

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING**

**MINUTES OF JULY 14, 2021
1:30 pm**

President McDonald called the Board of Directors' meeting to order at 1:32 pm by teleconference and Zoom meeting; all those in attendance stood for the pledge of allegiance led by Director Longville.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Richard Corneille, Vice President
David E. Raley, Director
Robert Stewart, Director
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker

STAFF PRESENT:

Daniel Cozad, General Manager
Betsy Miller, Land Resources Manager/Assistant General Manager
Erwin Fogerson, Senior Engineer/Project Manager
Katelyn Scholte, Assistant Engineer
Athena Lokelani, Administrative Specialist

GUESTS PRESENT:

T. Milford Harrison, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Adekunle Ojo, San Bernardino Valley Municipal Water District
Heather Dyer, San Bernardino Valley Municipal Water District
David E. Smith, East Valley Water District
Ron Coats, East Valley Water District

1. PUBLIC PARTICIPATION

President McDonald announced that any persons present, who so desired, may make an oral presentation to the Board of Directors. There being none, the meeting continued with the posted agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none discussed.

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

The members of the public made self-introductions.

4. CONSENT CALENDAR

It was moved by Director Longville and seconded by Director Raley to approve the Consent Calendar: Item A: Board Minutes, June 9, 2021; Item B: Expenditure Report, June 2021; and Item C: Board Policy Manual Revisions Resolution No. 589. The motion carried 5-0, with all Board members present voting in the affirmative.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. AD HOC TRAILS COMMITTEE VERBAL REPORT

Mr. Cozad provided a verbal update of the Ad Hoc Trails Committee (Committee) meeting held on June 23. He reviewed the draft Memorandum of Understanding (MOU) points with the Committee. Staff met with the City of Redlands (Redlands) staff to discuss the MOU process and received feedback. The City Council for Redlands will likely agendaize this item in the fall of this year. District Counsel will develop an MOU once all comments are received. Both the City of Redlands and the City of Highland indicated that grant funding may be available for trails. Redlands noted that there are existing parks that they may be able to utilize for parking. Staff will be meeting with the City of Highland again soon. Mr. Fogerson prepared a draft schedule for trail completion, and the Committee approved that schedule. Vice President Corneille asked when the Board can expect the MOU to go to our Board for approval and if San Bernardino County was involved because of the Santa Ana River Trail. Mr. Cozad said that staff hopes to have this item on our Board in September, and noted that staff has not engaged the County for an MOU.

B. AD HOC AUDIT COMMITTEE VERBAL REPORT

President McDonald provided a brief verbal update on the Ad Hoc Audit Committee (Committee) held on July 7. Mr. Cozad said that it was a standard introduction audit meeting. There are several disclosures that the auditor makes to the Board; the auditor will also be reaching out to Board members to provide feedback on specific issues via a form. The in-office audit work will be done the last week in July. President McDonald asked if the Board feedback forms will be emailed. Staff believes that they will be emailed.

C. UNAUDITED FINANCIAL REPORTS, JUNE 2021

Mr. Cozad introduced this item for discussion, noting its inclusion on package page 19. These are the final cash basis financials the Board will receive for FY 2020-2021. The District received higher revenues for both groundwater and mining. The year will end with more revenue than expenses, and the retained earnings will be moved to the reserve line shown near the bottom of the spreadsheet. Staff will present reserve status once the audit has been completed.

It was moved by Director Longville and Director Stewart to approve the Unaudited Financial Reports from June 2021. The motion carried 4-0, with all Board members present voting in the affirmative, with Director Raley noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Yes
Director Raley: Absent
Director Stewart: Yes**

D. REGIONAL PLANNING EFFORTS AND UPDATES

Mr. Cozad noted this item's inclusion on package page 26. He began review of this item via PowerPoint shown on package pages 49 to 70. He reviewed the Salt & Nutrient Management Plan in detail. He indicated that the purpose of the study overall is to give agencies more regulatory flexibility. Mr. Cozad reviewed the Upper Santa Ana River Habitat Conservation Plan. Valley Municipal is working on the response to comments with plans to release a final version in October. He reviewed the Seven Oaks Dam High Flow Study, including the 30% draft construction drawings shown on package page 62. The Exchange Plan agreement is being updated; the updated facilities map is shown on package page 63. Mr. Cosgrove indicated that the new Exchange Plan contract would supersede the original one.

