

**SAN GORGONIO PASS WATER AGENCY  
1210 Beaumont Avenue, Beaumont, CA**

**NOTICE AND CALL OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
AND  
BOARD OF DIRECTORS ENGINEERING WORKSHOP**

**NOTICE IS HEREBY GIVEN**, that pursuant to Government Code Section 54956, a Special Meeting of the San Gorgonio Pass Water Agency Board of Directors is hereby called by the President of the Board for the date and time set forth below. The Special Meeting shall run concurrently with the regularly scheduled Engineering Workshop at the same date and time as set forth below:

**Date/Time:** July 10, 2017  
4:00 p.m.

**Location:** San Gorgonio Pass Water Agency  
1210 Beaumont Avenue, Beaumont, CA

**AGENDA**

**1. CALL TO ORDER OF BOTH THE SPECIAL MEETING AND THE ENGINEERING WORKSHOP**

**Flag Salute, Invocation 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. 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 Special Board Meeting, June 19, 2017\*  
(p. 3)

B. Approval of the Minutes of the Regular Board Meeting, June 19, 2017\*  
(p. 5)

C. Approval of the Minutes of the Finance and Budget Workshop, June 26, 2017\* (p. 11)

D. Approval of the Finance and Budget Workshop Report, June 26, 2017\*  
(p. 13)

**5. Reports:**

A. General Manager's Report

1. Operations Report

2. General Agency Updates

B. General Counsel Report

C. Directors' Reports

**6. Special Meeting New Business:**

- A. Consideration and Possible Action Regarding Adoption of General Fund Budget for 2017-2018\* (p. 29)
- B. Consideration and Possible Action on Resolution No. 2017-11 Adopting Addendum No. 1 to the Environmental Impact Report for the Beaumont Avenue Recharge Facility and Pipeline\* (p. 37)
- C. Consideration and Possible Action Regarding Agreement With EY to Perform an Audit of the Department of Water Resources Regarding the State Water Project\* (p. 132)

**7. Engineering Workshop:**

- A. Review and Discussion of Current Strategic Plan\* (p. 167)

**8. Announcements**

- A. Regular Board Meeting, July 17, 2017 at 7:00 p.m.
- B. Finance and Budget Workshop, July 24, 2017 at 4:00 p.m.
- C. San Geronio Pass Regional Water Alliance, July 26, 2017
  - 1. Regular Meeting at 5:30 p.m.— Banning City Hall

**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 <http://www.sgpwa.com>. (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA 92223**

**Minutes of the**  
**Special Board Meeting**

**June 19, 2017**

**Teleconference Location: AmericInn Lodge & Suites Hampton**  
**702 Central Ave W, Hampton, IA 50441**

**Directors Present:** David Fenn, President  
Blair Ball, Director (arrived at 6:07)  
David Castaldo, Director  
Steve Lehtonen, Director  
Leonard Stephenson, Director  
Michael Thompson, Director

**Directors Absent:** Ron Duncan, Vice President

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

**1. Call to Order, Flag Salute and Roll Call:** The Special Meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by President David Fenn at 6:00 p.m., June 19, 2017 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. President Fenn requested a roll call.

<u><b>Roll Call:</b></u>	<b>Present</b>	<b>Absent</b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

- 2. Statement Regarding Teleconferencing:** General Counsel Jeff Ferré made the following statement: This Board meeting is conducted pursuant to California Government Code Section 54953, in that one member of the Board will be participating in this Board meeting by speaker phone. In accordance with the Brown Act, the teleconference location has been identified in the notice and agenda for this meeting. General Counsel Ferre confirmed with Director Castaldo that the meeting agenda was posted at or near the location that was stated on the agenda. He asked if there was anyone at his location that wished to speak during public comment. Director Castaldo responded that there is no public comment.
- 3. Adoption and Adjustment of the Agenda:** There were no changes to the agenda.
- 4. Public Comment.** President Fenn asked if there were any public comments. No members of the public wished to speak at this time.



**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**June 19, 2017**  
**Teleconference Location: AmericInn Lodge & Suites Hampton**  
**702 Central Ave W, Hampton, IA 50441**

**Directors Present:** David Fenn, President  
 Blair Ball, Director  
 David Castaldo, Director  
 Steve Lehtonen, Director  
 Leonard Stephenson, Director  
 Michael Thompson, Director

**Directors Absent:** Ron Duncan, Vice President

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

- 1. Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Fenn at 7:40 p.m., June 19, 2017 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Stephenson led the Pledge of Allegiance to the flag. Director Thompson led the invocation. President Fenn requested a roll call.

<u><b>Roll Call:</b></u>	<b>Present</b>	<b>Absent</b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Castaldo via Teleconference	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>

A quorum was present.

- 2. Statement Regarding Teleconferencing:** General Counsel Jeff Ferré stated that Director Castaldo is attending this meeting via teleconferencing. In accordance with the Brown Act, the teleconference location has been identified in the Notice and Agenda for this meeting. General Counsel Ferre confirmed with Director Castaldo that the meeting agenda was posted at or near the location that was stated on the agenda. He asked if there was anyone at his location that wished to speak during public comment. Director Castaldo responded that the agenda is posted and that there are no members that wished to speak.
- 3. Adoption and Adjustment of the Agenda:** There were no changes to the agenda.
- 4. Public Comment.** President Fenn asked if there was any public comment. No members of the public wished to speak at this time.

**4. Consent Calendar:**

- A. Approval of the Minutes of the Regular Board Meeting, June 5, 2017
- B. Approval of the Minutes of the Engineering Workshop, June 12, 2017
- C. Approval of the Minutes of the Special Board Meeting, June 12, 2017

Director Stephenson made a motion, seconded by Director Lehtonen, to adopt the consent calendar as presented.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Duncan absent.

**5. Reports:**

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

**(1) Operations Report: (a) High Valleys Water District:** General Manager Davis reported to the Board that he has been a participant in a number of meetings between HVWD's General Manager and Board President over the past 2-3 years. He explained how HVWD is charged a tiered rate by Banning and why HVWD is looking to reduce its costs by purchasing water from the Agency. He also reviewed a number of different ways that the Agency could provide water to HVWD. He stated that a meeting between HVWD and the City of Banning Director of Public Works took place about a year ago. The outcome of the meeting was for HVWD to submit a letter to the City of Banning pertaining to wheeling and receiving a portion of the water; no response was received from the City of Banning. Another option is for the City of Banning to spread its water at the Agency's ponds, once built. Because there was no response from the City, HVWD came to the Agency to request an application to receive water directly. HVWD is taking the application to its Board for approval. There will be details that will have to be worked out once the application is received.

**B. General Counsel Report:** General Counsel Jeff Ferré deferred from reporting.

**C. Directors Reports: (1) Director Stephenson** reported that he attended the YVWD Board meeting on June 6 and June 13. He also attended Beaumont Chamber of Commerce on June 9, Calimesa Chamber of Commerce on June 13, and South Mesa Chamber of Commerce on June 14. **(2) Director Castaldo** reported on the Beaumont Cherry Valley Water District Board meeting in which the Agency's Beaumont Basin Watermaster water account application was discussed. **(3) Director Ball** also reported on the Beaumont Cherry Valley Water District Board meeting stating that BCVWD was appreciative of the Agency's efforts of moving forward with the modification to the Noble Creek connection. **(4) Director Thompson** reported that he attended the Beaumont Basin Watermaster meeting. He stated that Paeter Garcia did a phenomenal job in advocating on the Agency's behalf. **(5) Director Lehtonen** reported that he attended

the Beaumont Basin Watermaster meeting. He stated that he could not recall in his career where a motion was made and seconded and all of the discussion happened without an introduction of the motion, which made it difficult to understand the ending of the meeting. **(6) President Fenn** reported that he also attended the Beaumont Basin Watermaster meeting. President Fenn and General Manager Davis will be traveling on July 11<sup>th</sup> to meet with a water broker to discuss another potential water deal.

## 6. New Business:

**A. Public Hearing: Consideration and Possible Action to enter into Water Supply Agreement with Antelope Valley – East Kern Water Agency (AVEK):** A staff report, Water Supply Agreement, and related materials were included in the Agenda Packet. General Counsel Ferre recommended that President Fenn declare the Public Hearing open, to receive the Staff report, and any public comments. *President Fenn opened the Public Hearing at 7:48 pm.* General Manager Davis reported that the Agency has been seeking out water supplies for some time. General Manager Davis reviewed the steps that were taken that led to contacting AVEK to discuss leasing 1700 acre feet of water that was available through the Nickel deal. He informed the Board that the effective date of the agreement is January 1, 2017. He stated that the actual cost to the Agency to lease the water for the next twenty years would be \$1268.00 per acre foot for this year, and would escalate in future years. After the twenty-year period, AVEK will reevaluate to see if they would like to renew for another twenty-years; however, the Agency has the first right of refusal. The cost of the Nickel Water is identified in an original agreement between AVEK and Nickel Farms LLC. There is an annual price escalator, based on either 3% or the Consumer Price Index for Los Angeles, Orange County, and Riverside County, whichever is greater. This year the water cost is \$716.29. A copy of the invoice from Nickel Farms LLC for this year is available for review by anyone who wishes a copy of the invoice. At this time, the Agency has not determined how to fund this potential water deal. In the staff report General Manager Davis recommended holding a workshop in July with stakeholders present to discuss how the Board would like to fund this. General Manager Davis reviewed the agreement and answered questions from the Board. General Counsel Ferre stated that AVEK's board has requested a change pertaining to attorney fees, wherein each party would pay for its own attorney fees. General Counsel Ferre stated that from his perspective this request is not out of the ordinary and is legally acceptable. His advice to the Board is that this one change is something that the Board could accept. General Manager Davis stated that AVEK Board's did not approve the agreement at its last board meeting, specifically due to the legal fee clause on paragraph 30. General Manager Davis suggested that should the Board vote to approve this item tonight that it be subject to legal counsel review of any revisions in paragraph 30. General Counsel Ferre stated that there is not a need to go through CEQA, other than the Notice of Exemption, which is explained in the staff report. General Manager Davis concluded his report for the public hearing. President Fenn requested comments from the public. John Covington (BCVWD Board Member) spoke on section 9C – Delivery of Water - pertaining to suspension of water under a Declaration of Emergency declared by AVEK. He suggested that the agreement defines what AVEK considers a Declaration of Emergency. He also had questions pertaining to the Take or Pay clause, which were answered by General Manager Davis. Joe Zoba (YVWD General Manager) spoke on a potential rate increase or a facility capacity fee. He also spoke on the contract term. General Manager Davis stated that AVEK has never declared an emergency, and that is the reason that the agreement was not specific. General Counsel Ferre provided the Public Contract Code definition for a Declaration of Emergency. He 7 / 1 9 6 1 taking this definition to AVEK to inquire

if the Public Contract Code definition is acceptable. Director Ball inquired if there were some willing customers at the present time. General Manager Davis responded that he believes there is. Director Stephenson made a motion, seconded by Director Thompson, to approve the Water Supply Agreement with AVEK, with language changes regarding to the definition of a Public Emergency; subject to legal counsel approval. Also, a review by legal counsel pertaining to the change in the attorney fees clause. President Fenn requested a roll call vote. Director Castaldo question if the agreement needs to be answered tonight. President Fenn stated that it could jeopardize the potential deal itself should there be a delay. He also stated that a future workshop would need to be set in order to discuss how this would be paid for and other details. Director Lehtonen stated that there are funds in the Reserve that could be used for this year should the Board be indecisive on how to fund the water lease. President Fenn requested a roll call vote.

<b><u>Roll Call:</u></b>	<b><u>Aye</u></b>	<b><u>Noes</u></b>	<b><u>Absent</u></b>	<b><u>Abstain</u></b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Duncan absent.

**B. Consideration and Possible Action on Exchange Agreement with Crestline-Lake Arrowhead Water Agency for 2000 Acre-Feet of Water in 2017 and to Authorize Filing a Notice of Exemption:** A staff report and a Water Exchange Agreement were included in the agenda packet. General Manager Davis stated that this subject was reviewed during the Engineering workshop last week. This would be the fourth exchange agreement with CLAWA. This proposed unbalanced transfer between the Agency and CLAWA is for 2000 acre-feet this year, with 1000 acre-feet to be returned to CLAWA over the next ten years. General Manager Davis provided the general terms of the agreement. The purpose of this proposed Board action is to determine if the Board wishes to approve this proposed exchange. Director Stephenson made a motion, seconded by Director Thompson, approving the agreement with CLAWA for 2000 acre-feet of water. Director Ball noted that due to prior exchanges the Agency would owe CLAWA a total of 3400 acre-feet. After discussion President Fenn requested a roll call vote on the motion.

<b><u>Roll Call:</u></b>	<b><u>Aye</u></b>	<b><u>Noes</u></b>	<b><u>Absent</u></b>	<b><u>Abstain</u></b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Duncan absent.



**C. Consideration and Possible Action on Resolution 2017-10 Nominating Director David Castaldo to ACWA's Region 9 Board of Directors:** Director Ball made a motion, seconded by Director Duncan, to approve. President Fenn requested a roll call vote on the motion.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Duncan absent.

**D. Consideration and Possible Action to Change Date of the July 3<sup>rd</sup> Board Meeting:** General Manager Davis stated that July 3<sup>rd</sup> is not a holiday, and that the office will be closed on Tuesday, July 4<sup>th</sup>. President Fenn stated that the concern is that normally the Agency would hold a Board meeting on July 3<sup>rd</sup> and the potential for the public, customers, and/or board members of having a four days weekend is likely. After discussion, Director Lehtonen made a motion, seconded by Director Thompson, to cancel the July 3, 2017 Regular Board meeting and to hold both a Special Board Meeting and the Engineering workshop on July 10<sup>th</sup>. A Notice of Cancellation for the July 3, 2017 Regular Board meeting will be posted. President Fenn requested a roll call vote on the motion.

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 6-0, with Director Duncan absent.

**7. Topics for Future Agendas:** Director Ball requested discussion on how to get water deal information out to the Agency's customers in an earlier fashion. He suggested that joint closed sessions take place with the Agency's customer board members to see if there is interest when a potential water deal comes about. General Counsel Ferre stated that it is not possible to have a closed session with another public agency; however that does not inhibit the Agency to get information out to the retailers. General Manager Davis stated that he will be scheduling meetings with water retailers pertaining to the other water deal that has been discussed in closed session, to inquire if there is any interest. No other topics were suggested by Board members.

**8. Announcements:**

- A. Finance and Budget Workshop, June 26, 2017 at 4:00 p.m.
- B. San Geronio Pass Regional Water Alliance, June 28, 2017
  - 1. Regular Meeting at 5:30 pm— Banning City Hall

**9. Adjournment**

**Time: 8:38 pm**

***Draft - Subject to Board Approval***

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Jeffrey W. Davis, Secretary of the Board

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**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue**  
**Beaumont, California 92223**  
**Minutes of the**  
**Board Finance and Budget Workshop**  
**June 26, 2017**

**Directors Present:** David Fenn, President  
Ron Duncan, Vice President, left at 4:30 pm  
Lenny Stephenson, Treasurer  
Blair Ball, Director, arrived at 4:05 pm  
David Castaldo, Director, arrived at 4:26 pm  
Mike Thompson, Director

**Directors Absent:** Steve Lehtonen, 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 Treasurer Lenny Stephenson at 4:02 pm, June 26, 2017, in the Agency Conference Room at 1210 Beaumont Avenue, Beaumont, California. Director Stephenson led the Pledge of Allegiance to the flag. A quorum was present.
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 May, 2017 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board ratify paid monthly invoices of \$863,070.37 and payroll of \$34,511.87 for the month of May, 2017, for a combined total of \$897,582.24. The motion passed, 4 in favor, no opposed, with Director Lehtonen absent, and Directors Ball and Castaldo not yet arrived.
  - 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 May, 2017. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Castaldo not yet arrived.
  - C. Review of May, 2017 Bank Reconciliation: After review and discussion, a motion was made by Director Thompson, seconded by Director Duncan, to

recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for May, 2017 as presented. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Castaldo not yet arrived.

D. Review of Budget Report for May, 2017: After review and discussion, a motion was made by Director Duncan, seconded by Director Thompson, to recommend that the Board acknowledge receipt of the Budget Report for May, 2017. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Castaldo not yet arrived.

E. Review of Proposed General Fund Budget for FY 2017-18: General Manager Jeff Davis opened the discussion by reviewing the budget presented at the April Finance and Budget workshop, then noting suggested changes. The Board reviewed the revised proposed budget. After further review and discussion, a motion was made by Director Fenn, seconded by Director Thompson, to recommend that the Board approve the General Fund Budget for FY 2017-18 with changes as presented by General Manager Davis. The motion passed, 5 in favor, no opposed, with Director Lehtonen absent, and Director Duncan having left.

F. Review of Debt Service Projected Income and Expense for Future Years: General Manager Davis opened the discussion by suggesting that one of the most important actions the Directors take each year is to set a tax rate. The material he presented was to help them understand some of the aspects of that decision. Finance Manager Tom Todd handed out a graph that compared percentage changes year-to-year of tax revenue and Debt Service expense. Next, Finance Manger Todd handed out a graph that compared year-to-year total tax revenue and Debt Service expense. Finally, Finance Manager Todd handed out a chart of estimated Debt Service expenses compared to estimated income for future years. The Board reviewed and discussed the information.

**5. Announcements:** Director Stephenson reviewed the announcements:

A. San Gorgonio Pass Regional Water Alliance, June 28, 2017

1. Regular Meeting at 5:30 pm – Banning City Hall

B. Canceled: Regular Board Meeting, July 3, 2017, 7:00 pm

C. The office will be closed in observance of Independence Day, July 4, 2017.

D. Combined Board Meeting and Engineering Workshop, July 10, 2017, 4:00 pm

**6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 5:29 pm.

**Draft - Not Approved**

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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 June 26, 2017. The following - recommendations were made:

1. The Board ratify payment of Invoices of \$863,070.37 and Payroll of \$34,511.87 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for June, 2017 for a combined total of \$897,582.24.
2. The Board authorize payment of the following vendor's amounts:

Best, Best & Krieger LLP	\$15,297.25
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3. The Board acknowledge receipt of the following:
  - A. Wells Fargo bank reconciliation for May, 2017
  - B. Budget Report for May, 2017

# **SAN GORGONIO PASS WATER AGENCY**

**1210 Beaumont Ave, Beaumont, CA 92223**

**Board Finance & Budget Workshop**

**Agenda**

**June 26, 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 May, 2017 by Reviewing Check History Reports in Detail\*

B. Review of Pending Legal Invoices\*

C. Review of May, 2017 Bank Reconciliation\*

D. Review of Budget Report for May, 2017\*

E. Review of Proposed General Fund Budget for FY 2017-18\*

F. Review of Debt Service Projected Income and Expense for Future Years

**5. Announcements**

A. San Gorgonio Pass Regional Water Alliance, June 28, 2017

1. Regular Meeting at 5:30 pm – Banning City Hall

B. Regular Board Meeting, July 3, 2017, 7:00 pm

C. The office will be closed in observance of Independence Day, Tuesday, July 4, 2017

D. Engineering Workshop, July 10, 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 meet 1 4 / 1 9 6 .est for a disability-related modification or accommodation.

**San Geronio Pass Water Agency**  
**Check History Report**  
**May 1 through May 31, 2017**

ACCOUNTS PAYABLE

Date	Number	Name	Amount
05/01/2017	118429	AT&T MOBILITY	260.76
05/01/2017	118430	BEAUMONT-CHERRY VALLEY WATER DISTRICT	461.92
05/01/2017	118431	BDL ALARMS, INC.	78.00
05/01/2017	118432	BEST BEST & KRIEGER	20,809.32
05/01/2017	118433	SOUTHERN CALIFORNIA EDISON	108.13
05/01/2017	118434	THOMAS W. TODD, JR.	2,331.68
05/01/2017	118435	UNDERGROUND SERVICE ALERT	4.50
05/01/2017	118436	VALLEY OFFICE EQUIPMENT, INC.	170.12
05/08/2017	118437	ACWA BENEFITS	748.93
05/08/2017	118438	OFFICE SOLUTIONS	140.27
05/08/2017	118439	THE RECORD-GAZETTE	750.00
05/08/2017	118440	LEONARD C. STEPHENSON	1,121.05
05/08/2017	118441	UNLIMITED SERVICES BUILDING MAINT.	295.00
05/08/2017	118442	WASTE MANAGEMENT INLAND EMPIRE	94.80
05/13/2017	118443	CALPERS RETIREMENT	4,645.52
05/13/2017	118444	CALPERS 457-SIP	1,150.00
05/15/2017	118445	ALBERT WEBB ASSOCIATES	1,396.75
05/15/2017	118446	CONTROL TEMP, INC.	135.00
05/15/2017	118447	FRONTIER COMMUNICATIONS	1,202.98
05/15/2017	118448	INCONTACT, INC.	88.95
05/15/2017	118449	OFFICE SOLUTIONS	139.78
05/15/2017	118450	WELLS FARGO REMITTANCE CENTER	1,280.26
05/15/2017	118451	XCEL PEST CONTROL	95.00
05/22/2017	118452	CALPERS HEALTH	7,746.27
05/22/2017	118453	GOPHER PATROL	96.00
05/22/2017	118454	MATTHEW PISTILLI LANDSCAPE SERVICES	2,075.00
05/22/2017	118455	PROVOST & PRITCHARD	500.00
05/22/2017	118456	THE RECORD-GAZETTE	410.00
05/22/2017	118457	LEONARD C. STEPHENSON	433.35
05/22/2017	118458	THOMAS W. TODD, JR.	734.91
05/24/2017	118459	AT&T MOBILITY	262.36
05/24/2017	118460	DAVID L. FENN	628.54
05/24/2017	118461	STEPHEN J. LEHTONEN	416.33
05/24/2017	118462	SOUTHERN CALIFORNIA EDISON	106.62
05/29/2017	118463	CALPERS RETIREMENT	4,645.52
05/29/2017	118464	CALPERS 457-SIP	1,150.00
05/29/2017	118465	STANDARD INSURANCE COMPANY	429.90
05/13/2017	547504	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,036.37
05/13/2017	522288	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,071.07
05/29/2017	503383	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,094.23
05/29/2017	533035	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,668.18
05/31/2017	900137	DEPARTMENT OF WATER RESOURCES	790,057.00
TOTAL ACCOUNTS PAYABLE CHECKS			863,070.37

**San Gorgonio Pass Water Agency**  
**Check History Report**  
**May 1 through May 31, 2017**

PAYROLL
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<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
05/12/2017	801372	JEFFREY W. DAVIS	4,428.03
05/12/2017	801373	KENNETH M. FALLS	2,982.23
05/12/2017	801374	CHERYLE M. RASMUSSEN	2,117.51
05/12/2017	801375	THOMAS W. TODD, JR.	3,466.67
05/28/2017	801376	DAVID J. CASTALDO	2,335.80
05/28/2017	801377	JEFFREY W. DAVIS	4,428.03
05/28/2017	801378	RONALD A. DUNCAN	1,167.90
05/28/2017	801379	KENNETH M. FALLS	3,329.92
05/28/2017	801380	DAVID L. FENN	1,167.90
05/28/2017	801381	STEPHEN J. LEHTONEN	1,167.90
05/28/2017	801382	CHERYLE M. RASMUSSEN	2,117.51
05/28/2017	801383	LEONARD C. STEPHENSON	1,167.90
05/28/2017	801384	MICHAEL D. THOMPSON	1,167.90
05/28/2017	801385	THOMAS W. TODD, JR.	3,466.67
		TOTAL PAYROLL	<u>34,511.87</u>
		TOTAL DISBURSEMENTS FOR MAY, 2017	<u><u>897,582.24</u></u>



**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	170531	LEGAL SERVICES MAY17	15,297.25

TOTAL PENDING INVOICES FOR MAY 2017

15,297.25

**SAN GORGONIO PASS WATER AGENCY  
BANK RECONCILIATION  
May 31, 2017**

BALANCE PER BANK AT 05/31/2017 - CHECKING ACCOUNT 239,010.58

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118461	416.33	118464	1,150.00
118463	4,645.52	118465	429.90
	<u>5,061.85</u>		<u>1,579.90</u>

TOTAL OUTSTANDING CHECKS (6,641.75)

BALANCE PER GENERAL LEDGER 232,368.83

BALANCE PER GENERAL LEDGER AT 04/30/2017 309,692.89

CASH RECEIPTS FOR MAY 8,605,258.18

CASH DISBURSEMENTS FOR MAY

ACCOUNTS PAYABLE - CHECK HISTORY REPORT (863,070.37)

NET PAYROLL FOR MAY (34,511.87) (897,582.24)

BANK CHARGES -

TRANSFER FROM TVI 565,000.00


TRANSFER TO TVI (500,000.00)

TRANSFER TO LAIF (7,000,000.00)

TRANSFER TO WF SAVINGS (850,000.00)

BALANCE PER GENERAL LEDGER AT 04/30/2017 232,368.83

REPORT PREPARED BY:

  
 \_\_\_\_\_  
 Cheryl Rasmussen

**SAN GORGONIO PASS WATER AGENCY  
DEPOSIT RECAP  
FOR THE MONTH OF MAY 2017**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
<b>DEPOSIT TO CHECKING ACCOUNT</b>				
5/4/17	RIVERSIDE COUNTY	PROPERTY TAXES	76,444.52	76,444.52
5/5/17	YVWD	WATER SALES	15,116.28	15,116.28
5/9/17	RIVERSIDE COUNTY	PROPERTY TAXES	2,827,928.92	2,827,928.92
5/15/17	RIVERSIDE COUNTY	PROPERTY TAXES	72,111.85	72,111.85
5/15/17	RIVERSIDE COUNTY	PROPERTY TAXES	4,183.18	4,183.18
5/15/17	RIVERSIDE COUNTY	PROPERTY TAXES	764.38	764.38
5/16/17	BCVWD	WATER SALES	376,913.00	
5/16/17	YVWD	WATER SALES	22,847.46	399,760.46
5/18/17	RIVERSIDE COUNTY	PROPERTY TAXES	5,133,816.86	5,133,816.86
5/23/17	STATE OF CALIF/DWR	TSA SERVICE CREDIT	39,591.00	39,591.00
5/26/17	TVI	CD - BOND INTEREST	15,533.85	15,533.85
5/30/17	TVI	ACCRUED INTEREST MM ACCT.	20,006.88	20,006.88
	TOTAL FOR MAY 2017		8,605,258.18	8,605,258.18

**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2017**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - INCOME</b>				Compare:	8%
<b>INCOME</b>					
WATER SALES	3,993,000		3,993,000	3,725,315.80	6.70%
TAX REVENUE	2,240,000		2,240,000	2,220,754.64	0.86%
INTEREST	64,000		64,000	111,806.11	-74.70%
CAPACITY FEE	0		0	0.00	0.00%
GRANTS	0		0	0.00	0.00%
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000		69,000	45,937.24	33.42%
<b>TOTAL GENERAL FUND INCOME</b>	<b>6,366,000</b>	<b>0</b>	<b>6,366,000</b>	<b>6,103,813.79</b>	<b>4.12%</b>
<b>GENERAL FUND - EXPENSES</b>					
<b>COMMODITY PURCHASE</b>					
PURCHASED WATER	3,875,000		3,875,000	2,725,065.30	29.68%
<b>TOTAL COMMODITY PURCHASE</b>	<b>3,875,000</b>	<b>0</b>	<b>3,875,000</b>	<b>2,725,065.30</b>	<b>29.68%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>					
SALARIES	431,000		431,000	395,495.76	8.24%
PAYROLL TAXES	39,000		39,000	33,593.84	13.86%
RETIREMENT	108,000		108,000	100,339.31	7.09%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000		23,000	22,460.10	2.35%
HEALTH INSURANCE	52,000		52,000	55,228.93	-6.21%
DENTAL INSURANCE	4,500		4,500	4,290.24	4.66%
LIFE INSURANCE	1,100		1,100	1,233.90	-12.17%
DISABILITY INSURANCE	4,500		4,500	4,083.32	9.26%
WORKERS COMP INSURANCE	3,700		3,700	2,611.88	29.41%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	5,648.52	43.51%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>677,800</b>	<b>0</b>	<b>677,800</b>	<b>624,985.80</b>	<b>7.79%</b>

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**SAN GORGONIO PASS WATER AGENCY  
BUDGET REPORT FY 2016-17  
BUDGET VS. REVISED BUDGET VS. ACTUAL  
FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2017**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					0.08
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>					
<b>DIRECTOR EXPENDITURES</b>					
DIRECTORS FEES	105,000		105,000	90,939.01	13.39%
DIRECTORS TRAVEL & EDUCATION	20,000		20,000	4,583.28	77.08%
DIRECTORS MISC. MEDICAL	32,000		32,000	15,354.89	52.02%
<b>OFFICE EXPENDITURES</b>					
OFFICE EXPENSE	18,000		18,000	19,331.87	-7.40%
POSTAGE	1,000		1,000	530.05	47.00%
TELEPHONE	10,000		10,000	9,630.30	3.70%
UTILITIES	5,000		5,000	4,104.71	17.91%
<b>SERVICE EXPENDITURES</b>					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	3,341.93	62.87%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	19,390.10	3.05%
INSURANCE & BONDS	23,000		23,000	22,108.00	3.88%
ACCOUNTING & AUDITING	22,000		22,000	21,301.17	3.18%
STATE WATER CONTRACT AUDIT	5,000		5,000	5,012.00	-0.24%
DUES & ASSESSMENTS	29,000		29,000	29,902.50	-3.11%
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	1,142.78	28.58%
MISCELLANEOUS EXPENSES	1,000		1,000	6.78	99.32%
<b>MAINTENANCE &amp; EQUIPMENT EXPENDITURES</b>					
TOOLS PURCHASE & MAINTENANCE	3,500		3,500	28.38	99.19%
VEHICLE REPAIR & MAINTENANCE	9,000		9,000	5,872.70	34.75%
MAINTENANCE & REPAIRS - BUILDING	11,000		11,000	13,397.61	-21.80%
MAINTENANCE & REPAIRS - FIELD	6,500		6,500	4,592.27	29.35%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	65,837.80	56.11%
<b>COUNTY EXPENDITURES</b>					
LAFCO COST SHARE	5,000		5,000	4,440.49	11.19%
ELECTION EXPENSE	175,000		175,000	61,600.00	64.80%
TAX COLLECTION CHARGES	9,500		9,500	11,289.73	-18.84%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>679,750</b>	<b>0</b>	<b>679,750</b>	<b>415,388.35</b>	<b>38.89%</b>

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**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2017**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					0.08
<b>GENERAL ENGINEERING</b>					
RECHARGE					
B.A.R.F. DESIGN + CONSTRUCTION			CAPITAL EXPENDITURE		
B.A.R.F. ENVIRONMENTAL MITIGATION			CAPITAL EXPENDITURE		
FERC/FLUME					
FLUME SUPPORT	40,000		40,000	33,419.58	16.45%
NEW WATER					
PROGRAMATIC EIR	75,000		75,000	0.00	100.00%
UPDATED STUDY ON AVAILABLE SOURCES	45,000		45,000	22,161.45	50.75%
SITES RESERVOIR	300,000		300,000	360,677.00	-20.23%
BCVWD CONNECTION					
ENGINEERING	30,000		30,000	5,200.00	82.67%
CEQA	15,000		15,000	1,147.60	92.35%
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	115,640.01	-15.64%
WATER RATE NEXUS STUDY	50,000		50,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	30,000		30,000	6,887.50	77.04%
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	43,149.28	-331.49%
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	37,262.78	-6.47%
<b>TOTAL GENERAL ENGINEERING</b>	<b>791,000</b>	<b>0</b>	<b>791,000</b>	<b>645,725.20</b>	<b>18.37%</b>

