

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Engineering Workshop
Agenda
May 13, 2019 at 1:30 p.m.

- 1. Call to Order, Flag Salute and Roll Call**
- 2. Public Comment:** Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary. 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.
- 3. Discussion of Possible Infrastructure Plan* (p. 2)**
- 4. Discussion of Engineering Budget for FY 2019-2020* (p. 4)**
- 5. Report on Loss of Carryover Water* (p. 5)**
- 6. Discussion on Potential Sponsorship of Santa Ana Watershed Signs* (p. 7)**
- 7. Discussion of Ordinance 8* (p. 9)**
- 8. Announcement:**
 - A. Cancelled - Regular Board Meeting, May 20, 2019 at 1:30 p.m.
 - B. San Gorgonio Pass Regional Water Alliance, May 22, 2019, 5:00 pm, Banning City Hall
 - C. Office closed Monday, May 27, 2019 in observance of Memorial Day
 - D. Finance and Budget Workshop, Tuesday, May 28, 2019 at 1:30 p.m.
- 9. Closed Session (1 item)**
 - A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager
- 10. Adjournment**

***Information included in Agenda Packet**

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

MEMORANDUM

TO: Board of Directors

FROM: General Manager

RE: Infrastructure Needs

DATE: May 13, 2019

Summary:

One of the goals included in the recently adopted strategic plan is adoption of a regional infrastructure plan. One of the objectives listed to meet this goal is to start listing all possible infrastructure that may be required to meet the region's long-term needs. This infrastructure may or may not be located within the Agency's service area.

The Agency has recently embarked on a capacity fee nexus study, which, among other things, will need to identify what infrastructure the Agency would like to be funded fully or partially by a capacity fee. Retail agency general managers are already asking questions about what the Agency's plans are with regard to funding infrastructure through a capacity fee. While the primary goal of a capacity fee has always been to fund new water supplies, infrastructure has always been part of the equation. For example, in the fee adopted by resolution in 2015, a portion of the cost of the Fiesta Recharge Facility and purchase of increased capacity in the Foothill Pipeline were included in the capacity fee.

The Agency produced a water supply master plan in 2009 that identified infrastructure that may be needed by the Agency in the long term. That study identified the Fiesta recharge facility, increased capacity in the Foothill Pipeline, a pipeline to Cabazon, and a storage project in the Cabazon Basin as future infrastructure projects. The study assumed that the East Branch Extension would not include the capacity needed to meet regional needs in the long-term, and that another pipeline would have to be constructed to convey water to the region from the State Water Project. This additional pipeline was also included in that study.

Staff believes that this study, while worthwhile at the time, may be outdated for a number of reasons, primary among them the fact that future per capita water demands will be less and the East Branch Extension, at 64 cfs, will likely be enough to meet the region's long-term conveyance needs.

However, staff believes that additional studies should be made regarding potential future storage projects both inside and outside the Agency's service area. Identification of such infrastructure is also required in order to complete the ongoing capacity fee nexus study.

Staff would like to discuss with the Board a new infrastructure study that would meet the goals of the strategic plan and support the capacity fee nexus study. Staff has no recommendation at this time other than to discuss such a study and possibly to include it in the general fund budget for 2019-2020.

Draft Engineering/Consulting Budget 2019-2020			
Construction Related			
	Webb--Completion of post design work		5,000
	ERSC --Completion of post design work		10,000
Financial			
	DTA Rate Nexus Study (if needed)		35,000
	DTA Capacity Fee Nexus Study (existing)		58,000
	DTA modelling (existing)		15,000
USGS			
	Standard USGS Work (annual)		115,000
	Flume related metering (split with Banning)		30,000
UWMP			
	UWMP Consultant		75,000
SGMA			
	GSP Consultant (Reimbursable)		450,000
	Web services		5,000
Other			
	Provost & Pritchard (existing)		6,000
	Webb--GIS (existing)		2,000
	Webb--general (existing)		5,000
	IRWM Implementation Proposal (split with others)		22,000
	Infrastructure Study		

Chronology/Summary of Efforts to Prevent Loss of Carryover Water

Base conditions as of January 31

- SWP allocation increases to 15% on January 25.
- DWR makes decision to shut down EBX downstream of Crafton Hills Reservoir to replace leaky valves; shutdown expected to last approximately one month.
- YVWD has already made decision to shut down filtration plan in February for scheduled maintenance.
- Beaumont Avenue Recharge Facility and Noble Enlargement under construction; likely not complete until at least April or May.
- It has not started to rain.

