

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Meeting
Agenda
September 4, 2018 at 1:30 p.m.

1. Call to Order, 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. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

4. Consent Calendar: If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, August 20, 2018* (p. 2)
- B. Approval of the Minutes of the Finance and Budget Workshop, August 27, 2018* (p. 6)
- C. Approval of the Finance and Budget Workshop Report, August 27, 2018* (p. 8)

5. Reports:

- A. General Manager's Report
 - 1. Operations Report
 - 2. General Agency Updates
- B. Directors Reports
- C. Committee Reports

6. New Business:

- A. Consideration of Amendment to Memorandum of Agreement Forming the San Gorgonio Pass Groundwater Sustainability Agency* (p. 20)
- B. Consideration of Amendment to Memorandum of Agreement Forming the Verbenia Groundwater Sustainability Agency* (p. 20)
- C. Discussion of Potential Advisory Council Members for the San Gorgonio Pass and Verbenia Groundwater Sustainability Agencies* (p. 53)
- D. Consideration of Authorization to Advertise the Noble Connection Enlargement for Construction* (p. 58)
- E. Consideration of Payment to BB&K for Public Policy and Ethics Services* (p. 60)

7. Topics for Future Agendas

8. Announcements:

- A. Engineering Workshop, September 10, 2018 at 1:30 p.m.
- B. Water Conservation and Education Workshop, September 13, 2018 at 1:30 p.m.
- C. Water Rate Workshop, September 13, 2018 at 6:00 p.m.

9. Adjournment

***Information included in Agenda Packet**

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

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
August 20, 2018

Teleconference Location: London Bridge Resort
Business Center
1477 Queens Bay
Lake Havasu City, AZ

Directors Present: David Fenn, President
Lenny Stephenson, Treasurer
Blair Ball, Director
Stephen Lehtonen, Director
Michael Thompson, Director

Directors Absent: Ron Duncan, Vice President
David Castaldo, Director

Staff Present: Jeff Davis, General Manager
Jeff Ferre, General Counsel
Cheryle Stiff, 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 David Fenn at 1:30 p.m., August 20, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. President Fenn gave the invocation. A quorum was present.
2. **Statement Regarding Teleconferencing: Teleconference was cancelled.**
3. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda.* General Manager Davis informed the Board that the teleconference was cancelled. The Agenda was adopted as amended.
4. **Public Comment:** *President Fenn asked if there were any members of the public that wished to make a public comment on items that are within the jurisdiction of the Agency.* There were no members of the public that wished to comment at this time.
5. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, August 6, 2018
 - B. Approval of the Minutes of the Engineering Workshop, August 13, 2018

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

6. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency delivered 770 acre-feet of Table A water to the Noble Creek Connection so far this month.

(2) Construction Update: General Manager Davis reported to the Board that grading on the Orchard property has started. No additional construction work has been done on the ponds since the last board meeting update.

(3) General Agency Updates: (a) Noble Enlargement: (a). General Manager Davis reported that final edits of the 100% submittal will take place this week, at which point the 100% package for DWR signatures will be submitted. Upon signature approval from DWR the Agency will initiate advertising for construction.

(b) Sites Update: General Manager Davis provided a time schedule on Phase 2 participation. He informed the Board that during last week's Sites meeting discussion took place on delaying the closing date. Initially the closing date for financial issues was December 31st; the date has been extended to February 14, 2019. This provides the Agency with approximately six additional weeks to decide on its Phase 2 participation.

(c) Cal WaterFix Update: Two new Joint Power Authorities have been formed and both have held their initial meetings.

(d) SGMA: General Manager Davis spoke on the need of forming an Advisory Council for the San Geronio Pass and Verbenia Groundwater Sustainability Agencies.

(e) State Water Resources Control Board Update: General Manager Davis reported on SWRCB's draft order for unimpaired flows. SWRCB Chairman Marcus said last week that they will not vote on this at their meeting this week. Public hearings will take place this week.

(f) Contract Extension Hearing Update: The August 14th Contract Extension Hearing has been cancelled and will possibly be rescheduled before the end of the month.

(g) Water Tax: There are two bills in the legislature regarding a voluntary water tax, which are very similar to the earlier water tax bills.

(h) Water Rate Status: General Manager Davis requested to hold a workshop on the water rate. It was the consensus of the Board to hold the workshop either on the 6th or the 13th of September, at 6:00 p.m.

B. Director Reports: (1) Director Stephenson reported on the following meetings that he attended: August 2nd YVWD Board meeting, August 8th South Mesa Water Company, and the August 14th YVWD Board meeting. **(2) Director Lehtonen** reported on the San Bernardino Water Conference meeting that he attended on August 10th.

C. Committee Reports: (1) Director Thompson provided a written report on the August 9th Water Conservation and Education committee meeting. The committee also discussed the State of the Water Supply event.

7. New Business:

A. Consideration and Possible Action to Approve Agreement in Principle for Cal Waterfix and Water Management Contract Amendment: A staff report and a copy of the Draft 3 – June 27, 2018 – Doc # 00115 were included in the agenda packet. This item was covered in detail during the Engineering workshop. General Manager Davis reminded the Board that approval of this item does not commit the Agency to any future costs. The purpose of this item is to show that the Board is in agreement with the language. Director Stephenson made a motion, seconded by Director Lehtonen to approve the language of the Agreement in Principal for the California WaterFix. Motion passed 5-0, with Directors Duncan and Castaldo absent.

B. Consideration and Possible Action on Water Resources Institute Donation: A staff report and a copy of the Potential Task List for Student Intern were included in the agenda packet. Director Thompson explained why WRI is seeking donations and what types of benefits the Agency would receive in the way of an intern. The goal is to develop a social media footprint on multiple platforms with the assistance of the intern. After discussion, Director Thompson made a motion, seconded by President Fenn to authorize a \$10,000 contribution to the WRI at Cal State, San Bernardino, and that the Agency contract with WRI for a student intern (for up to 325 hours of work) to focus on developing a social media footprint for the Agency. Motion passed 5-0, with Directors Duncan and Castaldo absent.

C. Consideration and Possible Action to Approve Revised Proposal from Inland Empire Resource Conservation District (IERCD): A staff report and a copy of the Public Outreach Program Agreement were included in the agenda packet. Director Thompson explained the desire to revise the agreement between IERCD and the Agency. The revision is to increase its expenditures for school education programs from \$10,000 to \$12,700 for this fiscal year. The revised proposal includes 36 water education programs instead of 18; this is in addition to the groundwater model training. Director Thompson made a motion, seconded by President Fenn to approve the revised proposal from IERCD for \$2700 more, to be used to produce 18 additional water conservation programs for school children this year. Motion passed 5-0, with Directors Duncan and Castaldo absent.

D. Consideration and Possible Action on Resolution 2018-06, an Endorsement of Proposition 3: A staff report, a copy of Resolution 2018-06, and a Summary of Major Programs in the Water Supply and Water Quality Bond Act of 2018 were included in the agenda packet. President Fenn stated that this item was discussed during the August 13th Engineering workshop and also at the SGPRWA meeting. Proposition 3 will be a direct impact and a benefit to our region. President Fenn made a motion, seconded by Director Thompson to adopt Resolution 2018-06. General Counsel Ferre recommended that the language be changed as follows: Now, therefore, be it resolved, that the Board of Directors of the San Gorgonio Pass Water Agency endorses Proposition 3, the Water Supply and Water Quality Act of 2018 Initiative, and urges its residents to review this measure and consider voting in favor of the Proposition 3 in November. President Fenn amended his motion to accommodate the recommendation. Director Thompson seconded the motion. Director Ball stated that we as a Board should not be in favor of something that has

not yet been read. After discussion, President Fenn requested a vote. Motion passed 4-1, with Director Ball voting no and Directors Duncan and Castaldo absent.

8. Topics for Future Agendas: None.

9. Announcements:

- A. San Gorgonio Pass Regional Water Alliance, August 22, 2018 at 5:00 p.m. – Banning City Hall
- B. Finance & Budget Workshop, August 27, 2018 at 1:30 p.m.
- C. Office closed in observance of Labor Day, September 3, 2018
- D. Regular Board Meeting, **Tuesday** – September 4, 2018 at 1:30 p.m.

President Fenn adjourned the meeting at: 2:09 pm

Draft – Subject to Board approval

Jeffrey W. Davis, Secretary of the Board

cmr

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue
Beaumont, California 92223
Minutes of the
Board Finance and Budget Workshop
August 27, 2018

Directors Present: David Fenn, President
Lenny Stephenson, Treasurer
David Castaldo, Director
Blair Ball, Director
Steve Lehtonen, Director

Directors Absent: Ron Duncan, Vice President
Mike Thompson, 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 Chair Lenny Stephenson at 1:30 pm, August 27, 2018, in the Agency Board Room at 1210 Beaumont Avenue, Beaumont, California. Chair 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 July, 2018 by Reviewing Check History Reports in Detail: After review and discussion, a motion was made by Director Lehtonen, seconded by Director Ball, to recommend that the Board ratify paid monthly invoices of \$3,842,297.95 and payroll of \$34,238.37 for the month of July, 2018, for a combined total of \$3,876,536.32. The motion passed 5 in favor, no opposed, with Directors Duncan and Thompson absent.
 - B. Review Pending Legal Invoices: After review and discussion, a motion was made by Director Fenn, seconded by Director Lehtonen, to recommend that the Board approve payment of the pending legal invoice for \$14,107.06 for July, 2018 but hold the invoice for PP&E for \$4,600.00 for further discussion at the September 4, 2018 Board meeting. The motion passed 5 in favor, no opposed, with Directors Duncan and Thompson absent.

- C. Review of July, 2018 Bank Reconciliation: After review and discussion, a motion was made by Director Castaldo, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Wells Fargo bank reconciliation for July, 2018 as presented. The motion passed 5 in favor, no opposed, with Directors Duncan and Thompson absent.
- D. Review of Budget Report for July, 2018: After review and discussion, a motion was made by Director Ball, seconded by Director Fenn, to recommend that the Board acknowledge receipt of the Budget Report for July, 2018. The motion passed 5 in favor, no opposed, with Directors Duncan and Thompson absent.

5. Announcements

- A. The office will be closed Monday, September 3, 2018 in observance of Labor Day
- B. Regular Board Meeting, Tuesday, September 4, 2018, 1:30 pm
- C. Engineering Workshop, September 10, 2018, 1:30 pm

- 6. Adjournment:** The Finance and Budget workshop of the San Gorgonio Pass Water Agency Board of Directors was adjourned at 1:47 pm.