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**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2017**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>GENERAL FUND - EXPENSES</b>					0.08
<b>LEGAL SERVICES</b>					
LEGAL SERVICES - GENERAL	175,000		175,000	196,303.81	-12.17%
<b>TOTAL LEGAL SERVICES</b>	175,000	0	175,000	196,303.81	-12.17%
<b>CONSERVATION &amp; EDUCATION</b>					
SCHOOL EDUCATION PROGRAMS	10,000		10,000	5,000.00	50.00%
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%
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	35,000	15,000	50,000	26,263.87	47.47%
<b>GENERAL FUND CAPITAL EXPENDITURES</b>					
BUILDING	15,000		15,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	5,000		5,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	0.00%
TRANSPORTATION EQUIPMENT	37,000		37,000	0.00	100.00%
MT. VIEW TURNOUT + B.A.R.F. CONSTRUCTION	0		0	31,228.01	
SBVMWD PIPELINE CAPACITY PURCHASE	330,000		330,000	0.00	100.00%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	387,000	0	387,000	31,228.01	91.93%
<b>TRANSFERS TO OTHER FUNDS</b>	0	0	0	0.00	
<b>TOTAL GENERAL FUND EXPENSES</b>	6,620,550	15,000	6,635,550	4,664,960.34	29.70%
<b>TRANSFERS FROM RESERVES</b>	300,000		300,000		
<b>TOTAL TRANSFERS FROM RESERVES</b>	300,000	0	300,000	0	
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	45,450	-15,000	30,450	1,438,853.45	

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**SAN GORGONIO PASS WATER AGENCY**  
**BUDGET REPORT FY 2016-17**  
**BUDGET VS. REVISED BUDGET VS. ACTUAL**  
**FOR THE ELEVEN MONTHS ENDING ON MAY 31, 2017**

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

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
<b>DEBT SERVICE FUND - INCOME</b>					0.08
<b>INCOME</b>					
TAX REVENUE	19,350,000		19,350,000	20,399,720.78	-5.42%
INTEREST	170,000		170,000	292,623.82	-72.13%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	3,170,000		3,170,000	3,283,084.66	-3.57%
<b>TOTAL DEBT SERVICE FUND INCOME</b>	<b>22,690,000</b>	<b>0</b>	<b>22,690,000</b>	<b>23,975,429.26</b>	<b>-5.67%</b>
<b>DEBT SERVICE FUND - EXPENSES</b>					
<b>EXPENSES</b>					
SALARIES	52,000		52,000	49,561.74	4.69%
PAYROLL TAXES	4,000		4,000	3,791.39	5.22%
BENEFITS	28,000		28,000	25,480.97	9.00%
SWC CONTRACTOR DUES	33,000		33,000	40,558.00	-22.90%
STATE WATER CONTRACT PAYMENTS	18,600,000		18,600,000	18,055,980.00	2.92%
PURCHASED WATER	5,000		5,000	543.00	89.14%
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	86,436.92	27.97%
SWP ENGINEERING	30,000		30,000	93,717.31	-212.39%
DEBT SERVICE UTILITIES	10,000		10,000	9,233.22	7.67%
TAX COLLECTION CHARGES	60,000		60,000	64,002.11	-6.67%
<b>TOTAL DEBT SERVICE FUND EXPENSES</b>	<b>18,942,000</b>	<b>0</b>	<b>18,942,000</b>	<b>18,429,304.66</b>	<b>2.71%</b>
<b>TRANSFERS FROM RESERVES</b>			0	0.00	
<b>DEBT SERVICE NET INCOME YEAR TO DATE</b>	<b>3,748,000</b>	<b>0</b>	<b>3,748,000</b>	<b>5,546,124.60</b>	

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**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL BUDGET	ACTUAL APRIL 2017	EST. ACTUAL AT JUNE 30	REMAINING % ACTUAL OF BUDGET	PROPOSED BUDGET FY 2017-18	% PROPOSED BUDGET TO EST. ACTUAL
	FY 2016-17					
<b>GENERAL FUND - INCOME</b>						
<b>INCOME</b>						
WATER SALES	3,993,000	3,310,439.06	4,500,000.00	-12.70%	5,500,000	22.22%
TAX REVENUE	2,240,000	1,568,390.08	2,275,000.00	-1.56%	2,350,000	3.30%
INTEREST	64,000	89,574.63	107,489.56	-67.95%	110,000	2.34%
DESIGNATED REVENUES	0	0.00	0.00	0.00%	0	--
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000	45,937.24	68,397.34	0.87%	456,000	566.69%
<b>TOTAL GENERAL FUND INCOME</b>	<b>6,366,000</b>	<b>5,014,341.01</b>	<b>6,950,886.90</b>	<b>21.23%</b>	<b>8,416,000</b>	<b>21.08%</b>
<b>GENERAL FUND - EXPENSES</b>						
<b>COMMODITY PURCHASE</b>						
CHASED WATER	3,875,000	2,364,885.30	3,500,000.00	9.68%	6,230,000	78.00%
<b>TOTAL COMMODITY PURCHASE</b>	<b>3,875,000</b>	<b>2,364,885.30</b>	<b>3,500,000.00</b>	<b>38.97%</b>	<b>6,230,000</b>	<b>78.00%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>						
SALARIES	431,000	359,071.64	430,885.97	16.69%	454,000	5.36%
PAYROLL TAXES	39,000	30,130.48	36,156.58	22.74%	38,000	5.10%
RETIREMENT	108,000	93,183.69	111,820.43	13.72%	123,000	10.00%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000	20,593.72	22,460.00	10.46%	25,000	11.31%
HEALTH INSURANCE	52,000	50,277.73	55,247.82	3.31%	61,000	10.41%
DENTAL INSURANCE	4,500	3,932.72	4,291.24	12.61%	4,500	4.86%
LIFE INSURANCE	1,100	1,132.14	1,234.00	-2.92%	1,300	5.35%
DISABILITY INSURANCE	4,500	3,704.51	4,445.41	17.68%	4,700	5.73%
WORKERS COMP INSURANCE	3,700	2,611.88	3,264.85	29.41%	3,400	4.14%
SGPWA STAFF MISC. MEDICAL	10,000	5,306.40	6,367.68	46.94%	10,000	57.04%
EMPLOYEE EDUCATION	1,000	0.00	0.00	100.00%	1,000	0.00%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>677,800</b>	<b>569,944.91</b>	<b>676,173.97</b>	<b>15.91%</b>	<b>725,900</b>	<b>7.35%</b>

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL	ACTUAL	EST.	REMAINING	PROPOSED	% PROPOSED
	BUDGET	APRIL 2017	ACTUAL	% ACTUAL	BUDGET	BUDGET
	FY 2016-17		AT JUNE 30	OF BUDGET	FY 2017-18	TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>						
<b>DIRECTOR EXPENDITURES</b>						
DIRECTORS FEES	105,000	82,086.46	98,503.75	21.82%	108,000	9.64%
DIRECTORS TRAVEL & EDUCATION	20,000	4,346.60	5,215.92	78.27%	15,000	187.58%
DIRECTORS MISC. MEDICAL	32,000	13,188.97	15,826.76	58.78%	23,000	45.32%
<b>OFFICE EXPENDITURES</b>						
OFFICE EXPENSE	18,000	17,543.47	21,052.16	2.54%	24,000	14.00%
POSTAGE	1,000	530.05	636.06	47.00%	650	2.19%
TELEPHONE	10,000	8,488.94	10,186.73	15.11%	11,000	7.98%
UTILITIES	5,000	4,001.77	4,802.12	19.96%	5,000	4.12%
<b>SELF SERVICE EXPENDITURES</b>						
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000	3,341.93	4,010.32	62.87%	10,000	149.36%
GENERAL MANAGER & STAFF TRAVEL	20,000	16,059.44	19,271.33	19.70%	22,000	14.16%
INSURANCE & BONDS	23,000	22,108.00	22,108.00	3.88%	23,000	4.03%
ACCOUNTING & AUDITING	22,000	21,301.17	21,301.17	3.18%	21,000	-1.41%
STATE WATER CONTRACT AUDIT	5,000	5,012.00	5,012.00	-0.24%	5,500	9.74%
DUES & ASSESSMENTS	29,000	29,902.50	30,000.00	-3.11%	31,500	5.00%
OUTSIDE PROFESSIONAL SERVICES	650	650.00	650.00	0.00%	2,000	207.69%
BANK CHARGES	1,600	1,142.78	1,371.34	28.58%	1,500	9.38%
MISCELLANEOUS EXPENSES	1,000	6.78	0.00	99.32%	500	0.00%
<b>MAINTENANCE &amp; EQUIPMENT EXPENDITURES</b>						
TOOLS PURCHASE & MAINTENANCE	3,500	28.38	34.06	99.19%	1,000	2836.34%
VEHICLE REPAIR & MAINTENANCE	9,000	5,229.06	6,274.87	41.90%	7,000	11.56%
MAINTENANCE & REPAIRS - BUILDING	11,000	12,356.81	14,828.17	-12.33%	15,000	1.16%
MAINTENANCE & REPAIRS - FIELD	6,500	2,837.77	3,405.32	56.34%	4,500	32.15%
CONTRACT OPERATIONS AND MAINTENANCE	150,000	65,837.80	150,000.00	56.11%	150,000	0.00%
<b>COUNTY EXPENDITURES</b>						
LAFCO COST SHARE	5,000	4,440.49	4,440.49	11.19%	5,000	12.60%
ELECTION EXPENSE	175,000	0.00	0.00	100.00%	0	0.00%
TAX COLLECTION CHARGES	9,500	8,267.85	9,921.42	12.97%	10,500	5.83%
<b>TOTAL ADMINISTRATIVE &amp; PROFESSIONAL</b>	<b>671,750</b>	<b>328,709.02</b>	<b>448,852.00</b>	<b>51.07%</b>	<b>496,650</b>	<b>10.65%</b>

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL	ACTUAL	EST.	REMAINING	PROPOSED	% PROPOSED
	BUDGET	APRIL 2017	ACTUAL	% ACTUAL	BUDGET	BUDGET
	FY 2016-17		AT JUNE 30	OF BUDGET	FY 2017-18	TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>GENERAL ENGINEERING</b>						
GRANT WRITER - <i>NEW</i>					10,000	--
<b>NEW WATER</b>						
PROGRAMATIC EIR	75,000	0.00	0.00	100.00%	50,000	--
UPDATED STUDY ON AVAILABLE SOURCES	45,000	21,661.45	25,993.74	51.86%	5,000	-80.76%
SGMA SUPPORT	15,000	0.00	0.00	100.00%	10,000	--
<b>STUDIES</b>						
USGS	100,000	104,142.72	124,971.26	-4.14%	100,000	-19.98%
WATER RATE NEXUS STUDY	50,000	0.00	0.00	100.00%	40,000	--
WATER RATE FINANCIAL MODELING	30,000	6,887.50	8,265.00	77.04%	20,000	141.98%
CITY FEE NEXUS STUDY UPDATE	0	0.00	0.00	0.00%	5,000	--
MODELING RATE STUDY - <i>NEW</i>					20,000	--
<b>OTHER PROJECTS</b>						
E. COIN MONITORING TASK FORCE	21,000	20,180.00	20,180.00	3.90%	22,000	9.02%
GENERAL AGENCY - CEQA AND GIS SERVICES	35,000	35,969.03	38,000.00	-2.77%	15,000	-60.53%
<b>TOTAL GENERAL ENGINEERING</b>	<b>371,000</b>	<b>188,840.70</b>	<b>217,410.00</b>	<b>49.10%</b>	<b>287,000</b>	<b>32.01%</b>
<b>LEGAL SERVICES</b>						
LEGAL SERVICES - GENERAL	175,000	177,879.36	213,455.23	-1.65%	175,000	-18.02%
<b>TOTAL LEGAL SERVICES</b>	<b>175,000</b>	<b>177,879.36</b>	<b>213,455.23</b>	<b>-1.65%</b>	<b>175,000</b>	<b>-18.02%</b>
<b>CONSERVATION &amp; EDUCATION</b>						
SCHOOL EDUCATION PROGRAMS	10,000	5,000.00	14,000.00	50.00%	14,000	0.00%
ADULT EDUCATION PROGRAMS	5,000	0.00	0.00	100.00%	5,000	0.00%
OTHER CONSERVATION, EDUCATION AND P. R.	35,000	21,263.87	22,000.00	39.25%	35,000	
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	<b>50,000</b>	<b>26,263.87</b>	<b>36,000.00</b>	<b>47.47%</b>	<b>54,000</b>	

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL BUDGET FY 2016-17	ACTUAL APRIL 2017	EST. ACTUAL AT JUNE 30	REMAINING % ACTUAL OF BUDGET	PROPOSED BUDGET FY 2017-18	% PROPOSED BUDGET TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>GENERAL FUND CAPITAL EXPENDITURES</b>						
<b>BUILDING &amp; EQUIPMENT</b>						
BUILDING	15,000	0.00	0.00	100.00%	10,000	0.00%
FURNITURE & OFFICE EQUIPMENT	5,000	0.00	0.00	100.00%	10,000	0.00%
OTHER EQUIPMENT	0	0.00	0.00	0.00%	0	0.00%
TRANSPORTATION EQUIPMENT	37,000	0.00	0.00	100.00%	37,000	0.00%
<b>FIESTA RECHARGE FACILITY</b>						
POST DESIGN			0.00		250,000	--
CONSTRUCTION			0.00		2,500,000	--
FINISHING			0.00		120,000	--
IRIGATION			0.00		15,000	--
LANDSCAPING/POWER/WATER			0.00		-	--
BULL HILL CONJUNCTIVE USE PROJECT			0.00		-	--
<b>BUENA VISTA TURNOUT EXPANSION</b>						
DESIGN			0.00		35,000	--
CONSTRUCTION			0.00		162,000	--
POST DESIGN			0.00		30,000	--
SITES RESERVOIR	300,000	360,677.00	360,677.00	-20.23%	270,000	-25.14%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	357,000	360,677.00	360,677.00	-1.03%	3,439,000	853.48%
<b>TRANSFERS TO OTHER FUNDS</b>	0	0.00	0.00		0	
<b>TOTAL GENERAL FUND EXPENSES</b>	6,177,550	4,017,200.16	5,452,568.21	34.97%	11,407,550.00	109.21%
<b>WITHDRAWALS FROM RESERVES</b>	300,000	0	300,000		3,382,000	
<b>TOTAL WITHDRAWALS FROM RESERVES</b>	300,000	0	300,000		3,382,000	
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	488,450	997,140.85	1,798,318.69	-0.14	390,450	

## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** General Fund Budget Fiscal Year 2017-2018

**DATE:** July 10, 2017

### **Summary:**

The proposed General Fund budget for 2017-2018 has been discussed at the Finance and Budget workshops in both May and June. The purpose of this proposed Board action is to formally adopt the 2017-2018 General Fund budget.

### **Background:**

The primary differences in the Agency's General Fund budget from year to year is the amount of water purchased, which depends on how much water is available from the State Water Project, and whether the Board decides to spend money on capital expenditures. To some extent, engineering studies or other studies also play a role in the budget, though not typically to a large extent.

This year's (2017-2018) proposed budget is larger than in previous years, primarily because it is a wetter year and there is more water available to purchase and deliver, and because of the plan to construct a proposed recharge facility. These are by far the largest items in the Agency's proposed general fund budget (over \$9 million of the \$11.4 million budget). The proposed revenues and expenditures are detailed in the detailed budget and the pie charts included in the agenda package.

### **Detailed Report:**

General Fund tax revenues are expected to increase slightly this year, by about 3%, to \$2.35 million. Property taxes and water sales revenue comprise 93% of projected revenue for the general fund. After purchase of water and capital expenditures, the largest category of expense is salaries and benefits, at 6% of expenditures. Most engineering costs will be primarily related to construction of the

recharge facility, and thus are included under capital expenditures. Engineering costs for non-capital expenditures will be reduced this year (just 3% of expenditures).

Salaries and Benefits and Administrative and Professional expenses combined comprise 10% of the proposed budget. Expenditures in these categories remain relatively unchanged from last year, with the exception of election costs. Proposed expenditures for Legal Services are expected to be higher than last year, primarily due to expected expenses related to new agreements required for the procurement of additional water supplies.

In addition to the recharge facility, proposed capital expenditures include a new vehicle and the cost of an enlarged Noble connection to the East Branch Extension. Costs related to the latter will be reimbursed by the Beaumont Cherry Valley Water District.

Total proposed expenditures are \$11.43755 million. Total revenues, including transfers from reserves, are \$11.571 million. The budget, as proposed, is balanced, with a net balance of \$133,450.

The budget does not include a revenue source to purchase 1700 AF of Nickel water. It is anticipated that the Board will hold a workshop in July to discuss this and, after making a decision, will revise the budget to account for this. This is approximately \$1.7 million.

**Fiscal Impact:**

The budget as proposed includes the use of \$3.155 million in reserves to construct the recharge facility and invest in Sites Reservoir. The Agency currently has this in its reserves.

**Recommendation:**

Staff recommends that the Board approve the proposed general fund budget of \$11.43755 million, including withdrawal of \$3.155 million from reserves, work to determine how best to fund the Nickel water, and eventually revise the budget to reflect that decision.

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL	ACTUAL	EST.	REMAINING	PROPOSED	% PROPOSED
	BUDGET	APRIL 2017	ACTUAL	% ACTUAL	BUDGET	BUDGET
	FY 2016-17		AT JUNE 30	OF BUDGET	FY 2017-18	TO EST. ACTUAL
<b>GENERAL FUND - INCOME</b>						
<b>INCOME</b>						
WATER SALES	3,993,000	3,310,439.06	4,500,000.00	-12.70%	5,500,000	22.22%
TAX REVENUE	2,240,000	1,568,390.08	2,275,000.00	-1.56%	2,350,000	3.30%
INTEREST	64,000	89,574.63	107,489.56	-67.95%	110,000	2.34%
DESIGNATED REVENUES	0	0.00	0.00	0.00%	0	--
OTHER (REIMBURSEMENTS, TRANSFERS)	69,000	45,937.24	68,397.34	0.87%	456,000	566.69%
<b>TOTAL GENERAL FUND INCOME</b>	<b>6,366,000</b>	<b>5,014,341.01</b>	<b>6,950,886.90</b>	<b>21.23%</b>	<b>8,416,000</b>	<b>21.08%</b>
<b>GENERAL FUND - EXPENSES</b>						
<b>COMMODITY PURCHASE</b>						
PLUMBER BASED WATER	3,875,000	2,364,885.30	3,500,000.00	9.68%	6,230,000	78.00%
<b>TOTAL COMMODITY PURCHASE</b>	<b>3,875,000</b>	<b>2,364,885.30</b>	<b>3,500,000.00</b>	<b>38.97%</b>	<b>6,230,000</b>	<b>78.00%</b>
<b>SALARIES AND EMPLOYEE BENEFITS</b>						
SALARIES	431,000	359,071.64	430,885.97	16.69%	454,000	5.36%
PAYROLL TAXES	39,000	30,130.48	36,156.58	22.74%	38,000	5.10%
RETIREMENT	108,000	93,183.69	111,820.43	13.72%	123,000	10.00%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	23,000	20,593.72	22,460.00	10.46%	25,000	11.31%
HEALTH INSURANCE	52,000	50,277.73	55,247.82	3.31%	61,000	10.41%
DENTAL INSURANCE	4,500	3,932.72	4,291.24	12.61%	4,500	4.86%
LIFE INSURANCE	1,100	1,132.14	1,234.00	-2.92%	1,300	5.35%
DISABILITY INSURANCE	4,500	3,704.51	4,445.41	17.68%	4,700	5.73%
WORKERS COMP INSURANCE	3,700	2,611.88	3,264.85	29.41%	3,400	4.14%
SGPWA STAFF MISC. MEDICAL	10,000	5,306.40	6,367.68	46.94%	10,000	57.04%
EMPLOYEE EDUCATION	1,000	0.00	0.00	100.00%	1,000	0.00%
<b>TOTAL SALARIES AND EMPLOYEE BENEFITS</b>	<b>677,800</b>	<b>569,944.91</b>	<b>676,173.97</b>	<b>15.91%</b>	<b>725,900</b>	<b>7.35%</b>

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL	ACTUAL	EST.	REMAINING	PROPOSED	% PROPOSED
	BUDGET	APRIL 2017	ACTUAL	% ACTUAL	BUDGET	BUDGET
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<b>ADMINISTRATIVE &amp; PROFESSIONAL</b>						
<b>DIRECTOR EXPENDITURES</b>						
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UTILITIES	5,000	4,001.77	4,802.12	19.96%	5,000	4.12%
<b>SERVICE EXPENDITURES</b>						
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000	3,341.93	4,010.32	62.87%	10,000	149.36%
GENERAL MANAGER & STAFF TRAVEL	20,000	16,059.44	19,271.33	19.70%	22,000	14.16%
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MISCELLANEOUS EXPENSES	1,000	6.78	0.00	99.32%	500	0.00%
<b>MAINTENANCE &amp; EQUIPMENT EXPENDITURES</b>						
TOOLS PURCHASE & MAINTENANCE	3,500	28.38	34.06	99.19%	1,000	2836.34%
VEHICLE REPAIR & MAINTENANCE	9,000	5,229.06	6,274.87	41.90%	7,000	11.56%
MAINTENANCE & REPAIRS - BUILDING	11,000	12,356.81	14,828.17	-12.33%	15,000	1.16%
MAINTENANCE & REPAIRS - FIELD	6,500	2,837.77	3,405.32	56.34%	4,500	32.15%
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<b>COUNTY EXPENDITURES</b>						
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TAX COLLECTION CHARGES	9,500	8,267.85	9,921.42	12.97%	10,500	5.83%
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**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

	1	2	3	4	5	6
	TOTAL	ACTUAL	EST.	REMAINING	PROPOSED	% PROPOSED
	BUDGET	APRIL 2017	ACTUAL	% ACTUAL	BUDGET	BUDGET
	FY 2016-17		AT JUNE 30	OF BUDGET	FY 2017-18	TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>GENERAL ENGINEERING</b>						
GRANT WRITER - <i>NEW</i>					10,000	--
<b>NEW WATER</b>						
PROGRAMATIC EIR	75,000	0.00	0.00	100.00%	50,000	--
UPDATED STUDY ON AVAILABLE SOURCES	45,000	21,661.45	25,993.74	51.86%	5,000	-80.76%
SGMA SUPPORT	15,000	0.00	0.00	100.00%	10,000	--
<b>STUDIES</b>						
USGS	100,000	104,142.72	124,971.26	-4.14%	100,000	-19.98%
WATER RATE NEXUS STUDY	50,000	0.00	0.00	100.00%	40,000	--
WATER RATE FINANCIAL MODELING	30,000	6,887.50	8,265.00	77.04%	20,000	141.98%
CITY FEE NEXUS STUDY UPDATE	0	0.00	0.00	0.00%	10,000	--
WATER RATING RATE STUDY - <i>NEW</i>					20,000	--
<b>OTHER PROJECTS</b>						
BROWN MONITORING TASK FORCE	21,000	20,180.00	20,180.00	3.90%	22,000	9.02%
GENERAL AGENCY - CEQA AND GIS SERVICES	35,000	35,969.03	38,000.00	-2.77%	15,000	-60.53%
<b>TOTAL GENERAL ENGINEERING</b>	<b>371,000</b>	<b>188,840.70</b>	<b>217,410.00</b>	<b>49.10%</b>	<b>292,000</b>	<b>34.31%</b>
<b>LEGAL SERVICES</b>						
LEGAL SERVICES - GENERAL	175,000	177,879.36	213,455.23	-1.65%	200,000	-6.30%
<b>TOTAL LEGAL SERVICES</b>	<b>175,000</b>	<b>177,879.36</b>	<b>213,455.23</b>	<b>-1.65%</b>	<b>200,000</b>	<b>-6.30%</b>
<b>CONSERVATION &amp; EDUCATION</b>						
SCHOOL EDUCATION PROGRAMS	10,000	5,000.00	14,000.00	50.00%	14,000	0.00%
ADULT EDUCATION PROGRAMS	5,000	0.00	0.00	100.00%	5,000	0.00%
OTHER CONSERVATION, EDUCATION AND P. R.	35,000	21,263.87	22,000.00	39.25%	35,000	
<b>TOTAL CONSERVATION &amp; EDUCATION</b>	<b>50,000</b>	<b>26,263.87</b>	<b>36,000.00</b>	<b>47.47%</b>	<b>54,000</b>	

**SAN GORGONIO PASS WATER AGENCY**

**GENERAL FUND BUDGET FY 2017-18**

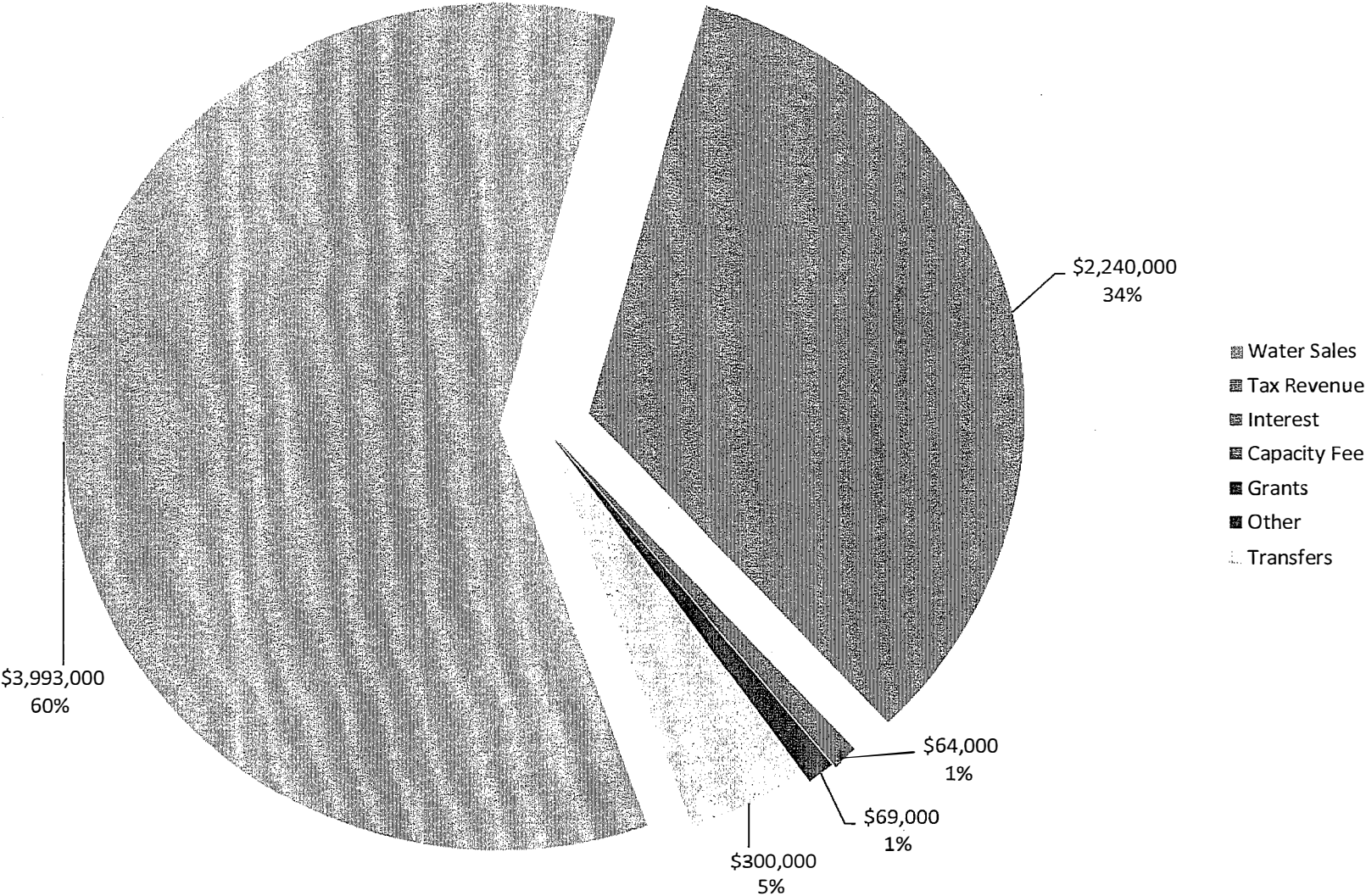
**ESTIMATED TOTAL EXPENSES FY 2016-17 vs. PROPOSED BUDGET FY 2017-18**

**APPROVED: GENERAL FUND (date) - DEBT SERVICE FUND (date)**

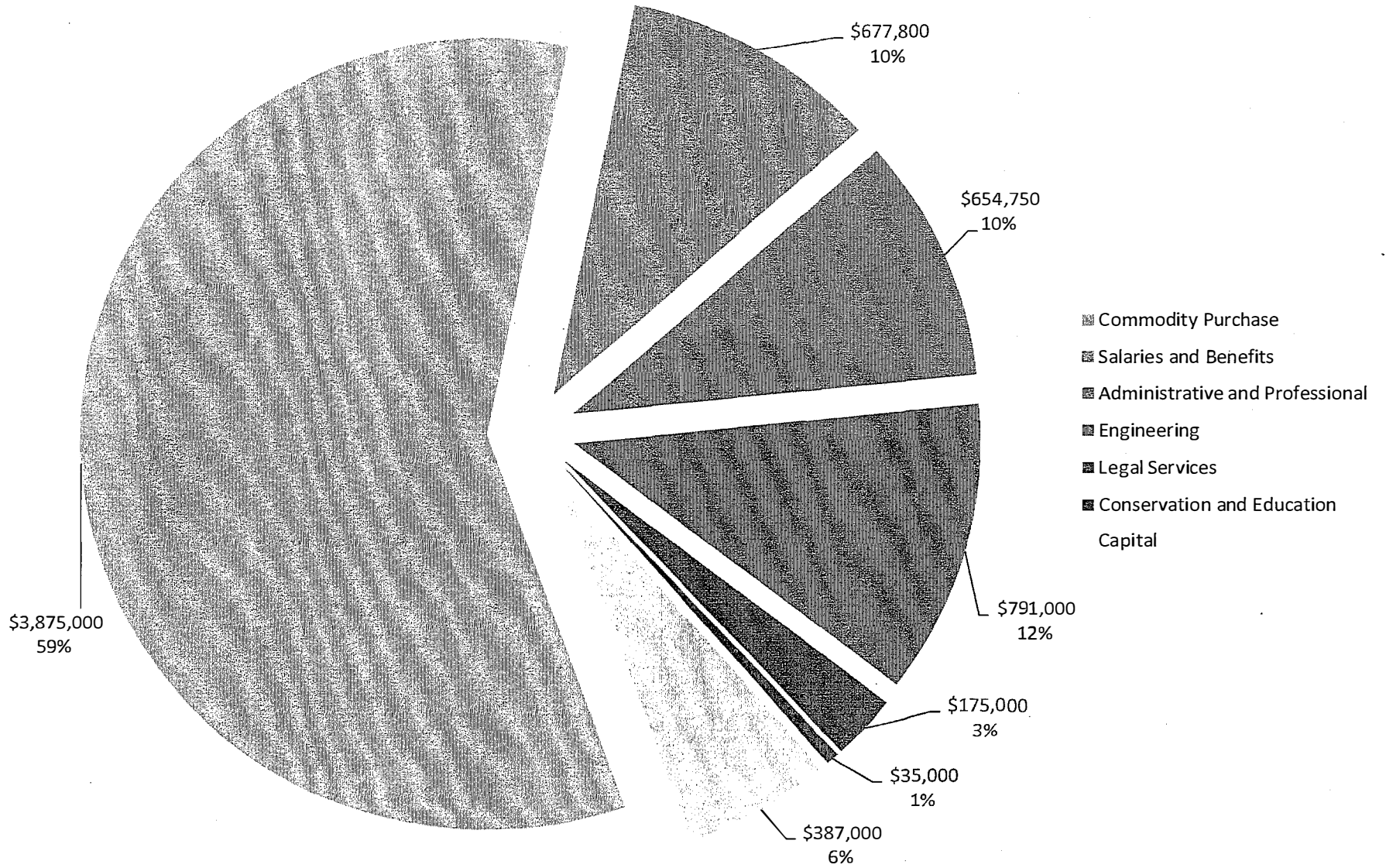
	1	2	3	4	5	6
	TOTAL BUDGET FY 2016-17	ACTUAL APRIL 2017	EST. ACTUAL AT JUNE 30	REMAINING % ACTUAL OF BUDGET	PROPOSED BUDGET FY 2017-18	% PROPOSED BUDGET TO EST. ACTUAL
<b>GENERAL FUND - EXPENSES</b>						
<b>GENERAL FUND CAPITAL EXPENDITURES</b>						
<b>BUILDING &amp; EQUIPMENT</b>						
BUILDING	15,000	0.00	0.00	100.00%	10,000	0.00%
FURNITURE & OFFICE EQUIPMENT	5,000	0.00	0.00	100.00%	10,000	0.00%
OTHER EQUIPMENT	0	0.00	0.00	0.00%	0	0.00%
TRANSPORTATION EQUIPMENT	37,000	0.00	0.00	100.00%	37,000	0.00%
<b>FIESTA RECHARGE FACILITY</b>						
POST DESIGN			0.00		250,000	--
CONSTRUCTION			0.00		2,500,000	--
FEASIBILITY			0.00		120,000	--
MITIGATION			0.00		15,000	--
LANDSCAPING/POWER/WATER			0.00		-	--
<b>BUNYON HILL CONJUNCTIVE USE PROJECT</b>			0.00		-	--
<b>BCV TURNOUT EXPANSION</b>						
DESIGN			0.00		35,000	--
CONSTRUCTION			0.00		162,000	--
POST DESIGN			0.00		30,000	--
<b>SITES RESERVOIR</b>	300,000	360,677.00	360,677.00	-20.23%	270,000	-25.14%
<b>TOTAL GENERAL FUND CAPITAL EXPENDITURES</b>	357,000	360,677.00	360,677.00	-1.03%	3,439,000	853.48%
<b>TRANSFERS TO OTHER FUNDS</b>	0	0.00	0.00		0	
<b>TOTAL GENERAL FUND EXPENSES</b>	6,177,550	4,017,200.16	5,452,568.21	34.97%	11,437,550.00	109.76%
<b>WITHDRAWALS FROM RESERVES</b>	300,000	0	300,000		3,155,000	
<b>TOTAL WITHDRAWALS FROM RESERVES</b>	300,000	0	300,000		3,155,000	
<b>GENERAL FUND NET INCOME YEAR TO DATE</b>	488,450	997,140.85	1,798,318.69	-0.14	133,450	

# Proposed General Fund Sources of Revenue FY 2016-17

35 / 196



# Proposed General Fund Expenditures FY 2016-17



## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** Addendum to EIR for Beaumont Avenue Recharge Facility Project to Cover Grading Plan for Orchard Avenue Service Connection Facility Property

**DATE:** July 10, 2017

### **Summary:**

At the June 5 Board meeting, the Board directed staff to complete all tasks necessary to evaluate proposed modifications to the Beaumont Avenue Recharge Facility Project (“BARF Project”). Based on that direction, Agency staff worked with a consulting firm to analyze the potential impacts associated with a proposed grading project at the BARF Project site pursuant to the California Environmental Quality Act (“CEQA”). In working with the consulting firm, staff determined that an Addendum to the previously certified Environmental Impact Report (EIR) (SCH#2012111033) would be appropriate. The purpose of this proposed Board action is to provide the necessary information to the Board to determine if it wishes to approve the Addendum by resolution.