Mr. Cozad provided background on the Water Infrastructure Finance and Innovation Act (WIFIA) funding program as shown on package pages 64 to 70. WIFIA funding is a federal loan process rather than a grant or bond program. Letters of interest for WIFIA funding are due by July 23. Staff reviewed the potential benefits to regional water reliability project on package page 65 and recommended the District join the Upper Santa Ana River Watershed Infrastructure Financing Authority, a Joint Powers Authority (JPA) to support partnerships for cost-effective WIFIA-funded projects. For example, this funding could help finance the Active Recharge Transfer Projects (ARTP) as shown on the map on package page 66 to 67. The JPA agreement is included on package pages 31 to 48.

Vice President Corneille stated that one of his observations was that the City of Redlands was not on the list. Ms. Dyer, General Manager/CEO of Valley Municipal, said that the WIFIA program is built in phases; due to time constraints, this item had to be moved forward rather quickly. She indicated that if the JPA successfully creates this program with the U.S. EPA, we will reach out to all the other partners in the watershed. The framework has now been created, and there will likely be another letter of interest opportunity for those not included in this letter of interest. Ms. Dyer said they are filing an invitation to apply for the JPA, and if they are successful, she envisions it to be a long-lasting program. She indicated that the JPA agreement is barebones and will rely heavily on individual project agreements between the JPA and independent owner/operator of a facility. The JPA is a financing mechanism with no obligation to build the projects included in the letter of interest. President McDonald spoke in support of the WIFIA program. She thanked Valley Municipal for their leadership on this and Conservation District staff for their efforts. Vice President Corneille asked what percentage of funding could be expected from the WIFIA program and asked if an agency can obtain state and federal funding for their projects as well.

Ms. Dyer indicated that the EPA offers 49% funding through the WIFIA program via 1%-2% interest loans and that agencies are allowed to seek and obtain state and federal funding in conjunction with a WIFIA award. Director Longville provided feedback on JPA's and spoke in support of this process. Director Harrison, Valley Municipal, expressed his appreciation for the collaboration and cooperation among our two agencies and said that this is a critical relationship and partnership. After the vote was taken, President McDonald appointed Mr. Cozad as primary representative and Ms. Miller as the alternate for the JPA.

It was moved by Director Raley and seconded by Director Longville to approve Resolution No. 590 supporting the JPA Agreement and joining the Upper Santa Ana River Watershed Infrastructure Financing Authority, including non-substantive changes to finalize the agreement and authorizing the President to complete all paperwork needed to facilitate the action, direct staff to continue supporting the effort and appoint Daniel Cozad as its representative. The motion carried 5-0, with all Board members present voting in the affirmative.

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

6. INFORMATION ITEMS

A. WASH PLAN VERBAL UPDATE

Ms. Miller provided a verbal update. She said that there was a field tour with staff from AECOM, SBVWCD, Regional Quality Control Board, California Department of Fish & Wildlife, and U.S. Army Corps of Engineers to view critical areas in the Wash covered by our permit applications and to discuss the associated jurisdictional delineation. We also held a second field tour with the USGS team working on San Bernardino kangaroo rat (SBKR) monitoring protocols required for Wash Plan implementation. The wildlife agency partners, a Valley Municipal environmental intern, and Bureau of Land Management staff were also in attendance. Mr. Cosgrove provided an update on the land exchange. He indicated that the statement of work for the appraisal was received. The document was sent out on June 23 to five preapproved appraisers. That process closes in approximately a week. This item was received and filed.

B. MENTONE SHOP IMPROVEMENTS STATUS REPORT

This item is included on package page 71. Mr. Fogerson provided a brief update on the Mentone Shop improvements. He said that the staff looked at options for the hoist and will continue the development of the RFP. 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 was included in the Board package on pages 72 through 75. He said that it is dry throughout the watershed, so staff is using this opportunity to perform maintenance. The CalPERS UAL has been paid for FY 2021-2022. There was a field tour with Senator Feinstein's staff and Valley Municipal. The Monthly Recharge Report was included on package page 76. This item was received and filed.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

President McDonald reminded the Board that the ACWA Committee interest forms are due to the Conservation District before the August 11 Board meeting for submission to ACWA by September 30. President McDonald expressed interest in remaining on the Federals Affairs Committee and obtaining a seat on the State Legislative Committee. Vice President Corneille would like to stay on the Groundwater Committee. This will be on the Board agenda for approval at the August 11 meeting.