Draft - Not Approved

Jeffrey W. Davis, Secretary of the Board

Finance and Budget Workshop Report

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

The Finance and Budget Workshop was held on August 27, 2018. The following recommendations were made:

1. The Board ratify payment of Invoices of \$3,842,297.95 and Payroll of \$34,238.37 as detailed in the Check History Report for Accounts Payable and the Check History Report for Payroll for July, 2018 for a combined total of \$3,876,536.32

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

Best, Best & Krieger LLP	\$14,107.06
--------------------------	-------------

3. The Board acknowledge receipt of the following:
 - A. Wells Fargo bank reconciliation for July, 2018
 - B. Budget Report for July, 2018

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Ave, Beaumont, CA 92223
Board Finance & Budget Workshop
Agenda
August 27, 2018, at 1:30 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 relating to any matter within the Agency's jurisdiction. To comment on a specific agenda item, please complete a speaker's request form and hand it to the Board secretary. Speakers are requested to keep their comments to no more than five minutes. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.
4. **New Business (Discussion and possible recommendations for action at a future regular Board meeting)**
 - A. Ratification of Paid Invoices and Monthly Payroll for July, 2018 by Reviewing Check History Reports in Detail*
 - B. Review of Pending Legal Invoices*
 - C. Review of July, 2018 Bank Reconciliation*
 - D. Review of Budget Report for July, 2018*
5. **Announcements**
 - A. The office will be closed September 3, 2018 in observance of Labor Day
 - B. Regular Board Meeting, Tuesday, September 4, 2018, 1:30 pm
 - C. Engineering Workshop, September 10, 2018, 1:30 pm
6. **Adjournment**

*Information Included In Agenda Packet

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

San Geronio Pass Water Agency
Check History Report
July 1 through July 31, 2018

ACCOUNTS PAYABLE

Date	Number	Name	Amount
07/03/2018	118900	ACWA BENEFITS	862.42
07/03/2018	118901	AT&T MOBILITY	211.54
07/03/2018	118902	AUTOMATION PRIDE	495.00
07/03/2018	118903	BANNING CHAMBER OF COMMERCE	350.00
07/03/2018	118904	BLAIR M. BALL	267.30
07/03/2018	118905	BEAUMONT-CHERRY VALLEY WATER DISTRICT	410.30
07/03/2018	118906	BEAUMONT CHAMBER OF COMMERCE	300.00
07/03/2018	118907	CALIMESA CHAMBER OF COMMERCE	125.00
07/03/2018	118908	IN-SITU, INC.	2,369.58
07/03/2018	118909	MACRO COMMUNICATIONS	225.00
07/03/2018	118910	MATTHEW PISTILLI LANDSCAPE SERVICES	1,240.00
07/03/2018	118911	NICE-INCONTACT	162.57
07/03/2018	118912	SOUTHERN CALIFORNIA EDISON	116.07
07/03/2018	118913	UNDERGROUND SERVICE ALERT	34.75
07/03/2018	118914	VALLEY OFFICE EQUIPMENT, INC.	95.64
07/03/2018	118915	WASTE MANAGEMENT INLAND EMPIRE	97.06
07/09/2018	118916	ACWA JPIA	1,037.87
07/09/2018	118917	BDL ALARMS, INC.	78.00
07/09/2018	118918	BEST BEST & KRIEGER	11,214.96
07/09/2018	118919	DAVID TAUSSIG & ASSOCIATES, INC.	10,637.50
07/09/2018	118920	I. E. RESOURCE CONSERVATION DISTRICT	3,450.00
07/09/2018	118921	LAFCO RIVERSIDE	5,286.99
07/09/2018	118922	SANTA ANA WATERSHED PROJ. AUTHORITY	13,712.00
07/09/2018	118923	CHERYLE M. STIFF	371.05
07/09/2018	118924	STATE WATER CONTRACTORS	64,199.00
07/09/2018	118925	UNLIMITED SERVICES BUILDING MAINT.	295.00
07/16/2018	118926	ALBERT WEBB ASSOCIATES	86.25
07/16/2018	118927	ARMSTRONG & BROOKS ENGINEERS	13,366.50
07/16/2018	118928	BARTEL ASSOCIATES, LLC	900.00
07/16/2018	118929	FRONTIER COMMUNICATIONS	853.13
07/16/2018	118930	NICE-INCONTACT	111.93
07/16/2018	118931	OFFICE SOLUTIONS	155.93
07/16/2018	118932	WELLS FARGO ELITE CREDIT CARD	5,908.30
07/24/2018	118934	AT&T MOBILITY	211.33
07/24/2018	118935	FRONTIER COMMUNICATIONS	413.99
07/24/2018	118936	MATTHEW PISTILLI LANDSCAPE SERVICES	350.00
07/24/2018	118937	SOUTHERN CALIFORNIA EDISON	159.07
07/24/2018	118938	VALLEY OFFICE EQUIPMENT, INC.	166.40
07/27/2018	118939	ALBERT WEBB ASSOCIATES	37,544.12
07/27/2018	118940	BARTEL ASSOCIATES, LLC	5,420.00
07/27/2018	118941	CASITAS MUNICIPAL WATER DISTRICT	749,822.50
07/27/2018	118942	COMMUNITY BANK	28,905.00
07/27/2018	118943	DAVID TAUSSIG & ASSOCIATES, INC.	4,995.36
07/27/2018	118944	PRO-CRAFT CONSTRUCTION, INC.	549,195.00
07/27/2018	118945	CITY OF VENTURA	1,499,648.00
07/30/2018	118946	STANDARD INSURANCE COMPANY	468.08

San Gorgonio Pass Water Agency
Check History Report
July 1 through July 31, 2018

ACCOUNTS PAYABLE (CON'T)

Date	Number	Name	Amount
07/12/2018	580541	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	6,313.43
07/12/2018	592412	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,153.76
07/30/2018	554765	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,240.36
07/30/2018	565949	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,587.97
07/03/2018	900189	CALPERS HEALTH	7,740.38
07/09/2018	900190	CALPERS RETIREMENT	39,129.00
07/12/2018	900191	CALPERS RETIREMENT	6,644.53
07/14/2018	900192	DEPARTMENT OF WATER RESOURCES	328,497.00
07/24/2018	900193	CALPERS HEALTH	7,732.67
07/27/2018	900194	DEPARTMENT OF WATER RESOURCES	413,062.00
07/30/2018	900195	CALPERS RETIREMENT	6,871.36
TOTAL ACCOUNTS PAYABLE CHECKS			3,842,297.95

PAYROLL

Date	Number	Name	Amount
07/11/2018	801574	JEFFREY W. DAVIS	4,979.83
07/11/2018	801575	KENNETH M. FALLS	3,329.34
07/11/2018	801576	CHERYLE M. STIFF	2,213.17
07/11/2018	801577	THOMAS W. TODD, JR.	3,464.14
07/29/2018	801578	BLAIR M. BALL	959.62
07/29/2018	801579	JEFFREY W. DAVIS	4,979.83
07/29/2018	801580	RONALD A. DUNCAN	1,199.54
07/29/2018	801581	KENNETH M. FALLS	3,836.97
07/29/2018	801582	DAVID L. FENN	1,199.54
07/29/2018	801583	LEONARD C. STEPHENSON	1,199.54
07/29/2018	801584	CHERYLE M. STIFF	2,213.17
07/29/2018	801585	MICHAEL D. THOMPSON	1,199.54
07/29/2018	801586	THOMAS W. TODD, JR.	3,464.14
TOTAL PAYROLL			34,238.37
TOTAL DISBURSEMENTS FOR JULY, 2018			3,876,536.32

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	180731	LEGAL SERVICES JUL18	14,107.06
BEST, BEST & KRIEGER	827746	PP&E ANNUAL BILLING	4,600.00

TOTAL PENDING INVOICES FOR AUGUST 2018

18,707.06

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
July 31, 2018**

BALANCE PER BANK AT 07/31/2018 - CHECKING ACCOUNT \$2,690,275.85

LESS OUTSTANDING CHECKS

<u>CHECK NUMBER</u>	<u>AMOUNT</u>	<u>CHECK NUMBER</u>	<u>AMOUNT</u>
118933	VOID	118945	1,499,648.00
118939	37,544.12	118946	468.08
118941	749,822.50		
	<u>787,366.62</u>		<u>1,500,116.08</u>

TOTAL OUTSTANDING CHECKS -\$2,287,482.70

BALANCE PER GENERAL LEDGER 402,793.15

BALANCE PER GENERAL LEDGER AT 06/30/2018 287,170.77

CASH RECEIPTS FOR JULY **932,549.71**

CASH DISBURSEMENTS FOR JULY

 ACCOUNTS PAYABLE - CHECK HISTORY REPORT -3,842,297.95

BANK CHARGES -62.57

TRANSFER FROM LAIF 3,050,000.00

TRANSFER FROM WELLS FARGO 15,433.19

TRANSFER TO BANK OF HEMET (Payroll) -40,000.00

BALANCE PER GENERAL LEDGER AT 07/31/2018 402,793.15

REPORT PREPARED BY:



 Cheryl M. Stiff

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF JULY 2018**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
7/2/18	CITY OF BANNING	WATER SALES	18,386.00	
7/2/18	AVEK	CLASS 8 MEETINGS REIMBSMNT	1,700.00	
7/2/18	SGVMWD	CLASS 8 MEETINGS REIMBSMNT	1,700.00	
7/2/18	DWR	OAP POWER REFUND	2,108.00	23,894.00
7/6/18	SBVMWD	CLASS 8 MEETINGS REIMBSMNT	1,700.00	
7/6/18	DESER WA	CLASS 8 MEETINGS REIMBSMNT	1,700.00	3,400.00
7/10/18	TVI	CD - BOND INTEREST	21,304.81	21,304.81
7/16/18	PALMDALE WD	CLASS 8 MEETINGS REIMBSMNT	1,700.00	
7/16/18	BCVWD	WATER SALES	346,481.00	348,181.00
7/23/18	YVWD	WATER SALES	26,104.32	
7/23/18	STATE OF CALIF/CERBT	OPEB REIMBURSEMENT FY17-18	20,946.73	
7/23/18	CITY OF BANNING	WATER SALES	17,752.00	64,803.05
7/26/18	RIVERSIDE COUNTY	PROPERTY TAXES	167,527.62	167,527.62
7/26/18	RIVERSIDE COUNTY	PROPERTY TAXES	91,556.78	91,556.78
7/26/18	TVI	CD - BOND INTEREST	10,495.61	10,495.61
7/27/18	RIVERSIDE COUNTY	PROPERTY TAXES	43,680.30	43,680.30
7/27/18	RIVERSIDE COUNTY	PROPERTY TAXES	19,177.00	19,177.00
7/31/18	RIVERSIDE COUNTY	PROPERTY TAXES	126,965.07	126,965.07
7/31/18	RIVERSIDE COUNTY	PROPERTY TAXES	8,363.00	8,363.00
7/31/18	RIVERSIDE COUNTY	PROPERTY TAXES	3,201.47	3,201.47
	TOTAL FOR JULY 2018		932,549.71	932,549.71

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2018**

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - INCOME				Comparison:	92%
INCOME					
WATER SALES	5,600,000		5,600,000	0.00	100.00%
TAX REVENUE	2,650,000		2,650,000	49,490.61	98.13%
INTEREST	200,000		200,000	13,104.89	93.45%
DESIGNATED REVENUES	1,750,000		1,750,000	0.00	100.00%
CAPACITY FEE	0		0	0.00	
OTHER (REIMBURSEMENTS, TRANSFERS)	29,000		29,000	0.00	100.00%
TOTAL GENERAL FUND INCOME	10,229,000	0	10,229,000	62,595.50	99.39%
GENERAL FUND - EXPENSES					
COMMODITY PURCHASE					
PURCHASED WATER	6,000,000		6,000,000	0.00	100.00%
TOTAL COMMODITY PURCHASE	6,000,000	0	6,000,000	0.00	100.00%
SALARIES AND EMPLOYEE BENEFITS					
SALARIES	470,000		470,000	39,602.96	91.57%
PAYROLL TAXES	41,000		41,000	3,506.31	91.45%
RETIREMENT	312,000		312,000	42,891.57	86.25%
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	22,000		22,000	3,157.17	85.65%
HEALTH INSURANCE	67,000		67,000	10,591.50	84.19%
DENTAL INSURANCE	4,800		4,800	401.50	91.64%
LIFE INSURANCE	1,600		1,600	130.57	91.84%
DISABILITY INSURANCE	5,000		5,000	411.87	91.76%
WORKERS COMP INSURANCE	3,700		3,700	0.00	100.00%
SGPWA STAFF MISC. MEDICAL	10,000		10,000	371.05	96.29%
EMPLOYEE EDUCATION	1,000		1,000	0.00	100.00%
TOTAL SALARIES AND EMPLOYEE BENEFITS	938,100	0	938,100	101,064.50	89.23%

