

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS MEETING

MINUTES OF March 11, 2015  
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President  
Melody McDonald, Vice President  
David E. Raley, Director  
Manuel Aranda, Director  
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Jeff Beehler, Land Resources Manager  
Athena Monge, Administrative Services Specialist

GUESTS PRESENT:

Michelle Diamond, Tetra Tech  
Ron Coats, East Valley Water District  
Charles Roberts, Highland Community News

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

### 3. CONSENT CALENDAR

Staff provided the Board with minor editorial revisions to the Board minutes of February 11<sup>th</sup> as a handout. They were reviewed by the Board. Brief Board discussion ensued regarding Expenditure Report.

**It was moved by Director Longville and seconded by Vice President McDonald to approve Consent Calendar Item A: Board Minutes, February 11, 2015 and Item B: Expenditure Report, February 2015. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

### 4. COMMITTEE REPORTS/ACTION ITEMS

#### A. UNAUDITED FINANCIAL REPORTS, FEBRUARY 2015

Mr. Cozad provided the Board with a handout on current projected reserve levels and reviewed with Board. Reserves are allocated according to the current Reserve Policy. The handout projects reserve levels at June 30, 2015 based on February 2015 cash available. Staff is suggesting reporting allocated reserves on a semi-annual basis. Discussion ensued. Mr. Cozad indicated that the Reserve Policy will be brought to the Finance & Administration Committee in April to discuss reserve levels and modify if needed.

**It was moved by Director Aranda and seconded by Director Longville to approve the Unaudited Financials for February 2015. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### B. GROUNDWATER ASSESSMENT PERIOD 43

Mr. Cozad reviewed this item noting that on package page 42 there is a Past Due GW #43 Producers list. The producers listed in green are those producers that the District has talked to that are planning on sending in their payment soon. The producers listed in white are frequent late reporters but are expected to pay. Producer #15 AHD Limited and #16 potentially Barton Development need to be investigated to identify whether or not the wells are operational. Brief discussion ensued. It was the concurrence of the Board to encourage staff to investigate producers 15 and 16.

### C. MILL CREEK DIVERSION ENGINEERING DESIGN AWARD

Staff has received two proposals and performed a field visit with the more cost effective and responsive proposer. Mr. Cozad indicated that staff is requesting the Board authorize the GM to execute a contract not to exceed \$188,037; this amount includes the base design and Option 2 related to permitting support. President Corneille noted that he reviewed the CWE proposal, scope of work and fee, and believes they are in line with the District's needs. He also indicated the Operations Committee will review the design options associated with the Mill Creek and Plunge Creek projects.

**It was moved by Vice President McDonald and seconded by Director Aranda to authorize staff to enter into a standard services agreement with California Watershed Engineering for engineering design work for capital improvement of Mill Creek Diversion not to exceed \$188,037. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

### D. 2015 ENGINEERING INVESTIGATION REPORT

Mr. Cozad provided a PowerPoint presentation for the 2015 Engineering Investigation Report. He noted that Gustavo Gomez, Engineering Intern, performed the majority of the work to develop this year's EI. Robinn Min and Peter Wedell, Engineering/GIS Interns also contributed to its completion. Mr. Cozad noted key factors of this year's EI:

- Precipitation was at 10.6 inches; which is 51% of normal
- Production decreases for agricultural use by 16,925 AF and increased for non-agricultural by 85,358 AF
- 4 key wells rose slightly and the remainder dropped between 2-87 feet
- Basin production was 165,799 AF; which is a loss of 85,368 AF

In depth review of EI continued. Vice President McDonald noted that the maps need to be revised because the indicated freeways are out of date. Staff will make changes to the maps and use them at the April 8<sup>th</sup> public meeting.

- Accumulated Change in Storage in the Bunker Hill Basin is -529,690 AF decrease from 1993
- Groundwater production from the Bunker Hill Basin ended at 165,799 AF; most of the production occurred in the east end of the Basin
- Estimated Annual Change in Storage, -94,727 AF (decrease) based on estimated surface water flows
- The long term average precipitation is about 20 inches and last year the average was 10 inches
- Estimated Annual Change in Storage for Ensuing Water Year is estimated at 1,351 AF (increase) with normal precipitation and up to -90,000 AF with 50% precipitation.

Mr. Cozad said that the EI will be presented to BTAC at the April 6<sup>th</sup> meeting along with the rate setting proposal. He indicated that staff noticed the April 8<sup>th</sup> Public Meeting and April 22<sup>nd</sup> Public Hearing on Groundwater in both the Highland Community News and The Sun as required by statute and indicated that staff believes that no rate increase is necessary for the upcoming fiscal year. The Board commended staff and interns on producing a great report.

