

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
February 6, 2017 at 7:00 p.m.

- 1. Call to Order, Flag Salute, Moment of Silence, 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, January 17, 2017*
(Page 2)
 - B. Approval of the Minutes of the Finance and Budget Workshop, January 23, 2017,*
(Page 7)
 - C. Approval of the Finance and Budget Workshop Report, January 23, 2017*
(Page 9)
- 5. Reports:**
 - A. General Manager's Report
 1. Operations Report
 2. Water Supply Report* (Page 31)
 3. General Agency Updates
 - B. General Counsel Report
 - C. Directors' Reports
- 6. New Business:**
 - A. Consideration of Acceptance of 2015 Water Conditions Report*(Page 37)
 - B. Presentation on Revised Water Conservation Regulations*Page 87)
 - C. Consideration and Possible Action to Rescind or Revise Resolution No. 2014-02 *Page 93)
- 7. Topics for Future Agendas**
- 8. Announcements:**
 - A. Engineering Workshop, February 13, 2017 at 4:00 p.m.
 - B. Office closed February 20, 2017 in observance of Presidents' Day
 - C. Regular Board Meeting, **Tuesday**, February 21, 2017 at 7:00 p.m.
 - D. Finance and Budget Workshop, February 27, 2017 at 4:00 pm
- 9. Adjournment**

***Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: www.sgpwa.com (3) Any person with a disability who requires 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
January 17, 2016

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director
David Castaldo, Director
Michael Thompson, Director

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

Teleconference Location: 3900 So. Las Vegas Blvd, Las Vegas, NV Room 6098

1. **Call to Order, Flag Salute and Moment of Silence:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President David Fenn at 7:00 p.m., January 17, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Duncan led the Pledge of Allegiance to the flag. A quorum was present.
2. **Statement Regarding Teleconferencing:** This section no longer applies as all board members are present.
3. **Roll Call:** Roll call no longer applies; all six board members are present.
4. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* General Manager Davis recommended moving Item 8A to accommodate the guests that are here to receive their resolutions. President Fenn requested that item 8A to take place after item 4. The agenda was adjusted as requested.
8. **New Business:**
 - A. **Consideration of Resolution Nos. 2016-09, 10 and 11 Honoring John Jeter, Bill Dickson and Mary Ann Melleby:** President Fenn presented John Jeter, Bill Dickson and Mary Ann Melleby with their own individual resolution honoring each of them for their years of dedicated service with the Agency. President Fenn awarded Mr. Jeter with the gavel that he has been charged with during his tenure as President.
5. **Public Comment:** *President Fenn 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 other members of the public that wished to comment at this time.
6. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, January 3, 2017
 - B. Approval of the Minutes of the Engineering Workshop, January 9, 2017

Director Stephenson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Motion passed 6-0.

7. Reports:

A. General Manager's Report:

(1) Operations Report: **(a) SWP Water Deliveries:** The Agency has delivered a total of 850 acre-feet to the Noble Creek Connection, so far this month. **(b)** DWR has notified SWC of the possibility of spilling in San Luis Reservoir. **(c)** BCVWD has requested a shut down for a few weeks in order for them to do maintenance to their ponds; the shutdown may take up to a month. **(d)** The annual maintenance shutdown of EBX will not occur this year in order to take advantage of the current influx of water. **(e)** DWR will probably make an allocation announcement on Wednesday.

(2) Water Supply Conditions: General Manager Davis reviewed slides of the current precipitation located in the Northern Sierra (217% of average for this date), San Joaquin (217% of average for this date) and Tulare Basin (202% of average for this date). He also reviewed the California snow water content for the North, Central and South; as well as the storage levels for Lake Oroville and San Luis Reservoir. More precipitation has been predicted for this month.

(3) General Agency Updates: **(a) SGMA:** The Agency application to be a GSA for one square mile of the San Geronio Pass sub-basin was accepted by DWR and has been posted on its website. Staff is working with other entities to develop a Memorandum of Understanding to become a GSA for the rest of the San Geronio Pass Subbasin, and is in the process of doing the same for the San Timoteo Subbasin. **(b) UWMP:** A copy of the Agency's Draft 2015 UWMP was sent out to all parties required by law. The UWMP is located on the Agency's website and the legal notice will be published in the newspaper February 3rd and February 17th. A public hearing will take place on February 21, 2017. Director Castaldo inquired about the status of the Agency's Beaumont Avenue Recharge Facility. General Manager Davis stated that he would bring an update to the Board at the next board meeting.

B. General Counsel Report: General Counsel Ferre deferred his report.

C. Directors Reports: **(1) Director Stephenson** reported on the YVWD workshop and South Mesa Water Co. Board meeting. **(2) Director Duncan** reported on the Banning Chamber of Commerce Board meeting. He announced the names of the new board members and stated that he is no longer on its board. He also informed the Board that the Banning Chamber will be holding its Installation Dinner and encouraged the board members to attend. **Director Castaldo** reported on the Beaumont City Council meeting. He stated that Councilmember Mike Lara was appointed to attend all upcoming SGPWA meetings.

8. New Business:

B. Consideration and Possible Action to approve entering into the Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement: A staff report and a copy of the Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement were included in the agenda packet. General Manager Davis stated that this agreement was reviewed at length during the

Engineering workshop. The Board has expressed a desire to participate in this project and voted to participate by purchasing 14,000 acre-feet, of which 4,000 acre-feet would be funded by BCVWD. Of this, the Sites JPA has offered the Agency 7966 acre-feet of Class 1 water and 6034 acre-feet of Class 2 water. This is the official participation agreement. Director Ball made a motion to approve, seconded by Director Castaldo. Motion passed 6-0.

C. Interviews of Candidates and Possible Appointment of Director to fill the Board Vacancy – Division 3. A Memorandum from Legal Counsel and copies of letters of interest for the board position were included in the agenda packet. General Counsel Ferre explained that today there are two applicants in attendance for the Board to consider for appointment to the board; Stephen Lehtonen of Banning, and Eric Shaw of Banning. General Counsel Ferre reviewed with the Board the interviewing process. During Mr. Shaw’s interview he informed the Board that he is currently serving on the Banning Planning Commission and is committed for another two years. General Counsel Ferre stated that by nature of the law should Mr. Shaw be appointed to the board he would need to forfeit his seat with the Banning Planning Commission. He recommended that Mr. Shaw receive his own legal advice and speak to the City Attorney. Mr. Shaw decided to withdraw his application due to said conflict. Upon closing of the interviews General Counsel Ferre requested from the board members their vote for what candidate they would like to appoint to the Board.

<u>Roll Vote:</u>	<i>Lehtonen</i>	<i>Shaw</i>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Mr. Lehtonen received 5 votes - Mr. Shaw received 1 vote. Mr. Lehtonen was appointed as the new director for Division 3. General Manager Davis administered the Oath of Office to Director Lehtonen. President Fenn asked Director Lehtonen to take a seat at the board table. He thanked both candidates for their interest in the Agency.

D. Consideration and Possible Action to Adopt Resolution No. 2017-01 regarding a Policy for Election of Board Officers. A staff report and a copy of Resolution No. 2017-01 were included in the agenda packet. General Counsel Ferre stated that the Board directed legal counsel to develop a potential policy for rotation of Board officers. He explained the operative components of the resolution. General Manager Davis stated that should a non-board member be named Treasurer or Secretary then the two-year term does not apply. After discussion, Director Duncan made a motion, seconded by Director Castaldo, to adopt Resolution No. 2017-01 as presented. Motion passed 7-0.

E. Consideration and Possible Action to Form, and Appoint Members to, Board Committees: President Fenn stated that he had put a lot of thought into this item. He stated that there was previously 9 committees and reduced them to 4 committees. The restructure is as follows:

Standing Committees:

1) Finance & Budget: This committee to meet monthly prior to Finance & Budget workshop & will review finances & checks written, etc.

- Lenny Stephenson - Chair
- Michael Thompson - Vice Chair
- Stephen Lehtonen - Member

2) Conservation & Education: Chair to determine meeting schedule & work with GM to review previous board actions regarding subject. Discuss items such as public outreach, state of water presentations, sponsorships, etc.

- Michael Thompson- Chair
- Stephen Lehtonen - Vice Chair
- Blair Ball - Member

3) G.M. Performance Evaluation: Chair to determine meeting schedule. Committee should meet twice a year; perhaps Jan/Feb for mid-year review & again in May, in preparation for full board GM review by July.

- David Castaldo - Chair
- Lenny Stephenson - Vice Chair
- Ron Duncan - Member

Ad Hoc Committees:

4) Board Handbook: Chair to determine meeting schedule. I would encourage the committee to work quickly to produce a Board of Directors handbook. Committee should meet with Staff to get an idea of how to start the process and review materials already in place.

- Blair Ball - Chair
- David Castaldo- Vice Chair
- David Fenn – Member

9. Topics for Future Agendas: Director Castaldo requested an update on the Beaumont Avenue Recharge Facility. An update on the storage account application with the Beaumont Basin Watermaster was also requested.

10. Announcements

- A. Finance and Budget Workshop, January 23, 2017 at 4:00 p.m.
- B. San Geronio Pass Regional Water Alliance, January 25, 2017
 1. Regular Meeting at 5:00 p.m. – Banning City Hall Conference Room
- C. Regular Board Meeting, February 6, 2017 at 7:00 p.m.

11. Closed Session (One Item)

Time: 8:37 p.m.

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: Nickel Farms, LLC, Bakersfield, CA – Water Rights
Agency Negotiator: Jeff Davis, General Manager
Negotiating Party: Dwayne Chisum, General Manager – AVEK
Under negotiation: price and terms of payment

The meeting reconvened to open session at: Time: 9:10 pm

General Counsel Ferre stated that there was no action taken during closed session that is reportable under the Brown Act.

12. Adjournment

Time: 9:10 pm

Draft - Subject to Board Approval

Jeffrey W. Davis, Secretary of the Board

03/17

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
January 23, 2017

Directors Present: David Fenn, President
Ron Duncan, Vice President
Lenny Stephenson, Treasurer
Blair Ball, Director
Steve Lehtonen, Director
Mike Thompson, Director

Directors Absent: David Castaldo, 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 David Fenn at 4:00 p.m., January 23, 2017, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. A quorum was present.

President Fenn turned the meeting over to the Chair of the Finance & Budget Committee, Director Lenny Stephenson.

2. **Adoption and Adjustment of Agenda:** The agenda was adopted as published.
3. **Public Comment:** No members of the public requested to speak at this time.
4. **New Business:**
 - A. Ratification of Paid Invoices and Monthly Payroll for December, 2016 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board ratify paid monthly invoices of \$428,797.63 and payroll of \$30,360.73 for the month of December, 2016, for a combined total of \$459,158.36. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Duncan, seconded by Director Fenn, to recommend that the Board approve payment of the pending legal invoices for December, 2016. The motion passed 6 in favor, no opposed, with Director Castaldo absent.

- C. Review of December, 2016 Bank Reconciliation: After review and discussion, a motion was made by Director Ball, seconded by Director Duncan, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for December, 2016 as presented. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
 - D. Review of Budget Report for December, 2016: After review and discussion, a motion was made by Director Lehtonen, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Budget Report for December, 2016. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
 - E. Review of Cash Reconciliation Report for December, 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 Cash Reconciliation Report for December, 2016. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
 - F. Review of Investment Report for December, 2016: After review and discussion, a motion was made by Director Fenn, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Investment Report for December, 2016. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
 - G. Review of Reserves Policy: General Manager Jeff Davis introduced this subject by emphasizing that Board policy dictates that all Agency cash be allocated to one of the reserve categories. He then reviewed the policy. The consensus of the Board was that no changes need to be made.
 - H. Review of Reserve Allocation Report for December, 2016: After review and discussion, a motion was made by Director Lehtonen, seconded by Director Duncan, to recommend that the Board approve the Reserve Allocation Report for December, 2016 as presented. The motion passed 6 in favor, no opposed, with Director Castaldo absent.
- 5. Announcements:**
- A. San Gorgonio Pass Regional Water Alliance, January 25, 2017
 - 1. Regular Meeting at 6:00 pm (note change); Banning City Hall Conference Room
 - B. Regular Board Meeting, February 6, 2017, 7:00 pm
 - C. Engineering Workshop, February 13, 2017, 4:00 pm
- 6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 5:22 pm.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

From Treasurer Lenny Stephenson, Chair of the Finance and Budget Committee

The Finance and Budget Workshop was held on January 23, 2017. The following recommendations were made:

1. The Board ratify payment of Invoices of \$428,797.63 and Payroll of \$30,360.73 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for December, 2016 for a combined total of \$459,158.36.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$22,666.31
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3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for December, 2016
 - B. Budget Report for December, 2016
 - C. Cash Reconciliation Report for December, 2016
 - D. Investment Report for December, 2016
4. The Board approve the following:
 - A. Reserve Allocation Report for December, 2016

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
January 23, 2017, 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 December, 2016 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of December, 2016 Bank Reconciliation*
- D. Review of Budget Report for December, 2016*
- E. Review of Cash Reconciliation Report for December, 2016*
- F. Review of Investment Report for December, 2016*
- G. Review of Reserves Policy*
- H. Review of Reserve Allocation Report for December, 2016*

5. Announcements

- A. San Gorgonio Pass Regional Water Alliance, January 25, 2017
 - 1. Regular Meeting at 5:00 pm – Banning City Hall Conference Room
- B. Regular Board Meeting, February 6, 2016, 7:00 pm
- C. Engineering Workshop, February 13, 2017, 4:00 pm

6. Adjournment

*Information Included In Agenda Packet

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

San Geronio Pass Water Agency
Check History Report
December 1 through December 31, 2016

ACCOUNTS PAYABLE

Date	Number	Name	Amount
12/05/2016	118234	BLAIR M. BALL	935.00
12/05/2016	118235	BDL ALARMS, INC.	78.00
12/05/2016	118236	BEST BEST & KRIEGER	15,149.26
12/05/2016	118237	ROY McDONALD	3,237.50
12/05/2016	118238	OFFICE SOLUTIONS	306.12
12/05/2016	118239	UNDERGROUND SERVICE ALERT	9.00
12/05/2016	118240	WASTE MANAGEMENT INLAND EMPIRE	94.80
12/12/2016	118241	ACWA BENEFITS	748.93
12/12/2016	118242	AUTOMATION PRIDE	100.00
12/12/2016	118243	FRONTIER COMMUNICATIONS	1,202.44
12/12/2016	118244	GOPHER PATROL	48.00
12/12/2016	118245	KENNEDY JENKS CONSULTANTS	2,639.00
12/12/2016	118246	MARY ANN HARVEY-MELLEBY	75.60
12/12/2016	118247	PROVOST & PRITCHARD	2,847.00
12/12/2016	118248	CHERYLE M. RASMUSSEN	188.76
12/12/2016	118249	THE RECORD-GAZETTE	190.00
12/12/2016	118250	SOUTHERN CALIFORNIA GAS	56.43
12/12/2016	118251	UNLIMITED SERVICES BUILDING MAINT.	295.00
12/12/2016	118252	VISIONARY LOGICS	585.00
12/14/2016	118253	SEE PAYROLL CATEGORY, JOHN R. JETER	
12/15/2016	118254	CALPERS 457-SIP	1,150.00
12/15/2016	118255	CALPERS RETIREMENT	4,458.02
12/19/2016	118256	CALPERS HEALTH	7,746.27
12/19/2016	118257	CITROGRAPH PRINTING COMPANY	86.40
12/19/2016	118258	CLEAN RITE CARPET CLEANING	115.00
12/19/2016	118259	FEDERAL EXPRESS	21.08
12/19/2016	118260	INCONTACT, INC.	112.71
12/19/2016	118261	MACRO COMMUNICATIONS	112.50
12/19/2016	118262	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
12/19/2016	118263	THOMAS W. TODD, JR.	1,228.32
12/19/2016	118264	WELLS FARGO REMITTANCE CENTER	1,912.00
12/29/2016	118265	CALPERS RETIREMENT	4,458.02
12/29/2016	118266	CALPERS 457-SIP	1,150.00
12/24/2016	118267	AUTOMATION PRIDE	95.00
12/24/2016	118268	PROVOST & PRITCHARD	195.00
12/24/2016	118269	LEONARD C. STEPHENSON	278.68
12/24/2016	118270	THOMAS W. TODD, JR.	834.83
12/24/2016	118271	ROBERT C. UTHE	60.00
12/29/2016	118272	STANDARD INSURANCE COMPANY	406.54
12/15/2016	564449	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,246.53
12/15/2016	580334	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,218.14
12/29/2016	593010	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,231.31
12/29/2016	513317	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,823.44
12/30/2016	900129	DEPARTMENT OF WATER RESOURCES	359,747.00
TOTAL ACCOUNTS PAYABLE CHECKS			428,797.63

San Gorgonio Pass Water Agency

Check History Report

December 1 through December 31, 2016

PAYROLL

CHECKS			
Date	Number	Name	Amount
12/14/2016	118253	JOHN R. JETER	496.53
			496.53
TOTAL PAYROLL CHECKS			496.53
DIRECT DEPOSIT			
Date	Number	Name	Amount
12/14/2016	801300	JEFFREY W. DAVIS	4,241.20
12/14/2016	801301	KENNETH M. FALLS	2,294.96
12/14/2016	801302	CHERYLE M. RASMUSSEN	2,119.57
12/14/2016	801303	THOMAS W. TODD, JR.	3,306.77
12/28/2016	801304	BLAIR M. BALL	683.65
12/28/2016	801305	DAVID J. CASTALDO	1,139.41
12/28/2016	801306	JEFFREY W. DAVIS	4,885.37
12/28/2016	801307	RONALD A. DUNCAN	1,139.41
12/28/2016	801308	KENNETH M. FALLS	2,576.58
12/28/2016	801309	CHERYLE M. RASMUSSEN	2,119.57
12/28/2016	801310	LEONARD C. STEPHENSON	1,139.41
12/28/2016	801311	MICHAEL D. THOMPSON	911.53
12/28/2016	801312	THOMAS W. TODD, JR.	3,306.77
			29,864.20
TOTAL PAYROLL DIRECT DEPOSIT			29,864.20
			30,360.73
TOTAL PAYROLL			30,360.73
			459,158.36
TOTAL DISBURSEMENTS FOR DECEMBER, 2016			459,158.36

SAN GORGONIO PASS WATER AGENCY
New Vendors List
January, 2017

Vendor - Name and Address	Expenditure Type
Clean Rite Carpet old address: 106 Dolores Ct., Redlands, CA 92374 new address: 12733 Via Linda Court, Yucaipa, CA 92399	Office Maintenance
California Secretary of State 1500 11th Street, Room 495, Sacramento, CA 95814	Lobbying/Office

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	161231	LEGAL SERVICES DEC16	22,666.31

TOTAL PENDING INVOICES FOR DECEMBER 2016.

22,666.31

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

BALANCE PER BANK AT 12/31/2016 - CHECKING ACCOUNT 471,030.40

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118261	112.50	118269	278.68
118265	4458.02	118272	406.54
118266	1150.00		
	<u>5,720.52</u>		<u>685.22</u>

TOTAL OUTSTANDING CHECKS (6,405.74)

BALANCE PER GENERAL LEDGER 464,624.66

BALANCE PER GENERAL LEDGER AT 11/30/2016 15,342.34

CASH RECEIPTS FOR DECEMBER 5,358,571.57

CASH DISBURSEMENTS FOR DECEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT (428,797.63)

NET PAYROLL FOR DECEMBER (30,360.73) (459,158.36)

BANK CHARGES (130.89)

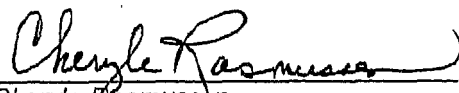
TRANSFER FROM LAIF, WELLS FARGO or CalTRUST 50,000.00

TRANSFER TO LAIF, WELLS FARGO or CalTRUST (2,000,000.00)

TRANSFER TO LAIF, WELLS FARGO or CalTRUST (2,500,000.00)

BALANCE PER GENERAL LEDGER AT 12/31/2016 464,624.66

REPORT PREPARED BY:



 Cheryl Rasmussen

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

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
12/2/16	CITY OF BANNING	WATER SALES	57,694.00	57,694.00
12/6/16	RIVERSIDE COUNTY	PROPERTY TAXES	32,761.94	32,761.94
12/12/16	BCVWD	WATER SALES	348,700.00	348,700.00
12/15/16	RIVERSIDE COUNTY	PROPERTY TAXES	4,889,703.22	4,889,703.22
12/22/16	YVWD	WATER SALES	12,570.12	12,570.12
12/22/16	SO CAL EDISON	MT. VIEW DEPOSIT REFUND	2,431.97	2,431.97
12/27/16	TVI	CD - BOND INTEREST	14,710.32	14,710.32

TOTAL FOR DECEMBER, 2016	5,358,571.57	5,358,571.57
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RIVERSIDE COUNTY	PROPERTY TAXES
STATE OF CALIF/DWR	BOND COVER REFUND
BCVWD	WATER SALES
YVWD	WATER SALES
CITY OF BANNING	WATER SALES
TVI	CD - BOND INTEREST

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 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					Compare: 50%
INCOME					
WATER SALES	3,993,000		3,993,000	1,955,662.57	51.02%
TAX REVENUE	2,240,000		2,240,000	795,497.75	64.49%
INTEREST	64,000		64,000	49,549.60	22.58%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000		69,000	43,601.14	36.81%
TOTAL GENERAL FUND INCOME	6,366,000	0	6,366,000	2,844,311.06	55.32%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	3,875,000		3,875,000	1,575,202.00	59.35%
TOTAL COMMODITY PURCHASE	3,875,000	0	3,875,000	1,575,202.00	59.35%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	431,000		431,000	215,210.60	50.07%
PAYROLL TAXES	39,000		39,000	16,678.76	57.23%
RETIREMENT	108,000		108,000	64,937.31	39.87%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000		23,000	13,128.20	42.92%
HEALTH INSURANCE	52,000		52,000	30,472.92	41.40%
DENTAL INSURANCE	4,500		4,500	2,502.64	44.39%
LIFE INSURANCE	1,100		1,100	725.10	34.08%
DISABILITY INSURANCE	4,500		4,500	2,208.35	50.93%
WORKERS COMP INSURANCE	3,700		3,700	864.00	76.65%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	2,587.35	74.13%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	677,800	0	677,800	349,315.23	48.46%

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SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 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						Compare: 50%
ADMINISTRATIVE & PROFESSIONAL						
DIRECTOR EXPENDITURES						
	DIRECTORS FEES	105,000		105,000	50,092.28	52.29%
	DIRECTORS TRAVEL & EDUCATION	20,000		20,000	2,350.95	88.25%
	DIRECTORS MISC. MEDICAL	32,000		32,000	8,391.68	73.78%
OFFICE EXPENDITURES						
	OFFICE EXPENSE	18,000		18,000	9,098.24	49.45%
	POSTAGE	1,000		1,000	510.35	48.97%
	TELEPHONE	10,000		10,000	5,008.89	49.91%
	UTILITIES	5,000		5,000	2,059.57	58.81%
SERVICE EXPENDITURES						
	COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	1,704.50	81.06%
	GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	9,753.80	51.23%
	INSURANCE & BONDS	23,000		23,000	19,692.00	14.38%
	ACCOUNTING & AUDITING	22,000		22,000	21,080.35	4.18%
	STATE WATER CONTRACT AUDIT	5,000		5,000	5,012.00	-0.24%
	DUES & ASSESSMENTS	29,000		29,000	29,472.50	-1.63%
	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	834.39	47.85%
	MISCELLANEOUS EXPENSES	1,000		1,000	2.79	99.72%
MAINTENANCE & EQUIPMENT EXPENDITURES						
	TOOLS PURCHASE & MAINTENANCE	3,500		3,500	28.38	99.19%
	VEHICLE REPAIR & MAINTENANCE	9,000		9,000	2,635.87	70.71%
	MAINTENANCE & REPAIRS - BUILDING	11,000		11,000	6,313.78	42.60%
	MAINTENANCE & REPAIRS - FIELD	6,500		6,500	2,729.45	58.01%
	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	100.00%
	TAX COLLECTION CHARGES	9,500		9,500	2,310.50	75.68%
TOTAL ADMINISTRATIVE & PROFESSIONAL		679,750	0	679,750	185,172.76	72.76%

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SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 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					Compare: 50%	
GENERAL ENGINEERING						
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	24,912.07	37.72%
NEW WATER						
1 9 / 10 0	PROGRAMATIC EIR	75,000		75,000	0.00	100.00%
	UPDATED STUDY ON AVAILABLE SOURCES	45,000		45,000	16,778.45	62.71%
	SITES RESERVOIR	300,000		300,000	0.00	100.00%
	CVWD 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	80,227.01	19.77%
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	30,009.35	-200.09%	
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	26,280.18	24.91%	
TOTAL GENERAL ENGINEERING	791,000	0	791,000	203,587.06	74.26%	

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 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					Compare: 50%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	175,000		175,000	90,339.50	48.38%
TOTAL LEGAL SERVICES	175,000	0	175,000	90,339.50	48.38%
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	21,263.87	39.25%
TOTAL CONSERVATION & EDUCATION	35,000	15,000	50,000	21,263.87	57.47%
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	31,125.01	
SBVMWD PIPELINE CAPACITY PURCHASE	330,000		330,000	0.00	100.00%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	387,000	0	387,000	31,125.01	91.96%
TRANSFERS TO OTHER FUNDS	0	0	0	0.00	
TOTAL GENERAL FUND EXPENSES	6,620,550	15,000	6,635,550	2,456,005.43	62.99%
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	388,305.63	

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SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2016-17
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE SIX MONTHS ENDING ON DECEMBER 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					Compare: 50%
INCOME					
TAX REVENUE	19,350,000		19,350,000	5,487,206.21	71.64%
INTEREST	170,000		170,000	132,535.90	22.04%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	3,170,000		3,170,000	1,837,143.66	42.05%
TOTAL DEBT SERVICE FUND INCOME	22,690,000	0	22,690,000	7,456,885.77	67.14%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	52,000		52,000	26,221.58	49.57%
PAYROLL TAXES	4,000		4,000	2,005.91	49.85%
BENEFITS	28,000		28,000	15,231.70	45.60%
SWC CONTRACTOR DUES	33,000		33,000	40,558.00	-22.90%
STATE WATER CONTRACT PAYMENTS	18,600,000		18,600,000	11,051,933.00	40.58%
PURCHASED WATER	5,000		5,000	324.00	93.52%
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	4,999.68	50.00%
TAX COLLECTION CHARGES	60,000		60,000	13,119.75	78.13%
TOTAL DEBT SERVICE FUND EXPENSES	18,942,000	0	18,942,000	11,156,904.70	41.10%
TRANSFERS FROM RESERVES			0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	3,748,000	0	3,748,000	-3,700,018.93	

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**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

DEBT SERVICE FUND - RESTRICTED

BEGINNING BALANCE - JULY 1, 2016		
RESERVE FOR STATE WATER PROJECT	<u>36,816,064</u>	
DEBT SERVICE ACTIVITY		
DEBT SERVICE DEPOSITS		
PROPERTY TAX - DEBT SERVICE DEPOSITS	5,487,206	
INTEREST INCOME	132,536	
DWR REFUNDS	1,837,144	
DEBT SERVICE DISBURSEMENTS	(11,156,905)	
ENDING RESTRICTED FUNDS BALANCE - - - DEC 31 2016	<u>33,116,045</u>	<u>33,116,045</u>

GENERAL FUND - UNRESTRICTED

BEGINNING BALANCE - JULY 1, 2016		
	<u>12,052,342</u>	
GENERAL FUND ACTIVITY		
GENERAL FUND DEPOSITS		
WATER SALES	1,955,663	
PROPERTY TAX - GENERAL PURPOSE DEPOSITS	795,498	
INTEREST INCOME	49,550	
OTHER INCOME	43,601	
CHANGE IN RECEIVABLES	515,647	
GENERAL FUND DISBURSEMENTS		
CHANGE IN LIABILITIES	(100,527)	
CHANGE IN CAPITAL ASSETS	(141,973)	
OPERATING EXPENDITURES	(2,321,979)	
ENDING UNRESTRICTED FUNDS BALANCE - - - DEC 31 2016	<u>12,847,821</u>	<u>12,847,821</u>
<u>TOTAL CASH - - - DEC 31 2016</u>		<u>45,963,866</u>

LOCATION OF CASH - - - DEC 31 2016

PETTY CASH	100
CASH IN CHECKING ACCOUNTS	464,625
WELLS FARGO MONEY MARKET SAVINGS	966,576
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	509,435
LOCAL AGENCY INVESTMENT FUND	6,349,005
CALTRUST	19,674,125
TIME VALUE INVESTMENTS	18,000,000

<u>TOTAL - - - DEC 31 2016</u>	<u>45,963,866</u>
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**SAN GORGONIO PASS WATER AGENCY
CASH RECONCILIATION REPORT
FY 2016-17
BY QUARTER**

	SEP 30, 16	DEC 31, 16	MAR 31, 17	JUN 30, 17 DRAFT
<u>DEBT SERVICE FUND - RESTRICTED</u>				
BEGINNING BALANCE - JULY 1, 2016				
RESERVE FOR STATE WATER PROJECT	36,816,064	36,816,064		
DEBT SERVICE ACTIVITY				
DEBT SERVICE DEPOSITS				
PROPERTY TAX - D. S. DEPOSITS	1,149,380	5,487,206		
INTEREST INCOME	78,171	132,536		
DWR REFUNDS	64,097	1,837,144		
CHANGE IN TAXES RECVBL				
DEBT SERVICE DISBURSEMENTS	(10,043,078)	(11,156,905)		
<u>ENDING RESTRICTED FUNDS BALANCE</u>	<u>28,064,634</u>	<u>33,116,045</u>	-	-
<u>GENERAL FUND - UNRESTRICTED</u>				
BEGINNING BALANCE - JULY 1, 2016	12,052,342	12,052,342		
GENERAL FUND ACTIVITY				
GENERAL FUND DEPOSITS				
WATER SALES	753,759	1,955,663		
PROPERTY TAX - GENERAL DEPOSITS	183,329	795,498		
INTEREST INCOME	23,350	49,550		
OTHER INCOME	37,070	43,601		
CHANGE IN RECEIVABLES	575,816	515,647		
GENERAL FUND DISBURSEMENTS				
CHANGE IN LIABILITIES	(491,640)	(100,527)		
CHANGE IN CAPITAL ASSETS	(76,550)	(141,973)		
OPERATING EXPENDITURES	(844,876)	(2,321,979)		
<u>ENDING UNRESTRICTED FUNDS BALANCE</u>	<u>12,212,600</u>	<u>12,847,821</u>	-	-
<u>TOTAL CASH - END OF QUARTER</u>	<u>40,277,234</u>	<u>45,963,866</u>	-	-
<u>CASH AND INVESTMENTS</u>				
PETTY CASH	100	100		
CASH IN CHECKING ACCOUNTS	273,212	464,625		
WELLS FARGO MM SAVINGS	1,016,238	966,576		
BANK OF HEMET L.A.M.M.A.	509,244	509,435		
LOCAL AGENCY INVESTMENT FUND	3,349,005	6,349,005		
CALTRUST	17,129,435	19,674,125		
TIME VALUE INVESTMENTS	18,000,000	18,000,000		
<u>TOTAL - END OF QUARTER</u>	<u>40,277,234</u>	<u>45,963,866</u>	-	-

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SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 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

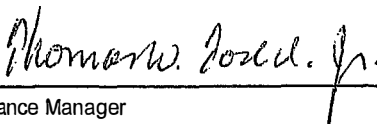
PETTY CASH	100
CASH IN CHECKING ACCOUNTS	464,625
WELLS FARGO MONEY MARKET SAVINGS	966,576
BANK OF HEMET LOCAL AGENCY MONEY MARKET ACCOUNT	509,435
LOCAL AGENCY INVESTMENT FUND	6,349,005
CALTRUST SHORT-TERM	5,039,761
CALTRUST MEDIUM-TERM	14,634,364
TIME VALUE INVESTMENTS	18,000,000
US TREASURY	-

TOTAL

45,963,866

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.