15 / 60

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	92%
ADMINISTRATIVE & PROFESSIONAL					
DIRECTOR EXPENDITURES					
DIRECTORS FEES	111,000		111,000	6,234.72	94.38%
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	0.00	100.00%
DIRECTORS MISC. MEDICAL	23,000		23,000	0.00	100.00%
OFFICE EXPENDITURES					
OFFICE EXPENSE	22,000		22,000	322.33	98.53%
POSTAGE	600		600	0.00	100.00%
TELEPHONE	12,000		12,000	866.10	92.78%
UTILITIES	4,000		4,000	106.54	97.34%
SERVICE EXPENDITURES					
COMPUTER, WEB SITE AND PHONE SUPPORT	9,000		9,000	225.00	97.50%
GENERAL MANAGER & STAFF TRAVEL	20,000		20,000	600.00	97.00%
INSURANCE & BONDS	24,000		24,000	0.00	100.00%
ACCOUNTING & AUDITING	21,000		21,000	0.00	100.00%
STATE WATER CONTRACT AUDIT	5,500		5,500	0.00	100.00%
DUES & ASSESSMENTS	31,500		31,500	1,044.00	96.69%
OUTSIDE PROFESSIONAL SERVICES	10,000		10,000	0.00	100.00%
BANK CHARGES	1,500		1,500	99.61	93.36%
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%
MAINTENANCE & EQUIPMENT EXPENDITURES					
TOOLS PURCHASE & MAINTENANCE	500		500	0.00	100.00%
VEHICLE REPAIR & MAINTENANCE	7,000		7,000	209.52	97.01%
MAINTENANCE & REPAIRS - BUILDING	15,000		15,000	742.06	95.05%
MAINTENANCE & REPAIRS - FIELD	4,000		4,000	0.00	100.00%
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
COUNTY EXPENDITURES					
LAFCO COST SHARE	7,000		7,000	5,286.99	24.47%
ELECTION EXPENSE	125,000		125,000	0.00	100.00%
TAX COLLECTION CHARGES	12,500		12,500	121.03	99.03%
TOTAL ADMINISTRATIVE & PROFESSIONAL	631,600	0	631,600	15,857.90	97.49%

16/60

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2018**

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	92%
GENERAL ENGINEERING					
GRANT WRITER	20,000		20,000	0.00	100.00%
NEW WATER					
PROGRAMATIC EIR	0		0	0.00	
UPDATED STUDY ON AVAILABLE SOURCES	7,500		7,500	0.00	100.00%
SGMA SUPPORT	200,000		200,000	0.00	100.00%
STUDIES					
USGS	115,000		115,000	0.00	100.00%
WATER RATE NEXUS STUDY	25,000		25,000	0.00	100.00%
WATER RATE FINANCIAL MODELING	12,000		12,000	0.00	100.00%
CAPACITY FEE NEXUS STUDY UPDATE	25,000		25,000	0.00	100.00%
WHEELING RATE STUDY	10,000		10,000	0.00	100.00%
OTHER PROJECTS					
BASIN MONITORING TASK FORCE	18,000		18,000	13,712.00	23.82%
EAST BRANCH MEETINGS	18,000		18,000	0.00	100.00%
GENERAL AGENCY - CEQA AND GIS SERVICES	10,000		10,000	0.00	100.00%
TOTAL GENERAL ENGINEERING	460,500	0	460,500	13,712.00	97.02%
LEGAL SERVICES					
LEGAL SERVICES - GENERAL	190,000		190,000	0.00	100.00%
TOTAL LEGAL SERVICES	190,000	0	190,000	0.00	100.00%
CONSERVATION & EDUCATION					
SCHOOL EDUCATION PROGRAMS	14,000		14,000	0.00	100.00%
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%
OTHER CONSERVATION, EDUCATION AND P. R.	35,000		35,000	0.00	100.00%
TOTAL CONSERVATION & EDUCATION	54,000	0	54,000	0.00	100.00%

17/60

SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2018-19
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE ONE MONTH ENDING ON JULY 31, 2018

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
GENERAL FUND - EXPENSES				Comparison:	92%
GENERAL FUND CAPITAL EXPENDITURES					
BUILDING & EQUIPMENT					
BUILDING	10,000		10,000	0.00	100.00%
FURNITURE & OFFICE EQUIPMENT	10,000		10,000	0.00	100.00%
OTHER EQUIPMENT	0		0	0.00	
TRANSPORTATION EQUIPMENT	0		0	0.00	
FIESTA RECHARGE FACILITY					
POST DESIGN	450,000		450,000	0.00	100.00%
CONSTRUCTION	3,950,000		3,950,000	0.00	100.00%
FENCING	100,000		100,000	0.00	100.00%
MITIGATION	15,000		15,000	0.00	100.00%
LANDSCAPING/POWER/WATER	60,000		60,000	0.00	100.00%
BUNKER HILL CONJUNCTIVE USE PROJECT	10,000		10,000	0.00	100.00%
NOBLE TURNOUT EXPANSION					
DESIGN	25,000		25,000	0.00	100.00%
CONSTRUCTION	295,000		295,000	0.00	100.00%
POST DESIGN	30,000		30,000	0.00	100.00%
SITES RESERVOIR	0		0	0.00	
MONITORING WELLS USGS	1,020,000		1,020,000	0.00	100.00%
TOTAL GENERAL FUND CAPITAL EXPENDITURES	5,975,000	0	5,975,000	0.00	100.00%
TRANSFERS TO OTHER FUNDS	0		0	0.00	
TOTAL GENERAL FUND EXPENSES	14,249,200	0	14,249,200	130,634.40	99.08%
WITHDRAWALS FROM RESERVES	4,575,000		4,575,000		
TOTAL TRANSFERS TO/FROM RESERVES	4,575,000		4,575,000	0.00	
GENERAL FUND NET INCOME YEAR TO DATE	554,800	0	554,800	-68,038.90	

18/60

**SAN GORGONIO PASS WATER AGENCY
 BUDGET REPORT FY 2018-19
 BUDGET VS. REVISED BUDGET VS. ACTUAL
 FOR THE ONE MONTH ENDING ON JULY 31, 2018**

FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	92%
INCOME					
TAX REVENUE	23,586,539		23,586,539	411,787.50	98.25%
INTEREST	415,000		415,000	23,297.59	94.39%
GRANTS	0		0	0.00	
DWR CREDITS - BOND COVER, OTHER	2,977,993		2,977,993	0.00	100.00%
TOTAL DEBT SERVICE FUND INCOME	26,979,532	0	26,979,532	435,085.09	98.39%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	58,000		58,000	5,404.96	90.68%
PAYROLL TAXES	4,500		4,500	413.46	90.81%
BENEFITS	33,000		33,000	7,235.74	78.07%
SWC CONTRACTOR DUES	75,000		75,000	64,199.00	14.40%
STATE WATER CONTRACT PAYMENTS	19,200,000		19,200,000	93,699.00	99.51%
WATER TRANSFERS	2,250,000		2,250,000	2,249,470.50	0.02%
STATE WATER PROJECT LEGAL SERVICES	0		0	0.00	
USGS	0		0	0.00	
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	0.00	100.00%
SWP ENGINEERING	75,000		75,000	0.00	100.00%
DEBT SERVICE UTILITIES	11,000		11,000	873.24	92.06%
TAX COLLECTION CHARGES	70,000		70,000	685.84	99.02%
TOTAL DEBT SERVICE FUND EXPENSES	21,926,500	0	21,926,500	2,421,981.74	88.95%
TRANSFERS FROM RESERVES	0		0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	5,053,032	0	5,053,032	-1,986,896.65	

19/60

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Amendments to Verbenia and San Gorgonio Pass GSA Memoranda of Agreement

DATE: September 4, 2018

Summary:

In 2017, the Board approved two separate Memorandums of Agreement to form the Verbenia Groundwater Sustainability Agency and the San Gorgonio Pass Groundwater Sustainability Agency. The purpose of this proposed Board action is to amend both of these MOA's to revise the governance structure of the GSA's to include an advisory council.

Background:

Passage of the Sustainable Groundwater Management Act of 2014 caused the creation of many Groundwater Sustainability Agencies throughout the state. The Agency is a member of four GSA's. Two of them are within the San Gorgonio Pass Subbasin of the Coachella Valley Basin.

As these GSA's have begun the work of implementing SGMA, the group has decided that it is in the best interests of the GSA's, and the public, to change the governance structure to include an advisory council for the sub-basin. The advisory council would advise all three GSA's within the sub-basin.

Detailed Report:

SGMA requires transparency in the preparation and development of Groundwater Sustainability Plans. SGMA requires that each basin requiring a GSP have at least one public agency subject to the Brown Act to be involved in the development of the GSP. The members of the GSA's are working on the technical aspects of GSP development and do not feel that it makes sense for the technical work to be

subject to the Brown Act, as the public would not necessarily understand the technical issues discussed at these meetings.

As a result of this, the members of the GSA's have worked with their attorneys to develop another form of governance that might be more conducive to the public input required by SGMA, while not subjecting the public to technical jargon that might make understanding the issues difficult.

The concept that has been developed is to create an advisory council for the sub-basin that would meet periodically, probably quarterly, to hear progress reports from the technical group and to suggest and provide input to that group. The advisory council meetings would be subject to the Brown Act.

The two revised MOA's included in the agenda package include the language that would create the advisory councils. The Board will need to act on each separately, as will the elected bodies of each of the other members of the GSA's.

Creation of the advisory council would require the GSA members to appoint representatives of the community to the council. A discussion item on this subject is included in this agenda package.

The council would be staffed by the GSA's, most likely by the Agency. The scenario that has been discussed is that the Agency's General Manager would schedule the advisory council meetings, develop the agendas, and staff the meetings, reporting on recent activities of the GSA's and requesting input from Council members. No member of the council can be affiliated with any of the GSA members and must come from the community overlying the sub-basin.

Other GSA's have implemented this governance structure successfully. Still other GSA's have made their technical meetings subject to the Brown Act. While that is acceptable under SGMA, the members of the GSA's overlying the San Gorgonio Pass Subbasin do not feel that structure is in the best interests of the region.

Fiscal Impact:

There would be no significant fiscal impact to these amendments and to the creation of the advisory council. It would likely require some staff time to create agendas and attend meetings, but this is not expected to be significant and would only represent staff time.

Recommendation:

Staff recommends that the Board approve amendments to both the San Gorgonio Pass MOA and the Verbenia MOA creating an advisory council for the San Gorgonio Pass Subbasin for the purposes of implementing SGMA in the most transparent manner.

AMENDED MEMORANDUM OF AGREEMENT TO FORM A GROUNDWATER SUSTAINABILITY AGENCY FOR A PORTION OF THE SAN GORGONIO PASS SUBBASIN AND TO COORDINATE WITH OTHER GROUNDWATER SUSTAINABILITY AGENCIES

This 2018 Amended Memorandum of Agreement (MOA) is entered into by and among Cabazon Water District (CWD), City of Banning (Banning), Banning Heights Mutual Water Company (BHMWC), San Gorgonio Pass Water Agency (SGPWA), Mission Springs Water District (MSWD), and Desert Water Agency (DWA), which may be referred to herein individually as a “Party” and collectively as the “Parties.”

Pursuant to the Sustainable Groundwater Management Act (SGMA) and as further set forth herein, the purposes of this MOA are to form a Groundwater Sustainability Agency (GSA) for a portion of the San Gorgonio Pass Subbasin, as described in greater detail below (Basin), the members of which GSA shall be CWD, Banning, BHMWC, and SGPWA (herein, the SGP-GSA), and to establish that the SGP-GSA will coordinate and cooperate with other GSAs that already exist and will be formed in the Basin.