### **Background:**

The Board certified the EIR for the BARF Project pursuant to CEQA (Pub. Resources Code, §§ 21000 et seq.) and the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15000 et seq.) via resolution on October 21, 2013. The BARF Project encompasses a Recharge Facility site, a Service Connection Site, and a pipeline that connects the two sites. The Recharge Facility has yet to be constructed, but will be located in a vacant parcel at the southwest corner of Beaumont Avenue and Brookside Avenue. The Service Connection site is located on an Agency-owned vacant parcel at the southwest corner of Orchard Street and Mountain View Avenue. The pipeline was installed by the Agency in 2014, and extends from the Recharge Facility site to the Service Connection site.

Since that time, there has been a minor change associated with the Project. Staff now proposes a minor modification to the Project that will allow the Agency to transport excavated soil from the Recharge Facility site to the Project's Service Connection site ("Grading Project").

Because the change is a minor one, staff contracted with Albert A. Webb & Associates to draft Addendum No. 1, included in the agenda package, for consideration by the Board. No public hearing is required in order to adopt the Addendum.

The Service Connection site was purchased by the Agency a number of years ago with the specific intent of constructing a service connection on the property. The 3-1/2 acre parcel lies directly north of a number of homes that are considerably lower than the property itself. Staff has performed some grading on the property to prevent stormwater runoff from running onto the adjacent properties and causing damage. However, the grading was not based on a grading plan certified by a professional engineer. Staff feels that, in order to protect the Agency against any future claims from neighboring residents, the Grading Project should be performed based on an official grading plan. As part of the design of the Mountain View turnout, the consultant designed such a grading plan. While the grading does not have to be performed in conjunction with the construction of the Recharge Facility, it will be more efficient and cheaper to do so, as the imported material will come from the excavation of the recharge site. The contractor will already have the necessary equipment on-site, so performing the grading as part of the recharge facility construction makes financial sense.

### **Detailed Report:**

State CEQA Guidelines §15162 limits the circumstances under which additional CEQA review is required, where – as here – an EIR has been previously prepared for a Project. Here, staff contracted with Albert A. Webb & Associates to determine whether a subsequent EIR or some other CEQA analysis was required. Based on that review, staff has determined that preparation of a subsequent EIR or

negative declaration is not required pursuant to CEQA. Accordingly, Agency staff has worked with its consultants to prepare an Addendum to the previously certified EIR for the proposed Grading Project in accordance with CEQA. The Addendum, in conjunction with the previously certified EIR, fully identifies and discloses all potentially significant impacts associated with the Grading Project. As evaluated in the Addendum and its supporting analysis, mitigation measures that were previously identified in the EIR would continue to ensure that potential impacts of the Grading Project are reduced to less than significant levels.

The grading of the Service Connection site requires the importation of approximately 1630 cubic yards of material. This material will be trucked from the recharge facility site to the service connection site (approximately 1.5 miles). This will involve approximately 200 truckloads over the course of approximately one week during a 90-day construction period.

In order to prepare the Addendum, Webb performed air quality modeling related to dust and greenhouse gas emissions. The results, as summarized in the Addendum, indicate that the mitigation measures proposed in the EIR will be sufficient to mitigate any potentially significant environmental impacts and that there will be no significant impacts of the Grading Project. Further, the Grading Project will protect neighboring residents against any potential damage due to stormwater runoff from the Service Connection site, and protect the Agency against any potential actions resulting from such potential damage.

**Fiscal Impact:**

If approved, Staff will include the Grading Project as a separate bid item in the bid package for the construction. If the cost of performing the work is exorbitant, the Agency will have the option of deleting the bid item, and thus there would be no fiscal impact other than the design work and Addendum, already prepared by consultants. It is anticipated that the grading will be an insignificant percentage of the overall construction cost, and thus will have a negligible fiscal impact on the Agency. As mentioned above, it would also protect the Agency against potential claims in the long run.

**Recommendation:**

Staff recommends that the Board adopt Resolution 2017-11 approving and adopting Addendum No. 1 to the Beaumont Avenue Recharge Facility Final EIR and approving the Grading Project. Staff further recommends that the Board direct staff to file a Notice of Determination with the Riverside County Clerk.



**RESOLUTION NO. 2017-11**

**RESOLUTION OF SAN GORGONIO PASS WATER AGENCY ADOPTING AN ADDENDUM TO THE PREVIOUSLY CERTIFIED ENVIRONMENTAL IMPACT REPORT (SCH#2012111033) FOR THE BEAUMONT AVENUE RECHARGE FACILITY AND PIPELINE PROJECT AND APPROVING A MINOR GRADING PROJECT**

**WHEREAS**, the San Gorgonio Pass Water Agency (the “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**, in 2013, and in response to the Beaumont Basin experience overdraft conditions, the Agency proposed to construct a groundwater recharge facility on a vacant, undeveloped property in the City of Beaumont, California, to increase recharge capabilities with the delivery SWP water, as well as other supplemental water sources via a proposed pipeline and service connection facility and to enable the Agency to replenish the groundwater basin and provide water supply for the ongoing and projected needs of the Agency’s service area; and

**WHEREAS**, on October 21, 2013, the Agency certified an Environmental Impact Report (SCH#2012111033) for the Beaumont Avenue Recharge Facility Project (“BARF Project”) pursuant to the California Environmental Quality Act (Pub. Resources Code, §§ 21000 *et seq.*) and the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15000 *et seq.*); and

**WHEREAS**, the BARF Project encompasses a Recharge Facility site, a Service Connection site, and a pipeline that connects the two sites. The Recharge Facility has yet to be constructed, but will be located in a vacant parcel at the southwest corner of Beaumont Avenue and Brookside Avenue. The Service Connection site is located on an Agency-owned vacant parcel at the southwest corner of Orchard Street. The pipeline was installed by the Agency in 2014, and extends from the Recharge Facility site to the Service Connection site; and

**WHEREAS**, the Agency now proposes a minor modification to the BARF Project that will allow the Agency to transport excavated soil from the Recharge Facility site to the Project’s Service Connection site (“Grading Project”); and

**WHEREAS**, in accordance with CEQA and the State CEQA Guidelines, Agency staff and consultants have analyzed the potentially significant environmental effects of the proposed Grading Project; and

**WHEREAS**, the analysis shows that the potential environmental impacts of the Grading Project are not any greater than those already analyzed and mitigated to the extent feasible in the certified EIR; and

**WHEREAS**, pursuant to State CEQA Guidelines section 15164(a), a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but

none of the conditions described in State CEQA Guidelines section 15162 calling for preparation of a subsequent EIR have occurred; and

**WHEREAS**, Agency staff has determined that none of the circumstances identified in State CEQA Guidelines section 15162 have arisen, and that an Addendum to the EIR is appropriate; and

**WHEREAS**, an Addendum was prepared documenting the analysis and is attached hereto as Exhibit "A"; and

**WHEREAS**, pursuant to State CEQA Guidelines section 15164(c), the Addendum is not required to be circulated for public review; and

**WHEREAS**, the Agency at a duly-noticed public meeting on July 10, 2017, independently reviewed and considered the Addendum together with the previously certified EIR and other documents in the record before it; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**THE BOARD OF DIRECTORS OF THE SAN GORGONIO PASS WATER AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

Section 1. The matters set forth in the recitals to this Resolution are true and correct statements and by this reference incorporated herein and made findings and determinations of the Board.

Section 2. As the decision-making body for the Agency, the Board has reviewed and considered the information contained in the Addendum, EIR, and all supporting documentation, copies of which are on file at the Agency's office and are incorporated by reference as though set forth fully herein. Based on this review, the Agency finds that the Addendum, EIR, and supporting environmental documentation contain a complete, objective, and accurate reporting of those potential impacts, and that these findings reflect the independent judgment and analysis of the Agency.

Section 3. Based on the entire record before the Agency, including all written and oral evidence presented, the Agency finds that the documents have been completed in compliance with CEQA. The Agency further finds that any comments received regarding the Grading Project have been examined and determined to not modify the conclusions of the EIR. The Agency further finds that no additional feasible mitigation measures within the Agency's authority are necessary to reduce the environmental impacts of the Grading Project, because all impacts are either less than significant or will be mitigated to a level of less than significant through the imposition of enforceable mitigation. Finally, based on the substantial evidence set forth in the record, including but not limited to the Addendum, the Agency finds that none of the conditions triggering the need for subsequent environmental review have occurred. Specifically, the Agency finds that no subsequent environmental review is required pursuant to State CEQA Guidelines section 15162 because:

- a. No substantial changes are proposed in the BARF Project which will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- b. No substantial changes have occurred with respect to the circumstances under which the BARF Project is being undertaken which will require major revisions of the EIR due to the involvement of new significant, environmental effects or a substantial increase in the severity of previously identified significant effects; and
- c. No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified, shows that: (i) the BARF Project will have one or more new significant effects; (ii) significant effects examined in the EIR will be substantially more severe; (iii) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Agency declined to adopt the measure or alternative; or (iv) mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects on the environment, but the Agency declines to adopt the measure or alternative.

Section 4. Based on the entire record before the Agency, including all written and oral evidence presented, the Agency hereby approves and adopts the Addendum to the EIR prepared for the Grading Project.

Section 5. The Agency hereby approves the Grading Project.

Section 6. The Agency directs staff to file a Notice of Determination with the Clerk for the County of Riverside within five (5) working days of adoption of this Resolution.

Section 7. The documents and materials that constitute the record of proceedings on which this Resolution and the above findings have been based are located at the offices of the Agency. The custodian for these records is the General Manager.

**ADOPTED AND APPROVED** at a duly-noticed public meeting of the Agency held on July 10, 2017, by the following vote, to wit;

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President, Board of Directors  
San Gorgonio Pass Water Agency

ATTEST:

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Secretary, Board of Directors  
San Gorgonio Pass Water Agency

**Attachment "A"**

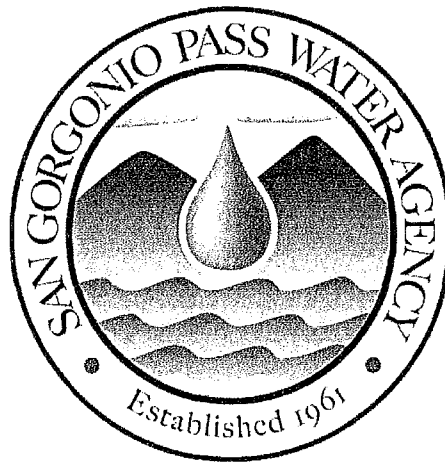
**Addendum to the Certified Final Environmental Impact Report for the Beaumont Avenue  
Recharge Facility and Pipeline Project**

**FIRST ADDENDUM TO THE  
CERTIFIED FINAL ENVIRONMENTAL IMPACT REPORT  
FOR THE  
SAN GORGONIO PASS WATER AGENCY  
“BEAUMONT AVENUE RECHARGE FACILITY AND PIPELINE PROJECT”  
CITY OF BEAUMONT, COUNTY OF RIVERSIDE, CALIFORNIA**

State Clearinghouse No. 2012111033

**CERTIFIED OCTOBER 21, 2013**

**BOARD RESOLUTION NO. 2013-13**



**FIRST ADDENDUM DATED JUNE 2017**

**BOARD RESOLUTION NO: 2017-11**



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## FIGURES

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## APPENDIX

**Appendix A: Air Quality and Greenhouse Gas Analysis Technical Memorandum**

## SECTION 1 INTRODUCTION

### 1.1 Purpose and Background

This First Addendum to the Certified Final Environmental Impact Report for the Beaumont Avenue Recharge Facility and Pipeline project (“Project”) has been prepared by the San Geronio Pass Water Agency (“SGPWA” or “Agency”) in conformance with the California Environmental Quality Act (Public Resources Code, § 21000 et seq., “CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3 § 15000 et seq.) and the current SGPWA Local CEQA Guidelines (Resolution No. 2016-01), to address a change to the Project, as defined below.

SGPWA certified the Draft Environmental Impact Report (EIR) for the Project at the October 21, 2013 Board of Directors Meeting with Resolution No. 2013-13 (Certified EIR). The Project Description provided in Section 2.0 of the Certified EIR describes four Project Components: Recharge Facility, Pipeline, Service Connection Facility, and Offsite Triangular Parcel, which are shown in **Figure 1**. The Certified EIR describes construction of a Service Connection Facility that connects to the “East Branch Extension/Noble Creek pipeline” in order to convey water from the State Water Project south, by way of the Project Pipeline, to discharge into the Recharge Facility. The Project also includes construction of a groundwater well within the boundary of the Recharge Facility site, the impacts of which were analyzed in the Certified EIR. The Offsite Triangular Parcel is described and analyzed in the Certified EIR as a designated location for construction staging and stockpiling of excavated soil (EIR, p. 2-13). Neither the groundwater well nor the Offsite Triangular Parcel are a part of this Addendum.

As described in the Certified EIR, the Project is designed to be constructed in phases (p. 3.1-23). The first phase was construction of the Pipeline that was completed by SGPWA in the summer of 2014. Going forward, the Agency expects a 90-day construction period to complete the remainder of the Project (Recharge Facility, Service Connection Facility, Groundwater Well, and Offsite Triangular Parcel), including the actions described in this Addendum.

As anticipated and analyzed in the Certified EIR, construction of the Pipeline resulted in stockpiles of excess excavated soil currently being stored on the Service Connection Facility site (EIR, p. 2-17). As such, the SGPWA has prepared a master grading plan for the stockpiles. A grading plan for the stockpiles on the Service Connection Facility site requires four components that were not described in the Certified EIR. This Addendum covers specific activities needed to facilitate the stockpile grading plan. An additional 1,632 cubic yards (approximate) of soil will need to be brought onsite in order to ensure the onsite drainage patterns do not impact neighboring properties. Grading of said soil over the entire parcel (APN 405-060-013, approximately 3.5 acres) instead of half the parcel will be needed along with creation of an earthen stormwater detention basin in the southeast corner of the parcel. Lastly, an emergency outlet connection from the

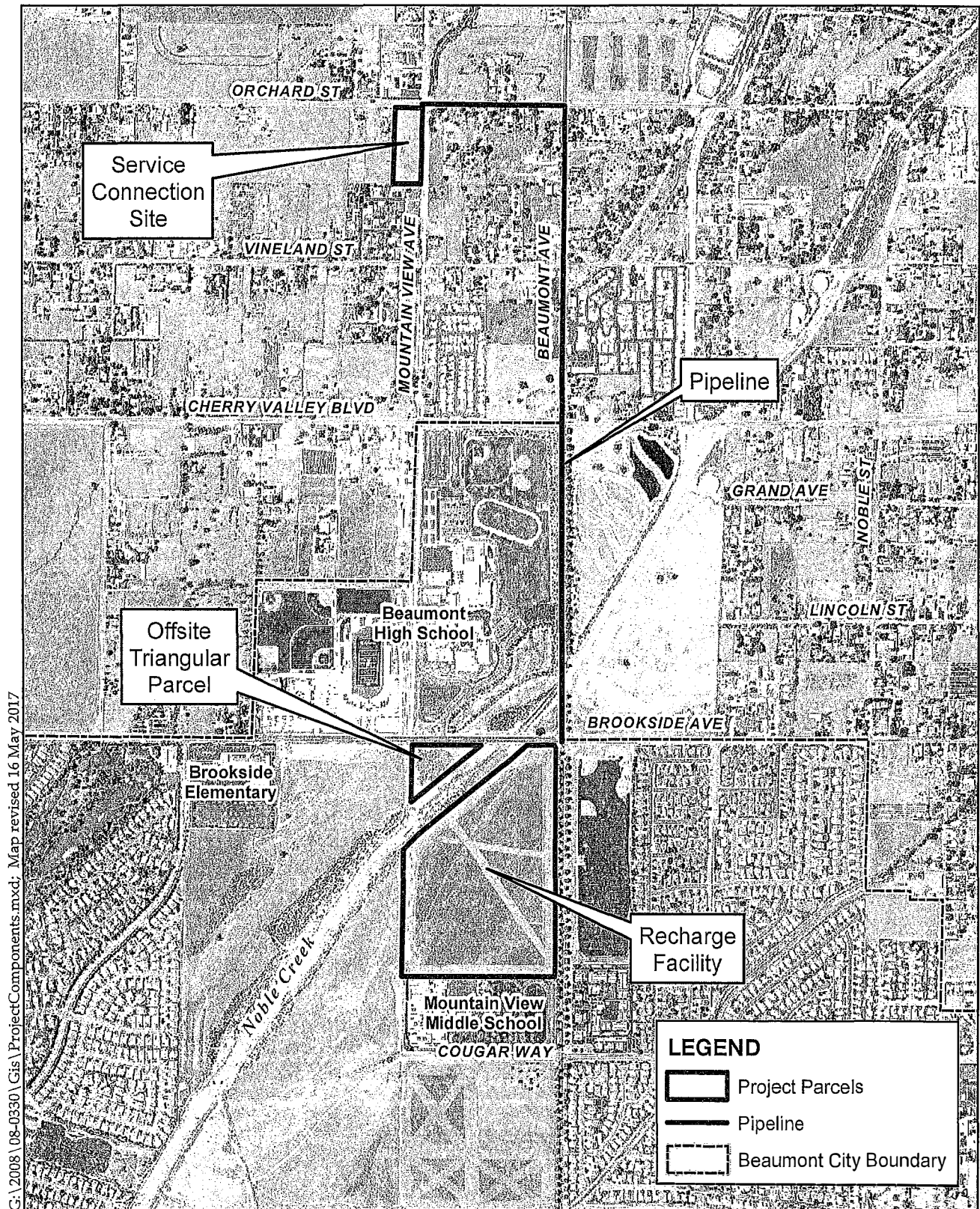


detention basin to the adjacent Mountain View Channel will also be required as shown on **Figure 2**.

As anticipated and analyzed in the Certified EIR, preparation of the Recharge Facility site, which has not yet occurred, will result in some excess excavated soil being kept on the Recharge Facility site. The EIR analysis assumed no export of soil from the Recharge Facility would occur. In order to meet the need for dirt on the Service Connection site per the Grading Plan, SGPWA desires to transport the excess soil from their Recharge Facility site to their Service Connection Facility site.

Because the Certified EIR analysis did not consider exporting/hauling of dirt from the Recharge Facility to the Service Connection Facility, this addendum to the EIR is warranted to document whether or not the additional grading and stormwater containment facilities within the Service Connection site, as well as the hauling of excavated soil from the Recharge Facility to the Service Connection facility will result in new and significant environmental impacts.

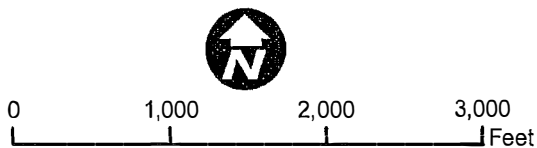
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C:\2008\08-0330\GIS\ProjectComponents.mxd; Map revised 16 May 2017

Sources: Riverside Co. GIS, 2017;  
USDA NAIP, 2014.

**Figure 1 - Project Components**  
Beaumont Ave. Recharge EIR Addendum



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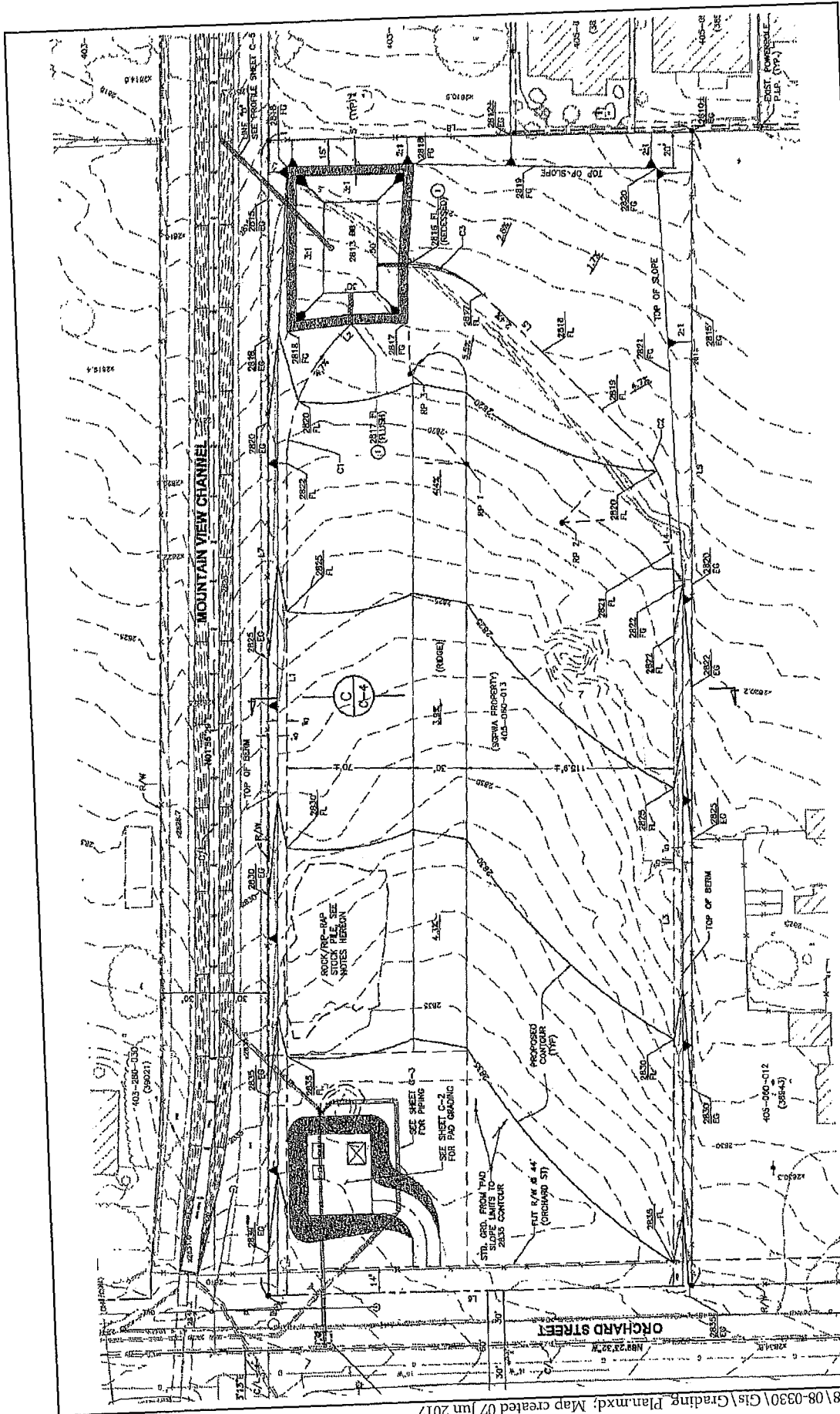


Figure 2 - Grading Plan  
 Beaumont Ave. Recharge EIR Addendum



Armstrong and Brooks, June 2016



Not to Scale

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## 1.2 Lead Agency and Discretionary Approvals

Previous analyses of environmental impacts have been conducted for the Project, including an Initial Study (November 13, 2012), a Draft EIR (June 6, 2013), and a Certified Final EIR (October 21, 2013).

SGPWA has determined that this Addendum to the Certified EIR that was prepared for the Project is the appropriate environmental documentation for the proposed revisions according to CEQA Guidelines § 15164(a). In addition, SGPWA has determined that since the 2013 certification of the EIR, there have been no substantial changes that would affect the analysis, no substantial changes to the circumstances under which the Project was undertaken, and no new information of substantial importance that would require subsequent environmental review under CEQA § 21166 or CEQA Guidelines § 15162.

This Addendum documents two things: First, the Agency's evaluation of the potential environmental impacts resulting from the above-mentioned changes to the Project, which are considered minor and unsubstantial; and second, explains the Agency's decision that a subsequent Environmental Impact Report (EIR) is not required.

To summarize, this Addendum to the Project's EIR concludes the additional hauling of soil and the improvements related to the grading plan will exhibit no demonstrable change in the prior analysis conducted, and provides the necessary environmental clearance for the implementation of the remainder of the Project.

## 1.3 Documents Incorporated by Reference

State CEQA Guidelines § 15150 encourages environmental documents to incorporate by reference other documents that provide relevant data and analysis. Therefore, the following documents are hereby incorporated by reference within this Addendum, and all of these documents are considered part of the Final EIR:

- *Certified Final Environmental Impact Report – Beaumont Avenue Recharge Facility and Pipeline, State Clearinghouse No. 2012111033, Certified October 21, 2013.*
- *Appendices A through H of the Draft Environmental Impact Report - Beaumont Avenue Recharge Facility and Pipeline, State Clearinghouse No. 2012111033, prepared June 6, 2013.*
- *Albert A. Webb Associates, Air Quality/Greenhouse Gas Analysis for proposed Addendum to Certified EIR for "Beaumont Avenue Recharge Facility and Pipeline" project, Technical Memorandum, June 8, 2017.*
- *Armstrong & Brooks Consulting Engineers, Mountain View EBX Connection, Master Grading Plan, Drawing Nos. T-1 and C-1 through C-5. June 24, 2016.*

These documents incorporated by reference are available for review at the SGPWA offices and online at [www.sgpwa.com](http://www.sgpwa.com).

#### 1.4 CEQA Requirements for Use of an Addendum

When a lead agency has already prepared an EIR, CEQA mandates the following (§ 21166):

No subsequent or supplemental environmental impact report shall be required by the lead agency or any responsible agency, unless one or more of the following events occurs: (a) substantial changes are proposed in the project which will require major revisions of the environmental impact report; (b) substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report; (c) new information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.

State CEQA Guidelines § 15162 clarifies that a subsequent EIR or supplemental EIR is only required when "substantial changes" occur to a project or the circumstances surrounding a project, or "new information" about a project implicates "new significant environmental effects" or a "substantial increase in the severity of previously significant effects."

When only some changes or additions to a previously certified EIR are necessary and none of the conditions described in Public Resources Code (CEQA) § 21166 or section 15162 of the State CEQA Guidelines calling for the preparation of a subsequent or supplemental EIR are met, CEQA allows the lead agency to prepare and adopt an addendum. (CEQA Guidelines, § 15164(a).)

#### 1.5 Findings for the Addendum

Pursuant to Section 15164 of the State CEQA Guidelines, and based on the checklist in Section 3, the SGPWA finds that the change to the Project is unsubstantial and will require only minor modifications to the circulated Final EIR. As such, none of the conditions described in Public Resources Code Section 21166 or Section 15162 of the CEQA Guidelines requiring preparation of a subsequent or supplemental EIR have occurred. More specifically, the SGPWA has determined that:

- Public Resources Code Section 21166 and California Environmental Quality Act (CEQA) Guidelines § 15164(a) allows an Addendum to an EIR to be prepared if none of the circumstances requiring subsequent review under 15162 exist.
- The Board of Directors of the San Geronio Pass Water Agency has considered this Addendum dated June 19, 2017 together with the previously certified EIR and the



comments received. The determination reflects the independent judgment of the Board of Directors and has been completed in compliance with CEQA, and is adequate for this proposal; and

- There are no substantial changes to the Project that would require major revisions of the Final EIR for the Project, due to new significant environmental effects or a substantial increase in the severity of impacts identified in the Final EIR.
- There is no new information of substantial importance, which was not known at the time that the previous Final EIR for the Project was circulated, that would indicate:
  - The implementation of the Project modifications will not have significant effects that are not previously analyzed in the Final EIR;
  - This Addendum requires no additional mitigation measures or alternatives to the Project that are necessary to substantially reduce one or more of the significant effects identified in the previous Final EIR; and
  - This Addendum requires no additional mitigation measures or alternatives that were rejected by the SGPWA that are considerably different from those analyzed in the previous Final EIR that would substantially reduce any significant impact identified in the Final EIR.

