

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
May 7, 2018

Directors Present: David Fenn, President
Ron Duncan, Vice President
Blair Ball, Director
David Castaldo, Director
Stephen Lehtonen, Director
Michael Thompson, Director

Directors Absent: Lenny Stephenson, Treasurer

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

1. **Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President David Fenn at 1:30 p.m., May 7, 2018 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. President Fenn led the Pledge of Allegiance to the flag. Director Castaldo gave the invocation. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Fenn asked if there were any adjustments to the agenda. There being none the Agenda was adopted as presented.*
3. **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.*
4. **Consent Calendar:**
 - A. Approval of the Minutes of the Regular Board Meeting, April 16, 2018
 - B. Approval of the Minutes of the Finance & Budget Workshop, April 23, 2018
 - C. Approval of the Finance & Budget Report, April 23, 2018

Director Duncan made a motion, and seconded by Director Lehtonen to adopt the consent calendar as presented. Motion passed 6-0, with Director Stephenson absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency delivered 1112 acre-feet of Table A water to the Noble Creek Connection for the month of April. **(b)** On April 24, DWR announced that it is increasing the allocation of 2018 State Water Project (SWP) water from 20% to 30%. **(c)** General Manager Davis gave an update of the construction that is taking place for the Fiesta Recharge Facility Project.

(2) General Agency Updates: (a) Sites Reservoir: General Manager Davis reported that last week each of the individual applicants for the \$2.7 billion Prop 1 bond money engaged in verbal reviews with the Water Commission staff. On Friday, May 4, the Water Commission announced updated numbers for potential grant monies. Sites Reservoir projected allocated amount was increased from \$933 million to \$1.008 billion. The Water Commission is to finalize the grants in July. **(b) New Water Bond Initiative:** Gerald (Gerry) Meral's water bond initiative was found to be eligible for California's November 2018 ballot. The measure authorizes funds to be designated towards Oroville Reservoir Spillway repairs. There is also a water bond initiative for the June 2018 ballot. **(c) Cooperative Agreement with Regional Water Control Board:** The RWCB agreed to an amendment to our modeling agreement to no longer do modeling every six years, as the modeling results demonstrate that there are no signs of harm to the groundwater basins. Modeling will take place every 10 years, or as needed.

B. General Counsel Report: General Counsel Ferre provided a written report on AB 3045. An act to amend Section 12805 of the Government Code and to add Article 5 to Chapter 2 of Division 1 of the Water Code, relating to water. The bill would place the State Water Project under an independent commission instead of DWR.

C. Directors Reports: (1) President Fenn reported on Beaumont's City Council held on April 17th. An update on Beaumont's waste water treatment plant was provided. Beaumont's sewer rate study was also discussed. Approval was given on its Proposition 218 notice, a sewer rate increase. **(2) Director Duncan** reported on Eastern Municipal Water District & Rancho Water District's school program. **(3) Director Thompson** reported on the Special Water Rate meeting that has held by BCVWD. He also reported on the SGPRWA meeting noting that General Manager Dan Jagers (BCVWD) presented a "tool" pertaining to a regional water need plan. **(4) Director Lehtonen** stated that he too attended the SGPRWA meeting and felt that the tool on the regional water supply was well done. He also stated that BCVWD is working on security strategies for its pond facilities.

6. New Business:

A. Consideration of Resolution 2018-01 – Adopting Guidelines for Implementing California Environmental Quality Act (CEQA): A staff report and a copy of the Resolution were included in the agenda packet. Legal Counsel Jeff Ferre stated that every year local agencies are required to adopt updated local CEQA guidelines. Legal Counsel Ferre explained the need for CEQA guidelines. He noted that there have been some important changes in the law and they have been incorporated into the 2018 Update to the Agency's Local Guidelines. Staff recommends that the Board adopt Resolution 2018-01 to update the Agency's local guidelines for 2018. Director Ball made a motion, seconded by Director Castaldo to adopt Resolution 2018-01. Motion passed 6-0, with Director Stephenson absent.

B. Consideration and Possible Action on Water Exchange between Casitas Municipal Water District, the City of Ventura, and SGPWA: A staff report and a copy of the water exchange agreement were included in the agenda packet. The purpose of this proposed Board action is to approve entering into an agreement for a

water exchange with Casitas MWD and the City of Ventura that would supplement the Agency's water supplies this year. This item has been discussed previously during closed session. General Manager Davis reviewed the terms of the agreement with the Board. Under the terms, at a 30% SWP allocation, the Agency would obtain 4500 AF of water this year for a cost of approximately \$495 per AF plus variable costs. Staff recommended to the Board that they approve a motion as follows:

- Making findings that the exchange of State Water Project Table A Water is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to Water Code section 1729, State CEQA Guidelines sections 15282(u), 15301, and 15061(b)(3) as said findings are further set forth in this staff report.
- Approve the Agreement between San Geronio Pass Water Agency and the City of Buenaventura and Casitas Municipal Water District for the Exchange of 2018 State Water Project Table A Water; substantially in the form as included enclosed with this staff report.
- Authorize the General Manager to sign the Agreement and to make any nonmaterial changes to the final version of the Agreement, subject to review by legal counsel;
- Authorize staff to complete any and all action which may be required to document the CEQA exemption including the filing of a Notice of Exemption; and
- Authorize staff to develop and execute any agreements or documentation which may be required by DWR for this transaction.