7. MONTHLY BOARD MEMBER MEETING REPORTS AND/OR BOARD MEMBER COMMENTS

President McDonald appointed Director Stewart and Director Longville to an Ad Hoc Succession and Transition Planning Committee.

Vice President Corneille provided an update on the Valley Municipal Advisory Commission. He indicated that the Advisory Commission was discussed at the Valley Municipal Policy Workshop. He read the function of the Commission from Ordinance No. 77. Vice President Corneille said that the purpose of the Commission, developed in 1987, was to educate and provide outreach to elected officials. He noted that the benefits of the Commission include: 1) Education of elected officials about local, regional and statewide issues and facilities, 2) Input from elected officials of agencies directly affected by and paying for Valley Municipal programs and facilities, 3) Provides maximum consultations with elected officials enhancing transparency, 4) Elected officials provide formal support of Valley Municipal programs. Vice President Corneille spoke in opposition to abolishing the Commission, indicating that it provides value. He asked for Board feedback and stated that there is room for improvement. President McDonald agreed that there had been a lot of projects that the Commission has supported. Director Longville concurs with Vice President Corneille. Director Stewart said that he attends on behalf of Bear Valley Mutual and noted that it provides a high level of transparency. He said that attendance has gone up with the use of Zoom. Director Raley noted that it is a valuable tool and expands constituents' relationships with the cities and other water entities. He indicated there is an opportunity to perform more outreach to increase involvement. President McDonald suggested that the Commission is another level of transparency that helps projects move forward more efficiently. She provided a brief history on the Commission and concurred with the feedback previously received from the Board. She suggested rotation of the chair and changing the time of the meeting. President McDonald expressed her appreciation for Vice President Corneille's leadership on the Commission. Staff was asked to submit the comments above to Valley Municipal. Director Hayes, Valley Municipal, indicated she was concerned that commission member agency staff did not bring information back to Commission members. Director Harrison said that he appreciates Vice President Corneille's report on the meeting. He indicated that he spoke with some of the representatives, and many concurred with changing the time and potentially offering it as a luncheon. He thanked the Board for their comments. Mr. Coats spoke against abolishing the Commission and to the importance of it.

Director Stewart attended the Big Bear Watermaster Committee (BBWM) on July 13 and Sterling Natural Resource Center tour on July 14.

Director Longville made no report.

Vice President Corneille attended the Valley Municipal Policy Workshop on July 8, Redlands Rise N Shine on July 9, and ARTP Policy Committee on July 12. He participated at the Valley Municipal Engineering Committee on July 13.

Director Raley attended Valley Municipal Resources Workshop on June 3, the Valley Municipal Board meeting on July 6, and Ad Hoc Audit Committee on July 7. He attended the Valley Municipal Policy

Workshop on July 8, Valley Municipal Engineering Committee on July 13, and BBWM on July 13. He attended the Ad Hoc Trails Committee meeting on June 23.

President McDonald attended the Valley Municipal Engineering Committee on July 13, the Association of San Bernardino County Special Districts Board meeting on July 12, ACWA State Legislative Committee meeting on July 9, and Valley Municipal Policy Workshop on July 8. She attended the Ad Hoc Audit Committee on July 7, the Valley Municipal Board meeting on July 6, and Valley Municipal Resources Workshop on July 1. She attended the Highland Area Chamber of Commerce breakfast on June 26, Valley Municipal Resources Workshop on June 18, Meeting with General Manager on June 17, and Valley Municipal Policy Workshop on June 10.

8. UPCOMING MEETINGS

There were none discussed.

9. CLOSED SESSION

It was moved by Director Longville and seconded by President Corneille 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 Stewart: Yes**

General Counsel announced that the meeting would adjourn to a closed session under posted agenda items 9-2.

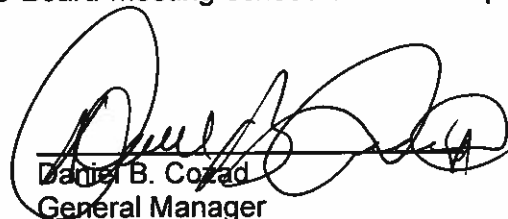
At 3:51 pm, the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

10. ADJOURN MEETING

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

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

At 3:52 pm, the meeting adjourned to the Board meeting scheduled for 1:30 pm on August 11, 2021, location to be determined.


Daniel B. Corrad
General Manager