## SECTION 2 DESCRIPTION OF THE PROPOSED ACTION

### 2.1 Environmental Setting

The Beaumont Avenue Recharge Facility and Pipeline project (“Project”) is located on the northern boundary of the City of Beaumont and an unincorporated area of Riverside County, as shown on **Figure 1**. The Project encompasses a Recharge Facility site, a Service Connection site, and a Pipeline that connects the two sites.<sup>1</sup> The Recharge Facility will be located in a vacant parcel at the southwest corner of Beaumont Avenue and Brookside Avenue, south of Noble Creek within the City limits (APN 406-080-032). The Pipeline was installed by the San Geronio Pass Water Agency (SGPWA or “Agency”) in the Summer of 2014, and extends north from the Recharge Facility site within Brookside Avenue, east to Beaumont Avenue, north along Beaumont Avenue to Orchard Street, west along Orchard Street to the west side of the Mountain View Channel, and south to the Project’s Service Connection site. The Service Connection site is located on an Agency-owned vacant parcel at the southwest corner of Orchard Street and the Mountain View Channel within the County of Riverside (APN 405-060-013).

### 2.2 Project Description

The proposed modification to the Project described herein has been initiated by the SGPWA. The purpose of the Project modification is to allow SGPWA to transport excavated soil from the Project’s Recharge Facility site to the Project’s Service Connection site, as shown in **Figure 1**, and to perform necessary grading work over the whole of the 3.5 acre parcel, which includes a stormwater detention basin and emergency overflow connection to the adjacent Mountain View Channel, as shown on **Figure 2**. The Project modifications described in this Addendum are necessary in order for the Agency’s Master Grading Plan for the Service Connection site to balance and ensure no impacts to neighboring properties. While the modification will allow for truck hauling and earthwork that was unanticipated in the Certified Final EIR for the Project, the analysis provided in Section 3.0 herein demonstrates that no additional mitigation measures are required. Specifically, this EIR Addendum involves:

- 1) Excavation of soil at the Project’s Recharge Facility site to create the recharge basins that was anticipated and analyzed previously in the Project’s Certified Final EIR;
- 2) Truck hauling of said excavated soil of approximately 1,632 cubic yards to the Project’s Service Connection site that was not analyzed previously. Assuming 16 cubic yards capacity per truck, the proposal will result in an estimated 204 truck

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<sup>1</sup> An Offsite Triangular Parcel and groundwater well are also parts of the Project but not affected by this Addendum.

trips over a distance of approximately 1.5 miles following the same alignment as the Project Pipeline that was installed in the Summer of 2014;

- 3) Depositing of said imported soil at the Project's Service Connection site; an activity that was anticipated and analyzed previously in the Project's Certified Final EIR as part of the anticipated earthwork to be done at the Service Connection site; and
- 4) Grading of deposited soil on the whole of the Service Connection site; an activity that was partially analyzed in the Final EIR, and will now include creation of an earthen stormwater detention basin and emergency overflow outlet to the adjacent Mountain View Channel; the impacts of which were not analyzed previously.

**SECTION 3  
 ENVIRONMENTAL CHECKLIST**

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>I. Aesthetics</b>			
<b>Would the project:</b>			
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic building within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issue a to d).</b>			
<p>The Certified EIR determined impacts to aesthetics are less than significant.</p>			
<p>The action proposed in this Addendum will not cause damage to scenic resources such as trees, rock outcroppings, or historic buildings; nor will it introduce new sources of substantial light or glare from the trucks hauling the excavated soil or additional earthwork. The imported soil to the Service Connection site will raise the site elevation gradually from north to south with an increase of up to approximately 10 feet from existing ground elevation. The County of Riverside's Pass Area Plan identifies the San Bernardino and San Jacinto Mountains as scenic resources in the area; however, these resources are located roughly two miles north of the project area. In addition, the change in elevation from the rear property lines of adjacent residences to the proposed grading is approximately 20 feet. With such a distance between the proposed grading and surrounding visual resources, the line-of-site from neighboring properties will not be impacted. Therefore, impacts to visual resources will continue to be less than significant and there will be no substantial change from previous analysis.</p>			
<b>II. Agriculture Resources</b>			
<p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effect, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and the forest carbon measurement methodology provided in the Forest Protocols adopted by the California Air Resources Board. Would the project:</p>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)) or timberland (as defined in Public Resources Code section 4526)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issue a to e).</b>			
The Certified EIR determined impacts to agricultural resources are less than significant.			
The Project modification described in this Addendum to include hauling of soil from one Project site to another, as well as additional earthwork will not affect agricultural resources in any way than already previously analyzed. Therefore, impacts to agricultural resources will continue to be less than significant and there will be no substantial change from the results of the previous EIR analysis.			
<b>III. Air Quality</b>			
<b>Where available, the significance criteria established by the applicable air quality management plan or air pollution control district may be relied upon to make the following determinations. Would the project:</b>			
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<p><b>No Substantial Change from Previous Analysis (Issues a to e).</b></p>			
<p>The Certified EIR determined that the Project will comply with all of South Coast Air Quality Management District's (SCAQMD's) applicable rules and regulations. The EIR also determined that the Project will not exceed <u>localized</u> significance thresholds for any pollutant during each individual construction phase, or when construction phases overlap. However, the EIR did find that Project construction will exceed the <u>regional</u> emission significance threshold for nitrogen oxides (NOx) if the Recharge Facility phase by itself or the combination of the other phases were constructed simultaneously. As such, air quality impacts during construction are less than significant with following mitigation measures (MM) incorporated; <b>MM AIR-1</b> and <b>MM AIR-2</b>. The mitigation measures ensure that construction emissions of NOx will be less than 100 pounds per day in order to reduce regional impacts to less than significant, and for the Project to be consistent with SCAQMD's Air Quality Management Plan. The EIR found that emissions during Project operations will not exceed local or regional significance thresholds or ambient air quality standards with implementation of mitigation. The EIR also found that exposure to diesel particulate matter (a toxic air pollutant) and the creation of objectionable odors during construction and operations will be less than significant.</p>			
<p>The action proposed in this Addendum consists of hauling soil excavated from the Recharge Facility and deposited on the Service Connection site with additional onsite earthwork; of which the excavation and deposition activities were previously analyzed in the EIR. However the hauling of soil and expanded scope of grading, creation of a stormwater detention basin, and outlet structure were not analyzed in the Certified EIR. Therefore, an air quality and greenhouse gas technical memorandum based on updated modeling was prepared as part of this Addendum to analyze the impact of additional emissions, which is provided as <b>Appendix A</b>. Criteria pollutant emissions are analyzed on both a regional and localized level. Regional emissions includes both the emissions from off-road construction equipment, on-site fugitive dust, and emissions are those from trucks hauling materials to and from the project sites, vendor trucks (i.e., water trucks), and employee vehicles driving to the project sites. Localized emissions include only those emissions generated on a project site (i.e. construction equipment usage and fugitive dust).</p>			
<p>In summary, the analysis in <b>Appendix A</b> assumes moving 1,632 cubic yards over a distance of 1.5 miles over a worst-case five day period (eight hours per day). The model calculated a total of 204 truck trips based on 16 cubic yards per truck traveling to and from the delivery site. In addition, water trucks trips (per SCAQMD Rule 403-Best Management Practices for Fugitive Dust Emissions) are included for each day of the five-day period. The analysis also includes an updated modeling in CalEEMod of the construction phase of the Recharge Facility site with the most current emissions factors, due to the likelihood that this relatively intense activity will overlap with the proposed hauling.</p>			
<p>As shown in <b>Appendix A</b>, Table 2, when the modeled regional construction emissions from the proposed action are added to the regional construction emissions that were provided in the Certified EIR (and updated emissions for the Recharge Facility), no regional emission thresholds of criteria pollutants are exceeded. Consistent with the EIR findings, the individual emissions from each project phase as well as the combined emissions of the Recharge Facility and Service Connection site phases do not exceed the thresholds, with implementation of <b>MM AIR-1</b> and <b>MM AIR-2</b>.</p>			
<p>As shown in <b>Appendix A</b>, Table 3, when the modeled localized construction emissions from the proposed action are added to the localized construction emissions that were provided in the EIR, no localized thresholds are exceeded. The Certified EIR determined that if two or more construction phases were to overlap, the areas of construction are sufficiently far apart such that their localized air quality impacts would also not overlap (EIR, p. 3.1-33). Therefore, the additional activities proposed by the Addendum create no substantial change in air quality impacts from the previous analysis.</p>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>IV. Biological Resources</b>			
<b>Would the project:</b>			
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>No Substantial Change from Previous Analysis (Issues a to f).</b>			
<p>The EIR found Project impacts to biological resources to be less than significant with the following mitigation measures (MM) incorporated; <b>MM BIO-1</b> through <b>MM BIO-14</b>. These mitigation measures will be applicable to the Project modifications described in this Addendum.</p>			
<p>The biological resources reports that were used for the EIR analysis surveyed the whole Service Connection site parcel, even though only half was expected at the time to be graded (EIR Appendix C). The results found the entire site to contain a “ruderal” plant community (Table 1, EIR Appendix C) that is a habitat unlikely to contain the listed plant and animal species that may occur in the area. Nonetheless, the mitigation measures <b>MM BIO-1</b> through <b>MM BIO-14</b> will be applicable to the actions described in this Addendum, which include measures to mitigate impacts to burrowing owl, Los Angeles pocket mouse, and nesting birds. The biological resources reports used in the EIR also found no jurisdictional features (including riparian/riverine and vernal pools) within any part of the Service Connection site parcel (Section 4.4, EIR Appendix C).</p>			
<p>This Addendum includes a new connection for emergency overflows from the proposed stormwater detention basin on the Service Connection site to the adjacent Mountain View Channel, which is a concrete-lined facility owned and maintained by Riverside County Flood Control and Water Conservation District (RCFC&amp;WCD or “District”). As such, this Project will require an encroachment permit from the District to connect to their facility to outlet stormwater when needed. Since the District is a signatory to the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP), consistency with the MSHCP is required for all District actions, including issuance of encroachment permits. Releases from the proposed stormwater detention basin into Mountain View Channel will occur when emergency overflow is needed when the basin reaches maximum capacity during substantial rain events when other contributing areas will also outlet to the Channel. Noting the design of the basin to release on an emergency basis only, and because the parcel already surface flows into the channel during rain events, the proposed connection will not result in a change to the long-term function of the MSHCP riverine flood control resource, nor will it impact conserved lands or habitat (directly or indirectly) for any target MSHCP riverine species. This demonstrates Project consistency with the MSHCP.</p>			
<p>The actions proposed in this Addendum would not constitute substantially greater impacts to surrounding biological resources. Trucks hauling soil along paved roadways do not increase impacts to biological resources greater than current traffic levels. The soil excavation and soil deposition activities were analyzed previously, as well as construction activities along the route of the pipeline, which is the same route the trucks hauling soil will take. Therefore, the proposed Addendum will not result in impacts to biological resources that are not already identified and mitigated for in the EIR.</p>			
<p><b>V. Cultural Resources</b></p>			
<p><b>Would the project:</b></p>			
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a to d).</b>			
<p>The Certified EIR determined that impacts to cultural resources are less than significant with the following mitigation measures (MM) incorporated: <b>MM CUL-1</b> through <b>MM CUL-7</b>. They include measures to mitigate impacts with provision of a Project Archaeologist to perform monitoring during all earthwork activities, requiring a Professional Archaeologist/Paleontologist to examine, exhume, and curate any artifacts, and provision of a Project Paleontologist and mitigation monitoring program to monitor earthwork when excavation exceeds 10 feet in depth.</p> <p>The cultural resources studies used in the Certified EIR analysis surveyed the whole Service Connection site parcel and adjacent areas for resources (Appendix D) and found that although they are unlikely to occur, the mitigation measures <b>MM CUL-1</b> through <b>MM CUL-7</b> are included in the event they are found during earthwork on the Project sites including the actions proposed in this Addendum.</p> <p>The proposed truck hauling along paved City streets and expanded area of grading on the Service Connections site will not create impacts to cultural or paleontological resources that are different than the impacts previously analyzed. Therefore, the proposed Addendum will not result in impacts to cultural resources that are not already identified and mitigated for in the EIR.</p>			
<b>VI. Geology and Soils</b>			
<b>Would the project:</b>			
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury or death involving:			
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>No Substantial Change from Previous Analysis (Issues a to e).</b></p>			
<p>The Certified EIR determined that impacts to geological or soil resources are less than significant with incorporation of the following mitigation measures (MM); <b>MM GEO-1</b> through <b>MM GEO-11</b>.</p>			
<p>The action proposed in this Addendum consists of hauling excavated soil from the Project Recharge Facility to the Project Service Connection site and expanded scope of grading and stormwater containment; of which the excavation and deposition activities were analyzed previously in the EIR. The truck hauling, earthwork on the southern half of the Service Connection site, and emergency overflow connection to the adjacent Mountain View Channel were not previously analyzed. Trucks driving along paved City streets will not create impacts to geological or soil resources that are different than the impacts previously analyzed and mitigated for in the EIR. Since the geotechnical investigations included in the EIR analysis (EIR Appendix E.2) evaluated the subsurface conditions at the Service Connection site, which are assumed to be the same now as then, the Project and proposed Addendum activities will be feasible from geotechnical standpoint. Therefore, the proposed Addendum will not result in impacts to geological resources and soils that are not already identified and mitigated for in the EIR. The geotechnical report recommendations and mitigation measures <b>MM GEO-1</b> through <b>MM GEO-11</b>, will continue to be applicable.</p>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>VII. Greenhouse Gas Emissions</b>			
<b>Would the project:</b>			
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a and b).</b>			
<p>The Certified EIR determined that impacts to greenhouse gas emissions (GHG) are less than significant.</p> <p>The actions proposed in this Addendum consist of hauling excavated soil from the Project Recharge Facility to the Project Service Connection site and expanded scope of grading and stormwater containment; of which the excavation and deposition activities were analyzed previously in the EIR. The truck hauling was not previously analyzed. <b>Appendix A</b> of this Addendum contains additional modeling of annual greenhouse gas emissions from the proposed actions of this Addendum. As shown in <b>Appendix A</b> Table 4, the actions proposed in this Addendum are estimated to emit an additional 2.17 metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>E) to the Project's 351 MTCO<sub>2</sub>E from construction of the remaining Project activities (Recharge Basins, Groundwater Well, and Service Connection Facility).</p> <p>The SCAQMD significance thresholds also evaluate construction emissions by amortizing them over an expected project life of 30 years, which results in construction emissions of 11.7 MTCO<sub>2</sub>E/year for the Project and an additional 0.07 MTCO<sub>2</sub>E/year from the action proposed in this Addendum.</p> <p>As described in <b>Appendix A</b>, based on the draft local agency threshold of 3,000 MTCO<sub>2</sub>E/year used in the Certified EIR (p. 3.5-12), the modified Project will not exceed GHG thresholds. Therefore, the addition of the actions proposed in this Addendum will not cause a substantial change in the previous analysis of the EIR.</p>			
<b>VII. Hazards And Hazardous Materials</b>			
<b>Would the project:</b>			
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the likely release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a to h).</b>			
<p>The Certified EIR determined that Project impacts related to hazards and hazardous materials are less than significant.</p>			
<p>The EIR analysis also found that no hazardous materials sites are known to occur on, or adjacent to, the Project sites, and no evidence was found to suggest that onsite soils are contaminated or potentially contaminated (EIR Appendix F). Because hauling excavated soil and grading where no hazardous materials exist are not considered hazardous activities, there is no substantial change in the threat of hazards from the previous analysis.</p>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>VIII. Hydrology and Water Quality</b>			
<b>Would the project:</b>			
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner, which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures, which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>No Substantial Change from Previous Analysis (Issues a to j).</b>			
<p>The Certified EIR determined that impacts related to hydrology and water quality are less than significant.</p> <p>The action proposed in this Addendum consists of transporting some of the soil excavated from the Recharge Facility site and depositing it on the Service Connection site, as well as expanded scope of grading on the Service Connection site with an earthen stormwater detention basin and emergency overflow connection to the adjacent Mountain View Channel.</p> <p>As with the Project analyzed in the Certified EIR, the actions proposed in this Addendum will also be regulated by the current General Construction Stormwater Permit including preparation of a Storm Water Pollution Prevention Plan prepared by a Qualified SWPPP Developer (QSD) and implemented onsite by a Qualified SWPPP Practitioner (QSP) to minimize non-stormwater discharges to the maximum extent practicable. Post-project stabilization of the graded area on the Service Connection site will be required and is expected to consist of hydroseeding, landscaping, and/or similar soil binding agent.</p> <p>The proposed detention basin needed to support the grading at the Service Connection site will have a bottom floor area of 1,500 square feet (30-foot wide, 50-foot long) with 3:1 side slopes. The basin will be located in a low spot where the land has historically collected runoff and surface flowed into Mountain View Channel. A stand pipe will be located roughly in the center of the basin for emergency overflow in the event the basin reaches capacity. The stand pipe will outlet to the westerly bank of Mountain View Channel via a 24-inch diameter reinforced concrete pipe approximately 85 feet long. Mountain View Channel is a concrete-lined trapezoidal flood control channel from Orchard Street to its confluence with Noble Creek (earthen bottom) located approximately one mile to the south. The rare and intermittent nature of releases from the Service Connection site and stabilized condition of the Channel will not result in hydrologic impacts different than those previously analyzed in the EIR.</p> <p>The impacts to hydrology and water quality from excavation and depositing of stockpiles were analyzed in the previous EIR. The act of hauling soil from one Project site to the other, expanded area of grading, detention basin, and channel connection will not constitute an increased risk to hydrology or water quality than that already analyzed in the EIR.</p>			
<b>IX. Land Use and Planning</b>			
<b>Would the project:</b>			
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural communities conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<p><b>No Substantial Change from Previous Analysis (Issues a to c).</b></p>			
<p>The Certified EIR for the Project determined that no impacts would occur in relation to land uses and planning.</p>			
<p>The actions proposed by this Addendum include hauling soil from the Recharge Facility site and depositing it on the Service Connection site by way of trucks along existing and paved City streets, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. These activities are localized in area and short-term in duration and therefore will not divide an established community, nor conflict with applicable plans, policies, or regulations in any greater way than was determined in the previous analysis.</p>			
<p><b>X. Mineral Resources</b></p>			
<p><b>Would the project:</b></p>			
<p>a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>No Substantial Change from Previous Analysis (a, b).</b></p>			
<p>The Certified EIR determined that impacts to mineral resources would be less than significant.</p>			
<p>The action described in this Addendum consists of hauling soil from the Recharge Facility site and depositing it on the Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. Impacts from excavation of the Recharge Facility and stockpiling on the whole of the Service Connection site were analyzed in the prior analysis. Transporting soil between the two will not impact mineral resources in a substantially different or greater way than the impacts previously analyzed.</p>			
<p><b>XI. Noise</b></p>			
<p><b>Would the project:</b></p>			
<p>a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>No Substantial Change from Previous Analysis (Issues a to f).</b></p>			
<p>The Project's Initial Study and EIR determined that noise impacts from construction are less than significant, and that impacts from Project operations are also less than significant with incorporation of the following mitigation measure (MM): <b>MM NOI-1</b>.</p>			
<p>Per Sections 53091(d) and 53091(e) of the California Government Code, SGPWA is not bound by the provisions contained in the Noise Regulation and Noise Control chapters of the Beaumont Municipal Code nor the Riverside County Code of Ordinances. Because of the close proximity of various noise-sensitive receptors, Project construction will be limited to the daytime hours as described in the EIR.</p>			
<p>The action described in this Addendum consists of hauling soil from the Recharge Facility site and depositing it on the Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. Noise impacts during excavation of the Recharge Facility and stockpiling/construction at the Service Connection site were analyzed in the prior analysis. As described in this Addendum, earthwork will be expanded from half the Service Connection site to the entire 3.5-acre parcel, with a correlated increase in the duration of activities; however an increase in the number of earthmoving equipment is not anticipated.</p>			
<p>Although the short-term noise and ground-borne vibrations from the trucks hauling soil between the two Project facilities, as proposed in this Addendum, were not previously analyzed, the activity is consistent with the same type of hauling activities that occurred with construction of the Project Pipeline. Likewise, earthwork activity on the Service Connection site as described in this Addendum is also consistent with the grading analyzed in the EIR. Therefore, considering the short duration (5 days for hauling, 12 days for work at Service Connection site) and limited scope of the work proposed in this Addendum, and the comparatively louder activities that may be concurrent with the hauling, the work is not substantially different or greater than the impacts previously analyzed in the EIR.</p>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>XII. Population and Housing</b>			
<b>Would the project:</b>			
a) Induce substantial population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a to c).</b>			
<p>The Certified EIR determined that the Project will result in no impacts to population and housing issues.</p> <p>The action described in this Addendum consists of hauling soil from the Recharge Facility site and depositing it on the Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. These activities will not displace people or residences and as such there are no substantial changes from the previous analysis in the EIR.</p>			
<b>XIII. Public Services</b>			
<p><b>Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:</b></p>			
a) Fire Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Police Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a to e).</b>			
<p>The Certified EIR for the Project determined that impacts to public services (fire, police, schools, parks, and others) are less than significant.</p> <p>The action described in this Addendum consists of hauling soil from the Recharge Facility site and depositing it on the Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. Short-term impacts of grading and trucks moving a limited volume of soil, approximately 204 truck trips worth over a period of five days, will not substantially impact the provision of said public services in excess from that which was previously analyzed.</p>			
<b>XIV. Recreation</b>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a and b).</b>			
<p>The Certified EIR determined that no impacts to recreational facilities will occur from implementation of the Project.</p>			
<p>The action described in this Addendum consists of hauling soil from the Recharge Facility site and depositing it on the Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. Short-term impacts of increased grading and trucks moving a limited volume of soil, approximately 204 truck trips worth over a short period of time (five days), will not impact the provision of local recreational facilities in excess from that which was analyzed previously.</p>			
<b>XV. Transportation/Traffic</b>			
<b>Would the project:</b>			
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>No Substantial Change from Previous Analysis (Issues a to f).</b>			
<p>The Certified EIR determined that Project impacts to traffic and transportation are less than significant with incorporation of the following mitigation measure (MM): <b>MM TRANS-1</b>. This measure was only applicable to construction of the Project pipeline, which has since been completed. The Certified EIR determined that construction traffic associated with the Recharge Facility and Service Connection site would be considered nominal.</p> <p>The action described in this Addendum consists of hauling soil from the Project's Recharge Facility site and depositing it on the Project's Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. The duration of the estimated 204 truck trips (round-trip) depends on the number of trucks that can be dedicated to the effort; one truck could do the work in 15 days, while three trucks could accomplish it in about five days. Either way, the number of truck trips is considered a modest and temporary incremental increase in local traffic levels that are not considered substantial, nor a major change from the impacts evaluated previously in the Project EIR.</p>			
<p><b>XVI. Tribal Cultural Resources</b></p> <p><b>Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:</b></p>			
a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<b>Questions not asked in previous analysis (Issues a and b).</b>			
<p>The Tribal Cultural Resources questions were added to the CEQA Checklist in 2017 and were therefore not present in the Final EIR certified in 2013.</p>			
<p>Nonetheless, the action described in this Addendum will require approximately 204 truck trips in order to haul soil roughly 1.5 miles from the Project's Recharge Facility site to the Project's Service Connection site. In addition, the Addendum includes expanded grading activities in the entirety of the Service Connection site parcel (an increase of approximately 1.8 acres to 3.5 acres of earthwork) with a stormwater detention basin and emergency overflow. The Cultural Resources analysis in the Certified EIR determined that as of 2012, no Native American cultural resources have been identified within one-half mile of the Project area (Appendix D). It also determined that there is a moderate potential for discovery of unknown artifacts during excavation; however this Addendum does not consist of new excavation activities that were not mitigated for in the Final EIR. Therefore, a short-term increase of trucks on paved City streets and larger area of grading on a site that was surveyed previously will not cause impacts to Tribal Cultural Resources. Mitigation measures (MM) <b>MM CUL-1</b> through <b>MM CUL-7</b> are still applicable to the Project, which includes the actions contemplated in this Addendum, and additional mitigation measures are not required.</p>			
<b>XVII. Utilities and Service Systems</b>			
<b>Would the project:</b>			
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
<p><b>No Substantial Change from Previous Analysis (Issues a to g).</b></p>			
<p>The Certified EIR determined that impacts to utilities and service systems are less than significant.</p> <p>The action described in this Addendum will require approximately 204 truck trips in order to haul soil roughly 1.5 miles from the Project's Recharge Facility site to the Project's Service Connection site, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow. The Project modification includes the detention basin and overflow pipe in order to maintain the existing tendency for stormwater to collect in this area and sheet flow into Mountain View Channel. The basin will also protect neighboring properties from potential flooding. Permission to connect to the Channel will be obtained from the owner, RCFC&amp;WCD, with issuance of an encroachment permit to SGPWA. The basin and overflow pipe will be maintained by SGPWA.</p> <p>A short-term increase of trucks on City streets and increased scope of grading activities on the Service Connection site will not create substantial changes related to wastewater treatment, stormwater facilities, or solid waste disposal.</p>			
<p><b>XVII. Mandatory Findings of Significance</b></p>			
<p>a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>No Substantial Change from Previous Analysis.</b></p>			
<p>The short-term hauling of excavated soil from one Project site to another, as well as expanded scope of grading at the Service Connection site with a stormwater detention basin and emergency outflow that are described in this Addendum do not increase or substantially change impacts to habitat of fish or wildlife species that were previously analyzed and mitigated for. The hauling trucks will operate on existing paved City streets for a limited time and the entire Service Connection site was surveyed in the analysis done in the Certified EIR, even though at that time, only half of the site was planned to be graded. Additionally, it is highly unlikely that new cultural resources will be discovered during the actions of this Addendum. Mitigation measures <b>MM BIO-1</b> through <b>MM BIO-14</b> and <b>MM CUL-1</b> through <b>MM CUL-7</b> have been certified to ensure that potential impacts from the whole Project are reduced to a less than significant level. These mitigation measures will now be applicable to the actions of this Addendum as well. The scope of the action described in this Addendum does not present any substantial change from previous analyses contained in the Certified EIR and supporting documents.</p>			

Environmental Issues	New Significant Impact	More Severe Impacts	No Substantial Change From Previous Analysis
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>No Substantial Change from Previous Analysis.</b></p> <p>The Certified EIR determined that with incorporation of all mitigation measures, cumulative impacts to air quality, biological resources, cultural resources, geology/soils, noise, and traffic, are less than significant. The other environmental impact areas were determined to have cumulative impacts that are less than significant and mitigation was not needed for those.</p> <p>Implementation of the proposed actions of this Addendum will cause cumulatively significant impacts that are temporary; however, the changes to the Project proposed under this Addendum will not substantially change the impacts previously analyzed in the EIR and associated documents.</p>			
c) Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p><b>No Substantial Change from Previous Analysis.</b></p> <p>The analyses provided in the Certified EIR found that implementation of the Project will have environmental impacts that are less than significant with incorporation of said mitigation measures.</p> <p>As stated previously, the action described in this Addendum will comply with current regulations related to truck hauling, construction, earthwork, and encroachment of a flood control channel to ensure that there is no substantial change in impacts from the previous analysis.</p>			

### ENVIRONMENTAL DETERMINATION

Based upon the evidence in light of the whole record documented in the Environmental Checklist explanations and cited incorporations:

- I find that the amended project has previously been analyzed as part of an earlier CEQA document. The amended project is a component of the whole action analyzed in the previous CEQA document.
- I find that the amended project has previously been analyzed as part of an earlier CEQA document. Minor additions and/or clarifications are needed to make the previous documentation adequate to cover the project which are documented in this addendum to the earlier CEQA document (CEQA § 15164).
- I find that the amended project has previously been analyzed as part of an earlier CEQA document. However, there is important new information and/or substantial changes have occurred requiring the preparation of an additional CEQA document (ND or EIR) pursuant to CEQA Guidelines Sections 15162 through 15163.

Signed \_\_\_\_\_  
Jeff Davis, General Manager

Date \_\_\_\_\_



## SECTION 4 REFERENCES

- *Certified Final Environmental Impact Report – Beaumont Avenue Recharge Facility and Pipeline, State Clearinghouse No. 2012111033*, Certified October 21, 2013. (Available at <http://www.sgpwa.com/public-documents/#toggle-id-4>, accessed May 4, 2017).
- Appendices A through H of the *Draft Environmental Impact Report – Beaumont Avenue Recharge Facility and Pipeline, State Clearinghouse No. 2012111033*, prepared June 6, 2013. (Available at <http://www.sgpwa.com/public-documents/#toggle-id-4>, accessed May 4, 2017).
- Albert A. Webb Associates, Air Quality/Greenhouse Gas Analysis for proposed Addendum to Certified EIR for “Beaumont Avenue Recharge Facility and Pipeline” project, Technical Memorandum, June 8, 2017.
- Armstrong & Brooks Consulting Engineers, *Mountain View EBX Connection, Master Grading Plan, Drawing Nos. T-1 and C-1 through C-5*. June 24, 2016.

### Report Preparers:

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## APPENDIX A





## Technical Memorandum

To: Jeff Davis, San Gorgonio Pass Water Agency

From: Eliza Laws, Senior Environmental Analyst  
 Autumn DeWoody, Associate Environmental Analyst

Date: June 8, 2017

Re: Air Quality/Greenhouse Gas Analysis for proposed Addendum to Certified EIR for  
 "Beaumont Avenue Recharge Facility and Pipeline" project.

The following air quality assessment was prepared to evaluate whether the expected criteria air pollutant emissions generated as a result of construction of the proposed Project would cause exceedances of the South Coast Air Quality Management District's (SCAQMD) thresholds for air quality in the Project area. The following greenhouse gas (GHG) assessment was prepared to evaluate whether the expected GHG emissions generated as a result of construction of the proposed Project would exceed the most conservative screening thresholds recommended by SCAQMD.

The analysis herein was conducted within the context of the California Environmental Quality Act (CEQA, California Public Resources Code Sections 21000 et seq.). The methodology follows the *CEQA Air Quality Handbook* prepared by the SCAQMD for quantification of emissions and evaluation of potential impacts to air resources. As recommended by SCAQMD staff, the **California Emissions Estimator Model**<sup>®</sup> version 2016.3.1 (CalEEMod) was used to quantify emissions.

The proposed Project is a modification of the construction activities associated with the Beaumont Avenue Recharge Facility and Pipeline Project (referred to herein as Original Project) evaluated in the Certified Environmental Impact Report (EIR), certified in October 2013.<sup>1</sup> The proposed Project includes the following actions: (1) hauling of 1,632 cubic yards of soil from the Original Project's Recharge Facility site<sup>2</sup> to the Original Project's Service Connection site,<sup>3</sup> which are separated by 1.5 miles of paved roadways; and (2) increasing the graded area of the Service Connection site from 1.5 acres to 3.5 acres.

### ▪ Regional Significance Thresholds

The thresholds contained in the *SCAQMD CEQA Air Quality Handbook*<sup>4</sup> (SCAQMD 1993) are considered regional thresholds and are shown in **Table 1 – SCAQMD CEQA Daily Regional Significance Thresholds**, below. These regional thresholds were developed based on the SCAQMD's treatment of a major stationary source and are reported in pounds per day (lb/day).

<sup>1</sup> San Gorgonio Pass Water Agency, *Environmental Impact Report, Beaumont Avenue Recharge Facility and Pipeline, City of Beaumont, County of Riverside, California, State Clearinghouse No. 2012111033*, certified October 21, 2013.

<sup>2</sup> Riverside County APN 406-080-032, within the City of Beaumont.