Feb 12—Contractors get notice from DWR that there may be an Article 21 program this year and that Contractors may register for participation in the program. This is an indication that some carryover water may be reclassified.

Feb 13—Contractors get notice that Article 21 water may become available during week of February 20 and are asked to request the amount they may want

Feb 13—Since Agency cannot take Article 21 water, or any water, due to shutdown, Agency has correspondence with SBVMWD regarding a possible exchange in which SBVMWD could take Agency carryover water, store it in Bunker Hill Basin, and Agency would get 1/3 of this back in an exchange in the future. Email exchange on details continues for over a week.

Feb 18—Agency starts communications with Provost & Pritchard to determine other methods for saving some or all carryover water. This is a hedge in the event that SBVMWD's exchange idea does not work.

February 19—P&P drafts letter to DWR on behalf of Agency suggesting terms for an exchange with SBVMWD for Agency's carryover water. DWR informs P&P that DWR does not allow exchange of carryover water. It is clear that another methodology must be used.

February 21—P&P meets with DWR on behalf of Agency and shares list of seven potential methodologies for preserving some or all of Agency's carryover water. DWR says it will review the list and make a suggestion as to its preference. Agency makes it known that it will pursue whatever methodology DWR suggests as the easiest and fastest. Time is of the essence at this point, as more carryover water is being reclassified as Article 21.

Feb 22—P&P, on behalf of Agency, follows up with DWR. DWR replies it has not had a chance to discuss options yet.

Feb 25—DWR sends email to P&P requesting information on a particular methodology (change in point of delivery) whereby SBVMWD could deliver some of Agency's water to SBVMWD service area and later, Agency could exchange part of it back to the Agency. This is the chosen methodology. This is a "work

around” for DWR’s policy that carryover water cannot be exchanged. Over next several days, Agency submits documents to DWR to support this transaction, including CEQA documentation.

March 1—EBX back online but flows restricted due to other DWR issues at Devil Canyon. Later in March, BCVWD requests deliveries be cut back to zero or 10 cfs. Agency has little ability to deliver the carryover water it has left. Carryover water in San Luis Reservoir continues to be reclassified to Article 21 water each week. There is too much water in the system by mid-March for DWR to consider keeping any carryover water in SLR, so it is either reclassified to Article 21 or 2019 Table A. Agency is able to deliver 1,964 AF of carryover water.

March 20—DWR increases SWP allocation to 70%, essentially reclassifying any leftover carryover water as 2019 Table A water.

March 22—DWR sends fully executed copy of a change in point of delivery agreement to Agency. By this time, all carryover water has been reclassified to either Article 21 or Table A, so there is no carryover water to deliver. This is nearly a month after DWR indicated that it would start working on the agreement. The agreement has no meaning at this point.

March 25—Agency checks with SBVMWD to determine if there is any possibility of delivering any Agency water to its service area that could later be exchanged. SBVMWD replies that it lost water as well and there is no way to help the Agency.

Help Promote a Healthy, Sustainable Watershed!

Inform the public on the major watershed issues – especially those they can help solve through lifestyle changes. The large outdoor displays help people identify and connect with their local watershed.

Public Outreach Opportunity



Riverside-Hidden Valley, Santa Ana River Overlook

Over 20 years experience - Public Approved!

Public education - a great investment in watershed sustainability!

- Easy method to partner with other agencies and NFPs in public outreach
- Cost and time effective • Focuses on a healthy, sustainable watershed
- Proven, non-partisan, solution oriented

Content submitted and reviewed by multiple local and state agencies

50 prime locations throughout the Watershed

Riverside County

- Rancho Jurupa Park (Riverside County)
- Hidden Valley Park Overlooks (2) (Riverside)
- Carlson Dog Park (City of Riverside)
- Fairmount Park (City of Riverside)
- Idyllwild Library
- Lake Hemet Picnic Area (USFS)
- Fuller Mill Creek Picnic Area (USFS)
- Lake Perris Marina
- Riverside-Corona RCD Land Use Learning Center
- La Paloma Wash Trail (City of Menifee)
- Cottonwood Golf Ctr. (City of Moreno Valley)
- San Jacinto Wildlife Area (CAFW)
- Noble Creek Park (Beaumont)
- Jurupa Mountain Discovery Center
- Canyon Lake POA
- Glen Ivy Hot Springs (Corona)
- Corona Library
- Sycamore Ck Interpretive Ctr. (Temescal Valley)
- Norco Horsemen's Condon Staging Area
- Santa Ana River Trail (2) (Eastvale)
- Santa Ana River Trail (City of Norco)

