



GROUNDWATER PUBLIC HEARING/BOARD OF DIRECTORS

MEETING AGENDA

Wednesday, April 22, 2015 – 1:30 p.m.

Location--1630 West Redlands Boulevard, Suite A, Redlands, California

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. ADDITIONS/DELETIONS TO AGENDA

Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

**3. PUBLIC HEARING RELATED TO ADOPTION OF GROUNDWATER CHARGE
- 10 minutes**

Article 1, Section 75560 of the California Water Code requires that a Water Conservation District that proposes to levy a groundwater charge "...shall annually cause to be made an engineering investigation and report upon groundwater conditions of the District." District staff will present the annual Bunker Hill Engineering Investigation Report and review the Groundwater Replenishment Program annual budget. District staff is recommending to the groundwater charge of \$3.23 per acre-foot for groundwater production for agricultural production use remain and the non-agricultural production use to \$11.62, for the production period of July 1, 2014 to June 30, 2015 remain unchanged for fiscal year 2015-2016. The purpose of the groundwater charge is to fund the District's continuing groundwater replenishment efforts. District staff will present any written comments received and the board will hear oral comments.

- *Open Public Hearing*
 - *Receive Public Comments or Testimony*
 - *Close Public Hearing*
 - *Consider Adoption of Resolution No. 520*4
4. **CONSENT CALENDAR**
- A. Approval of Board Minutes, April 8, 2015 9
5. **COMMITTEE REPORTS /ACTION ITEMS**

Finance & Administration Committee Reports

- A. THIRD QUARTER FINANCIALS FOR 2014-2015– 5 minutes (M#1334) 15
Presenter: Melody McDonald, Chair of Finance & Administration Committee
Recommendation: The Finance & Administration Committee (Committee) recommend the Board review the Quarterly Financial Reports and receive and file the reports as presented at the April 15th Committee meeting.
- B. RESERVE POLICY REVISIONS AND TARGET LEVELS– 5 minutes (M#1335) 17
Presenter: Melody McDonald, Chair of Finance & Administration Committee
Recommendation: The Finance & Administration Committee recommends that the Board review 2014-2015 reserve levels and consider approval of the revisions to the Reserve Policy and target levels.

Other Board Actions

- C. ANNUAL DISCLOSURE OF REIMBURSEMENTS FOR 2013-2014 - 5 minutes (M#1336)..... 25
Presenter: Daniel Cozad
Recommendation: Receive and file the annual disclosure of reimbursements report as required by statute for fiscal year 2013-2014.
- D. AD HOC COMMITTEE APPOINTMENTS - 5 minutes
Presenter: President Corneille
Recommendation: President Corneille will appoint an Ad Hoc Committee for the General Manager’s Evaluation and another for the Audit.

6. **INFORMATION ITEMS:**

- A. Board Committee Reports Without Action – 5 Minutes
- B. General Manager’s Report (verbal update)– 5 Minutes
- C. Well Impacts Due to Drought Study (verbal update) – 2 Minutes
- D. Governor’s Executive Order 28
- E. Future Agenda Items & Staff Tasks

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

8. **UPCOMING MEETINGS:**

- A. May 1, 2015 ACWA State Legislative Committee, 10:00 a.m. in Sacramento
- B. May 5, 2015 San Bernardino Valley Municipal Water District Board Meeting, 2:30 p.m. at Valley District
- C. May 5-8, 2015 ACWA Spring Conference in Sacramento
- D. May 19, 2015 San Bernardino Valley Municipal Water District Board Meeting, 2:30 p.m. at Valley District
- E. May 19-20, 2015 CSDA Legislative Days, Sacramento
- F. May 20, 2015 LAFCO Meeting, 9:00 a.m. at LAFCO Office
- G. May 25, 2015 Office Closed in Observance of Memorial Day
- H. May 26, 2015 Highland Area Chamber of Commerce State of the Community Luncheon, 11:30 a.m.

