenditure Type
Mary Lou Cotton - Water Resources Consulting 9084 Cabin Creek Trail; Reno, NV 86523	Consulting - East Branch, UWMP
Singer Lewak LLP 10960 Wilshire Blvd 7th Floor; Los Angeles, CA 90024-3710 Purchased Ahern Adcock Devlin, auditors for the Agency	Accounting

**SAN GORGONIO PASS WATER AGENCY**

**LEGAL INVOICES  
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	160930	LEGAL SERVICES SEP16	20,467.02

TOTAL PENDING INVOICES FOR SEPTEMBER 2016

20,467.02

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

BALANCE PER BANK AT 09/30/2016 - CHECKING ACCOUNT 302,140.33

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118094	31.22	118135	256.52
118125	11329.10	118137	7,020.00
118129	1000.00	118138	VOID
118132	2635.24	118140	724.41
		118141	4,408.76
		118142	1,150.00
		118143	404.08
	<u>14,995.56</u>		<u>13,963.77</u>

TOTAL OUTSTANDING CHECKS (28,959.33)

BALANCE PER GENERAL LEDGER 273,181.00

BALANCE PER GENERAL LEDGER AT 08/31/2016 227,499.44

CASH RECEIPTS FOR SEPTEMBER 1,039,070.17

CASH DISBURSEMENTS FOR SEPTEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT (9,211,599.96)

NET PAYROLL FOR SEPTEMBER (31,658.26) (9,243,258.22)

BANK CHARGES (130.39)

TRANSFER FROM LAIF OR WELLS FARGO 9,000,000.00

TRANSFER TO LAIF OR WELLS FARGO (750,000.00)

BALANCE PER GENERAL LEDGER AT 9/30/2016 273,181.00

REPORT PREPARED BY:

  
Cheryl Rasmussen

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

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
<b>DEPOSIT TO CHECKING ACCOUNT</b>				
9/9/16	CRESTLINE L A W A	EAST BRANCH MEETINGS REIMB.	2,000.00	2,000.00
9/16/16	STATE OF CALIF/DWR	RAS COVER REFUND	9,872.00	
9/16/16	DESERT WATER A	EAST BRANCH MEETINGS REIMB.	2,000.00	11,872.00
9/20/16	BCVWD	WATER SALES	340,775.00	
9/20/16	PALMDALE W D	EAST BRANCH MEETINGS REIMB.	2,000.00	342,775.00
9/23/16	SAN GABRIEL WD	EAST BRANCH MEETINGS REIMB.	2,000.00	
9/23/16	SBVMWD	EAST BRANCH MEETINGS REIMB.	2,000.00	
9/23/16	YVWD	WATER SALES	26,984.97	30,984.97
9/27/16	CITY OF BANNING	WATER SALES	54,207.00	54,207.00
9/27/16	TVI	CD - BOND INTEREST	25,869.43	25,869.43
9/27/16	RIVERSIDE COUNTY	PROPERTY TAXES	571,361.77	571,361.77
TOTAL FOR SEPTEMBER 2016			1,039,070.17	1,039,070.17



**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 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
<b>GENERAL FUND - INCOME</b>					Compare: 75%
<b>INCOME</b>					
WATER SALES	3,993,000		3,993,000	753,759.23	81.12%
TAX REVENUE	2,240,000		2,240,000	183,328.91	91.82%
INTEREST	64,000		64,000	23,349.86	63.52%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000		69,000	37,070.24	46.28%
<b>TOTAL GENERAL FUND INCOME</b>	<b>6,366,000</b>	<b>0</b>	<b>6,366,000</b>	<b>997,508.24</b>	<b>84.33%</b>
<b>GENERAL FUND - EXPENSES</b>					
<b>COMMODITY PURCHASE</b>					
PURCHASED WATER	3,875,000		3,875,000	393,975.00	89.83%
<b>TOTAL COMMODITY PURCHASE</b>	<b>3,875,000</b>	<b>0</b>	<b>3,875,000</b>	<b>393,975.00</b>	<b>89.83%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>					
SALARIES	431,000		431,000	105,606.97	75.50%
PAYROLL TAXES	39,000		39,000	9,344.20	76.04%
RETIREMENT	108,000		108,000	43,639.73	59.59%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000		23,000	7,507.94	67.36%
HEALTH INSURANCE	52,000		52,000	17,012.10	67.28%
DENTAL INSURANCE	4,500		4,500	1,430.08	68.22%
LIFE INSURANCE	1,100		1,100	419.82	61.83%
DISABILITY INSURANCE	4,500		4,500	1,092.68	75.72%
WORKERS COMP INSURANCE	3,700		3,700	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	1,688.19	83.12%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>677,800</b>	<b>0</b>	<b>677,800</b>	<b>187,741.71</b>	<b>72.30%</b>

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**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 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
<b>GENERAL FUND - EXPENSES</b>					
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>					
<b>DIRECTOR EXPENDITURES</b>					
DIRECTORS FEES	105,000		105,000	25,416.28	75.79%
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	0.00	100.00%
DIRECTORS MISC. MEDICAL	32,000		32,000	2,137.41	93.32%
<b>OFFICE EXPENDITURES</b>					
OFFICE EXPENSE	18,000		18,000	1,474.76	91.81%
POSTAGE	1,000		1,000	37.43	96.26%
TELEPHONE	10,000		10,000	2,751.66	72.48%
UTILITIES	5,000		5,000	802.10	83.96%
<b>SERVICE EXPENDITURES</b>					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	62.00	99.31%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	3,162.92	84.19%
INSURANCE & BONDS	23,000		23,000	19,692.00	14.38%
ACCOUNTING & AUDITING	22,000		22,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	5,000		5,000	3,508.00	29.84%
DUES & ASSESSMENTS	29,000		29,000	2,053.50	92.92%
SPONSORSHIPS	8,000		8,000	1,000.00	87.50%
OUTSIDE PROFESSIONAL SERVICES	650		650	650.00	0.00%
BANK CHARGES	1,600		1,600	407.15	74.55%
MISCELLANEOUS EXPENSES	1,000		1,000	2.79	99.72%
<b>MAINTENANCE &amp; EQUIPMENT EXPENDITURES</b>					
TOOLS PURCHASE & MAINTENANCE	3,500		3,500	28.38	99.19%
VEHICLE REPAIR & MAINTENANCE	9,000		9,000	1,769.38	80.34%
MAINTENANCE & REPAIRS - BUILDING	11,000		11,000	3,095.48	71.86%
MAINTENANCE & REPAIRS - FIELD	6,500		6,500	2,659.84	59.08%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
<b>COUNTY EXPENDITURES</b>					
LAFCO COST SHARE	5,000		5,000	4,440.49	11.19%
ELECTION EXPENSE	175,000		175,000	0.00	100.00%
TAX COLLECTION CHARGES	9,500		9,500	457.29	95.19%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>679,750</b>	<b>0</b>	<b>679,750</b>	<b>75,608.86</b>	<b>88.88%</b>