WHEREAS, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), codified in certain provisions of the California Government Code, commencing with Section 65350.5, and in Part 2.74 of Division 6 of the California Water Code, commencing with Section 10720; and

WHEREAS, SGMA went into effect on January 1, 2015; and

WHEREAS, various clarifying amendments to SGMA were signed into law in 2015, including Senate Bills 13 and 226, and Assembly Bills 617 and 939, allowing, among other things, mutual water companies and water corporations regulated by the Public Utilities Commission to participate in a GSA through a memorandum of agreement or other legal agreement; and

WHEREAS, the San Gorgonio Pass Subbasin (Basin), as further depicted in **Exhibit A** to this MOA, is identified by the California Department of Water Resources (DWR) Bulletin 118 as Subbasin No. 7-21.04 of the Coachella Valley Groundwater Basin, and is designated by DWR as medium priority, and therefore, except as provided by SGMA, the Basin is subject to the requirements of SGMA; and

WHEREAS, the Parties recognize and agree that a portion of the Basin (the “Adjudicated Area”) is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, and that pursuant to SGMA Section 10720.8(a)(1), said portion of the Basin generally is not subject to the requirements of SGMA and will not be managed by the SGP-GSA; and

WHEREAS, SGMA Section 10720.7 requires the Basin, as a medium priority basin which is not designated by DWR as being subject to critical conditions of overdraft, to be managed by a Groundwater Sustainability Plan (GSP) or coordinated GSPs by January 31, 2022; and

WHEREAS, SGMA Section 10727(b) authorizes (1) a single GSP covering the entire Basin developed and implemented by one GSA, (2) a single GSP covering the entire Basin developed and

implemented by multiple GSAs, or (3) multiple GSPs developed and implemented by multiple GSAs and coordinated pursuant to a single coordination agreement that covers the entire Basin; and

WHEREAS, SGMA Section 10735.2 requires the formation of a GSA or multiple GSAs for the Basin by June 30, 2017; and

WHEREAS, SGMA Section 10723.6(a) authorizes a combination of local agencies to form a GSA pursuant to a joint powers agreement, a memorandum of agreement, or other legal agreement, and SGMA Section 10723.6(b) authorizes a water corporation regulated by the Public Utilities Commission or a mutual water company to participate in a GSA through a memorandum of agreement or other legal agreement; and

WHEREAS, for purposes of forming the SGP-GSA, as further depicted in **Exhibit B** to this MOA, CWD, Banning, and SGPWA are local agencies as defined by SGMA, and BHMWC is a mutual water company, wherein each overlies at least a portion of the Basin and each has respective water supply, water management, and/or land use responsibilities within the Basin, and thus each is authorized by SGMA to become part of the SGP-GSA; and

WHEREAS, pursuant to SGMA Section 10723(c)(1)(C), DWA has been established as the exclusive GSA for a certain portion of the Basin (herein, the DWA-GSA), as further specified and depicted in **Exhibit C** to this MOA; and

WHEREAS, on or about September 28, 2016, MSWD filed an amended notice of intent to be a GSA for an approximately one-square mile area in the northeastern portion of the Basin that lies within the service areas of MSWD and SGPWA, which one-square mile area is further specified and depicted in **Exhibit D** to this MOA and is referred to herein as the “Verbenia Area”; and

WHEREAS, on or about January 10, 2017, SGPWA also filed a notice of intent to be a GSA for the Verbenia Area, as further specified and depicted in **Exhibit D** to this MOA; and

WHEREAS, on or about January 13, 2017, DWR designated the Verbenia Area to be in overlap for purposes of the competing GSA notices filed by MSWD and SGPWA, and thus MSWD and SGPWA are working together to establish a separate GSA for the Verbenia Area (herein, the Verbenia-GSA); and

WHEREAS, in accordance with the terms of this MOA, and in furtherance of the shared intent of the Parties to maximize funding opportunities for the Basin and avoid potential intervention in the Basin by the State Water Resources Control Board, the Parties agree that the SGP-GSA formed by this MOA will cover the entire Basin except (A) that portion of the Basin covered by the DWA-GSA wherein DWA is the exclusive GSA, (B) that portion of the Basin to be covered by the Verbenia-GSA to be established by MSWD and SGPWA, and (C) the Adjudicated Area portion of the Basin, and the Parties mutually desire and intend that the SGP-GSA, the DWA-GSA, and the Verbenia-GSA will cooperate and coordinate in subsequently preparing and implementing one or more GSPs for sustainable management of the Basin; and

WHEREAS, the Parties mutually desire and intend to work with local stakeholders and interested entities in the Basin that are not Parties to this MOA, including but not limited to the Morongo Band of Mission Indians (MBMI), the County of Riverside, High Valleys Water District,

overlying landowners, and others, and as further specified in this MOA, to carry out the policy, purposes, and requirements of SGMA in the Basin; and

WHEREAS, in accordance with SGMA Section 10720.3 and other applicable law, the Parties mutually understand and agree that nothing in SGMA and nothing in this MOA grants or confers any new or additional authority, discretion, or jurisdiction to any of the Parties over any Tribal lands or activities of the MBMI, and that any ongoing or continued participation by MBMI in relation to this MOA or the Parties' implementation of SGMA in the Basin is completely voluntary on the part of MBMI.

NOW, THEREFORE, in consideration of the promises, terms, conditions, and covenants contained herein, it is mutually understood and agreed as follows:

I. Incorporation of Recitals

The Recitals stated above are incorporated herein by reference.

II. Purposes

The purposes of this MOA are as follows:

- A. To form the SGP-GSA for a portion of the Basin as specified herein and as depicted in **Exhibit B** to this MOA pursuant to applicable provisions and requirements of SGMA, including but not limited to SGMA Sections 10723 and 10723.6; and
- B. To establish initial terms for the SGP-GSA, the DWA-GSA, and the Verbenia-GSA to cooperate and coordinate with each other in preparing and implementing one or more GSPs for the Basin and carrying out the policy, purposes, and requirements of SGMA in the Basin.

III. Approval of MOA and Formation of the SGP-GSA

Approval of this MOA and formation of the SGP-GSA shall be accomplished as follows:

- A. CWD, Banning, and SGPWA each will hold its own noticed public hearing pursuant to SGMA Section 10723(b) and Government Code Section 6066 and at such hearing will consider approval of a Resolution by its governing board to enter this MOA and jointly form the SGP-GSA as specified in this MOA;
- B. BHMWC will conduct an official meeting in accordance with any articles of incorporation, bylaws, or other laws applicable to BHMWC and at such meeting will consider approval of a Resolution by its governing board to enter this MOA and jointly form the SGP-GSA as specified in this MOA;
- C. DWA and MSWD each will hold its own regular or special meeting and at such meeting will consider approval of a Resolution by its governing board to enter this MOA;

- D. Upon the foregoing approvals by CWD, Banning, BHMWC, and SGPWA, there shall be established the San Gorgonio Pass Subbasin Groundwater Sustainability Agency (SGP-GSA), the members of which shall be CWD, Banning, BHMWC, and SGPWA as provided in this MOA.

IV. Definitions

The following terms, whether used in the singular or plural, and when used with initial capitalization, shall have the meanings specified herein. The Parties agree that any definitions set forth herein are intended to be consistent with SGMA, and in the event of any discrepancy between a defined term in this MOA and a defined term in SGMA, the terms of SGMA shall control.

- A. **Adjudicated Area** refers to that portion of the Basin that is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197.
- B. **Basin** refers to the San Gorgonio Pass Subbasin, designated by the California Department of Water Resources Bulletin 118 as Subbasin No. 7-21.04, as further specified and depicted in **Exhibit A** to this MOA.
- C. **Banning** means the City of Banning.
- D. **BHMWC** means the Banning Heights Mutual Water Company.
- E. **CWD** means the Cabazon Water District.
- F. **DWA** means the Desert Water Agency.
- G. **DWR** means the California Department of Water Resources.
- H. **DWA-GSA** refers to the GSA that has been established for a certain portion of the Basin pursuant to SGMA Section 10723(c)(1)(C), wherein DWA has been designated as the exclusive GSA, as further specified and depicted in **Exhibit C** to this MOA.
- I. **GSA** means Groundwater Sustainability Agency, as defined by SGMA.
- J. **GSP** means Groundwater Sustainability Plan, as defined by SGMA.
- K. **MBMI** means the Morongo Band of Mission Indians.
- L. **Memorandum of Agreement** or **MOA** refers to this Memorandum of Agreement.
- M. **MSWD** means the Mission Springs Water District.
- N. **Party** or **Parties** refers individually or collectively to Cabazon Water District, City of Banning, Banning Heights Mutual Water Company, Mission Springs Water District, San Gorgonio Pass Water Agency, and Desert Water Agency, as signatories to this MOA.

- O. **SGMA** refers to the Sustainable Groundwater Management Act.
- P. **SGP-GSA** refers to the San Gorgonio Pass Subbasin GSA formed under this MOA, the members of which GSA are CWD, Banning, BHMWC, and SGPWA.
- Q. **SGPWA** means the San Gorgonio Pass Water Agency.
- R. **Verbenia-GSA** refers to a GSA to be formed by MSWD and SGPWA for an approximately one-square mile area in the northeastern portion of the Basin that lies within the service areas of MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA.

V. Boundaries of GSAs

- A. The boundaries of the SGP-GSA shall be the entire Basin except (A) that portion of the Basin covered by the DWA-GSA wherein DWA is the exclusive GSA, as further specified and depicted in **Exhibit C** to this MOA, (B) that portion of the Basin to be covered by the Verbenia-GSA to be established by MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA, and (C) that portion of the Basin constituting the Adjudicated Area.
- B. The boundaries of DWA-GSA are that portion of the Basin within which DWA is the exclusive GSA pursuant to SGMA Section 10723(c)(1)(C), as further specified and depicted in **Exhibit C** to this MOA.
- C. The boundaries of the Verbenia-GSA are the approximately one-square mile area in the northeastern portion of the Basin that lies within the service areas of MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA.
- D. The Parties understand and agree that pursuant to SGMA Section 10720.8, the portion of the Basin which is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, generally is not subject to the requirements of SGMA.
- E. The Parties understand and agree in accordance with SGMA Section 10720.3 and other applicable law that nothing in SGMA and nothing in this MOA grants or confers any new or additional authority, discretion, or jurisdiction to any of the Parties over any Tribal lands or activities of the MBMI, and that any ongoing or continued participation by MBMI in relation to this MOA or the Parties' implementation of SGMA in the Basin is completely voluntary on the part of MBMI.

VI. Coordination and Cooperation

- A. Continued Cooperation. The Parties to this MOA will continue to meet, confer, coordinate, and collaborate to discuss and develop technical, managerial, financial, and other criteria and procedures for the preparation, governance, and implementation of a

GSP or coordinated GSPs in the Basin and to carry out the policy, purposes, and requirements of SGMA in the Basin.

- B. Points of Contact. Each Party shall designate a principal contact person for that Party, who may be changed from time to time at the sole discretion of the designating Party. The principal contact person for each Party shall be responsible for coordinating with the principal contact persons for the other Parties in scheduling meetings and other activities under this MOA.

- C. Management Areas. The Parties acknowledge that SGMA, and provisions of the SGMA regulations promulgated by DWR, including but not limited to Section 354.20 (23 C.C.R. § 354.20), authorize the establishment of management areas for the development and implementation of sustainable groundwater management within the Basin, and accordingly the Parties acknowledge and agree that the establishment of management areas within the Basin is a governance alternative that the Parties may explore.

VII. Roles and Responsibilities

- A. The Parties agree to jointly establish their roles and responsibilities for implementing a GSP or coordinated GSPs for the Basin in accordance with SGMA.

- B. The Parties agree to work in good faith and coordinate all activities to carry out the purposes of this MOA in implementing the policy, purposes, and requirements of SGMA in the Basin.

- C. CWD, Banning, BHMWC, and SGPWA, as members of the SGP-GSA, shall coordinate with each other to cause all applicable noticing and submission of required information to DWR regarding formation of the SGP-GSA.

- D. SGPWA shall continue to undertake ongoing CASGEM reporting activities in the Basin as provided by terms outside of this MOA.

- E. As provided in this MOA, the Parties will continue to meet, confer, coordinate, and collaborate to discuss and develop governance, management, technical, financial, and other matters, including respective roles and responsibilities for activities such as, but not limited to, the following:
 - i. Modeling;
 - ii. Metering;
 - iii. Monitoring;
 - iv. Hiring consultants;
 - v. Developing and maintaining list of interested persons under SGMA Section 10723.4;
 - vi. Budgeting; and
 - vii. Other initial tasks as determined by the Parties.

VIII. Funding and Budgeting

The Parties agree to cooperate and coordinate in pursuing state and/or federal grant and loan funding opportunities that may apply to carrying out SGMA in the Basin. The Parties shall mutually develop reasonable budgets and cost sharing agreements or arrangements for work to be undertaken in carrying out SGMA in the Basin.