9. **CLOSED SESSION**

- A. The Board may convene in Closed Session under Government Code section 54956.8, to discuss real property negotiations, relating to lease terms on portions of property located in the Santa Ana River Wash, and depicted as “Cemex” in Figure 3.7 of the Final Environmental Impact Report for the Upper Santa Ana Wash Land Management and Habitat Conservation Plan, with CEMEX Construction Materials Pacific, LLC. Daniel B. Cozad and David B. Cosgrove are the negotiators for the District. Bryan Forgey, Scott Hess and Christine Jones are the negotiators for CEMEX.
- B. Under authority of Government Code section 54956.9 (d) (4), the Board may meet in Closed Session to decide whether to initiate litigation.

10. **ADJOURN MEETING. The Board Budget Workshop will convene immediately after the meeting** and the next regular Board meeting will be on May 13, 2015 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

RESOLUTION NO. 520

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION
DISTRICT ESTABLISHING A GROUNDWATER CHARGE ON THE PRODUCTION OF
GROUNDWATER WITHIN DISTRICT BOUNDARIES, AND MAKING CERTAIN
FINDINGS RELATIVE THERETO**

WHEREAS, California Water Code, Division 21, Part 9 provides authority for the San Bernardino Valley Water Conservation District to consider and impose a groundwater charge on groundwater production within the District; and

WHEREAS, the California Legislature has found, in Water Code Section 75521, that such groundwater charges are in furtherance of District activities in the protection and augmentation of water supplies for users, which are necessary for the public health, welfare and safety; and

WHEREAS, Water Code Section 75523 allows for the use of proceeds from a groundwater charge for any District purposes, which may be authorized by law; and

WHEREAS, The District has presented a budget showing the needs and uses of the Groundwater Charge for 2015-2016 water year; and

WHEREAS, at the regular meeting of the Board of Directors on March 11, 2015, the District accepted an engineering investigation report, prepared by District Staff with the assistance of the agencies in the basin under the direction of Daniel Cozad, General Manager relating to groundwater conditions in the Bunker Hill Basin underlying the District boundaries; and

WHEREAS, the Engineering Investigation and preliminary Groundwater Enterprise Budget and rate options were presented to the Basin Technical Advisory Commission on April 6, 2015; and

WHEREAS, the State Legislature enacted the Groundwater Sustainability Act in 2014, and the BTAC and Basin Producers have proposed a Groundwater Sustainability Council with an alternative approach to paying groundwater producers requisite costs in an alternative manner under agreement; and

WHEREAS, the District provided mailed notice to all groundwater producers within its District boundaries of a public meeting held on April 8, 2015, and a public hearing held on April 22, 2015, inviting all groundwater producers and all persons interested in the condition of groundwater or surface water supplies of the District to appear and submit evidence, and inviting all water producers to examine the engineering investigation report; and

WHEREAS, the Board of Directors has conducted a public meeting on April 8, 2015, and a public hearing on April 22, 2015, and has received comment and evidence submitted by the public at such hearing; and

WHEREAS, the Board has considered the engineering investigation report, and considered all comments and evidence presented to it at the public meetings and hearing; and

WHEREAS, the District has made available by wide distribution a Groundwater Enterprise Budget identifying the estimated use of the Groundwater Charge proceeds which will be subsequently incorporated in the District budget; and

WHEREAS, the District's ad valorem tax revenues are limited and the District has experienced a decrease in revenues from interest on reserves, which is expected to remain at a low rate; and

WHEREAS, on the basis of all evidence presented, including the engineering investigation and report and such public comment, the Board has determined that it is appropriate and in the best interests of the District and all those water users who rely, directly or indirectly, on the District's services, to levy a groundwater charge as further provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT AS FOLLOWS:

Section 1. As required by Water Code Section 75574, the Board hereby makes the following findings:

- A. Annual Change in Storage in those portions of the Bunker Hill Basin lying within the District's boundaries ("Bunker Hill Basin" herein), Fall 2013 to Fall 2014, is a decrease of -85,368 acre-feet or more.