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**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FY 2016-17  
BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 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
<b>GENERAL FUND - EXPENSES</b>					
<b>GENERAL ENGINEERING</b>					
RECHARGE					
B.A.R.F. DESIGN + CONSTRUCTION			CAPITAL EXPENDITURE		
B.A.R.F. ENVIRONMENTAL MITIGATION			CAPITAL EXPENDITURE		
FERC/FLUME					
FLUME SUPPORT	40,000		40,000	13,012.07	67.47%
NEW WATER					
PROGRAMATIC EIR	75,000		75,000	0.00	100.00%
UPDATED STUDY ON AVAILABLE SOURCES	45,000		45,000	12,264.70	72.75%
SITES RESERVOIR	300,000		300,000	0.00	100.00%
BCVWD CONNECTION					
ENGINEERING	30,000		30,000	5,200.00	82.67%
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	26,735.08	73.26%
WATER RATE NEXUS STUDY	50,000		50,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	30,000		30,000	0.00	100.00%
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	17,503.20	-75.03%
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	20,490.23	41.46%
<b>TOTAL GENERAL ENGINEERING</b>	<b>791,000</b>	<b>0</b>	<b>791,000</b>	<b>115,385.28</b>	<b>85.41%</b>

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**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 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
<b>GENERAL FUND - EXPENSES</b>					
<b>LEGAL SERVICES</b>					
LEGAL SERVICES - GENERAL	175,000		175,000	41,816.79	76.10%
<b>TOTAL LEGAL SERVICES</b>	175,000	0	175,000	41,816.79	76.10%
<b>CONSERVATION &amp; EDUCATION</b>					
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	7,771.26	77.80%
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	35,000	15,000	50,000	7,771.26	84.46%
<b>GENERAL FUND CAPITAL EXPENDITURES</b>					
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	31,125.01	
SBVMWD PIPELINE CAPACITY PURCHASE	330,000		330,000	0.00	100.00%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	387,000	0	387,000	31,125.01	91.96%
<b>TRANSFERS TO OTHER FUNDS</b>	0	0	0	0.00	
<b>TOTAL GENERAL FUND EXPENSES</b>	6,620,550	15,000	6,635,550	853,423.91	87.14%
<b>TRANSFERS FROM RESERVES</b>	300,000		300,000		
<b>TOTAL TRANSFERS FROM RESERVES</b>	300,000	0	300,000	0	
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	45,450	-15,000	30,450	144,084.33	

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**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 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
<b>DEBT SERVICE FUND - INCOME</b>					
<b>INCOME</b>					
TAX REVENUE	19,350,000		19,350,000	1,149,380.45	94.06%
INTEREST	170,000		170,000	78,171.25	54.02%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	3,170,000		3,170,000	64,096.66	97.98%
<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>22,690,000</b>	<b>0</b>	<b>22,690,000</b>	<b>1,291,648.36</b>	<b>94.31%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>					
<b>EXPENSES</b>					
SALARIES	52,000		52,000	13,342.96	74.34%
PAYROLL TAXES	4,000		4,000	1,020.70	74.48%
BENEFITS	28,000		28,000	9,255.39	66.95%
SWC CONTRACTOR DUES	33,000		33,000	38,712.00	-17.31%
STATE WATER CONTRACT PAYMENTS	18,600,000		18,600,000	9,972,691.00	46.38%
PURCHASED WATER	5,000		5,000	304.00	93.92%
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	2,033.22	98.31%
SWP ENGINEERING	30,000		30,000	477.86	98.41%
DEBT SERVICE UTILITIES	10,000		10,000	2,622.83	73.77%
TAX COLLECTION CHARGES	60,000		60,000	2,618.24	95.64%
<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>18,942,000</b>	<b>0</b>	<b>18,942,000</b>	<b>10,043,078.20</b>	<b>46.98%</b>
<b>TRANSFERS FROM RESERVES</b>			<b>0</b>	<b>0.00</b>	
<b>DEBT SERVICE NET INCOME YEAR TO DATE</b>	<b>3,748,000</b>	<b>0</b>	<b>3,748,000</b>	<b>-8,751,429.84</b>	

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**DRAFT**

**SAN GORGONIO PASS WATER AGENCY  
CASH RECONCILIATION REPORT  
FY 2016-17  
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2016**

**DEBT SERVICE FUND - RESTRICTED**

BEGINNING BALANCE - JULY 1, 2016		
RESERVE FOR STATE WATER PROJECT	<u>36,875,784</u>	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	1,149,380	
INTEREST INCOME	78,171	
DWR REFUNDS	64,097	
DEBT SERVICE DISBURSEMENTS	<u>(10,043,078)</u>	
<b>ENDING RESTRICTED FUNDS BALANCE - SEP 30 2016</b>	<u><u>28,124,354</u></u>	<u><u>28,124,354</u></u>

**GENERAL FUND - UNRESTRICTED**

BEGINNING BALANCE - JULY 1, 2016	<u>11,992,622</u>	
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	753,759	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	183,329	
INTEREST INCOME	23,350	
OTHER INCOME	37,070	
CHANGE IN RECEIVABLES	575,816	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(491,640)	
CHANGE IN CAPITAL ASSETS	(76,550)	
OPERATING EXPENDITURES	<u>(844,877)</u>	
<b>ENDING UNRESTRICTED FUNDS BALANCE - SEP 30 2016</b>	<u><u>12,152,879</u></u>	<u><u>12,152,879</u></u>
<b><u>TOTAL CASH - SEP 30 2016</u></b>		<u><u>40,277,234</u></u>

**LOCATION OF CASH - SEP 30 2016**

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	273,212
WELLS FARGO MONEY MARKET SAVINGS	1,016,238
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	509,244
LOCAL AGENCY INVESTMENT FUND	3,349,005
CALTRUST	17,129,435
TIME VALUE INVESTMENTS	18,000,000
US TREASURY BILLS	-
<b><u>TOTAL - SEP 30 2016</u></b>	<u><u>40,277,234</u></u>

**DRAFT**

**SAN GORGONIO PASS WATER AGENCY**

**INVESTMENT REPORT**

**FY 2016-17**

**FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2016**

Accounting convention defines Current Assets as assets that can be liquidated within 1 year. By this definition, funds invested in Wells Fargo accounts, Bank of Hemet accounts, LAIF and CalTRUST accounts would all be considered Current Assets, or short-term investments.

The Agency categorizes its investments into three groups: Short-Term (can be liquidated or mature in 1 year); Medium-Term (mature in more than 1 year up to 5 years) and Long-Term (mature after 5 years).

For the purposes of this report, a "Hybrid" category is included for investments that can be liquidated in a year, but whose underlying securities may mature in more than one year. LAIF and CalTRUST both fall into this category.

This report includes a summary of cash and investments, and a detail of investments by category. The summary can be compared to the Cash Reconciliation Report. The balance for Time Value Investments could be different, as this report is a snapshot at a specific time of current values, whereas the Cash Reconciliation Report lists carrying values. The detail of investments may not necessarily agree with the summary of cash and investments. This report also includes charts to show graphically the different investment categories, and what they are earning.

**CASH AND INVESTMENT SUMMARY**

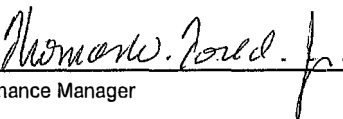
**LOCATION - INSTITUTION**

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	273,212
WELLS FARGO MONEY MARKET SAVINGS	1,016,238
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	509,244
LOCAL AGENCY INVESTMENT FUND	3,349,005
CALTRUST SHORT-TERM	4,030,358
CALTRUST MEDIUM-TERM	13,099,077
TIME VALUE INVESTMENTS	18,053,244
US TREASURY	-

**TOTAL** **40,330,478**

ALL INVESTMENTS LISTED ON THE INVESTMENT REPORT AND HELD BY THE SAN GORGONIO PASS WATER AGENCY ARE IN COMPLIANCE WITH THE AGENCY'S STATEMENT OF INVESTMENT POLICY.