Orange County

- Centennial Park (Santa Ana)
- Civic Center (Santa Ana)
- Santiago Creek Nature Center (Santa Ana)
- Santa Ana River Trail at Moon Park (Costa Mesa)
- Fairview Park (Costa Mesa)
- Shipley Nature Center (Huntington Beach)
- Bolsa Chica State Beach Interpretive Center
- Life Guard HQ Building (Huntington Beach SP)
- Huntington Beach State Park
- Heritage Museum (Santa Ana)
- Newport Dunes Marina (Newport Beach)
- Back Bay Science Center (Newport Beach)
- School of Sailing & Seamanship (Newport Beach)
- Roger's Gardens (Corona Del Mar)
- Irvine Ranch Outdoor Education Ctr. (BSA) (Orange)
- Bolsa Chica Conservancy
- Windows to Our Wetlands (Bolsa Chica Conservancy)
- Acacia Park (City of Fullerton)

San Bernardino County

- Big Falls Picnic Area (USFS) (Forest Falls)
- Mill Creek Visitor Center (USFS) (Yucaipa)
- Mary Vagle Nature Center (City of Fontana)
- Hortencias at the Cliff Hanger (Crestline)
- Pali Mountain (Running Springs)
- Meadow Park (Big Bear)
- Big Bear Alpine Zoo
- Lytle Creek Ranger Station (USFS)
- Applewhite Picnic Area (USFS) (Lytle Creek)
- Oaks Restaurant (Angelus Oaks)
- San Timoteo Nature Sanctuary (Redlands)
- Redlands Gateway Ranch (Redlands Conservancy)
- Caltrans Rest Area (East Bound) (I-10) (Yucaipa)
- Caltrans Whitewater Rest Area (West Bound) (I-10)
- East Valley Water District Demo Gardens (Highland)
- Riley's at Los Rios Ranchos (Oak Glen)
- El Dorado Ranch Park (City of Yucaipa)
- Chino Creek Wetlands and Educational Park
- Amy's Farm (Ontario)
- MacIn Open Air Market (Ontario)
- Chino Basin Water Conservation District (Montclair)
- Crafton Hills Open Space Trailhead (Yucaipa)
- Santa Ana River Trail (City of Colton)

* Individual locations not guaranteed.

Mock-up Only
Actual Size: 36" x 36"

SANTA ANA RIVER WATERSHED



10 MILES

Six Easy Ways To Help

Concrete water
Prevent runoff from parking lots, driveways, and sidewalks by using permeable materials like gravel or porous concrete. This allows water to soak into the ground instead of running off into storm drains.

Use mulch
Use mulch to reduce soil erosion and keep soil moist. It also helps reduce runoff from lawns and gardens.

Use native plants
Native plants are adapted to local conditions and require less water. They also provide habitat for local wildlife.

Use rain barrels
Collect rainwater from your roof to use for watering plants. This reduces the amount of water that runs off into storm drains.

Use permeable pavement
Use permeable pavement for driveways and walkways. This allows water to soak into the ground instead of running off into storm drains.

Use rain gardens
Plant native plants in a depression in your yard to catch and filter runoff. This reduces the amount of water that runs off into storm drains.

Use rainwater harvesting
Collect rainwater from your roof to use for watering plants. This reduces the amount of water that runs off into storm drains.

What is a Watershed?

A watershed is an area of land on which rain and snow falls and ultimately collects and drains into a single larger body of water, such as a river, lake, or ocean. Watersheds come in all sizes and are separated by ridges and hills that create the drainage divide. These drainage basins consist of all surface water including rivers, lakes, streams, creeks, and wetlands, as well as all the underlying groundwater. Watersheds supply us with water for drinking, agriculture, industry, power generation, recreation, and habitat for fish and wildlife.

Groundwater Recharge

The Santa Ana River and its tributaries provide winter stream flows which are channeled to percolation basins to recharge the groundwater and aquifer throughout the watershed. This water, stored underground, serves as a major source of drinking water and other water needs. These critical recharge facilities have improved water levels and water quality for more than 100 years. Imported water, piped in from outside the watershed, is also used to recharge our local aquifers.

