

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF December 09, 2015
9:30 A.M.

President Corneille called the Board Meeting of the Board of Directors to order at 9:43 a.m. All present stood for a moment of silence to remember the victims and families of the San Bernardino terrorist attack, followed by the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President (Arrived at 9:45 A.M.)
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrived at 9:49 A.M.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP (Arrived at 11:15 A.M.)

STAFF PRESENT:

Daniel Cozad, General Manager
Jeff Beehler, Land Resources Manager
Angie Quiroga, Administrative Services Specialist

GUESTS PRESENT:

Michelle Diamond, Tetra Tech, Inc.

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. OATH OF OFFICE

Daniel Cozad administered the Oath of Office to the newly appointed officials: President Corneille and Director Aranda.

4. ELECTION OF OFFICERS

President Corneille opened nominations for President for a two year term through December 2017. Vice President McDonald thanked President Corneille for his leadership and attentiveness to the District.

It was moved by Vice President McDonald to nominate President Corneille for President. There being no other nominations the President closed the nominations and called for voting on the office of President. The vote was recorded 4-0 in favor, with President Corneille abstaining from the vote.

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

President Corneille opened nominations for Vice President for a two year term through December 2017. He thanked Vice President McDonald for her service to and representation of the District. Vice President McDonald stated she is grateful for every member of the Board and the way they carry themselves and represent the District.

It was moved by President Corneille to nominate Vice President McDonald for Vice President. There being no other nominations the President closed the nominations and called for voting on the office of Vice President. The vote was recorded 4-0 in favor, with Vice President McDonald abstaining from the vote.

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

5. CONSENT CALENDAR (Taken out of order.)

It was moved by Director Aranda and seconded by Vice President McDonald to approve all Consent Calendar Items, A: Board Minutes, November 10, 2015 and Item B: Expenditure Report, November 2015. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

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

6. COMMITTEE REPORTS/ACTION ITEMS

A. **UNAUDITED FINANCIAL REPORTS, NOVEMBER 2015 (Taken out of order.)**

Daniel Cozad introduced this item noting the District is at its low cash point for the year having made contributions to District reserves and being almost to the January Groundwater charge payments time. All revenue sources exceed District costs and all enterprises are on budget. Director Aranda asked whether the District would receive more in its investments if the federal government were to increase interest rates. Mr. Cozad responded that it is possible, but not assured.

It was moved by Director Aranda and seconded by Director Raley to approve the Unaudited Financials for November 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. **APPROVAL OF DISTRICT QUARTERLY FINANCIAL REPORT**

Vice President McDonald stated the Finance and Administration Committee had their quarterly meeting and she is pleased with where the District is financially. The Board Policy Manual was discussed at the Committee meeting and there were no recommended changes at this time. The only anomaly is that the District budgeted for CEMEX to pay their Wash Plan contribution in this fiscal year, but because arbitration was resolved with them in the last fiscal year, they paid last year. Because CEMEX paid early, it will show as under-budgeted this year.

It was moved by Director Longville and seconded by Director Aranda to approve the District Quarterly Financial Report. 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

C. **APPROVAL OF DISTRICT 2016 MEETING DATES**

President Corneille stated that he will not be at the March 9th Board meeting as he will be out of the country.

It was moved by Director Aranda and seconded by Vice President McDonald to approve the District 2016 Meeting Dates. 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. GROUNDWATER SUSTAINABILITY COUNCIL DEVELOPMENT MEMORANDUM OF UNDERSTANDING

Mr. Cozad presented this item, indicating to the Board that the Groundwater Sustainability Council (GSC) participants held a meeting on November 17th, 2015. The City of Loma Linda and Riverside-Highland water Company had both approved the MOU. Mr. Cozad attended the SBVMWD's workshop on December 8, 2015, where the MOU was discussed. The MOU states that all parties will work together to develop a framework agreement to enable the implementation of the Sustainable Groundwater Management Act (SGMA) on matters such as governance, organization, and how it fits in with the BTAC. Everyone at the November 17th meeting agreed to take the MOU to their Board and recommend approval to develop it. Mr. Cozad noted the MOU requires implementation by the year 2018 and that it syncs up with the requirements for the Sustainable Groundwater Management Act (SGMA). President Corneille stated the framework should be done by the end of 2016 and implemented by 2018. President Corneille also noted the mention of a technical advisory committee in MOU paragraph (1) of item 2(a) and asked whether this committee would be the BTAC. Mr. Cozad responded it is possible but it is still too early to be certain. The sensitivity that was expressed at the SBVMWD workshop was to ensure the District is not creating another layer of government to make it more difficult for the public to participate in how decisions are made. It is intended to be a management level committee with all decisions returning to each agency's Board of Directors. The intent is to have the Boards maintain control of their financial contributions and have it be a collaborative group that utilizes managers to coordinate and negotiate. Mr. Cozad explained the idea is to have one council and subcommittees for the different groundwater basins. Some basins are adjudicated and others are not, so they will have different levels of SGMA implementation required. The District is in an area that is adjudicated, but is asking for legislation to allow the basin to opt into some parts of SGMA such as funding availability and the ability to collect funding even if entities do not participate in the GSC. The GSC Framework Agreement would spread costs for recharge over a larger basis and have everyone pay a share if they are taking water out. Mr. Cozad stated the District is looking forward to everyone's feedback from the various Boards and what that feedback says to how the Framework Agreement is organized. President Corneille noted there are several Riverside County entities that have groundwater rights within the District's basin and asked whether the cut off was the county line or the basin itself, and what Riverside is doing in respect to SGMA. Mr. Cozad responded the basis of the Framework Agreement will be similar to the SGMA basis, and changes to the groundwater basins boundary maps are being done in order to facilitate that. The Agreement covers the groundwater basin, irrespective of the county line, and the parties intended to be a part of the Agreement are those that utilize the basin, regardless of where the