- B. Accumulated Change in Storage in the Bunker Hill Basin as of the Last Day of the Preceding Water Year (using 1993 as base year) is -529,690 acre-feet or more.
- C. Total Groundwater Production from the Bunker Hill Basin from the Preceding Water Year July 1, 2013 to June 30, 2014 is 165,799 acre-feet.
- D. Estimate of the Annual Change in Storage for the Current Water Year (July 1, 2014 to June 30, 2015) in the Bunker Hill Basin is -94,727 acre-feet or more.
- E. Estimate of the Annual Change in Storage for the Ensuing Water Year (July 1, 2015 to June 30, 2016) in the Bunker Hill Basin is 1,351 acre-feet.
- F. Average Annual Change in Storage for the Immediate Past Ten Water Years in the Bunker Hill Basin is -9,141 acre-feet or more.
- G. Estimated Amount of Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2015 to June 30, 2016) is 16,925 acre-feet.
- H. Estimated Amount of Other-than-Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2015 to June 30, 2016) is 85,358 acre-feet.
- I. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2015 - June 30, 2016) within the Bunker Hill Basin is 69,424 acre-feet.
- J. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2015 - June 30, 2016) for the District is 56,419 acre-feet.
- K. The Amount of Water which is Necessary for the Replenishment of the Groundwater Supplies of the Bunker Hill Basin to maintain constant groundwater supplies for the Ensuing Water Year (July 1, 2015 to June 30, 2016) is 144,158 acre-feet.
- L. The Amount of Water which is Necessary from all sources, including natural recharge to bring the basin back to its "full" condition of 1993 is 529,690 acre-feet.

Section 2. The Board of Directors hereby finds that the entire District constitutes a single zone of benefit for the imposition of this charge. The basis for this finding is that the entire portion of the basin underlying the District boundary is fed by the same naturally occurring surface flows. Although the basin may be divided into various subparts, because of hydrogeologic conditions these areas are interconnected, and water recharged by the District from its existing recharge facilities contributes to underground "flows" which eventually reach other subparts of the basin. Thus, the District's recharge inures to the benefit of users in other areas by enhancing the availability of water supplies throughout the basin. In addition, the District maintains both the availability of surface water flows for groundwater recharge, and the facilities for accommodating the recharge, whether by the District or by other parties pursuant to collaborative regional groundwater management efforts.

Section 3. The Board finds that there is no past accumulation of the amount of water necessary to be replaced in the intake areas of the groundwater basins within the District to prevent the landward movement of salt water into the fresh groundwater body, or to prevent subsidence of the land within the District, either in the past water year or the proceeding 10 years, nor is there likely to be any amount of water necessary for these purposes in the ensuing water year. The Board further finds that the District is not obligated by contract to purchase any water. The Board also finds that further recharge of the basin is required based upon the findings related to change in storage stated in Section 1 above, to prevent depletion or degradation to the basin's groundwater supplies, to enhance both the availability and accessibility of such supplies, and to replenish, augment, and protect such supplies, and that the proceeds of the groundwater charge established hereon shall be used for such purposes.

Section 4. The Board of Directors hereby levies, assesses and affixes a groundwater charge in the amount of \$3.23 per acre-foot for agricultural water (§75508), and in the amount of \$11.62 per acre-foot for non-agricultural water the latter being 3.59 times the agricultural rate. The comparative difference in rates is consistent with Water Code Section 75594 whose constitutionality was recently upheld in the published opinion in *City of San Buenaventura v. United Water Conservation District*, Second Appellate District, Division Six, Case No. B251810. Further, the amount of non-agricultural production in the District is approximately five times that of agricultural production, based upon findings Nos. 1(G) and (H) above, which is within the Water Code section 75594 legislated differential in rates based upon the type of use, and is also therefore proportional to the benefit of the District's groundwater recharge activities to the different types of users. Late charges on delinquent accounts will be 1% interest per month in accordance with Water Code §75615 et set. and any additional actual costs to collect delinquent amounts not paid by February 1, 2016 and August 1, 2016. Deposit or prepayment of production costs may be made by written agreement with the District. Direct production of water for agricultural use on Golf Courses by the owners of the course will be set at a rate equal to the Agricultural rate, in accordance with California Water Code §75592 and § 75594. Exemptions: Notwithstanding the foregoing, for producers