1-19-17

 Finance Manager Date

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**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**

INVESTMENT DETAIL

SHORT-TERM

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
Wells Fargo	Money Market Savings	0.15%	12/31/16	966,576.15
Bank of Hemet	Local Agency Money Market	0.15%	12/31/16	509,434.78

HYBRID

INSTITUTION	Account	YIELD RATE	STATEMENT DATE	CURRENT VALUE
State of California	Local Agency Investment Fund	0.68%	12/31/16	6,349,004.78
CalTRUST	Short-Term	0.75%	12/31/16	5,039,760.97
CalTRUST	Medium-Term	1.02%	12/31/16	14,634,364.30

MEDIUM-TERM

BROKER: TIME VALUE INVESTMENTS BONDS

ISSUER	TYPE	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
FCB	Callable*	1,976,118	0.94%	03/19/2018	2,000,000	1,988,480
FFCB	Callable*	1,995,800	0.97%	06/18/2018	2,000,000	1,985,880
FFCB	Callable*	999,200	1.12%	02/22/2019	1,000,000	994,970
FFCB	Callable*	1,001,474	1.02%	07/12/2019	1,000,000	985,330
FFCB	Callable*	1,000,770	1.38%	03/02/2020	1,000,000	988,470
FNMA	Callable*	1,050,000	1.40%	11/25/2020	1,050,000	1,023,855
	TOTAL	8,023,362	1.09%	TOTAL	8,050,000	7,966,985

* Can be redeemed before maturity date.

BROKER: TIME VALUE INVESTMENTS CDs

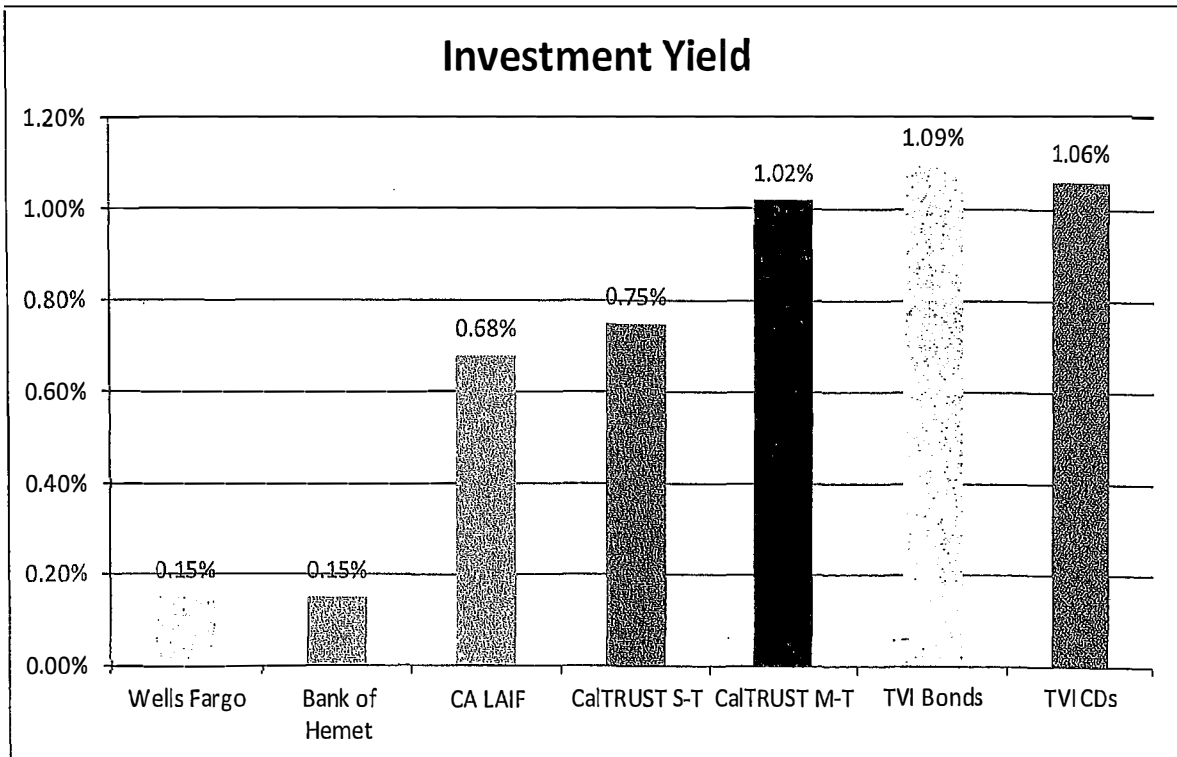
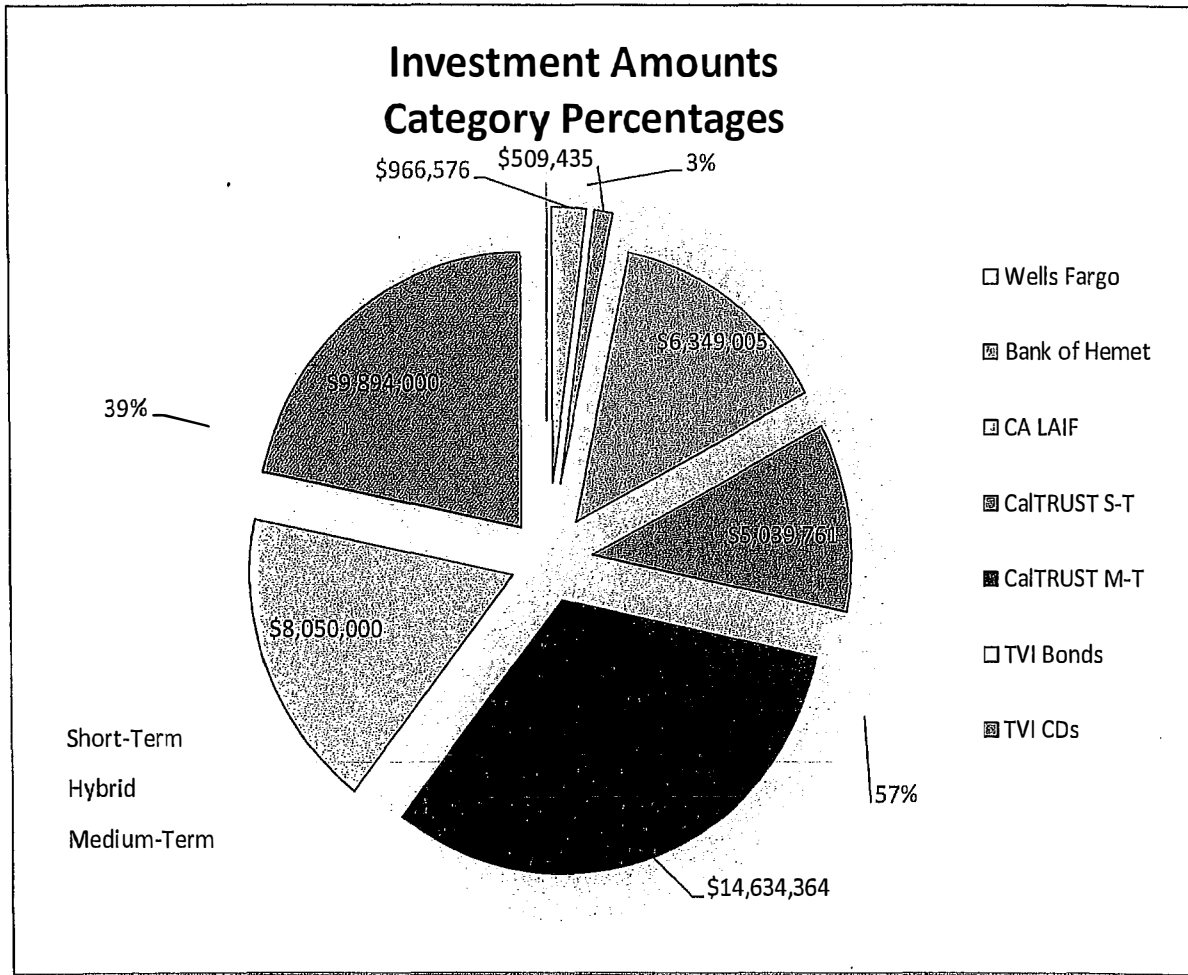
ISSUER	PURCHASE AMOUNT	YIELD RATE	MATURITY DATE	FACE VALUE	CURRENT VALUE
Various banks	9,894,000	1.06%	7-30 months	9,894,000	9,906,320.16

LONG-TERM

The Agency has no Long-Term investments at the date of this report.

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**SAN GORGONIO PASS WATER AGENCY
INVESTMENT REPORT
FY 2016-17
FOR THE SIX MONTHS ENDING ON DECEMBER 31, 2016**



RESOLUTION NO. 2009-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY REVISING A POLICY FOR AGENCY RESERVES

(RESCINDING RESOLUTION NO. 2007-16)

WHEREAS, this Board is charged with responsibility for providing an imported water supply to customers located within the Agency's boundaries, for the construction, operation, maintenance, repair and replacement of facilities to transport and deliver that water to Agency customers, and for the collection and accumulation of revenues necessary to accomplish these purposes; and

WHEREAS, the implementation of Board policy over a period of many years has resulted in the accumulation of funds to be utilized for a variety of Agency activities and to protect the Agency's customers and taxpayers from the financial impacts of catastrophic events and from fluctuations in Agency expenses; and

WHEREAS, by separate action this Board has created a restricted fund for the deposit and separate accounting of Agency revenues which may be expended only for particular Agency purposes, entitled the "State Water Contract Fund" and

WHEREAS, in addition to the collection and deposit of money into the restricted account, this Board also wishes to provide for the creation of certain unrestricted reserve accounts, and to set forth in writing the Agency's policy regarding the accumulation of reserves, the purposes for which they may be expended, and the levels which the Agency should strive to maintain;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Gorgonio Pass Water Agency hereby provides for the deposit of revenue into the restricted fund, the creation of certain unrestricted reserve accounts, and the accumulation and administration of reserves in each, as follows:

1. Restricted Reserves.

(a) State Water Contract Fund. All revenue collected from taxes levied on real property within the Agency's boundaries to pay amounts due and owing to the State of California Department of Water Resources ("DWR") pursuant to the Agency's contract with the State ("State Water Contract") for participation in the State Water Resources Development System shall be deposited into the State Water Contract Fund. The revenues deposited into the State Water Contract Fund may be utilized only to pay the Agency's financial obligations on the State Water Contract. The Agency shall endeavor to maintain money in the State Water Contract Fund in an amount which is more than the total of the previous year's invoices from DWR, but not more than two and one half times the total of such invoices, so that a reserve may be maintained to absorb temporary increases in charges from DWR, help to stabilize Agency tax rates, and protect against economic conditions which could result in the failure of numerous Agency taxpayers to pay their taxes. The reserves maintained in the State Water

Contract Fund may be invested in the same manner as other Agency funds. Investment earnings thereon as determined by the Agency shall be credited to the State Water Contract Fund and shall be used only to pay State Water Contract obligations.

2. Unrestricted Reserves.

(a) Reserve for Operations. A "Reserve for Operations" is hereby created for the Agency, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Operations may be utilized to pay the cost of operating the Agency's general system including unanticipated costs of operations. The Agency shall endeavor to maintain in the Reserve for Operations an amount sufficient to pay for six months of normal operations of the Agency excluding depreciation expense and payments to DWR not to exceed one year of normal operation, as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Operations may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Operations may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(b) Reserve for New Infrastructure. A "Reserve for New Infrastructure" is hereby created for the Agency's general account, to which the Board may appropriate unrestricted Agency revenues. The Reserve for New Infrastructure may be utilized to construct or procure new infrastructure for the Agency; expenditures include but are not limited to transmission and distribution capital assets, buildings, pumping equipment, technical equipment, furniture and fixtures and transportation equipment. The Agency shall endeavor to maintain the Reserve for New Infrastructure in an amount approximately equal to 20% of the original cost of the Agency's physical plant, as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for New Infrastructure may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for New Infrastructure may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(c) Reserve for Additional Water. A "Reserve for Additional Water" is hereby created to which the Board may appropriate unrestricted Agency revenues. The Reserve for Additional Water may be utilized for the temporary purchase of additional water, to augment the Agency's annual allocation of water pursuant to Table A of the Agency's State Water Contract, and for costs associated with the banking or transfer of any water or water rights purchased by the Agency. The Agency shall endeavor to maintain the Reserve for Additional Water in an amount of at least \$2.5 million as of June 30, 2008, with a goal of increasing this amount at least \$250,000 per year thereafter. This reserve fund is to be augmented by income from the "new water" component of the water rate, to be set by the Board. Funds added to this reserve from the water rates shall

not be used for any purpose other than to purchase new water or water rights. It is anticipated that other funds will also be added to this reserve. The funds initially appropriated to the Reserve for Additional Water (\$2.5 million) and funds from sources other than the water rate may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Additional Water may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(d) Rate Stabilization Reserve. A "Rate Stabilization Reserve" is hereby created, to which the Board may appropriate unrestricted Agency revenues. The Rate Stabilization Reserve may be utilized to protect Agency ratepayers from temporary increases in the cost of providing water service, such as fluctuations in the cost of energy, for example. The Agency shall endeavor to maintain the Rate Stabilization Reserve in an amount equal to \$150,000, or approximately 150% of the maximum annual revenue shortfall year identified in the February 2, 2009 water rate study. This reserve fund is to be augmented by income from the rate stabilization component of the water rate, to be set by the Board. As the initial \$150,000 allocated to this fund as of February 2, 2009 is augmented by funds from water rates, these initial funds shall be allocated to other reserve funds as needed. Funds added to this reserve from the water rates shall not be used for any purpose other than stabilizing or subsidizing the water rate. However, if at any time the funds accumulated in this reserve fund from the rate stabilization component of the water rate reach the goal of \$150,000, additional funds earmarked for this reserve above \$150,000 shall be allocated to the reserve for new water until such time as the rate stabilization reserve fund is reduced below \$150,000. At that time, revenue from the rate stabilization fund portion of the water rate will again be allocated to the rate stabilization reserve fund until such time as it reaches \$150,000. Funds appropriated to the Rate Stabilization Reserve may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(e) Reserve for Replacements. A "Reserve for Replacements" is hereby created for the Agency's general account, to which the Board may appropriate unrestricted Agency revenues. The Reserve for Replacements may be utilized to replace the Agency's physical plant, as needed. The Agency shall endeavor to maintain the Reserve for Replacements an amount approximately equal to the accumulated amount of depreciation of the Agency's physical plant (not including the State Water Project facilities), as reflected in the annual audit of the Agency presented to the Board each year. However, the funds appropriated to the Reserve for Replacements may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Replacements may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

(f) Reserve for Unexpected Legal Expenses. A "Reserve for Unexpected Legal Expenses" is hereby created, to which the Board may appropriate unrestricted Agency revenues. The Reserve may be used to pay unexpected

legal expenses incurred by the Agency, such as for planned or unplanned litigation, pending litigation, threatened litigation, or other such legal expenses as may be incurred. The Agency shall endeavor to maintain in the Reserve at least \$150,000, not to exceed \$250,000. However, the funds appropriated to the Reserve for Unexpected Legal Expenses may be accessed at any time for any other Agency purpose, upon approval by the Board. Funds appropriated to the Reserve for Unexpected Legal Expenses may be invested in the same manner as other Agency funds, and the earnings thereon shall be credited to the Agency's General Fund.

3. Additional Reserves. In addition to the reserves identified above, the Board may approve the creation of such additional accounts, whether temporary or permanent, as the Board deems necessary or appropriate, by amendment to this resolution or by simple motion. In such event, the Board will identify the purposes for which such additional accounts are created, provide guidance as to the amount which the Agency should endeavor to maintain in each such fund or account, and establish the limits and restrictions pertaining thereto.

4. Annual Reports. Each quarter the Agency's General Manager shall provide the Board with a report indicating the beginning and ending balance for each of the reserve funds or accounts created pursuant to this resolution and the purposes for which expenditures have been made there from, and shall make recommendations to replenish or augment fund or account balances as appropriate.

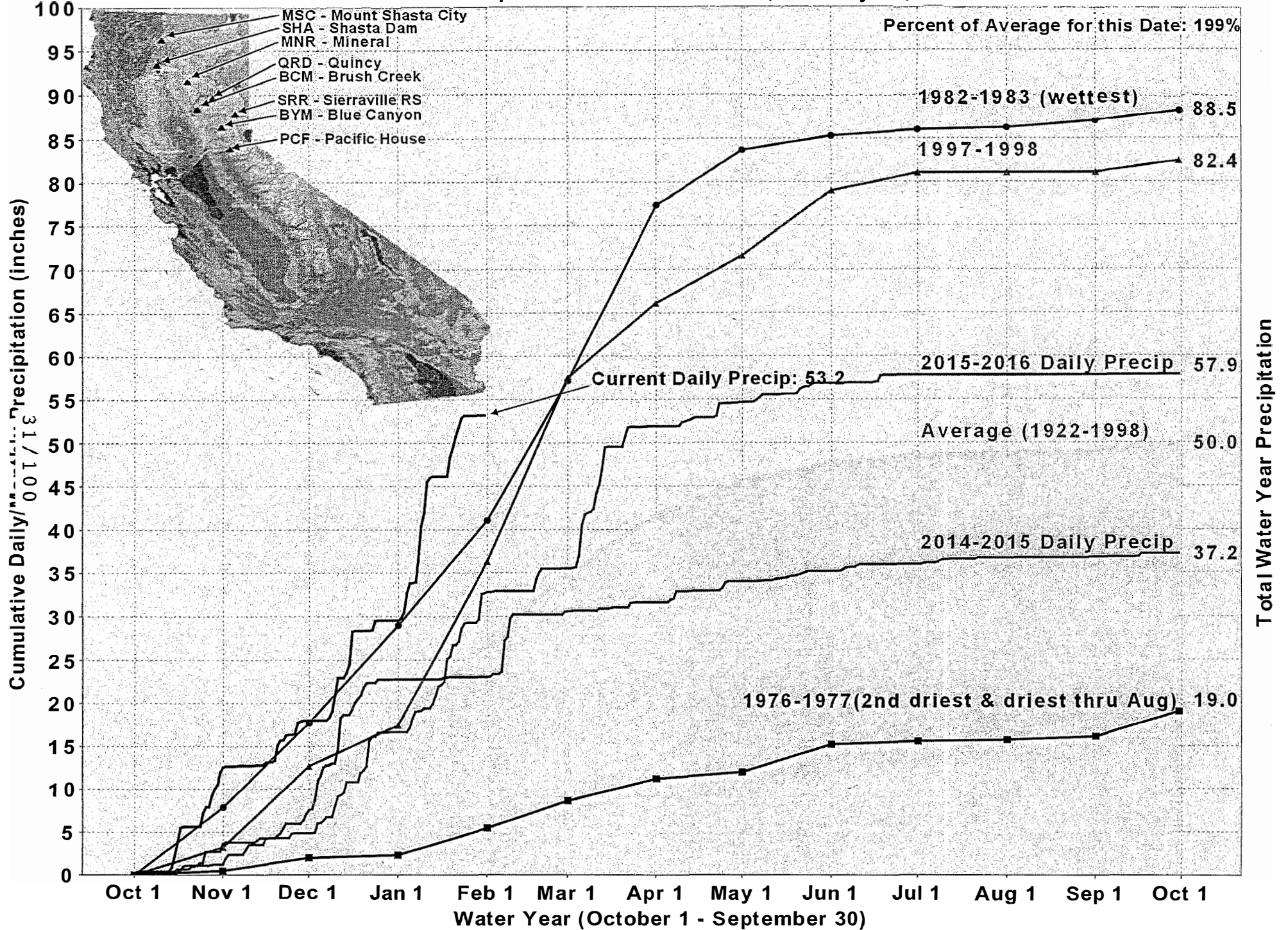
5. Concurrent Adoption of Water Rates Resolution. This Resolution revising the policy for the accumulation of the Agency Reserves is dependent on the concurrent adoption of Resolution No. 2009-3, which establishes wholesale water rates.

The foregoing resolution was adopted unopposed by voice vote at a regular meeting of the Board of Directors of the San Geronio Pass Water Agency on February 2, 2009 with all Directors present.

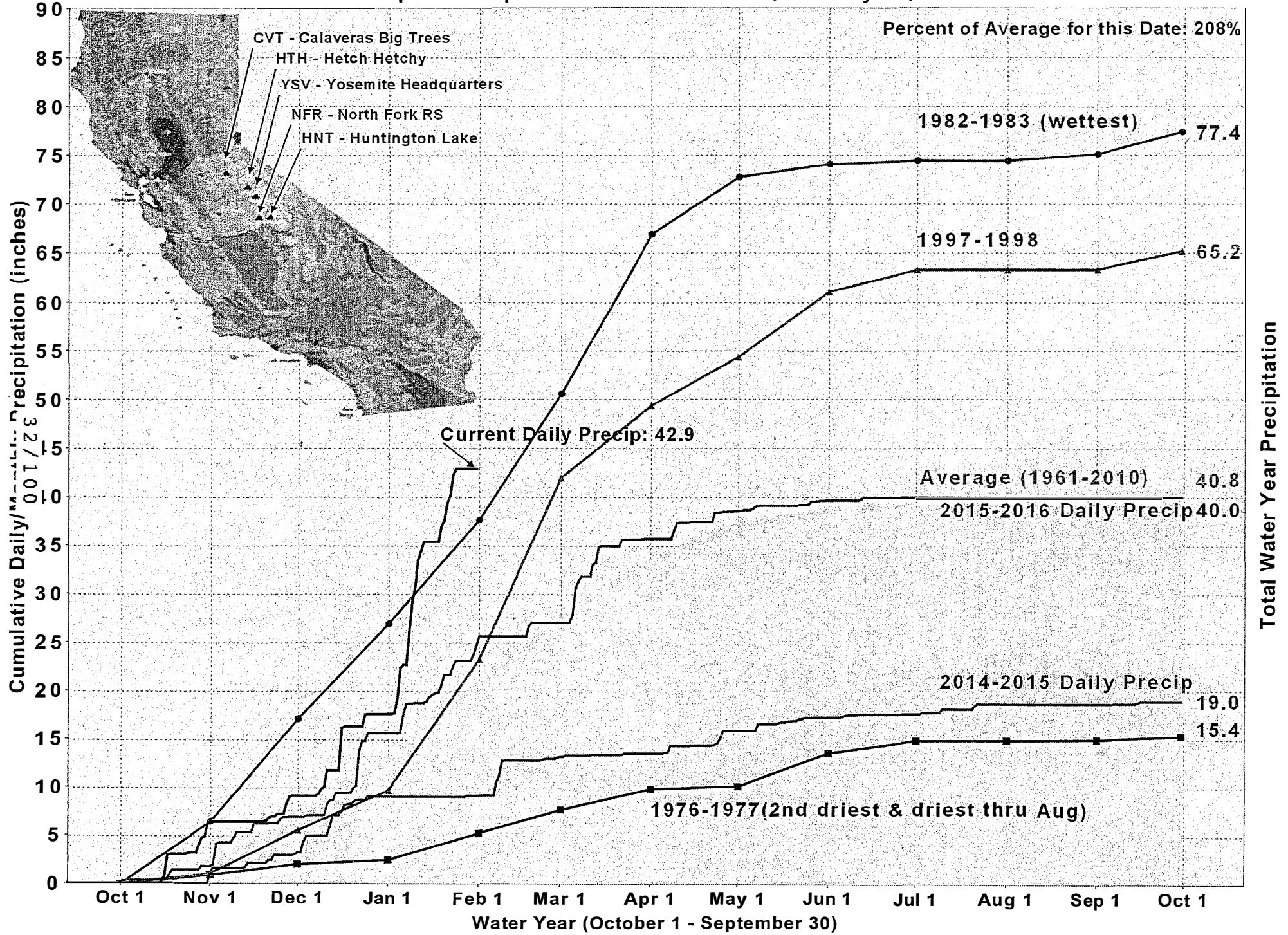
I certify that this is a true, full and correct copy Resolution 2009-02, approved by the Board of Directors of the San Geronio Pass Water Agency at its meeting held on February 2, 2009.