<sup>3</sup> Riverside County APN 405-060-013

<sup>4</sup> South Coast Air Quality Management District, *CEQA Air Quality Handbook*, November 1993. (Available at SCAQMD.)

**Table 1 – SCAQMD CEQA Daily Regional Significance Thresholds**

<b>Emission Threshold</b>	<b>Units</b>	<b>VOC</b>	<b>NO<sub>x</sub></b>	<b>CO</b>	<b>SO<sub>x</sub></b>	<b>PM-10</b>	<b>PM-2.5</b>
Construction	lb/day	75	100	550	150	150	55

Air quality impacts can be described in short- and long-term perspectives. Short-term impacts occur during site grading and Project construction and consist of fugitive dust and other particulate matter, as well as exhaust emissions generated by construction-related vehicles. Long-term air quality impacts occur once the Project is in operation. The proposed Project analyzed herein does not include operation activities. Thus, no long-term operation emissions were included in this analysis.

The Project will be required to comply with existing SCAQMD rules for the reduction of fugitive dust emissions. SCAQMD Rule 403 establishes these procedures. Compliance with this rule is achieved through application of standard best management practices in construction and operation activities, such as application of water or chemical stabilizers to disturbed soils, managing haul road dust by application of water, covering haul vehicles, restricting vehicle speeds on unpaved roads to 15 mph, sweeping loose dirt from paved site access roadways, cessation of construction activity when winds exceed 25 mph and establishing a permanent, stabilizing ground cover on finished sites. In addition, projects that disturb 50 or more acres or more of soil or move 5,000 cubic yards of materials per day are required to submit a Fugitive Dust Control Plan or a Large Operation Notification Form to SCAQMD. Based on the Project's disturbance (approximately 1,600 cubic yards total), a Fugitive Dust Control Plan or a Large Operation Notification Form would not be required.

### Short-Term Analysis

Short-term emissions from Project construction were evaluated using the CalEEMod version 2016.3.1 program. The estimated worst-case construction period for the hauling of soil to the Service Connection site is five days, beginning no sooner than September 2017. Because the Project is a modification of the construction activities evaluated as part of the Original Project, applicable information from the Certified EIR has been incorporated into the analysis. Such information includes the emissions estimated for construction of the Recharge Facility site, Service Connection site, and Well Construction site because these construction activities have the potential to overlap with the proposed soil hauling.

The default parameters within CalEEMod were used, which reflect a worst-case scenario, meaning that Project emissions are expected to be equal to or less than the estimated emissions. In addition to the default values used, assumptions relevant to model inputs for short-term construction emission estimates used are:

- Construction timing -

<b>Construction Activity</b>	<b>Start Date</b>	<b>End Date</b>	<b>Total Working Days</b>
Soil Hauling	September 11, 2017	September 15, 2017	5

- 
- To evaluate Project compliance with SCAQMD Rule 403 for fugitive dust control, the Project utilized the mitigation option of watering the Project site three times daily which achieves a control efficiency of 61 percent for PM-10 and PM-2.5 emissions. Two (2) one-way vendor trips were added to the grading phase to account for water truck trips.

- Approximately 1,632 cubic yards of soil will be hauled. CalEEMod default assumptions were used related to truck capacity, which assumes capacity of 16 cubic yards resulting in 204 truckloads (102 trips each way) over the five-day soil hauling period. The one-way haul truck trip length was set to 1.5 miles.
- Because the Original Project emissions estimated for the construction of the Recharge Facility site (basins) was prepared in 2013 using older emissions factors and because the Recharge Facility site emissions were more intense due to grading and excavating of the basins, the construction of the Recharge Facility site was re-modeled in CalEEMod using the assumptions from the Original Project EIR. The equipment list and modeled construction schedule is provided below.
- Mitigation measure MM AIR-1 from the Original Project's Certified EIR was also included in this analysis of the updated Recharge Facility site. It reads as follows:

*MM AIR-1: During construction of the recharge basin, the construction contractor can use the construction equipment assumed in this analysis and the two scrapers shall be equipped with a Tier 3 level engine capable of achieving a NO<sub>x</sub> emission rate of 2.7 grams per horsepower-hour for each scraper. Based on the peak hours per day of construction and horsepower as reflected in Table 3.1-8 of this Draft EIR, the emission reduction rate would reduce regional emissions of NO<sub>x</sub> by the project to below 100 pounds per day. If the construction contractor chooses an alternative mix of construction equipment, the construction contractor shall demonstrate through modeling that potential construction emissions do not exceed the regional or local significance thresholds. If the contractor cannot demonstrate that emissions would be below 100 pounds per day, the contractor will not be allowed to use the alternative mix of construction equipment.*

The equipment information used for the modeling of the Recharge Facility is shown below.

Construction Phase	Duration	Off-Road Construction Equipment	Quantity	Hours per Day
Recharge Facility	80 days	Scraper	2	7
		Rubber tired dozer	2	7
		Tracked dozer	2	7
		Grader	1	6

Note: From Certified EIR Table 3.1-7

The results of the analysis are summarized in **Table 2 – Regional Daily Construction Emissions**.

**Table 2 – Regional Daily Construction Emissions**

Construction Phase	Daily Construction Emissions (lbs/day)					
	NO <sub>x</sub>	CO	PM-10	PM-2.5	VOC	SO <sub>x</sub>
<b>Recharge Basin</b>						
Original Project Emissions with MM AIR-1 <sup>a</sup>	93.9	54.7	12.3	8.2	8.5	0.0
<i>Updated Original Project Emissions with MM AIR-1<sup>b</sup></i>	<i>71.34</i>	<i>50.15</i>	<i>7.43</i>	<i>5.20</i>	<i>5.94</i>	<i>0.07</i>
<i>Modified Project Emissions<sup>c</sup></i>	<i>5.75</i>	<i>1.21</i>	<i>0.48</i>	<i>0.09</i>	<i>0.19</i>	<i>0.01</i>
<b>Total</b>	<b>77.09</b>	<b>51.36</b>	<b>7.91</b>	<b>5.29</b>	<b>6.13</b>	<b>0.08</b>
Significance Threshold	100	550	150	55	75	150
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Well Construction</b>						
Original Project Emissions <sup>d</sup>	46.9	32.7	2.1	2.0	6.1	0.1
<i>Modified Project Emissions</i>	<i>5.75</i>	<i>1.21</i>	<i>0.48</i>	<i>0.09</i>	<i>0.19</i>	<i>0.01</i>
<b>Total</b>	<b>52.65</b>	<b>33.91</b>	<b>2.58</b>	<b>2.09</b>	<b>6.29</b>	<b>0.11</b>
Significance Threshold	100	550	150	55	75	150
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Service Connection</b>						
Original Project Emissions <sup>d</sup>	9.8	6.4	0.5	0.5	0.9	0.1
<i>Modified Project Emissions</i>	<i>5.75</i>	<i>1.21</i>	<i>0.48</i>	<i>0.09</i>	<i>0.19</i>	<i>0.01</i>
<b>Total</b>	<b>15.55</b>	<b>7.61</b>	<b>0.98</b>	<b>0.59</b>	<b>1.09</b>	<b>0.11</b>
Significance Threshold	100	550	150	55	75	150
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Maximum of all Phases</b>	<b>145.29</b>	<b>92.88</b>	<b>11.47</b>	<b>7.97</b>	<b>13.51</b>	<b>0.3</b>

<sup>a</sup> From Certified EIR Table 3.1-15

<sup>b</sup> CalEEMod output, attached herewith

<sup>c</sup> CalEEMod output, attached herewith

<sup>d</sup> From Certified EIR Table 3.1-13

**Table 2** shows that when the emissions from the proposed Project are added to the remaining components from the Original Project that incorporate MM AIR-1, none of the criteria pollutant thresholds are exceeded. However, if the construction of all components of the Original Project plus the proposed Project modifications overlap, the maximum emissions will exceed the daily threshold for NO<sub>x</sub>. However, implementation of the mitigation measure MM AIR-2 from the Original Project's certified EIR remains applicable to the proposed Project and will ensure NO<sub>x</sub> emissions are below the threshold MM AIR-2 from the Certified EIR listed below:

**MM AIR-2:** *Under unforeseen conditions, if there is an overlap of construction phases due to delays in design or weather, the construction contractor shall demonstrate through modeling that potential construction emissions do not exceed the regional significance thresholds. If the contractor cannot demonstrate that emissions would be below the regional significance thresholds, the contractor will not be allowed to use the alternative mix of construction equipment.*



## ▪ Localized Significance Threshold Analysis

### Background

As part of the SCAQMD’s environmental justice program, attention has been focused on localized effects of air quality. Staff at SCAQMD has developed localized significance threshold (LST) methodology<sup>5</sup> that can be used by public agencies to determine whether or not a project may generate significant adverse localized air quality impacts (both short- and long-term). As stated previously, the proposed Project does not modify any operation activities. Thus, only localized impacts from short-term construction were analyzed herein. LSTs represent the maximum emissions from a project that will not cause or contribute to an exceedance of the state ambient air quality standard, and are developed based on the ambient concentrations of that pollutant for each source receptor area (SRA). The Project is located in SRA 29.

### Short-Term Analysis

According to the LST methodology, only on-site emissions need to be analyzed. Emissions associated with vendor and worker trips are mobile source emissions that occur off site. The emissions analyzed under the LST methodology are NO<sub>2</sub>, CO, PM-10, and PM-2.5. SCAQMD has provided LST lookup tables<sup>6</sup> to allow users to readily determine if the daily emissions for proposed construction or operational activities could result in significant localized air quality impacts for projects five acres or smaller. The daily area of disturbance at the Service Connection site is 1.5 acres, which is the same thresholds as the Original Project. Likewise, the daily area of disturbance at the Recharge Facility has not changed from that of the Original Project and is five acres.

The LST thresholds are estimated using the maximum daily disturbed area (in acres) and the distance of the Project to the nearest sensitive receptors (in meters). As identified in the Original Project, the closest sensitive receptors to the proposed Project site (which includes the Recharge Basin Site and Service Connection Site) are residences located adjacent to the Service Connection site, as well as residences located 690 feet (210 meters) east of the Recharge Facility. According to LST methodology, projects with boundaries closer than 25 meters to the nearest receptor should use the LSTs for receptors located at 25 meters. Therefore, a receptor distance of 25 meters (85 feet) was used. The LST thresholds from the Original Project’s Certified EIR still apply and are utilized in this analysis. The localized emissions estimates are summarized in **Table 3 – LST Results for Daily Construction Emissions**.

**Table 3 – LST Results for Daily Construction Emissions**

Construction Activity	Peak Daily Emissions (lb/day)			
	NO <sub>x</sub>	CO	PM-10	PM-2.5
<b>Recharge Basin</b>				
Original Project Emissions <sup>a</sup>	104.7	42.1	12.6	8.6
Modified Project Emissions <sup>b</sup>	0	0	0.31	0.03
<b>Total</b>	<b>104.7</b>	<b>42.1</b>	<b>12.91</b>	<b>8.63</b>
Significance Threshold <sup>c</sup>	236	2,817	180	55
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

<sup>5</sup> South Coast Air Quality Management District, *Final Localized Significance Threshold Methodology*, Revised July 2008. (Available at <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/localized-significance-thresholds>, accessed June 6, 2017.)

<sup>6</sup> <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/localized-significance-thresholds>

Construction Activity	Peak Daily Emissions (lb/day)			
	NO <sub>x</sub>	CO	PM-10	PM-2.5
<b>Well Construction</b>				
Original Project Emissions	46.8	31.9	2.1	2.0
<i>Modified Project Emissions<sup>a</sup></i>	0	0	0.31	0.03
<b>Total</b>	<b>46.8</b>	<b>31.9</b>	<b>2.41</b>	<b>2.03</b>
Significance Threshold <sup>c</sup>	103	1,000	6	4
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Service Connection</b>				
Original Project Emissions	9.7	4.4	0.5	0.5
<i>Modified Project Emissions<sup>a</sup></i>	0	0	0.31	0.03
<b>Total</b>	<b>9.7</b>	<b>4.4</b>	<b>0.81</b>	<b>0.53</b>
Significance Threshold <sup>c</sup>	126	1,271	8	5
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

<sup>a</sup> From Certified EIR Table 3.1-11, showing unmitigated emissions.

<sup>b</sup> CalEEMod output, attached herewith

<sup>c</sup> From Certified EIR Table 3.1-5

Emissions from construction of the Project phase when combined with the components of the Original Project will be below the LSTs established by SCAQMD, as shown in **Table 3**.

### ■ Greenhouse Gas Analysis

Greenhouse gases (GHG) are not presented in pounds per day like criteria pollutants; they are typically evaluated on an annual basis using the metric system. Additionally, unlike the criteria pollutants, GHG do not have adopted significance thresholds associated with them at this time. Several agencies, at various levels, have proposed draft GHG significance thresholds for use in CEQA documents. SCAQMD has been working on GHG thresholds for development projects. In December 2008, the SCAQMD adopted a threshold of 10,000 metric tonnes per year of carbon dioxide equivalents (MTCO<sub>2</sub>E/yr) for stationary source projects where SCAQMD is the lead agency. The most recent draft proposal was in September 2010<sup>7</sup> and included significance thresholds for residential, commercial, and mixed-use projects at 3,500, 1,400, and 3,000 MTCO<sub>2</sub>E/yr, respectively. Alternatively, a lead agency has the option to use 3,000 MTCO<sub>2</sub>E/yr as a threshold for all non-industrial projects. Although both options are recommended by SCAQMD, a lead agency is advised to use only one option and to use it consistently. The Certified EIR for the Original Project utilized the SCAQMD draft screening threshold of 3,000 MTCO<sub>2</sub>E/yr and thus this analysis utilizes the same. The SCAQMD significance thresholds also evaluate construction emissions by amortizing them over an expected project life of 30 years.

The Project's GHG emissions were evaluated using CalEEMod and the results of the analysis are included below. The CalEEMod output results for GHG emissions present the GHG emissions estimates for the Project for CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and CO<sub>2</sub>E.<sup>8</sup>

<sup>7</sup> [http://www.aqmd.gov/docs/default-source/ceqa/handbook/greenhouse-gases-\(ghg\)-ceqa-significance-thresholds/year-2008-2009/ghg-meeting-15/ghg-meeting-15-main-presentation.pdf?sfvrsn=2](http://www.aqmd.gov/docs/default-source/ceqa/handbook/greenhouse-gases-(ghg)-ceqa-significance-thresholds/year-2008-2009/ghg-meeting-15/ghg-meeting-15-main-presentation.pdf?sfvrsn=2)

<sup>8</sup> CO<sub>2</sub>E is the sum of estimated CO<sub>2</sub> emissions plus the sum of estimated CH<sub>4</sub> and N<sub>2</sub>O emissions multiplied by their respective global warming potentials (GWP).

## Short-Term

### Construction-Related Emissions

The CalEEMod model calculates GHG emissions from fuel usage by construction equipment and construction-related activities, like construction worker trips, for the Project. The CalEEMod estimate does not analyze emissions from construction-related electricity or natural gas. Construction-related electricity and natural gas emissions vary based on the amount of electric power used during construction and other unknown factors which make them too speculative to quantify. The results are shown in **Table 4 – Construction GHG Emissions**.

**Table 4 – Construction GHG Emissions**

Activity	Metric Tons per year (MT/yr)			
	Total CO <sub>2</sub>	Total CH <sub>4</sub>	Total N <sub>2</sub> O	Total CO <sub>2</sub> E
<i>Modified Project</i>	2.16	0.00	0.00	2.17
Recharge Basin <sup>a</sup>	-	-	-	338
Well Construction <sup>a</sup>	-	-	-	6
Service Connection <sup>a</sup>	-	-	-	7
			<b>Total</b>	<b>353.17</b>
			<b>Amortized 30-Years</b>	<b>11.77</b>

<sup>a</sup> From Certified EIR Table 3.5-2. Only CO<sub>2</sub>E is provided. The pipeline construction emissions have been omitted since that activity has been completed.

As shown in **Table 4**, an estimated total of 353.17 MTCO<sub>2</sub>E (or approximately 12 MTCO<sub>2</sub>E per year) will be released over the course of the estimated construction period of the Project, which includes the remaining components of the Original Project.

The Original Project analysis utilized the SCAQMD draft local agency threshold of 3,000 MTCO<sub>2</sub>E per year (EIR, p. 3.5-12). Since the draft SCAQMD GHG threshold Guidance document released in October 2008 (SCAQMD 2008b, p. 3-8) recommends that construction emissions be amortized for a project lifetime of 30 years to, the total GHG emissions from Project construction were amortized and are below the SCAQMD recommended screening level of 3,000 MTCO<sub>2</sub>E per year.

## Conclusion

Regionally, the actions of the proposed Project increase temporary construction emissions across all constituents. However, this analysis finds that construction of the modified Project phases will not individually or in combination with the other Project phases cause an exceedance of criteria pollutant thresholds established by SCAQMD on a regional level, after implementation of the mitigation measures from the Certified EIR for the Original Project.

On a localized level, the modified Project will temporarily increase Project emissions of PM-10 and PM-2.5 during construction. Likewise, the results indicate the construction of the modified Project phase will not cause an exceedance of localized thresholds when combined with other Project phases.

The modified Project will increase the total GHG emissions of the Project by approximately 0.6 percent. However, this increase from an average 11.7 MTCO<sub>2</sub>E per year to 11.77 MTCO<sub>2</sub>E per year will not cause the Project GHG emissions to exceed the recommended screening level threshold.

In summary, with implementation of the mitigation measures from the Original Project's Certified EIR, the proposed modified Project will not result in exceedances of either regional or localized thresholds.

Should you have any questions, please contact me at (951) 686-1070.



## CALEEMOD OUTPUT FILES

Beaumont Ave. Recharge Basins - Riverside-South Coast County, Summer

**Beaumont Ave. Recharge Basins  
Riverside-South Coast County, Summer**

**1.0 Project Characteristics**

**1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Other Non-Asphalt Surfaces	44.00	Acre	44.00	1,916,640.00	0

**1.2 Other Project Characteristics**

Urbanization	Urban	Wind Speed (m/s)	2.4	Precipitation Freq (Days)	28
Climate Zone	10			Operational Year	2019
Utility Company	Southern California Edison				
GHG Intensity (lb/MWhr)	702.44	CH4 Intensity (lb/MWhr)	0.029	N2O Intensity (lb/MWhr)	0.006

**1.3 User Entered Comments & Non-Default Data**

Project Characteristics -

Land Use -

Construction Phase - 80 days per schedule

Off-road Equipment - Per EIR Table 3.1-7

Off-road Equipment - EIR Table 3.1-7

Trips and VMT - 2 water truck trips per day

Construction Off-road Equipment Mitigation - water site 3x daily per Rule 403; per EIR MM AIR 1, two scrapers are Tier 3

Table Name	Column Name	Default Value	New Value
tblAreaCoating	Area_Parking	114998	13068
tblConstDustMitigation	WaterUnpavedRoadVehicleSpeed	40	0
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	2.00
tblConstEquipMitigation	Tier	No Change	Tier 3
tblConstructionPhase	NumDays	75.00	80.00
tblGrading	AcresOfGrading	240.00	4.00
tblOffRoadEquipment	HorsePower	187.00	162.00
tblOffRoadEquipment	HorsePower	247.00	358.00
tblOffRoadEquipment	HorsePower	367.00	232.00
tblOffRoadEquipment	HorsePower	212.00	358.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	2.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	UsageHours	8.00	6.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblProjectCharacteristics	OperationalYear	2018	2019
tblTripsAndVMT	VendorTripNumber	0.00	2.00
tblTripsAndVMT	WorkerTripNumber	18.00	15.00





### 3.0 Construction Detail

#### Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Grading	Grading	9/4/2017	12/22/2017	5	80	

Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 4

Acres of Paving: 44

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0

#### OffRoad Equipment

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Grading	Crawler Tractors	2	7.00	358	0.43
Grading	Excavators	0	8.00	158	0.38
Grading	Excavators	0	8.00	158	0.38
Grading	Graders	1	6.00	162	0.41
Grading	Graders	0	8.00	187	0.41
Grading	Rubber Tired Dozers	2	7.00	358	0.40
Grading	Rubber Tired Dozers	0	8.00	247	0.40
Grading	Scrapers	2	7.00	232	0.48
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37

#### Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Grading	7	15.00	2.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT

### 3.1 Mitigation Measures Construction

Use Cleaner Engines for Construction Equipment

Water Exposed Area

Clean Paved Roads

### 3.2 Grading - 2017

#### Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					10.5917	0.0000	10.5917	5.7986	0.0000	5.7986			0.0000			0.0000
Off-Road	7.5732	88.4707	49.4173	0.0661		3.9520	3.9520		3.6358	3.6358		6,767.8762	6,767.8762	2.0737		6,819.7178
<b>Total</b>	<b>7.5732</b>	<b>88.4707</b>	<b>49.4173</b>	<b>0.0661</b>	<b>10.5917</b>	<b>3.9520</b>	<b>14.5437</b>	<b>5.7986</b>	<b>3.6358</b>	<b>9.4345</b>		<b>6,767.8762</b>	<b>6,767.8762</b>	<b>2.0737</b>		<b>6,819.7178</b>

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#### Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	8.4300e-003	0.2602	0.0531	5.3000e-004	0.0128	2.5400e-003	0.0154	3.6900e-003	2.4300e-003	6.1200e-003		55.9129	55.9129	4.9300e-003		56.0362
Worker	0.1003	0.0657	0.8420	1.8200e-003	0.1677	1.0700e-003	0.1687	0.0445	9.9000e-004	0.0455		181.1209	181.1209	6.0800e-003		181.2729
<b>Total</b>	<b>0.1087</b>	<b>0.3260</b>	<b>0.8951</b>	<b>2.3500e-003</b>	<b>0.1805</b>	<b>3.6100e-003</b>	<b>0.1841</b>	<b>0.0482</b>	<b>3.4200e-003</b>	<b>0.0516</b>		<b>237.0338</b>	<b>237.0338</b>	<b>0.0110</b>		<b>237.3091</b>

**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					4.1308	0.0000	4.1308	2.2615	0.0000	2.2615			0.0000			0.0000
Off-Road	5.8309	71.0148	49.2566	0.0661		3.1111	3.1111		2.8864	2.8864	0.0000	6,767.8762	6,767.8762	2.0737		6,819.7178
Total	5.8309	71.0148	49.2566	0.0661	4.1308	3.1111	7.2418	2.2615	2.8864	5.1478	0.0000	6,767.8762	6,767.8762	2.0737		6,819.7178

**Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	8.4300e-003	0.2602	0.0531	5.3000e-004	0.0128	2.5400e-003	0.0154	3.6900e-003	2.4300e-003	6.1200e-003		55.9129	55.9129	4.9300e-003		56.0362
Worker	0.1003	0.0657	0.8420	1.8200e-003	0.1677	1.0700e-003	0.1687	0.0445	9.9000e-004	0.0455		181.1209	181.1209	6.0800e-003		181.2729
Total	0.1087	0.3260	0.8951	2.3500e-003	0.1805	3.6100e-003	0.1841	0.0482	3.4200e-003	0.0516		237.0338	237.0338	0.0110		237.3091

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Beaumont Ave. Recharge Basins - Riverside-South Coast County, Winter

**Beaumont Ave. Recharge Basins  
Riverside-South Coast County, Winter**

**1.0 Project Characteristics**

**1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Other Non-Asphalt Surfaces	44.00	Acre	44.00	1,916,640.00	0

**1.2 Other Project Characteristics**

Urbanization	Urban	Wind Speed (m/s)	2.4	Precipitation Freq (Days)	28
Climate Zone	10			Operational Year	2019
Utility Company	Southern California Edison				
GHG Intensity (lb/MWhr)	702.44	CH4 Intensity (lb/MWhr)	0.029	N2O Intensity (lb/MWhr)	0.006

**1.3 User Entered Comments & Non-Default Data**

Project Characteristics -

Land Use -

Construction Phase - 80 days per schedule

Off-road Equipment - Per EIR Table 3.1-7

Off-road Equipment - EIR Table 3.1-7

Trips and VMT - 2 water truck trips per day

Construction Off-road Equipment Mitigation - water site 3x daily per Rule 403; per EIR MM AIR 1, two scrapers are Tier 3

Table Name	Column Name	Default Value	New Value
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tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	2.00
tblConstEquipMitigation	Tier	No Change	Tier 3
tblConstructionPhase	NumDays	75.00	80.00
tblGrading	AcresOfGrading	240.00	4.00
tblOffRoadEquipment	HorsePower	187.00	162.00
tblOffRoadEquipment	HorsePower	247.00	358.00
tblOffRoadEquipment	HorsePower	367.00	232.00
tblOffRoadEquipment	HorsePower	212.00	358.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	2.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	UsageHours	8.00	6.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblProjectCharacteristics	OperationalYear	2018	2019
tblTripsAndVMT	Vendor TripNumber	0.00	2.00
tblTripsAndVMT	Worker TripNumber	18.00	15.00



### 3.0 Construction Detail

#### Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Grading	Grading	9/4/2017	12/22/2017	5	80	

Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 4

Acres of Paving: 44

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0

#### OffRoad Equipment

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Grading	Crawler Tractors	2	7.00	358	0.43
Grading	Excavators	0	8.00	158	0.38
Grading	Excavators	0	8.00	158	0.38
Grading	Graders	1	6.00	162	0.41
Grading	Graders	0	8.00	187	0.41
Grading	Rubber Tired Dozers	2	7.00	358	0.40
Grading	Rubber Tired Dozers	0	8.00	247	0.40
Grading	Scrapers	2	7.00	232	0.48
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37

#### Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Grading	7	15.00	2.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT

### 3.1 Mitigation Measures Construction

Use Cleaner Engines for Construction Equipment

Water Exposed Area

Clean Paved Roads

### 3.2 Grading - 2017

#### Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					10.5917	0.0000	10.5917	5.7986	0.0000	5.7986			0.0000			0.0000
Off-Road	7.5732	88.4707	49.4173	0.0661		3.9520	3.9520		3.6358	3.6358		6,767.8762	6,767.8762	2.0737		6,819.7178
<b>Total</b>	<b>7.5732</b>	<b>88.4707</b>	<b>49.4173</b>	<b>0.0661</b>	<b>10.5917</b>	<b>3.9520</b>	<b>14.5437</b>	<b>5.7986</b>	<b>3.6358</b>	<b>9.4345</b>		<b>6,767.8762</b>	<b>6,767.8762</b>	<b>2.0737</b>		<b>6,819.7178</b>

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#### Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Vendor	8.7900e-003	0.2605	0.0605	5.1000e-004	0.0128	2.5700e-003	0.0154	3.6900e-003	2.4600e-003	6.1500e-003		53.8771	53.8771	5.4400e-003		54.0131
Worker	0.0978	0.0682	0.6866	1.6300e-003	0.1677	1.0700e-003	0.1687	0.0445	9.9000e-004	0.0455		162.5462	162.5462	5.3200e-003		162.6792
<b>Total</b>	<b>0.1066</b>	<b>0.3288</b>	<b>0.7472</b>	<b>2.1400e-003</b>	<b>0.1805</b>	<b>3.6400e-003</b>	<b>0.1841</b>	<b>0.0482</b>	<b>3.4500e-003</b>	<b>0.0516</b>		<b>216.4233</b>	<b>216.4233</b>	<b>0.0108</b>		<b>216.6923</b>



**Mitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e	
Category	lb/day										lb/day						
Fugitive Dust					4.1308	0.0000	4.1308	2.2615	0.0000	2.2615			0.0000				0.0000
Off-Road	5.8309	71.0148	49.2566	0.0661		3.1111	3.1111		2.8864	2.8864	0.0000	6,767.8762	6,767.8762	2.0737			6,819.7178
<b>Total</b>	<b>5.8309</b>	<b>71.0148</b>	<b>49.2566</b>	<b>0.0661</b>	<b>4.1308</b>	<b>3.1111</b>	<b>7.2418</b>	<b>2.2615</b>	<b>2.8864</b>	<b>5.1478</b>	<b>0.0000</b>	<b>6,767.8762</b>	<b>6,767.8762</b>	<b>2.0737</b>			<b>6,819.7178</b>

**Mitigated Construction Off-Site**

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	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e	
Category	lb/day										lb/day						
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000	0.0000			0.0000
Vendor	8.7900e-003	0.2605	0.0605	5.1000e-004	0.0128	2.5700e-003	0.0154	3.6900e-003	2.4600e-003	6.1500e-003		53.8771	53.8771	5.4400e-003			54.0131
Worker	0.0978	0.0682	0.6866	1.6300e-003	0.1677	1.0700e-003	0.1687	0.0445	9.9000e-004	0.0455		162.5462	162.5462	6.3200e-003			162.6792
<b>Total</b>	<b>0.1066</b>	<b>0.3288</b>	<b>0.7472</b>	<b>2.1400e-003</b>	<b>0.1805</b>	<b>3.6400e-003</b>	<b>0.1841</b>	<b>0.0482</b>	<b>3.4500e-003</b>	<b>0.0516</b>		<b>216.4233</b>	<b>216.4233</b>	<b>0.0108</b>			<b>216.6923</b>

Beaumont Ave. Recharge Basins - Riverside-South Coast County, Annual

**Beaumont Ave. Recharge Basins  
Riverside-South Coast County, Annual**

**1.0 Project Characteristics**

**1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Other Non-Asphalt Surfaces	44.00	Acre	44.00	1,916,640.00	0

**1.2 Other Project Characteristics**

Urbanization	Urban	Wind Speed (m/s)	2.4	Precipitation Freq (Days)	28
Climate Zone	10			Operational Year	2019
Utility Company	Southern California Edison				
CO <sub>2</sub> Intensity (lb/MWhr)	702.44	CH <sub>4</sub> Intensity (lb/MWhr)	0.029	N <sub>2</sub> O Intensity (lb/MWhr)	0.006

**1.3 User Entered Comments & Non-Default Data**

Project Characteristics -

Land Use -

Construction Phase - 80 days per schedule

Off-road Equipment - Per EIR Table 3.1-7

Off-road Equipment - EIR Table 3.1-7

Trips and VMT - 2 water truck trips per day

Construction Off-road Equipment Mitigation - water site 3x daily per Rule 403; per EIR MM AIR 1, two scrapers are Tier 3

Table Name	Column Name	Default Value	New Value
tblAreaCoating	Area_Parking	114998	13068
tblConstDustMitigation	WaterUnpavedRoadVehicleSpeed	40	0
tblConstEquipMitigation	NumberOfEquipmentMitigated	0.00	2.00
tblConstEquipMitigation	Tier	No Change	Tier 3
tblConstructionPhase	NumDays	75.00	80.00
tblGrading	AcresOfGrading	240.00	4.00
tblOffRoadEquipment	HorsePower	187.00	162.00
tblOffRoadEquipment	HorsePower	247.00	358.00
tblOffRoadEquipment	HorsePower	367.00	232.00
tblOffRoadEquipment	HorsePower	212.00	358.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	2.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	0.00
tblOffRoadEquipment	UsageHours	8.00	6.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblProjectCharacteristics	OperationalYear	2018	2019
tblTripsAndVMT	VendorTripNumber	0.00	2.00
tblTripsAndVMT	WorkerTripNumber	18.00	15.00

## 2.0 Emissions Summary

### 2.1 Overall Construction

#### Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2017	0.3069	3.5522	2.0079	2.7300e-003	0.4308	0.1582	0.5890	0.2338	0.1456	0.3794	0.0000	253.6359	253.6359	0.0756	0.0000	255.5268
Maximum	0.3069	3.5522	2.0079	2.7300e-003	0.4308	0.1582	0.5890	0.2338	0.1456	0.3794	0.0000	253.6359	253.6359	0.0756	0.0000	255.5268