THE AGENCY CAN MEET ITS EXPENDITURE REQUIREMENTS FOR THE NEXT SIX MONTHS.

 \_\_\_\_\_  
Finance Manager 10-20-16  
Date

**DRAFT**

**SAN GORGONIO PASS WATER AGENCY  
INVESTMENT REPORT  
FY 2016-17  
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2016**

**INVESTMENT DETAIL****SHORT-TERM**

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Wells Fargo	Money Market Savings	0.15%	9/30/16	1,016,235.04
Bank of Hemet	Local Agency Money Market	0.15%	9/30/16	509,244.31

**HYBRID**

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
State of California	Local Agency Investment Fund	0.60%	9/30/15	3,356,660.19
CalTRUST	Short-Term	0.66%	9/30/15	4,030,357.62
CalTRUST	Medium-Term	0.97%	9/30/15	13,099,077.02

**MEDIUM-TERM****BROKER: TIME VALUE INVESTMENTS BONDS**

ISSUER	TYPE	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
FFCB	Callable*	1,976,118	0.94%	03/19/2018	2,000,000	2,000,000
FFCB	Callable*	1,995,800	0.97%	06/18/2018	2,000,000	1,995,000
FFCB	Callable*	999,200	1.12%	02/22/2019	1,000,000	999,390
FFCB	Callable*	1,001,474	1.02%	07/12/2019	1,000,000	1,000,900
FFCB	Callable*	1,000,770	1.38%	03/02/2020	1,000,000	997,850
FNMA	Callable*	1,050,000	1.40%	11/25/2020	1,050,000	1,050,147
	<b>TOTAL</b>	<b>8,023,362</b>	<b>1.09%</b>	<b>TOTAL</b>	<b>8,050,000</b>	<b>8,043,287</b>

\* Can be redeemed before maturity date.

**BROKER: TIME VALUE INVESTMENTS CDs**

ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks	9,894,000	1.06%	7-30 months	9,894,000	9,933,745.23

**INSTITUTION: US TREASURY T-BILLS**

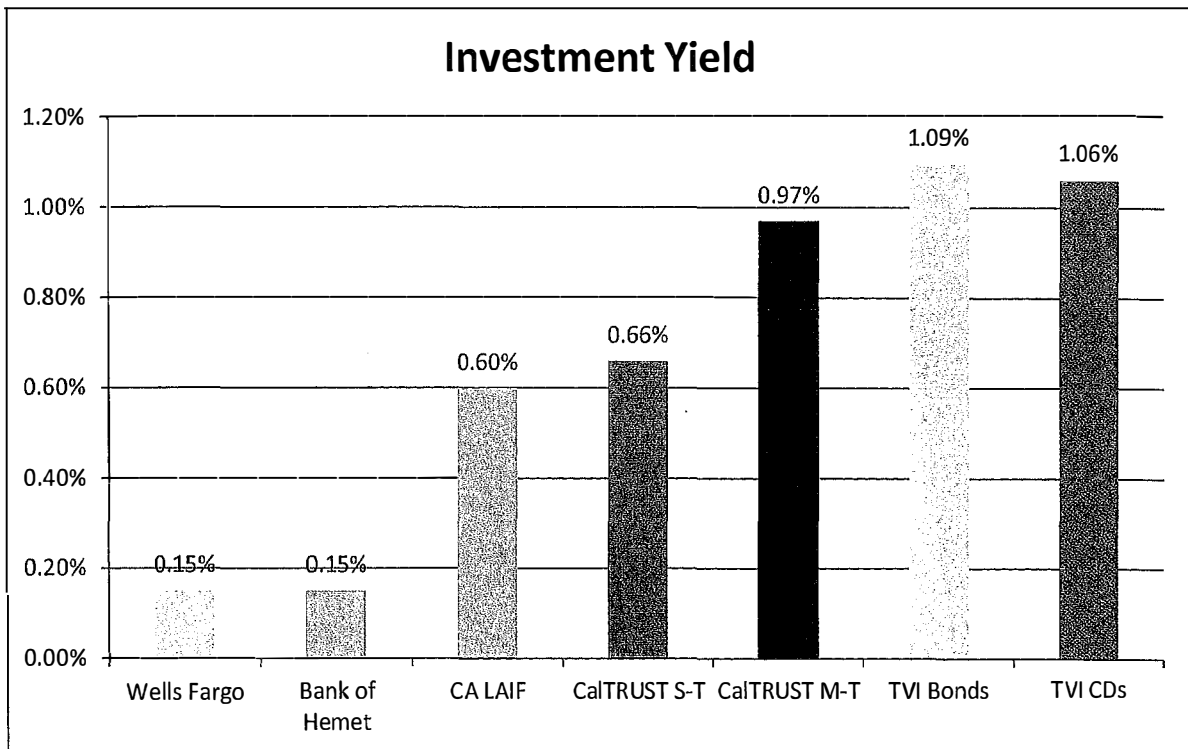
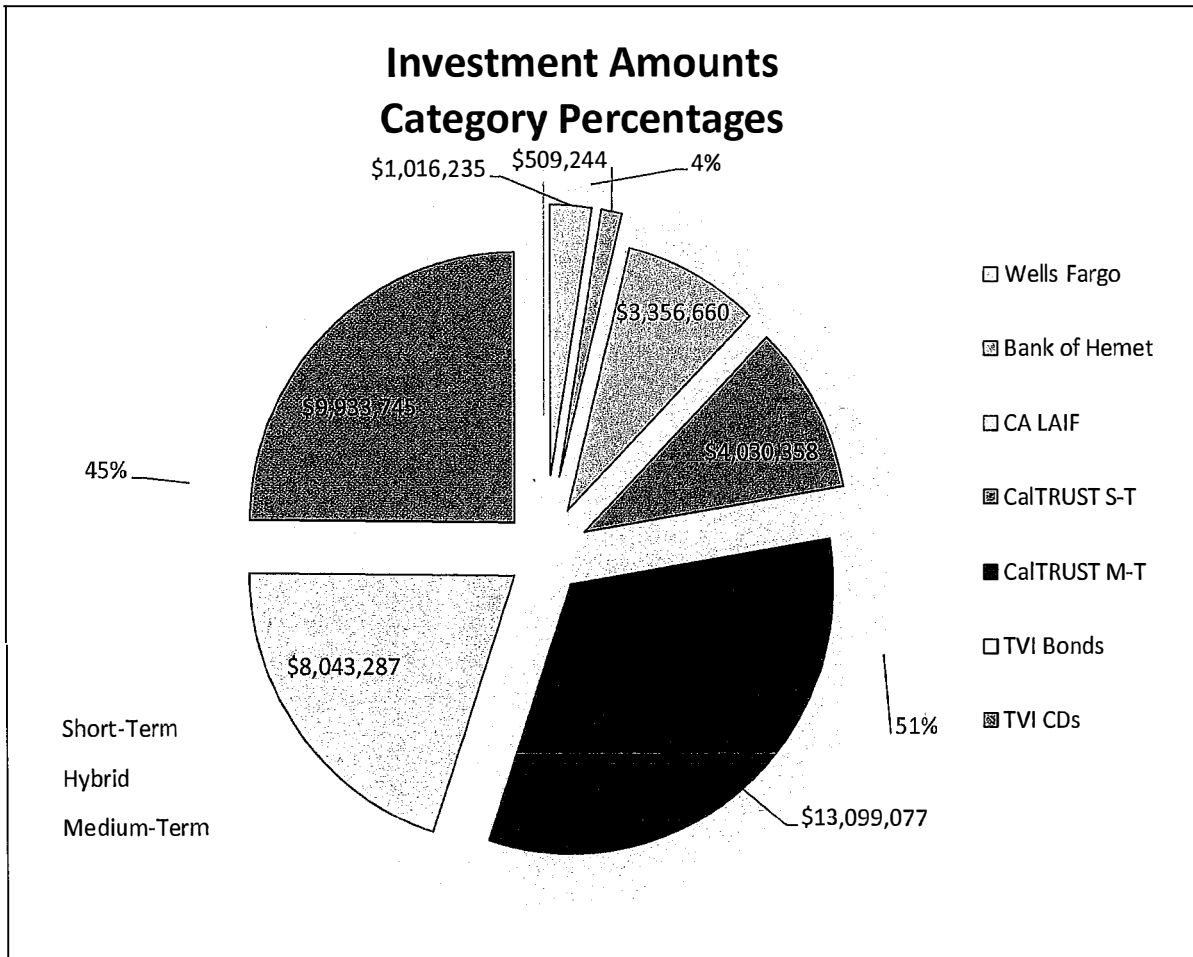
CUSIP	ISSUE DATE	MATURITY DATE	TERM	YIELD	PURCHASE PRICE / \$100	TOTAL PAR
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*The Agency has no Treasury Bills at the date of this report.***LONG-TERM***The Agency has no Long-Term investments at the date of this report.*