Sustainable Landscaping

The decisions we make in our gardens can contribute to the health of our watershed. Anyone with access to a bit of land can help protect our watershed and sustain our water supply.

- Allow gardens to capture, hold, and infiltrate rainwater
- Prevent erosion by creating, slowing, and filtering stormwater through mulch and vegetation strategies
- Use locally adapted plants that need less irrigation, bloom beautifully, and provide habitat for birds and pollinators

Explore The Watershed

- ★ **Los Valley Water District**
10000 E. Lincoln Ave., Suite 100
P.O. Box 10000, Los Angeles, CA 90010
Tel: 323-551-1000, Fax: 323-551-1001
- ★ **Water Conservation Council/Orange County**
10000 E. Lincoln Ave., Suite 100
P.O. Box 10000, Los Angeles, CA 90010
Tel: 323-551-1000, Fax: 323-551-1001
- ★ **Water Conservation Council/Santa Ana River**
10000 E. Lincoln Ave., Suite 100
P.O. Box 10000, Los Angeles, CA 90010
Tel: 323-551-1000, Fax: 323-551-1001
- ★ **Lead the Ladies Center of Orange County**
10000 E. Lincoln Ave., Suite 100
P.O. Box 10000, Los Angeles, CA 90010
Tel: 323-551-1000, Fax: 323-551-1001
- ★ **Orange County Water District**
10000 E. Lincoln Ave., Suite 100
P.O. Box 10000, Los Angeles, CA 90010
Tel: 323-551-1000, Fax: 323-551-1001
- ★ **San Jacinto Mountains Water District**
10000 E. Lincoln Ave., Suite 100
P.O. Box 10000, Los Angeles, CA 90010
Tel: 323-551-1000, Fax: 323-551-1001

One Water One Watershed

The Santa Ana River Watershed is home to the concept and philosophy of "One Water One Watershed" or OOWOW. OOWOW is the comprehensive view of the watershed and water resources. It is an integral view encompassing all agencies and organizations in the watershed that work to improve local surface and groundwater, riparian, stream water, watershed as a component of a single water resource. It is a concept linked to land use, water, and a part of the watershed's natural hydrology. By this view, new water relationships can be developed that are integrated, multi-beneficial and collaborative.

Pollution Prevention

When water from irrigation and other water uses, driveways and streets, collects in filters, pet leashes, oil, grease and other pollutants, this runoff flows into our local storm drains, the watersheds from all the cities within the watershed merge and make their way downstream until all the runoff water enters the Pacific Ocean. The small, cumulative amount of pollution from individuals can have a large impact on the health of our watershed. Help protect our water resources by preventing pollution at its source:

- Maintain your vehicle and have oil leaks fixed
- Scoop pet waste, bag it, and put it in the garbage
- Take your vehicle to a certified car wash
- Minimize the use of pesticides and chemical fertilizers
- Properly dispose of trash, litter, and recyclables