IX. Stakeholder Access/Advisory Committee

- A. The Parties agree to work together in ensuring public outreach and involvement of the public and other interested stakeholders throughout the SGMA process, including but not limited to all beneficial uses and users of groundwater as provided in SGMA Section 10723.2.
- B. The Parties acknowledge, agree, and desire that the preparation, adoption, and implementation of one or more GSPs for the Basin, and the ongoing process of ensuring compliance with the requirements of SGMA in the Basin, will involve close coordination and cooperation with the Morongo Band of Mission Indians.
- C. To ensure adequate stakeholder access and public input to the process of preparing the GSP or GSPs, the Parties hereby agree to create an Advisory Committee, for the purpose of soliciting public input and comment and making recommendations to the Parties. The Advisory Committee shall be composed of no fewer than 5 (five) members and no more than 14 (fourteen) members. Unless the Parties agree otherwise, each Party may appoint up to two members to the Advisory Committee. In making such appointments, the Parties agree to be mindful of the types of interests described in SGMA (Water Code § 10723.2)
- D. In addition to Party appointments, the parties agree that the Morongo Band of Mission Indians tribal council may also designate up to two representatives to the Advisory Committee.
- E. The Advisory Group shall adopt rules and regulations to govern their meetings, provided that the Advisory Group shall meet regularly and shall conduct all meetings in compliance with the Ralph M. Brown Open Meetings Act (Gov. Code §§ 54950 – 54963).

X. Term, Termination, and Withdrawal

- A. Term. This MOA shall continue and remain in effect unless and until terminated by the unanimous written consent of the Parties, or as otherwise provided in this MOA or as authorized by law.
- B. Withdrawal. Any Party may decide, in its sole discretion, to withdraw from this MOA by providing ninety (90) days written notice to the other Parties. A Party that withdraws from this MOA shall remain obligated to pay its share of costs and expenses incurred or accrued under this MOA and any related cost sharing agreement or arrangement up to the date the Party provides its notice of withdrawal as provided

herein. Withdrawal by a Party shall not cause or require the termination of this MOA or the existence of the SGP-GSA with respect to the non-withdrawing Parties.

1. In the event of withdrawal by BHMWC from this MOA and the SGP-GSA, CWD, Banning, and SGPWA, as the local agency parties to the SGP-GSA, shall meet and confer regarding: (i) whether the SGP-GSA wishes to retain its GSA status over the affected portion of the Basin; (ii) whether one or more of the local agency parties of the SGP-GSA wishes to retain GSA status over the affected portion of the Basin; or (iii) whether to address the GSA issues in a different manner. Any resolution of such and other GSA issues shall be undertaken in a manner that satisfies all requirements of SGMA and DWR, including any requirement to file new GSA notices.
2. In the event of withdrawal by CWD, Banning, or SGPWA from this MOA and the SGP-GSA, said three local agency parties shall meet and confer regarding whether the withdrawing local agency party wishes to seek GSA status for a portion of the Basin underlying the service area or management area of the withdrawing party. Said three local agency parties also shall meet and confer regarding: (i) whether the SGP-GSA, or one or both of the non-withdrawing local agency parties, wishes to retain GSA status over the affected portion of the Basin; (ii) whether to enter a co-GSA management or other arrangement with the withdrawing party; or (iii) whether to address the GSA issues in a different manner. Any resolution of such and other GSA issues shall be undertaken in a manner that satisfies all requirements of SGMA and DWR, including any requirement to file new GSA notices.
3. Any decision by DWA or MSWD not to execute this MOA, or any decision by DWA or MSWD to withdraw after executing this MOA shall not cause or require the termination of this MOA and shall not affect the formation or continued existence of the SGP-GSA.

XI. Notice Provisions

All notices required by this MOA shall be made in writing and delivered to the respective representatives of the Parties at their respective addresses as follows:

Banning Heights Mutual Water Company
President
7091 Bluff Street
Banning, CA 92220, Fax: 951-849-6068

City of Banning
City Manager
99 East Ramsey Street
Banning, CA 92220, Fax: 951-922-3128

Cabazon Water District
General Manager
14618 Broadway

P.O. Box 297
Cabazon, CA 92230, Fax: 951-849-2519
Desert Water Agency
General Manager
1200 S Gene Autry Trail
Palm Springs, CA 92264, Fax: 760-325-6505

San Geronio Pass Water Agency
General Manager
1210 Beaumont Avenue
Beaumont, CA 92223, Fax: 951-845-0281

Mission Springs Water District

Any Party may change the address to which notices are to be given under this MOA by providing the other Parties with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change. All notices shall be effective upon receipt and shall be deemed received upon confirmed personal service, confirmed facsimile delivery, confirmed courier service, or on the fifth (5th) calendar day following deposit of the notice in registered first class mail.

XII. General Terms

- A. Amendments. Amendments to this MOA require unanimous written consent of all Parties and approval by the Parties' respective governing boards; provided, however, that amendments to this MOA pertaining to the SGP-GSA only require unanimous written consent and board approval of the members of the SGP-GSA.
- B. Successors and Assigns. The terms of this MOA shall be binding upon all successors in interest and assigns of each Party; provided, however, that no Party shall assign its rights or obligations under this MOA without the signed written consent of all other Parties to this MOA.
- C. Waiver. No waiver of any provision of this MOA by any Party shall be construed as a further or continuing waiver of such provision or any other provision of this MOA by the waiving Party or any other Party.
- D. Authorized Representatives. Each person executing this MOA on behalf of a Party hereto affirmatively represents that such person has the requisite authority to sign this MOA on behalf of the respective Party.
- E. Exemption from CEQA. The Parties recognize and agree that, pursuant to SGMA Section 10728.6 and Public Resources Code Section 21065, neither this MOA nor the preparation or adoption of a GSP constitutes a "project" or approval of a project under the California Environmental Quality Act (CEQA) or the State CEQA Guidelines, and therefore this MOA is expressly exempt from CEQA review.
- F. Governing Law and Venue. This MOA shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this MOA shall be brought and maintained to the extent allowed by law in the County of Riverside, California.
- G. Attorney's Fees, Costs, and Expenses. In the event of a dispute among any or all of the Parties arising under this MOA, each Party shall assume and be responsible for its own attorney's fees, costs, and expenses.
- H. Entire Agreement/Integration. This MOA constitutes the entire agreement among the Parties regarding the specific provisions of this MOA, and the Parties hereto have made no agreements, representations or warranties relating to the specific provisions of this MOA which are not set forth herein.

- I. Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through a negotiated process among the Parties, and that each Party has had a full and fair opportunity to review the terms of this MOA with the advice of its own legal counsel and to revise the terms of this MOA, such that each Party constitutes a drafting Party to this MOA. Consequently, the Parties understand and agree that no rule of construction shall be applied to resolve any ambiguities against any particular Party as the drafting Party in construing or interpreting this MOA.
- J. Force Majeure. No Party shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond its reasonable control, (2) is not caused by the fault or negligence of such Party, (3) causes such Party to be unable to perform its obligations under this MOA, and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Party unable to perform shall promptly notify the other Parties in writing to the extent practicable. It shall further pursue its best efforts to resume its obligations under this MOA as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.
- K. Execution in Counterparts. This MOA may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument.
- L. No Third Party Beneficiaries. This MOA is not intended, and will not be construed, to confer a benefit or create any right on a third party or the power or right of any third party to bring an action to enforce any of the terms of this MOA.
- M. Timing and Captions. Any provision of this MOA referencing a time, number of days, or period for performance shall be measured in calendar days. The captions of the various articles, sections, and paragraphs of this MOA are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, terms, or intent of this MOA.

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

CITY OF BANNING

By: _____

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

CABAZON WATER DISTRICT

By: _____

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

BANNING HEIGHTS MUTUAL WATER COMPANY

By: _____

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

SAN GORGONIO PASS WATER AGENCY

By: _____

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

MISSION SPRINGS WATER DISTRICT

By: _____

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

DESERT WATER AGENCY

By: _____

**AMENDED MEMORANDUM OF AGREEMENT TO FORM A GROUNDWATER
SUSTAINABILITY AGENCY FOR THE VERBENIA AREA OF THE SAN GORGONIO PASS
SUBBASIN**

This 2018 Amended Memorandum of Agreement (MOA) is entered into by and between the Mission Springs Water District (MSWD) and the San Gorgonio Pass Water Agency (SGPWA), which may be referred to herein individually as a “Party” and collectively as the “Parties.”

Pursuant to the Sustainable Groundwater Management Act (SGMA), and as further set forth herein, the purpose of this MOA is for MSWD and SGPWA to form a Groundwater Sustainability Agency (GSA) for an approximately one-square mile portion of the San Gorgonio Pass Subbasin referred to herein as the “Verbenia Area.”

WHEREAS, on September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act, codified in certain provisions of the California Government Code, commencing with Section 65350.5, and in certain provisions of the California Water Code, including but not limited to, Sections 5200 et seq. and 10720 et seq.; and

WHEREAS, SGMA went into effect on January 1, 2015, and thereafter various clarifying amendments to SGMA were signed into law in 2015, including Senate Bills 13 and 226, and Assembly Bills 617 and 939; and

WHEREAS, the San Gorgonio Pass Subbasin (Basin), as further depicted in **Exhibit A** to this MOA, is identified by the California Department of Water Resources (DWR) Bulletin 118 as Subbasin No. 7-21.04 of the Coachella Valley Groundwater Basin, and is designated by DWR as medium priority, and therefore, except as provided by SGMA, the Basin is subject to the requirements of SGMA; and

WHEREAS, the Parties recognize and agree that a portion of the Basin (herein, the Adjudicated Area) is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197, and that pursuant to SGMA Section 10720.8(a)(1), said portion of the Basin generally is not subject to the requirements of SGMA; and

WHEREAS, SGMA Section 10720.7 requires the Basin, as a medium priority basin which is not designated by DWR as being subject to critical conditions of overdraft, to be managed by a Groundwater Sustainability Plan (GSP) or coordinated GSPs by January 31, 2022; and

WHEREAS, SGMA Section 10727(b) authorizes (1) a single GSP covering the entire Basin developed and implemented by one GSA, (2) a single GSP covering the entire Basin developed and implemented by multiple GSAs, or (3) multiple GSPs developed and implemented by multiple GSAs and coordinated pursuant to a single coordination agreement that covers the entire Basin; and

WHEREAS, SGMA Section 10735.2 requires the formation of a GSA or multiple GSAs for the Basin by June 30, 2017; and

WHEREAS, SGMA Section 10723.6(a) authorizes a combination of local agencies to form a GSA pursuant to a joint powers agreement, a memorandum of agreement, or other legal agreement; and

WHEREAS, pursuant to SGMA, the City of Banning, Banning Heights Mutual Water Company, Cabazon Water District, and SGPWA each have adopted Resolutions of their respective governing boards to jointly form and establish a GSA (referred to as the SGP-GSA) for a certain portion of the Basin, as further depicted in **Exhibit B** to this MOA; and

WHEREAS, pursuant to SGMA Section 10723(c)(1)(C), Desert Water Agency has been designated as the exclusive GSA for a certain portion of the Basin (referred to as the DWA-GSA), in which DWA's boundaries overlap the MSWD service area, as further depicted in **Exhibit C** to this MOA; and

WHEREAS, on or about September 28, 2016, MSWD filed an amended notice of intent to be a GSA for an approximately one-square mile portion of the Basin that lies within the service areas of MSWD and SGPWA, which one-square mile area is further specified and depicted in **Exhibit D** to this MOA, and is referred to herein as the "Verbenia Area"; and

WHEREAS, on or about January 10, 2017, SGPWA also filed a notice of intent to be a GSA for the Verbenia Area; and

WHEREAS, on or about January 13, 2017, DWR designated the Verbenia Area to be in overlap for purposes of the competing GSA notices filed by MSWD and SGPWA, and thus MSWD and SGPWA have worked together to prepare this MOA to establish a separate GSA for the Verbenia Area (herein, the Verbenia-GSA); and

WHEREAS, both MSWD and SGPWA overlies the Verbenia Area and each has respective water supply and water management responsibilities within the Verbenia Area, and thus each is authorized by SGMA to become part of the Verbenia-GSA; and

WHEREAS, in accordance with the terms of this MOA, the Parties agree that the Verbenia-GSA formed by this MOA will cover the Verbenia Area of the Basin, and the Parties mutually desire and intend that the Verbenia-GSA, the SGP-GSA, and the DWA-GSA will cooperate and coordinate in subsequently preparing and implementing one or more GSPs for sustainable management of the Basin; and

WHEREAS, in entering into the Verbenia-GSA MOA, MSWD makes no admission or agreement that DWA is the exclusive GSA over any part of MSWD's service area, including the area designated herein or in the Verbenia-GSA MOA as the DWA-GSA; and

WHEREAS, the Parties mutually desire and intend to work with local stakeholders and interested entities within the Verbenia-GSA to carry out the policy, purposes, and requirements of SGMA in the Verbenia Area.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants contained herein, it is mutually understood and agreed as follows:

I. Incorporation of Recitals

The Recitals stated above are incorporated herein by reference.

