

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF May 13, 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
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrived at 1: 42 p.m.)

BOARD MEMBERS ABSENT:

Melody McDonald, Vice President

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:

Don Lee, Tetra Tech
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

Mr. Cosgrove noted a minor correction to page 5 of the Board package under Section 4 paragraph 1; the addition of the roman numeral thirteen before "Article C & D".

It was moved by Director Aranda and seconded by Director Raley to approve Consent Calendar Item A: Board Minutes, April 22, 2015; Item B: Budget Workshop Minutes, April 22, 2015 and Item C: Expenditure Report, April 2015. The motion carried 3-0 with all Directors present voting in the affirmative and Directors Longville and McDonald noted absent from the vote.

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, APRIL 2015

It was moved by Director Aranda and seconded by Director Raley to approve the Unaudited Financials for April 2015. The motion carried 3-0 with all Directors present voting in the affirmative and Directors Longville and McDonald noted absent from the vote.

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

B. DISTRICT AND ENTERPRISE BUDGET FOR 2015-2016

This item was taken out of order.

Mr. Cozad introduced this item for discussion. On package pages 27-30 there is a memo noting some of the changes to this year's budget. The full budget spreadsheets are shown on pages 31-33 of the package. A budget workshop was held on April 22nd where staff reviewed the budget in detail with the Board. At the Budget Workshop the Board requested staff increase the budget for 1) Trail Plan Development, 2) Facility Assessment and Improvement and 3) Mentone Shop Facilities and 4.) Community and Conservation Garden Plans. Staff researched the needs to include these additions and prepared handouts summarizing the items requested by the Board. Mr. Cozad indicated that some of the projects listed in the handout will likely take place in 2016-2017. Discussion ensued regarding the summaries of the items. Mr. Cozad said that for the majority of these projects there will be permits and engineering needed; which is why the budget for some items are larger than usual. Regarding the trails plan; staff will continue to work with the cities and have a trail planning consultant continue to perform the analysis and identify next steps. The Santa Ana River crossing requires crossing the WSPA

area; this will interconnect the two trails systems for the Cities of Redlands and Highland. The Corp of Engineers and SBCFCD will review this project and provide feedback to staff. President Corneille thanked staff for the detailed summaries. Director Raley asked for District logos to be placed on any new vehicles the District plans on purchasing. President Corneille indicated that on page 29 under "Significant Budget Elements" that item 1 be removed from the list. Mr. Cosgrove indicated that there is one outstanding invoice for this item, but it should be addressed this fiscal year. President Corneille asked who has not paid this fiscal year for the Wash Plan. Mr. Cozad noted that CEMEX has not paid yet, but a Past Due invoice has been issued. President Corneille noted that the Operations Committee will meet to discuss the Mill Creek Redesign and Plunge Creek project as summarized in the handout; these meetings will be planned around the completion of the conceptual plans developed by the consultants.

It was moved by Director Raley and seconded by Director Aranda to approve the District and Enterprise Budget for fiscal year 2015-2016. The motion carried 4-0 with all Directors present voting in the affirmative and Director McDonald noted absent from the vote.

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

C. MENTONE HOUSE CAPITAL IMPROVEMENTS LANDSCAPING

Mr. Cozad introduced this item for discussion. He indicated that due to the expense of keeping up the landscaping previous tenants often requested a deferment against the water expense. Due to drought and mandatory conservation measures that recently came out staff would like to reduce grass and install water efficient landscaping. Staff recommends \$20,000 be allocated for capital improvements to Mentone House for landscaping. Mr. Cozad will begin negotiations with landscapers upon approval. The three proposals that have been received are: 1) Shubert Landscaping, \$15,970; 2) REVCO Landscape, \$18,305 and 3) David Ollis Landscape Development, \$19,000. Mr. Cozad reviewed landscaping ideas in brief. Director Raley spoke in opposition of allocating \$20,000 for landscaping for the property. Brief discussion ensued. It is estimated that the property is nearly one acre which is why the expenditure is around \$20,000. President Corneille said that the expense will ultimately be offset by the savings the District will receive from the water saved.

It was moved by Director Aranda and seconded by Director Longville to authorize the General Manager to negotiate and execute a contract not to exceed \$20,000 for turf removal and installation of water efficient landscaping for the Mentone property. The motion carried 3-1 with Director Raley dissenting and Directors Corneille, Longville and Aranda in support with Director McDonald noted absent from the vote.

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

Director Raley: No
Director Aranda: Yes

D. CALPERS CONTRIBUTIONS FOR EMPLOYEES

The annual employee contribution is raised 0.5% as done in previous years until it reaches 3.5%. Resolution No. 526 is proposed for adoption and falls in line with existing policy. The resolution is needed to submit to CalPERS any changes related to contributions.

It was moved by Director Aranda and seconded by Director Longville to approve and adopt Resolution No. 526 incorporating an employee share contribution increase to 3% for fiscal year 2015-2016. The motion carried 4-0 with all Directors present voting in the affirmative and Director McDonald noted absent from the vote.

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

E. RESOLUTION FOR ANTHONY "BUTCH" ARAIZA'S RETIREMENT

President Corneille requested that Director Longville be in attendance at the retirement dinner for Butch and participate in the presentation of the resolution. He requested to add a "whereas" related to Butch founding/chairing the Upper Santa Water Resources Association.

It was moved by Director Longville and seconded by Director Aranda to approve Resolution No. 527 in appreciation of Anthony "Butch" Araiza, retiring General Manager of West Valley Water District with minor revision. The motion carried 4-0 with all Directors present voting in the affirmative and Director McDonald noted absent from the vote.