Boating Pumpout Stations

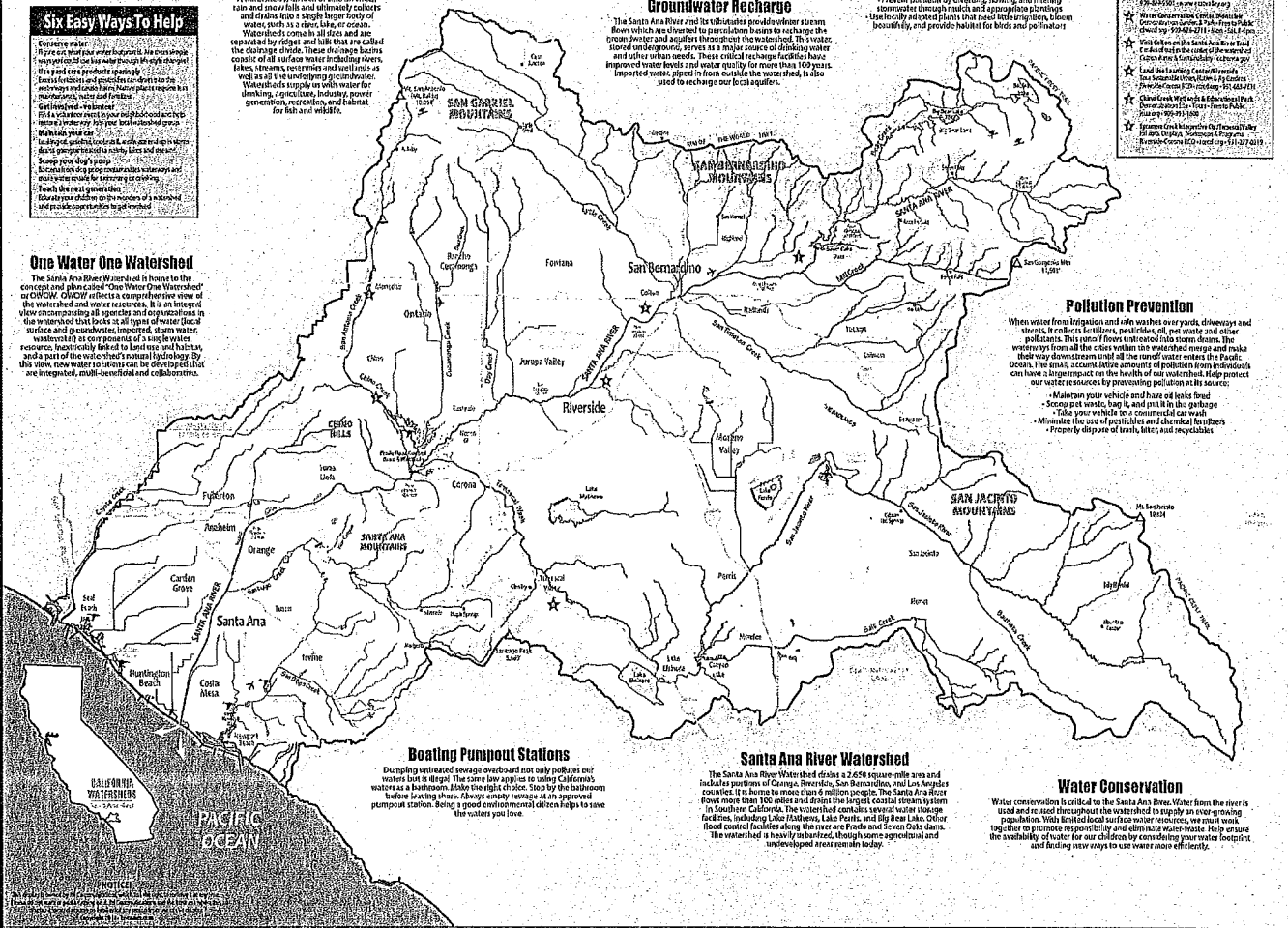
Dumping raw sewage overboard not only pollutes our water but it stinks. The same law applies to using California's water as a bathroom. Make the right choice. Use the bathroom before leaving shore. Always empty sewage at an approved pumpout station. Being a good environmental citizen helps to save the waters you love.

Santa Ana River Watershed

The Santa Ana River Watershed drains a 650 square-mile area and includes portions of Orange, Riverside, San Bernardino, and Los Angeles counties. It is home to more than 6 million people. The Santa Ana River flows more than 100 miles and drains the largest coastal stream system in Southern California. The watershed contains several water storage facilities, including Lake Mathews, Lake Perris, and Flybeet Lake. Other flood control facilities along the river are Fords and Green Oaks dams. The watershed is heavily urbanized, though some agricultural and undeveloped areas remain today.

Water Conservation

Water conservation is critical to the Santa Ana River. Water from the river is used and reused throughout the watershed to support our growing population. With limited local surface water resources, we must work together to conserve responsibly and eliminate waste. Help ensure the availability of water for our children by conserving your water footprint and finding new ways to use water more efficiently.



50 locations • 23 months • 875,000 viewers*

(* estimated - based on an average of 25 viewers per display - per day)

Sponsorship: \$5,600

• 3" by 3" formatted ad space (11 spaces maximum) • Installed late Fall 2019

"Explore The Watershed" listings: \$1,360

Cost Effectiveness

• Cost per month \$244 • Cost per viewer: .6 penny • CPM: \$6.40

Bri Communications • Paul Sher 8 / 16 378-1055 • paul@bricomm.com

**SAN GORGONIO PASS WATER AGENCY
ORDINANCE NO. 8**

**AN ORDINANCE ESTABLISHING RULES AND REGULATIONS
FOR SGPWA WATER SERVICE**

WHEREAS, the Board of Directors of the San Gorgonio Pass Water Agency ("SGPWA") hereby finds:

1. SGPWA is a wholesale water agency organized and operated pursuant to the San Gorgonio Pass Water Agency Law, California Uncodified Water Act 9099, found in California Water Code Appendix 101 ("SGPWA Act").
2. SGPWA sale of water and dedication of Return Flows resulting from use of such SGWA Water to eliminate Overdraft in SGPWA groundwater basins provides the highest priority that is reasonably available to eliminate overdraft conditions.