Director Thompson made a motion, seconded by President Fenn to approve all five staff recommendations Motion passed 6-0, with Director Stephenson absent.

C. Consideration and Possible Action to Authorize Staff to Open a Payroll Checking Account at Bank of Hemet: A staff report was included in the agenda packet. President Fenn noted that this item was discussed extensively during a previous Finance and Budget workshop. Director Duncan made a motion to approve, seconded by Director Lehtonen. Motion passed 6-0, with Director Stephenson absent.

D. Consideration and Possible Action to Approve a Mutual Aid Agreement with San Bernardino Municipal Water District and Metropolitan Water District: A staff report and a copy of the Agreement for Mutual Assistance were included in the agenda packet. General Manger Davis informed the Board that SBVMWD was recently notified by the San Manuel tribe that they are in the planning phase of making structural changes to the casino, necessitating a relocation of a portion of the Foothill pipeline; the tribe will pay for the relocation. EBX pipeline must be shut down in order to perform this work. General Manager Davis stated that a Mutual Aid Agreement with SBVMWD and Metropolitan would enable the Agency to continue deliveries of SWP water during a Foothill Pipeline shutdown. In addition, signing this agreement will give us the opportunity to help Metropolitan or SBVMWD should they need it, (examples of a shutdown would be due to an earthquake, or a flood, etc.) and in the same respect there may be a time that our Agency would we need their assistance. SBMVWD approved this agreement last week. General Manager Davis reviewed the agreement with the Board. Staff recommends that the Board take the following actions:

- Approve the mutual aid agreement and authorize the General Manager to sign it;
- Authorize the General Manager to sign the Request for Assistance for aid during the relocation; and
- Authorize the General Manager to sign the forthcoming DWR SWPAO agreement enabling the water to flow to the appropriate agencies through the appropriate pipes.

After discussion, Director Ball made a motion, seconded by Director Thompson to approve all three recommendations. Motion passed 6-0, with Director Stephenson absent.

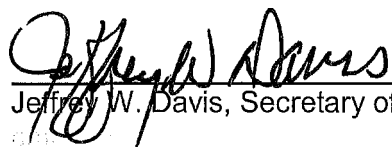
E. Consideration and Possible Action on Letter Opposing AB 3045: A staff report and a copy of Assembly Bill No. 3045 were included in the agenda packet. General Manager Davis noted that this particular item does not fall within the Agency's legislative principles. He explained that in light of the Oroville spillway event last year, Assemblyman Gallagher (Rep) has introduced a bill that would drastically change the management of the State Water Project. The bill was originally intended only to move the Division of Safety of Dams out of the Department of Water Resources and into the Natural Resources Agency. However, the bill has been amended to move the State Water Project out of DWR and under a new commission that would not be set up to represent those who pay for the State Water Project. Staff recommends that the Board authorize the General Manager to sign a letter of opposition to this bill. The letter will likely be signed by a large majority of State Water Contractors, and is being drafted at this moment. Staff will make the letter available to the Board once it is signed. After discussion, Director Castaldo made a motion, seconded by President Fenn to authorize staff to sign a group letter opposing AB No. 3045. Motion passed 6-0, with Director Stephenson absent.

7. Topics for Future Agendas: 1) President Fenn requested a summary of upcoming exchanges to be provided at an upcoming workshop. He also requested that in the future staff is to provide an updated summary when the Agency is engaging in a water deal that is an exchange. 2) Director Thompson would like to know what the contractor's scope of work is, as well as the timeline for the Fiesta project. 3) Director Castaldo asked for discussion on pending issues that need to be done for the Fiesta project; specially fencing.

8. Announcements:

- A. 2018 ACWA Spring Conference May 8 – 11, Sacramento
- B. Engineering Workshop, May 14, 2018 at 1:30 p.m.
- C. Regular Board Meeting, May 21, 2018 at 1:30 p.m.
- D. San Geronio Pass Regional Water Alliance, May 23, 2018, 5:00 pm, Banning City Hall

President Fenn adjourned the meeting at: 2:37 pm



Jeffrey W. Davis, Secretary of the Board