**It was moved by Director Aranda and seconded by Director Longville to approve the 2015 Engineering Investigation Report with revisions to Water Elevation maps related to freeway coverage. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### **E. GROUNDWATER ENTERPRISE BUDGET FOR FISCAL YEAR 2015-2016**

Mr. Cozad provided a PowerPoint presented on the Groundwater Enterprise Budget for fiscal year 2015-2016. The projected revenue for 2015-2016 is \$873,295. Mr. Cozad indicated that many of the District's costs are fixed and are similar during dry conditions. Discussion ensued regarding dry versus wet conditions. Dry conditions require the District to spend more on vegetation management but less on water operations. However, it is not anticipated that our costs will go up for 2015-2016. Mr. Cozad reviewed the income and expenses on package page 76-77. He indicated that retained earnings in the groundwater enterprise and CIP reserves will be used for the Mill Creek Redesign and construction. This project will reduce the need for the District to pay for costly repairs and ensure its capability to take water all the time. The amount of water that we will be able to take will remain between 60-100 CFS. Director Raley requested a cost benefit analysis for the Mill Creek Project. President Corneille noted that the Operations Committee will review this project (including costs) and bring back any recommendations to the full Board. President Corneille asked when the District will begin incurring costs for the Wash Plan. Mr. Cozad indicated that it will likely be incurred next year or in the year when the Implementation Agreement is executed. Brief discussion ensued regarding the Wash Plan. Mr. Cozad indicated that there will be no line item in the 2015-2016 budget for the Wash Plan Implementation Agreement.

**It was moved by Vice President McDonald and seconded by Director Aranda to approve the 2015-2016 Draft Groundwater Enterprise Budget and Incorporate into the final annual budget for 2015-2016. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

F. ROV REQUEST FOR RESOLUTION REVOKING THE ALL MAIL BALLOT PROCEDURE

Mr. Cozad introduced this item for discussion. He indicated that the Registrar of Voters (ROV) is interested in placing all special districts on odd year November ballot elections. ROV initially thought an all-mail ballot election would save costs; however they have not seen substantial savings since the change-over. Mr. Cozad said that no specific cost savings have been identified by ROV for the change, but indicated that they expected 10-20%. The majority of special districts will be changing over to a November ballot election; which could leave the District with a large portion of the costs if they did not change as well. Director Longville expressed his discomfort at making this decision with minimal information and a short timeframe. Discussion ensued. Mr. Cozad indicated that specific inquiries were made, but staff was unable to obtain additional information. Mr. Cosgrove stated that the Board may make this change by approving Resolution No. 521 and if the Board desires at a later date can change back. Vice President McDonald asked for District Counsel to review this item and bring back any additional information obtained.

**It was moved by Vice President McDonald and seconded by Director Longville to approve Resolution No. 521 revoking the all-mail ballot procedure and changing to general election ballot and bringing update back to full Board once more information is obtained by District Counsel. The motion carried 4-1 with the majority of Directors present voting in the affirmative and Director Aranda abstaining due to lack of information.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Abstain**

G. ACWA/JPIA CONCURRING NOMINATIONS

Vice President McDonald introduced this item for discussion. She noted that she is in support of all three candidates who requested concurring nominations.

- David T. Hodgin, Scotts Valley Water District
- E.G."Jerry" Gladbach, Castaic Lake Water Agency
- J. Bruce Rupp, Humboldt Bay Municipal Water District

**It was moved by Vice President McDonald and seconded by Director Longville to authorize staff to prepare concurring nomination resolutions for all three incumbents; David Hodgin, E.G. "Jerry" Gladbach and J. Bruce Rupp. The motion carried 5-0 with the all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

## H. CEQA NOTICE OF EXEMPTION FOR MODIFICATIONS OF FACILITIES NEAR NEW GREENSPOT ROAD

Mr. Cozad provided a PowerPoint presentation on this item. The existing entrance gate at our Santa Ana basins to enter or exit onto Greenspot Road is narrow and has become a safety hazard for motorists. Large trucks have to make slower turns and since the expansion of the bridge motorists are increasing speed. Mr. Cozad said that the District along with partners have developed a plan to widen the gate and add new signage to decrease risks to motorists. All agencies are in agreement with proposed plan.

**It was moved by Director Longville and seconded by Vice President McDonald to approve the CEQA Notice of Exemption for Modifications of Facilities near New Greenspot Road. The motion carried 5-0 with the all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

## 5. INFORMATION ITEMS

### A. BOARD COMMITTEE REPORTS-WITHOUT ACTION

There were no committee meetings held during the past month.