#### 1081801 Mitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2017	0.2372	2.8540	2.0015	2.7300e-003	0.1723	0.1246	0.2969	0.0924	0.1156	0.2080	0.0000	253.6357	253.6357	0.0756	0.0000	255.5265
Maximum	0.2372	2.8540	2.0015	2.7300e-003	0.1723	0.1246	0.2969	0.0924	0.1156	0.2080	0.0000	253.6357	253.6357	0.0756	0.0000	255.5265

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	22.71	19.66	0.32	0.00	59.99	21.26	49.59	60.50	20.59	45.19	0.00	0.00	0.00	0.00	0.00	0.00

Quarter	Start Date	End Date	Maximum Unmitigated ROG + NOX (tons/quarter)	Maximum Mitigated ROG + NOX (tons/quarter)
1	9-4-2017	9-30-2017	0.9303	0.7452
		Highest	0.9303	0.7452

### 3.0 Construction Detail

#### Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Grading	Grading	9/4/2017	12/22/2017	5	80	

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 Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 4

Acres of Paving: 44

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0

**OffRoad Equipment**

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Grading	Crawler Tractors	2	7.00	358	0.43
Grading	Excavators	0	8.00	158	0.38
Grading	Excavators	0	8.00	158	0.38
Grading	Graders	1	6.00	162	0.41
Grading	Graders	0	8.00	187	0.41
Grading	Rubber Tired Dozers	2	7.00	358	0.40
Grading	Rubber Tired Dozers	0	8.00	247	0.40
Grading	Scrapers	2	7.00	232	0.48
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37
Grading	Tractors/Loaders/Backhoes	0	8.00	97	0.37

**Trips and VMT**

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Grading	7	15.00	2.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT

**3.1 Mitigation Measures Construction**

Use Cleaner Engines for Construction Equipment

Water Exposed Area

Clean Paved Roads

3.2 Grading - 2017

Unmitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.4237	0.0000	0.4237	0.2319	0.0000	0.2319	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.3029	3.5388	1.9767	2.6400e-003		0.1581	0.1581		0.1454	0.1454	0.0000	245.5886	245.5886	0.0753	0.0000	247.4698
<b>Total</b>	<b>0.3029</b>	<b>3.5388</b>	<b>1.9767</b>	<b>2.6400e-003</b>	<b>0.4237</b>	<b>0.1581</b>	<b>0.5818</b>	<b>0.2319</b>	<b>0.1454</b>	<b>0.3774</b>	<b>0.0000</b>	<b>245.5886</b>	<b>245.5886</b>	<b>0.0753</b>	<b>0.0000</b>	<b>247.4698</b>

Unmitigated Construction Off-Site

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	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.4000e-004	0.0106	2.2600e-003	2.0000e-005	5.1000e-004	1.0000e-004	6.1000e-004	1.5000e-004	1.0000e-004	2.4000e-004	0.0000	1.9979	1.9979	1.9000e-004	0.0000	2.0026
Worker	3.6200e-003	2.8200e-003	0.0289	7.0000e-005	6.5900e-003	4.0000e-005	6.6400e-003	1.7500e-003	4.0000e-005	1.7900e-003	0.0000	6.0495	6.0495	2.0000e-004	0.0000	6.0545
<b>Total</b>	<b>3.9600e-003</b>	<b>0.0134</b>	<b>0.0312</b>	<b>9.0000e-005</b>	<b>7.1000e-003</b>	<b>1.4000e-004</b>	<b>7.2500e-003</b>	<b>1.9000e-003</b>	<b>1.4000e-004</b>	<b>2.0300e-003</b>	<b>0.0000</b>	<b>8.0474</b>	<b>8.0474</b>	<b>3.9000e-004</b>	<b>0.0000</b>	<b>8.0570</b>

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.1652	0.0000	0.1652	0.0905	0.0000	0.0905	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	0.2332	2.8406	1.9703	2.6400e-003		0.1244	0.1244		0.1155	0.1155	0.0000	245.5883	245.5883	0.0753	0.0000	247.4695
Total	0.2332	2.8406	1.9703	2.6400e-003	0.1652	0.1244	0.2897	0.0905	0.1155	0.2059	0.0000	245.5883	245.5883	0.0753	0.0000	247.4695

Mitigated Construction Off-Site

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	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.4000e-004	0.0106	2.2600e-003	2.0000e-005	5.1000e-004	1.0000e-004	6.1000e-004	1.5000e-004	1.0000e-004	2.4000e-004	0.0000	1.9979	1.9979	1.9000e-004	0.0000	2.0026
Worker	3.6200e-003	2.8200e-003	0.0289	7.0000e-005	6.5900e-003	4.0000e-005	6.6400e-003	1.7500e-003	4.0000e-005	1.7900e-003	0.0000	6.0495	6.0495	2.0000e-004	0.0000	6.0545
Total	3.9600e-003	0.0134	0.0312	9.0000e-005	7.1000e-003	1.4000e-004	7.2500e-003	1.9000e-003	1.4000e-004	2.0300e-003	0.0000	8.0474	8.0474	3.9000e-004	0.0000	8.0570



Beaumont Ave. Recharge - Hauling - Riverside-South Coast County, Summer

**Beaumont Ave. Recharge - Hauling  
Riverside-South Coast County, Summer**

**1.0 Project Characteristics**

**1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Other Non-Asphalt Surfaces	3.50	Acre	3.50	152,460.00	0

**1.2 Other Project Characteristics**

Urbanization	Urban	Wind Speed (m/s)	2.4	Precipitation Freq (Days)	28
Climate Zone	10			Operational Year	2019
Utility Company	Southern California Edison				
GHG Intensity (lb/MWhr)	702.44	CH4 Intensity (lb/MWhr)	0.029	N2O Intensity (lb/MWhr)	0.006

**1.3 User Entered Comments & Non-Default Data**

- Project Characteristics -
- Land Use - Per EIR Exhibit 2-5
- Construction Phase - Hauling one week per schedule
- Off-road Equipment - no equipment needed
- Off-road Equipment - No equipment modeled
- Trips and VMT - 2 water truck trips added
- Grading - 1632 CY export
- Construction Off-road Equipment Mitigation - water site 3x/day Rule 403 compliance

Table Name	Column Name	Default Value	New Value
tblAreaCoating	Area_Parking	9148	4704
tblConstDustMitigation	WaterUnpavedRoadVehicleSpeed	40	0
tblConstructionPhase	NumDays	8.00	5.00
tblGrading	AcresOfGrading	0.00	3.50
tblGrading	MaterialImported	0.00	1,632.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	3.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblProjectCharacteristics	OperationalYear	2018	2019
tblTripsAndVMT	HaulingTripLength	20.00	1.50
tblTripsAndVMT	VendorTripNumber	0.00	2.00
tblTripsAndVMT	WorkerTripNumber	0.00	8.00

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## 2:0 Emissions Summary

### 2.1 Overall Construction (Maximum Daily Emission)

#### Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2017	0.1815	5.7463	1.0395	9.4800e-003	0.9403	0.0119	0.9522	0.1288	0.0114	0.1402	0.0000	995.5744	995.5744	0.1769	0.0000	999.9968
Maximum	0.1815	5.7463	1.0395	9.4800e-003	0.9403	0.0119	0.9522	0.1288	0.0114	0.1402	0.0000	995.5744	995.5744	0.1769	0.0000	999.9968

**Mitigated Construction**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2017	0.1815	5.7463	1.0395	9.4800e-003	0.4622	0.0119	0.4741	0.0761	0.0114	0.0875	0.0000	995.5744	995.5744	0.1769	0.0000	999.9968
Maximum	0.1815	5.7463	1.0395	9.4800e-003	0.4622	0.0119	0.4741	0.0761	0.0114	0.0875	0.0000	995.5744	995.5744	0.1769	0.0000	999.9968

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	0.00	0.00	0.00	0.00	50.84	0.00	50.21	40.93	0.00	37.61	0.00	0.00	0.00	0.00	0.00	0.00

**3.0 Construction Detail**

**Construction Phase**

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Grading	Grading	9/11/2017	9/15/2017	5	5	Hauling

Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 3.5

Acres of Paving: 3.5

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0

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**OffRoad Equipment**

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Grading	Excavators	0	0.00	158	0.38
Grading	Graders	0	0.00	187	0.41
Grading	Rubber Tired Dozers	0	0.00	247	0.40
Grading	Tractors/Loaders/Backhoes	0	0.00	97	0.37

**Trips and VMT**

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Grading	0	8.00	2.00	204.00	14.70	6.90	1.50	LD_Mix	HDT_Mix	HHDT

**3.1 Mitigation Measures Construction**

Water Exposed Area

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2 Grading - 2017

mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio-CO2	NBio-CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.7837	0.0000	0.7837	0.0864	0.0000	0.0864			0.0000			0.0000
Off-Road	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Total	0.0000	0.0000	0.0000	0.0000	0.7837	0.0000	0.7837	0.0864	0.0000	0.0864		0.0000	0.0000	0.0000		0.0000

Unmitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.1196	5.4510	0.5374	7.9800e-003	0.0544	8.8100e-003	0.0632	0.0150	8.4200e-003	0.0234		843.0637	843.0637	0.1687		847.2817
Vendor	8.4300e-003	0.2602	0.0531	5.3000e-004	0.0128	2.5400e-003	0.0154	3.6900e-003	2.4300e-003	6.1200e-003		55.9129	55.9129	4.9300e-003		56.0362
Worker	0.0535	0.0351	0.4491	9.7000e-004	0.0894	5.7000e-004	0.0900	0.0237	5.3000e-004	0.0242		96.5978	96.5978	3.2400e-003		96.6789
Total	0.1815	5.7463	1.0395	9.4800e-003	0.1566	0.0119	0.1685	0.0424	0.0114	0.0538		995.5744	995.5744	0.1769		999.9968

Mitigated Construction On-Site

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	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.3056	0.0000	0.3056	0.0337	0.0000	0.0337			0.0000			0.0000
Off-Road	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000
Total	0.0000	0.0000	0.0000	0.0000	0.3056	0.0000	0.3056	0.0337	0.0000	0.0337	0.0000	0.0000	0.0000	0.0000		0.0000

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.1196	5.4510	0.5374	7.9800e-003	0.0544	8.8100e-003	0.0632	0.0150	8.4200e-003	0.0234		843.0637	843.0637	0.1687		847.2817
Vendor	8.4300e-003	0.2602	0.0531	5.3000e-004	0.0128	2.5400e-003	0.0154	3.6900e-003	2.4300e-003	6.1200e-003		55.9129	55.9129	4.9300e-003		56.0362
Worker	0.0535	0.0351	0.4491	9.7000e-004	0.0894	5.7000e-004	0.0900	0.0237	5.3000e-004	0.0242		96.5978	96.5978	3.2400e-003		96.6789
Total	0.1815	5.7463	1.0395	9.4800e-003	0.1566	0.0119	0.1685	0.0424	0.0114	0.0538		995.5744	995.5744	0.1769		999.9968

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Beaumont Ave. Recharge - Hauling - Riverside-South Coast County, Winter

**Beaumont Ave. Recharge - Hauling  
Riverside-South Coast County, Winter**

**1.0 Project Characteristics**

**1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Other Non-Asphalt Surfaces	3.50	Acre	3.50	152,460.00	0

**1.2 Other Project Characteristics**

Urbanization	Urban	Wind Speed (m/s)	2.4	Precipitation Freq (Days)	28
Climate Zone	10			Operational Year	2019
Utility Company	Southern California Edison				
GHG Intensity (lb/MWhr)	702.44	CH4 Intensity (lb/MWhr)	0.029	N2O Intensity (lb/MWhr)	0.006

**1.3 User Entered Comments & Non-Default Data**

- Project Characteristics -
- Land Use - Per EIR Exhibit 2-5
- Construction Phase - Hauling one week per schedule
- Off-road Equipment - no equipment needed
- Off-road Equipment - No equipment modeled
- Trips and VMT - 2 water truck trips added
- Grading - 1632 CY export
- Construction Off-road Equipment Mitigation - water site 3x/day Rule 403 compliance

Table Name	Column Name	Default Value	New Value
tblAreaCoating	Area_Parking	9148	4704
tblConstDustMitigation	WaterUnpavedRoadVehicleSpeed	40	0
tblConstructionPhase	NumDays	8.00	5.00
tblGrading	AcresOfGrading	0.00	3.50
tblGrading	MaterialImported	0.00	1,632.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	3.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblProjectCharacteristics	OperationalYear	2018	2019
tblTripsAndVMT	HaulingTripLength	20.00	1.50
tblTripsAndVMT	VendorTripNumber	0.00	2.00
tblTripsAndVMT	WorkerTripNumber	0.00	8.00

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## 2.0 Emissions Summary

### 2.1 Overall Construction (Maximum Daily Emission)

#### Unmitigated Construction

Year	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NonBio- CO2	Total CO2	CH4	N2O	CO2e
2017	0.1937	5.5589	1.2115	8.5900e-003	0.9403	0.0129	0.9532	0.1288	0.0123	0.1411	0.0000	902.5725	902.5725	0.1974	0.0000	907.5084
Maximum	0.1937	5.5589	1.2115	8.5900e-003	0.9403	0.0129	0.9532	0.1288	0.0123	0.1411	0.0000	902.5725	902.5725	0.1974	0.0000	907.5084



**Mitigated Construction**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	lb/day										lb/day					
2017	0.1937	5.5589	1.2115	8.5900e-003	0.4622	0.0129	0.4751	0.0761	0.0123	0.0884	0.0000	902.5725	902.5725	0.1974	0.0000	907.5084
Maximum	0.1937	5.5589	1.2115	8.5900e-003	0.4622	0.0129	0.4751	0.0761	0.0123	0.0884	0.0000	902.5725	902.5725	0.1974	0.0000	907.5084

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	0.00	0.00	0.00	0.00	50.84	0.00	50.15	40.93	0.00	37.36	0.00	0.00	0.00	0.00	0.00	0.00

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**3.0 Construction Detail**

**Construction Phase**

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Grading	Grading	9/11/2017	9/15/2017	5	5	Hauling

Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 3.5

Acres of Paving: 3.5

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0

**OffRoad Equipment**

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Grading	Excavators	0	0.00	158	0.38
Grading	Graders	0	0.00	187	0.41
Grading	Rubber Tired Dozers	0	0.00	247	0.40
Grading	Tractors/Loaders/Backhoes	0	0.00	97	0.37

**Trips and VMT**

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Grading	0	8.00	2.00	204.00	14.70	6.90	1.50	LD_Mix	HDT_Mix	HHDT

**3.1 Mitigation Measures Construction**

Water Exposed Area

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2 Grading - 2017

1 mitigated Construction On-Site

Category	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
	lb/day										lb/day					
Fugitive Dust					0.7837	0.0000	0.7837	0.0864	0.0000	0.0864			0.0000			0.0000
Off-Road	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000		0.0000
Total	0.0000	0.0000	0.0000	0.0000	0.7837	0.0000	0.7837	0.0864	0.0000	0.0864		0.0000	0.0000	0.0000		0.0000

**Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e	
Category	lb/day										lb/day						
Hauling	0.1327	5.2619	0.7848	7.2100e-003	0.0544	9.7600e-003	0.0641	0.0150	9.3300e-003	0.0243			762.0041	762.0041	0.1892		766.7331
Vendor	8.7900e-003	0.2605	0.0605	5.1000e-004	0.0128	2.5700e-003	0.0154	3.6900e-003	2.4600e-003	6.1500e-003			53.8771	53.8771	5.4400e-003		54.0131
Worker	0.0522	0.0364	0.3662	8.7000e-004	0.0894	5.7000e-004	0.0900	0.0237	5.3000e-004	0.0242			86.6913	86.6913	2.8400e-003		86.7622
Total	0.1937	5.5589	1.2115	8.5900e-003	0.1566	0.0129	0.1695	0.0424	0.0123	0.0547			902.5725	902.5725	0.1974		907.5084

**Mitigated Construction On-Site**

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	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Fugitive Dust					0.3056	0.0000	0.3056	0.0337	0.0000	0.0337			0.0000			0.0000
Off-Road	0.0000	0.0000	0.0000	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000
Total	0.0000	0.0000	0.0000	0.0000	0.3056	0.0000	0.3056	0.0337	0.0000	0.0337	0.0000	0.0000	0.0000	0.0000		0.0000

Mitigated Construction Off-Site

	ROG	NOx	CO	SO2	Fugitive: PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	lb/day										lb/day					
Hauling	0.1327	5.2619	0.7848	7.2100e-003	0.0544	9.7600e-003	0.0641	0.0150	9.3300e-003	0.0243		762.0041	762.0041	0.1892		766.7331
Vendor	8.7900e-003	0.2605	0.0605	5.1000e-004	0.0128	2.5700e-003	0.0154	3.6900e-003	2.4600e-003	6.1500e-003		53.8771	53.8771	5.4400e-003		54.0131
Worker	0.0522	0.0364	0.3662	8.7000e-004	0.0894	5.7000e-004	0.0900	0.0237	5.3000e-004	0.0242		86.6913	86.6913	2.8400e-003		86.7622
Total	0.1937	5.5589	1.2115	8.5900e-003	0.1566	0.0129	0.1695	0.0424	0.0123	0.0547		902.5725	902.5725	0.1974		907.5084

Beaumont Ave. Recharge - Hauling - Riverside-South Coast County, Annual

**Beaumont Ave. Recharge - Hauling**  
Riverside-South Coast County, Annual

**1.0 Project Characteristics**

**1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
Other Non-Asphalt Surfaces	3.50	Acre	3.50	152,460.00	0

**1.2 Other Project Characteristics**

Urbanization	Urban	Wind Speed (m/s)	2.4	Precipitation Freq (Days)	28
Climate Zone	10	Operational Year	2019		
Utility Company	Southern California Edison				
CO2 Intensity (lb/MW hr)	702.44	CH4 Intensity (lb/MW hr)	0.029	N2O Intensity (lb/MW hr)	0.006

**1.3 User Entered Comments & Non-Default Data**

- Project Characteristics -
- Land Use - Per EIR Exhibit 2-5
- Construction Phase - Hauling one week per schedule
- Off-road Equipment - no equipment needed
- Off-road Equipment - No equipment modeled
- Trips and VMT - 2 water truck trips added
- Grading - 1632 CY export
- Construction Off-road Equipment Mitigation - water site 3x/day Rule 403 compliance

Table Name	Column Name	Default Value	New Value
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tblConstDustMitigation	WaterUnpavedRoadVehicleSpeed	40	0
tblConstructionPhase	NumDays	8.00	5.00
tblGrading	AcresOfGrading	0.00	3.50
tblGrading	MaterialImported	0.00	1,632.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	0.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	3.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblOffRoadEquipment	UsageHours	8.00	0.00
tblProjectCharacteristics	OperationalYear	2018	2019
tblTripsAndVMT	HaulingTripLength	20.00	1.50
tblTripsAndVMT	VendorTripNumber	0.00	2.00
tblTripsAndVMT	WorkerTripNumber	0.00	8.00

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## 2.0 Emissions Summary

### 2.1 Overall Construction Unmitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2017	4.5000e-004	0.0142	2.7200e-003	2.0000e-005	2.3400e-003	3.0000e-005	2.3800e-003	3.2000e-004	3.0000e-005	3.5000e-004	0.0000	2.1613	2.1613	4.2000e-004	0.0000	2.1719
Maximum	4.5000e-004	0.0142	2.7200e-003	2.0000e-005	2.3400e-003	3.0000e-005	2.3800e-003	3.2000e-004	3.0000e-005	3.5000e-004	0.0000	2.1613	2.1613	4.2000e-004	0.0000	2.1719

**Mitigated Construction**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2017	4.5000e-004	0.0142	2.7200e-003	2.0000e-005	1.1500e-003	3.0000e-005	1.1800e-003	1.9000e-004	3.0000e-005	2.2000e-004	0.0000	2.1613	2.1613	4.2000e-004	0.0000	2.1719
Maximum	4.5000e-004	0.0142	2.7200e-003	2.0000e-005	1.1500e-003	3.0000e-005	1.1800e-003	1.9000e-004	3.0000e-005	2.2000e-004	0.0000	2.1613	2.1613	4.2000e-004	0.0000	2.1719

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	0.00	0.00	0.00	0.00	50.85	0.00	50.42	40.63	0.00	37.14	0.00	0.00	0.00	0.00	0.00	0.00

Quarter	Start Date	End Date	Maximum Unmitigated ROG + NOX (tons/quarter)	Maximum Mitigated ROG + NOX (tons/quarter)
1	9-11-2017	9-30-2017	0.0106	0.0106
		Highest	0.0106	0.0106

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### 3.0 Construction Detail

#### Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Grading	Grading	9/11/2017	9/15/2017	5	5	Hauling

Acres of Grading (Site Preparation Phase): 0

Acres of Grading (Grading Phase): 3.5

Acres of Paving: 3.5

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0







**Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	3.1000e-004	0.0135	1.6100e-003	2.0000e-005	1.3000e-004	2.0000e-005	1.6000e-004	4.0000e-005	2.0000e-005	6.0000e-005	0.0000	1.8348	1.8348	4.0000e-004	0.0000	1.8449
Ven dor	2.0000e-005	6.6000e-004	1.4000e-004	0.0000	3.0000e-005	1.0000e-005	4.0000e-005	1.0000e-005	1.0000e-005	2.0000e-005	0.0000	0.1249	0.1249	1.0000e-005	0.0000	0.1252
Worker	1.2000e-004	9.0000e-005	9.6000e-004	0.0000	2.2000e-004	0.0000	2.2000e-004	6.0000e-005	0.0000	6.0000e-005	0.0000	0.2017	0.2017	1.0000e-005	0.0000	0.2018
Total	4.5000e-004	0.0142	2.7100e-003	2.0000e-005	3.8000e-004	3.0000e-005	4.2000e-004	1.1000e-004	3.0000e-005	1.4000e-004	0.0000	2.1613	2.1613	4.2000e-004	0.0000	2.1719

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## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** Contracting for Auditing Services on Behalf of the State Water Contractors

**DATE:** July 10, 2017

### **Summary:**

Each year the State Water Contractors hire an auditing firm to perform audits of DWR (not the formal audit that we perform on our own books). EY has performed this work for several years in a row. The same firm has been selected to perform the work again this year. The Agency's share of this cost will range from \$5,158 to \$6,448, unless the Agency wishes EY to perform additional tasks at our request. This is slightly more than last year. The purpose of this proposed Board action is to determine if the Board wishes to continue participating in this effort this year.

### **Background:**

As detailed in the attached letter, EY performs an auditing function but does not perform an actual audit on DWR. The purpose of this work is to ensure that DWR is making efficient use of the Contractors' funds. The scope of work is described in detail in the attached memo from the Independent Audit Association and the EY contract. The cost of performing this work is shared by the Contractors based on Table A allocations, with the exception of the Metropolitan Water District of Southern California, which performs its own audit of DWR.

### **Detailed Report:**

The Contractors, through the Independent Audit Association, of which the Agency is a member, develop the scope of the audit annually. The scope of this year's audit is similar to last year's. The purpose of the audit is to determine if DWR's business practices are acceptable and reasonable. This is not an audit in the traditional sense of ensuring that all funds are accounted for.

The auditing work is important for the Contractors so that we may be assured that DWR is using our funds efficiently and that funds paid to DWR from the Contractors do not end up in the state general fund.

Last year, the Agency budgeted \$5,000 for this audit. Our actual costs were \$5,012.

**Fiscal Impact:**

This year (FY 17-18), the Agency has budgeted \$5,500 for this work from the General Fund. Correspondence from EY indicates that actual costs will range from \$5,158 to \$6,448, but are likely to be on the lower end of this range. Because this is budgeted, there is no appreciable fiscal impact of approving this contract.

**Recommendation:**

Staff recommends that the Board approve contracting with EY to provide this work, and authorize the General Manager to sign the attached letter.



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Mr. Jeff Davis  
San Geronio Pass Water Agency  
1210 Beaumont Ave.  
Beaumont, California 92223

May 31, 2017

Dear Mr. Davis:

This letter agreement constitutes the Master Services Agreement (MSA) between Ernst & Young LLP (“we” or “EY”) and San Geronio Pass Water Agency (“you” or “Client”) under which EY will perform professional services (the “Services”) for San Geronio Pass Water Agency. It is intended that the professional services performed by EY on behalf of San Geronio Pass Water Agency under this MSA will also be performed on behalf of a number of other State Water Project contractors under substantially identical MSAs, and that the costs of these services will be shared by all participants. For each project that we agree to undertake for you, we will prepare a Statement of Work describing the particular Services, as well as any advice, presentations, or filings to be made, our fees therefor, and any other project-specific arrangements. All of the Services will be subject to the terms and conditions of this MSA, its attachments, including the General Terms and Conditions, and the applicable Statement of Work (together, this “Agreement”). Except for a claim seeking solely injunctive relief, any dispute or claim arising out of or relating to this Agreement, the Services or any other services provided by us or on our behalf to you shall be resolved by mediation and arbitration as set forth in this Agreement.

Annually or more frequently, we may enter into Statements of Work with you for a period of five years following the date of this letter, although we may agree with you to extend that period, including by executing additional Statements of Work referencing this MSA. We understand that this MSA does not bind you to use our services, but instead reflects our general understanding of the arrangement should EY and you choose to enter into any future Statement of Work.

Please sign this letter in the space provided below to indicate your agreement with these arrangements and return it to Joe Pirnik (2901 Douglas Boulevard, Suite 300, Roseville, CA 95661) at your earliest convenience. If you have any questions about any of these materials, please do not hesitate to contact Joe Pirnik at 916-218-1960 so that we can address any issues you identify before we begin to provide any Services. We appreciate the opportunity to assist you and look forward to working with you.

Very truly yours,



Building a better  
working world

AGREED:  
San Geronio Pass Water Agency

---

**Signature**

---

**Printed Name**

---

**Title**

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**Address**

---

**Date**

## General Terms and Conditions

### Our relationship with you

1. We will perform the Services in accordance with applicable professional standards, including those established by the American Institute of Certified Public Accountants (“AICPA”).
2. We are a member of the global network of Ernst & Young firms (“EY Firms”), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor we have any right, power or authority to bind the other.
4. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement. From time to time, non-CPA personnel may perform the Services.
5. We will not assume any of your management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services, although we may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

### Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf (“Client Information”) will be accurate and complete in all material respects. The provision of Client Information to us will not infringe any copyright or other third-party rights.
9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.

10. You shall be responsible for your personnel’s compliance with your obligations under this Agreement.

### Our Reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement (“Reports”), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
12. You may not disclose a Report (or any portion or summary of a Report) externally (including to your affiliates) or refer to us or to any other EY Firm in connection with the Services, except:
  - (a) to your lawyers (subject to these disclosure restrictions), who may review it only to give you advice relating to the Services,
  - (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify us),
  - (c) to other persons (including your affiliates) with our prior written consent, who have executed an access letter substantially in the form we prescribe, or
  - (d) to the extent it contains Tax Advice, as set forth in Section 13.

If you are permitted to disclose a Report (or a portion thereof) externally, you shall not alter, edit or modify it from the form we provided.

13. You may disclose to anyone a Report (or a portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate (“Tax Advice”). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent.
14. You may incorporate into documents that you intend to disclose externally EY summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. However, you must assume sole responsibility for the contents of those documents and not refer to us or any other EY Firm in connection with them. This provision does not affect your ability to circulate Reports internally.



15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

## Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
17. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
18. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.
19. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees (“EY Persons”). You shall make any claim or bring proceedings only against us. The provisions of Sections 16 through 20 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

## Indemnity

20. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates and attorneys) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the disclosure of any Report (other than Tax Advice) or a third party’s use of or reliance on any Report (including Tax Advice) disclosed to it by you or at your request.

## Intellectual property rights

21. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how that we own or license (“Materials”) in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
22. Upon payment for particular Services and subject to the other terms of this Agreement, you may use the Reports relating to those Services, as well as any Materials owned by us that are included therein, solely to the extent necessary to use the Reports.

## Confidentiality

23. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
  - (a) is or becomes public other than through a breach of this Agreement,
  - (b) is subsequently received by the recipient from a third party who, to the recipient’s knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information,
  - (c) was known to the recipient at the time of disclosure or is thereafter created independently,
  - (d) is disclosed as necessary to enforce the recipient’s rights under this Agreement, or
  - (e) must be disclosed under applicable law, legal process or professional regulations.

EY acknowledges that Client has taken the position that Client is subject to the Freedom of Information Act (“FOIA”) as may be amended, updated or replaced from time to time. EY has made no independent inquiry or determination on the subject, however, to the extent FOIA is applicable, the parties acknowledge and agree that: (a) Subject to clause (b) below, the decision on whether any exemption applies to a request for disclosure of information under the FOIA is a decision for Client after consultation with EY; (b) where Client is managing a request under FOIA to disclose a Report or any information that belongs to EY, EY shall cooperate with Client and shall use all reasonable efforts to respond to Client within ten (10) working

days of Client's request for assistance in determining whether or not an exemption to the FOIA applies; and (c) Client will only disclose the confidential information when required by FOIA, and when Client discloses a Report or EY confidential information, Client shall (i) use all reasonable efforts to limit the disclosure to the maximum extent possible (including redaction of the Report or EY's confidential information where possible), and (ii) notify EY in writing prior to such disclosure unless prohibited by law.

24. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.
25. Unless prohibited by applicable law, we may provide Client Information to other EY Firms (which are listed at [www.ey.com](http://www.ey.com)) and EY Persons, as well as external third parties providing services on our or their behalf, who may collect, use, transfer, store or otherwise process (collectively, "Process") it in various jurisdictions in which they operate in order to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services or for quality and risk management purposes. We shall be responsible to you for maintaining the confidentiality of Client Information, regardless of where or by whom such information is Processed on our behalf.
26. With respect to any Services, if U.S. Securities and Exchange Commission auditor independence requirements apply to the relationship between you or any of your associated entities and any EY Firm, you represent, to the best of your knowledge, as of the date of this Agreement and as of the date of each Statement of Work hereunder, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

## Data protection

27. If we Process Client Information that can be linked to specific individuals ("Personal Data"), we will Process it in accordance with Section 25 of this Agreement, as well as applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Client Information is protected health information under the Health Insurance Portability and Accountability Act, as

amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information.

28. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law. In order to provide the Services, we may need to access Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event that we need access to such information, you will consult with us on appropriate measures (consistent with professional standards applicable to us) to protect the Restricted Personal Data, such as deleting or masking unnecessary information before it is made available to us, encrypting any data transferred to us, or making the data available for on-site review at a Client site. You will provide us with Restricted Personal Data only in accordance with mutually agreed protective measures.

## Fees and expenses generally

29. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). Unless otherwise set forth in the applicable Statement of Work, payment is due within 30 days following receipt of each of our invoices. We may receive rebates in connection with certain purchases, which we use to reduce charges that we would otherwise pass on to you.
30. We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
31. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

## Force majeure

32. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

## Term and termination

33. This Agreement applies to the Services whenever performed (including before the date of this Agreement).
34. This Agreement shall terminate upon the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 30 days' prior written notice to the other. In addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
35. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts.
36. The provisions of this Agreement, including Section 14 and otherwise with respect to Reports, that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement, except that our respective confidentiality obligations (other than those relating to Reports or under Section 14) shall continue thereafter for three years only.

## Governing law and dispute resolution

37. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, including (without limitation) claims arising in tort, fraud, under statute or otherwise relating to the Services, or questions relating to the scope or enforceability of this Section 37, shall be governed by, and construed in accordance with, the laws of New York applicable to agreements made, and fully to be performed, therein by residents thereof. Except as otherwise expressly provided in the Cover Letter, any dispute relating to this Agreement or the Services shall be resolved as set forth in Appendix 1 to these Terms and Conditions.