Jeffrey Davis
Secretary of the Board

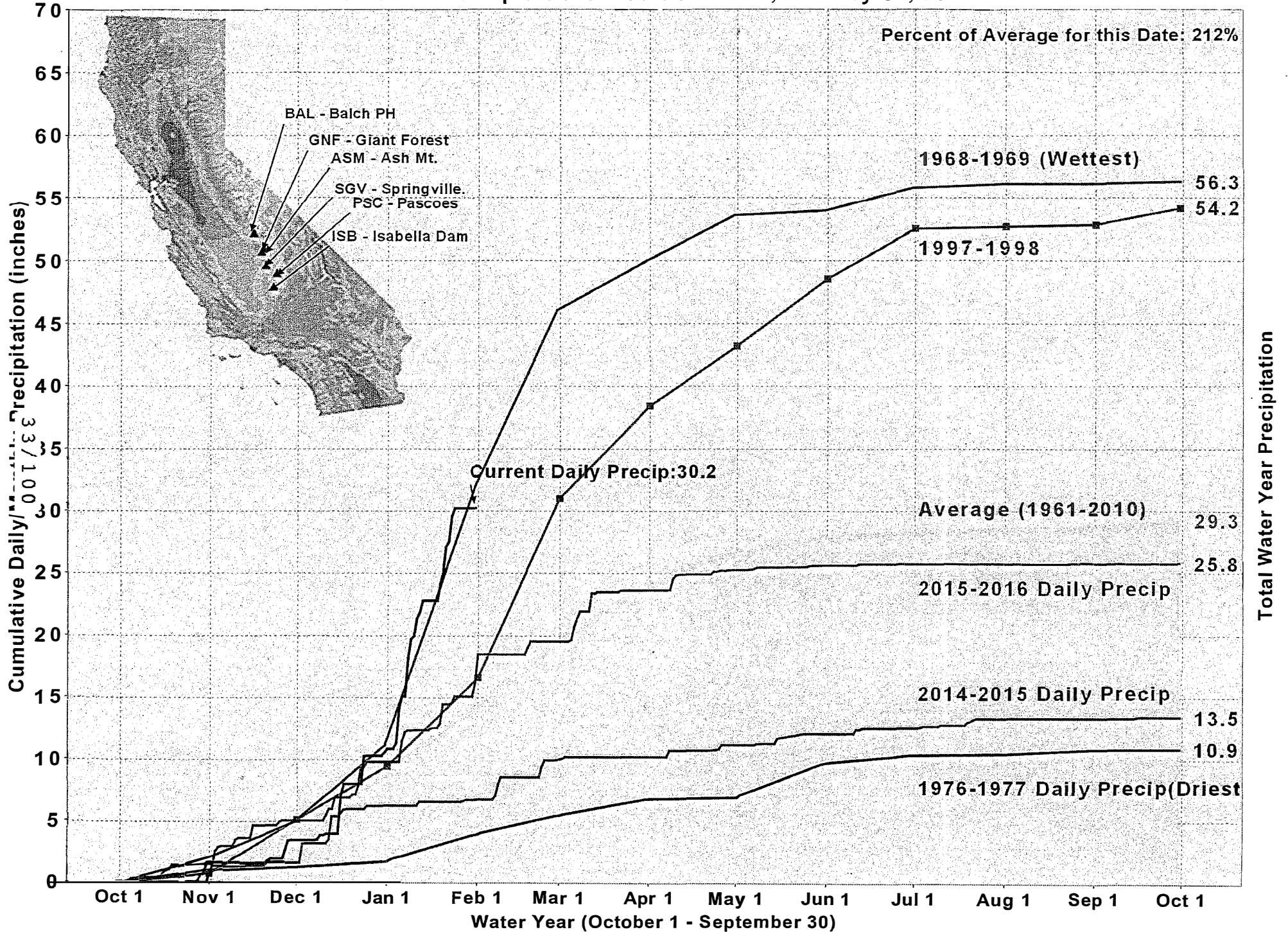
North Sierra Precipitation: 8-Station Index, January 31, 2017



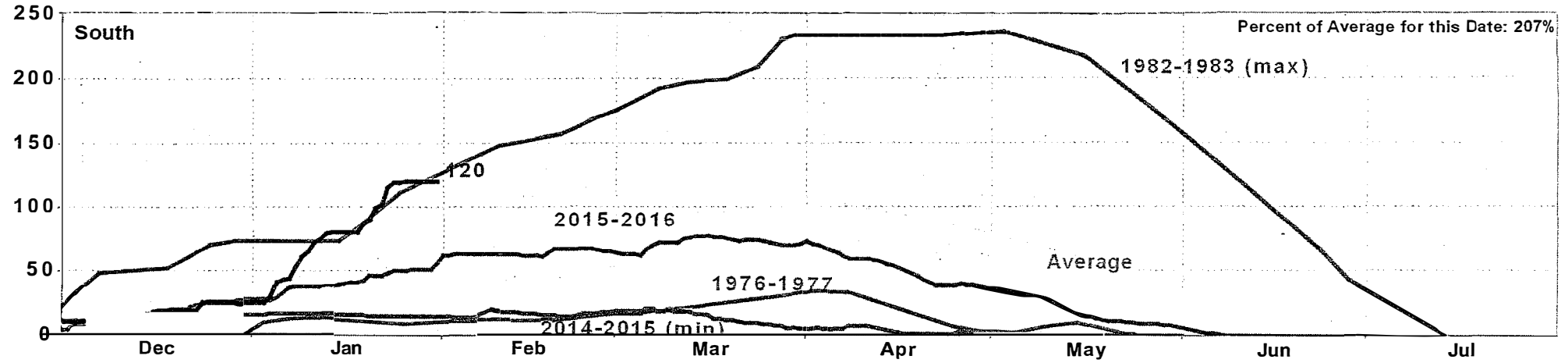
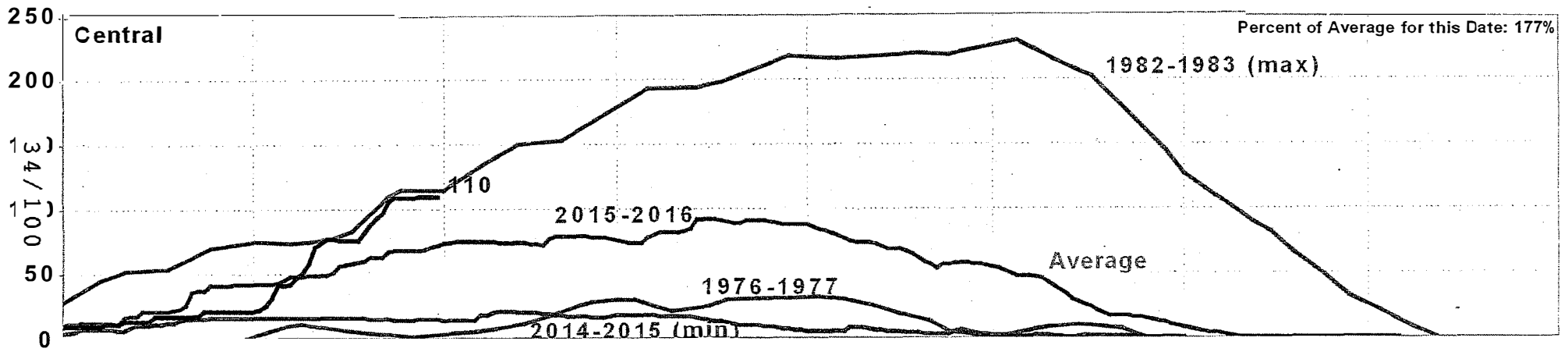
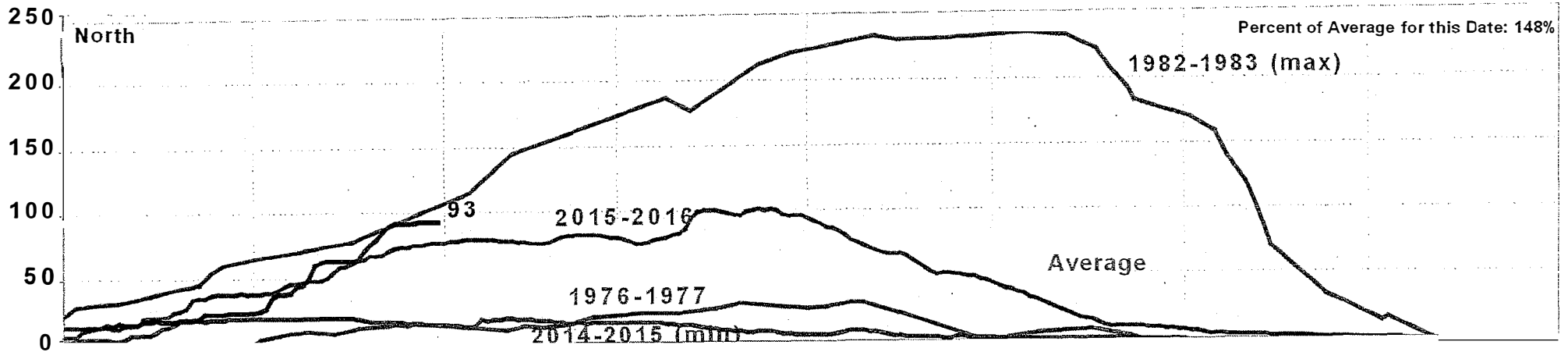
San Joaquin Precipitation: 5-Station Index, January 31, 2017



Tulare Basin Precipitation: 6-Station Index, January 31, 2017



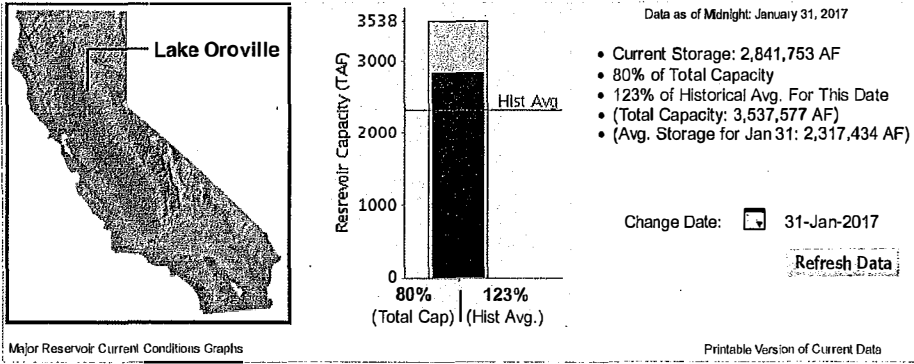
California Snow Water Content, January 31, 2017, Percent of April 1 Average



Statewide Percent of April 1: 108%

Statewide Percent of Average for Date: 177%

OROVILLE - STORAGE CONDITIONS AS OF JANUARY 31, 2017



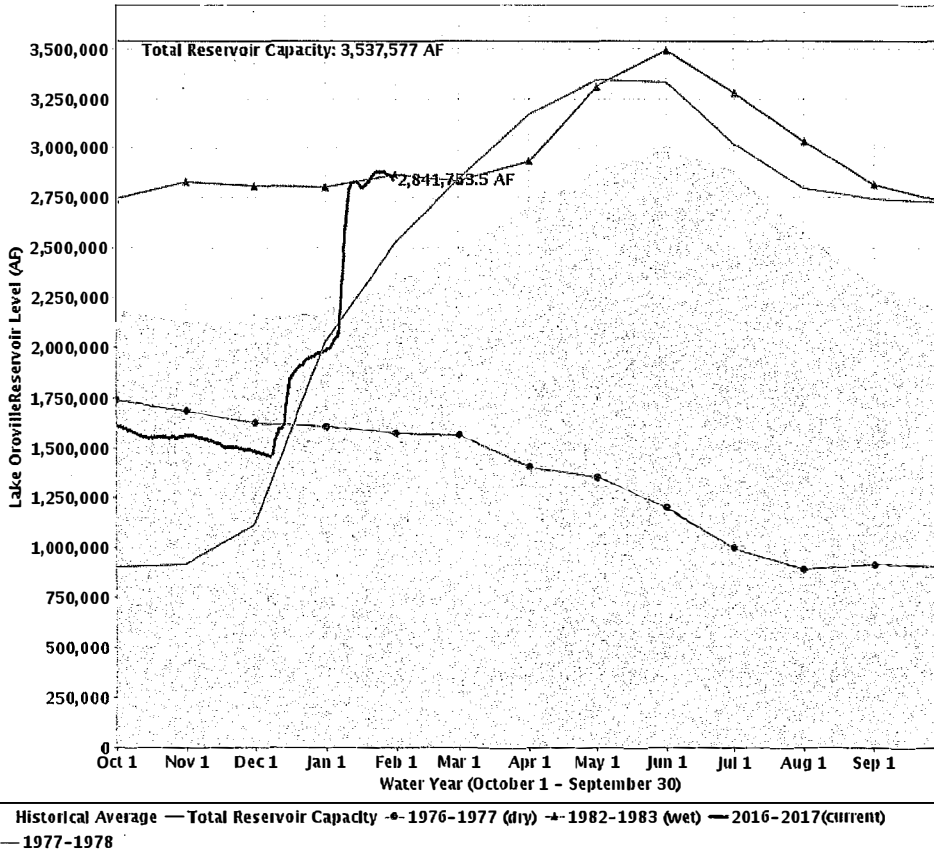
Oroville Storage Level Graph: Choose water years to plot:

1976-1977 (dry)
 1977-1978
 1982-1983 (wet)
 1988-1989
 1989-1990

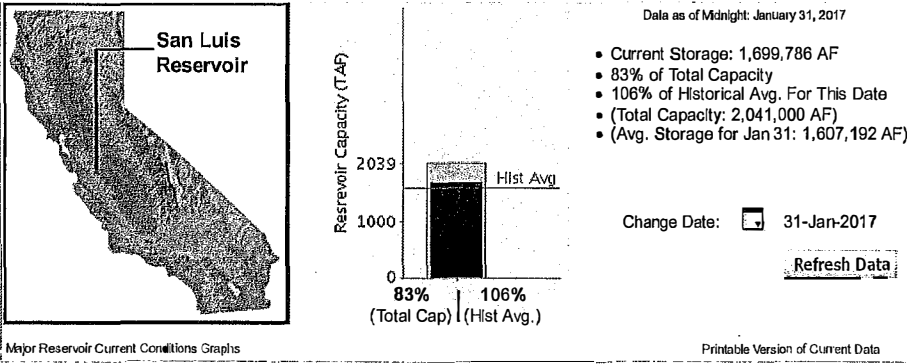
[Draw chart](#)
(chart legend appears at bottom)

(ctrl+click for multiple selections)

Lake Oroville Storage Levels



SAN LUIS - STORAGE CONDITIONS AS OF JANUARY 31, 2017



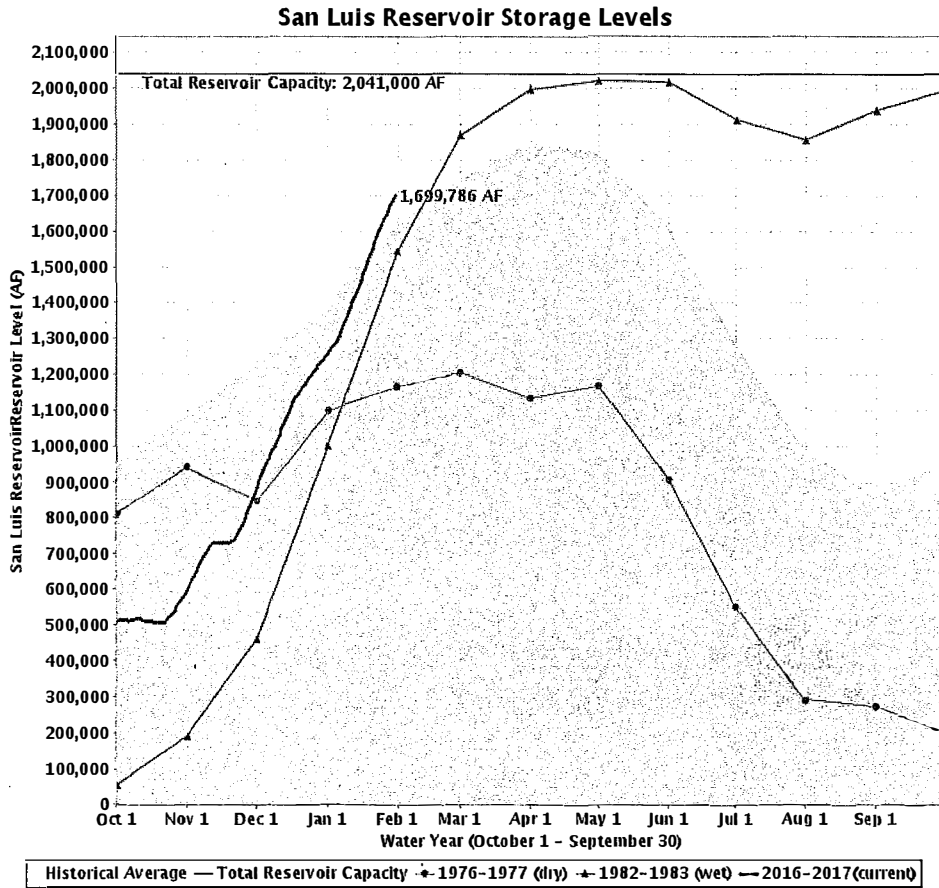
San Luis Storage Level Graph: Choose water years to plot:

- 1976-1977 (dry)
- 1977-1978
- 1982-1983 (wet)
- 1988-1989
- 1989-1990

[Draw chart](#)

(chart legend appears at bottom)

(ctrl+click for multiple selections)



MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: 2015 Water Conditions Report

DATE: February 6, 2017

Summary:

At the December Engineering workshop, staff reviewed the draft 2015 Water Conditions Report with the Board. This report has now been finalized. Color copies will be available to the Board at the Board meeting; a black and white version is included in the agenda package.

Relationship to Strategic Plan:

The Water Conditions Report is not directly related to the strategic plan.

Recommendation:

Staff recommends that the Board receive and file the final 2015 Water Conditions Report so that staff may post it on the Agency web site and send it out to a distribution list.

**San Geronio Pass Water Agency
Annual Report on Water Conditions
Reporting Period 2015**

Prepared by

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

January 2017

SAN GORGONIO PASS WATER AGENCY

Board of Directors

David Fenn	President
Ron Duncan	Vice President
Leonard Stephenson	Treasurer
Blair Ball	Director
David Castaldo	Director
Mike Thompson	Director

On the cover:

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1.0 Background

The San Gorgonio Pass Water Agency is a State Water Contractor and wholesale water agency that provides imported water to retail water purveyors within its service area, which extends from Calimesa on the west to Cabazon on the east. Its service area covers approximately 228 square miles, most of which is in Riverside County but which includes two small areas in San Bernardino County. One of these is unpopulated, adjoining the San Bernardino National Forest, and the other, in Edgar Canyon south of Oak Glen, includes a few residences owned by the Beaumont Cherry Valley Water District. The service area is depicted on **Figure 1**.

The Agency was created by the San Gorgonio Pass Water Agency Act, passed by the California Legislature in 1961 and signed by Governor Pat Brown on July 12, 1961. The first Board of Directors, appointed by the Riverside County Board of Supervisors, held its initial formal meeting on October 10 of that year. It had previously met briefly on September 22 to elect Ted Silverwood as the first President of the Agency. The area had a population of approximately 21,000 at the time (today it is over 90,000, an increase of over 400%).

The San Gorgonio Pass is an elevated, relatively narrow land mass between the San Bernardino Mountains on the north and the San Jacinto Mountains on the south, connecting the San Bernardino Valley on the west to the Coachella Valley on the east. Both of these valleys are at much lower elevations than the Pass region. The region straddles two large watersheds. The western half of the service area is drained primarily by Little San Gorgonio Creek and Noble Creek, which are tributary to San Timoteo Creek and the Santa Ana River. The eastern half of the service area is drained by the San Gorgonio River, which is tributary to the Whitewater River and is part of the Colorado River Basin. A small portion of the region drains to the San Jacinto River which drains to Lake Elsinore. **Figure 2** depicts the drainage basins and principal streams in the region.

This report, published annually by the Agency in some form for over two decades, is intended to help monitor and make available to the public the quantity and quality of water in local groundwater basins. It is based on the Agency's extensive database as well as data from other sources. It includes data from 2015 as well as historical data, which provide a basis to put the most recent data into historical context.

Tables 1, 2, and 3 are extraction (production) summaries of groundwater pumping within the Agency's service area, hereinafter referred to as the region. These tables summarize annual production for the past 13 years, and represent the heart of this report. These data were obtained from the State Water Resources Control Board, Division of Water Rights (State Board); local sources; or in some cases estimated by the Agency. The Agency does not independently verify the data. The State Board does not require reporting for well owners who extract less than 25 acre feet per year (about eight million gallons). Also, it is possible that some well owners do not file as required. The data in these tables represent the Agency's best estimate of actual pumping,

based on both actual data and production estimates. Most wells are not metered and therefore data from these wells must be estimated by various means.

The report also includes water quality data from the State Water Project's sampling station at Devil Canyon in San Bernardino. Devil Canyon is the Agency's delivery point for State Water Project water, and the closest sampling station to the region. It is representative of the water that the Agency receives from the State Water Project. The data, summarized in **Table 5**, reflect that the water quality varies from year to year and from month to month. It is primarily a function of water quality conditions in the Sacramento/San Joaquin Delta and of runoff in watersheds tributary to the Delta. That water quality in turn is largely a function of hydrology. In wet years and during wet periods within dry and average years, fresh water from upland rivers drains to the Delta and improves overall water quality.

The water quality constituent of greatest interest to the Agency and other local water agencies is TDS, or total dissolved solids (also known as salinity or salts). Salinity is becoming more heavily regulated by Regional Water Quality Control Boards throughout the State, especially as water agencies around the state implement recycled water systems. In order to maintain reasonable TDS levels in the lower reaches of the Santa Ana watershed (primarily Orange County), the Santa Ana Regional Water Quality Control Board must set standards for TDS at relatively low concentrations in the upper reaches of the watershed, where the western portion of the Agency's service area is located. Salinity is less of an issue in the eastern portion of the region, which is part of the Colorado River watershed and is more sparsely populated. This watershed already has among the highest levels of TDS in the State.

Sewage treatment plant effluent from Beaumont, Yucaipa, and Calimesa is discharged into tributaries to the Santa Ana River and is regulated by the Santa Ana Regional Board; effluent from Banning is currently regulated by the Colorado River Regional Board, though it is likely that the Santa Ana Regional Board may at some time regulate this discharge or portions thereof. This is due to the fact that the City of Banning has plans for a recycled water system, parts of which will overlie a portion of the Santa Ana watershed. While most of the City is in the Colorado Basin, a small portion of it is in the Santa Ana basin.

State legislation passed in 2009 requires more extensive groundwater elevation monitoring in basins throughout the State similar to what the Agency has performed for nearly two decades. The California Department of Water Resources has set up CASGEM (the California Statewide Groundwater Elevation Monitoring system). The Agency has been accepted as the regional monitoring entity for the region. This represents a legislative mandate to perform the groundwater level monitoring that the Agency has performed on its own for many years. The data uploaded by the Agency to the CASGEM system represent a relatively small subset of the Agency's overall groundwater database.

Newer legislation passed in 2014 (the Sustainable Groundwater Management Act or SGMA) requires virtually all groundwater basins in California to be managed sustainably by 2022. This could have a long-term impact on how groundwater basins in the region are managed. A Groundwater Sustainability Plan, or GSP, must be developed for all these basins by 2022.

2.0 Water Supply Conditions

There are three principal sources of water within the region—groundwater, which begins as precipitation in the form of rain and snow in the local mountains; imported water from the State Water Project; and recycled wastewater. A fourth source—local runoff of surface water—accounts for a small but important portion of local water resources, primarily in Edgar and Banning Canyons. Even most of this runoff is typically recharged into local groundwater basins where it becomes part of the groundwater supply.

Recycled water from Yucaipa Valley Water District is in use in Calimesa as of the end of 2015. Two other retail water agencies, including the Beaumont Cherry Valley Water District and the City of Banning, have plans to implement recycled water systems in the next few years and have begun planning, designing, and constructing the needed infrastructure for these systems.

2.1 Precipitation

Annual precipitation in the Beaumont area since 1900 is shown on **Figure 4**. The long-term mean annual precipitation in Beaumont is approximately 17.3 inches. This figure depicts the variable nature of precipitation. Of the approximately 115 years of records, the precipitation in 50 years has exceeded the average, while 75 years have been relatively dry as compared to the average. The figure shows several periods—1900-1904, 1948-1952, 1960-1965, 1986-1992, 1999-2002, 2005-2009, and 2011-2015—with multiple consecutive dry years. The figure shows that 2007, 2009, 2013, 2014, and 2015 were among the driest on record in Beaumont (and in fact in all of Southern California), while 2010 was one of the wettest and 2011 and 2012 were below normal. The figure indicates that, since 1999, there have been only three years that met or exceeded the long-term average rainfall. In fact, since 2005 there has been only one “wet” year. This is dramatic evidence of the current drought that has persisted in California and the West. Officially, 2015 is the fourth year of a drought, but as can be seen by the data, the sixteen years since 1999 represent a very dry period. Data presented are for Beaumont because the National Weather Service’s official weather station in the region is located in Beaumont.

Precipitation is highly variable, both spatially and temporally. The National Weather Service’s official station is at an elevation of about 2600 feet. It is highly likely that higher elevations receive more precipitation, including snow, and lower elevations receive relatively less precipitation. In addition, storms, particularly summer storms, can be highly concentrated and impact one area, while another area a mile or two away may get little or no rain. Thus, while the long-term average rainfall may be approximately 17.3 inches in one part of the region, it could easily be an inch or two more or less at other locations in the same region. A rain gauge in Cabazon would almost certainly show a lower average precipitation than a similar gauge in Calimesa. These gauges would show that climatic and hydrologic differences are present even within the region.

Groundwater basins are able to naturally capture and store much, but not all, of the precipitation in wet years. During and after a rainfall event, runoff drains to streams where it runs into creeks and rivers. Some of this will recharge the local groundwater basins. During large storm events,

much of the runoff will flow downstream. In this case, it will either flow from San Timoteo Creek into the Santa Ana River in Redlands, or it will flow from the San Gorgonio River into the Whitewater River in the Coachella Valley. A small portion of runoff from the region flows to the San Jacinto River in Hemet. Cities and water agencies in the region have begun planning how to capture additional stormwater that currently runs down the Santa Ana River to Prado Dam and eventually to the Pacific Ocean.

Stormwater capture represents a potential new source of water to the region. While additional sources of local water are always good for a region, stormwater capture requires a lot of land, and thus has been found to be too expensive for large-scale development in many areas, particularly where land prices are high. Large areas of land are required in order to construct ponds to settle out the particulate matter that accompanies storm flows. Since large storms are not abundant every year, land acquired for large scale stormwater capture would not be used on a consistent basis, and therefore represents a large investment that does not reap benefits every year. A huge benefit in capturing stormwater is the fact that its salinity is very low, and any stormwater captured would improve the water quality of groundwater basins.

2.2 State Water Project

The San Gorgonio Pass Water Agency Act was signed by Governor Pat Brown in 1961, and the first Board of Directors, appointed by the Riverside County Board of Supervisors, held its initial meeting in September of that year. Within another year, the Agency had signed a contract with the State of California for 15,000 acre feet of water from what at the time was known as the Feather River Project. A year later, the Agency increased its contract amount, or Table A amount, to 17,300 acre feet, an increase of 15%. The Agency's Board of Directors fought hard to get this additional amount, and made financial sacrifices to do so. The additional water increased the annual amount of debt service owed by the Agency, and the expenditure of these additional funds precluded the ability to begin construction on a pipeline to San Bernardino to take delivery of the water at that time.

The Agency began importing State Water Project water into the region in 2003, when Phase 1 of the East Branch Extension of the California Aqueduct was completed. Since that time, deliveries of State Water Project water within the region increased steadily until the current drought took hold. **Table 4** summarizes these deliveries. This table shows that the Agency delivered nearly 11,000 acre-feet in 2011 and 2012, dropping to less than 10,000 acre-feet in 2013, to just over 5,000 acre-feet in 2014, and under 4,000 acre-feet in 2015. The 80% allocation of Table A water in 2011 was the highest since 2006, and enabled the Agency to deliver water that not only met local water demands, but that added to local banked groundwater as well. Even though the 35% allocation of water in 2012 was considerably less, the Agency was able to deliver virtually the same amount as in 2011 due to its ability to carry over water from the previous year. This number dropped in 2013 as the Agency had less carryover water to deliver. The 5% allocation in 2014 was one of the lowest on record, and reflects the state of the current drought.

The Table A allocation is a function of hydraulic conditions in the Sacramento/San Joaquin delta as well as northern California hydrology. The average long-term reliability of the State Water Project is approximately 60%. For the Agency, this represents a long-term annual supply of approximately 10,400 acre-feet, nearly 7,000 acre-feet less than its contracted amount. And, this

reliability is expected to decrease over time for a number of reasons. This points out the importance of being able to store water in those years when the Table A allocation is greater than 60%. The ability to import and store more water locally in wet years in the future will be a key to the sustainability of the region and to minimizing the amount of additional supplemental water that must be procured to meet projected water demands.

Currently, the Agency can import a maximum of approximately 11,000 acre feet per year with existing infrastructure. When Phase 2 of the East Branch Extension is completed in early 2017, the Agency will be able to import its entire Table A allocation when it is available, plus additional supplies. Completion of this \$250 million project is a high priority for the Agency, the San Bernardino Valley Municipal Water District (Valley District), and the California Department of Water Resources, the Agency's partners in this project.

Phase 2 of the project (named EBX 2) consists of a pipeline under the Santa Ana River near Highland, a reservoir and pump station in Mentone, and a pipeline from this pump station to the existing Crafton Hills Pump Station in Mentone. The project also includes new pumps in the Crafton Hills Pump Station and the Cherry Valley Pump Station. The new pipeline, which will be 72-inches and 66-inches in diameter, will replace an existing 48-inch diameter line under the Santa Ana River that was constructed in the 1980's. In addition, the Agency and Valley District have recently constructed improvements to the existing EBX that make it more reliable and able to deliver water in the event Crafton Hills Reservoir is out of service. These improvements include an expansion of Crafton Hills Reservoir from approximately 90 acre-feet to approximately 135 acre-feet, and a bypass line around the reservoir that can be used to deliver water when the reservoir is out of service for any reason.

