

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, California 92223
Minutes of the
Board of Directors Meeting
October 17, 2016

Directors Present: John Jeter, President
Bill Dickson, Vice President
Blair Ball, Director
Ron Duncan, Director
David Fenn, Director
Leonard Stephenson, Director

Director(s) Absent: Mary Ann Melleby, Treasurer

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

1. **Call to Order, Flag Salute and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President John Jeter at 7:00 p.m., October 17, 2016 in the Agency Boardroom at 1210 Beaumont Avenue, Beaumont, California. Director Dickson led the Pledge of Allegiance to the flag. A quorum was present.
2. **Adoption and Adjustment of Agenda:** *President Jeter asked if there were any adjustments to the agenda.* There being none the agenda was adopted as published.
3. **Public Comment:** *President Jeter 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, October 3, 2016
 - B. Approval of the Minutes of the Engineering Workshop, October 10, 2016

Director Dickson made a motion, seconded by Director Duncan, to adopt the consent calendar as presented. Director Ball noted that there was a typographical error in the October 3, 2016 Board Minutes - Item 7(2); Minutes will be amended accordingly. Motion passed 6-0-1, with Director Melleby absent.

5. Reports:

A. General Manager's Report:

(1) Operations Report: (a) SWP Water Deliveries: The Agency delivered a total of 745 acre-feet to the Noble Creek Connection, so far this month.

(2) General Agency Updates: (a) New Water Year: The new water year started October 1st. **(b) SWC Operations Committee:** General Manager Davis will attempt to attend the SWC Operations Committee workshop next month. These meetings provide a great deal of information on weather forecasting which is provided by DWR's meteorologists.

B. General Counsel Report: General Counsel Jeff Ferré deferred reporting due to the amount of items on the agenda.

C. Directors Reports: **1) Director Fenn** reported on the BCVWD Board meeting that he attended on October 12th, when its board extended Pardee's Will Serve letters with conditions. One of the conditions is to meet with the Agency's board within 90 days to discuss additional water sources. He shared with the Board that on November 7th Beaumont City Council will be making a decision on what to do with its Sewer Treatment Facility or to accept YVWD's offer to tie into its Wastewater Treatment Facility; he encouraged all board members to attend and voice their opinions. **2) Director Ball** reported on the BCVWD Board meeting, stating that General Manager Davis gave a presentation and it was well received. **3) Director Duncan** reported that he had received a phone call from the Building Industry Association (BIA) asking questions about the availability of water in the city of Banning. Director Duncan referred the representative to Art Vela (City of Banning – Public Works Director), as he had previously announced during a city council meeting that Banning had plenty of water.

6. New Business: (Discussion and Possible Action)

A. Update on Sustainable Groundwater Management Act (SGMA): **1)** A staff report and related materials were included in the agenda packet. General Manager Davis stated that the purpose of this agenda item is to update the Board on staff's efforts to implement SGMA. General Manager Davis stated that Special Attorney Paeter Garcia (Partner - Best Best & Krieger) is an expert in SGMA and very familiar with groundwater law in this area, and is here today to assist in the update. **2)** General Manager Davis reviewed the east (San Gorgonio sub-basin) and west (San Timoteo sub-basin) basins within the Agency's service area that require GSP(s) and GSA(s). Monthly meetings have been taking place for over six months on the San Gorgonio Pass sub-basin; Mr. Garcia has been attending these meetings. An MOU has been drafted and defines the GSAs as BHMWC, City of Banning, Cabazon Water District, High Valleys Water District, Mission Springs Water District, Desert Water Agency, Morongo Band of Mission Indians, and SGPWA. General Manager Davis informed the Board that Morongo Reservation is located in the middle of the basin; SGMA law exempts Native Americans from participating in SGMA. The group is working together to resolve this issue. Mr. Garcia spoke on the cooperation of the Morongo Band of Mission Indians and the uniqueness of this issue. He provided insight on the laws and provisions under SGMA. General Manager Davis reported that Desert Water Agency filed paperwork to become the sole GSA for the portion that is located just to the east of the Agency's boundary. The wording in Desert Water Agency's resolution, adopting its Agency to become the sole GSA, states that they will work with GSA(s) within the Agency's service area. General Manager Davis announced that a GSA Memorandum of Understanding for the San Gorgonio sub-basin will be presented to the Board within the next 60-90 days for discussion and consideration. General Manager Davis informed the Board that Mission Springs Water District filed to be the sole GSA for the one-square mile area of land that is within the Agency's boundaries and has been approved by DWR as of today. Therefore, if any other entity wanted to be part of the GSA for that one-square mile they would have to make that declaration within the next 90 days (by January 17). Mission Springs has said that they had no objection to our Agency also being a part of the GSA for that one-square mile. General Manager Davis will come back to the board in the near future make a recommendation regarding becoming part of the GSA for that one-square mile. **3)** The Agency is working together with YVWD,

BCVWD and possibly the Watermaster to jointly become the GSA for the San Timoteo sub-basin.