## Miscellaneous

38. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto,

including any confidentiality agreements previously delivered. In addition, any policy, protocol, agreement (other than this Agreement) or other instrument, in whatever form, imposed at any time that purports to obligate EY, any other EY Firm or any EY Person with respect to the use of Client Information shall be void and of no further effect, and you shall not seek to enforce any such obligation.

39. Both of us may execute this Agreement (including Statements of Work), as well as any modifications thereto, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder.
40. Each of us represents to the other that each person signing this Agreement or any Statement of Work hereunder on its behalf is expressly authorized to execute it and to bind such party to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your Audit Committee. You represent that your affiliates and any others for whom Services are performed shall be bound by the terms of this Agreement.
41. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
42. Neither of us may assign any of our rights, obligations or claims arising out of or related to this Agreement or any Services.
43. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
44. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any attachments thereto, (c) these General Terms and Conditions, and (d) other attachments to this Agreement.
45. Neither of us may use or reference the other's name, logo or trademarks publically without the other's prior written consent, although we may publically identify you as a client in connection with specific Services or generally.
46. For administrative reasons, you may from time to time ask that fees and expenses for Services performed for your international affiliates or at international locations be invoiced to you or your designate there, in local currency. You guarantee the timely payment of all those invoices by your affiliates. In addition, from time to time, an affiliate of ours, providing Services as a subcontractor to us, may bill you directly for fees incurred for work outside the US, in local currency or otherwise.

## **Appendix 1**

### **Dispute resolution procedures**

#### **Mediation**

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution (“CPR”) shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator’s assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. EY, on the one hand, and the Client(s) (or any others for whom EY’s services are performed), on the other hand, shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

#### **Arbitration**

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration (“Rules”) as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.



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## Statement of Work

This Statement of Work with the attached Exhibits, dated May 31, 2017 (this SOW) is made by Ernst & Young LLP (“we” or “EY”) and San Geronio Pass Water Agency on behalf of itself (“you” or “Client”), pursuant to the Master Services Agreement, dated May 31, 2017 (MSA), between EY and San Geronio Pass Water Agency (the Agency).

The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other SOW pursuant to the MSA. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the MSA, including references in the Agreement to “you” or “Client” shall be deemed references to you.

### Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the MSA. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described in Exhibit A (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2018.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Ms. Tamara Baptista of the IAA Audit Contract Negotiating Committee dated May 10, 2017.

### Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.



### **Specific additional terms and conditions**

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and



(iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

### **Fees and billing**

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The total fees for these Services to be rendered to the Agency, as well as an allocation of the total fees for each member agency of the IAA, appear in Exhibits A and B attached (no procedures or fees have been allocated to Exhibit B in this contract). Our total fees pursuant to Exhibit A to be charged to all members of the IAA entering into agreements with us shall not exceed \$494,000 for the twelve months ending June 30, 2018. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA agencies enter into agreements with us for such Services whose combined allocated fee would represent not less than 80% of \$494,000 based on the 100% participation fee allocation (see column 2 at A-4). If all agencies who are presently participating in the Services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our Services to your Agency will not exceed \$5,158 for Exhibit A. However, if not all of the participating agencies enter into agreements with us for services during the twelve-month period ending June 30, 2018, the maximum fees to your Agency will vary between the above-mentioned amount and \$6,448, which represents the maximum fees should sufficient agencies enter into agreements with us with a combined allocated fee of not less than 80%, as stated above.

In addition to the maximum fees under Exhibit A, maximum fees under Exhibit B shall not exceed a total of \$50,000 or \$522 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit B. Prior to any expenditures under Exhibit B, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit B projects could include procedures agreed to by EY and the IAA in advance related to one or more of the items identified in





Exhibit A. In prior years Exhibit B special projects have included projects such as assessing implementation and billing issues relating to the new SAP-based Cost Allocation and Repayment Analysis System (CARA), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.

We have also included Exhibit C as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for additional services with EY. There are currently no fees related to Exhibit C included herein.

The results of our procedures will include a presentation of our findings, observations and recommendations to be held in Sacramento, California for any interested Contractors. Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit C and will be paid for by that Contractor.

Invoices for time and expenses will be billed monthly and are due upon receipt.



Building a better  
working world

In witness whereof, the parties have executed this SOW as of the date set forth above.


**San Geronio Pass Water Agency**

**Ernst & Young, LLP**

**Representative**

**Representative**

\_\_\_\_\_  
**Signature**

  
\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Printed Name**

Joe Pirnik  
\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

Executive Director  
\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Address**

Ernst & Young LLP  
Suite 300  
2901 Douglas Boulevard  
Roseville, CA 95661  
\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Date**

May 31, 2017  
\_\_\_\_\_  
**Date**

**EXHIBIT A**

**I. SCOPE OF ENGAGEMENT**

A-1 EY will work with the IAA, the State Water Contractors (SWC) Audit/Finance Committee, and any subcommittees thereof, and the Department of Water Resources (the Department) during the twelve months ending June 30, 2018 relating to matters currently being discussed between the SWC and the Department.

EY's Services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. These Services shall include:

1. Completion of the 2017/2018 procedures as outlined further below
2. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
3. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas, such as the dispute resolution work group.
4. Review of reports and other documents prepared by the Department and disseminated at these meetings.
5. Provide an annual report setting forth the findings, comments, and recommendations related to our Services.

**Report definitions**

The assessment of risk of future occurrence, included in the findings summary tables in the report, provides the IAA with a meaningful measurement of the likelihood of similar findings in subsequent years if this issue is not addressed by the appropriate parties. This assessment of risk of future occurrence is based on knowledge obtained during discussions with Department of Water Resources personnel and performance of procedures under this Exhibit A. Below are the definitions used in the report of findings and recommendations for the twelve months ending June 30, 2018 and we concur with these definitions.

Risk of Future Occurrence:

- A. High – it is highly likely (or probable) that the error or process failure will be repeated
- B. Medium – it is more likely than not that the error or process failure will be repeated
- C. Low – it is possible that the error or process failure will be repeated

During the twelve months ending June 30, 2018, the Services will include the following procedures.

## 2017/2018 Procedures

The procedures for the fiscal year ended June 30, 2018 were designed using estimated budgeted hours of 3,000. We will perform all procedures included in items 1-6 below. We will perform the procedures in items 7-8 if time permits. As a part of these procedures, we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit the Report to each agency setting forth the findings, observations, and recommendations related to our Services.

The following items represent the risks, risk factors, and procedures requested and determined by the Independent Audit Association (IAA) for the State Water Contractors (the Contractors) to be performed for the 2018 Statement of Charges (SOC) engagement:

### Primary Procedures (Items 1-6)

#### 1. Statement of Charges Testing

*Risk:*

- Incorrect amounts billed to Contractors for each component by the Department.

*Risk Factors:*

- Manual adjustments made to SAP data to arrive at amounts billed. Manual processes create opportunities for errors.
- High importance of accurate Contractor bills.
- Actual costs reported in the bills can be misstated.

*Areas of Focus:*

- Determine that all SOC amounts are internally consistent and agree to the Bulletin 132-17 for five Contractors selected for testing (to be provided by the IAA).
- Agree the debt service amounts in the SOC Attachments to the appropriate debt service schedule.
- Comparison of the current year SOC Attachments to the prior year SOC Attachments.
- Reasonableness of manual adjustments.
- Assess the appropriateness of actual costs charged to various areas of the project.
- Assess the factors for distributing reach capital and minimum costs among the Contractors.

## 2. Debt Service Procedures

*Risk:*

- Incorrect bond debt service charged to the Contractors.

*Risk Factors:*

- WSRB Surcharge calculation is a manual process. Manual processes create opportunities for errors.
- Judgment and estimation in the debt reconciliation project.
- WSRB Surcharge currently does not reflect the results of the debt reconciliation project.

*Areas of Focus:*

- Debt Reconciliation Procedures:
  - Test Pre-SAP, first wave of SAP, and next wave of SAP cost data included in the capital raw data file by agreeing to source data included in the SAP system.
  - Test the reconciliation between the capital raw data file to the Bulletin 132 Table B-10, *Capital Costs of Each Aqueduct Reach to be Reimbursed through Capital Cost Component of Transportation Charge* and Table B-13 and *Capital and Operating Costs of Project Conservation Facilities to be Reimbursed through Delta Water Charge*.
  - Test the mapping of the capital raw data file to the cost column included in the debt reconciliation.
  - Test the mapping of the Water System Revenue Bonds schedule to the debt column included in the debt reconciliation.
  - Test the reconciling items identified comparing the cost column to the debt column in the debt reconciliation. Gain an understanding of the reconciling items and “judgment calls” from Matthew Carleson and Pedro Villalobos.
  - Test the debt reconciliation results between the projects included in the analysis (Coastal Branch Extension, South Bay Enlargement and Improvement, Tehachapi East Afterbay, East Branch Extension, East Branch Enlargement, and Water System Revenue Bonds).

### 3. System Power Costs – Variable Transportation

*Risk:*

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

*Risk Factors:*

- Calculation of the allocation factors is a manual process. Manual processes create opportunities for errors.
- Potential for high dollar impact (\$164M net system power costs in 2015).
- Estimated Table 2 projected costs (invoicing rate) may not reflect actual costs incurred.

*Areas of Focus:*

- Vouch power costs and power revenues from SAP greater than \$500K and test the appropriate classification of costs.
- Reconcile the 2016 Preliminary Allocation of Power Costs (PALPOC) to UCABS (SAP). Recalculate appropriate inputs to the 2016 PALPOC (e.g., Value of Recovery Generation credits, direct-to-plant transmission, etc.).
- Recalculate the 2016 calendar year power allocation factors used in UCABS (SAP) to allocate net power costs.
- Recalculate the billed amounts for the transportation variable cost components for 2016 for the five Contractors selected (to be provided by the IAA).

#### 4. Rate Management Calculation Including Revenue and Cost Data

*Risk:*

- Rate Management Credits are improperly allocated among the Contractors.
- Rate Management Credits are improperly calculated based on the revenue and expenditure data in the funds available for rate management credits statement prepared by the Department.

*Risk Factors:*

- Calculation of Rate Management Credits is a manual process.
- Lack of review and approval process for the Rate Management Credit calculation.
- Outdated information used to calculate credits due to the Contractors.

*Areas of Focus:*

- Obtain the rate management allocation schedule used for the SOC Rebill and review the allocation methodology for sample selected.
- Obtain the most recent funds available data schedule for the rate management credits and perform detailed testing of a sample of the largest amounts.
- Compare the figures selected for testing to the future forecasts, and investigate any significant differences.
- Perform testing of revenues including systems revenue and 51e (amount in excess of Rate Management Credits).
- Perform testing of revenues and related cash funds.

## 5. Delta Water Charge

*Risk:*

- Incorrect amounts charged to Contractors for conservation based on actual and estimated costs.

*Risk Factors:*

- Calculation of Delta Water Charge is a manual process.
- New rate reduction measures create opportunities for errors.
- Potential for high dollar impact (\$250M in Delta Water Charges in 2015).

*Areas of Focus:*

- Recalculate the Delta Water Charge used in the SOC.
- For prior year actual costs included in the calculation, compare costs in SAP to the Department's calculation and investigate variances over \$100K.
- Obtain an understanding of future estimates included in the calculation and perform appropriate procedures to test the reasonableness of such estimates.
- Test the Hyatt-Thermalito credit to the Delta Water Charge.

## 6. Alpha Allocation Cycles

*Risk:*

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

*Risk Factors:*

- Department is in the process of standardizing and reallocating costs for phases 2 and 3. The revised estimated completion date is sometime after the new contract extension is signed (expected within the next five years).
- New alpha allocation cycles are created each year.
- Potential for high dollar impact (\$250M allocated by alpha allocation cycles in 2015).

*Areas of Focus:*

- Examine all cost centers from SAP to determine which cost centers represent alpha cost centers.
- Select alpha cost centers with the largest total annual costs for testing.
- Review costs being posted to selected alpha cost centers for reasonableness based on activities charged to the alpha cost center through examination of invoices posted and discussions with the project managers, as necessary.
- Review the current year alpha standardization activity performed by the Department.
- Review the current year alpha update performed by the Department.
- Test the F-series and S-series updates performed by the Department.



**Other Procedures (Items 7-8)**

These procedures will only be performed as time permits after completion of items 1-6 above and consideration of the estimated 3,000 hour time budget.

**7. Conservation and Transportation Future Estimates**

*Risk:*

- Incorrect amounts charged to Contractors for conservation and transportation costs based on estimates.

*Risk Factors:*

- Budgeted amounts reflected in the future estimates may differ materially from actual charges.
- Calculation is a manual process. Manual processes create opportunities for errors.
- Questionable budgeting process.

*Areas of Focus:*

- Gain an understanding from the Department of the process for calculating the future estimates.
- Obtain support for the future estimates and reconcile support to the SOC.
- Recalculate the component using the future estimates tested.
- Test the future estimates by agreeing the estimates to supporting schedules, budgets, etc.
- Obtain support for any extraordinary projects included in the future estimates and assess their appropriateness.

## 8. New and Changed Master Data

*Risk:*

- Incorrect allocation of costs (based on functional area selected).
- Incorrect recovery of costs (recovery determines SOC component).
- Incorrect funding source is used (capital fund versus operating funds).

*Risk Factors:*

- Historical lack of review and communication between Project Manager and State Water Project Analysis Office.
- Potential impact (initial setup of master data determines posting of costs in future periods).
- Project Managers' possible lack of understanding of allocation cycle when allocating costs.

*Areas of Focus:*

- Use SAP to determine functional areas created and changed in the current year.
- Determine how costs are being allocated among and recovered from Contractors.
- Based on activities being performed and the analysis of costs posted to Internal Orders or Work Breakdown Structures, determine if functional area, recovery, and funding are appropriate.

**II. FEES FOR EY SERVICES**

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$494,000, including reasonable and necessary out-of-pocket expenses, which represent an estimated 3,000 hours to be incurred.

**III. ALLOCATION OF FEES**

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with prior years.

**IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY**

A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each agency in conformity with the methodology set forth in paragraph A-3 is shown below:

<u>Agency</u>	<u>Maximum fee for each agency, provided all agencies listed below enter into agreements with EY</u>	<u>Maximum fee for each agency, provided 80% of agencies listed below enter into agreements with EY</u>	<u>Percent of total</u>
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 24,038	\$ 30,047	4.9%
Alameda County Water District	12,522	15,652	2.5
Antelope Valley-East Kern Water Agency	43,185	53,980	8.7
Casitas Municipal Water District	5,963	7,453	1.2
Castaic Lake Water Agency	28,384	35,479	5.7
Central Coast Water Authority	13,562	16,952	2.7
City of Yuba City	2,862	3,578	0.6
Coachella Valley Water District	41,249	51,561	8.4
County of Kings	2,774	3,468	0.6
Crestline-Lake Arrowhead Water Agency	1,729	2,161	0.4
Desert Water Agency	16,622	20,778	3.4
Dudley Ridge Water District	13,521	16,901	2.7
Empire West Side Irrigation District	894	1,118	0.2
Kern County Water Agency	123,500	154,375	25.0
Littlerock Creek Irrigation District	686	858	0.1
Mojave Water Agency	25,581	31,976	5.2
Napa County Flood Control and Water Conservation District	8,654	10,818	1.8
Palmdale Water District	6,351	7,939	1.3
San Bernardino Valley Municipal Water District	30,590	38,238	6.2
San Gabriel Valley Municipal Water District	8,587	10,734	1.7
San Geronio Pass Water Agency	5,158	6,448	1.0
San Luis Obispo County Flood Control and Water Conservation District	7,454	9,318	1.5
Santa Clara Valley Water District	29,815	37,269	6.0
Solano County Water Agency	14,239	17,799	2.9
Tulare Lake Basin Water Storage District	26,080	32,600	5.3
Total	<u>\$ 494,000</u>		<u>100.0%</u>

**V. PAYMENT SCHEDULE**

This is the payment schedule for the Agency.

<u>July 10, 2017 Billing</u>	<u>August 10, 2017 Billing</u>	<u>September 10, 2017 Billing</u>	<u>October 10, 2017 Billing</u>	<u>November 10, 2017 Billing</u>	<u>Total Billing</u>
\$1,547	\$1,032	\$1,032	\$1,032	\$515	\$5,158

**EXHIBIT B****I. OTHER CONSULTING SERVICES**

EY shall, during the twelve months ending June 30, 2018, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit B projects could include in depth procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A.

Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in the Exhibit A allocation, and 3) shall not exceed \$50,000, which represents an estimated 305 hours to be incurred, unless agreed to by the IAA, for the year ended June 30, 2018. Any part of the \$50,000 which is unused shall not be billed.

<u>Agency</u>	<u>Maximum fee for each agency, provided all agencies listed below enter into agreements with EY</u>	<u>Percent of total</u>
Alameda County Flood Control and Water Conservation District, Zone No.7	\$ 2,433	4.9%
Alameda County Water District	1,267	2.5
Antelope Valley-East Kern Water Agency	4,371	8.7
Casitas Municipal Water District	604	1.2
Castaic Lake Water Agency	2,873	5.7
Central Coast Water Authority	1,373	2.7
City of Yuba City	290	0.6
Coachella Valley Water District	4,175	8.4
County of Kings	281	0.6
Crestline-Lake Arrowhead Water Agency	175	0.4
Desert Water Agency	1,681	3.4
Dudley Ridge Water District	1,369	2.7
Empire West Side Irrigation District	91	0.2
Kern County Water Agency	12,500	25.0
Littlerock Creek Irrigation District	69	0.1
Mojave Water Agency	2,589	5.2
Napa County Flood Control and Water Conservation District	876	1.8
Palmdale Water District	643	1.3
San Bernardino Valley Municipal Water District	3,096	6.2
San Gabriel Valley Municipal Water District	869	1.7
San Geronio Pass Water Agency	522	1.0
San Luis Obispo County Flood Control and Water Conservation District	754	1.5
Santa Clara Valley Water District	3,018	6.0
Solano County Water Agency	1,441	2.9
Tulare Lake Basin Water Storage District	2,640	5.3
Total	<u>\$ 50,000</u>	<u>100%</u>

**EXHIBIT C**

**I. INDIVIDUAL CONTRACTOR AGREEMENTS**

EY may, during the twelve months ending June 30, 2018, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A and B.

The terms and conditions of any procedures performed under Exhibit C, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit C-1. An Exhibit C-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2018 will continue to be in effect.

Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit C will be outside of those referenced in Exhibits A and B, and will be paid for directly by the requesting Contractor.

## EXHIBIT C-1

### Statement of Work

This Statement of Work with the attached Exhibit, dated May 31, 2017 (this SOW) is made by Ernst & Young LLP (“we” or “EY”) and San Gorgonio Pass Water Agency on behalf of itself (“you” or “Client”), pursuant to the Agreement, dated May 31, 2017 (the Agreement), between EY and San Gorgonio Pass Water Agency (the Agency).

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated May 31, 2017. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the MSA, including references in the Agreement to “you” or “Client” shall be deemed references to you.

#### Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described [INSERT DEFINITION OF SERVICES] (the Services) for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2018.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA).



### **Your specific obligations**

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

### **Specific additional terms and conditions**

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to the Agreement. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

**Project deliverables**

The matrix below lists the specific deliverables and related timelines that EY will provide to **(insert Contractor)**.

Deliverable	Timeline	Comments

**Additional responsibilities**

EY will provide **(insert Contractor)** with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify **(insert Contractor)** in writing of any incremental changes to the original project estimate.

Production of all elements described in the “Project deliverables” section of this SOW is to be included in the cost breakdown under the “Pricing and payment terms” section below, agreed upon by **(insert Contractor)** and EY for this project.

**Fees and billing**

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact **(insert Contractor)** before performing any additional work.

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Out-of-pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due upon receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

**San Gorgonio Pass Water Agency**

**Ernst & Young, LLP**

**Representative**

**Representative**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

**EXHIBIT D**

**FORM OF ACCESS LETTER**

[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]  
[Street Address]  
[City, State Zip]

[Month XX, 20XX]

Dear [ ]:

[Client] (the "Client") has informed Ernst & Young LLP ("EY") that it wishes to disclose to [party seeking access] (the "Recipient") EY's [describe report(s)], dated [ ], relating to [describe subject] (the "Report(s)"). EY has not placed any limitations on the Client's ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed Services only for the Client. EY did not undertake the Services on behalf of, or to serve the needs of, the Recipient or any other third party. As part of such services, EY did not audit the Client's financial statements, subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[ es] only the issues identified by the Client, and [ is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [ is/are] subject to many limitations and [ do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY's prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient's directors, officers or employees or legal advisors who, in each case, need to know its contents in order to \_\_\_\_\_, and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the "EY Parties" that relates in any way to the Report(s), any information contained therein, or the Recipient's access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys' fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: \_\_\_\_\_



**San Geronio Pass Water Agency**  
**STRATEGIC PLAN**

May 2012



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## A MESSAGE FROM THE BOARD OF DIRECTORS AND GENERAL MANAGER

The San Geronio Pass Water Agency (Agency) is one of 29 State Water Project (SWP) contractors, and was established by the State Legislature in 1961. Our primary mission is to import supplemental water and to protect and enhance local water supplies for use by present and future water users. We sell imported water to local water agencies within the SGPWA service area that extends from Calimesa to Cabazon and includes the Beaumont-Cherry Valley Water District, the City of Banning and the Yucaipa Valley Water District as its current retail service providers.

Since its inception the Agency has worked diligently to provide the regional leadership necessary to meet the water supply needs of a growing region. By undertaking this strategic planning process we are looking to the future and how the Agency prepares itself to meet the challenges of today as well as through the next decade. The water supply situation throughout the entire State is less than clear for the foreseeable future and a key goal of the Strategic Planning process is to prepare ourselves and take advantage of opportunities when they present themselves to enhance the long-term water supply for our region.

The Board of Directors and General Manager developed this Strategic Plan with the goal in mind of developing a planning tool to guide future decisions from both a water supply and a financial perspective to meet the needs of our customers.

The Strategic Planning process was designed with input from our customers as well as key stakeholders. We recognize that working together towards common objectives will allow us to have the greatest impact on the entire region.

### **The Board of Directors**

John Jeter, President  
Bill Dickson, Vice President  
Mary Ann Melleby, Treasurer  
Ron Duncan, Director  
Ted Haring, Director  
W. Ray Morris, Director  
Barbara Voigt, Director

### **General Manager**

Jeff Davis, P.E.

## **Executive Summary**

The San Geronio Pass Water Agency (Agency) is one of 29 State Water Contractors in the State and was established in 1961. The Agency has an annual entitlement of 17,300 acre-feet of water from the State Water Project which is used to supplement local demands including eliminating groundwater overdraft. Increased demand for new water supplies resulting from development in the region will exert pressure on the Agency to provide additional supplemental water supplies.

The Strategic Planning process is designed to identify and develop a programmatic set of goals and objectives allowing the Agency to make capital and financial decisions based on an overall strategy. In 2006, the Agency prepared a Strategic Plan that identified five priority issues: (1) Additional Water Supply, (2) Additional Regional Facilities, (3) Water Management, (4) Regional Planning, and (5) Financial Issues. Each of these issues was considered as a part of the new and updated strategic planning process. The 2012 Strategic Planning process took into account various existing studies and reports that were developed to assist the Agency with specific issues related to financial management, water supply development or infrastructure needs. Additional consideration was given to the input provided by a number of key stakeholders within the region.

The 2012 Strategic Plan identifies five goals with accompanying objectives as a part of an overall implementation strategy. The five goals are as follows:

- 1. Regional Leadership Role**
- 2. Regional Water Supply Plan**
- 3. Regional Capital Facilities Plan**
- 4. Regional Financial Plan**
- 5. Communication Plan**

### **Goal #1: Regional Leadership Role**

The Agency is responsible for managing a critical water resource with statewide implications within and beyond the Agency's service area. The Agency has the responsibility and obligation to manage the present and future water supply needs for all users within its jurisdiction. The Agency's Board of Directors has the primary responsibility of ensuring that its legislatively mandated responsibilities are carried out to the maximum benefit of the entire region. The role of Regional Leadership as a goal within the Strategic Plan is recommended due to the definition of its role within the enabling legislation and the complexity of the water issues confronting the region. A series of recommended objectives was developed to support this goal as follows:

- A. Develop collaborative relationships with the various entities and stakeholders in the Agency service area including agencies outside their immediate service area that may have authority or jurisdiction over lands and waters within the region.
- B. Conduct formal monthly “Manager’s Meetings” that have as their focus the purpose of providing routine updates on various regional project proposals and project status reports.
- C. Provide for routine updates of progress on regional projects at meetings of the Agency’s Board of Directors and disseminate to key stakeholders.
- D. As a part of an overall communication strategy, the goals of the Strategic Plan should become the basis for all Agency actions and decisions.

**Goal #2: Regional Water Supply Plan**

A Regional Water Plan prepared by the Agency is important in that it will have impact beyond its immediate service area boundaries. Within the next decade the region will be facing a water supply deficit that must be met with a mixture of new supply sources. Current groundwater production within the Beaumont Basin will be curtailed by the end of 2013 placing additional stress on existing local supplies. The Agency’s Urban Water Management Plan (UWMP) indicates current and future water demands on the Agency will be met through a combination of existing State Water Project deliveries, local groundwater production, recycled water production and demand-side measures through about the year 2025. The Agency will need to meet its existing supply deficit by securing new permanent water supplies through 2035 as reflected in Table 5-2 of the UWMP as follows:

<u>Planning Year</u>	<u>Supply Deficit</u>
2025	5,049 acre-feet
2030	12,023 acre-feet
2035	16,476 acre-feet

The Agency has prepared a series of reports and studies that will assist the Agency in identifying potential new sources of water supply and transfer opportunities. The Strategic Plan makes the following recommendations for developing a Regional Water Supply Plan:

1. Conduct a review and develop an update of the 2007 report on Evaluation of Water Transfer Opportunities, by July 2013,
2. Conduct an analysis of the specific actions identified in the 2009 Supplemental Water Planning Study, and develop a revised set of actions by July 2013, and

3. Identify and evaluate any new water transfer or purchase opportunities by July 2013. The evaluation should consider the financial terms, cost effectiveness and ease of administration and transferability of each potential opportunity.

An important element of developing a Regional Water Supply Plan is to anticipate and take delivery of new water supplies prior to the actual need existing. The process of identifying and securing entitlement to a water supply often does not directly correlate to the actual timing of the need for delivery of the water. The Strategic Plan recommends that the Agency develop a **Pre-Purchase Strategy** that will allow the Agency to take advantage of water supply opportunities and potentially lock in favorable long-term pricing as they are developed.

Part of any strategy to purchase water is determining the most cost effective method to either store the water for future use or allow for directly utilizing existing infrastructure. Storage opportunities presently exist in the region and may prove to be the most cost effective, although should delivery of the new water supply source be an issue, the Agency should look to off-site storage opportunities as a temporary measure.

It is recommended that the Agency do the following:

1. Identify and rank potential water transfer opportunities by cost effectiveness, ease of administration and the means by which the water can be stored or transferred by December 2013, and
2. Utilize existing financial resources or develop a new financial mechanism to acquire the new supply source and accommodate storage costs.

### **Goal #3: Regional Capital Facilities Plan**

Execution of this goal will require conducting an inventory of existing facilities that may become “regional facilities” as well as developing a multi-year plan to construct new infrastructure. Coordination between developing regional facilities and developing a regional water supply plan will be critical. Due to the unpredictable nature of acquiring new water rights the Agency may elect to construct certain key facilities in advance of actual delivery of the new water supply source to take advantage of opportunities as they develop.

Implementation of the goal will be accomplished through the following objectives:

1. Develop a plan or matrix of needed facilities to manage the increased water demands through 2035, and

Goal #3 Objectives Continued:

2. Conduct an inventory of existing facilities that may be used for regional benefit.

Development of new facilities should accommodate new water supply to offset the impending supply deficit as shown in Table 5-2 of the UWMP through 2035. It is recommended that the Agency identify the infrastructure needs to accommodate the supply deficit for the following three planning horizons:

<u>Planning Year</u>	<u>Supply Deficit</u>
2025	5,049 acre-feet
2030	12,023 acre-feet
2035	16,476 acre-feet

Utilization of existing facilities has the added benefit of reducing future capital costs and having facilities in place to take advantage of new supply opportunities that may become available in the short-term. Additionally, a number of projects have been considered in the past which should be reviewed to determine if they remain viable in the long-term. In order to take advantage of the opportunity to utilize existing facilities it is recommended that the Agency do the following:

1. From each retail agency in the Agency's service area, compile a list of facilities that may be available for use as a regional facility and what capacities, limitations or restrictions on use currently exist or may exist in the future by July 2013,
2. Review existing proposed projects to determine if they remain viable for potential water transfer and storage – Banning Pipeline Upsizing, Cabazon Pipeline Extension, Beaumont Basin Recharge Facility and the Cabazon Basin Recharge Facility. This review should be completed by July 2013,
3. Develop budget estimates for repairs and needed upgrades to potential joint-use facilities by October 2013,
4. Where existing facilities owned and operated by retail agencies will be used for regional benefit, a "Facility Use Agreement" for shared services should be developed.

**Goal #4: Regional Financial Plan**

In 2010, the Agency authorized the preparation of a Capacity Fee Study as a means of developing a revenue stream to offset future infrastructure and water acquisition costs with fees placed on new development. Existing revenue sources such as the

Agency's Commodity Rate will continue to be used to fund existing development impacts on water demand.

Future capital costs within the Agency's service may exceed \$72 million with water acquisition costs potentially exceeding \$90 million at the end of the planning period of 2035. Utilization of a Capacity Fee type mechanism assures users of the water delivery system that the cost will be apportioned based on development and water demand activity. Prior to considering implementation of any new Capacity Fee, the Agency will need to look to existing revenues or reserve funds to fund the acquisition of available new water supplies due to the nature of identifying, acquiring and transporting new water supplies into the region.

Implementation of this goal will be accomplished through the following objectives:

1. Consideration of a Capital Capacity Fee designed to offset the cost of developing new infrastructure and new water rights resulting from growth in demand,
2. Develop a long-range financial plan that correlates to the need for new infrastructure as identified in the Regional Capital Facilities Plan, and
3. Review the current commodity rate to insure that revenues are adequate to fully fund the purchase of new water for existing development.

It is recommended that the Agency do the following:

1. By December 2012, the Agency should confirm and update if necessary the monetary values assigned to the facility capacity fee and water capacity fee within the 2011 Capacity Fee Study, and
2. By March of 2013, the Agency should retain the services of a financial consultant to develop a financial model that would review and make recommendations for modification, if any, to the existing commodity charge and timing of new revenue needs through the 2035 planning period.

#### **Goal #5: Communication Plan**

Communication is a critical element for future success. Strengthening communications between the Agency and its retail agencies, both at the political level and administrative level, will be important as the Agency begins to implement many of its new initiatives. Developing a clear and concise message that is used to increase awareness of the Agency's mission will increase public understanding and support. In addition to utilizing web-based communication tools, the Agency will need to take a more pro-active role in direct personal communication and look to a set of carefully crafted messaging tools to increase awareness of its role within the region.

Implementation of the goal will be accomplished through the following objectives:

1. Identify communication opportunities to leverage, promote and amplify the Agency's brand, image and impact within the region,
2. Engage a broad spectrum of Agency stakeholders through an integrated and strategic communications process,
3. Gain external support for the Agency's mission and leadership through thoughtful outreach and positioning techniques, and
4. Align all communication efforts with the overarching goal of the strategic planning process.

It is recommended that the Agency retain the services of a qualified communications consultant to develop a strategic communications plan once the Strategic Plan is adopted.