water goes. Vice President McDonald expressed that she feels the MOU is falling into place quite well. President Corneille requested for Mr. Cozad to provide a fifteen minute presentation of SGMA at a future Board meeting. Director Raley asked how golf course owners will be represented. Mr. Cozad responded there is an industrial or commercial use plan if they are using groundwater. President Corneille requested for either regular monthly or quarterly updates from Mr. Cozad on the progress of preparing the Framework Agreement.

It was moved by Director Raley and seconded by Vice President McDonald to approve the District entering into an MOU for the development of a Groundwater Sustainability Council Framework Agreement. 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. TRAILS PLAN CONSULTANT SELECTION AND AUTHORIZATION

President Corneille recused himself and removed himself from the room due to a potential conflict of interest, as he was formerly a CDM employee, has an on-call consulting agreement with CDM, and owns stock in CDM Smith. Jeff Beehler summarized the Trails Plan, explaining that the Board's request to move the trail process forward was one of the District's priorities last year. The District did a preliminary trails plan that was staff generated and was approved by the Board. The next step is to expand the plan to meet state and local requirements and make it more grant-fundable, as well as meet the request of USFWS and CDFW to protect resources because the District is building trails through habitat management areas. The San Bernardino County Parks Department helped with providing the names of firms that have worked within the trails area to which the District sent out Request for Proposals (RFP) to 20 firms. There were only two respondents. Mr. Beehler noted that the CDM Smith proposal stood out because they included close coordination with resource agencies in developing management plans. Director Longville requested a brief closed session, based upon a potential exposure to litigation and requested the Board to determine the need to take action in closed session arose after the posting of the agenda.

It was moved by Director Aranda and seconded by Director Longville to enter into a closed session. The vote was recorded 4-0 in favor, with President Corneille having recused himself from the vote/room.

Board entered into a closed session at 10:37 A.M. under Government Code section 54956.9(d)(2) and (3), and (e) (1).

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

Director Raley: Yes
Director Aranda: Yes

At 10:40 A.M. the Board re-convened into Open Session. The Board took no reportable action under Government Code 54957.1 while in closed session.

Director Raley noted that the Redlands City Council recently voted for their trails program and asked how this will interact with the District's Trails Plan. Mr. Cozad responded that the City of Redlands added trails closer to downtown and the Redlands Conservancy is working on part of the Emerald Necklace which will connect into Mentone and eventually connect to the Santa Ana River Trail, so it is very complimentary.

It was moved by Director Raley and seconded by Director Longville to approve the General Manager to enter into an agreement with CDM Smith, not to exceed \$50,000. The motion was recorded 4-0 in favor, with President Corneille having excused himself from the vote/room.

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

F. SELECTION OF INVESTMENT MANAGEMENT SERVICES PROVIDER

President Corneille reentered the Board room. Mr. Cozad presented this item, explaining that there was a hybrid selection committee for the procurement of the investment management services provider. Often times, staff reviews and selects proposals and in this case the Finance and Administration Committee was asked to participate with staff on the review of this procurement, with David Raley representing the Committee at Chairman McDonald's request. Of the eight proposals received, three firms were selected for interviews ending with a clear number one choice. Mr. Cozad stated that the requested action is to authorize the general manager to execute an agreement with PFM Financial Services. Director Raley explained the District may or may not use PFM for District funds, dependent on a District review of how PFM handles the Wash Plan funds. President Corneille asked whether PFM will proceed immediately in developing a financial plan, even before the District receives approval of the HCP and EIR. Mr. Cozad responded that it will probably take place in two phases, and that for the phase with the Wash Plan endowment funds will wait for development efforts. Mr. Cozad added that the cost with PFM Financial Services is a percentage with a minimum of approximately \$15,000. Director Raley stated he believed the fees were reasonable.

It was moved by Director Raley and seconded by Vice President McDonald to approve the General Manager executing an agreement with PFM Financial Services. 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

G. DISTRICT RECORDS DESTRUCTION

Mr. Cozad clarified that Bank Deposit slips are currently marked as permanent retention documents, even though they are no longer generated, and the separated employee personnel files are to be kept for seven years rather than four years listed in the memo. If motion approved, the Board will not include the destruction of Bank Deposit Slips and approving destruction of Separated Employee Personnel Files through the year 2008 rather than through 2011.