The ability to import and store more water in the region will depend on these projects, additional connection capacity to the East Branch Extension, and additional regional recharge and storage capacity. As of 2015, the total turnout capacity of the pipeline is 20 cfs. The current pipeline capacity is 16 cfs. When EBX 2 goes online in 2017, the total pipeline capacity will be 32 cfs, expandable to 64 cfs. However, unless additional infrastructure is constructed to be able to convey this additional water out of the pipeline to new or existing recharge or treatment facilities, the project will not add appreciably to the region's water resources.

The Agency is currently planning such infrastructure. The Beaumont Avenue Recharge Facility includes a new connection to the EBX, a new recharge facility, and a short pipeline connecting the two. The Agency is moving forward on this project and plans to have it on-line by 2017 or 2018, just after EBX 2 is expected to be completed. The facility will enable the region to import additional water in wet years and store it for dry years. This "conjunctive use" of water is an effective water management tool that is used throughout the West, and whose use is increasing.

In addition, the Agency is considering purchasing capacity in the Valley District's proposed Bunker Hill Conjunctive Use Project, which would enable the Agency to store water in the Bunker Hill Basin in San Bernardino and deliver it to retail water agencies such as the Yucaipa Valley Water District and the South Mesa Water Company in dry years.

2.3 Wastewater

Three public agencies, plus one Native American tribe, discharge treated wastewater in the region—the cities of Beaumont and Banning, the Yucaipa Valley Water District, and the Morongo Band of Mission Indians. The annual discharges since 1987 for the three public sewage treatment entities are shown on **Figure 5**. Figures for the Morongo plant are not included. Unlike precipitation and the State Water Project, which are highly variable from year to year, wastewater discharges from the region have consistently increased over time, as the region has developed. They have been relatively constant over the past five years. Wastewater treatment plant discharges are a function of indoor water use, not hydrology or exterior water use. Hence they are considered to be relatively more reliable and stable than imported water or local runoff or stormwater.

Thus, treated wastewater, or recycled water, is an important asset to the region, because it can be a reliable, non-potable water source in the future. All three of the public agencies mentioned above are in various stages of implementing recycled and/or non-potable water systems for irrigation, golf courses, parks, medians, etc., or to recharge it into local groundwater basins. The Yucaipa Valley Water District will receive its permit to deliver recycled water in 2016.

As mentioned in Section 1.0, salinity is a growing concern in California, and recycled water is high in dissolved solids or salinity. While recycled water is a huge potential benefit to the region, its use as a water supply will require desalting. Desalting is an expensive operation that requires brine disposal, a costly process. The Yucaipa Valley Water District has constructed a desalination plant and brine disposal pipeline. Once this is permitted, it will be able to utilize recycled water in lieu of groundwater or imported water for non-potable uses, primarily irrigation and construction water.

The City of Banning is moving towards a recycled water system, and the City of Beaumont, which owns a sewage treatment plant, and the Beaumont Cherry Valley Water District, which is the water purveyor in the City and surrounding areas, are in talks to distribute the City's treated effluent as part of a recycled water system owned by BCVWD. Beaumont Cherry Valley Water District is also discussing construction of a joint pipeline with the Yucaipa Valley District that would enable the two agencies to eventually move recycled water from one area to the other as needed.

Use of recycled water either for direct non-potable use or for recharge requires a permit from the Santa Ana Regional Water Quality Control Board. Such permits will be granted only when the Regional Board is convinced that the permit holder will take all required steps to meet its standards for salinity and other constituents based on its current Basin Plan.

3.0 Groundwater Conditions

Figure 3 shows the principal groundwater basins, sometimes referred to as storage units, in the region. The boundaries of these basins are as defined by the United States Geological Survey. It should be noted that these basins are different from the groundwater basins identified by the California Department of Water Resources in its Bulletin 118. The Beaumont Basin is the largest and most productive of these local basins, and serves a large majority of the population in the region. By the Bulletin 118 definition, the Beaumont Basin is partly in the San Timoteo Sub-basin of the Santa Ana Basin and partly in the San Gorgonio Pass Sub-basin of the Coachella Valley Basin.

The region is characterized by numerous faults, which make for complex geology. The Beaumont Basin is characterized by a number of smaller sub-basins, but can be viewed as one continuous basin, or storage unit, and has been modeled in that manner. East of the Beaumont Basin is the Banning Basin, and east of that is the Cabazon Basin. The Agency is in the process of expanding its model of the Beaumont Basin (developed by the United States Geologic Survey) eastward to include both the Banning and Cabazon basins, or storage units. This work should be completed and peer-reviewed by 2016.

The existing model is a tool that can be used to predict how various recharge scenarios will impact water levels in the Beaumont Basin.

As the Sustainable Groundwater Management Act (SGMA) is implemented by the Department of Water Resources, the Agency will place great emphasis on participating in Groundwater Sustainability Agencies (GSA's) for each of the basins within the Agency's service area. This will unfold over the next few years, with creation of all GSA's required by June 2017.

3.1 Groundwater Extractions (Production)

Table 1 summarizes groundwater production from the eleven basins in the region. **Table 2** summarizes reported production from each individual producer, whether public or private. **Table 3** provides a detailed breakdown of extractions by each reporting producer (including some based in San Bernardino County) for each basin for the thirteen most recent years of available data. Surface diversions from the Whitewater River are not included, as the Agency is not convinced the available data are reliable enough to report. These diversions serve the Banning Bench and the City of Banning.

Figure 6 illustrates the long-term trend in reported groundwater production in the region since 1947. **Figure 7** summarizes the same data since 1997, about the time significant growth started. Both figures show a distinct increasing trend in groundwater extractions both over the long term and over the past 18 years, though 2015 clearly breaks that trend. The results of these recent years show a sharp reduction in local extractions from 2008 to 2010, followed by gradual increases over the next four years, in contrast to decades of increases prior to 2008. Perhaps the

most striking element of these figures is the sharp decline in production in 2015, also characterized in Tables 1, 2, and 3.

Figure 6 indicates that extractions remained relatively constant from the early 1960's to the mid 1980's. Extractions increased gradually from that point until the mid-1990's, when they started to increase significantly. **Figure 7** shows a significant increase from 1998 to 2007 (from less than 25,000 AF to over 35,000 AF, an increase of over 40%), and a significant decrease since that time, from over 35,000 AF to just under 31,000 AF in 2014 and just under 23,000 AF in 2015 (a decrease of about 36% over 8 years).

Figure 8 illustrates the percentage share for each basin's total production within the region in 2015. This is slightly different from the 2014 percentages, with the primary change being a reduction in the Beaumont Basin from 59% to 57%, and a corresponding increase in the Banning Canyon Basin from 9% to 11%. In 2012, the Beaumont Basin represented only 48% of all extractions, compared to 54% in 2013 and 57% in 2015. This increase was primarily at the expense of the Banning Canyon Basin (decreased from 14% to 11%), the Banning Bench Basin (decreased from 6% to 3%), and Edgar Canyon (reduced from 11% to 7%). The Beaumont Basin is the largest basin by far, with over half of all production. The Banning Canyon, Banning, and Edgar Canyon basins are next. The Banning Canyon Basin is fed largely by runoff from an interbasin transfer, the flows of which have been greatly reduced during the current drought. With smaller, shallower runoff-fed basins yielding less water, purveyors must make up the difference with more water from larger basins. This is reflected in the increased dependence on the Beaumont Basin, with its yield increasing from less than half to nearly 60% of all production in three drought years.

Table 1 indicates that total production in the region decreased about 25% from 2014 to 2015, from 30,671 to 22,835 acre-feet. Compared to the peak year of 2007, when production totaled 35,474 acre-feet, this represents a 36% reduction in groundwater production over the past seven years, with most of this decrease coming in one year—2015. It should be noted that, in 2015, the State Water Resources Control Board implemented mandatory water conservation measures throughout the State. This was the primary reason for the large decrease in production from 2014 to 2015.

In the Beaumont Basin, the region's largest, production decreased about 28%, from 17,970 to 12,954 acre-feet. This confirms the ability of local residents to conserve water when required. As can be seen from Table 3, most of this decrease can be attributed to reduced extractions from three retail water purveyors, Beaumont Cherry Valley Water District (a decrease of over 2600 acre-feet), the City of Banning (a decrease of about 850 acre-feet), and the Yucaipa Valley Water District (a decrease of nearly 1100 acre-feet).

The Cabazon Basin presents an interesting data set. According to the data submitted to the Agency, extractions from this basin decreased by approximately 55% from 2007 to 2012, yet increased by over 80% in 2013 and decreased by 12% in 2014 and another 18% in 2015. These numbers lead to a question of whether the data are correct every year, especially in 2012, when the data showed extractions of 654 acre-feet, compared to 900 acre-feet in 2011 and 1226 acre-feet in 2013. In verbal discussions with the General Manager of the Cabazon Water District,

there was an indication that these numbers are in fact correct, and reflect a rapidly decreasing demand for a number of years, followed by an increase in demand when the outlet malls expanded and began taking water deliveries from the District. The 12% reduction in production from 2013 to 2014 is not readily explained, while the 18% decrease from 2014 to 2015 is readily explained by the aforementioned water conservation regulations.

Table 2 summarizes overall production by owner, regardless of basin. In reviewing the production by the major water agencies and overlayers, the data are relatively consistent, with most owners showing decreases in production, with only a few exceptions. One of the few increases in production is from Robertson's Ready Mix, an increase from 293 to 322 AF, or about 10%. However this represents a small fraction of overall production. Beaumont Cherry Valley Water District decreased its production by 2,671 acre-feet, a decrease of 20%. Banning decreased its production by 1,746 acre-feet, a decrease of about 21%. The Morongo Band of Mission Indians, which owns the Tukwet Canyon golf course, decreased production by 427 acre-feet, a decrease of 21%.

An examination of the groundwater production data demonstrates that, overall, economic conditions and annual precipitation and temperature play large roles in determining water demand in any given year. The gradual increase in water production in the region over the four years previous to this past year can be explained in large measure by a gradually recovering economy, which causes higher water use. Per capita reductions in water use in homes over the three years prior to that could be explained either by cutbacks due to economic conditions during that time, reduced usage due to higher water rates, or water conservation efforts on the part of local residents. A detailed study would have to be performed to determine the specific impacts of these issues on the reduction in water demand during that three year period.

The reduction in production due to decreased water demand from 2008 to 2010, and especially the dramatic drop in 2015, point out a major issue within the water industry. As water demand falls, water sales revenues fall, making it difficult for water agencies to meet financial obligations, especially fixed costs. Most of their costs (primarily labor) are fixed and do not decrease when water demand falls. These agencies have to make up for these lost revenues in other ways, either by changing their rate structures, by increasing water rates, by reducing their costs, or by drawing from reserves. Over the past several years, water districts throughout California have gradually begun implementing tiered rate structures, which charge a higher rate for more water use.

Review of the data for 2015 clearly shows that mandatory water conservation measures trump all other factors in determining water use. Residents of the San Geronio Pass significantly decreased their water use in 2015 in response to the Governor's Executive Order and its implementation by the State Water Resources Control Board. The Agency will monitor this in future years to see if the conservation ethic remains a trend, even when the drought ends.

3.2 State of Overdraft

Overdraft of a groundwater basin refers to the amount of water pumped out in excess of its safe yield. Safe yield is the average annual replenishment of a basin through natural sources such as

rainfall, runoff, snowmelt, and underflows from other groundwater basins. Safe yield is difficult to establish and represents only an average. In a given year, natural replenishment of a groundwater basin could be more or less than the average safe yield, depending on local hydrology. As a basin changes, for example through development, or as its management changes, the safe yield can also change.

The Agency has been closely monitoring overdraft of the Beaumont Basin since at least 1988, when the Agency's first engineering investigation of the basin indicated that pumping significantly exceeded the basin's probable safe yield. Studies by the Agency have pointed to an estimated long-term average safe yield of about 5,000 to 6,100 acre feet per year for the Beaumont Basin (Boyle Engineering, 1995; Boyle Engineering, 2002). This is smaller than the safe yield of 8,650 acre feet defined in the Beaumont Basin Stipulated Judgment, a number which represents the sum of overlier water rights. Overlier water rights refer to rights based on historical production for water used on the land.

Thus, current and future pumping from the Beaumont Basin, even if in accordance with the Judgment, could exceed the long-term average safe yield of the basin as identified in Boyle. The Judgment includes a clause enabling a party to challenge the determinations of the Judgment ("seek judicial relief") if that party demonstrates harm from the consequences of the Judgment (if pumping activities of others "constitute an unreasonable interference with the complaining party's ability to extract groundwater").

In order to remedy the possibility of long-term overdraft, the Judgment requires the Beaumont Basin Watermaster to "redetermine" the safe yield of the basin at least once every ten years, beginning ten years after the date of entry of the Judgment (no later than February 2014). If the redetermined safe yield were to be different from the 8,650 acre feet per year identified in the Judgment, it would change the amount of overdraft on an annual basis. Depending on the redetermined safe yield, this could be more or less than the current overdraft.

In April 2015, the Watermaster adopted a resolution determining the safe yield to be 6,700 acre-feet per year, after having hired a consultant to model the basin. This is very close to the Agency's earlier estimate of 6,100 acre-feet per year. This has broad-ranging implications for the future, as it means that less water will be able to be pumped out of the basin each year. However it also means that the Basin will be more sustainable in the long term, which will serve the region well.

According to the Judgment, the basin must be in balance after 2014. That is, the total amount pumped out cannot exceed the average safe yield as identified by the Watermaster unless it is drawn out of storage accounts already in place at that time, or replenished from additional sources, including State Water Project water, recycled water, stormwater, or some other source.

Total production in 2015 from the basin, as reported, was 12,954 acre feet. Therefore, the Beaumont Basin experienced an apparent overdraft of about 6,854 acre feet, assuming an average safe yield of 6,100 acre feet. This was partially offset by importing 3,930 acre-feet of supplemental water. This is the second time in five years that the volume pumped out of the basin significantly exceeded the sum of average natural recharge plus imported water. This is another impact of the drought on local water resources. This "apparent" overdraft was in fact not a true overdraft, as the excess production came out of storage accounts. That is, water that was

previously purchased from the Agency and added to basin storage through recharge was drawn out of storage, thus not counting against the safe yield.

Selecting 1997 as a base year (the year when significant increases in production began in the region), the cumulative overdraft in the Beaumont Basin since that time (assuming a safe yield of 6,100 acre feet) would be 154,600 acre feet, an average of approximately 9,000 acre feet per year over the past 17 years, without importation of State Water Project water. **Figure 9a** depicts this graphically. Through 2015, the Agency has imported over 71,000 acre-feet of supplemental water. This offsets the cumulative overdraft and reduces it to less than 90,000 acre-feet over the same time period. This is depicted in **Figure 9b**. The difference in these two figures shows the immense impact that the State Water Project has had on the region in the last decade.

Although other local groundwater basins are at similar risk of overdraft, the state of the overdraft of the Beaumont Basin is far more apparent (in part because it has been studied more) and, due to the large population served by the basin, more critical to the region. Since the safe yields of other basins in the region have not yet been defined, it is impossible to determine whether or not they are in overdraft at this time. However, monitoring of water levels in these basins shows that levels are decreasing in at least some of the eleven basins in the region.

The Agency is continuing studies of the Cabazon Basin and at some point in the next few years will likely define an average safe yield for this basin. It is estimated that this is the second largest basin in the region based on storage volume. Other basins will require additional studies over time to better understand their geology and hydrology. It is believed that most of them have storage volumes and safe yields far smaller than the Beaumont and Cabazon basins.

With the advent of the Sustainable Groundwater Management Act, passed by the Legislature in 2014, management of groundwater basins in California will change significantly. Virtually all basins will be required to be managed sustainably by 2022. This means that a plan must be in place to ensure that each basin is in long-term balance. Each plan must detail a method for implementing this, either through reductions in production or through artificial recharge (recharge of the basin with non-native water, recycled water, or stormwater), or both.

3.3 Groundwater Levels

The Agency monitors water levels in a large monitoring well network. Currently there are approximately 110 wells in the system, each of which is monitored for groundwater elevation twice a year, typically in May and November. The monitoring network is depicted in **Figure 10**.

Between Fall 2014 and Fall 2015, approximately 80 of the wells had water level changes, including a number of sites with multiple wells. Of these, seven sites had wells that recorded a water level increase of more than five feet, 13 recorded a decline of more than five feet, and 60 recorded little or no change. Of the seven wells showing a large increase in water levels, approximately 4 are in the Beaumont Basin, while one is in the Banning Canyon Basin. Of the 13 wells showing declines of more than five feet, five of them are in the Beaumont Basin, one in the San Timoteo, four are in the Cabazon, and three in the Banning Bench Basin. These are depicted on **Figure 11**.

As of 2011, the Agency is part of the California State Groundwater Elevation Monitoring (CASGEM) system. This is a formal statewide groundwater monitoring system initiated through 2009 legislation. The Agency is a formal monitoring entity for two basins—the San Timoteo sub-basin and the San Gorgonio sub-basin—which roughly correspond to the Agency’s boundaries. The state uses different basin names because it views the statewide geology and hydrology on a larger scale, and aggregates smaller basins into larger ones. What is known in the CASGEM system as the San Timoteo sub-basin is essentially the Beaumont Basin, the Singleton Basin, the South Beaumont Basin, and the San Timoteo Basin, and what CASGEM labels the San Gorgonio sub-basin is essentially the Cabazon Basin, the Banning Bench Basin, the Banning Canyon Basin, the Banning Basin, and the Millard Canyon Basin. While the boundaries are not exact, they are similar. The Agency files water level data for selected wells through the Department of Water Resources into the CASGEM database. These data are available on the CASGEM web site.

Figures 12 through 17 show time-series groundwater elevations (hydrographs) for selected wells in five different basins within the Agency service area. In general, these same wells have been depicted in this report for the past several years.

The two wells shown in **Figure 12** are Banning production wells in the Banning Basin. Each shows great variability in groundwater elevation from 2002 to 2006. Both of these wells show a long-term trend of lower groundwater levels. However, both appear to be relatively stable over the past few years. The well depicted in **Figure 12a** appears to be holding at a water level between 350 and 400 feet below ground surface. The well in **Figure 12b** is down about 75 feet since 1998, but appears to be stable at approximately 350 feet below ground surface.

The five wells depicted in **Figures 13-15** are in the Beaumont Basin. The wells in **Figures 13b and 15b** are in the same location, approximately 1000 feet east of Beaumont Avenue and 50 feet south of Cherry Valley Boulevard in Cherry Valley. This location is likely influenced by the past recharge at Little San Gorgonio Creek, and possibly by the recharge at Noble Creek. The upturn in water levels from 2008 to 2014 indicates that this is quite likely the case. The downturn since that time could be attributed to the fact that no water has been recharged at Little San Gorgonio during that time, or possibly to the ongoing drought. The well in **Figure 13a** is on the Oak Valley Golf Course. After a steady drop over at least a decade, the water surface appears to be stabilizing over the past two years. This may be due to reduced production from Oak Valley Partners and/or Oak Valley Management, as indicated in **Table 2**.

The wells in **Figures 14 and 15a** are on Calimesa Boulevard near the western edge of the Beaumont Basin. These wells show continually falling water levels over the past decade and a half. That portion of the Beaumont Basin would appear to not be influenced as yet by the ongoing recharge efforts and reduced production. While it is clear that ongoing recharge and reduced extractions have had an impact on at least some of the wells in the Beaumont Basin, water levels at other wells are still falling.

The two wells in **Figure 16** are both in the Cabazon Basin. The well in **Figure 16a** is a production well of the Mission Springs Water District, while the well in **Figure 16b** is a former production well currently used as a monitoring well in the Jensen area of South Cabazon. Both

show severe drops in water surface elevation over the past 15 years. The well in **Figure 16a** shows a drop of more than 15 feet over the past ten years. The well in **Figure 16b** is changed from previous reports. Previously this report depicted the Cabazon Water District's Well Number 1. However, this well has become difficult if not impossible to monitor. Thus the change to the Jensen well. This well shows a drop of approximately 20 feet over the past eight years. These data would seem to indicate that, even though the wells are several miles away from each other, that water levels in the Cabazon Basin are dropping and have been for a number of years. This is somewhat surprising, given the decline in extractions from this basin over the past several years. This could mean that inflows to the basin have also declined over the same period of time. It could mean that any impact of reduced extractions just requires a longer period of time before the impact is seen in wells. It certainly means that there are other factors at work in this basin that impact water surface elevations that are beyond the scope of this report.

This is one reason that the Agency has worked with the United States Geological Survey to extend its model of the Beaumont Basin to the Cabazon Basin. The Agency wishes to learn more about the Cabazon Basin and how it reacts to various hydrologic events. The basin is an important regional resource as a water supply source and storage reservoir and the Agency is trying to better understand the detailed workings of it.

The wells depicted in **Figure 17** are in the Calimesa and Banning Canyon Basins. The data in **Figure 17b** show clearly that the Banning Canyon Basin is a shallow basin, and that water levels fluctuate more in such basins. The year 2006 was a wet one locally, and the figure shows that groundwater levels in the basin came up nearly 15 feet that year. The next three years, on the other hand, were dry ones, and the water level dropped nearly seven feet in that time. The data for the well in the Calimesa Basin show that groundwater levels increased in 2006 and have remained relatively constant since, with a slight downward trend. This could have to do with the Yucaipa Valley Water District's filtration plant, which came online in 2006. This event reduced extractions from the Calimesa Basin and likely contributed to the stabilization of the water level.

These figures represent only a small portion of all groundwater elevation data available in the region. These data indicate that, in general, groundwater elevations continue to decline except in certain areas where recharge of imported water or the switch to surface water is apparently stabilizing or even raising the water levels. Reductions in extractions over the past six years have in many cases slowed the rate of decline.

The implications of lower water levels are great. As water levels decline throughout the local basins, every well will have to pump water from a lower elevation, thus increasing power costs for well owners and rate payers. Some overlies' wells may be quite shallow, and as water levels decline further some of these wells may be in danger of going dry. This would necessitate a large expense to the overlier—either a new well, a deeper well, or connection to one of the water purveyors' systems.

In general, continually decreasing water levels can also lead to land subsidence (sinking) and the drying up of traditional wetlands or streambeds. In the region, most of these wet areas dried up many years ago. The Beaumont Basin Watermaster is charged with monitoring land elevations

to determine if subsidence is occurring in the Beaumont Basin. As of this time, the Watermaster has not reported any appreciable land subsidence over the basin.

The Sustainable Groundwater Management Act (SGMA) will require Groundwater Sustainability Plans (GSP's) for all medium and high priority groundwater basins in California by 2022, with sustainability to be reached within 20 years after that time. According to the California Department of Water Resources, there are only two basins in the Agency's service area—not 11, as reported herein. DWR's data are collected at a much higher level. It remains to be seen how SGMA may impact long-term groundwater levels, though it is likely that they will stabilize over the next two decades. This report will continue to monitor water levels in part to determine if implementation of these GSP's will impact all wells, or some fraction thereof.

4.0 Water Quality

4.1 State Water Project

The Agency takes delivery of its State Water Project water at the Devil Canyon hydroelectric facility in San Bernardino and conveys it through the East Branch Extension to various delivery points. Water quality is a very important component of the Agency's supplemental water supply program.

Table 5 shows six common constituents and their measured monthly concentrations from the SWP system at Devil Canyon over the past four years. TDS, or total dissolved solids, is perhaps the most significant constituent in this table. It represents salinity, which is becoming more important to water agencies in California. It can be seen that TDS was mostly below 300 parts per million (ppm) or milligrams per liter (mg/l) through 2013. In 2014, the third consecutive year of drought, a number of readings above 300 appear; this is to be expected in dry years. This continued in 2015, another dry year, as the monthly average was above 300 every month that year. Many readings from 2011 through 2013 are in the 240-250 ppm range, and there are a number of readings in the 220 range and below. In 2011, which was a relatively wet year in northern California, TDS readings were very low after January. This is significant because the ambient salinity concentration of the Beaumont Basin is approximately 280 ppm, so the great majority of the time, importation of SWP water reduces the overall concentration of salinity in the Beaumont basin.

Figure 18 shows the monthly average salinity concentration at Devil Canyon since 2004, while **Figure 19** shows the annual average since 1990. **Table 5** and **Figure 18** clearly show an outlier salinity concentration that is likely the result of an incorrect reading or analysis. The annual average shown in Figure 19 is useful because it indicates clearly that salinity is higher in dry years and lower in wet years. The two highest years, 1991 and 1992, were very dry and the last two years of a five year drought in California. The years 1996, 1997, 1998, 2006, and 2011 were all very wet years (in the case of 2011, it was a wet year in northern California, where State Water Project water originates). Salinity in 2010 is significantly lower than the previous three years, which represented a three year drought in California. This inverse correlation between salinity and rainfall comes about because State Water Project water passes through the Sacramento/San Joaquin delta. In dry years, there is less fresh water available to flush out the system by pushing relatively more saline water to the ocean, so the fresh water/salt water interface is higher in the delta and hence salinity of SWP water is higher.

These figures also point out why it is advantageous to take more water in wet years when it is available—the water has a lower salinity in those years. In the long term, water quality (from a salinity standpoint) is helped by hydrology, as more water is typically delivered in wet years when salinity is lower, and less water is delivered in dry years when salinity is higher.

4.2 Groundwater

The Santa Ana Regional Water Quality Control Board's Basin Plan has a maximum benefit goal of 330 ppm of salinity for the Beaumont Management Zone, which includes the Beaumont Basin. The current ambient salinity concentration in the Beaumont basin is approximately 280 ppm. The Basin Plan requires local entities to begin planning desalters when the ambient TDS concentration increases to 320 ppm or if other conditions are met. These desalters must be online within seven years after that time.

Groundwater quality in the region is very high. There is no known historical industrial or mining activity in the region that has generated harmful plumes of pollutants. In addition to salinity or TDS, nitrate is the only other constituent that needs to be monitored closely. This too is regulated by the Regional Board, but nitrate concentrations are currently well within the maximum benefit standards. Over the past few years there have been isolated incidents of high nitrates at individual wells for short periods of time, typically after a large rainstorm that causes flushing of the system. However these have not proven to be a health hazard.

Nitrates in ambient groundwater do not necessarily translate to a danger in drinking water. Nitrates in drinking water are regulated by the California Department of Public Health, not the Regional Board. Nitrates in groundwater can effectively be managed if needed through dilution. If nitrates were to become a persistent problem in a particular location, the local purveyor may consider installing wellhead treatment for nitrates. Such treatment is costly. However, there is no evidence that such treatment is needed in the region in the near future.

It should be noted that salinity in drinking water is regulated by a secondary water quality standard, while nitrate is regulated under a primary standard. Primary standards are for constituents that can directly impact human health. Secondary standards are for constituents that do not directly impact human health, but that may have aesthetic issues. Salinity is not harmful to human health and safety directly, while nitrate can be harmful at high concentrations, particularly to infants.

In 2013, the California Department of Public Health changed the maximum contaminant level (MCL) for chromium 6 in drinking water, lowering the standard. Because of this change in the standard, several wells in the region suddenly became unusable, as they produced water with chrome 6 that met the previous MCL, but not the new one. Chrome 6 is a naturally occurring contaminant that is present at some level in many areas of California, including the San Geronio Pass. Because of the more stringent standard, some wells owned by the City of Banning and the Beaumont Cherry Valley Water District were temporarily taken out of service, pending implementation of a fix to the problem. This water quality issue has had an impact on water supplies in the region, as those wells are now not able to produce potable water for those two purveyors. Those entities are currently taking steps to ensure that all drinking water served meets this more stringent standard, and plan to meet the State's timeline for doing so, thus ensuring that drinking water meets all water quality standards.

4.3 Emerging Contaminants

There is a relatively new class of chemical constituents that has recently been found in the environment and in drinking water known as emerging contaminants. These are primarily

pharmaceuticals and personal care products (PPCP's) that pass through human or animal bodies or get flushed and end up in sewage or septic flows. They have become known because of the technological ability to measure concentrations at increasingly smaller concentrations (parts per billion or even parts per trillion). Because of their presence in the environment, the Santa Ana Regional Water Quality Control Board has required that dischargers (those entities that own and operate sewage treatment plants) monitor for these constituents on an annual basis.

There is no evidence that these constituents are harmful to humans in their current concentrations in the environment. Some groups have claimed that these products could harm animals in the environment and thus have called for their regulation. At this point in time they are not regulated. Water agencies in the watershed are developing a database so that the number and concentrations of these constituents can be monitored on an ongoing basis.

Emerging contaminants are mentioned in this report not because they have any immediate impact on water quality in the region, or even that they are expected to have an impact in the near future. They are included because they are mentioned increasingly in the literature and by regulators as a growing issue for the water industry to be aware of.

5.0 SUMMARY

Reported groundwater extractions within the region decreased significantly in 2015, following four consecutive years of slight increases. Total extractions in 2015 were down nearly 25% from 2014, or 36% below levels for 2007, the peak historical year for extractions in the region. This is likely due to water conservation regulations imposed by the State Water Resources Control Board.