**DRAFT**

**SAN GORGONIO PASS WATER AGENCY  
INVESTMENT REPORT  
FY 2016-17  
FOR THE THREE MONTHS ENDING ON SEPTEMBER 30, 2016**



## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** Revisions to Agency Conflict of Interest Code

**DATE:** November 7, 2016

### **Summary:**

The purpose of this proposed Board action is to revise the Agency's conflict of interest code to incorporate recent changes in the law, and to add one employee who must comply with the Code.

### **Background:**

By law, public agencies must adopt conflict of interest codes. These codes are enforced by the Fair Political Practices Commission (FPPC). The purpose of the conflict of interest code is to require elected officials and employees who make certain decisions to disclose if they have any financial interests that could influence their decisions. The Agency last revised its conflict of interest code about four years ago in what was considered to be a non-substantive change.

### **Detailed Report:**

As the attached revised Code indicates, various employees are required to disclose information related to investments in a number of different categories, depending on the decision-making level of the employee. Categories include investments and business positions in business entities, gifts and loans, and real property, and include disclosure for various types of entities, including developers and real estate interests as well as businesses that provide services or products to the Agency.

Revisions in this version include the addition of the Executive Assistant, since she makes decisions on where to purchase office supplies, and the addition of two new categories defined by the FPPC. These revisions are deemed to be substantive, and thus the

revisions are required to have been posted in public for 45 days. The Agency has complied with this requirement.

Compliance with the Code is attained by completing the State of California's Form 700 and various attachments to this form. All Directors and the General Manager are already required to complete and update this form each year.

Approval of the revisions will come through adoption of Resolution 2016-07, which is included in the agenda package.

**Fiscal Impact:**

There is no fiscal impact to adopting the revisions to the Conflict of Interest Code.

**Relationship to Strategic Plan:**

This is a legal requirement of the Agency and is not directly related to the strategic plan.

**Recommendation:**

Staff recommends that the Board approve Resolution 2016-07 amending the Agency's Conflict of Interest Code, as detailed in the agenda package.

## RESOLUTION NO. 2016-07

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY AMENDING THE CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

**WHEREAS**, the Legislature of the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the San Gorgonio Pass Water Agency (the "Agency") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

**WHEREAS**, the Board of Directors, adopted a Conflict of Interest Code (the "Code") which was amended on September 17, 2012, in compliance with the Act; and

**WHEREAS**, subsequent changed circumstances have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the Agency's Code; and

**WHEREAS**, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Agency being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

**WHEREAS**, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated position and publicly posted for review at the offices of the Agency and established a 45-day comment period in compliance with Title 2 California Code of Regulations Section 18750.1(c)(3); and

**WHEREAS**, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on November 7, 2016, at which all present were given an opportunity to be heard on the proposed amended Code.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the San Gorgonio Pass Water Agency that the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Executive Assistant and available to the public for inspection and copying during regular business hours;

**BE IT FURTHER RESOLVED** that the said amended Code shall be submitted to the Fair Political Practices Commission for approval and said Code shall become effective 30 days after its approval by the FPPC, as submitted.

**APPROVED AND ADOPTED** this 7th day of November, 2016.

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President, Board of Directors  
San Geronio Pass Water Agency

ATTEST:

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Secretary, Board of Directors  
San Geronio Pass Water Agency

**CONFLICT OF INTEREST  
CODE  
  
OF THE  
  
SAN GORGONIO PASS  
  
WATER AGENCY**

# SAN GORGONIO PASS WATER AGENCY CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730, and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **San Gorgonio Pass Water Agency (Agency)**.

All officials and designated positions required to submit a statement of economic interests shall file their statements of economic interests with the **Executive Assistant** as the Agency's Filing Officer/Official. **The Executive Assistant** shall retain the original statements filed by all officials and designated positions and make the statements available for public inspection and reproduction during regular business hours. (Gov. Code Sec. 81008.)

**APPENDIX**  
**CONFLICT OF INTEREST CODE**  
**OF THE**  
**SAN GORGONIO PASS WATER AGENCY**

**PART " A "**

**OFFICIALS WHO MANAGE PUBLIC INVESTMENTS**

Officials who manage public investments, as defined by 2 Cal. Code of Regs. §18700.3(b), are NOT subject to the Agency's Code but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)]

It has been determined that the positions listed below are Officials who manage public investments<sup>1</sup>. These positions are listed here for informational purposes only.

Board of Directors

Finance Manager

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.



# DESIGNATED POSITIONS

## GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Executive Assistant	4
General Counsel	1, 2
General Manager/Chief Engineer	1, 2
Operations and Maintenance Manager	2, 3, 5
Consultants/New Positions <sup>2</sup>	

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<sup>2</sup> Individuals serving as Consultants as defined in FPPC Reg. 18700.3 or in a new position as defined in Regulation 18734 that makes or participates in the making of decisions shall file under the broadest disclosure requirements in the code subject to the following limitations:

The General Manager may determine in writing that due to the range of duties or contractual obligations it is more appropriate to assign a limited disclosure requirement. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. (Gov. Code § 82019; FPPC Regs 18219 and 18734.) The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code § 81008.)

## **APPENDIX PART " B "**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the Agency.

**Category 1:** All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments.

**Category 2:** All interests in real property located in whole or in part within, or not more than two (2) miles outside, the boundaries of the Agency.

**Category 3:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Agency.

**Category 4:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Agency.

**Category 5:** All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, that provide services, products, materials, machinery, vehicles or equipment of the type purchased or leased by the designated position's unit, division or department.

## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** Potential Reimbursement of ACWA Conference Expenses for Newly Elected Directors

**DATE:** November 7, 2016

### **Summary:**

The Agency will have at least one, and as many as four, new directors as of December 1. The annual ACWA Fall Conference will be held starting November 29 and will be in Anaheim. The purpose of this proposed Board action is to determine if the current Board wishes to have the Agency reimburse costs associated with attending the ACWA conference for any newly elected Director who wishes to attend.