## Introduction to the Strategic Planning Process

Strategic Planning is comprised of two essential elements. A *strategy* to implement a *plan*. Most organizations recognize the importance of having a well-defined and cohesive strategy, or a set of action steps to move the organization forward. During the course of developing a strategic plan, an organization reviews how it allocates resources, makes financial decisions and determines the best course of action for the future of the organization and its constituents.

At the conclusion of the process the organization will have reviewed and defined its purpose and scope, reviewed its capital planning and financial activities, examined the allocation of staffing and support services, and developed a plan to align the decision-making process with available resources.

The Agency initiated the Strategic Planning process with an initial workshop with the Board of Directors and the General Manager. The workshop identified the need to review the Agency's mission and vision statements, conducted 'influence modeling' or interviews with key stakeholders, reviewed the State Water Contractor legislative mandate and discussed possible future changes to its existing role and purpose. The Board of Directors also created an Ad Hoc Strategic Planning Committee (Committee) to review and provide input on key elements of the process as it progressed towards completion. The Committee provided valuable guidance throughout the process including identifying a list of stakeholders to interview in developing the framework for the plan.

The Strategic Planning process for the SGPWA included the following elements:

### **I. State of the Organization**

- Identify the immediate issues facing the organization.
- Review the current mission and vision statements.

### **II. Planning Period**

- Five years

### **III. Vision of the Future**

- What is the desired "future state" of the organization or what will the organization look like at the end of the planning period?
- What are the key issues facing the organization?



## The Strategic Planning Process Continued:

### **IV. Organizational Assessment**

- Review progress as compared against previous planning efforts.
- What are the external forces that may limit or impede progress or success?
- Gather input from key stakeholders.
- Create a baseline or “current state” of the organization which will be used as a measure for future progress.

### **V. Action Plan**

- Development of measurable objectives and time frame.
- Assignment of responsibility for success.

## Overview of the San Gorgonio Pass Water Agency

The San Gorgonio Pass Water Agency is one of the 29 State Water Contractors in the State and was established by the State Legislature in 1961. Under Chapter 101 of the SGPWA Law, the Agency has broad-ranging powers and duties such as the annexation of territory and the establishment of water rates. The language within the enabling act noted that in the allocation of water from the State Water Project, the highest priority should be given to eliminating groundwater overdraft, which is found in Section 15.5 of the Law entitled "Allocation of water from State Water Project". The Agency has an annual entitlement of Table "A" water supply of 17,300 acre-feet. As a State Water Contractor it is responsible for paying its share of the overall debt of the State Water Project. While most of the major construction on the State Water Project occurred over 30 years ago, ongoing operation and maintenance and capital work continues. The primary source of local water supply to the Agency's service area at the present time is natural runoff and groundwater basins.

*"The mission of the San Gorgonio Pass Water Agency is to import supplemental 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 San Gorgonio Pass Water Agency service area."* The Agency is able to import supplemental water from sources that provide the highest quality and the most cost effective price, including the State Water Project 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. Increased demand from new growth and decreasing reliability will continue to exert pressure on the ability of the Agency to deliver wholesale water on a reliable basis. The Agency's boundaries extend through the cities of Calimesa, Beaumont and Banning and Riverside County areas from Cherry Valley to Cabazon.

The Agency utilizes a Board - a General Manager form of governance with seven board members. Five members of the Board are elected to represent specific divisions within the Agency's service area with two members elected at large.

## **SGPWA 2006 Strategic Plan**

The Agency completed its last Strategic Plan in 2006. This planning effort has been used in conjunction with other supporting studies and documentation to guide the planning process of staff and the Board. The 2006 Plan identified four Critical Factors for Success.

### **1. Define**

- Define our role as a public agency in the region and educate the public regarding that role.

### **2. Plan**

- Develop plans to identify and procure additional supplemental water for the region.
- Develop plans in concert with other local water agencies for a storage and distribution system to meet the needs of the region.
- Develop a plan to finance current and future facilities.

### **3. Partner**

- Create formal and informal partnerships with local water agencies, cities, state agencies, and other stakeholders to find solutions for local and regional water problems.

### **4. Manage**

- Work to manage regional water resources for their best use while preserving local groundwater basins.
- Manage water resource data to enable us to make the best possible decisions regarding those resources.

The 2006 Strategic Plan also identified five priorities with a set of accompanying objectives with time frames for implementation.

### **Priority One: Additional Water**

#### **Objective 1:**

Identify by January 2007, additional supplemental water available for the Agency, including State Project Water and other alternatives.

#### **Objective 2:**

Take steps to secure additional rights as needed and complete negotiations to acquire additional rights as available by June 2008.

## **Priority Two: Additional Facilities**

### Objective 1:

Work with the San Bernardino Valley Municipal Water District and the Department of Water Resources (DWR) to complete the EIR and design for the East Branch Extension 2 project (EBX 2) and advertise for pipeline construction bids by December 2007.

### Objective 2:

Construct or work with others to construct additional permanent recharge facilities in local groundwater basins to augment the Little San Gorgonio Creek facility by 2007.

### Objective 3:

Extend East Branch Extension (EBX) of the State Water Project to the Cabazon area within ten years.

### Objective 4:

Work with local water retailers on an ongoing basis to ensure that any new facilities we construct will work with their facilities to provide the best management of available resources.

## **Priority Three: Water Management**

### Objective 1:

Work with Banning Heights Mutual Water Company and the City of Banning to plan, finance, and construct Whitewater Flume repairs and upgrades and maintain operation of the flume. Plan with timelines to be completed by December 2006.

### Objective 2:

Sign a contract with Yucaipa Valley Water District to ensure a long-term supply of SWP for its pending filtration plant by 2006.

### Objective 3:

Complete steps to utilize the Cabazon Basin as a storage reservoir by December 2007. Have a program in place to establish storage contracts with other agencies for this basin by December 2008.

### Objective 4:

Continue to work with the Beaumont Basin Watermaster to provide the best possible management of the Beaumont Basin.

Priority Three Continued:

Objective 5:

Have a program in place by June 2007, to search and identify other water storage opportunities.

**Priority Four: Regional Planning**

Objective 1:

Work with other agencies outside our region to develop plans by late 2008 for additional facilities to bring water to and distribute within the Pass area.

Objective 2:

Complete an integrated regional water management plan by 2007, with the Agency as the defined region, in concert with other stakeholders, and use it to apply for Prop 50 implementation funds.

**Priority Five: Financial Issues**

Develop a comprehensive financial plan by June 2007, to provide funding for needed new water and infrastructure. Take steps to implement the plan as needed to fund projects. Update plan annually.

## **2012 Strategic Plan**

The Strategic Planning process outlined in the Scope of Work is designed to guide the planning and implementation of Plan action items necessary to meet the SGPWA's long-term mission. The major strategic planning components outlined in the Scope of Work include the following: 1. Review of 2006 Strategic Plan; 2. Review existing Mission and Vision Statements; 3. Examine present and future role using the "Influence Model" tool; 4. Conduct future visioning exercise; 5. Conduct analysis of the current reality and role of the Agency; 6. Conduct "Gap Analysis" – a comparative analysis of the desired future role and the present role of the Agency; and 7. Develop the strategic planning document.

To guide the process, the Board President, with the approval of the Board of Directors, established the Strategic Planning Ad Hoc Committee. The Committee provided valuable insight and direction on key steps in developing the 2102 Strategic Plan.

A review of the 2006 Strategic Plan identified five key priorities with accompanying objectives for implementation. Each of the priorities identified continue to be critical areas for future planning purposes and will be discussed in greater detail in developing the 2012 Planning goals and objectives. Further review of the objectives listed for each of the five priorities in the 2006 Plan indicates that some progress has been made towards completion of the objectives. A number of the 2006 Plan objectives will be updated and included in the current planning effort.

The Agency's Mission Statement describes the overall purpose and scope of the Agency which has not changed and remains relevant for the immediate future. The Mission Statement should be reviewed and, if acceptable, shortened to specific language depicting the core purpose and role. The Agency does not have a specific Vision Statement; however, the 2006 Plan does include a section entitled "Critical Factors for Success". The factors as outlined in this section are noteworthy and will be incorporated into the overall goals and objectives of the new plan.

Whereas the Mission Statement for the Agency speaks to the *intended* purpose and function of the Agency, the actual application of its role within the region as a State Water Contractor will need to be strengthened. The SGPWA is the primary source for supplemental water supply affecting a region covering approximately 225 square miles within Riverside County. As a wholesale water agency it is responsible for selling water to local retail agencies where it is used for treatment and distribution to consumers, replenishment of existing groundwater basins and for "banking" water for future needs within the region. Inherent in this role is the important relationship with and the link to the local retail agencies as well as the municipal agencies with land-use planning authority. To gain an understanding of the working relationship between the Agency and its constituent retail agencies an

“Influence Model” was utilized to solicit input on a variety of pre-determined factors as to the existing and envisioned working relationship with the Agency. After consultation with several key stakeholders within the region the exercise provided valuable input in five key areas as follows:

1. **Communication** – Improved levels of communication by and between the Agency and others will lead to greater levels of collaboration, trust and the ability of the Agency to promote and advance its goals and objectives.
2. **Role** – The role of the Agency is demonstrated by how well it performs its mission within the region, with specific reference to defining what the desired or intended mission of the Agency should be. The Agency’s role as the provider of supplemental water was affirmed as well as that of a facilitator and leader of regional infrastructure projects.
3. **Financing** – The Agency has rate setting authority to recover costs as passed through to the Agency for the purchase of water and as required to fund the operational costs and capital improvements within its service area to carry out its mission. A long-term perspective on financial planning and communication is important to the Agency’s overall success.
4. **Groundwater Management** – Inherent in its role as a State Water Contractor is the function the Agency plays with respect to importation of water to meet current and future demands. Identification and acquisition of supplemental supplies above and beyond its Table A allotment from the Department of Water Resources requires close coordination with the various retail agencies and the Beaumont Basin Watermaster for purposes of storage and management.
5. **Allocation of Existing Supply** – Allocation of the Agency’s existing supply of Table A supplies is seen as an important function in order to ascertain certainty by some retail agencies. Existing water supply planning laws, including the Urban Water Management Planning Act, provides for continuous and coordinated planning between the Agency and its retail customers. Allocation of the Agency’s Table A supplies may have unintended future consequences. A potential program to acquire and finance additional future water supplies by the Agency will “allocate” water based on individual agencies participation in the program.

The Influence Model exercise provided valuable insight into the existing and desired role of the Agency as described by the survey participants. While this role may vary to some degree from how the Agency views its role in carrying out its mission, several key elements between the different perspectives are useful in developing or supporting new goals and objectives for the 2012 Strategic Plan.

In addition to the feedback obtained through the Influence Modeling exercise other reports and documents were reviewed as well to provide a basis for evaluation and determining new goals and objectives. The following reports were included in this review:

2006 San Gorgonio Pass Water Agency Strategic Plan  
2010 Urban Water Management Plan for the San Gorgonio Pass Water Agency  
(Camp Dresser McKee)  
2007 Evaluation of Potential Water Transfer Opportunities (Kennedy Jenks  
Consultants)  
2009 Supplemental Water Planning Study (Albert A. Webb Associates)  
2011 Capacity Fee Study for San Gorgonio Pass Water Agency (David Taussig &  
Associates, Inc.)  
2011/2012 Regional Allocation Agreement for Water Imported by San Gorgonio  
Pass Water Agency  
2010 Report of Water Conditions  
2010 Report on Sustainability of the Beaumont Basin  
1961, Chapter 101 San Gorgonio Pass Water Agency Law

The following retail agency documents were also reviewed:

Yucaipa Valley Water District  
2008 Strategic Plan for a Sustainable Future  
2010 Urban Water Management Plan

City of Banning  
2010 Urban Water Management Plan



## **Strategic Planning Goals & Implementation Strategy**

Five goals have been identified for the 2012 Strategic Plan. Each Goal has accompanying objectives that will be used as a part of an overall implementation strategy. It is recommended that the Board of Directors and General Manager review the progress of implementation annually. An annual review and update of the Strategic Plan is recommended due to the critical nature of a number of the implementation objectives. The five Strategic Plan Goals are as follows:

- 1. Regional Leadership Role**
- 2. Regional Water Supply Plan**
- 3. Regional Capital Facilities Plan**
- 4. Regional Financial Plan**
- 5. Communication Plan**

### **Goal #1 - Regional Leadership Role**

As a State Water Contractor the San Geronio Pass Water Agency role and mission extends beyond its own service area. The Agency is responsible for managing a critical water resource with statewide implications within the region. Additionally, the Agency has the obligation and responsibility to represent the water supply needs for all users present and future within its jurisdiction. Based on the situation and needs within the region this role is both political and tactical in nature.

The Agency's enabling legislation defines its role and responsibilities which allows for maximum effectiveness in the application of its authority in carrying out its obligations under the Law. The Agency's Board of Directors has the primary responsibility to ensure that its legislatively mandated responsibilities are carried out to the maximum benefit of the region. It should be noted that while the scope of authority vested in the Agency as defined by the law is broad in nature to provide maximum flexibility in managing waters within its jurisdiction, the actual application of individual sections of the Law is subject to the determination of the Agency's Board of Directors in furtherance of its mission.

The role of Regional Leadership as a goal within the Strategic Plan is recommended due to the nature and complexities of the various water supply and management issues confronting the Agency and region within the next decade. The need to develop additional water supplies will require the Agency, as a State Water Contractor, to assume a more substantive leadership role. While the Agency is currently performing its mandated role within its service area, strengthening its role and the relationships with its various retail agencies and stakeholders will be critical to the overall success of the entire region. To better support its role within the region a number of recommendations have been developed.

- A. Develop collaborative relationships with the various entities and stakeholders within its service area as well as those agencies and individuals that may have authority or jurisdiction over lands and waters within the region, i.e. State of California Department of Water Resources, the County of Riverside, Riverside County LAFCO, and others.
- B. Conduct formal monthly “Manager’s Meetings” that have as their focus the purpose of providing routine updates on various regional project proposals and project status reports.
- C. Provide for routine updates of progress on regional projects at meetings of the Agency’s Board of Directors and disseminated to key stakeholders.
- D. As a part of an overall communication strategy the goals of the Strategic Plan should become the basis for all Agency actions and decisions. It is recommended that staff reports to the Board of Directors include a section that describes how the proposed action item under consideration by the Board furthers the objectives of the Strategic Plan.

## **Goal #2 - Regional Water Supply Plan**

The second Strategic Plan Goal of developing a Regional Water Supply Plan is significant in that it has impacts beyond the immediate service area boundaries of the Agency. This will be particularly true when combined with the third strategic planning goal of developing a Regional Capital Facilities Plan. Future economic development of much of the area within the Agency service area will be dependent on execution of these strategies.

In the immediate future the region will be facing an available water supply deficit that must be met with a mixture of new supply sources. Current groundwater production will be severely reduced by the end of 2013 when operations within the Beaumont Basin will be required to change to reflect the individual agency safe-yield limitations within the Beaumont Basin Adjudication. A temporary surplus within the Beaumont Basin was declared which allowed pumpers to produce beyond their individual share of the operating safe-yield. Production within the Beaumont Basin has been intentionally increased as a part of a basin-wide reoperation plan that temporarily inflated individual groundwater production rates. The increased production is a positive indicator of how the Beaumont Basin operates under increased pumping rates and may lead to developing increased groundwater recharge opportunities to increase production corresponding with increased recharge. However, the temporary surplus will be exhausted at the end of 2013 placing additional pressure on the Agency for shifting demands to imported supplies from the State Water Project or other alternative supply sources. This also has the effect of reducing the amount of the Agency’s Table A water that may be available in any given year for long-term banking. The retail agencies have

anticipated this change in reoperation of the basin and are in various stages of development of different projects or demand-side alternatives to supplement current and future water demands. Development of recycled water projects, increasing storm water capture for reuse and promoting conservation are examples of the projects and programs currently underway.

Success in accomplishing the goal of developing a Regional Water Supply Plan will be achieved through three objectives:

1. Develop a Time and Demand Matrix for future water supply.
2. Identify additional source of supply to meet future demands.
3. Develop a water pre-purchase strategy for available water supply sources.

For purposes of developing the Strategic Plan, a planning horizon of 2035 was used and corresponds to the planning horizon used in the 2010 Urban Water Management Plan, (UWMP). Table 2-3 of the UWMP indicates that current and future water demands on the Agency service area are as follows:

#### **Time and Demand Matrix**

<b>Year</b>	<b>Demand on SGPWA</b>
2015	6,970 AFY (Acre-Feet per Year)
2020	7,760 AFY
2025	15,015 AFY
2030	22,468 AFY
2035	26,920 AFY

Based on the Agency's SWP Table A, annual entitlement of 17,300 acre-feet, the demand for imported water exceeds their available supply prior to 2025.

In order to meet the increased demands as projected the Agency must secure additional water supplies or, through a combined approach of acquiring additional new water supplies and coordinating with the local retail agencies, shift some production and demand to future years where possible. It is recommended that this Time and Demand Matrix be updated periodically based on increased development and demand activity. The Time and Demand Matrix was developed on five-year intervals and it is recommended that the Matrix be updated one year prior to each planning period (year four of each five-year interval).

Although the Agency has an annual entitlement of 17.3 thousand acre-feet per year, the current reliability from the SWP is approximately 60% according to the 2011 DWR reliability report of the total allocation. As reliability on the SWP improves or diminishes further, the Agency will need to recalibrate its regional water supply planning scenarios.

Section 5-2 of the UWMP provides the methodology for developing a water supply plan for the San Gorgonio Pass planning area under an average hydrologic condition as follows:

**Total Local Potable Supply (+) Total Local Non-Potable (+) Conservation (+)  
Table A Supply (-) Total Demand (=) Total Supply Surplus/Deficit**

Applying this methodology the Agency will need to secure new permanent supplemental supplies prior to 2025 through 2035 as reflected in Table 5-2.

<u>Planning Year</u>	<u>Supply Deficit</u>
2025	5,049 acre-feet
2030	12,023 acre-feet
2035	16,476 acre-feet

**Identify Additional Sources of Water Supply**

In 2007 and 2009 the Agency authorized the preparation of two reports entitled, Evaluation of Potential Water Transfer Opportunities and Supplemental Water Planning Study, respectively. These reports evaluate potential reliability supplies and dry-year supplies and recommend certain actions to be undertaken as follows:

2007 Report – Evaluation of Potential Water Transfer Opportunities

Potential Long-term (permanent) Water Supplies

- Permanent Transfer of SWP Table A Amount
- Long-term Purchase Agreement for San Bernardino Valley Municipal Water District Table A Amount
- Nickel Family Farms LLC Water
- Buena Vista Water Storage District, Rosedale-Rio Bravo Water Storage District Water Banking and Recovery Program
- Various central and northern California water rights holders

Potential Reliability Supplies

- Semitropic Water Storage District

Potential Reliability Supplies Continued:

- Semitropic Water Storage District Stored Water Recovery Unit
- Rosedale-Rio Bravo Water Storage District
- Other Potential Kern County Supplies
- Potential Programs south of the Tehachapi Mountains
- Castaic Lake Water Agency
- SGPWA Local Groundwater Basin Banking Program
- Article 21 Water

Potential Dry-year Water Supplies

- Western Canal Water District
- State Water Project Contractors Authority Dry-year Water Purchase Program
- SWP Turnback Pools
- Various Central and Northern California Water Rights Holders

2009 Report – Supplemental Water Planning Study

1. Continue working with Coachella Valley Water District and Desert Water Agency on the planning of the proposed State Water Project Aqueduct Extension Project,
2. Initiate a financial plan to continue to determine SGPWA's means and methods of financial participation in the Aqueduct Extension Project and the acquisition of additional water rights,
3. Initiate action to acquire water rights to meet SGPWA ultimate water demand,
4. Determine if the Morongo Band of Mission Indians intends to participate in the State Water Project Extension Project,
5. Evaluate the reliability of the local water supply within SGPWA's service area,
6. Initiate actions to acquire 16 cfs capacity in the East Branch Extension from SBVMWD, and
7. Develop a conjunctive use plan to store and recover State Water Project water in the Beaumont, Cabazon, and other groundwater basins within SGPWA's service area.

Many of the specific water supply opportunities identified in both the 2007 and 2009 reports may continue to be viable alternatives in 2012 and possibly into the

future. However, the changing dynamic as it relates to the political and administrative process of transferring water regionally and throughout the State has altered the means and methods by which water transfers are enacted. Most certainly the financial implications of each have changed since 2007. In addition, potential new sources of supply have been developed within the last five years that will also need further examination. Some of these include new north-of-the-Delta transfers, additional San Joaquin Valley agricultural acquisition and transfer opportunities, expanded exchange opportunities with other SWP agencies and the availability of additional regional supplies.

It is recommended that the Agency do the following:

1. Conduct a review and develop an update of the 2007 Report, Evaluation of Water Transfer Opportunities, by July 2013,
2. Conduct an analysis of the specific actions identified in the 2009 Supplemental Water Planning Study and develop a revised set of actions by July 2013, and
3. Identify and evaluate any new water transfer or purchase opportunities by July 2013. The evaluation should consider the financial terms, cost effectiveness and ease of administration and transferability of each potential opportunity.

### **Pre-Purchase Strategy**

The Time and Demand Matrix developed indicates that additional permanent supplemental supplies will be needed prior to 2025. (The UWMP indicates that under present planning conditions new permanent supplies will be needed by approximately 2023). The process of identifying and securing the necessary entitlements and transfer rights for additional water supplies may take several years to fully develop. Additionally, the financing mechanisms will need to be in place to affect the purchase once a new source of supply has been identified. A “pre-purchase” strategy will allow the Agency to take advantage of water supply opportunities and potentially lock in favorable long-term pricing as they are developed.

Once the Agency has identified potential new permanent water supplies it should initiate the process to secure the source of supply while at the same time either develop or assist in the development of storage opportunities either in local basins, assuming the necessary infrastructure is in place, or in existing state-wide water storage projects until such time as needed. Implementing a Pre-Purchase Strategy as outlined may have the effect of placing the Agency in an advantageous position by developing long-term storage and recovery projects that would have the effect of reducing future costs for retail agencies within the region.

It is recommended that the Agency do the following:

1. Identify and rank potential water transfer opportunities by cost effectiveness, ease of administration and the means by which the water can be stored for future use by December 2013.
2. Utilize existing financial resources or develop a new financial mechanism to acquire the new supply source and accommodate storage costs.

### **Goal #3 - Regional Capital Facilities Plan**

The third goal of the Strategic Plan, Regional Capital Facilities Plan, directly corresponds to the need to make available and take delivery of supplemental water into the Agency's service area. Execution of this goal will require conducting an inventory of existing facilities that may become "regional facilities" for purposes of carrying out the objectives of this goal as well as developing a multi-year plan to construct new facilities. Implementation of this planning goal will require that it be accomplished in close coordination with Goal #2, so as to develop capital facilities in relation to the needed new demand within the Agency's service area. This will also have a direct bearing on the timing of Goal #4, the Regional Financial Plan. Based on the need to anticipate future new supplemental water supplies, the Agency may elect to construct facilities well in advance to take advantage of opportunities as they develop.

Implementation of this goal will be accomplished through the following objectives:

1. Develop a plan or matrix of needed facilities to manage the increased water demands through 2035, and
2. Conduct an inventory of existing facilities that may be used for regional benefit.

Introduction of new water supplies by the Agency into the region will require multiple facilities of varying types and constructed in a carefully financed and coordinated manner. The projected water demands as identified in the Agency's UWMP and referenced in Goal #2 - Regional Water Supply Plan, can be used to predict when certain projects will be required; however, and as stated previously, the ability to develop and acquire new sources of water supply is a dynamic and somewhat unpredictable process which will require that the Agency consider developing facilities in anticipation of future delivery or expanding existing facilities.

## **Develop a Matrix of Needed Facilities**

Based on information contained within the Agency's UWMP, a predictive model or Time and Demand Matrix can be developed to anticipate facility needs over the planning period. The type of facility and location of needed facilities will be determined in large part by the location of the supply source and the ease at which the source can be best utilized on a regional basis. The Agency will need to give careful consideration to multiple options that include developing new spreading and recharge facilities, enlarging existing recharge facilities, direct injection facilities and direct delivery. In some instances existing facilities may be able to accommodate all or part of the additional demand and should be given consideration due to their cost effectiveness versus constructing new facilities. The 2006 Strategic Plan identified several opportunities for new or expanded facilities that are incorporated herein.

It is recommended that the Agency do the following:

1. By December 2013, identify the infrastructure needs to accommodate the additional demands that correspond to Table 5-2 of the UWMP as follows:

<b><u>Planning Year</u></b>	<b><u>Supply Deficit</u></b>
2025	5,049 acre-feet
2030	12,023 acre-feet
2035	16,476 acre-feet

## **Inventory of Existing Infrastructure and Facilities**

Utilization of existing facilities has the benefit of reducing future capital costs and having facilities in place to take advantage of new supply opportunities that may become available in the short-term. Careful consideration must be given to facilities that are currently owned and operated by other parties within the Agency's service area so as to not impede their current or future need of the facilities. In some instances these existing facilities may not be available on a permanent basis but made available for short durations of time to augment or supplement new facilities. Additionally, agreements for utilization of the joint-use or shared facilities will need to be developed. The Agency may find it necessary and prudent to make certain investments in existing infrastructure in order to upgrade the facilities to accommodate the additional future demands.

It is recommended that the Agency do the following:

1. From each retail agency in the Agency's service area, compile a list of facilities that may be available for use as a regional facility, and what capacities, limitations or restrictions on use currently exist or may exist in the future by July 2013,



2. Review existing proposed projects to determine if they remain viable for potential water transfer and storage – Banning Pipeline Upsizing, Cabazon Pipeline Extension, Beaumont Basin Recharge Facility and the Cabazon Basin Recharge Facility. This review should be completed by July 2013,
3. Develop budget estimates for repairs and needed upgrades to potential joint-use facilities by October 2013,
4. Where existing facilities owned and operated by retail agencies will be used for regional benefit, a “Facility Use Agreement” for shared services should be developed.

#### **Goal #4: Regional Financial Plan**

The 2006 Strategic Plan noted that a “comprehensive financial plan” be developed to fund the needed new infrastructure and that the plan be updated annually. In addition to developing a funding mechanism for the infrastructure needs through the planning period, funding for new sources of water to supplement the Agency’s existing SWP entitlement and local supplies will be required. In 2010, the Agency authorized the preparation of a Capacity Fee Study, which if implemented would develop the nexus for any proposed new capacity fees that retail agencies or land-use planning agencies would collect from new development on behalf of the Agency. As noted in the Capacity Fee Study the additional revenue generated through the capacity fee would fund “(1) pipelines to provide additional water conveyance capacity, (2) purchase of capacity in existing pipeline systems owned by others, (3) additional basin recharge projects for storage in the Beaumont and Cabazon Basins, including land purchases associated with such basin facilities, and (4) purchase of new water and/or water rights to meet future demand.” The Study also indicates that within the next twenty years the total cost of new facilities will exceed \$72.0 million.

Developing a predictive plan or model for new revenue based solely on development activity is problematic in that it is largely driven by economic growth. Based on the timeframes developed in the Regional Capital Infrastructure Plan the Agency can develop a flexible timeline for when additional infrastructure resources are needed to meet the needs of new development. Development of new infrastructure is somewhat programmatic in that an agency can prepare a plan and program construction activity based on the need for new water supply and by doing so anticipate and program the necessary revenue needs on a year-to-year basis. Acquisition of new water supplies is less predictable. In the near term, the Agency will have adequate water supplies to meet demand; however, in the next 10-12 years demand for water supplies outstrips existing availability. As a result the need for revenue dedicated solely to water purchases must be anticipated prior to development of new demand. Based on information contained in the Capacity Fee Study, the cost for acquisition of new water rights on an acre-foot basis is \$5,500 per

acre-foot. Without accounting for inflation in future years, applying this figure to the anticipated demand for new water supplies through 2035, the Agency can forecast its future revenue needs as follows:

<u>Planning Year</u>	<u>Supply Deficit</u>	<u>Cost/AF</u>	<u>Total</u>
2025	5,094 AF	\$5,500	\$28,017,000
2030	12,023 AF	\$5,500	\$66,126,500
2035	16,476 AF	\$5,500	\$90,618,000

It should be noted that the monetary values referenced above reflect acquisition of a permanent water right. In today's water market many sources of supply are available on short or long-term lease or even on the spot market as one-time transfers in smaller increments such as 1,000-3,000 acre-feet. The most cost effective means of meeting the Agency's long-term needs will likely be through a combination of water rights acquisitions and assimilating smaller water transfers annually. The use of a professional agent specializing in California water marketing may prove advantageous in identifying and developing a sustainable future water supply.

Although one of the components of the proposed Capital Capacity Fee placed on new development is to fund acquisition of new water rights, the Agency will likely have to pre-purchase water in anticipation of new development requiring close coordination with the various land use planning agencies. The Agency will need to develop new sources of funding or rely on existing sources including reserves to acquire the water in advance of actual receipt of funds resulting from payment of the Capital Capacity Fee by new development if adopted. The Regional Water Supply Plan outlines key timeframes when new water supplies will be needed.

Implementation of this goal will be accomplished through the following objectives:

1. Consideration of a Capital Capacity Fee designed to offset the cost of developing new infrastructure and new water rights resulting from growth in demand,
2. Develop a long-range financial plan that correlates to the need for new infrastructure as identified in the Regional Capital Facilities Plan, and
3. Review the current water commodity rate to insure that revenues are adequate to fully fund the purchase of new water for existing development.

The Agency has previously considered the utilization of the Capital Facilities Fee with many of its retail agencies. Used in conjunction with the potential of future fee development contained in a long-range financial plan, it then provides a complementary tool and model of when revenue is needed to offset the cost of new infrastructure and water rights.

It is recommended that the Agency do the following:

1. By December of 2012, the Agency should confirm and update if necessary the monetary values assigned to the facility capacity fee and water capacity fee in the 2011 Capacity Fee Study, and
2. By March of 2013, the Agency should retain the services of a financial consultant to develop a financial model that would include a review and make recommendation for modification, if any, to the existing commodity charge and timing of new revenue needs through the 2035 planning period.

### **Goal #5: Communication Plan**

As the only agency responsible for wholesale water delivery into the San Gorgonio Pass region, communication with the various stakeholders is very important to the overall success of implementation of the Strategic Plan elements. Developing a clear and concise message will enable the Agency to expand awareness of its mission and effectiveness, thus increasing public support. Strengthening strategic alliances is enhanced through a continuous and integrated communication strategy. An essential element of a good communication strategy takes into consideration the multiple methods of reaching the intended audience that translates into an integrated process.

Currently the Agency relies on its website as the major source of information about its programs and activities. There are numerous reports and studies that support and enhance current and future activities that have been made available in print form to a limited audience. Adoption of this Strategic Plan will set into motion several new initiatives, many of which will be critical for the future growth and sustainability of the entire region. The Agency's role in leading and orchestrating these new initiatives should be emphasized as a part of the communication strategy. A new communication strategy should take into account a larger target audience and include web-based and written communication tools as well as public speaking opportunities to reinforce the Agency's goals and objectives, many of which are contained in the Strategic Plan.

Implementation of the goal will be accomplished through the following objectives:

- 1. Identify communication opportunities to leverage, promote and amplify the Agency's brand, image and impact within the region,**
- 2. Engage a broad spectrum of Agency stakeholders through an integrated and strategic communications process,**
- 3. Gain external support for the Agency, its mission and leadership through thoughtful outreach and positioning techniques, and**
- 4. Align all communication efforts in the context of the strategic planning process.**

It is recommended that the Agency retain the services of a qualified communications consultant to develop a strategic communications plan once the Strategic Plan is adopted.