II. Purpose

The purpose of this MOA is to form the Verbenia-GSA for an approximately one-square mile portion of the Basin as specified herein and as depicted in **Exhibit D** to this MOA pursuant to applicable provisions and requirements of SGMA, including but not limited to SGMA Sections 10723 and 10723.6.

III. Approval of MOA and Formation of the Verbenia-GSA

Approval of this MOA and formation of the Verbenia-GSA shall be accomplished as follows:

- A. MSWD and SGPWA each will hold its own noticed public hearing pursuant to SGMA Section 10723(b) and Government Code Section 6066 and at such hearing will consider approval of a Resolution by its governing board to enter this MOA and jointly form the Verbenia-GSA as specified in this MOA;
- B. Upon the foregoing respective approvals by MSWD and SGPWA, there shall be established the Verbenia Area Groundwater Sustainability Agency (Verbenia-GSA), the members of which shall be MSWD and SGPWA as provided in this MOA.

IV. Definitions

The following terms, whether used in the singular or plural, and when used with initial capitalization, shall have the meanings specified herein. The Parties agree that any definitions set forth herein are intended to be consistent with SGMA, and in the event of any discrepancy between a defined term in this MOA and a defined term in SGMA, the terms of SGMA shall control.

- A. **Adjudicated Area** refers to that portion of the Basin that is subject to the Beaumont Basin adjudication and Judgment in the case referred to as *San Timoteo Watershed Management Authority v. City of Banning, et al.*, Riverside County Superior Court Case No. RIC 389197.
- B. **Basin** refers to the San Gorgonio Pass Subbasin, designated by the California Department of Water Resources Bulletin 118 as Subbasin No. 7-21.04, as further specified and depicted in **Exhibit A** to this MOA.
- C. **DWR** means the California Department of Water Resources.
- D. **DWA-GSA** refers to the GSA that is currently designated for a certain portion of the Basin pursuant to SGMA Section 10723(c)(1)(C), wherein DWA has been designated as the exclusive GSA, as further depicted in **Exhibit C** to this MOA; provided, however, that the portion of the Basin depicted in **Exhibit C** as the DWA-GSA overlaps with MSWD's service area, and DWA's exclusive GSA designation over the DWA-GSA is currently subject to litigation between MSWD and DWA.

- E. **GSA** means Groundwater Sustainability Agency, as defined by SGMA.
- F. **GSP** means Groundwater Sustainability Plan, as defined by SGMA.
- G. **Memorandum of Agreement** or **MOA** refers to this Memorandum of Agreement.
- H. **MSWD** means the Mission Springs Water District.
- I. **Party** or **Parties** refers individually or collectively to Mission Springs Water District and San Gorgonio Pass Water Agency, as signatories to this MOA.
- J. **SGMA** refers to the Sustainable Groundwater Management Act.
- K. **SGP-GSA** refers to the San Gorgonio Pass Subbasin GSA being formed for a certain portion of the Basin by the Cabazon Water District, City of Banning, Banning Heights Mutual Water Company, and SGPWA, as further depicted in **Exhibit B** to this MOA.
- L. **SGPWA** means the San Gorgonio Pass Water Agency.
- M. **Verbenia-GSA** refers to the GSA being formed by MSWD and SGPWA pursuant to this MOA for an approximately one-square mile portion of the Basin that lies within the respective service areas of MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA.

V. Boundaries of the Verbenia-GSA

The boundaries of the Verbenia-GSA shall be the approximately one-square mile portion of the Basin that lies within the respective service areas of MSWD and SGPWA, as further specified and depicted in **Exhibit D** to this MOA.

VI. Coordination and Cooperation

- A. Continued Cooperation. The Parties to this MOA will continue to meet, confer, coordinate, and collaborate to discuss and develop technical, managerial, financial, and other criteria and procedures applicable to the Verbenia Area, and to cooperate with the SGP-GSA and DWA-GSA regarding the preparation, governance, and implementation of a GSP or coordinated GSPs in the Basin pursuant to SGMA.
- B. Points of Contact. Each Party shall designate a principal contact person for that Party, who may be changed from time to time at the sole discretion of the designating Party. The principal contact person for each Party shall be responsible for coordinating with the principal contact persons for the other Party in scheduling meetings and other activities under this MOA.
- C. Management Areas. The Parties acknowledge that SGMA, and provisions of the SGMA regulations promulgated by DWR, including but not limited to Section 354.20 (23 C.C.R. § 354.20), authorize the establishment of management areas for the development and implementation of sustainable groundwater management within the Basin, and accordingly the Parties acknowledge and agree that the establishment of

management areas within the Basin is a governance alternative that the Parties may explore with the SGP-GSA and DWA-GSA.

VII. Roles and Responsibilities

- A. The Parties agree to jointly establish their roles and responsibilities for SGMA compliance relating to the Verbenia Area.
- B. The Parties shall coordinate with each other to cause all applicable noticing and submission of required information to DWR regarding formation of the Verbenia-GSA.

VIII. Funding and Budgeting

The Parties shall mutually develop reasonable budgets and cost sharing agreements or arrangements for work to be undertaken for SGMA compliance relating to the Verbenia Area.

IX. Stakeholder Access/Advisory Committee

- A. The Parties agree to work together in ensuring public outreach and involvement of the public and other interested stakeholders within the Verbenia Area throughout the SGMA process, including but not limited to all beneficial uses and users of groundwater as provided in SGMA Section 10723.2.
- B. To ensure adequate stakeholder access and public input to the process of preparing the GSP or GSPs, the Parties, working together with the SGP-GSA and DWA-GSA, hereby agree to create an Advisory Committee, for the purpose of soliciting public input and comment and making recommendations to the Parties and the SGP-GSA and DWA-GSA. The Advisory Committee shall be composed of no fewer than 5 (five) members and no more than 14 (fourteen) members. Unless the Parties agree otherwise, each Party may appoint up to two members to the Advisory Committee. In making such appointments, the Parties agree to be mindful of the types of interests described in SGMA (Water Code § 10723.2)
- C. In addition to Party appointments, the Parties agree that the Morongo Band of Mission Indians tribal council may also designate up to two representatives to the Advisory Committee.
- D. The Advisory Group shall adopt rules and regulations to govern their meetings, provided that the Advisory Group shall meet regularly and shall conduct all meetings in compliance with the Ralph M. Brown Open Meetings Act (Gov. Code §§ 54950 – 54963).

X. Term, Termination, and Withdrawal

- A. Term. This MOA shall continue and remain in effect unless and until terminated by the unanimous written consent of the Parties, or as otherwise provided in this MOA, or as authorized by law.

B. Withdrawal. Either Party may decide, in its sole discretion, to withdraw from this MOA by providing ninety (90) days written notice to the other Party. A Party that withdraws from this MOA shall remain obligated to pay its share of costs and expenses incurred or accrued under this MOA and any related cost sharing agreement or arrangement up to the date the Party provides its notice of withdrawal as provided herein. Withdrawal by a Party shall cause the termination of this MOA, in which case MSWD and SGPWA shall meet and confer regarding: (i) ongoing compliance with SGMA for purposes of the Verbenia Area; (ii) whether either Party or both of the Parties may desire to retain GSA status over the Verbenia Area; and (iii) notices and information to be submitted to DWR and/or the State Water Resources Control Board. The Parties agree to undertake the resolution of such issues in a manner that satisfies all requirements of SGMA.

XI. Notice Provisions

All notices required by this MOA shall be made in writing and delivered to the respective representatives of the Parties using the following contact information:

Mission Springs Water District
General Manager
66575 Second Street
Desert Hot Springs, CA 92240
Fax: (760) 329-2482

San Geronio Pass Water Agency
General Manager
1210 Beaumont Avenue
Beaumont, CA 92223
Fax: (951) 845-0281

Either Party may change its contact information for which notices are to be given under this MOA by providing the other Party with written notice of such change at least fifteen (15) calendar days prior to the effective date of the change. All notices shall be effective upon receipt and shall be deemed received upon confirmed personal service, confirmed facsimile delivery, confirmed courier service, or on the fifth (5th) calendar day following deposit of the notice in registered first class mail.

XII. General Terms

- A. Amendments. Amendments to this MOA require unanimous written consent of each Party and approval by the Parties' respective governing boards.
- B. Successors and Assigns. The terms of this MOA shall be binding upon all successors in interest and assigns of each Party; provided, however, that no Party shall assign its rights or obligations under this MOA without the signed written consent of the other Party to this MOA.
- C. Waiver. No waiver of any provision of this MOA by either Party shall be construed as a further or continuing waiver of such provision or any other provision of this MOA by the waiving Party or the other Party.

- D. Authorized Representatives. Each person executing this MOA on behalf of a Party hereto affirmatively represents that such person has the requisite authority to sign this MOA on behalf of the respective Party.
- E. Exemption from CEQA. The Parties recognize and agree that, pursuant to SGMA Section 10728.6 and Public Resources Code Section 21065, neither this MOA nor the preparation or adoption of a GSP constitutes a “project” or approval of a project under the California Environmental Quality Act (CEQA) or the State CEQA Guidelines, and therefore this MOA is expressly exempt from CEQA review.
- F. Governing Law and Venue. This MOA shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this MOA shall be brought and maintained to the extent allowed by law in the County of Riverside, California.
- G. Attorney’s Fees, Costs, and Expenses. In the event of a dispute between the Parties arising under this MOA, each Party shall assume and be responsible for its own attorney’s fees, costs, and expenses.
- H. Construction and Interpretation. The Parties agree and acknowledge that this MOA has been developed through a negotiated process between the Parties, and that each Party has had a full and fair opportunity to review the terms of this MOA with the advice of its own legal counsel and to revise the terms of this MOA, such that each Party constitutes a drafting Party to this MOA. Consequently, the Parties understand and agree that no rule of construction shall be applied to resolve any ambiguities against either Party as the drafting Party in construing or interpreting this MOA.
- I. Force Majeure. No Party shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond its reasonable control, (2) is not caused by the fault or negligence of such Party, (3) causes such Party to be unable to perform its obligations under this MOA, and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Party unable to perform shall promptly notify the other Party in writing to the extent practicable. It shall further pursue its best efforts to resume its obligations under this MOA as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.
- J. Execution in Counterparts. This MOA may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument.
- K. No Third Party Beneficiaries. This MOA is not intended, and will not be construed, to confer a benefit or create any right on a third party or the power or right of any third party to bring an action to enforce any of the terms of this MOA.
- L. Timing and Captions. Any provision of this MOA referencing a time, number of days, or period for performance shall be measured in calendar days. The captions of the various articles, sections, and paragraphs of this MOA are for convenience and ease of

reference only, and do not define, limit, augment, or describe the scope, content, terms, or intent of this MOA.