who can demonstrate either (1) that their production for the water year is restricted to basic, personal residential use limited to the property on which the applicable groundwater production facility is based; or (2) that their production for the water year is restricted to agricultural use limited to the property on which the applicable groundwater production facility is based, and total cumulative production for the applicable producer within the District is not in excess of two (2) acre feet over the course of the water year; such production shall be exempted from the groundwater charge provided the producer documents its exemption prior to bi-annual collection of the groundwater charge. In establishing this exemption, the Board finds that the likely revenues to be derived from the groundwater production subject to the exemption is outweighed by the administrative burdens in administering and collecting the charge. The District General manager is authorized to waive late fees with explanation and request from payees or if the cost of recovery outweighs the fee to be collected.

Additionally, in accordance with the Groundwater Sustainability Act the groundwater producers and regional managers in the basin have proposed a Groundwater Sustainability Council or similar organizational structure that may provide funding for the procurement of additional import water and support the percolation of water for the groundwater basin. The District is mindful that such process, and the funding mechanisms it may generate, may result in overlap with the District's existing groundwater charge, and the District has committed that it will work to assure that basin producers do not face duplicative charges. Pending approval and funding of the Groundwater Sustainability Council, however, and identification of its funding sources, the District's groundwater charge remains necessary to fund the items identified in the District's Groundwater Enterprise Budget.

Section 5. In connection with fixing the groundwater charge as set forth in Section 4 above, the Board of Directors makes the following findings:

- A. There is a current conflict in the law regarding whether the District's groundwater charge is a "property-related charge" for purposes of determining the applicability of Article XIID of the California Constitution. (See, e.g., *Great Oaks Water Company v. Santa Clara Valley Water District*, South Appellate District, Case No. H035260; *City of San Buenaventura v. United Water Conservation District*, Second Appellate District, Division Six, Case No. B251810.) The District believes that its charge likely is not a "property-related charge," based on the findings regarding the charge recited below, but in acknowledging the uncertainty of the law on this point, has endeavored to comport with all procedural requirements attendant to a water-related, property-related charge under Article XIID.
- B. The groundwater charge is imposed upon the action of extraction of groundwater from the basin underlying the District's boundaries, and not on property or groundwater extraction facilities as such. The groundwater charge will be incurred by groundwater producers through their voluntary action of groundwater production. The groundwater charge is not one for water delivery by the District to groundwater extractors, but rather relates to the District's service of maintaining groundwater supplies, recharge facilities, and management of both for groundwater extractors within the District. The District maintains no pipes, canals or other facilities directly connecting District facilities to the groundwater extractors' property or pumping facilities. In addition, parties subject to the groundwater charge are predominantly either public or private entities involved in the business of providing water, or persons or entities involved in irrigation, for agricultural-related activities, and for uses of water exceeding what would be required for basic residential use of the property.
- C. The District has provided notice of the proposal for imposition of the groundwater charge through a number of different avenues. Mailed notice was provided to all operators reflected on the District's records as containing active groundwater production facilities within the District. In addition, published notice was provided in the San Bernardino Sun on March 6th, March 14, and March 21, 2015 and in the Highland Community News on March 6, March 13 and March 20, 2015. All such notices identified the prior and proposed existing rate for agricultural and non-agricultural water, the estimated total revenue to be collected from the charge, and the time and place for public hearing at a public meeting at which parties objecting to the charge could appear and be heard. That notice also reflected the rate and method of calculation for this consumption-based charge, which provided notice of the basis of the charge.
- D. The proposed groundwater charges, and engineering investigation prepared by the District, were reviewed at a public meeting held April 8, 2015, and a public hearing held April 22, 2015. In addition, the engineering investigation prepared by the District was presented to and reviewed with the Board of Directors at a public meeting on March 11, 2015, and was presented to the Basin Technical Advisory Commission on April 6, 2015.
- E. The groundwater charge is being levied to assist in offsetting the costs of the District's Groundwater Enterprise in providing groundwater supplies, groundwater recharge facilities, and recharge management and administration for the benefit of groundwater producers within the District. The Groundwater Enterprise Budget includes, but is not limited to, funding the following:
 1. Making available the District's Santa Ana River water rights, in an amount no less than 10,400 acres per feet per year, for recharge into the Bunker Hill Basin;