B. Discussion of Watermaster Storage Account Conditions: A staff report and a copy of the Beaumont Basin Watermaster Memorandum No. 16-18, were included in the agenda packet. General Manager Davis reported that in March 2016 the Agency submitted an application for a storage account to the Beaumont Basin Watermaster. Due to various reasons the Watermaster did not take any action when the application was being discussed at previous meetings this year. The Agency's application was listed on the Watermaster's October Board Meeting Agenda as a discussion item. General Manager Davis attended the meeting and stated that the Watermaster has concerns and has placed a number of "conditions" for the storage account. The (draft) conditions are listed in the Beaumont Basin Watermaster Memorandum No. 16-18. The Watermaster asked General Manager Davis to present this Memorandum to the Board for review and comments. General Manager Davis reviewed each condition with the Board. After discussion, it was the consensus of the Board to authorize Mr. Garcia to meet with the Watermaster's legal counsel to revise certain portions, before consideration by the Board. .

C. Consideration of Counteroffer from Sites Reservoir JPA regarding Participation in Phase 1: A staff report and a copy of a letter from Sites Reservoir Authority (SRA) regarding the Sites Reservoir Project, Proposal to Participate in the Phase 1 Reservoir Project Agreement were included in the agenda packet. General Manager Davis stated that the Agency had applied to the Sites Reservoir Authority for 14,000 acre-feet of yield, of which the Agency would be responsible for paying for 10,000 acre-feet and BCVWD would be responsible for 4,000 acre-feet of yield. Once all of the applications were received by SRA the outcome is that the yield of the proposed project was over-subscribed. Therefore, the counteroffer made to the Agency by SRA is 7,966 acre-feet of yield as "Class 1" water, with the remaining 6,034 acre-feet offered as "Class 2" water. The Agency can accept SRA's counteroffer or make a counter-counteroffer. General Manager Davis stated that BCVWD also needs to weigh in on any decision making on the counteroffer, since they had agreed to the 4,000 acre-feet. He then gave explanation in detail as to how Class 1 and Class 2 are distinguished. General Manager Davis stated that some kind of an action needs to be taken tonight. After discussion, Director Ball made a motion, seconded by Director Duncan, to accept the counteroffer. Staff is to contact BCVWD to see if they would like to participate to the same degree and same proportions as they had previously indicated. Motion passed 6-0-1, with Director Melleby absent.

7. Topics for Future Agendas: Director Duncan requested an update on the Flume.

8. Announcements

- A. Finance and Budget Workshop, October 24, 2016 at 4:00 p.m.
- B. San Gorgonio Pass Regional Water Alliance, October 26, 2016
 - 1. Business Meeting at 4:30 p.m. – Banning City Hall Conference Room
 - 2. Regular Meeting at 5:30 p.m. – Banning City Hall Conference Room
- C. Regular Board Meeting, November 7, 2016 at **4:00 p.m.**

Director Fenn requested a time change for the November 7th Board meeting from 4:00 to 3:00 p.m., thereby allowing board members to attend the City of Beaumont Council Meeting at 5:00 p.m. on the same date. The council will be deciding what to do about

the City's wastewater treatment facility. After discussion, it was the consensus of the Board to hold the November 7th Board meeting at 3:00 p.m.

Closed Session (1 item)

Time: 8:21 pm

9. A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: APN 311-360-008 and 311-360-009
Agency negotiator: Jeff Davis, General Manager
Negotiating party: Carlo Wilcox
Under negotiation: price and terms of payment

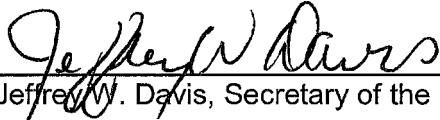
General Counsel Ferre announced that he did not anticipate any reportable action.

The meeting reconvened to open session - Time: 8:35 p.m.

General Counsel Ferre reported that the Board met in Closed Session on item 9, pursuant to Government Code Section 54956.8. There was no action taken during closed session that is reportable under the Brown Act. *President Jeter adjourned the meeting.*

10. Adjournment

Time: 8:36 p.m.



Jeffrey W. Davis, Secretary of the Board