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

MISSION SPRINGS WATER DISTRICT

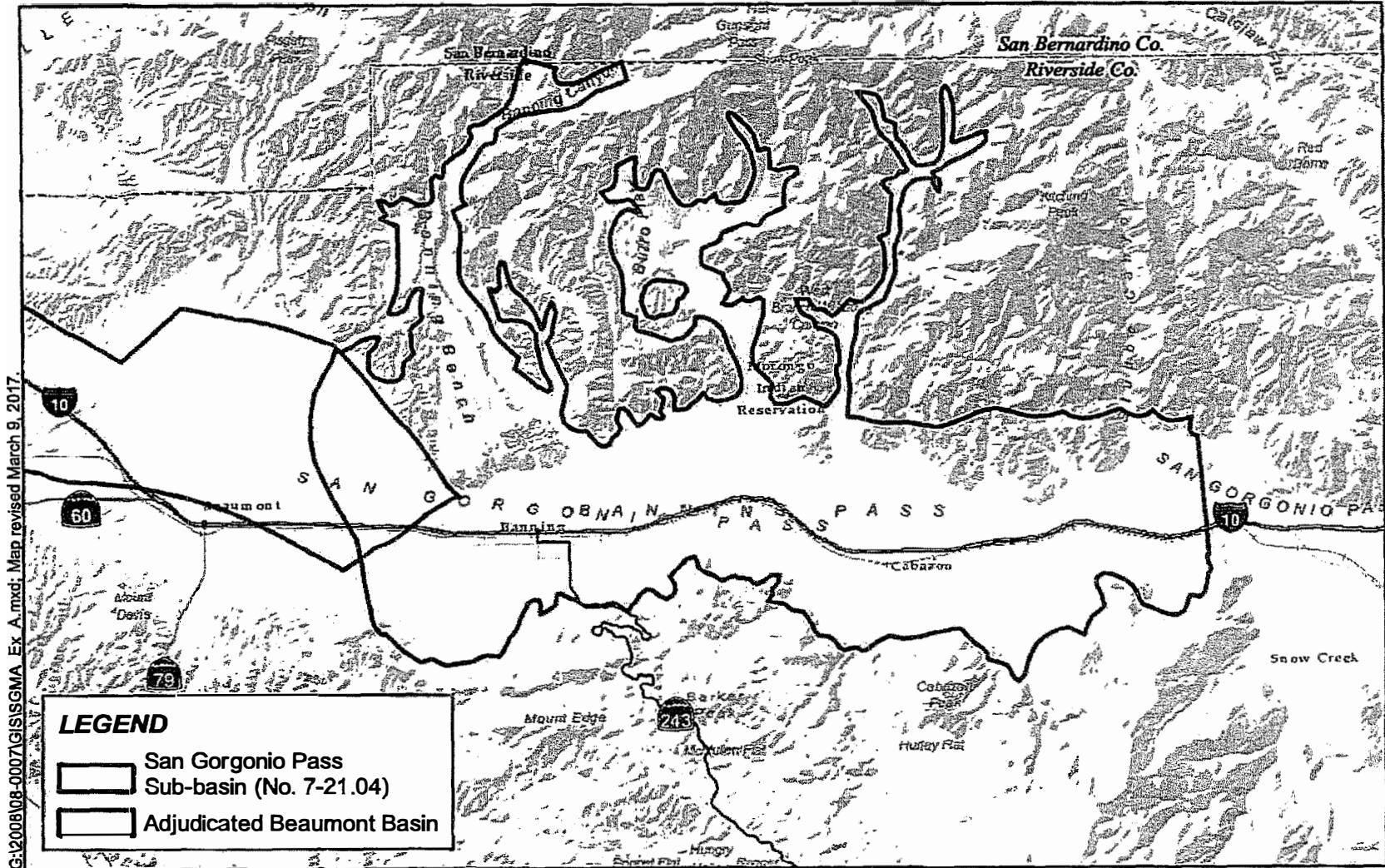
By: _____

IN WITNESS WHEREOF, the Parties hereto have approved and executed this MOA as of the respective dates specified in the adopting Resolution of each Party as provided above in Article III of this MOA.

SAN GORGONIO PASS WATER AGENCY

By: _____

49 / 60



G:\2008\08-0007\GIS\GMA Ex A.mxd: Map revised March 9, 2017.

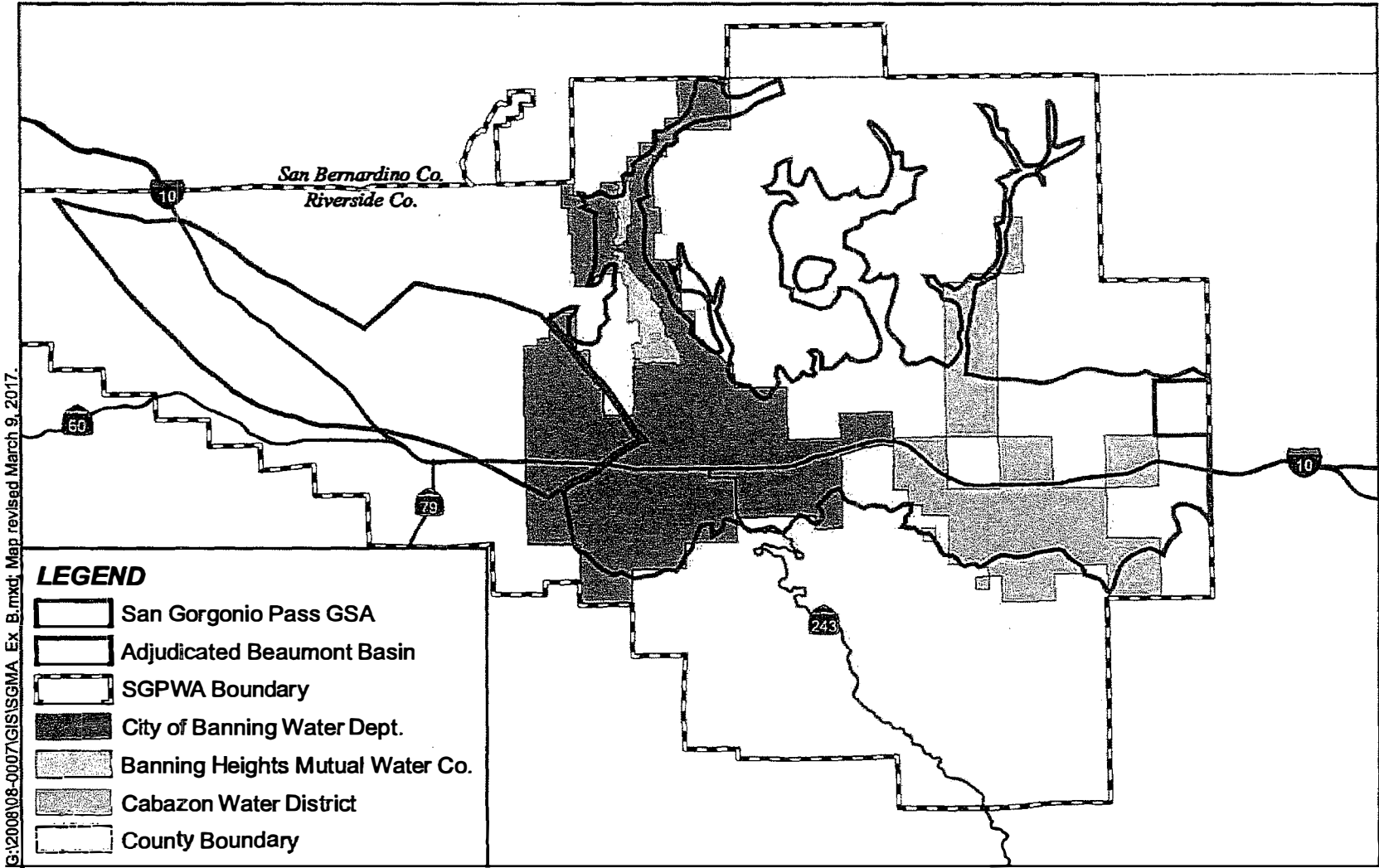
Sources: Calif. Dept. of Water Resources, 2016;
Riverside Co. GIS, 2016.

Exhibit A San Gorgonio Pass Sub-basin



ALBERT A.
WEBB
ASSOCIATES

09 / 05



G:\2008\08-0007\GIS\SGMA Ex. B.mxd; Map revised March 9, 2017.

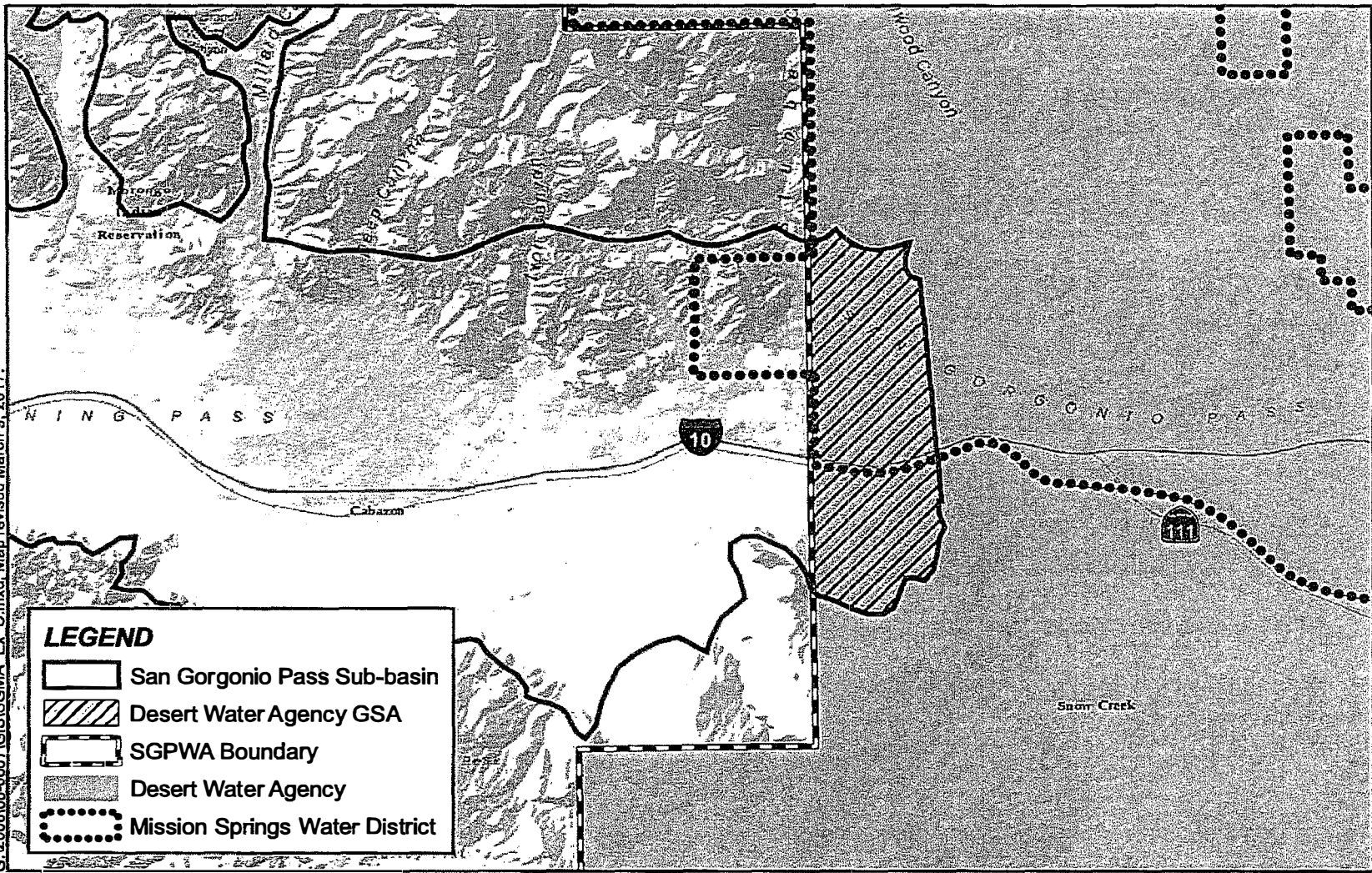
Sources: Calif. Dept. of Water Resources, 2016; LAFCO 2010; Riverside Co. GIS, 2017.








Exhibit B
SGP GSA Portion of Sub-basin



G:\2008\08-0007\GIS\SGMA Ex_C.mxd; Map revised March 9, 2017.