2. Conducting groundwater recharge activities by diverting both Santa Ana River and Mill Creek water supplies into District's recharge facilities;
 3. Applying the District's experience and expertise in directing groundwater recharge effectively and efficiently, administering the physical recharge of groundwater both directly for the District and its water supplies, and recharging on behalf of other entities, including exchanges under the Santa Ana River/Mill Creek Cooperative Water Project Agreement;
 4. Maintaining and operating the District's diversion works, recharge basins and canals to insure the availability of sufficient infrastructure to accommodate needed groundwater recharge; and defense and protection of the District's water rights and manner of operations;
 5. Pursuing various environmental permits and related permissions to continue the maintenance and operation of the District's Facilities for the future
 6. Investigation and implementation of improvements to groundwater recharge infrastructure;
 7. Reporting to groundwater producers and other interested parties of groundwater recharge activities and conditions, including but not limited to the daily flow report;
 8. Conducting engineering analyses, such as the District's annual engineering investigation, designed to provide information regarding the District's groundwater basin and groundwater recharge facilities; and
 9. Administrative support, training and overhead for all the above-listed activities.
- F. The total amount of estimated revenues from the groundwater charge is estimated at approximately \$897,482 based on production reported for the 2013-2014 water year. These revenues do not fully recover expected cost and will not exceed the costs of providing the services as detailed above, in that the District's Groundwater Enterprise Budget for fiscal year 2015-2016 proposes \$1,084,843.
- G. The amount of groundwater charge paid by each individual payor will not exceed the benefit of the Conservation District's services to such parties, because the structure of the groundwater charge is such that the amount paid varies in direct proportion to the amount of groundwater supplies extracted, and therefore is proportional to the benefit each individual payor receives from the District's services.
- H. The District's services are immediately available to all parties subject to the charge, because the charge is limited to those extracting groundwater, and therefore able to take advantage of the District's services relative to groundwater recharge activities, facilities, and programs.
- I. The District's services are directed toward groundwater production and extractors, and are not generally available to parties not involved with groundwater extraction, as are other general governmental services such as police, fire, library, or other broad governmental services. The District's service is directed toward, and of benefit to, parties utilizing and extracting groundwater in the District.

Section 6. District staff is directed to prepare a report at the end of the water year for which the charge levied herein is imposed, detailing the revenues collected from the groundwater charge, and describing the purposes and expenses to which such revenues were applied toward the services detailed in Section 5(D) above.

Section 7. The Board of Directors further finds that the groundwater charge adopted herein is statutorily exempt from CEQA under Title 14, California Code of Regulations Sections 15273, 15301, and 15306. The action contemplated herein constitutes a structuring and establishment of a charge which will be used in part for meeting operating expenses and for purchasing or leasing equipment and materials. To the extent the groundwater charge revenues will be applied to groundwater testing, these activities fit within Title 14, California Code of Regulations Section 15306. Such activities involve the occasional taking of groundwater samples by means of temporary equipment, which will not cause any alteration to the land, and consist solely of information gathering. To the extent any portion of the funds is directed to maintenance, operation, or repair of existing facilities, involving no or negligible expansion of existing uses, these activities fit within Title 14, California Code of Regulations Section 15301. To the extent any portion of the funds is directed to construction or establishment of new facilities, environmental review of such facilities will occur at such time those facilities are proposed, and the nature, location, scope, and function of such potential future facilities becomes known. Under each of the above-referenced exemptions, therefore, the Board of Directors finds that the levy and implementation of the groundwater charge is therefore properly exempt from CEQA.