### **Background:**

ACWA (Association of California Water Agencies) conferences provide an excellent opportunity for newly elected water board members to learn about the water industry, network with other elected officials, and hear about and discuss important ongoing issues with other water leaders. Several current Board members have benefited from attending ACWA conferences.

### **Detailed Report:**

The Fall ACWA Conference will be held starting November 29 in Anaheim. All newly elected Board members will officially take office on December 1, the Thursday of ACWA conference week. In the past, the Board has authorized newly elected Board members to attend the Fall conference at Agency expense, recognizing the value to the newly elected Board member and the Agency in having these new Directors attend.

However, since the conference begins before new Directors officially take office, the current Board would have to authorize reimbursement

for the entire conference, should new Directors wish to attend. Newly elected Directors will be provided with a budget to attend such conferences and in theory could attend the final day and a half of the conference at Agency expense because this will be in December. However the conference will have more meaning to these Directors if they attend the entire conference, beginning on Tuesday.

David Castaldo will definitely be a new member of the Board as of December 1 since he is running unopposed. Up to three additional individuals could also be elected to the Board, pending the outcome of elections tomorrow. The Board has the authority to authorize reimbursement for any new member for the entire conference.

**Fiscal Impact:**

While there will be a cost associated with this action, it is a budgeted cost, since the General Fund budget includes funds for Directors to attend ACWA conferences if they choose. Thus, the fiscal impact will be negligible. Conference registration is \$695 for the entire conference. If a Director wishes to stay at a hotel in Anaheim, this would be an additional cost.

**Relationship to Strategic Plan:**

This issue related to educating Board members on water issues and is not directly related to the strategic plan.

**Recommendation:**

Staff recommends that the Board authorize reimbursement for attendance at the Fall ACWA conference for any newly elected Director who wishes to attend. This is consistent with past Board actions.

## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** Amendment of Contract with Kennedy/Jenks to Produce an Urban Water Management Plan

**DATE:** November 7, 2016

### **Summary:**

In 2015, the Agency contracted with Kennedy/Jenks for approximately \$61,000 to produce an Urban Water Management Plan. Because analysis of retailer demands is more difficult and complex than originally thought, more funds are required to perform this analysis, manage a public meeting, respond to comments, and produce a final report. The purpose of this proposed Board action is to determine if the Board will fund this additional work.

### **Background:**

State law requires most water agencies to produce an urban water management plan every five years. The Agency contracted with Kennedy/Jenks Consultants in March 2015 to produce its 2015 urban water management plan (UWMP) for \$61,000. At that time, the Board directed staff to wait until retailers completed their plans in order to produce a final plan, instead of completing a plan on time with incomplete data.

### **Detailed Report:**

Kennedy/Jenks went as far as it could without retail water demand projections, so work stopped for several months in late 2015/early 2016. When retailers started completing their plans and sending demand projections to the Agency, work began again. This was a few months ago.

The retail water demand projections were very different than what was expected, and very different from what the Agency's 2013 UWMP amendment indicated. These different numbers have caused

staff to further analyze the demand projections, and in so doing staff has requested that Kennedy/Jenks provide this analysis.

Kennedy/Jenks has submitted a maximum estimate of \$14,300 for this additional work (see attached). The actual costs could be less. It includes additional analysis, additional preparatory work for the public hearing, additional work to prepare responses to input at the public hearing, and additional project management/quality assurance work. Staff has asked Kennedy/Jenks to stop working pending approval by the Board of these additional funds. If the Board approves the funds, staff will prepare a schedule for adopting the final UWMP.

**Fiscal Impact:**

Should the Board approve the proposed amendment, the impact will be an additional \$14,300 to the Agency's general fund budget for this year. This is a relatively small amount that can be handled through a budget revision that will not require additional funds to be budgeted for the year.

**Relationship to Strategic Plan:**

Production of an urban water management plan is required by law and is not directly related to the Agency's strategic plan.

**Recommendation:**

Staff recommends that the Board approve the proposed amendment to the Kennedy/Jenks contract to add \$14,300, for a maximum of \$75,300 so that the Agency's 2015 urban water management plan may be completed.

Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: San Geronio Pass Water Agency  
 PROJECT Description: 2015 UWMP  
 Proposal/Job Number: 1544217.00 Date: 10/24/2016

January 1, 2016 Rates	Eng-Sch-6	Eng-Sch-4	Eng-Sch-3	Eng-Sch-2	Eng-Sch-1	Designer	CAD	Project Administrator	Admin. Asst.	Total	KJ Labor	KJ Escalation	KJ Comm. Charges	Sub Contr. #1	Sub Contr. #2	KJ Sub-Markup	KJ ODCs	KJ ODCs Markup	Total Labor	Total Subs	Total Expenses	Total Labor+ Subs + Expenses	
Classification:										Hours	Fees	3%	4%	Fees	Fees	10%	Fees	10%				Fees	
Phase **** (Default)														\$378								\$378	\$378
Task **** (Communications Charges)											\$0	\$0							\$0	\$0	\$0	\$0	\$0
Task **** (Contingency)											\$0	\$0		\$978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$378	\$378
<b>Phase **** - Subtotal</b>	0	0	0	0	0	0	0	0	0	0	\$0	\$0		\$978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$378	\$378
Phase 1 - Project Management																							
Finalize Supply and Demand	6		8							14	\$0	\$0							\$0	\$0	\$0	\$0	\$0
Finalize WSCP Chapter	1		1							2	\$385	\$12							\$0	\$0	\$397	\$0	\$397
Release Public Draft	1		2							3	\$550	\$17		\$1,000		\$100			\$567	\$1,100	\$0	\$0	\$1,667
Respond to Comments	1		2							3	\$550	\$17		\$500		\$50			\$567	\$550	\$0	\$0	\$1,117
Prepare Final Draft	1		3							4	\$715	\$21							\$0	\$0	\$736	\$0	\$736
Public Hearing	8		1							9	\$1,925	\$58		\$2,000		\$200	\$75	\$8	\$1,983	\$2,200	\$83	\$0	\$4,265
Submit to DWR			2							2	\$330	\$10							\$0	\$340	\$0	\$0	\$340
Project Management and QA/QC	6		2					2	2	12	\$2,070	\$62		\$500		\$50			\$2,132	\$550	\$0	\$0	\$2,682
										0	\$0	\$0							\$0	\$0	\$0	\$0	\$0
										0	\$0	\$0							\$0	\$0	\$0	\$0	\$0
										0	\$0	\$0							\$0	\$0	\$0	\$0	\$0
<b>Phase 1 - Subtotal</b>	24	0	21	0	0	0	0	2	2	49	\$9,165	\$275	\$0	\$4,000	\$0	\$400	\$75	\$8	\$9,440	\$4,400	\$83	\$0	\$13,922
<b>All Phases Total</b>	24	0	21	0	0	0	0	2	2	49	\$9,165	\$275	\$378	\$4,000	\$0	\$400	\$75	\$8	\$9,440	\$4,400	\$460	\$0	\$14,300

39/52

## MEMORANDUM

**TO:** Board of Directors

**FROM:** General Manager

**RE:** Amendment of Contract With Provost & Pritchard to Allow for Written Report and Third Workshop on Allocation Issues

**DATE:** November 7, 2016

### **Summary:**

Earlier this year, the Agency signed a contract with Provost & Pritchard to analyze the Agency's water allocation methodology, as well as a proposed allocation methodology, and to make recommendations to the Board as to possible revisions to the policy. The purpose of this proposed Board action is to get authorization from the Board to pay Provost & Pritchard for additional work authorized by the Board over and above the original scope of work.