NOW, THEREFORE, be it ordained by the Board of Directors of SGPWA as follows:

**RULES AND REGULATIONS
FOR SGPWA WATER SERVICE
AS SET FORTH BE ADOPTED**

ARTICLE I

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ARTICLE II

DEFINITIONS

Section 2.01 Definitions. As used herein the terms set forth below shall be defined as follows and shall have such meaning unless the context indicates otherwise.

(a) **APPLICATION:** A request by the "Applicant" for SGPWA Water service pursuant to these Rules and Regulations, including Section 3.01.

(b) **HYDRAULIC HEAD:** The force measured in pounds per square inch that represents the vertical distance between an unimpaired water surface and the point of delivery.

(c) **OVERDRAFT:** A condition wherein the total annual production from a groundwater basin exceeds the "safe yield" thereof. "Safe

yield” is the maximum quantity of water which can be produced annually from a groundwater basin under a given set of conditions without causing a gradual lowering of the groundwater level leading eventually to depletion of the supply in storage.

(d) **RETURN FLOWS**: Amounts of SGPWA Water that return to surface or ground water after initial use by a retail consumer by irrigation or disposal through onsite waste disposal system.

(e) **SGPWA**: The San Gorgonio Pass Water Agency.

(f) **SGPWA WATER**: Water imported by SGPWA from outside the boundaries of SGPWA for sale to retail agencies within SGPWA or water otherwise “authorized” and developed by SGPWA pursuant to its Act, available for delivery by SGPWA subject to the limitations set forth in these Rules and Regulations.

(g) **SWP**: The California State Water Project.

(h) **TABLE A AMOUNT**: The annual amount of SWP water which SGPWA might obtain under its contract with the California Department of Water Resources (“DWR”).

ARTICLE III

AUTHORIZATION FOR SERVICE

Section 3.01 Application for Service. A person or entity (“Applicant”) desiring SGPWA Water service pursuant to these Rules and Regulations shall submit an Application for service in such form as may be required by the SGPWA General Manager, which Application must include the following information:

1. Identity and legal capacity of the Applicant;
2. Amount, rate, location, time and manner of delivery of the SGPWA Water;
3. Description of delivery facilities, capacity and flow rates;
4. Environmental review and approval necessary under the California Environmental Quality Act;
5. Any further information and/or requirements that may be reasonably necessary for SGPWA to evaluate the Application according to the criteria of these Rules and Regulations and to carry out SGPWA’s responsibilities under the law.

The SGPWA General Manager shall notify the Applicant within 30 days whether the Application is complete. The Applicant shall fund all costs incurred to process the Application and to construct facilities required to deliver the SGPWA Water. SGPWA may require a deposit to cover all or a portion of the estimated costs prior to accepting an application.

Section 3.02 Investigation and Action by SGPWA. The SGPWA General Manager shall investigate each Application and may require the submission of additional relevant information, to be provided at the cost of the Applicant. The SGPWA General Manager shall consider and act upon the Application and any required additional relevant information within a reasonable period of time after acceptance and submission of other required information.

The SGPWA Board of Directors shall have discretion to deny, approve or conditionally approve the Application. In acting on an Application, SGPWA may take into account whether the delivery or intended use of the Supplemental Water meets the requirements of applicable state, federal and local law or regulation. SGPWA approval of the Application will authorize delivery of SGPWA Water to be purchased by the Applicant, as "Purchaser", at the identified service connection, subject to conditions of the approval and this Ordinance.