LEGEND

-  San Gorgonio Pass Sub-basin
-  Desert Water Agency GSA
-  SGPWA Boundary
-  Desert Water Agency
-  Mission Springs Water District

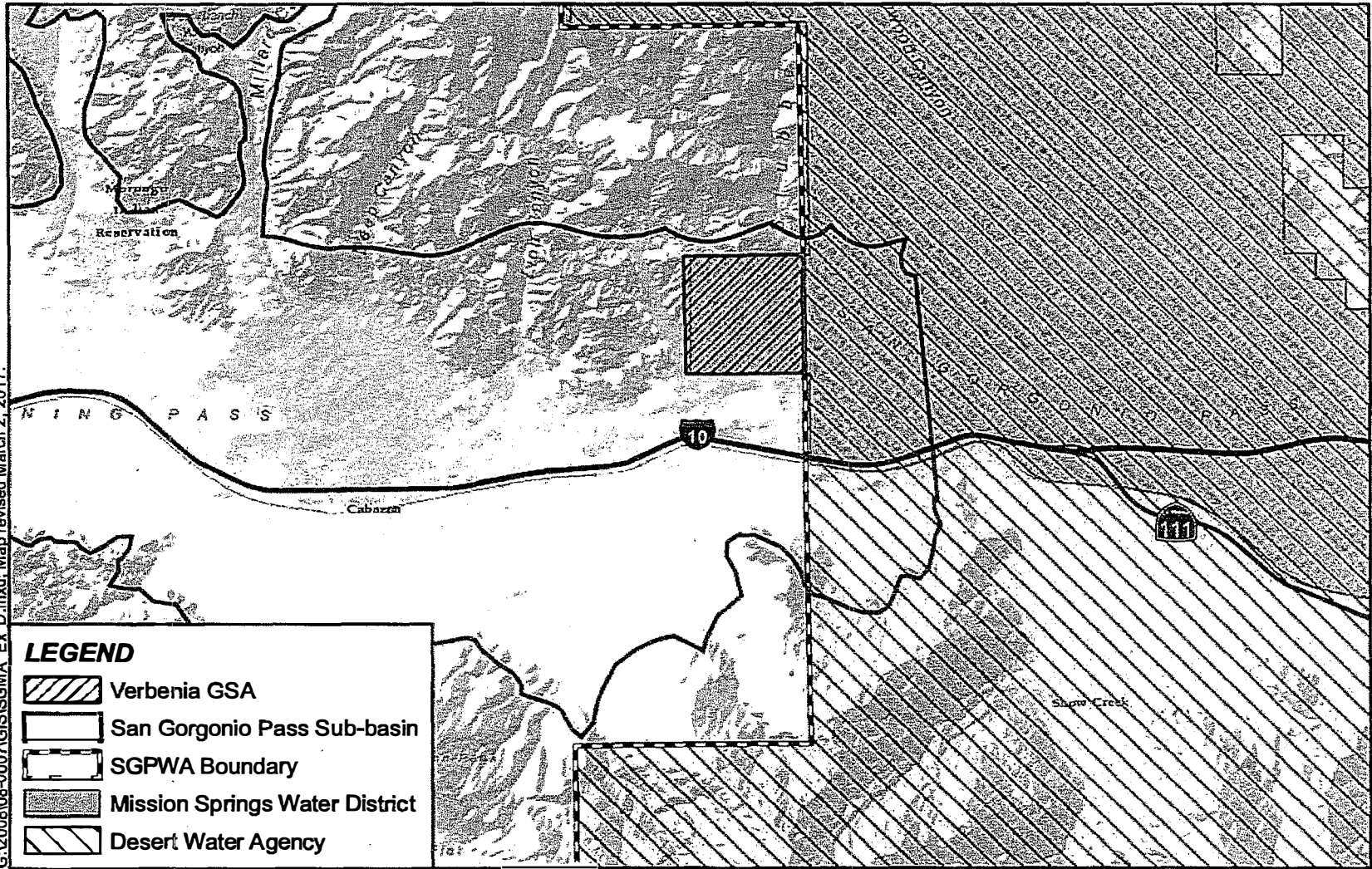
Sources: Calif. Dept. of Water Resources, 2016; Riverside Co. GIS, 2016.








Exhibit C
Desert Water Agency GSA



G:\2008\08-0007\GIS\SGMA_Ex_D.mxd: Map revised March 2, 2017.



LEGEND

-  Verbenia GSA
-  San Gorgonio Pass Sub-basin
-  SGPWA Boundary
-  Mission Springs Water District
-  Desert Water Agency

Sources: Calif. Dept. of Water Resources, 2016; LAFCO 2010; Riverside Co. GIS, 2017.



Exhibit D
 Verbenia GSA
 ALBERT A.
WEBB
 ASSOCIATES

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Appointment of GSA Advisory Council Members

DATE: September 4, 2018

Summary:

This is a discussion item intended to get direction from the Board on potential appointees to an Advisory Council for the three GSA's that overlie the San Gorgonio Pass Subbasin.

Detailed Report:

Staff has considered the formation of an Advisory Council and has developed a list of potential stakeholders that could be represented on the council. This list includes the Morongo Band of Mission Indians, the Building Industry Association, the Banning School Board, the San Gorgonio Memorial Hospital District, and the Banning-San Gorgonio Pass Chamber of Commerce. A draft letter to these organizations requesting participation is included in the agenda package.

In order to open the Advisory Council to others, staff has drafted up an ad to be placed in the Banning Record Gazette, allowing members of the public to apply for the Advisory Council. Copies of the ad would also be placed on the web sites of all of the members of each of the GSA's. The draft ad is also included in the agenda package.

There are six members of the three GSA's (the Agency, the City of Banning, Cabazon Water District, Mission Springs Water District, Banning Heights Mutual Water Company, and Desert Water Agency). The scenario defined in the amendment is that each member could appoint a maximum of two members of the Council. The Morongo Band of Mission Indians could also appoint up to two members.

Staff is requesting direction from the Board regarding other methods of recruiting Advisory Council Members or lists of other potential stakeholders.

Fiscal Impact:

This is a discussion item only.

Advisory Committee Members Needed for San Gorgonio Pass Subbasin Groundwater Sustainability Agencies

The San Gorgonio Pass Groundwater Sustainability Agency (SGP-GSA), Verbenia Groundwater Sustainability Agency (Verbenia GSA) and Desert Water Agency Groundwater Sustainability Agency (DWA GSA) are working together to develop a Groundwater Sustainability Plan for the San Gorgonio Pass Subbasin and are looking for volunteers to serve on an Advisory Committee to assist the GSAs in this effort. Applications for Committee members will be accepted from September X, 2018 through October X, 2018.

A public meeting will be held on September X, 2018 at the San Gorgonio Pass Water Agency offices at 1210 Beaumont Avenue, Beaumont, CA to provide the public with more information about the role of the Advisory Committee.

The Advisory Committee will assist with developing the groundwater sustainability plan for San Gorgonio Pass Subbasin. The Committee's purpose is to review technical information, solicit input from the public, and make recommendations to the GSAs concerning groundwater issues of importance to the community, plan objectives, sustainability goals, funding, and other topics as identified by the GSAs. The time commitment will vary but is not expected to take more than 8 hours per month from October 2018 through [GSP completion].

The SGP-GSA, Verbenia GSA and DWA GSA were each formed in 2016 in response to California's Sustainable Groundwater Management Act of 2014, which requires groundwater basins to be sustainably managed within 20 years of plan development. The GSAs are collectively responsible for managing the San Gorgonio Pass Subbasin, a high priority basin.

Applications for Committee members are available online at [SGPWA website, DWA website, Mission Springs? website, anyone else?]. For more information about the Advisory Committee, please contact Jeff Davis, General Manager for the San Gorgonio Pass Water Agency at jdavis@sgpwa.com, or visit any of the following websites:
List GSA member agency websites.

Qualifications:

The Advisory Committee is intended to represent the diverse interests in the community to ensure adequate public input to the process of developing a Groundwater Sustainability Plan. To qualify as an Advisory Committee member, you must:

- * Live or work within the jurisdictional boundaries of the San Geronio Pass Subbasin (see attached map)

- * Be committed to ensuring sustainable management of the Subbasin

- *

Generic letter inviting participation in Advisory Council for San Gorgonio Pass Subbasin

To Whom it May Concern:

The Sustainable Groundwater Management Act (SGMA), passed by the California Legislature and signed by Governor Brown in 2014, requires all groundwater basins in California to develop a plan to be managed sustainably by 2022. The San Gorgonio Pass Sub-basin, stretching roughly from the eastern portion of Banning eastward to the 111 turnout to Palm Springs and centered on the 10 freeway, is one of those basins. A map of it may be found on the SGPWA website, www.sgpwa.com.

The law requires basin management plans to be developed in a transparent manner, with ample opportunities for public input. The water agencies charged with developing the Groundwater Sustainability Plan (GSP) for the subbasin, known as Groundwater Sustainability Agencies or GSA's, are working to ensure this transparency. Toward that end, our respective elected boards (water boards and city councils) have set up a governance structure that fosters transparency and accountability.

The GSA's are creating an Advisory Council made up of citizens representing various constituencies within the basin, including yours. We invite you to nominate one of your members to be an advisory council member. A nomination form is included.

The duties of advisory council members will be to meet, periodically (probably quarterly), to ask questions of the GSA's, and to provide input to the process so that the final product represents the views of the community and includes input from that community.

Nominees will have to be formally appointed but we invite you to submit a name as a nominee so that you can participate in this process which will help a sustainable future for this region.

Should you have any questions regarding the process or the duties of the Advisory Council, please do not hesitate to contact me.

Very truly yours,

Jeff Davis

Morongos

School district

Hospital district

BIA

Nestle

Chamber of commerce

Circulate to other members first

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Authorization to Advertise Noble Creek Connection Enlargement for Construction

DATE: September 4, 2018

Summary:

The purpose of this proposed Board action is to get authorization to advertise the Noble Creek Connection Enlargement project for construction.

Background:

The Agency, at the request of the Beaumont Cherry Valley Water District, has submitted 100% design drawings and specifications to the Department of Water Resources for approval. Once that approval is given, the Agency will be able to advertise the project for construction.

The process to get to this point has been a lengthy one, punctuated by the District's refusal several years ago to submit the required application for an enlargement. Once the application was finally submitted, Agency staff has acted with all deliberate speed, at the direction of the Board, to complete preliminary design, to comply with CEQA, and to design of the project in accordance with the Department's standards.

Detailed Report:

The enlargement, when complete, will increase the capacity of the current connection from its design capacity of 20 cfs, which was what Beaumont Cherry Valley Water District originally requested, to a design capacity of 34 cfs. The District has indicated that its recharge facility will accept this flow rate.

In order to enlarge the capacity, the design includes larger piping, a larger control valve, and a larger meter. It also includes two larger vaults to house the larger meter and valve.

The design includes a “tee” coming off of the East Branch Extension, in the event the Agency wishes to add a recharge facility of its own at this location at some point in the future.

It is not known when the Department will provide its signature on the final plans and specifications; however, when the Agency receives the signed package, the desire is to advertise as quickly as possible to begin the post-design phase of the project.

The Agency previously complied with the California Environmental Quality Act for this project, and has so notified the Department of Water Resources. An amended service connection agreement with the Department is being finalized.

Fiscal Impact:

The Agency’s ordinances require all such projects to be funded by the retail water agency requesting them. Thus, all costs associated with the construction will be reimbursed by the Beaumont Cherry Valley Water District. At this point, the Agency has requested a \$25,000 deposit from the District and as expended over \$80,000 in costs. A construction deposit will be requested prior to the start of construction.

Recommendation:

Staff recommends that the Board authorize advertising of the subject project for construction at this time so that when approval by DWR is obtained, there will be no lost time. Construction cannot begin until the Board awards a construction contract to the lowest responsible bidder. It is anticipated that this could be in November.

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Approval of Public Policy and Ethics Invoice from Best Best & Krieger

DATE: September 4, 2018

Summary:

At the August 27 Finance and Budget workshop, the Board asked for further information regarding Best Best & Krieger's billing of \$4600 for public policy and ethics work. The purpose of this proposed Board action item is to determine if the Board wishes to authorize this for payment.

The General Counsel will review the services provided by Best Best & Krieger for this with the Board at the Board meeting.