### **Background:**

Earlier this year, the Board agreed to hire a consultant to review the Agency's existing allocation policy and a proposed allocation policy by others and to analyze both, providing recommendations to the Board as to what might be the Agency's best course of action regarding allocation of its water supplies. The cost of this work, a maximum of \$25,000, was based on a full analysis of allocation, presentations at two Agency workshops, plus a written paper summarizing findings and making recommendations.

### **Detailed Report:**

The Agency's consultant, Dan Flory, appeared at two Agency workshops and made presentations at each. At the second workshop, in July, the Board asked Mr. Flory to respond to each individual comment made at the first two workshops, and also to come back and make a third presentation to the Board on the written report. While the written report was included in the original scope of work, responding to each individual comment (there were over 60 of them) and appearing at a third workshop were not included.



Provost & Pritchard has proposed increasing the total amount of the contract from \$25,000 to \$30,000 in order to incorporate these two additional tasks into the scope of work.

**Fiscal Impact:**

The fiscal impact of this action would be to expend an additional \$5000 beyond the current general fund budget. This is a relatively small amount and staff can handle this with a budget revision that will not include increasing the budget.

**Relationship to Strategic Plan:**

This action is not directly related to the strategic plan.

**Recommendation:**

Staff recommends that the Board authorize the amendment to the Provost & Pritchard contract for a maximum of \$5000 so that the work requested by the Board may be completed.

## **MEMORANDUM**

**TO:** Board of Directors

**FROM:** General Manager

**RE:** Contracting with Provost & Pritchard to Support Agency Efforts to Procure Additional Water Supplies

**DATE:** November 7, 2016

### **Summary:**

At the October Engineering workshop, staff shared a study from Provost & Pritchard identifying potential opportunities to procure additional water supplies from various sources. The purpose of this proposed Board action is to determine if the Board wishes to contract with Provost & Pritchard to support the Agency's efforts to procure additional water supplies.

### **Background:**

The Agency has known for many years that it must augment its water supplies to meet projected demands. It has been working for over a decade to do so. Funding has been the primary issue. When the Board brought a capacity fee to local retail water agencies in 2011, there was no support for it. Local public agencies indicated that they did not believe that the region needed additional supplies or a regional funding mechanism for them. In the meantime, development continued. This development has proceeded to the point where current supplies are insufficient to meet any more projected growth, and the Agency needs to procure additional permanent supplies in the near term.

### **Detailed Report:**

Agency staff is currently working on a template for a cooperative agreement that could be used to partner with local retail water agencies and/or land use planning agencies. Once this is complete, it is likely that the Agency will have a funding source to procure additional water supplies.

In order to move forward towards procuring additional supplies, it would be helpful to have a consultant who can make introductions to other water districts as needed, continue to monitor any potential opportunities, and generally to advise staff on priorities, timetables, market rates for water, etc. Provost & Pritchard has done this for other State Water Contractors in the past and is well suited to perform this work for the Agency. A proposal from P&P is included in the agenda package.

The proposed contract would be on a time and materials basis, so the Agency would only pay for work that it asks P&P to do. The proposal does not include a cap. Staff recommends a cap of \$25,000 on this contract. It runs through December 2017, for a 14-month period.

**Fiscal Impact:**

Funds are available in this year's General Fund budget for this work because the initial P&P study was done for well under the budgeted cost. No budget revision would have to be made to accommodate this work.

**Relationship to Strategic Plan:**

This supports the strategic plan in working towards developing additional water supplies, which is part of a regional water supply plan.

**Recommendation:**

Staff recommends that the Board authorize a contract with Provost & Pritchard to perform the work proposed in the attached scope of work, at a price not to exceed \$25,000.

October 26, 2016

Jeff Davis, General Manager  
San Gorgonio Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, CA 92223

Re: Proposal to Provide Consulting Services Related to Water Acquisition

Dear Jeff,

In a recent conversation, you discussed the San Gorgonio Pass Water Agency's desire to secure additional water supplies to meet its current and projected demands. You communicated the Agency's desire to pursue a diverse portfolio of supplies — short-term and long-term; wet year and dry year; north of Delta and south of Delta. It is envisioned that the Agency will want to pursue multiple opportunities in the next six to twelve months. Although not all opportunities that are pursued will come to fruition; it is anticipated that multiple opportunities will have to be completed for the Agency to meet projected regional water demands.

A recent report by Provost & Pritchard Consulting Group (P&P) identified a number of potential opportunities for the Agency to augment its water supplies. Consequently, the Agency has asked P&P to function as an Agent to assist its General Manager and General Counsel in contacting potential partners, initiating discussion regarding potential opportunities, and possibly assisting in developing term sheets and negotiating points with owners of water rights. Accordingly, P&P has developed the following proposal geared towards meeting your immediate needs.

Below is a scope of work that describes the services P&P could provide the Agency. Also included is our current fee schedule, which is subject to modification from time to time. It is assumed that the work will be billed on a time-and materials basis, since it is difficult to quantify the hours necessary for these pursuits. P&P will work closely with the General Manager on this effort and may provide status reports from time to time. The Agency has the ability at any time to increase or reduce P&P's involvement, including terminating said services.

If needed, we are willing to adjust the scope of this proposal if you have revisions to better reflect your needs.

### **Scope of Work**

P&P will serve as an extension of Agency staff as needed and requested to bring potential transfer opportunities to the attention of the Agency and to work with Agency management and legal counsel as requested to "package" an offer(s) that can be brought to the Agency Board for consideration. It is understood that Agency management, including the General Manager and General Counsel, will lead these efforts and be responsible for bringing any offers to the Board,

along with other potential consultants (for example, financial advisors). P&P will provide a supporting role and will have no liability associated with a potential opportunity "falling through".

#### Anticipated tasks

1. As a follow-up to the Provost & Pritchard memorandum dated September 29, 2016, assist the Agency in making contact with all potential partners associated with Priority 1 opportunities. This list includes, for example, the following:
  - a. City of Ventura
  - b. Lake Casitas MWD
  - c. United Water Conservation District
  - d. San Luis Obispo County
  - e. Santa Barbara County
  - f. Carpentaria Water District
  - g. Central Coast Water Authority
  - h. Antelope Valley-East Kern Water Agency
  - i. TLBWSD landowners who wish to sell their Table A (if any)
  - j. DRWD landowners who wish to sell their Table A (if any)
  - k. Empire West Side ID landowners who wish to sell their Table A (if any)
2. Initial contact with these entities ("owners") could be by P&P alone or with P&P and SGPWA staff. This is to be determined on a case-by-case basis. Not all of these owners may need an introduction to the Agency (such as AVEK and CCWA).
3. Assist Agency staff, as requested, with any discussions, talking points, or negotiating points related to potential transfers with these owners. Help formulate potential term sheets as requested by Agency staff. This could include attending meetings with potential owners either with or without Agency staff, meeting with Agency staff in person or via phone, and communicating with Agency staff to formulate strategies for success with multiple owners.
4. Continue monitoring landowners in TLBWSD, DRWD, and EWSID to determine if any of them wish to sell their land and water rights. Notify Agency staff if any of them wish to do so, or potentially could be persuaded to do so.
5. Continue to monitor ongoing and future transfer negotiations between other parties in the State and notify Agency staff if any of them appear to be appropriate for the Agency to engage in.
6. If any priority 2 opportunities, as identified in the September 29 Provost & Pritchard memo, appear to be feasible for the Agency, notify Agency and work with Agency staff to make contact and enter into negotiations if desired by the Agency.
7. Attend Agency Board meetings as necessary and requested to brief the Board on potential transfers.