Local retail water purveyors continue to make progress in implementing recycled water systems. These systems are complex and expensive to complete, and funding and water quality (salinity) are key issues that require attention. Implementation of these systems over the next few years should reduce groundwater extractions significantly. Such reductions should begin 2016, when the Yucaipa Valley Water District is expected to receive a permit to deliver recycled water. The Regional Water Quality Control Board has adopted a Basin Plan Amendment which will have an impact on the proposed recycled systems by changing water quality rules.

Another factor leading to reduced withdrawals is the reduction in the safe yield of the Beaumont Basin, as published by the Beaumont Basin Watermaster in early 2015.

Based on data in this report, there is evidence that groundwater levels have increased slightly in portions of the region over the past three to four years. In other areas, the rate of groundwater decline has slowed. At the same time, groundwater levels continue to drop in some areas within the region. Future reports will determine the significance of these data. Lower groundwater levels in shallow basins in dry years is not a long-term concern; however, continued falling groundwater levels in larger, deeper basins would be cause for concern.

The Sustainable Groundwater Management Act, passed by the Legislature and signed by Governor Brown in 2014, will require virtually all groundwater basins in California to have a plan to be managed sustainably by 2022.

Over the past six to eight years, retail water agencies in the region have done a very good job of managing local water resources. The Yucaipa Valley Water District has built a surface water treatment plant in order to reduce its groundwater withdrawals, and also a desalter and brine line to facilitate use of recycled water for nonpotable uses. The Beaumont Cherry Valley Water District has constructed a recharge facility in the Beaumont Basin and has purchased a large quantity of replenishment water from the Agency. The City of Banning has purchased water for replenishment as well, and is working with Southern California Edison, the Banning Heights Mutual Water Company, and the Agency to make improvements to a system that delivers runoff from the San Bernardino Mountains to the Banning Bench and the City of Banning. High Valleys Water District has replaced much of its old, leaky pipe, thus reducing its water losses significantly. The Cabazon Water District has also reduced its water losses significantly. The South Mesa Water Company has drilled a new, more efficient well. Several water purveyors have implemented tiered rate structures, which tend to reduce water usage. Three major recycled

water systems are in the planning, design, or construction phase. These are all positive steps that will help extend and preserve local groundwater basins into the future.

During this same time period, the Agency has increased its imported water deliveries to such an extent that, in three of the past five years, more water was put into the Beaumont Basin than withdrawn from it. A three-year string was broken in 2014 and 2015 due to the fact that less water was available from the State Water Project. Since the completion of Phase I of the East Branch Extension in 2003, the Agency has increased its deliveries to the region every year, with the exception of 2005, 2013, 2014, and 2015 (the latter three being dry years). Overall, the Agency has delivered approximately 71,000 acre feet of State Water Project water over the past twelve years, either for replenishment, overdraft mitigation, or direct deliveries.

In the future, the local economy and local weather patterns will continue to play large roles in determining water demands each year. As new homes are constructed in the future, recent legislation will require lower water use landscaping. This should reduce per capita water consumption for future development, further extending the life of local water resources. Production data for 2015 bear this out.

Based on data in this report and observation of ongoing events, it is apparent that the recession is slowly coming to an end, and construction of new homes in the region will begin within the next 1-2 years, thereby increasing water demands. The Agency and retail water purveyors will need to work together to continue to meet the increasing water demands of the region.

A newly adopted MCL for chrome 6 has had a negative impact on local groundwater supplies. Purveyors impacted by this will have to determine how to address this issue so that these supplies may be brought back online or replaced with other sources.

San Gorgonio Pass Water Agency
Totals by Basin
Non-Verified Production Data
(in acre feet)

Basin	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Banning	2,381	1,180	1,485	1,787	2,512	1,999	2,787	1,782	1,845	1,715	1,759	2,180	1,734
Banning Bench	952	1,319	2,332	2,987	2,199	1,299	1,415	1,561	1,395	1,719	1,776	1,076	723
Banning Canyon	2,582	3,329	3,649	3,464	2,662	3,237	2,771	3,941	3,820	4,091	3,216	2,636	2,491
Beaumont	19,356	17,478	13,390	17,140	19,032	17,264	14,643	13,158	13,600	14,302	16,236	17,970	12,954
Cabazon	1,208	1,604	1,379	1,314	1,466	1,412	1,258	1,054	900	654	1,226	1,076	983
Calimesa (2)	1,725	1,535	1,575	1,445	1,532	1,133	1,315	1,114	993	1,169	950	853	767
Edgar Canyon (1)	2,549	2,759	2,766	3,872	3,085	3,140	2,784	3,100	3,467	3,313	2,813	2,502	1,460
Millard Canyon (3)	675	823	595	707	842	757	750	750	750	750	850	850	750
San Timoteo	1,392	1,469	2,132	1,904	1,384	1,533	1,367	1,329	1,297	1,312	1,062	982	722
Singleton	345	483	636	645	666	471	382	405	412	448	312	443	217
South Beaumont	95	92	85	83	94	79	97	119	115	102	92	103	34
Totals	33,260	32,071	30,024	35,348	35,474	32,324	29,569	28,313	28,594	29,575	30,292	30,671	22,835

1961 / 1000
 Notes:

Amounts shown are rounded to nearest acre-foot

Amounts as reported to the SWRCB Division of Water Rights, made available by a purveyor, reported by Beaumont Basin Watermaster or estimated by SGPWA

Data revised to agree with basin boundaries as defined in USGS 2004 report

(1) Includes wells located in Upper Edgar Canyon in San Bernardino County

(2) Includes wells located in Riverside and San Bernardino County

(3) Estimate only

Table 1: Groundwater Production in San Gorgonio Pass Water Agency by Basin (2003 through 2015 as reported)

San Gorgonio Pass Water Agency
Totals by Owner
Non-Verified Production Data
(in acre feet)

Owner	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Albor Properties III, LP	163	163	165	170	175	200	193	174	177	4	51	7	7
Banning Heights Mutual Water Co.	207	32	73	21	22	31	4	17	13	45	69	78	29
Banning, City of (1)	10053	8934	9082	10162	10223	9583	8996	8415	8454	8576	8743	8468	6722
Beaumont-Cherry Valley Water District (1)	9205	8606	7070	11748	13031	12744	10849	10975	11698	12153	12829	13284	10613
Beckman, Dave				116	83	13							
Brinton, Barbara	10	10	10		10	10	10	10	10	10	10	10	10
Cabazon Water District	1035	1261	1069	966	923	875	905	710	509	269	854	628	515
Dowling, Frances M. Jr.	95	92	85	83	94	79	72	96	92	79	69	80	11
El Casco LLC c/o Riv. Land Conserv(4)	160	160	160	165	165	165	165	165	160	165	10	10	10
Hudson, Merton Lonnie	430	430	430	435	445	435	430	430	410	485	521	540	130
Illy, Katharina	267	267	267	267	265	265	265	270	270	270	270	270	270
Lane, Christie	7	7	1										
Merlin Properties, LLC	520	500	500	100	100	150	175	100	150	200	5	5	10
Mission Spring Water District	169	157	171	190	206	164	162	144	150	146	148	155	146
Morongo Band of Mission Indians (3) (6)	2057	2191	1822	2530	2326	1890	1908	1541	1634	1736	1949	2076	1649
Oak Valley Management	950	852	991	965	742	781	753	546	573	821	597	625	512
Oak Valley Partners	453	430	350	312	312	311	311	311	12	12		24	24
Perisits, Jack	40	40	40										
Pla on on the Lake (2)	32	32	40	47	46	47	49	43	46	48	50	50	40
Rar Calimesa Mobile Home Ranch	202	202	60	61	61	40	40	42	42	24	24	16	16
Riv le County Parks Department									50	50	50	50	50
Roi on's Ready Mix	4	186	139	158	337	373	191	200	241	239	224	293	322
Ror Catholic Bishop	140	140	70	70	70								
Shale Mesa Owners Association	182	158	181	189	183	196	154	131	133	145	147	130	94
Shiloh's Hill LLC	11	121	160	146	150	61	172	200	229	193			
South Mesa Water Co.	2645	2679	2551	2711	2839	2681	2514	2222	2224	2376	1889	1918	1424
Summit Cemetery District	65	65	65	65	65	65	90	88	88	88	88	88	88
Sun Cal Companies	49	89	839	555									
Sunny-Cal Egg & Poultry, Inc.	1475	1477	1153	50	50	50	50	25	28	28		1	22
Wildlands Conservancy, The	317	462	283	301	9	21	40	16	8	7	20	17	0
Yucaipa Valley Water District	2091	2134	1854	2422	2072	659	685	949	665	901	1266	1344	121
Totals	33,034	31,877	29,681	35,005	35,004	31,889	29,183	27,820	28,066	29,070	29,883	30,167	22,835

Notes:

Amounts shown are rounded to nearest acre-foot

Amounts as reported to the SWRCB Division of Water Rights, made available by a purveyor, reported by Beaumont Watermaster or estimated by SGPWA

Data revised to agree with basin boundaries as defined in USGS 2004 report

(1) Amount adjusted for production in 2006, 2007, 2008 & 2009 by BCVWD for City of Banning from co-owned wells

(2) 2010 Data not reported - Preceding year (2009) data used

(3) Previous Well Owners - Arrowhead Mtn Spring Bottling Co. & East Valley Golf Club LLC

(4) El Casco Lake Ranch merged with Riverside Land Conservancy

(5) Desert Hills Premium Outlets merged with Cabazon Water District

(6) Estimate only

Table 2: Groundwater Production in San Gorgonio Pass Water Agency by Purveyor (2003 through 2015, as reported)

**San Gorgonio Pass Water Agency
Totals by Owner by Basin
Non-Verified Production Data
(in acre feet)**

Owner	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BANNING BASIN													
Banning, City of	2,381	1,180	1,485	1,787	2,512	1,999	2,787	1,782	1,845	1,715	1,759	2,180	1,734
TOTALS FOR BANNING BASIN	2,381	1,180	1,485	1,787	2,512	1,999	2,787	1,782	1,845	1,715	1,759	2,180	1,734
BANNING BENCH BASIN													
Banning, City of	877	1,244	2,257	2,922	2,124	1,224	1,340	1,486	1,320	1,644	1,701	1,001	648
Brinton, Barbara	10	10	10	0	10	10	10	10	10	10	10	10	10
Summit Cemetery District	65	65	65	65	65	65	65	65	65	65	65	65	65
TOTALS FOR BANNING BENCH BASIN	952	1,319	2,332	2,987	2,199	1,299	1,415	1,561	1,395	1,719	1,776	1,076	723
BANNING CANYON BASIN													
Banning Heights Mutual Water Co.	207	32	73	21	22	31	4	17	13	45	69	78	29
Banning, City of	2,368	3,290	3,575	3,443	2,640	3,206	2,767	3,924	3,807	4,046	3,147	2,558	2,462
Lane, Christie	7	7	1	0	0	0	0	0	0	0	0	0	0
TOTALS FOR BANNING CANYON BASIN	2,582	3,329	3,649	3,464	2,662	3,237	2,771	3,941	3,820	4,091	3,216	2,636	2,491
BEAUMONT BASIN													
Albor Properties III, LP	163	163	165	170	175	200	193	174	177	4	51	7	7
Banning, City of (1)	4,427	3,220	1,765	2,010	2,947	3,154	1,623	1,223	1,482	1,171	2,136	2,729	1,878
Beaumont-Cherry Valley Water District (1)	7,692	7,103	5,607	9,200	11,096	10,617	9,643	9,100	9,539	10,163	11,096	11,959	9,333
Dave Beckman				116	83	13	0	0	0	0	0	0	0
Merlin Properties, LLC	520	500	500	100	100	150	175	100	150	200	5	5	10
Morongo Band of Mission Indians (2)	1,382	1,368	1,227	1,823	1,484	1,133	1,158	791	884	986	1,099	1,226	899
Oak Valley Management, LLC	950	852	991	965	742	781	753	546	573	821	597	625	512
Oak Valley Partners	453	430	350	312	312	311	311	311	12	12	0	24	24
Plantation on the Lake	32	32	40	47	46	47	49	43	46	48	50	50	40
Rancho Calimesa Mobile Home Ranch	202	202	60	61	61	40	40	42	42	24	24	16	16
Roman Catholic Bishop	140	140	70	70	70	0	0	0	0	0	0	0	0
Sharondale Mesa Owners Association	182	158	181	189	183	196	154	131	133	145	147	130	94
Sunny-Cal Egg & Poultry, Inc.	1,475	1,477	1,153	50	50	50	50	25	28	28	0	1	22
Yucaipa Valley Water District	1,738	1,833	1,281	2,027	1,683	572	494	672	534	700	1,031	1,198	119
TOTALS FOR BEAUMONT BASIN	19,356	17,478	13,390	17,140	19,032	17,264	14,643	13,158	13,600	14,302	16,236	17,970	12,954
CABAZON BASIN													
Cabazon Water District	1,035	1,261	1,069	966	923	875	905	710	509	269	854	628	515
Mission Springs Water District	169	157	171	190	206	164	162	144	150	146	148	155	146
Robertson's Ready Mix	4	186	139	158	337	373	191	200	241	239	224	293	322
TOTALS FOR CABAZON BASIN	1,208	1,604	1,379	1,314	1,466	1,412	1,258	1,054	900	654	1,226	1,076	983

Table 3: Groundwater Production in San Gorgonio Pass Water Agency by Purveyor by Basin (2003 through 2015 as reported)

**San Gorgonio Pass Water Agency
Totals by Owner by Basin
Non-Verified Production Data
(in acre feet)**

Owner	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
CALIMESA BASIN													
Illy, Katharina	267	267	267	267	265	265	265	270	270	270	270	270	270
Perisits, Jack	40	40	40	0	0	0	0	0	0	0	0	0	0
South Mesa Water Co.	1,117	976	782	882	954	842	930	653	675	781	525	503	495
Yucaipa Valley Water District	301	252	486	296	313	26	120	191	48	118	155	80	2
TOTALS FOR CALIMESA BASIN	1,725	1,535	1,575	1,445	1,532	1,133	1,315	1,114	993	1,169	950	853	767
EDGAR CANYON BASIN													
Beaumont-Cherry Valley Water District	1,513	1,503	1,463	2,548	1,935	2,127	1,685	1,875	2,159	1,990	1,733	1,325	1,280
Hudson, Merton Lonnie	430	430	430	435	445	435	430	430	410	485	521	540	130
Riverside County Parks Department									50	50	50	50	50
TOTALS FOR EDGAR CANYON BASIN	1,943	1,933	1,893	2,983	2,380	2,562	2,115	2,305	2,619	2,525	2,304	1,915	1,460
MILLARD CANYON BASIN													
Morongo Band of Mission Indians (3) (4)	675	823	595	707	842	757	750	750	750	750	850	850	750
TOTALS FOR MILLARD CANYON BASIN	675	823	595	707	842	757	750	750	750	750	850	850	750
SAN TIMOTEO BASIN													
El Casco LLC c/o Riv Land Conserv	160	160	160	165	165	165	165	165	160	165	10	10	10
Morongo Band of Mission Indians (2)	0	0	0	0	0	0	0	0	0	0	0	0	0
South Mesa Water Co.	1,183	1,220	1,133	1,184	1,219	1,368	1,202	1,164	1,137	1,147	1,052	972	712
SunCal Companies	49	89	839	555	0	0	0	0	0	0	0	0	0
TOTALS FOR SAN TIMOTEO BASIN	1,232	1,309	1,972	1,739	1,219	1,368	1,202	1,164	1,137	1,147	1,062	982	722
SINGLETON BASIN													
South Mesa Water Co.	345	483	636	645	666	471	382	405	412	448	312	443	217
TOTALS FOR SINGLETON BASIN	345	483	636	645	666	471	382	405	412	448	312	443	217
SOUTH BEAUMONT BASIN													
Dowling, Frances M. Jr.	95	92	85	83	94	79	72	96	92	79	69	80	11
Summit Cemetery District							25	23	23	23	23	23	23
TOTALS FOR SOUTH BEAUMONT BASIN	95	92	85	83	94	79	97	119	115	102	92	103	34
TOTALS FOR ALL BASINS	32,494	31,085	28,991	34,294	34,604	31,581	28,735	27,353	27,586	28,622	29,783	30,084	22,835

Notes:

Amounts shown are rounded to nearest acre-foot

Amounts as reported to the SWRCB Division of Water Rights, made available by a purveyor, reported by Beaumont Basin Watermaster or estimated by SGPWA

Data revised to agree with basin boundaries as defined in USGS 2004 report

(1) Amount adjusted for production in 2006, 2007, 2008 & 2009 by BCVWD for City of Banning from co-owned wells

(2) Previous Well Owner - East Valley Golf Club LLC

(3) Previous Well Owner - Arrowhead Mountain Spring Water Bottling Co.

(4) Estimate only

Table 3: Groundwater Production in San Gorgonio Pass Water Agency by Purveyor by Basin (2003 through 2015 as reported)

State Water Project Deliveries to
San Gorgonio Pass Water Agency Service Area

Calendar Year	Amount in Acre-Feet	Allocation
2003 (1)	116	90%
2004	814	65%
2005	687	90%
2006 (2)	4420	100%
2007 (2)	4815	60%
2008 (2)	4905	35%
2009 (2)	6609	40%
2010 (2)	8403	50%
2011 (2)	10,730	80%
2012 (2)	10,974	65%
2013 (2)	9,695	35%
2014 (2)	5,131	5%
2015 (2)	3,930	20%

TOTAL **71,229**

(1) Start Up / Partial Year

(2) Includes deliveries to Yucaipa Valley Water District

Deliveries to Beaumont Cherry Valley Water District began in September 2006

Source: San Bernardino Valley Municipal Water District Operations Manager

Table 4: State Water Project Deliveries to
San Gorgonio Pass Water Agency Service Area

WATER QUALITY ANALYSIS AT DEVIL CANYON AFTERBAY

DATE	Chloride mg/L	Nitrate+Nitrite mg/L as N	Sodium mg/L	Sulfate mg/L	TDS mg/L	Nephelometric Turbidity Units
Jan-12	NR	0.53	34	NR	179	1
Feb-12	73	0.55	52	35	266	1
Mar-12	84	0.48	59	39	278	<1
Apr-12	71	0.61	57	41	274	<1
May-12	69	0.51	55	49	286	<1
Jun-12	63	0.55	51	41	254	2
Jul-12	59.5	0.31	47	37	244	<1
Aug-12	52	0.23	41	27	202	<1
Sep-12	59	0.08	43	20	200	<1
Oct-12	99	0.09	64	24	282	2
Nov-12	103	0.27	65	27	305	1
Dec-12	91	0.41	60	29	281	1
Jan-13	86	0.54	60	32	278	<1
Feb-13	78	0.98	55	46	290	1
Mar-13	74	1.04	64	53	301	<1
Apr-13	70	0.88	59	55	297	<1
May-13	66	0.66	56	53	282	2
Jun-13	75	0.35	57	54	278	<1
Jul-13	73	0.05	58	48	289	3
Aug-13	64	0.15	54	38	253	1
Sep-13	76	0.05	57	31	262	4
Oct-13	96	0.08	66	32	299	2
Nov-13	101	0.30	68	38	302	5
Dec-13	96	0.52	70	42	322	<1
Jan-14	91	0.60	68	47	296	1
Feb-14	88	0.48	71	50	317	< R.L.
Mar-14	85	0.64	68	50	316	< R.L.
Apr-14	84	0.64	71	53	312	2
May-14	77	0.43	69	55	298	1
Jun-14	72	0.51	68	58	292	< R.L.
Jul-14	66	0.46	67	63	1184	3
Aug-14	77	0.24	67	67	323	2
Sep-14	84	0.32	68	67	331	1
Oct-14	86	0.32	71	68	336	2
Nov-14	87	0.41	83	72	344	2
Dec-14	85	0.45	77	71	329	1
Jan-15	81	0.58	76	73	347	< R.L.
Feb-15	80	0.39	79	71	379	< R.L.
Mar-15	67	0.85	66	71	310	1
Apr-15	69	0.58	71	75	311	1
May-15	72	0.58	64	72	310	< R.L.
Jun-15	74	0.55	72	71	322	< R.L.
Jul-15	76	0.44	68	70	317	1.45
Aug-15	83	0.08	74	66	329	4.73
Sep-15	89	0.18	76	69	356	1.43
Oct-15	87	0.14	74	70	342	1.71
Nov-15	88	0.07	77	75	348	3
Dec-15	95	0.56	82	82	363	1.73

mg/L: milligrams per liter

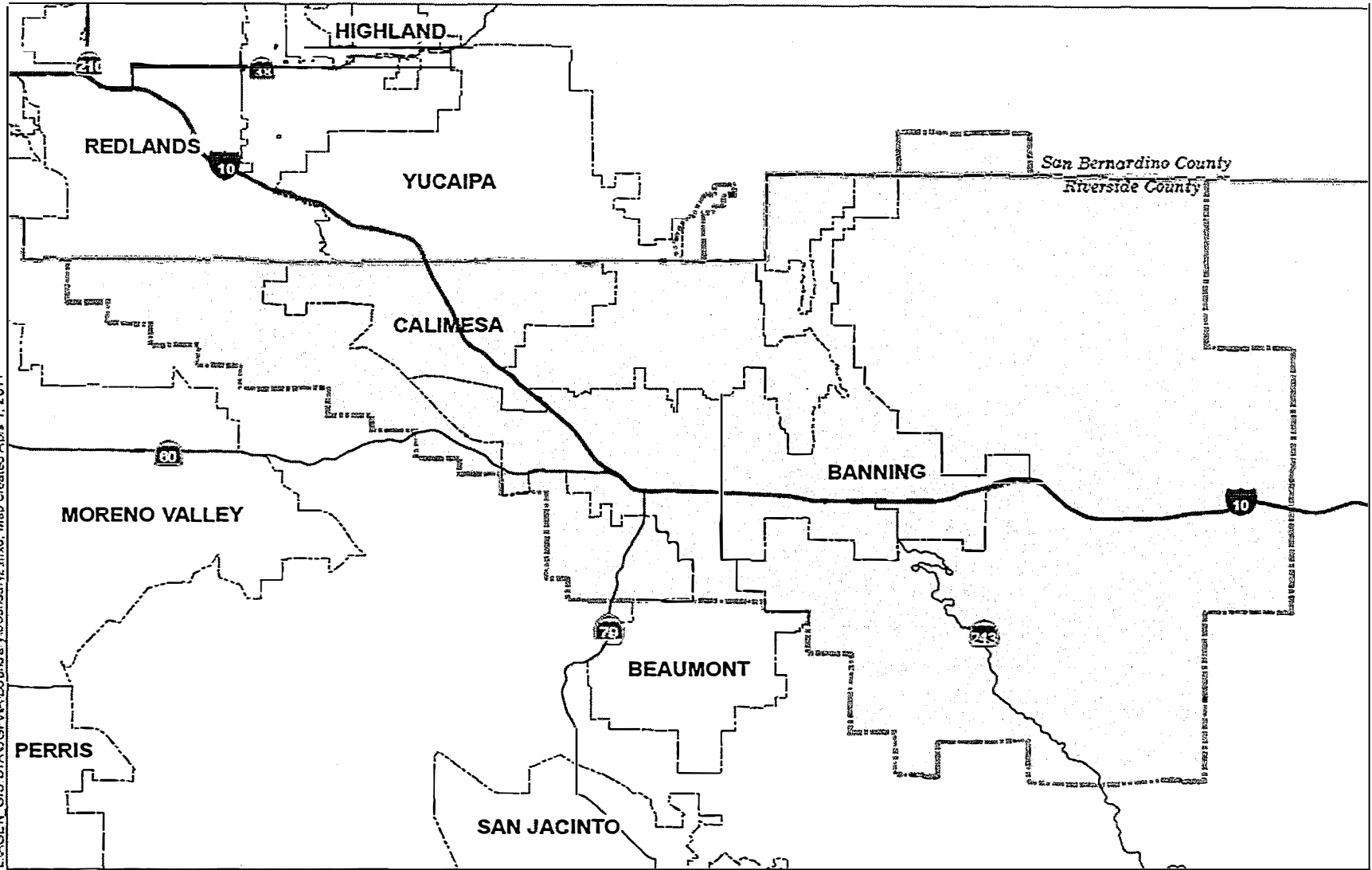
Source: SWP/DWR Water Quality Data Reports

NR: Not Reported

Table 5: Water Quality Analysis at Devil Canyon Afterbay near San Bernardino
(Select 66 / 100 units)

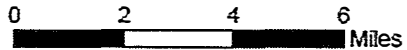
67 / 100

L:\AGEN_GIS_DATA\GPN\IBoundry\boundry2.mxd. Map created April 1, 2011



Sources: Riverside Co. LAFCO, Jan. 2010;
Riverside County GIS, 2008.