It was moved by Director Longville and seconded by Director Aranda to approve the destruction of listed District records, with recommended changes. 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

7. INFORMATION ITEMS

A. GENERAL MANAGER'S REPORT

Mr. Cozad provided the Board with a Press Enterprise article regarding dumped paint on District property and explained that a \$1,000 reward is being offered for any information leading to the capture of the culprits. There were approximately 1,300 cans dumped, resulting in about a \$5,000 clean-up cost to the District. The District also shared the story out to the media and on social networks. Mr. Cozad stated that a Facebook page was created for the District about a month ago, and the post regarding the paint dumping was viewed 1,225 times by the following morning. Mr. Beehler noted the incident is also under investigation by the CDFW due to its proximity to a wildlife habitat and that the District's rapid response has not gone unnoticed by them. Mr. Cozad added the dumping was only 25 feet from Mill Creek, but had fortunately not contaminated any water. Boulders will be placed to block further entry to the land and a new gate will be provided by Soffel Farms. Mr. Cozad then provided the Board with a priorities spreadsheet and noted the completed items, including the Sphere of Influence determination by LAFCO and Phase One for the Trails Plan. The East Branch extension will also be marked complete because all of its land disturbance elements are now complete. Additional items will be brought back in January 2016 for Board consideration Director Longville thanked Mr. Cozad for the QWEL program progress. Director Aranda asked Mr. Cozad on the status of the Wash Plan Land Transfer bill. Mr. Cozad responded that the bill is currently at the Natural Resources Subcommittee and likely will be worked on next year and get picked up by one of a number of omnibus bills. Director Raley asked if there is an estimated completion date for the Plunge Creek project. Mr. Cozad responded the District is waiting for hydrology to help in the design

and that the January 2016 timeframe may have to be updated because resource agency comments still need to come in.

B. MONTHLY RECHARGE REPORT

No discussion on this item.

C. WASH PLAN REPORT

Mr. Beehler presented this item and referred to his written report. He stated the Wash Plan Task Force has completed their work on the HCP. There are 250 comments on the HCP document from the USFWS solicitor but they have not yet been transmitted to the District. The District is positive that all of their concerns have been addressed. There was some review of the Implementation Agreement (IA) by the USFWS Solicitor, but not as extensive as the review of the HCP, and the District is addressing the IA issues in the HCP with a lot of David Cosgrove's work being pulled into the HCP as well. Mr. Beehler noted the four issues listed in the written report are the largest. President Corneille asked whether CDFW will have additional requests or comments. Mr. Beehler responded that CDFW would not comment further until there has been a notice in the Federal Register.

D. FUTURE AGENDA ITEMS & STAFF TASKS

President Corneille stated that District needs to discuss director compensation and potential withholdings in January 2016. A memo has been written by legal counsel, David Cosgrove, and it can be provided to anyone who requests it. SGMA will also be discussed in the January Board meeting and along with setting priorities for 2016.

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

Director Raley attended the Redlands Chamber of Commerce Rise N Shine meeting but there was nothing significant to report. He has been accepted into the 2016 CSDA Audit Committee.

Director Aranda stated that all of his reports are included in the Board packet. He attended the ACWA Conference.

Vice President McDonald attended the ACWA Conference as well as a BTAC meeting. Bob Tincher gave a presentation on the BTAC Advisory Committee Regional Water Management Plan. In the SBVMWD November 17th Board meeting they considered SAWPA's budget as well as design engineering construction services. Vice President McDonald brought seminar packets back for the Board regarding ergonomics, JPIA, and leadership. The District was recognized for two awards from ACWA/JPIA in Workers' Compensation and Liability.

Director Longville stated he had nothing to report.

President Corneille attended the ACWA conference. He stated the mandated water conservation regulations will be modified or refined, but will probably not be finalized in April 2016, when the Statewide water status is known. President Corneille handed out a letter to the

editor of the Redlands Daily Facts he wrote discussing the positive aspects of El Niño, along with all of the District's efforts, and it was published on November 25th, 2015 with the title "Looking Forward to El Niño." President Corneille sent a similar letter to Charles Roberts at Highland Community News.

9. UPCOMING MEETINGS

There were no upcoming meetings discussed. Director Longville requested to go back into a brief closed session, on the same grounds as previously stated. The Board entered into a closed session at 11:32 A.M, under Government Code section 54956.9(d)(2) and (3) and (e)(1).

It was moved by Director Longville and seconded by Director Aranda to enter into a 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**

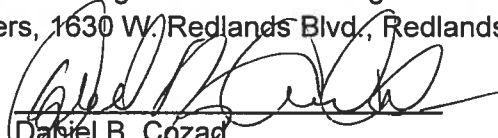
10. ADJOURN MEETING

The Board took no reportable action under Government Code 54957.1 while in closed session.

It was moved by Vice President McDonald and seconded by Director Raley 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 11:40 a.m. the meeting adjourned to the next regular Board Meeting scheduled for January 13, 2016 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.


Daniel B. Cozad
General Manager