

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Engineering Workshop
Agenda
March 13, 2017 at 4:00 p.m.

- 1. Call to Order, Flag Salute and Roll Call**
- 2. 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.
- 3. Update/Status Report on Beaumont Avenue Recharge Facility**
- 4. Discussion of Resolution No. 2014-02, A Policy for Meeting Future Water Demands***
- 5. Appointment of Ad Hoc Committee on Capacity Fee**
- 6. Announcements**
 - A. Regular Board Meeting, March 20, 2017 at 7:00 p.m.
 - B. San Gorgonio Pass Regional Water Alliance, March 22, 2017
 - 1.. IRWMP at 4:30 p.m. – Banning City Council Chambers
 2. Regular Meeting at 5:30 p.m. – Banning City Council Chambers
 - C. Finance and Budget Workshop, March 27, 2017 at 4:00 p.m.
- 7. 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 <http://www.sgpwa.com>. (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

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.

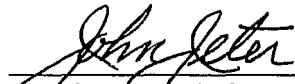
6. Controlling Effect All ordinances, resolutions, minute orders, or administrative actions by the Board of Directors, or parts thereof, that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.

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.

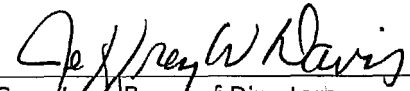
9. Severability - If any section, subsection, clause or phrase in this Resolution is for any reason held invalid, the validity of the remainder of this Resolution shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, 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

Jeff Davis

From: David Fenn <davefenn92@gmail.com>
Sent: Wednesday, March 08, 2017 4:23 PM
To: Jeff Davis
Cc: Jeff Ferre; Cheryle Rasmussen
Subject: 2014-2 Proposed language change

Follow Up Flag: Follow up
Flag Status: Flagged

Jeff Davis,

Please include this email in Monday's Engineering Workshop Agenda Packet. Here are my suggestions for revisions to Resolution 2014-2 My changes/additions are in **BOLD/BLUE**.

Revise paragraph 3(b) to include something about the capacity fee, example:

- Change paragraph title of 3(b) from Funding And Construction of Facilities to "**Funding for Construction of Facilities & Supplemental Water Purchases.**"
- Add the following sentences to paragraph 3(b): **The Agency passed resolution 2015-05 to adopt Facility Capacity Fees for Facilities & Water. The Agency will pursue a mutually agreed upon capacity fee agreement with retailers & water purchasers within the Agency's jurisdiction to collect monies via "a capacity fee". Monies generated from the capacity fee will be used to fund future supplemental water purchases and will be for the sole benefit of the water purchasers who provided said capacity fee monies.**

Revise paragraph 3(c) to include the following:

- Add the following to the end of the first sentence of paragraph 3(c): **The Agency is prepared to take the necessary actions to meet the water supply needs of the region, should additional water supplies be available.**
- Revise third sentence of paragraph 3(c) to the following: **The Board of Directors of the Agency has the discretion to reasonably determine the timing and other details of acquiring such supplies which details include but not limited to current market pricing, Agency resources & available funds. The Agency will also manage the Agency's current supplies to maximum effect, as determined in the Board's direction.**

Thank you...

David Fenn
Broker / President
Fenn Real Estate, Inc.
Cell: 951-265-5200
License #01262854
Selling homes since 1999

RESOLUTION NO. 2014-02

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

Suggested Revisions by Director Ball

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, as well as new state laws and regulations,~~ 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, from time to time, this resolution may further be amended as clarification is needed in response to unforeseen conditions by this or future Boards of Directors of this Agency; 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 based on current information and the Board so finds and determines. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

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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.

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(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 Needs of the Retail Water Districts - 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. The Agency, acting as a wholesale water agency, desires to help its seven retail water customers succeed in providing their ratepayers with an adequate supply of supplemental water as determined by their respective individual Board of Directors. The Agency will 10 keep its retail water customers informed of opportunities to acquire various types of water as defined in item # 2 above, 20 give priority to and help facilitate their purchase of supplemental water with other selling entities and 3) inform its retail customers of other opportunities to secure supplemental water that arise from time to time such as the recent Sites Reservoir buy in, etc.

(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 allocated yearly by DWR, 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.~~ In consultation with the retail water districts Board of Directors that will be purchasing supplemental water, The Board of Directors of the Agency has will have 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. Supplemental water purchased by the individual water district's Board of Directors shall belong solely to that district to be used according to that particular Board's determination.

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.

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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.

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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