**San Gorgonio Pass Water Agency
Service Area Boundary**



Albert A. **WEBB** Associates

Figure 1: San Gorgonio Pass Water Agency

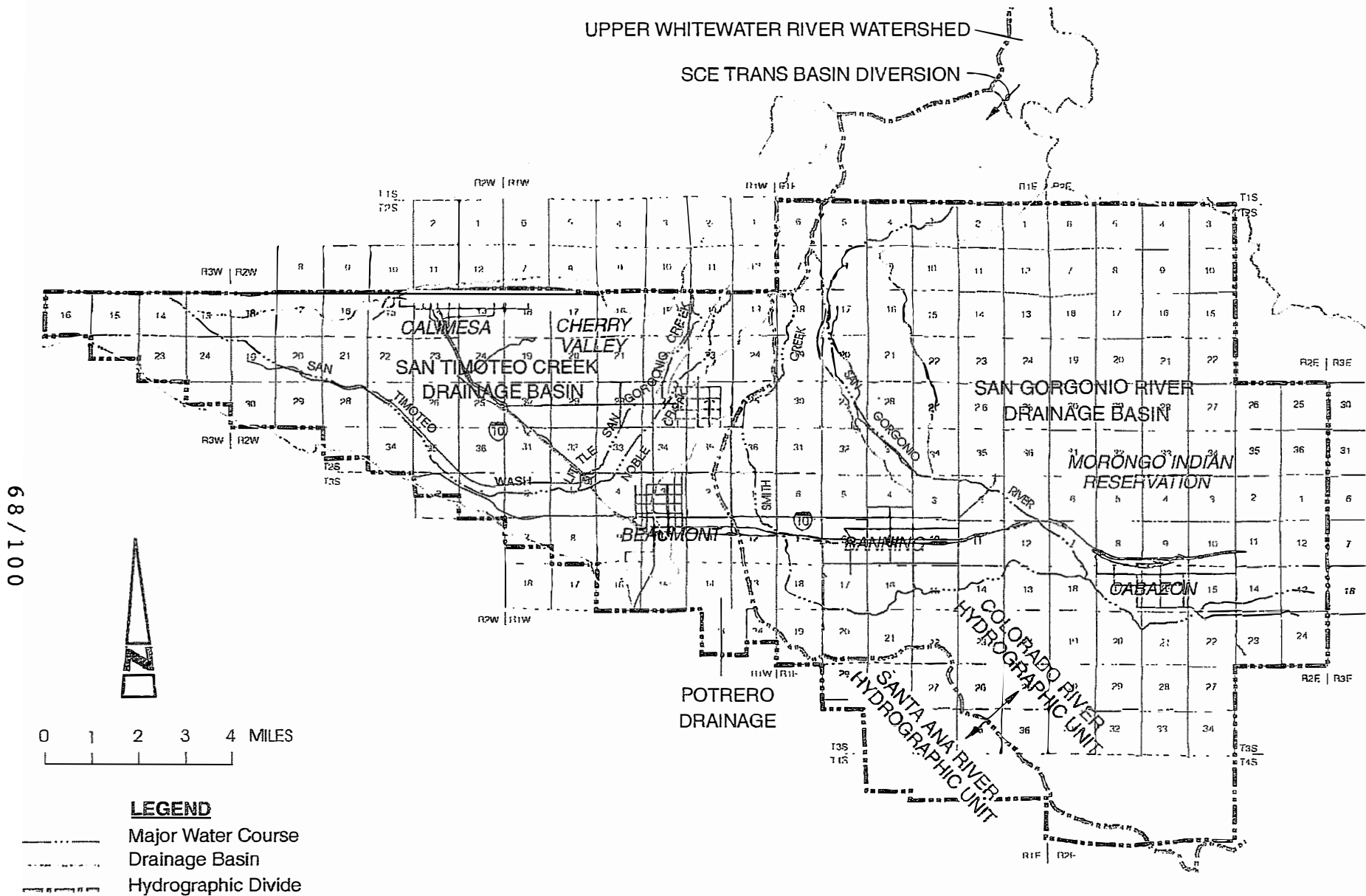
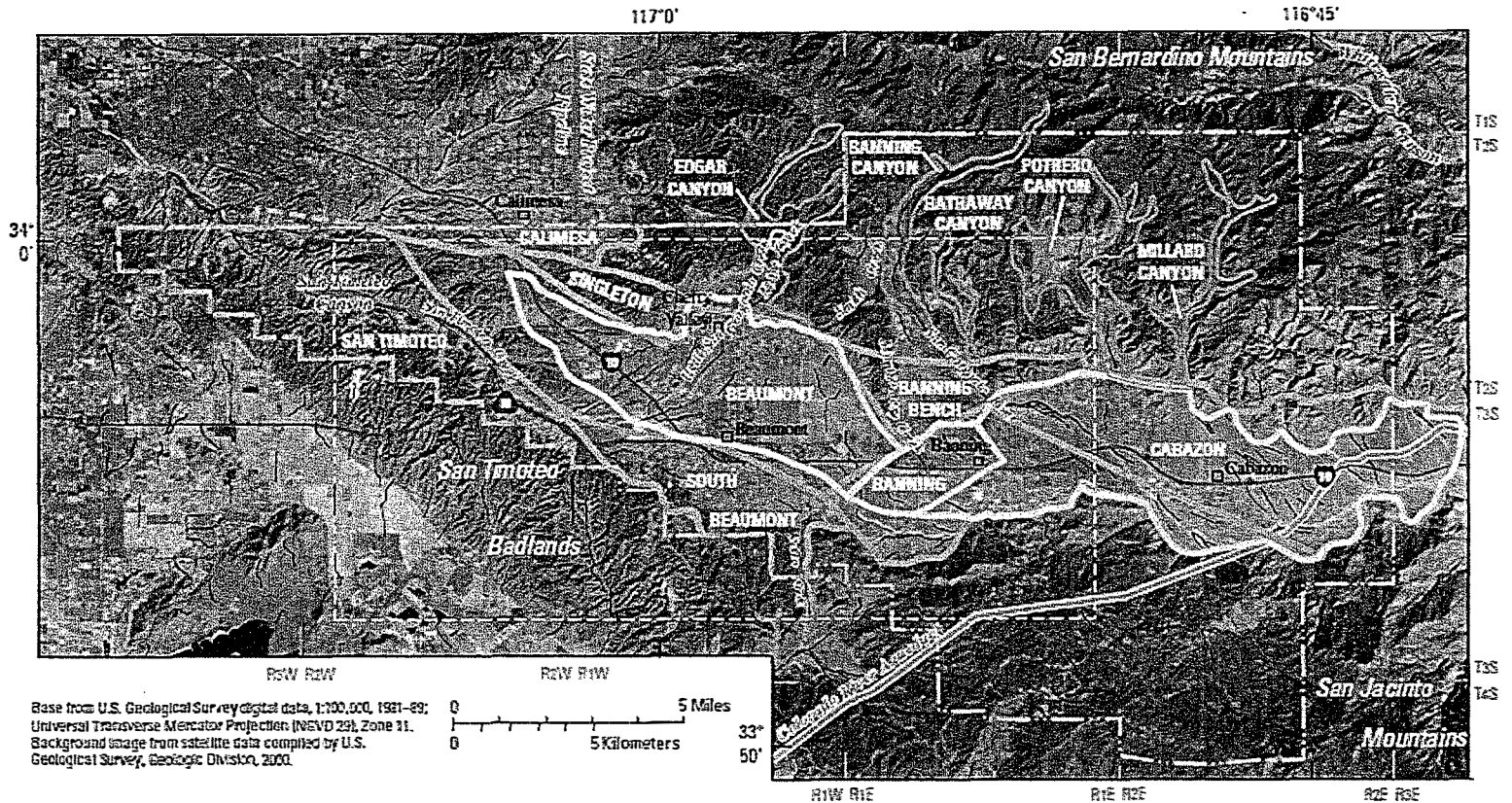


Figure 2: Drainage Basins and Principal Streams



EXPLANATION





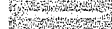



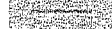
- | | | | |
|---|---|--|--|
|  | Study area boundary |  | Name of storage unit |
|  | San Geronio Pass Water Agency boundary |  | Town or community and name |
|  | San Geronio Pass ground-water basin |  | River or creek |
|  | Storage unit boundary—Dashed where uncertain. Boyd, 1971. |  | Recharge pond—Along Little San Geronio Creek |
|  | Canyon storage unit boundary—Boyd, 1971. | | |

Figure 3: Groundwater Storage Units

Long Term Mean Annual Precipitation Beaumont Station 3S/1W-10P, Elevation 2613' Mean Annual Precipitation = 17.3"

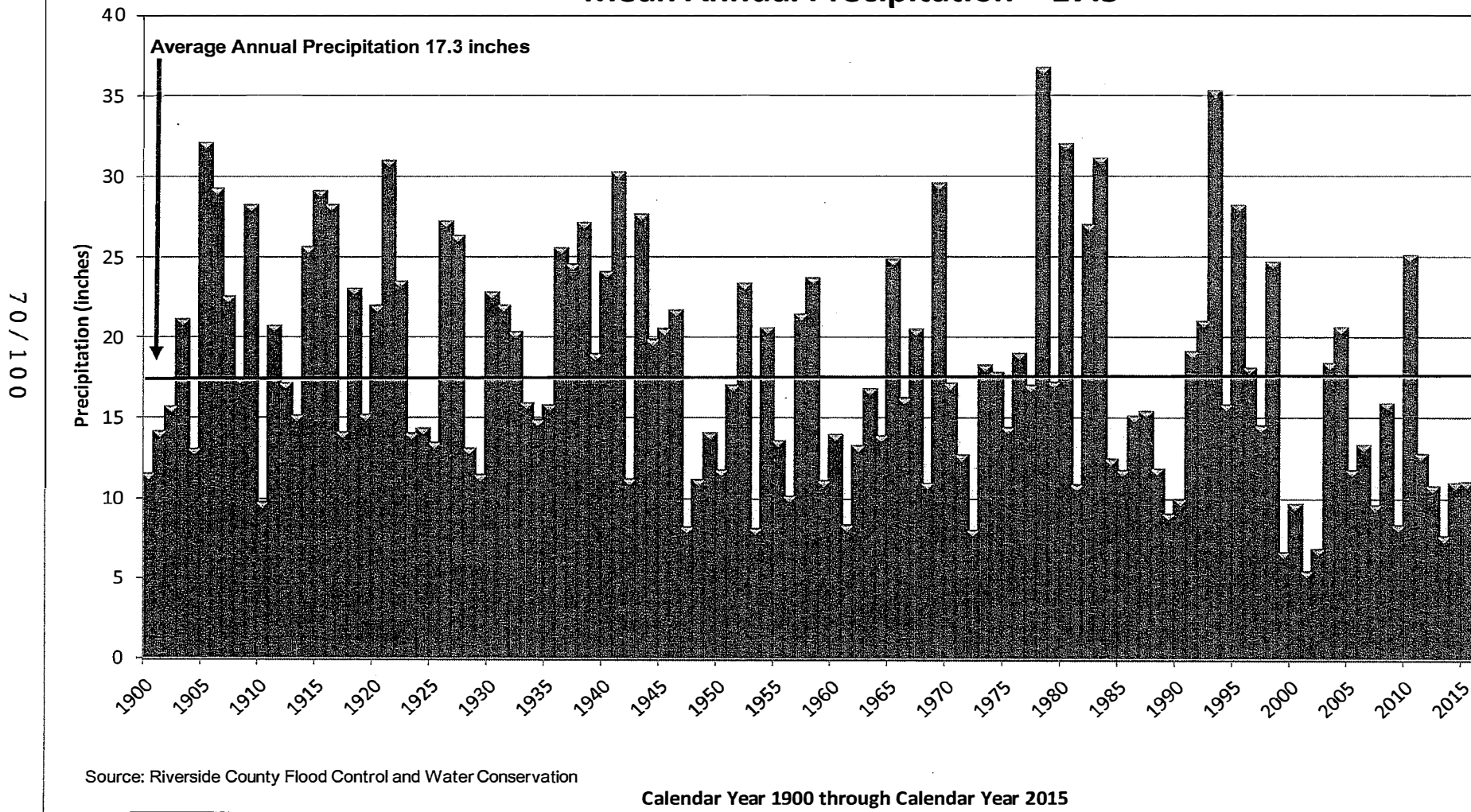


Figure 4: Long Term Mean Annual Precipitation at Beaumont

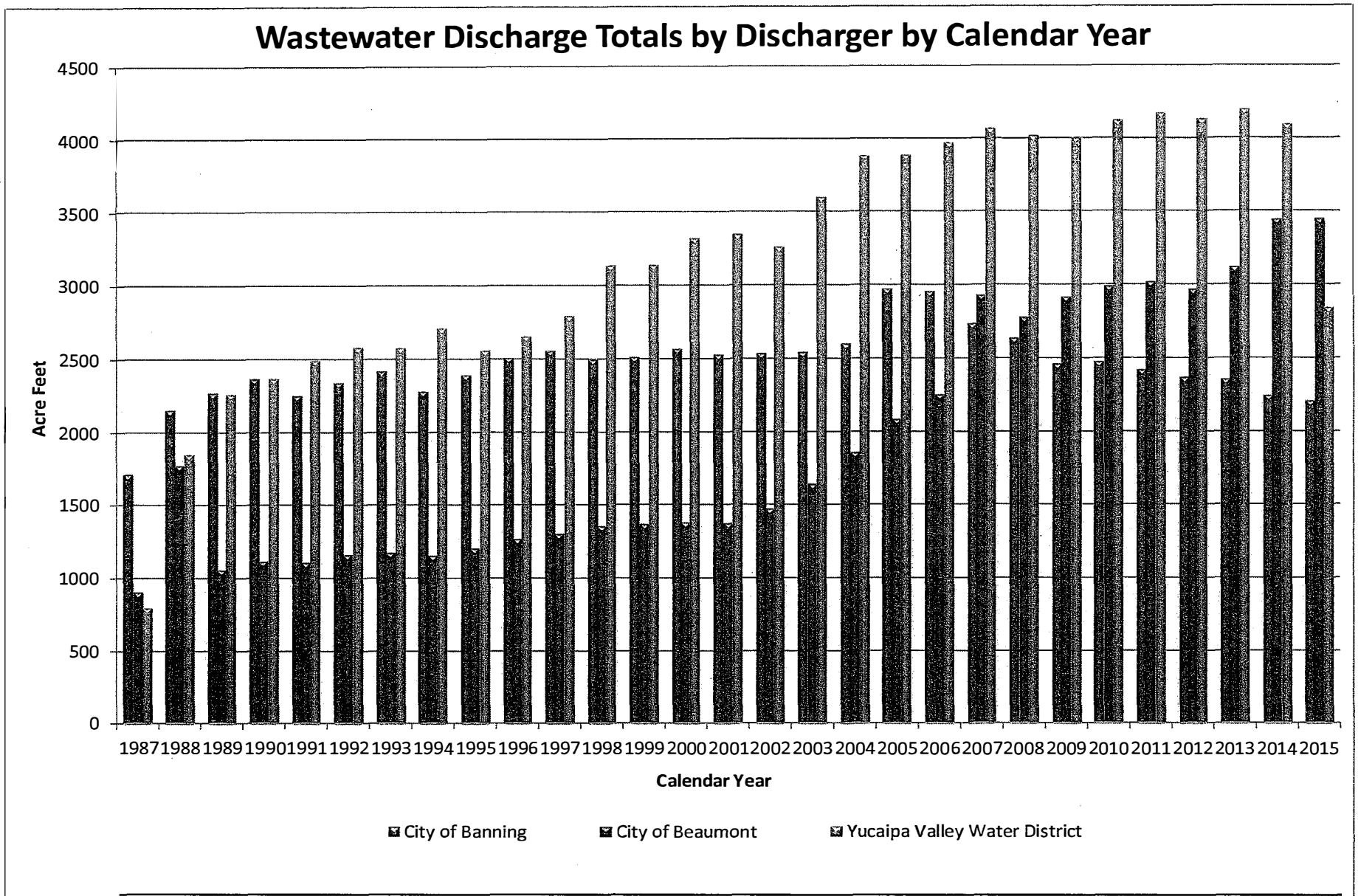


Figure 5: Wastewater Discharge Totals by Discharger by Calendar Year

**San Geronio Pass Water Agency
Production All Basins
1947 through 2015**

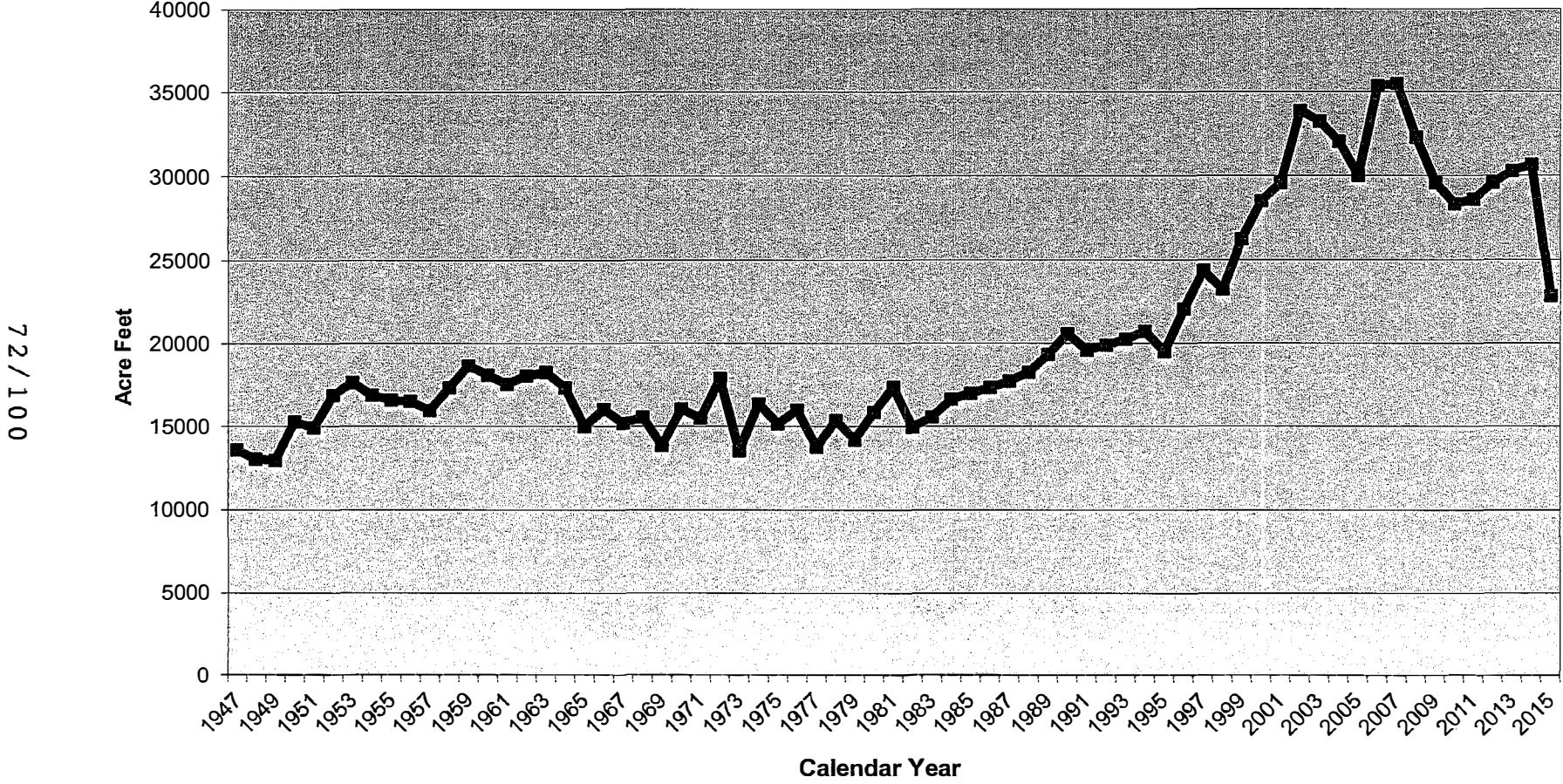


Figure 6: Historical Groundwater Production All Basins 1947 through 2015
(as reported)

San Geronio Pass Water Agency
Production All Basins
1997 through 2015

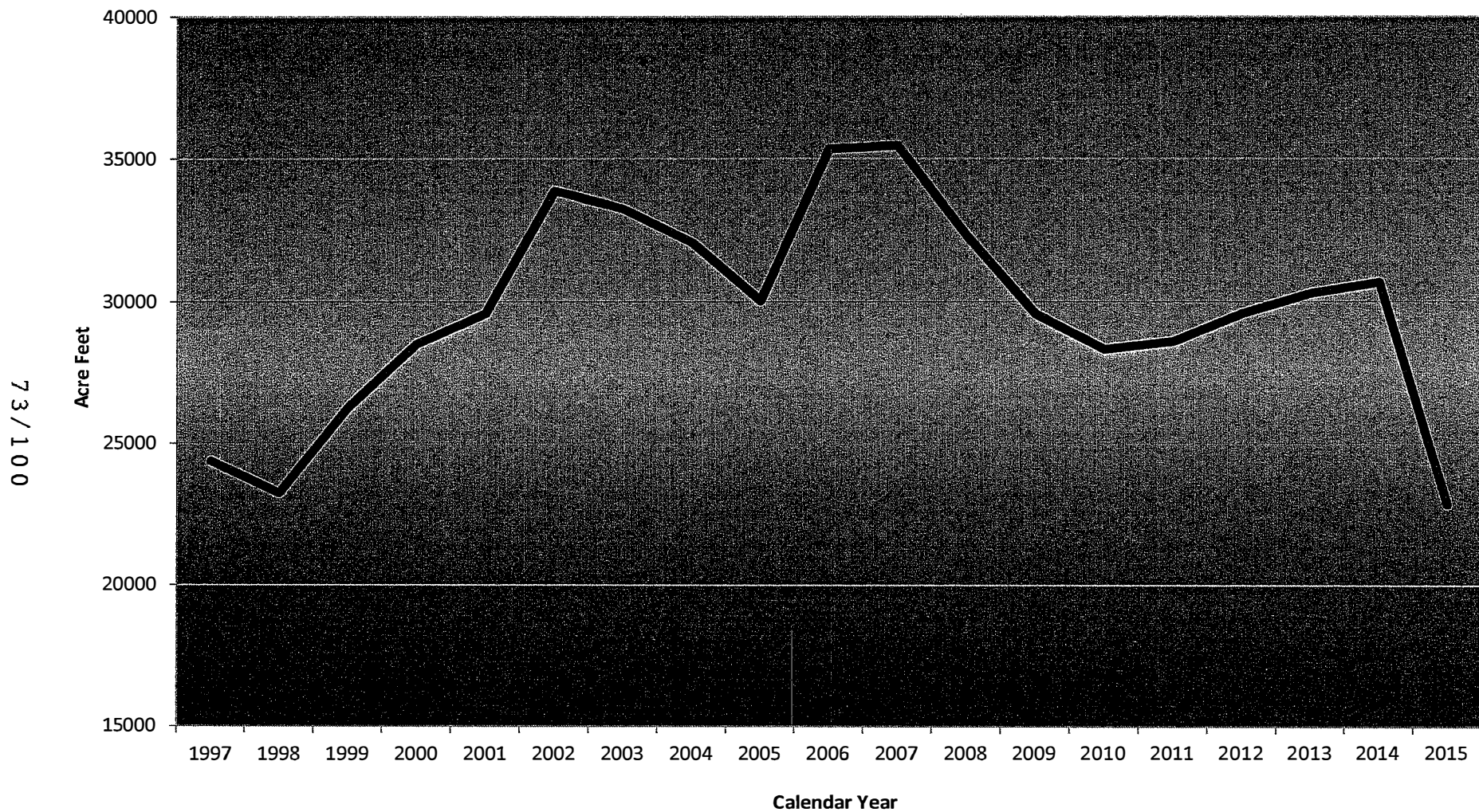
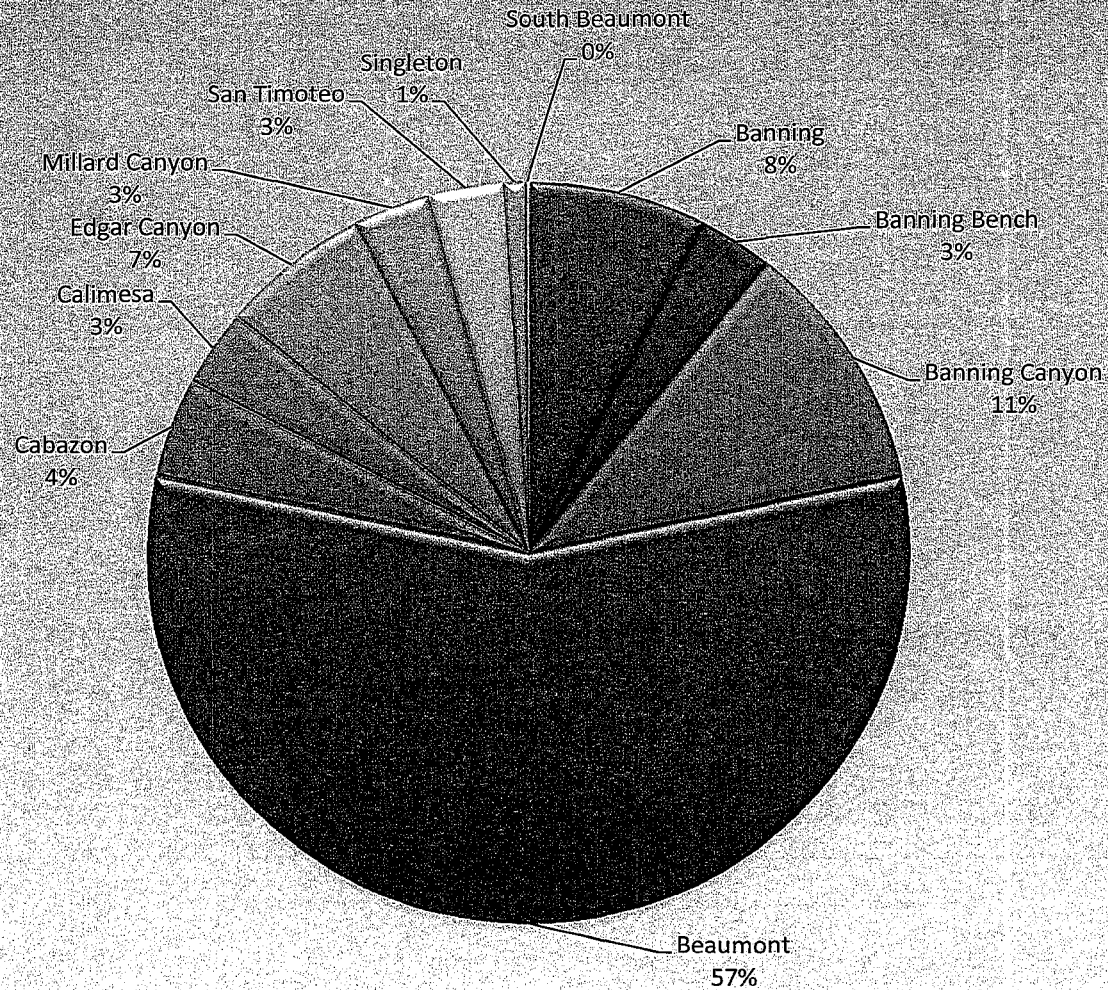


Figure 7: Historical Groundwater Production All Basins 1997 through 2015
(as reported)

Total Production By Storage Unit 2015



74/100

Figure 8: Total Production by Storage Unit in 2015 (as reported)