Section 3.03 Service Connections. The design of service connections for SGPWA Water service shall meet the specifications as determined by the SGPWA General Manager to be necessary according to reasonable engineering practices and standards. Should the Application require the construction of a service connection, the Applicant, if approved by the Agency and at Applicant's cost, may design, according to SGPWA specifications, the service connection and any flow control facilities required by SGPWA, subject to the approval of the SGPWA General Manager, which approval shall not be unreasonably withheld. The Applicant shall pay the cost for SGPWA to install the service connection and any flow control facilities required by SGPWA and any cost for SGPWA design or design review of the service connection and flow control facilities. The service connection shall include any required flanges, valves, pipe, meters, electronic and remote telemeter and other required equipment. The flow control facilities must include any pipes, vertical structures, vertical meters, control panels, check valves, check valve structures, flanges, and other equipment required by SGPWA. SGPWA will confer with the Applicant regarding design and operation of the SGPWA service facilities.

The service connection and any flow control facilities required by SGPWA, to the downstream flange of the flow control facility meter, shall be the property of SGPWA (collectively "SGPWA Service Facilities"), and the Applicant shall provide to SGPWA a grant from the landowner to SGPWA of any easement necessary for the construction, reconstruction, operation, maintenance and repair of the SGPWA Service Facilities. The Applicant shall, if required by SGPWA, provide evidence of clear title to the easement.

If the Applicant has not already done so in connection with the Application, the Applicant shall deposit an amount sufficient to cover all costs estimated by the SGPWA General Manager prior to SGPWA action towards construction of the SGPWA Service Facilities. Upon approval and receipt of the deposit, SGPWA shall procure all equipment and materials and construct the SGPWA Service Facilities. Upon completion of construction of the SGPWA Service Facilities, SGPWA shall render to the Applicant a statement of all costs; if such costs exceed the sum of money deposited by the Applicant with SGPWA, the Applicant promptly shall pay to SGPWA the amount by which such costs shall

exceed such deposit; and if such costs be less than the deposit, any unexpended balance shall be returned by SGPWA to the Applicant.

Section 3.04 Meter Testing. When the accuracy of a water meter measuring the amount of SGPWA Water delivery through a service connection is questioned by the Purchaser, SGPWA upon request will cause an official test to be made at its own expense. The Purchaser will be duly notified of the time and place of such test and may be present when any such test is made by SGPWA.

The meter will be tested on variable rates of delivery and if the average registration is more than two percent in excess of the actual quantity of water passing through the meter, SGPWA shall refund to the Purchaser the overcharge based upon the test, for the prior twelve months, unless it can be shown that the error was due to some cause for which the date can be fixed. In the latter case, the overcharge shall be computed back to and not beyond such time. Any undercharge determined upon the basis of the test may be billed to the Purchaser on a similar basis.

Requests for a test within 12 months of a prior test will be at the Purchaser's expense unless the meter is determined to be over registering deliveries as determined in this section.

Section 3.05 Indemnity. The Applicant shall agree to defend, indemnify and hold harmless SGPWA, its directors, officers, agents and employees from and against any and all claims, demands, losses, costs, expenses, liability and damages, including but not limited to reasonable engineers' and attorneys' fees, arising out of or related to (i) the control, carriage, handling, use, disposal, or distribution of SGPWA Water sold by SGPWA after the point of delivery to the Applicant; (ii) the attachment to or removal of the Applicant's facilities to those of SGPWA.

Such agreement to defend, indemnify and hold harmless shall survive the termination of the Applicant's use of the service connection for delivery of SGPWA Water. In the event that SGPWA determines that the Applicant does not meet certain financial criteria, SGPWA may require surety for the Applicant's obligation under this section.

ARTICLE IV

DELIVERY

Section 4.01 Establishment and Payment of Water Charges. SGPWA shall establish and charge rates for delivery of SGPWA Water sufficient to cover SGPWA's variable costs (including off-aqueduct costs) for delivery of SGPWA Water, internal SGPWA costs and other amounts as determined by the SGPWA Board of Directors reasonably related to the cost of delivery. The rates are subject to the price, classification, and conditions that SGPWA establishes from time to time, according to the use to be made of such water, and taking into

account the amount of Return Flows from different uses. The rates are subject to review and change by SGPWA.

Water charges are due and payable at the SGPWA office on the date of mailing as set forth on the bill to the Purchaser and shall be delinquent 30 days thereafter. Upon 10 days notice, SGPWA may suspend delivery of SGPWA Water to the Purchaser if payment of the water charge is not made prior to the date such charge becomes delinquent. With the exception of any rights reserved to SGPWA pursuant to this Ordinance, title to the purchased SGPWA Water shall pass to the Purchaser at the point of delivery. The point of delivery for direct deliveries is the downstream side of the check valve structure and flange of the flow control facility connected to the Purchaser's (or its designee's) system. The point of delivery for SGPWA Water to be stored in SGPWA recharge facilities shall be the point of recharge. The Purchaser shall be responsible for such additional charges, if any, for SGPWA operational costs as may be necessary for SGPWA to deliver and/or handle the SGPWA Water beyond the point of delivery on behalf of the Purchaser.