### B. WASH PLAN REPORT

Mr. Beehler introduced this item for discussion. The written Wash Plan Report is included in the Board package on page 94 along with Wash Plan financial spreadsheet and federal register. The Wash Plan Task Force meeting was held on March 4<sup>th</sup>. Mr. Beehler noted that staff is complying with the Environmental Species Act (ESA) which requires the following to minimize take on species: avoidance, compensation and minimization of activities. He presented the Board with a brief PowerPoint presentation. Mr. Beehler noted that the avoidance and minimization measures are being developed for inclusion in the Habitat Conservation Plan (HCP). The mapping is complete and being used for phasing to assist in identifying full implementation and endowment costs. The Wash Plan components consist of the HCP, Implementation Agreement (IA), Habitat Management Plan (HMP), and Environmental Impact Report/Environmental Impact Statement. The IA will identify who pays and what responsibilities each entity has; activities cannot be performed until an entity has paid. It is perceived that the IA will be a two-part document: 1) Agreement between the District and stakeholders and 2) Agreement between the District and FWS. Mr. Beehler reviewed the requirements of the HMP; this identifies what activities will be performed within the Wash Plan. He indicated that the costs are estimated to be \$400,000 per year for habitat management, reporting and monitoring. The total endowment cost is estimated to be \$10 million dollars. Mr. Beehler stated that staff has held meetings with both Congressman Cook & Aguilar. The provisions in legislation are 1) remove land withdrawal impeding the land exchange, 2) exchanging specific lands and 3) BLM

"additionally managed" for conservation (permanently conserved for conservation/habitat purposes). Discussion ensued regarding next steps. Director Aranda asked for clarification on the endowment funds. Mr. Cosgrove stated that its part of the IA and once all parties approve it he will draft the agreement including final costs. Mr. Cozad said that it was proposed to the Task Force that the \$10 million endowment be allocated based on two factors, the footprint (number of acres) and impact (value of habitat) for each project. The Task Force concurred with that recommendation and staff will move forward allocating each agency's cost. Staff is working with stakeholders to identify any issues with the costs and answer any questions they may have. We will not have a definitive cost breakout until all parties have general agreement. Staff will bring back additional detail once obtained. This item was received and filed.

#### C. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report is included in the Board package on page 101. He noted that the Highland Trails Day that the District is sponsoring will be held on April 18<sup>th</sup>. A handout of the newspaper advertisement was given to the Board; it includes a Wash Plan logo since this event will be held within its boundaries and the District is sponsoring. Mr. Cozad said that iEfficient has asked the District to contribute \$10,000 for the 2015-2016 campaign; staff is including this in the Outreach budget for 2015-2016. He gave an update on aggregate management. The current monthly recharge report is only about 1950 AF for the year.

#### D. FUTURE AGENDA ITEMS & STAFF TASKS

Vice President McDonald noted the follow-up on the election as previously discussed.

#### 6. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

President Corneille met with Congressman Aguilar where he, Vice President McDonald, and Jeff Beeler gave a presentation on the Wash Plan and the proposed BLM land exchange that require Congressional legislation. He noted that Congressman Aguilar is very knowledgeable about the Wash Plan. h Congressman Aguilar's legislative director, Becky Cornell, who will take the lead in preparing the legislation. President Corneille indicated staff had met with Congressman Cook's staff as well. Mr. Cozad said that legislative support letters will be requested from Task Force for the Wash Plan. President Corneille attended the LAFCO Tof of both Chino Basin Water Conservation District's facilities as well as the District's. He attended the Highland Trails Committee meeting at the City of Highland. President Corneille also attended a Mentone Area Chamber Association meeting. He noted this Saturday is the Sustainability Festival at the University of Redlands which he and Director Aranda will man a District booth. The Highland Citrus Harvest Festival will be held on March 28<sup>th</sup> from 10 am-5 pm; the District will have a booth and he requested help from those directors wishing to participate.

Director Raley attended the Wash Plan Task Force meeting on March 4<sup>th</sup>. He attended the Redlands Rise N Shine; where they are holding an anti-panhandling campaign.

Director Aranda attended the BTAC meeting where they held a presentation on the drought. He attended the USAWRA meeting today at EVWD. Director Aranda attended the CSDA

Professional Development Committee teleconference today. Additional written reports are included in the Board package.

Director Longville made no report.

Vice President McDonald attended the SBVMWD Board meeting on February 17<sup>th</sup> where they adopted the IRWMP. She also attended the ACWA State Legislative Symposium; additional written reports are included in Board package. Vice President McDonald attended a workshop at SBVMWD yesterday afternoon.

7. UPCOMING MEETINGS

There were none discussed.

8. CLOSED SESSION

**It was moved by Director Aranda and seconded by Director Aranda to adjourn to Closed Session. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

General Counsel announced that the meeting will adjourn to closed session under all items posted on the published agenda.

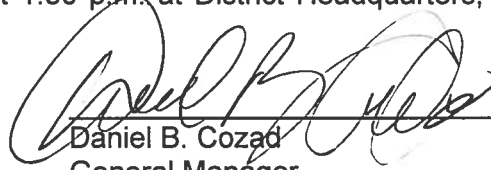
At 4:18 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted while in Closed Session under Government Code section 54957.1 there was no reportable action taken.

9. ADJOURN MEETING

**It was moved by Vice President McDonald and seconded by Director Longville to adjourn. The motion carried 5-0 with all Directors present voting in the affirmative.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

At 4:19 p.m. the meeting adjourned to the next regular Board Meeting/Groundwater Public Meeting scheduled for April 8, 2015 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad  
General Manager