Accumulated Overdraft in the Beaumont Basin 1997 through 2015

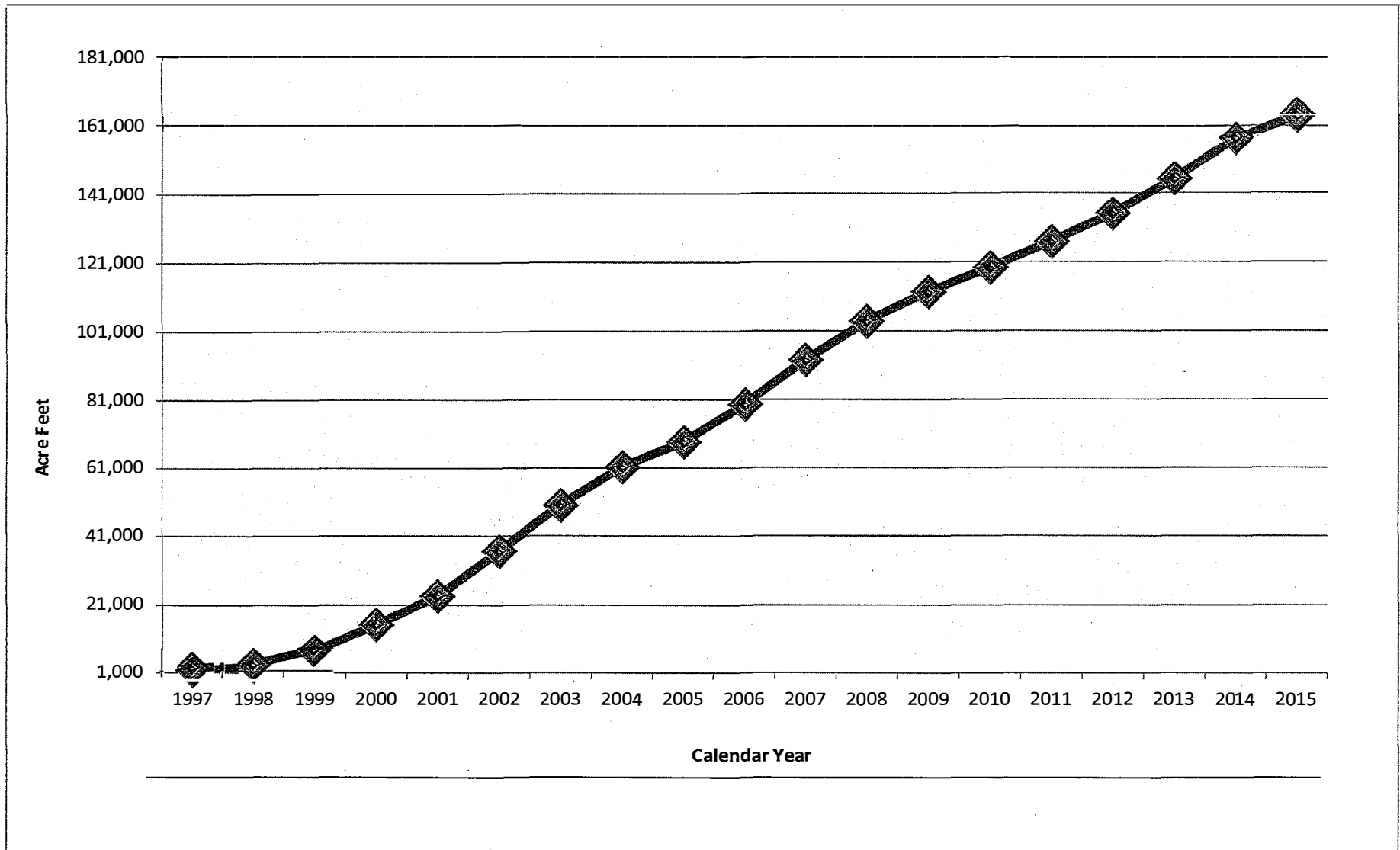


Figure 9a: Accumulated Overdraft in the Beaumont Basin 1997 through 2015

Accumulated Overdraft in the Beaumont Basin
1997 through 2015 with Replenishment

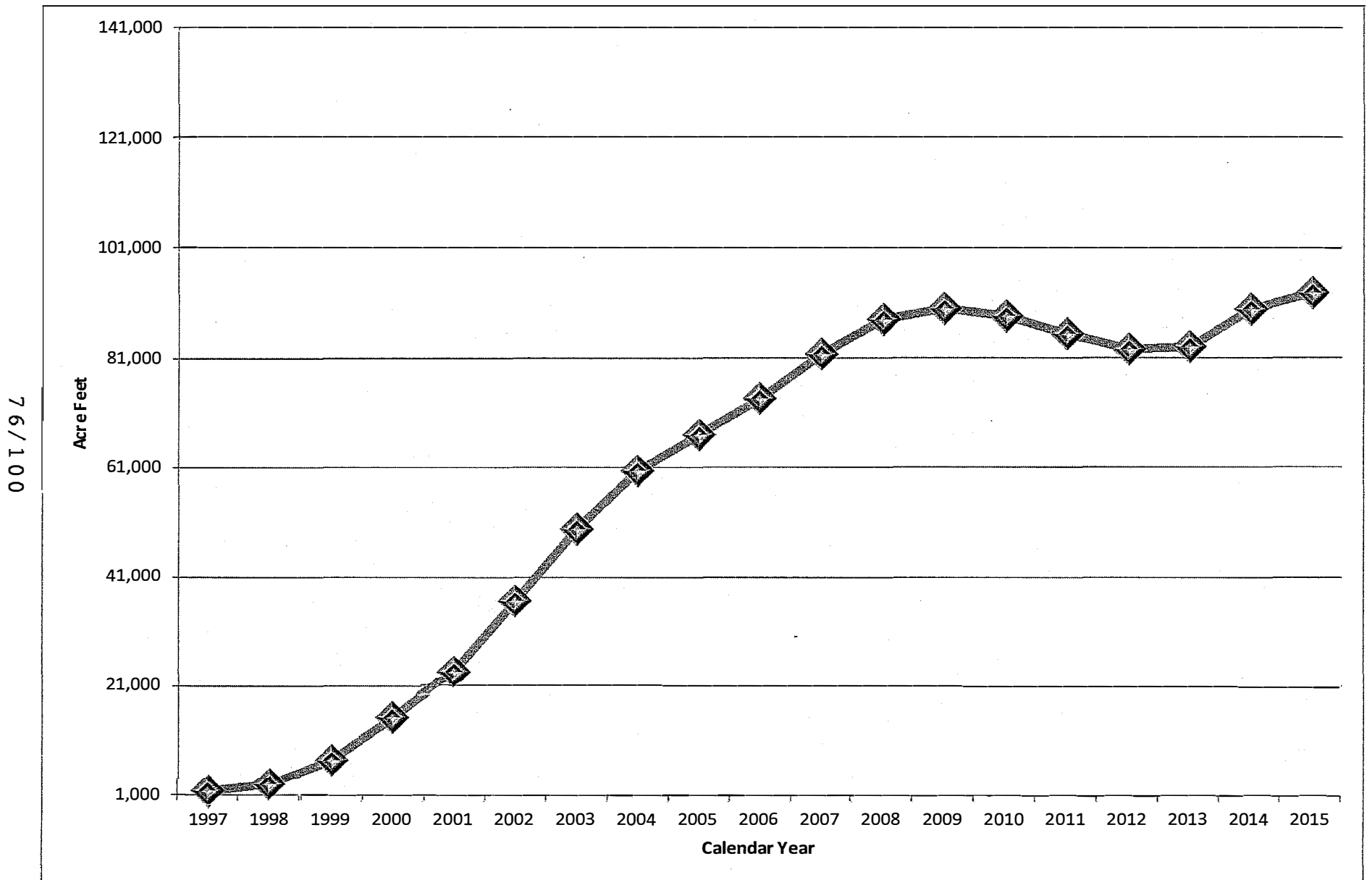
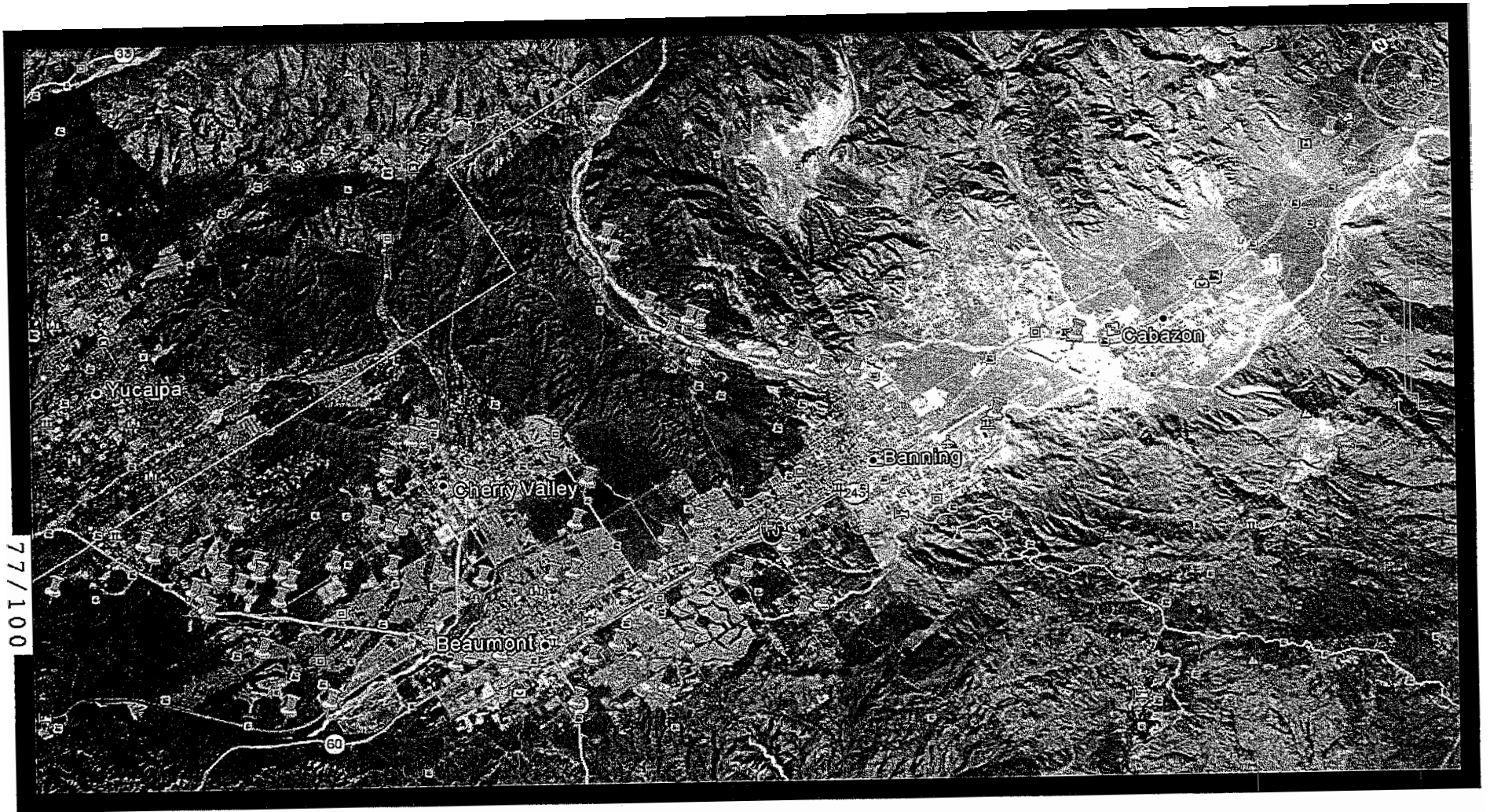
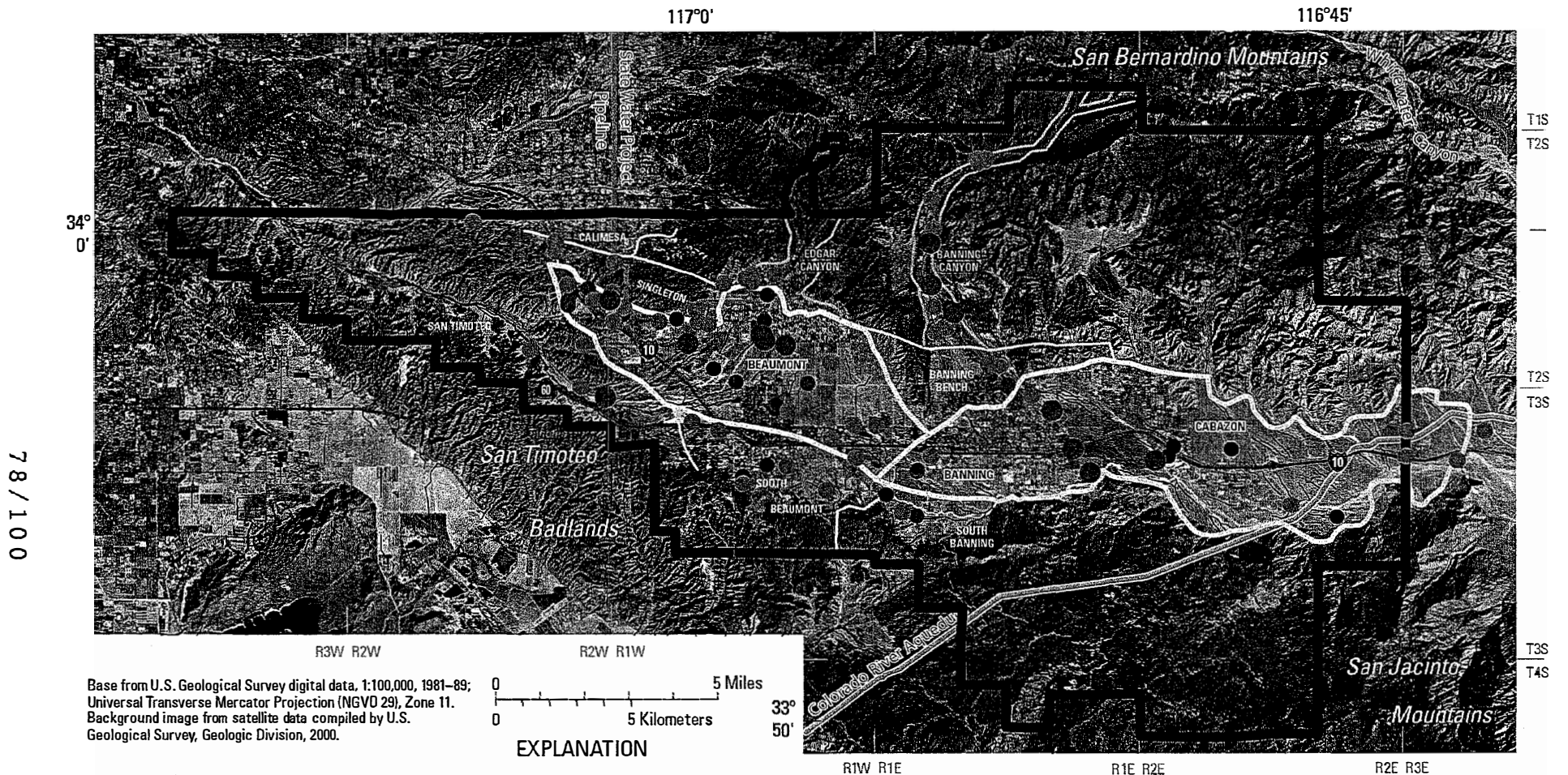


Figure 9b: Accumulated Overdraft in the Beaumont Basin 1997 through 2015 with Replenishment



SGPWA Monitoring Wells

Figure 10: San Geronio Pass Water Agency Monitoring Wells



Base from U.S. Geological Survey digital data, 1:100,000, 1981-89; Universal Transverse Mercator Projection (NGVD 29), Zone 11. Background image from satellite data compiled by U.S. Geological Survey, Geologic Division, 2000.



San Geronio Pass Water Agency boundary

San Geronio Pass ground-water basin

BEAUMONT

Name of storage unit in ground-water flow model

Storage unit boundary—

Outside ground-water flow model

Name of storage unit outside ground-water flow model

CANYON

Canyon storage unit boundary

BANNING CANYON

Name of canyon storage unit

Water level change between fall 2014 and fall 2015

- Network well with water level rise greater than 5 feet
- Network well with water level change less than 5 feet
- Network well with water level drop greater than 5 feet
- FFY16 Network well, data not available for comparison

Figure 11. Map showing the water-level network and water-level change between fall 2014 and fall 2015 at selected wells.

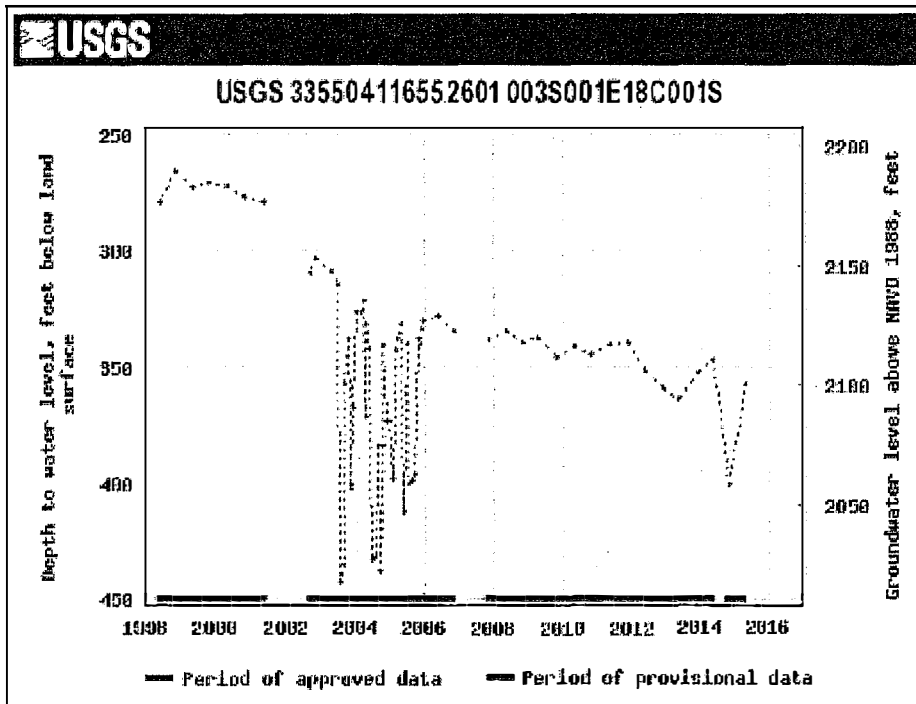
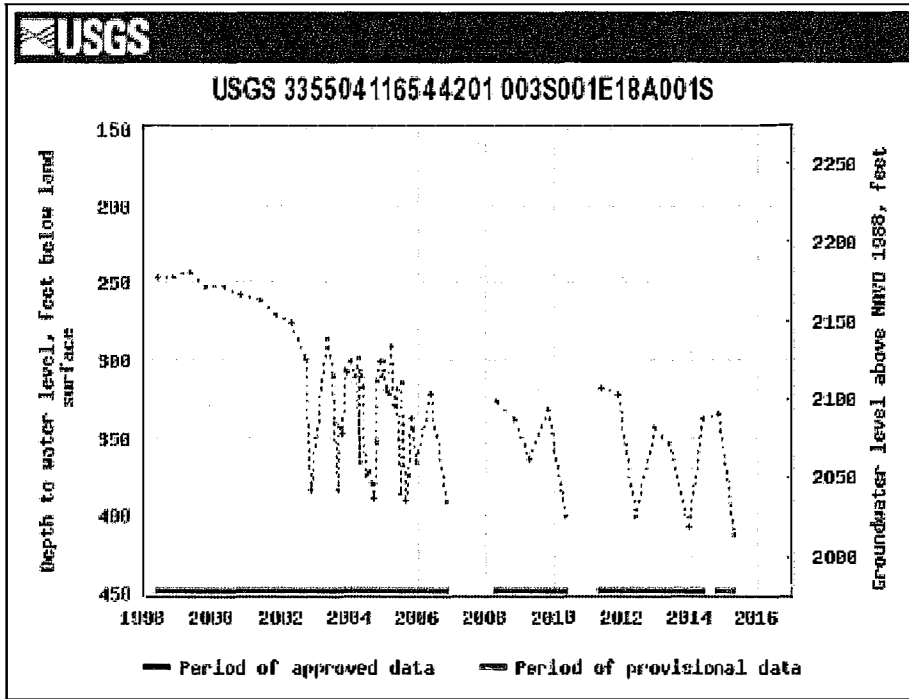


Figure 12: Groundwater Hydrographs – Banning Basin
 3S/1E-18A01 and 3S/1E-18C01
 79 / 100

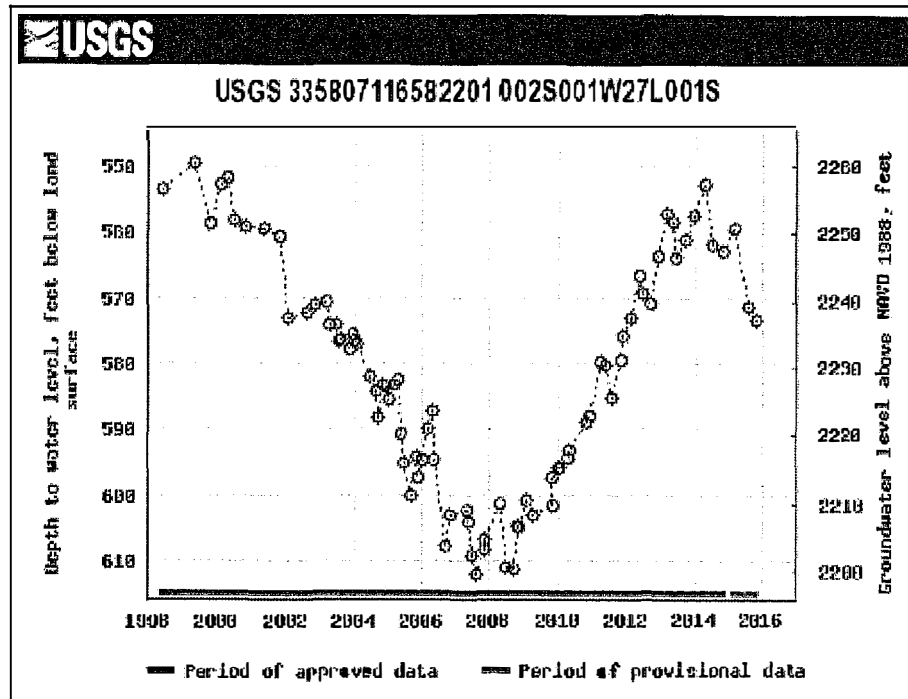
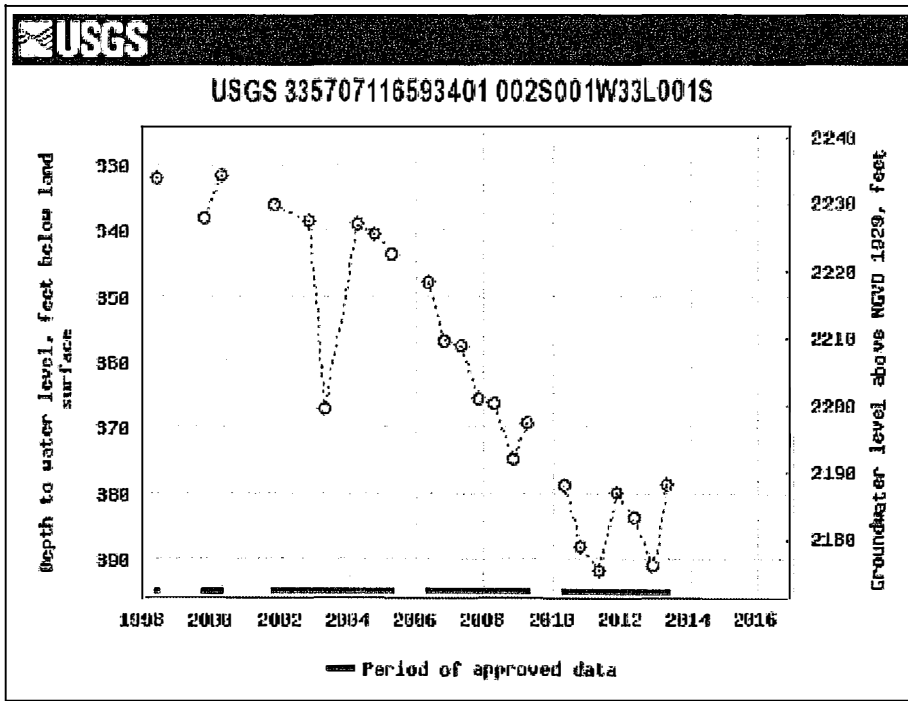


Figure 13: Groundwater Hydrographs – Beaumont Basin
2S/1W-33L01 and 2S/1W-27L01

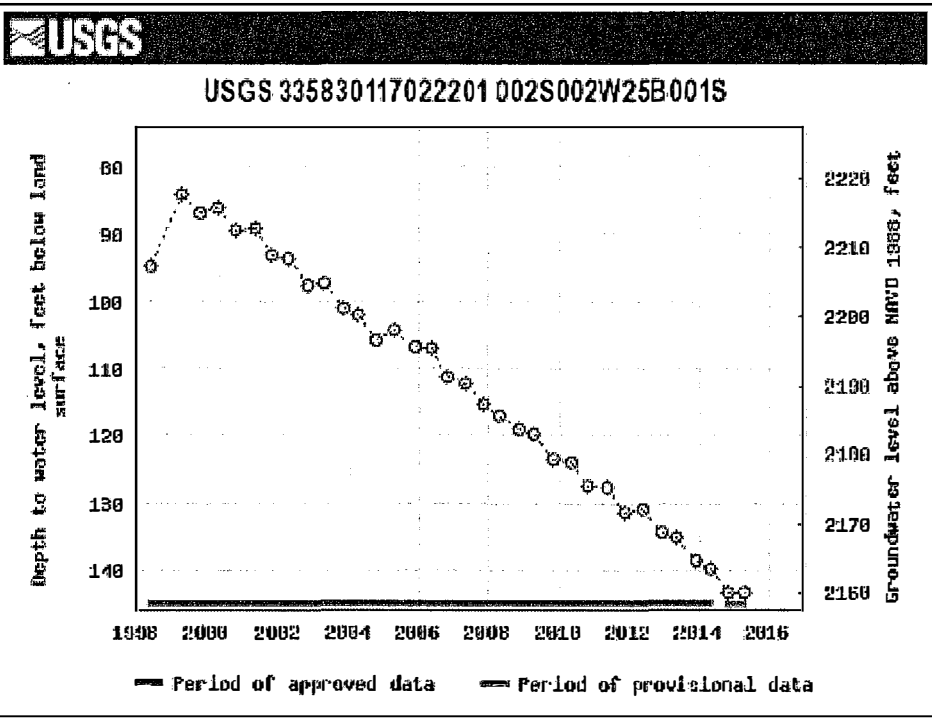


Figure 14: Groundwater 8 1 / 1 0 0 ips – Beaumont Basin
 2S/2W-25B01

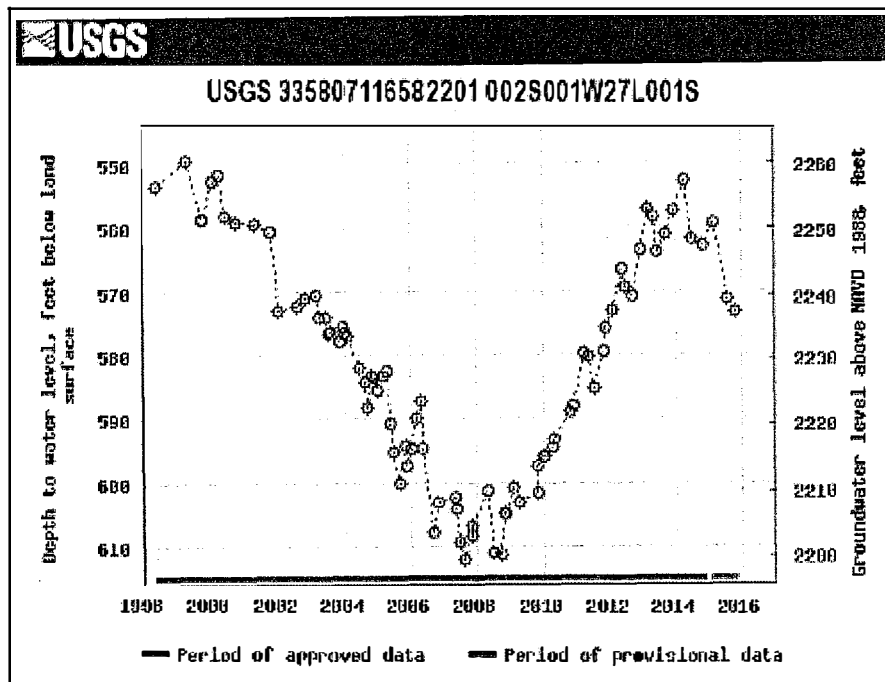
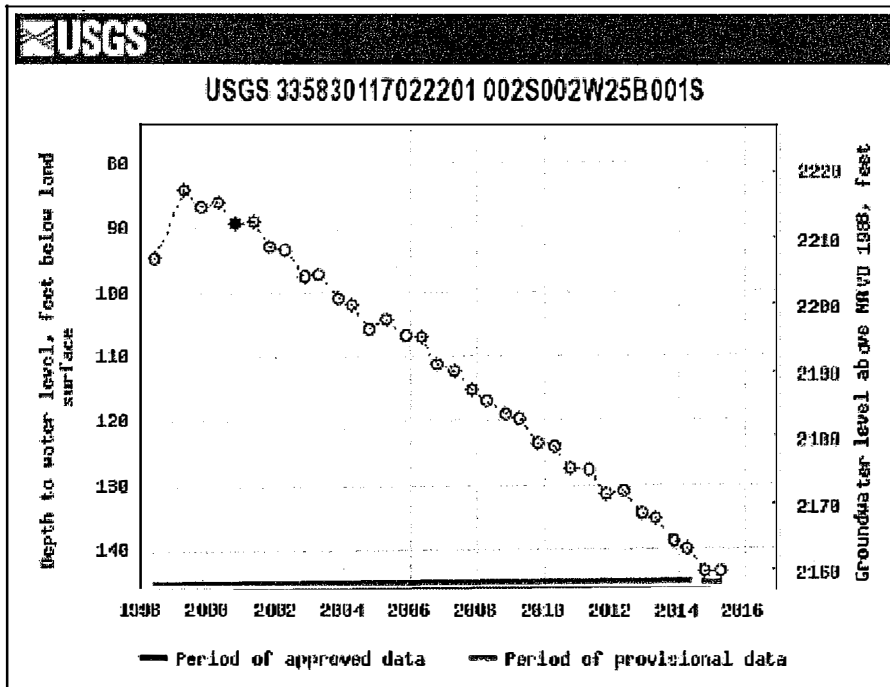


Figure 15: Groundwater 8 2 / 1 0 0 ips – Beaumont Basin
2S/2W-25B01 and 2S/1W-27L01

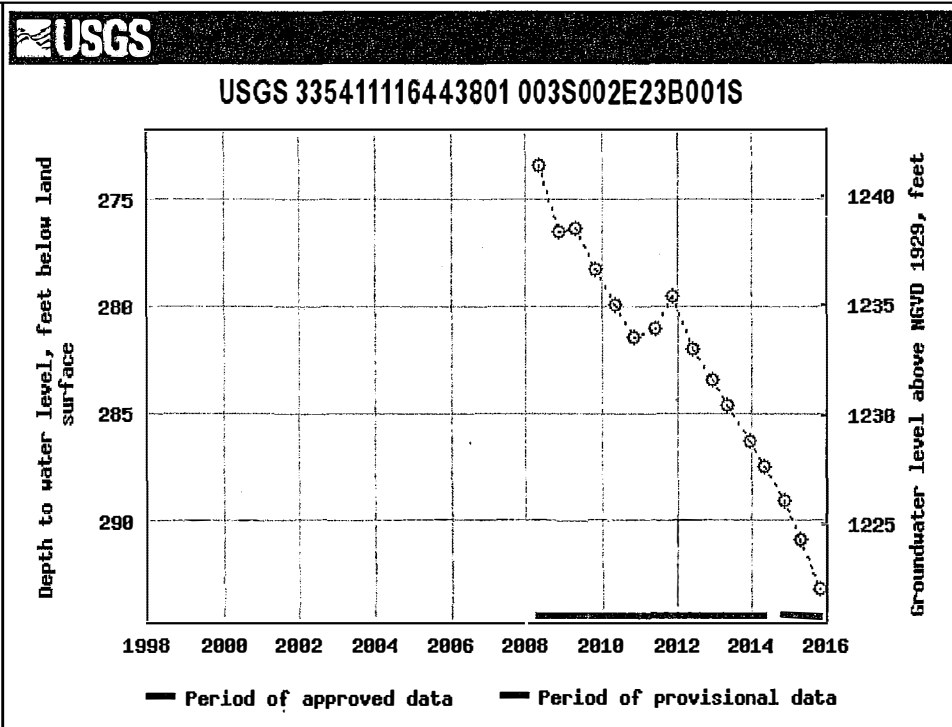
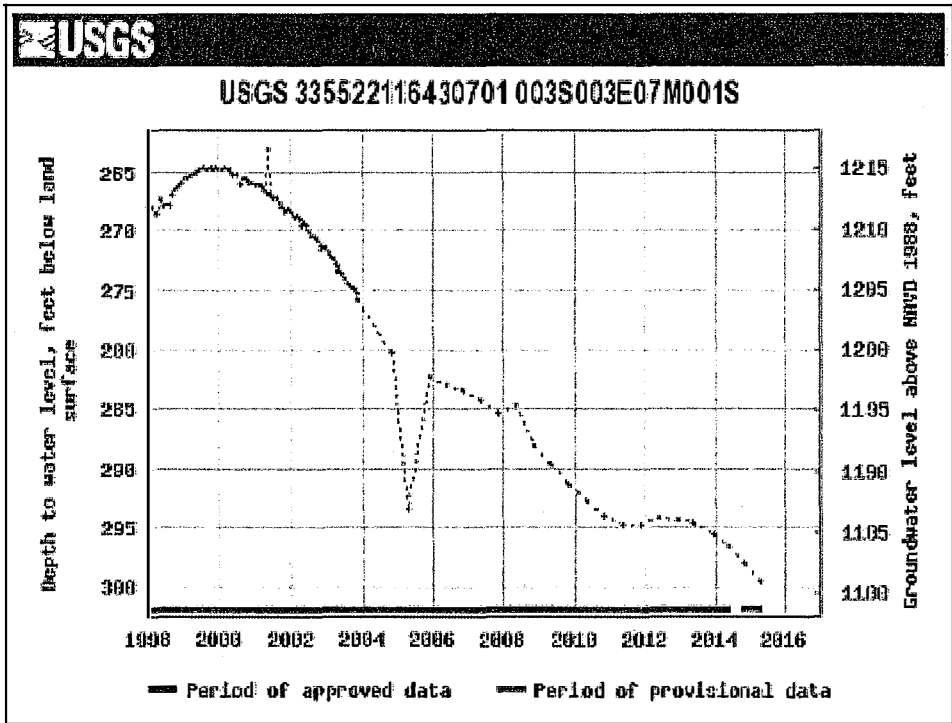