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

F. MCC EQUIPMENT RENTAL (MUNOZ) MATERIALS PROCESSING LICENSE

Mr. Cozad introduced this item for discussion. MCC Equipment Rental subsidiary of Munoz Construction has been performing work for the City of Redlands on pipelines and streets and has an access permit to take sand from Mill Creek and use it as backfill. They have approached the District and requested permission to crush aggregate on District property. The District has not allowed crushing in Mill Creek because of its proximity to a residential area. The Borrow Pit has been used before for crushing so the District suggested they could crush there. The standard language is included in Board Package for review. Mr. Cosgrove noted that licensing fees are on package page 57; it indicates \$500 per month occupancy fee and \$1 per ton sold.

It was moved by Director Aranda and seconded by Director Raley to authorize the General Manager to execute a Material Processing License under standard terms with MCC Equipment Rental to process and remove 15,000 tons at \$1 per ton royalty for up to one year and \$500 per month occupancy fee. The motion carried 4-0 with all Directors present voting in the affirmative and Director McDonald noted absent from the vote.

President Corneille: Yes
Vice President McDonald: Absent
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 54 along with letter from Jericho systems related to jurisdictional determination, HCP Executive Summary and Wash Plan financial spreadsheet. A Task Force meeting was held on Friday, May 8th to review and discuss the Wash Plan. The FWS was asked to perform a formal review on the HCP. The summaries of estimated costs for HCP implementation are included in Table S-6 of Executive Summary, \$388,768. Regarding the jurisdictional determination, Mr. Beehler said that the District went through a process where they formally notified the USCOE that district facilities do not contain waters of the US. The USCOE came back with their own determination after analyzing data and performing a site visit and stated that the District facilities do contain waters of the US. Therefore additional permitting will be required for construction of water conservation facilities; a 404 permit will be required to perform operations and maintenance on SAR side. Discussion ensued. Mr. Beehler noted that the District held a tour with the Center for Biological Diversity primarily focused on habitat management. Staff has been working with Bonadiman Engineers related to the BLM land transfer as well as working with Mr. Cosgrove regarding legislation. 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 64. Staff performed a field tour with Assemblyman Steinorth. Testing of District basin facilities which was reconstructed by DWR's contractor was completed; one of the basins leaked and so DWR's contractor performed work to repair the leak. Additional basins were unable to be tested because we did not have enough water. Field work has been performed for the Mill Creek Redesign; the consultant is working on the conceptual design. LAFCO has

released an internal review draft of their report. Staff performed a preliminary review and most of the comments from the District were incorporated into report. Mr. Cosgrove noted that the organic authority and latent powers were not incorporated in the final report. Staff identified that the draft includes two errors 1) the Plunge Creek project was included but erroneously noted as a SBVMWD project instead of a District project and 2) they listed all of the agencies who do not comply with the AB2040 and listed the District; however the District does comply with the annual disclosure of salaries. LAFCO was forwarded these corrections with supporting documentation. The final report should be released by the end of the week and the hearing will be held May 20th. April's monthly recharge report is 3,580 AF for the current water year. These items were received and filed.

D. WELL IMPACTS DUE TO DROUGHT STUDY

On package page 69 there is a summary of retail agency well rehabilitation cost estimates. They are an estimated \$12,700,000; three of the agency's costs were estimated by SBVMWD. Agencies are trying to obtain grant funding due to the high cost. Staff will update the Board when new information becomes available. President Corneille said that it is a huge cost to retail agencies to lower the equipment to the wells/to drill deeper.

E. GOVERNOR'S EXECUTIVE ORDER ON MANDATORY CONSERVATION UPDATE

Mr. Cozad stated that the BTAC Communication Committee and Water Conservation Committee are going through their process of reviewing the Governor's Executive Order and working together to develop a combined PowerPoint that will be used by all entities. On May 5th the State Board approved the regulations that will be going into effect. The first reporting on these will be in June and first assessment will be done in July.

F. FUTURE AGENDA ITEMS & STAFF TASKS

There were none discussed.

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

Director Raley attended the Redlands Rise N Shine meeting. Director Raley asked if the primary and alternate cannot attend their assigned meetings that an alternate be appointed in their place.

Director Aranda attended the ACWA Spring Conference and attended various workshops. The main focus of these were the drought and mandatory regulations. Additional written reports are included in the Board package.

Director Longville attended a meeting where UC Riverside discussed putting a compilation of the late Congressman Brown's information related to the Salton Sea on display. He suggested that water districts become more involved with Southern California Association of Governments (SCAG). He believes they need more input on water policy. He attended the recent meeting and spoke at the function. There is currently no broad level water agency involved with SCAG.

President Corneille attended the ACWA Spring Conference and ACWA Groundwater Committee. The ACWA Groundwater Committee spoke a lot about Sustainable Groundwater Management Act (SGMA). There was a session on the recently published California Headwaters Framework and copies handout. He also attended a session on the additional water storage projects. President Corneille attended the Mentone Area Community Association meeting regarding the community garden. He attended a public steering committee and provided a handout on the Redlands Centennial Park. He informed the committee about the Wash Plan and provided them a handout of the covered activities. The goal of the committee is to create a scenic vista area overlooking the Santa Ana River Wash with educational features. President Corneille will monitor this project and advise of any area where District involvement is requested. He also attended the Wash Plan Task Force meeting. Additional written reports are included in Board package.

7. UPCOMING MEETINGS

There were none discussed.

8. ADJOURN MEETING

It was moved by Director Aranda and seconded by Director Longville to adjourn. The motion carried 4-0 with all Directors present voting in the affirmative.

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

At 3:03 p.m. the meeting adjourned to the next regular Board Meeting scheduled for June 10, 2015 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager