

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA 92223
Minutes of the
Board of Directors Engineering Workshop
November 13, 2018

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

Staff Present: Jeff Davis, General Manager
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 Vice President Duncan at 1:30 p.m., November 13, 2018 in the Agency Board room at 1210 Beaumont Avenue, Beaumont, California. Vice President Duncan led the Pledge of Allegiance to the flag. A quorum was present.

2. Public Comment: There were no members of the public who wished to comment at this time.

3. Presentation on Potential Wheeling Policy and Potential Rate Structure: General Manager Davis presented a short Power Point, copies of which were made available to members of the public. He summarized key points from the water code that discussed wheeling, noting that "fair compensation" is required in any wheeling rate. He summarized wheeling rates for three entities, noting that the rate for Antelope Valley-East Kern Water Agency (AVEK) is most similar to the Agency. He listed various issues that could be covered in a wheeling policy, and asked for direction from the Board. After discussion, there was some consensus that staff should come back to the Board in the near future with a proposed wheeling rate, based on input provided at the meeting, along with a draft policy for discussion. Many board members mentioned setting a wheeling rate that would be relatively low. No time frame was given for bringing this back to the Board, though it was noted that there is some urgency to deal with this as soon as a new water rate is set.

4. Update on SGMA: General Manager Davis updated the Board on where the three GSA's that the Agency is a member of are regarding implementation of SGMA. The Yucaipa GSA is furthest along, having contracted with a consultant to develop a GSP. The San Timoteo GSA is not required to produce a GSP, since it was downgraded in priority by DWR to low priority. The San Gorgonio Pass GSA and the other two GSA's for the San Gorgonio Pass Subbasin has begun work on a website, has set the principles for a cost sharing agreement, and has discussed rules of conduct. It will soon be starting the process of hiring a consultant to develop the GSP.

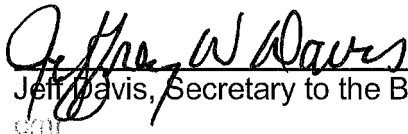
5. Update on Sites Reservoir: General Manager Davis updated the Board on Sites Reservoir, informing Board members that the chief priorities in Phase 2 will be operational certainty and reducing investment risk. He noted that Phase 2 will begin in April 2019, with the Board having to make a final decision on Phase 2 participation by February 15. It is likely that Phase 2 will be funded one year at a time, so the Board would only need to approve funding for 2019. It is expected that total costs for Phase 2 will be as follows: 2019--\$15 million; 2020--\$59 million; 2021--\$145 million; 2022--\$35 million. He informed the Board that he hopes to have more operational information to share with the Board prior to making a decision on participation in Phase 2.

6. Discussion of Fencing Installation for Fiesta Recharge Project: General Manager Davis informed that Board that staff has received quotes for fencing the facility as requested by the Board, but due to the cost (greater than \$50,000), the fencing must be administered as a construction contract, with sealed bids, plans and specifications, bid bonds, performance bonds, etc. He indicated that he is concerned that if the Agency were to pursue this route, it might not receive any competitive bids. He suggested that the Board award a change order to Pro-Craft Construction to install the fence via a subcontractor. This would be consistent with the procurement policy and would save time and probably money as well. He did not have a bid from Pro-Craft at this time but indicated that he expected to have one to bring to the Board next week. The Board did not express any concerns with this approach. General Manager Davis informed that Board that he wanted to let them know of this process before bringing the bid to the Board for consideration. If the bid is too high, staff could always go the other route and request bids.

7. Announcements:

- A. Regular Board Meeting, November 19, 2018 at 1:30 p.m.
- B. Office closed November 22nd and 23rd, 2018 in observance of the Thanksgiving Holiday
- C. Finance and Budget Workshop, November 26, 2018 at 1:30 pm
- D. ACWA Conference in San Diego, November 27th -30th, 2018

8. Adjournment: Vice President Duncan adjourned the meeting at 3:04 pm



Jeff Davis, Secretary to the Board