Figure 16: Groundwater Hydrographs – Cabazon Basin
3S/3E-07M 8 3 / 1 0 0 2E-23B01

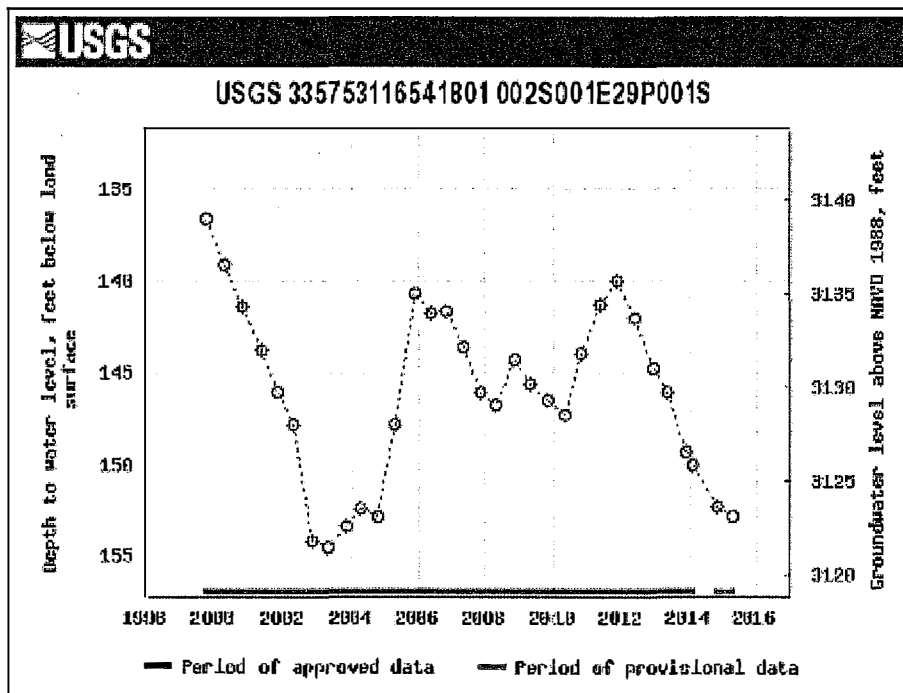
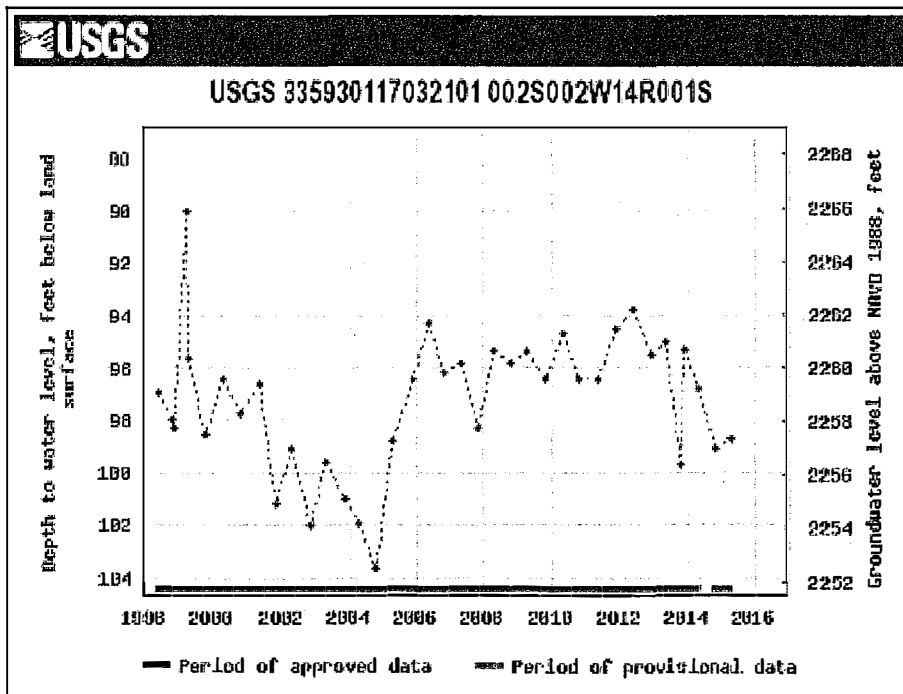
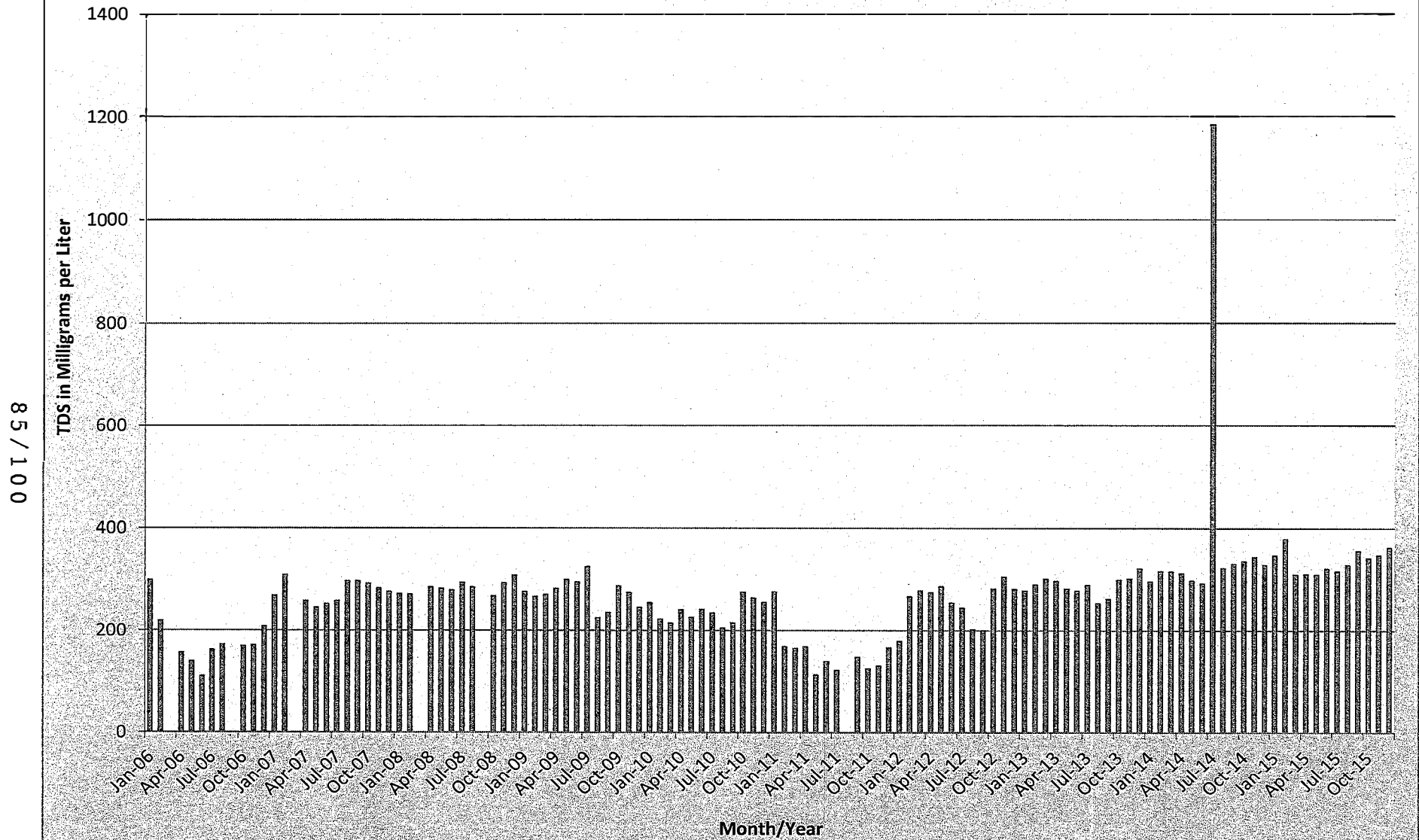


Figure 17: Groundwater Hydrographs – Calimesa and Banning Canyon Basins
2S/2W-14f 8 4 / 1 0 0 /1E-29P01

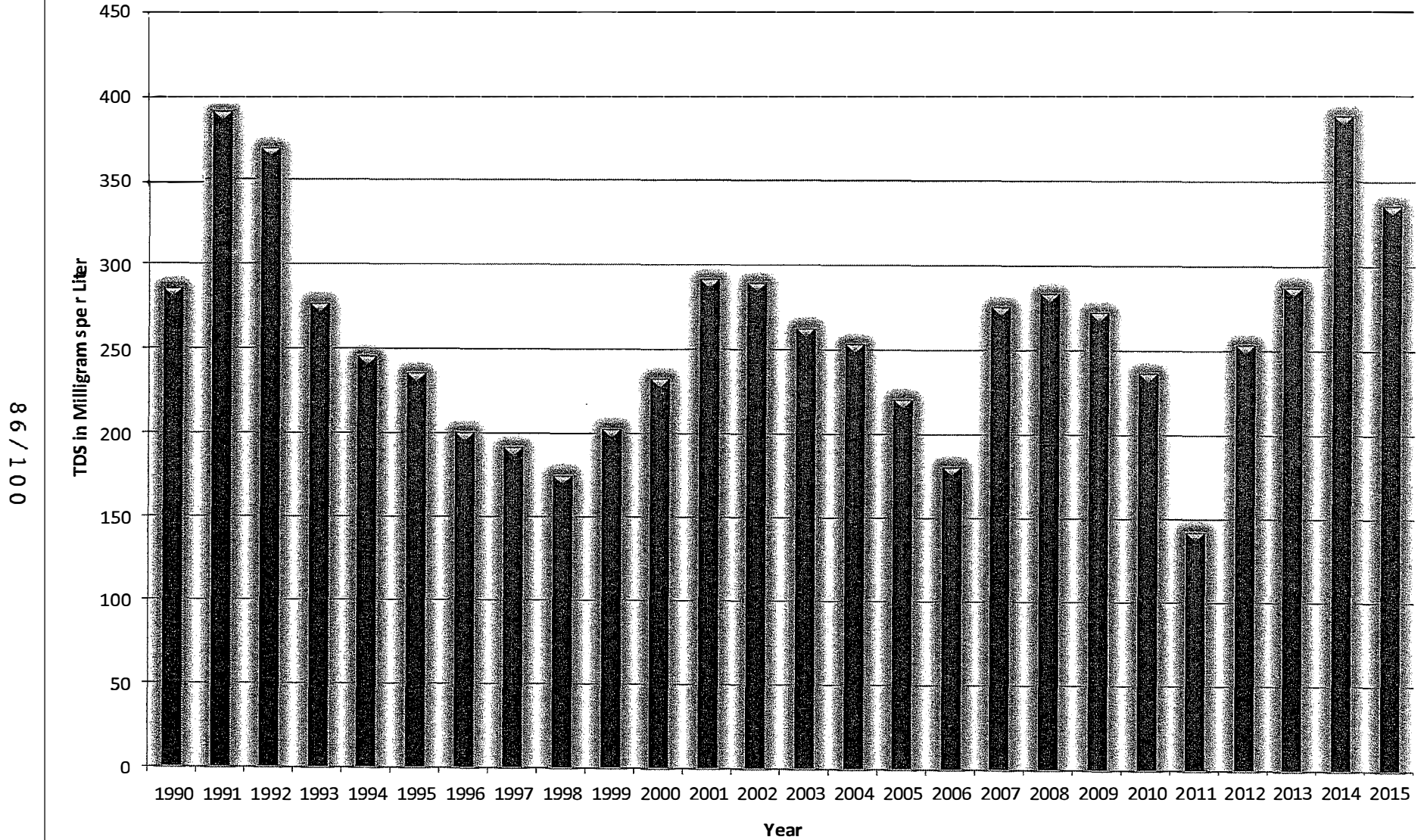
Monthly TDS at Devil Canyon Afterbay Near San Bernardino 2006 through 2015



Source: Table 32, DWR Monthly Operations Report

Figure 18: Monthly TDS at Devil Canyon Afterbay near San Bernardino 2006 through 2015

Average TDS at Devil Canyon Afterbay near San Bernardino 1990 - 2015



Source: Table 32, DWR Monthly Operations Report

Figure 19: Average TDS at Devil Danyon Afterbay near San Bernardino 1990 through 2015

Making Water Conservation a California Way of Life

February 6, 2017

Implementation of Executive Order B-37-16

- * Department of Water Resources
- * State Water Resources Control Board
- * Public Utilities Commission
- * Department of Food and Agriculture
- * Energy Commission
- * Known collectively as the "EO Agencies"

Summary

- * Executive Order signed May 9, 2016
- * Establishes statewide long-term water conservation measures
- * Includes improved planning for more frequent and severe droughts
- * New water use targets for 410 urban water agencies
- * Considers climate, demographics, land use—not tied to a percentage reduction
- * State Board to vote revised regs February 8

Four Objectives of Executive Order

- * Use water more wisely (4 items)
- * Eliminate water waste (4 items)
- * Strengthen local drought resilience (4 items)
- * Improve agricultural water use efficiency and drought planning (4 items)
- * Four objectives encapsulated in 13 items (some items covered twice)

Chapter Section and Title where Item is Addressed	Executive Order Items												
	Use Water More Wisely			Eliminate Wasteful Water			Strengthen Local Drought Resilience			Improve Agricultural Water Use Efficiency & Drought Planning			
	1	2	3	4	5	6	7	8	9	10	11	12	13
2.1 Emergency Water Conservation Regulations for 2017	●												
2.2 Permanent Prohibition of Wasteful Practices		●	●										✓
2.3 Reduced Water Supplier Leaks and Water Losses				●	●								✓
2.4 Certification of Innovative Technologies for Water Conservation and Energy Efficiency							●						✓
3.1 New Water Use Targets Based on Strengthened Standards	●					●							✓
3.2 Water Shortage Contingency Plans					●			●	●				✓
3.3 Drought Planning for Small Systems & Rural Communities										●			✓
3.4 Agricultural Water Management Plans					●						●	●	✓

Using Water More Wisely

- * Current emergency regulations to be extended by State Board for 270 days beyond February 2017
- * New water use targets (interim) starting in 2018, with full compliance with final targets by 2025*
 - * Must go beyond 20% by 2020
 - * Target = indoor use + outdoor use – losses
 - * State supplies ET rate for everyone
 - * Target set in 2020 and revised every five years
- * Permanent monthly reporting will be required

Eliminating Water Waste

- * Permanent prohibitions on wasteful practices
- * Minimize water loss in distribution systems
- * Innovative water loss and control technologies

Strengthening Local Drought Resilience

- * Water shortage contingency plans, including annual water budget forecast*
- * Maintains local decision-making
- * Avoids statewide uniform mandates such as in the emergency regulations
- * Requires communications and financial plans
- * Concerns: enforcement actions not defined, reporting requirements need to be streamlined
- * Drought contingency planning required for small water suppliers and rural communities*

Improving Agricultural Water Use Efficiency and Drought Planning

- * Strengthened agricultural water management plan requirements*

Additional Facts

- * Proposed regulations unclear as to requirements for water retailers and wholesalers. Water shortage contingency plans required for both.
- * Enforcement at retail water agency level—not individual customers
- * Enforcement to begin in 2026. Possible penalties include:
 - * Conservation orders
 - * Cease and desist
 - * Fines

Water Industry Concerns

- * Target approach may not work for everyone (older, mature landscaping, swamp coolers)
- * How to account for indirect potable reuse?
- * Ability of the State to provide accurate data
- * How is growth considered?
- * CII (commercial, industrial, institutional) water use conservation may impact economic growth
- * What if State continually ratchets down targets?
- * Regulations should be based on efficiency

What is Industry Doing?

- * ACWA formed committees to review and submit comments; speak at public hearings
- * Portions requiring legislation will have great input from water agencies and ACWA
- * Trying to safeguard water rights
- * Working on reasonable implementation schedules

MEMORANDUM

TO: Board of Directors

FROM: Staff and General Counsel

RE: Consideration and possible action to rescind or revise Resolution No. 2014-02

DATE: February 6, 2017

Recommendations:

1. Adopt Resolution No. 2017-02, thereby rescinding Resolution No. 2014-02; or
2. Take action to adopt a revised version of Resolution No. 2014-02.

If the Board takes no action, then Resolution No. 2014-02 remains in effect.

Background:

On February 18, 2014, the Board adopted Resolution No. 2014-02 which established a policy for meeting future water demands. Resolution No. 2014-02 provides, among other things, that the Agency is prepared to take the necessary actions to meet the water supply needs of the region. The resolution further provides that nothing in that resolution shall limit or impact the authority of the Board to adopt future policies.

At the Engineering Workshop on January 9, 2017, the Board discussed Resolution No. 2014-02. The discussion included the potential for that resolution to be misinterpreted as creating a new right for third parties, or imposing an obligation on the Agency which would go beyond the Agency's authority as set forth in the Agency Act.

Following that discussion, it was requested by a Director that this matter be placed on this Agenda in order to provide for the potential action to rescind Resolution No. 2014-02. In order to address comments from other Board members at the same meeting, the option to revise said resolution is also being provided. The Board is not required to take any action and in that case, Resolution No. 2014-02 will remain in effect.

RESOLUTION NO. 2014-02

A RESOLUTION OF THE SAN GORGONIO PASS WATER AGENCY ESTABLISHING A POLICY FOR MEETING FUTURE WATER DEMANDS

WHEREAS, the San Gorgonio Pass Water Agency ("Agency") is a state water contractor that was formed with the purpose of importing water from the State Water Project ("SWP") into the San Gorgonio Pass area in 1961. The Agency's service area encompasses approximately 228 square miles and includes the Cities of Beaumont, Calimesa, and Banning, as well as the unincorporated areas of Cherry Valley, Cabazon, Poppet Flat, Banning Bench, and San Timoteo and Live Oak Canyons; and

WHEREAS, the mission of the Agency is to import water and to protect and enhance local water supplies for use by present and future water users and to sell imported water to local water agencies within the Agency's service area. The Agency is able to import water from sources that provide the highest quality and the most cost effective price, including the SWP and other potential sources. The Agency also works with local retail agencies to manage local and regional water resources in a sustainable manner designed to manage overdraft within the Agency's service area; and

WHEREAS, the Agency has a contract with the California Department of Water Resources for 17,300 acre-feet of SWP water which is used to supplement local demands including eliminating groundwater overdraft. Information and reports obtained by the Agency, including but not limited to, the Agency's 2010 Urban Water Management Plan, indicate that said amount of SWP water will likely not be sufficient to meet all future supplemental water demands within the Agency's service area. The Agency has the responsibility to manage the present and future water supply needs for all users within its jurisdiction. Increased demand from new growth and decreasing reliability will continue to present challenges to the Agency's ability to deliver wholesale water on a reliable basis. In addition, the Agency has made substantial investments in facilities and infrastructure to bring said supplies to the region and to store and deliver said supplies. Said facilities include pipelines, pump stations, turnouts, reservoirs and spreading grounds; and

WHEREAS, the Board of Directors of the Agency desires to adopt this Resolution in order to establish a policy which will work toward the goal of meeting future water demands in the region.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY AS FOLLOWS:

1. Incorporation of Recitals All of the foregoing Recitals are true and correct and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

2, Definitions The types of water rights, supplies and resources which are subject to this Resolution and the policy set forth herein include, but are not limited to, the following:

(a) Carryover Water - Water belonging to a State Water Contractor that is not used in a given calendar year and thus is carried over to the next year for use in that year or in a future year.

(b) Dry Year Yield Water - Water made available in a dry year for that year only, typically from a farming interest, irrigation district or other type of agency providing service to farming interests.

(c) Exchange Water - Water obtained from another water agency in exchange for a promise of water at a subsequent time such as in a future month or future year. An exchange may be a one-to-one exchange or an exchange with a different ratio.

(d) Long-Term Water Rights - Water rights owned by another entity which is willing to sell the rights to the water and not just a water supply. Long-Term Water Rights are frequently defined as

lasting as long as the State Water Project.

(e) Short-Term Water - Water available under certain conditions in any given year or for a limited number of years for a defined period only.

(f) Spot Water - Water available in any given year for that year only.

(g) Transfer Water - Water transferred from one area of the state to another through the actions of public agencies.

3. Regional Water Management

(a) Meeting The Water Supply Needs Of The Region - The Agency is prepared to take the necessary actions to provide its service area with adequate supplies of water to meet expanding and increasing needs in the years ahead. As additional water resources are required to meet increasing needs, the Agency will be prepared to take the necessary actions to deliver such supplies.

(b) Funding And Construction Of Facilities - Taxpayers and water users residing within the Agency's service area already have obligated themselves for the construction of a supply and distribution system. This system has been designed and constructed, and future facilities will be designed and constructed, in a manner to deliver the Agency's full share of SWP water, as well as water from other sources as may be required in the years ahead.

(c) Acquiring Supplemental Water Supplies - The Agency is prepared to take the necessary actions to meet the water supply needs of the region. For example, and not by way of limitation, the Agency is authorized to pursue the acquisition of Short-Term Water, Spot Water, Dry Year Yield Water, and Long-Term Water Rights. The Board of Directors of the Agency has the discretion to reasonably determine the timing and other details of acquiring such supplies, and will also manage the Agency's current supplies to maximum effect, as determined in the Board's direction. In order to meet this commitment, the Agency has the discretion to reasonably determine which type of water source to pursue including, but not limited to, Carryover Water, one-year or multi-year Exchange Water, Transfers, or other purchases of water or water rights.

4. Consideration Of A Wheeling Request The Agency will consider "wheeling" water to the region subject to the terms of this Resolution, Agency wheeling policies, applicable law, and upon payment of the applicable charge. In the event of any such wheeling, the Agency's facilities, including its rights to use SWP facilities, may be used to transport water not owned or controlled by the Agency to a retail agency or other public or private entity within the Agency's service area.

5. Potential For Future Policies Regarding Water Supplies Nothing in this Resolution shall limit or otherwise impact the authority of the Board to adopt future policies regarding water supplies including, but not limited to, any potential water shortage plans that the Board may deem to be necessary in order to establish how the Agency will allocate deliveries of water to local retail agencies during single and multiple dry years where the total amount of annual orders from local retail agencies exceeds the amount of SWP water available in that calendar year or years.


6. Controlling Effect All ordinances, resolutions, minute orders, or administrative actions by the Board of Directors, or parts thereof, that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.

7. CEQA Compliance - The Board finds that the establishment of a policy for meeting future water demands constitutes general policy and procedure making and also constitutes organizational or administrative activities that will not result in direct or indirect physical changes in the environment. Based on this finding, the Board determines that the establishment of a policy for meeting future water demands, by way of adoption of this Resolution, is exempt from the requirements of the California Environmental Quality Act pursuant to section 15378(b)(2) and (5) of the State CEQA Guidelines.

8. Effective Date - The President of the Board shall sign this Resolution and the Secretary of the Board shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption.

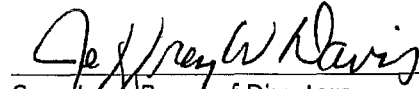
9. Severability - If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

ADOPTED AND APPROVED this 18th day of February, 2014.



President, Board of Directors
San Geronio Pass Water Agency

ATTEST:



Secretary, Board of Directors
San Geronio Pass Water Agency

RESOLUTION NO. 2017-02

**RESOLUTION OF THE SAN GORGONIO PASS
WATER AGENCY RESCINDING RESOLUTION NO.
2014-02**

WHEREAS, the San Gorgonio Pass Water Agency (“Agency”) is a state water contractor formed under special act legislation set forth in the Water Code Uncodified Acts, Act 1100 ("Act"); and

WHEREAS, on February 18, 2014, the Board of Directors adopted Resolution No. 2014-02 which established a policy for meeting future water demands. Resolution No. 2014-02 provides, among other things, that the Agency is prepared to take the necessary actions to meet the water supply needs of the region. Resolution 2014-02 further provides that nothing in that resolution shall limit or otherwise impact the authority of the Board to adopt future policies; and

WHEREAS, questions and concerns have been raised regarding the potential for Resolution No. 2017-01 to be misinterpreted as creating a new right for third parties, or imposing an obligation on the Agency, which would go beyond the Agency’s rights and obligations as set forth in the Act; and

WHEREAS, since the Agency already has the power, by way of the Act, to take the actions mentioned in Resolution No. 2014-02, and in order to avoid misinterpretations, the Board wishes to therefore rescind Resolution No. 2014-02.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY AS FOLLOWS:

1. Incorporation Of Recitals The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
2. Rescission The Board hereby rescinds, repeals, vacates and sets aside Resolution No. 2014-02 in its entirety.
3. Effective Date - The President of the Board shall sign this Resolution and the Secretary of the Board shall attest thereto, and this Resolution shall be in full force and effect immediately upon adoption.

ADOPTED AND APPROVED this 6th day of February, 2017.

President, Board of Directors
San Gorgonio Pass Water Agency

ATTEST:

Secretary, Board of Directors

To the San Gorgonio Board of Directors,

On February 18, 2014, a prior Board of Directors of this agency adopted Resolution 2014-2 titled A Resolution Of The San Gorgonio Pass Water Agency Establishing A Water Policy For Meeting Future Water Demands.

There are several statements in this resolution that cause me great concern as a current board member of the agency and I wish to convey them to you, the other directors of this board, for discussion and possible action.

First and foremost, I believe that this resolution is sending the wrong message to the citizens and outside entities who have interests within our jurisdictional boundaries.

For example, in paragraph three of the resolution it states, "The Agency has the responsibility to manage the present and future water supply needs for all users within its jurisdiction".

It further states in item 3. a) "The agency is prepared to take the necessary actions to provide its service area with adequate supplies of water to meet expanding and increasing needs in the years ahead", and again essentially the same statement occurs in item 3. c) "The agency is prepared to take the necessary actions to meet the water supply needs of the region".

In a recent general board meeting of the Beaumont-Cherry Valley Water District (BCVWD) that I and Directors Fenn and Thompson attended, we listened to a discussion between their board and staff and a home builder company's representatives and its attorney. Our Resolution 2014-2 was discussed and in essence their sentiment was that this Agency would "make good" on all their water needs. The above referenced statements of this resolution could easily lead one to this conclusion, especially if this were the only document to be read emanating from this Agency.

In reading the act that created this agency and delineates its powers, I am unable to find any statement to the effect that this "agency has the responsibility to manage the present and future water supply needs for all users within its jurisdiction" as is written in Resolution 2014-2. One definition of manage is to administer. The Pass Agency does not administer the water supply needs for ALL users in our jurisdiction. That is not our role. We have seven customers that we serve and each has their own boards of directors, general managers and staff, general counsels and facilities, etc. Furthermore one cannot effectively manage something over which it has no control. For example we have no control over the weather and the precipitation in this state. We have no control over DWR and the percentage of state water we receive on an annual basis. We have no real control of laws that are being passed down to us or their consequences. We are not a land planning agency and have virtually no input on how the land will be used with its accompanying water demands. It is damaging for this agency to make statements of this nature when there is no basis for them.

The statements made in the resolution that this agency is "prepared to take the necessary actions to meet the water demands" of the area are equally concerning. One of the first mentioned powers granted by our act is the power to acquire water and water rights. Historically, no board

of this agency has secured any long term water rights and yet in recent years there has been a large increase in water needs in certain areas under our jurisdiction. How is it then that we, the current board, should be compelled to live up to a standard that a prior board, who signed this resolution, unfortunately could not live up to themselves? We need to remember that a prior board cannot bind a current sitting board on issues such as this.

In summary, I believe that Resolution 2014-2 is misunderstood and is being misinterpreted by the uninformed. I also believe that a prior board should not bind a current board and that the usefulness of this resolution has run its course and should be rescinded. This agency cannot be perceived as having the ability to "make good" at the end of the day of others poor choices. We can help them succeed to the best of our abilities but we also have limits on what we can achieve. I believe we have a duty to protect the integrity of this agency and should adhere to the act that created it. In so doing we also protect the citizens we are privileged to serve.

Respectfully submitted,

Director Ball