**Term**

The proposed term of this Agreement is November 1, 2016 through December 31, 2017. The Agency may wish to extend the Agreement at that time at its sole discretion, with a similar scope of services.

**Fee**

P&P will perform these services on a time and materials basis, in accordance with our Standard Fee Schedule in effect at the time services are rendered (current fee schedule enclosed).

If this proposal is acceptable to SGPWA, please execute the authorization below and we will immediately commence work on this project. We look forward to working with you and others at SGPWA in developing the additional supplies for the Agency.

Respectfully,



Kevin R. Johansen, PE (C 47444)  
Vice President

**Proposal Accepted:**

By San Gorgonio Pass Water Agency

Signature

Printed Name

Title

Date

Encl: Standard Fee Schedule (6/1/2016)

**PROVOST & PRITCHARD CONSULTING GROUP**  
**STANDARD FEE SCHEDULE**  
**Effective 6/1/2016**  
(hourly rates)

This schedule supersedes previously published fee schedules as of the effective date  
*Multi-year contracts are subject to any subsequent changes in these rates*

	<u>Fee Range</u>
<b><u>ENGINEERING STAFF:</u></b>	
Assistant Engineer	\$ 85.00 - \$105.00
Associate Engineer	\$110.00 - \$130.00
Senior Engineer	\$135.00 - \$165.00
Principal Engineer	\$170.00 - \$195.00
<b><u>SPECIALISTS:</u></b>	
Assistant Environmental Specialist	\$ 75.00 - \$100.00
Associate Environmental Specialist	\$107.00 - \$137.00
Senior Environmental Specialist	\$140.00 - \$165.00
Principal Environmental Specialist	\$175.00 - \$200.00
GIS Specialist	\$105.00 - \$130.00
Associate Geologist/Hydrogeologist	\$105.00 - \$130.00
Senior Geologist/Hydrogeologist	\$140.00 - \$170.00
Water Resources Specialist	\$100.00 - \$130.00
<b><u>PLANNING STAFF:</u></b>	
Assistant Planner/CEQA-NEPA Specialist	\$ 65.00 - \$ 90.00
Associate Planner/CEQA-NEPA Specialist	\$ 95.00 - \$120.00
Senior Planner/CEQA-NEPA Specialist	\$130.00 - \$155.00
Principal Planner/CEQA-NEPA Specialist	\$160.00 - \$185.00
<b><u>TECHNICAL STAFF:</u></b>	
Assistant Technician	\$ 65.00 - \$ 90.00
Associate Technician	\$ 95.00 - \$110.00
Senior Technician	\$120.00 - \$135.00
<b><u>CONSTRUCTION SERVICES:</u></b>	
Associate Construction Manager	\$105.00 - \$125.00
Senior Construction Manager	\$130.00 - \$145.00
Principal Construction Manager	\$150.00 - \$180.00
Construction Manager Prevailing Wage <sup>(1)</sup> <sup>(2)</sup>	\$130.00 - \$150.00
<b><u>SUPPORT STAFF:</u></b>	
Administrative Assistant	\$ 55.00 - \$ 75.00
Project Administrator	\$ 65.00 - \$ 85.00
Senior Project Administrator	\$115.00
Intern	\$55.00
<b><u>SURVEYING SERVICES:</u></b>	
LSIT Surveyor	\$ 85.00 - \$105.00
Licensed Surveyor	\$115.00 - \$145.00
	Prev. Wage (1)
1 Man Survey Crew	\$150.00      \$175.00
2 Man Survey Crew	\$210.00      \$245.00
2 Man Survey Crew including LS	\$245.00      \$255.00
1 Man CORS Survey Crew	\$170.00
2 Man CORS Survey Crew	\$220.00
(Field Work not including survey equipment billed at individual standard rate plus vehicle as appropriate)	

EXPERT WITNESS: As quoted.

TRAVEL TIME (for greater than 1 hour from employee's base office): \$75/hr (unless the individual's rate is less)

**PROJECT COSTS:**

Mileage	IRS value + 15%
Outside Consultants	Cost + 15%
Direct Costs	Cost + 15%

- (1) Prevailing wage rates shown for San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and Kern Counties, other counties as quoted.
- (2) Overtime for Construction Services prevailing wage will be calculated at 125% of the standard prevailing wage rate.

## MEMORANDUM

**TO:** Board of Directors

**FROM:** General Manager

**RE:** Consideration of Becoming a Groundwater Sustainability Agency (GSA) for One Square Mile Area Within San Gorgonio Pass Sub-Basin

**DATE:** November 7, 2016

### **Summary:**

The Board has previously expressed a desire to participate in any groundwater sustainability agency (GSA) formed within the Agency's boundaries. Staff is working with local water agencies and other stakeholders to accomplish that. Recently, the Mission Springs Water District (MSWD) filed a notice of election to become a GSA for a one square mile area within the San Gorgonio Pass Sub-basin (the Verbenia area). The purpose of this proposed Board action is to determine if the Board wishes to also file a notice of election to become a GSA for Verbenia.

### **Background:**

In 2014, the Legislature passed the Sustainable Groundwater Management Act (SGMA). As part of this Act, Groundwater Sustainability Agencies (GSA's) must be formed in all medium-and high-priority groundwater basins in the State. Each groundwater basin must have at least one GSA, but a basin can have more than one GSA, provided that the boundaries of the GSA's do not overlap. To avoid overlap, SGMA provides that a GSA can be formed to consist of more than one entity, either through a Joint Powers Agency (JPA) or a Memorandum of Agreement (MOA) or other legal agreement.

GSA's are being formed throughout the state at this time, as all medium and high priority basins must be covered by one or more GSA's by June 30, 2017 (eight months from now).



**Detailed Report:**

Any local public agency that has water supply, water management, or land use responsibilities within a groundwater basin may elect to be or participate as a GSA within that basin. If another local agency also elects to be a GSA for the same portion of a basin, then the Department of Water Resources (DWR) declares an "overlap" condition, and leaves it to the respective entities to determine how to structure one or more GSA's to avoid overlapping GSA boundaries. If the overlap is not resolved by June 30, 2017, the State may declare the basin to be in "probationary" status and various stages of State intervention can occur.

As previously reported to the Board, Agency staff has been working with other water agencies and stakeholders in the San Gorgonio Pass Sub-basin for several months to draft an MOU that will (A) recognize the Desert Water Agency as the exclusive GSA for the small easterly portion of the Sub-basin (as specified by SGMA), and (B) establish a joint GSA structure for the large westerly portion of the Sub-basin among several water agencies including the Agency, the City of Banning, Cabazon Water District, Mission Springs Water District, and Banning Heights Mutual Water Company. Other key stakeholders have been involved in the MOA process, such as High Valleys Water District and the Morongo Band of Mission Indians. Once established, the GSA's will work cooperatively to produce one or more GSP's to achieve sustainable groundwater management for the Sub-basin.

