

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
January 8, 2018

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

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

1. Call to Order, Flag Salute and Roll Call. The Engineering workshop of the San Gorgonio Pass Water Agency Board of Directors was called to order by Director Duncan at 1:30 p.m., January 8, 2018 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Director Thompson led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment. No members of the public wished to speak at this time.

3. Review of State Water Project Operations and Water Supply Situation. Various graphs, news articles, and slides were included in the agenda package. General Manager Davis reviewed the current SWP water supply situation with the Board, noting the dry December. He also shared some news accounts of DWR's first snow survey of the year, reviewed the Reasonable and Prudent Alternatives (RPA's) with the Board, and discussed how much water the Fall X2 RPA cost the State Water Project in 2017. This Fall X2 impact will reduce the 2018 allocation by 10%, according to General Manager Davis.

4. Review of State Water Project Water Management Issues. A copy of a Notice to Contractors from DWR dated December 18 was included in the agenda package. General Manager Davis reviewed with the Board what some of the key issues are for Contractors in managing the SWP better, in particular with regard to multi-year exchanges and transfers. He noted that this Notice says the current contract allows many actions, but that DWR wants to approve a contract amendment to strengthen its authority to approve them. General Manager Davis noted that the Contractors want this ability now, and that negotiations for a contract amendment will begin with the Department in February.

5. Update on Cal Water Fix. General Manager Davis noted the abovementioned contract amendment, which will have ramifications for the Water Fix. He also mentioned a finance Joint Powers Authority (JPA) and a construction JPA that must be created to move the project forward. He told the Board that he would keep them up to date on the creation of these and make recommendations as to whether the Agency should join them or not. He announced that the project will be constructed in

phases, with Phase 1 being a 6000 cfs facility with one tunnel. DWR has not formally announced this but will in the near future.

6. Discussion of Fiesta Recharge Project and Bids. A copy of some questions from Director Ball and a letter from BCVWD were included in the agenda package. General Manager Davis presented a Power Point showing reasons to support the project at this time. He noted that the Agency has received bids and is prepared to bring the bids and recommendation for award of contract to the Board at next week's Board meeting if that is what the Board desires. After discussion, the Board asked staff to bring the recommendation for award to the March 5 Board meeting. This would still be within the 90 day window for bids being accepted and provide the opportunity for a modeling study of Beaumont Basin losses to be presented to the Watermaster in February. The Board wanted to see if construction of the Agency facility, and the placement of water in it, would exacerbate an existing seepage problem in the basin, if such a problem exists. Dan Jaggars and John Covington from BCVWD both requested that the Board wait to see the results of this study prior to awarding a construction contract. Dave Armstrong from South Mesa mentioned that he felt that it was time for the Agency to move forward on the project as the region needs additional storage.

7. Announcements

- A. Office closed Monday, January 15, 2018 in observance of Martin Luther King, Jr. Day
- B. Regular Board Meeting Tuesday, January 16, 2018 at 1:30 pm
- C. Southern California Water Committee Quarterly Luncheon, Friday, January 19, 2018 at 11:00 am
- D. Finance and Budget Workshop, January 22, 2018 at 1:30 pm

8. Closed Session (3 Items)

A. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Paragraph (1) of subdivision (d) of Government Code Section 54956.9

Name of case: San Gorgonio Pass Water Agency vs. Beaumont Basin Watermaster
Case No. RIC 1716346

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8

Property: Potential transfer of State Water Project rights/supplies among State Water Contractors

Agency Negotiator: Jeff Davis, General Manager

Negotiating Parties: Dudley Ridge Water District, Dale Melville, Manager-Engineer

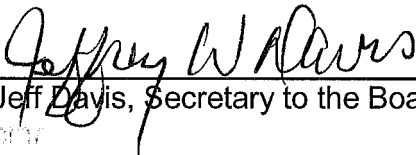
Under Negotiation: price and terms of payment

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8
Property: Potential water rights/supplies offers from the City of
Ventura

Agency negotiator: Jeff Davis, General Manager
Negotiating Parties: Lynn Takaichi
Under negotiation: price and terms of payment

At the end of the closed session, General Counsel Ferre announced that no action was taken that is reportable under the Brown Act.

9. Adjournment: Director Duncan adjourned the meeting at 4:33 pm.



Jeff Davis, Secretary to the Board