Section 4.02 Need Forecasting Procedures. Before August 1 of each year, each Purchaser shall furnish the SGPWA in a form provided by the SGPWA, with an estimate of the amounts of water to be delivered to such Purchaser by the SGPWA.

Each estimate shall contain, as a minimum, for each service connection for each month of the year beginning with the succeeding January 1, and for each of the succeeding four years, the following information:

1. The quantity of water to be delivered by SGPWA to the Purchaser.
2. The quantity of water to be used for:
 - (a) Domestic, industrial, and municipal purposes, exclusive of groundwater replenishment by spreading or injecting;
 - (b) Groundwater replenishment by spreading or injecting;
 - (c) Agricultural purposes;
 - (d) Recreational purposes;
 - (e) Other uses.

The first year's estimate shall constitute the Purchaser's request for deliveries for the first of the five years covered therein. The Purchaser may make revisions to any of its estimates upon reasonable notice to the SGPWA.

The estimates will be used by the SGPWA in planning the construction needed to complete the SGPWA's ultimate distribution system; in planning the future operation of such system; and in preparing notices for submission to the State Department of Water Resources that will be used by the state to order power for pumping on the SWP.

Section 4.03 Weekly Water Delivery Schedules. The Purchaser shall submit a weekly delivery schedule to the SGPWA at least 10 days before the start of each weekly period commencing on Monday. The schedule shall state the flow rate required and times of delivery and location within the SGPWA system.

Section 4.04 State Water Project Contract. SGPWA Water deliveries shall be subject to all of the terms and conditions of SGPWA's SWP contract with DWR, including delivery interruption by reason of DWR and/or SGPWA's requirements for maintenance and operation of its facilities or by reason of demand by Purchasers in excess of SGPWA's Table A Amount. SGPWA will notify Purchasers in advance of any nonstandard delivery interruptions and planned outages, and coordinate such events with Purchaser's requirements, to the extent reasonably feasible.

Section 4.05 Variable Supply. Due to the annual variable nature of the SWP supply, SGPWA Water deliveries shall not constitute a vested right to a fixed amount of delivery each year or to any specific level of pressure. Purchasers should take into account the variable nature of SWP supply in their plans and operations.

Section 4.06 Wholesale Only. SGPWA Water deliveries from SGPWA shall be wholesale in nature, and SGPWA shall not assume the obligations of a water purveyor providing direct retail service to consumers.

Section 4.07 Water Quality. All SGPWA Water is raw untreated water and shall not be supplied for domestic purposes by any Purchaser or retail water service provider without such treatment as may be required to comply with all applicable laws and regulations. The SGPWA makes no representation as to the quality of the water it delivers with respect to its suitability for any particular purpose.

Section 4.08 SGPWA Boundaries. The SGPWA Water delivered by SGPWA shall not be used outside the SGPWA, directly or indirectly. Delivery or treatment of water outside of SGPWA for use within SGPWA shall not constitute use outside the SGPWA.

Section 4.09 Return Flows. [Deleted]

Section 4.10 Hydraulic Head. SGPWA reserves the right to use and prevent others from using Hydraulic Head within the SWP or SGPWA facilities for hydroelectric production provided, however, that SGPWA will consider proposals, joint or otherwise, to implement the production.

[CONTINUED ON FOLLOWING PAGE]

This Ordinance shall be in full force and effect on the thirty-first day after adoption, and shall be published in full in a newspaper of general circulation within fifteen (15) days from the date of adoption.

Passed and adopted this 7th day of February, 2005, by the following vote:

AYES: Larsen, Voigt, Morris, Andersen, Snyder, Mann and Jeter
NOES: None
ABSTAIN: None
ABSENT: None

SIGNATURE ON FILE

John Jeter, President
Board of Directors
San Gorgonio Pass Water Agency

ATTEST:

SIGNATURE ON FILE

Stephen P. Stockton, Secretary
Board of Directors
San Gorgonio Pass Water Agency