Separate from this series of meetings, MSWD recently filed to be the GSA for a one square mile area of the San Gorgonio Pass Sub-basin (referred to as the Verbenia area). This one square mile is within MSWD's service area, but is also within the Agency's service area. The Agency has 90 days from October 17<sup>th</sup> (the date when DWR accepted MSWD's notice as complete) to file its own notice of election to be a GSA for this one square mile area. If the Agency does not file a notice within the 90-day period, MSWD would become the sole and exclusive GSA for that area. If the Agency files a GSA notice, an overlap would exist, and the Agency and MSWD would work together to establish a joint GSA structure for Verbenia. The end result would mean that there would be three GSA's for the Sub-

basin—Desert Water Agency, the consortium working on the MOA, and the joint Agency/MSWD GSA for the one square mile area.

Staff believes there are several reasons why the Agency may want to file its own notice to be a GSA within the one square mile area. First, it is within the Agency's service area and thus is part of the Agency's statutory responsibility. Second, if MSWD is the sole and exclusive GSA for this one square mile, the Agency's ability to interface with MSWD on SGMA related issues may become more limited, which in turn will cost more money in staff and consultant time when coordinating with MSWD and the consortium-based GSA. On the other hand, if the Agency were part of a GSA with MSWD, the two could work together on the one square mile, and also together with the consortium-based GSA and DWA to jointly prepare the required GSP(s) for the overall Sub-basin. Third, if the Agency did not file to be a GSA for this one square mile, it would have no ability under SGMA to work directly with MSWD in achieving sustainable groundwater management for that area as it relates to the rest of the Sub-basin. Discussions with MSWD staff indicate that MSWD is amendable to the Agency filing to become part of the GSA for the one square mile area.

As the regional wholesale water provider and designated CASGEM (California State Groundwater Elevation Monitoring program) entity for the basin, the Agency is already assisting in groundwater management activities for the basin, and staff believes that function should be continued through the SGMA program.

Should the Board direct staff to file as a GSA for the one square mile, staff would take several actions, including but not limited to publishing notice, drafting a resolution for the Board, and holding a public hearing, possibly in December or January.

**Fiscal Impact:**

The fiscal impact of filing to become part of the GSA for this one square mile is unknown at this time. SGMA itself will cost all regions in the State additional funds in order to prepare, adopt, and implement groundwater sustainability plans.

**Relationship to Strategic Plan:**

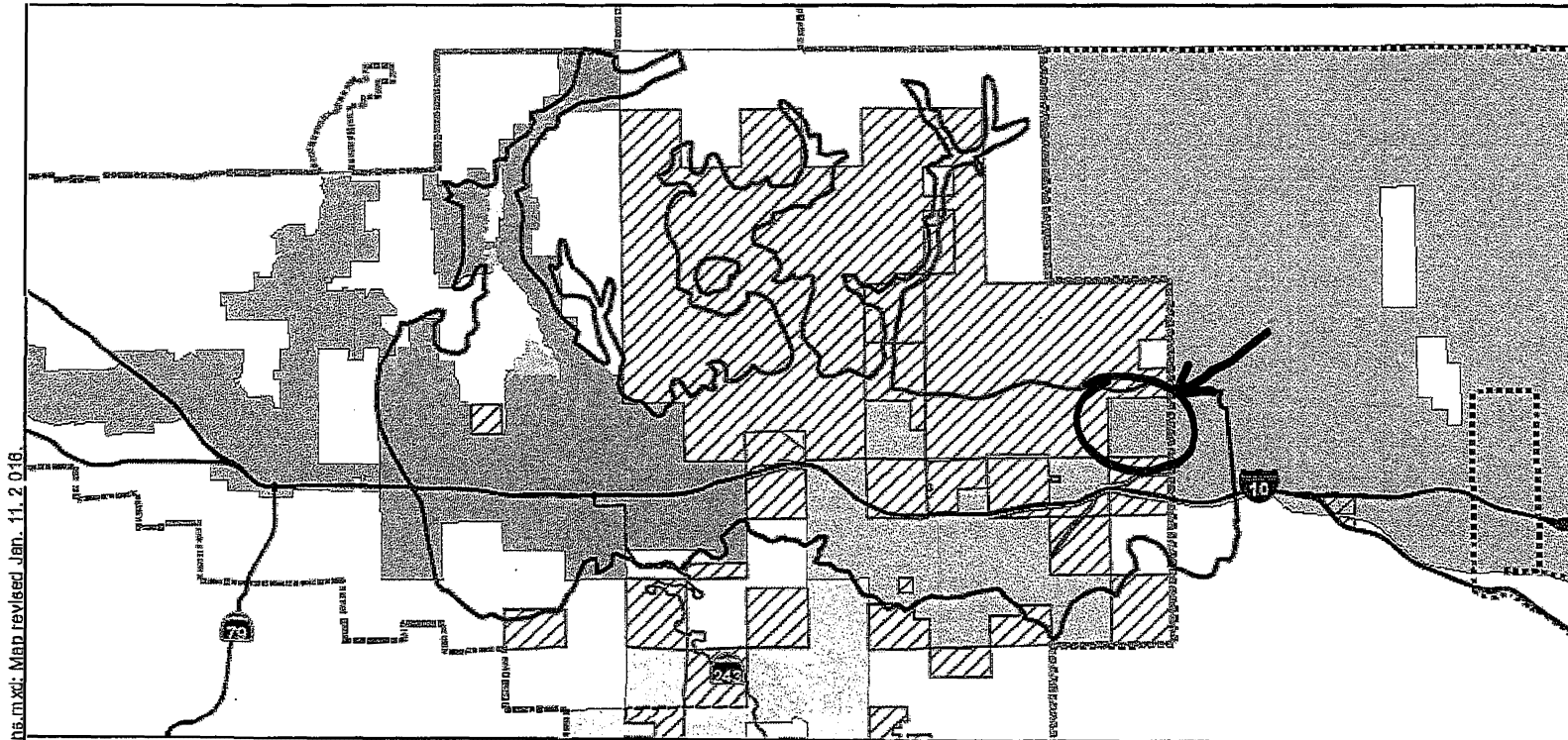
The strategic plan calls for the Agency to play a regional leadership role on water issues. Filing to become part of the GSA for this one square mile in the Agency's service area is consistent with this, and therefore is consistent with the strategic plan.

**Recommendation:**

Staff recommends that the Board direct staff, including the General Manager and General Counsel, to begin the process of filing a notice of election for the Agency to become a GSA for the one square mile area of the San Gorgonio Pass Sub-basin as discussed herein.

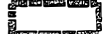
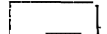





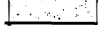


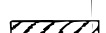
# San Gorgonio Pass Subbasin

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**LEGEND**

-  SGPWA Boundary
-  County Boundary
-  San Gorgonio Pass Subbasin (No. 7-21.04)
-  Desert Water Agency
-  Beaumont-Cherry Valley Water District
-  City of Banning Water Dept. (modified)
-  Banning Heights Mutual Water Company
-  High Valleys Water District
-  Cabazon Water District (modified)
-  Mission Springs Water District
-  Morongo Band of Mission Indians Tribal Lands

Sources: Calif. Dept. of Water Resources, 2014; LAFCO 2010; Desert Water Agency 2016; Riverside Co. GIS, 2016.

**San Gorgonio Pass Subbasin**

San Gorgonio Pass Water Agency

ALBERT A.