Section 8. The General Manager is hereby authorized and directed to provide notice to operators of the levy of the groundwater charge, as provided for in Water Code Section 75610.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors this 22nd day of April 2015, by the following roll-call vote:

YES: DIRECTORS:
NO: DIRECTORS:
ABSTAIN: DIRECTORS:
ABSENT: DIRECTORS:

ATTEST:

Richard Corneille, President

Daniel Cozad, Secretary

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
PUBLIC MEETING ON GROUNDWATER and BOARD OF DIRECTORS MEETING

MINUTES OF April 8, 2015
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:32 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 (1:33 p.m. Arrival)
Manuel Aranda, Director
John Longville, Director (1:37 p.m. Arrival)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

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

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 no additions or deletions.

3. PUBLIC MEETING RELATED TO ADOPTION OF GROUNDWATER CHARGE

President Corneille opened the Public Meeting on the Groundwater Charge for comment. Mr. Cozad presented a PowerPoint presentation on the 2014 Engineering Investigation Report as Jeff Beehler did at the April 6th BTAC meeting. He indicated that staff had proposed no rate increase to the groundwater charge for the coming year. Director Longville expressed his concern that forgoing a small increase could cause a larger groundwater charge in future years. Mr. Cozad indicated that costs have been low and production high the last couple of years therefore he does not believe an increase is currently warranted. Mr. Cosgrove explained the legal issues related to rate setting and that an increase need not be implemented this year. Additionally, he indicated that there are two pending court cases related to Prop 218 which need further review by counsel. Brief discussion ensued. Having received no comments prior to the public meeting and hearing no public comments, President Corneille closed the public meeting. Mr. Cosgrove indicated that the groundwater resolution will be brought to the April 22nd Public Hearing on the Groundwater Charge for review and consideration of adoption.

4. CONSENT CALENDAR

It was moved by Director Longville and seconded by Vice President McDonald to approve Consent Calendar Items A-Board Minutes, March 11, 2015, Item B-Board Minutes, March 25, 2015, Item C-Expenditure Report, March 2015 and Item D-GWA #43 Report and Investigation List. The motion carried with all directors present voting in the affirmative.

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

5. ACTION ITEMS

A. UNAUDITED FINANCIALS, MARCH 2015

It was moved by Director Aranda and seconded by Vice President McDonald to approve the Unaudited Financials for March 2015. The motion carried 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. CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS

It was moved by Vice President McDonald and seconded by Director Raley to authorize staff to prepare a resolution for concurring nomination for Jo McKenzie of Vista Irrigation District for a position

on the CSDA Board of Directors. The motion carried 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. REQUEST FOR PROPOSALS FOR INVESTMENT OF DISTRICT FUNDS

Mr. Cozad introduced this item for discussion. The Finance & Administration Committee met in January to discuss options for long term investments. It was discussed that the District could potentially ladder certificates of deposits. Staff is requesting further direction from the Board as to whether or not they are interested in seeking proposals for District Reserve funds only or Wash Plan Endowment funds as well; as the District will be responsible for endowment funds. Director Raley indicated that the larger the portfolio the less cost per dollar invested and greater yield. Therefore he recommended requesting proposals for investing both for the District and the Wash Plan reserved funds. Brief discussion ensued. Vice President McDonald recommended contacting JPIA and obtaining their investment organization information. Mr. Cozad said that he will check with other agencies to see who they recommend as well. It was the consensus of the Board to obtain proposals for investing funds for District reserves and Wash Plan Endowment fund.

6. INFORMATION ITEMS

A. BOARD COMMITTEE REPORTS

There were none discussed.

B. WASH PLAN REPORT

Mr. Beehler introduced this item for discussion. The written Wash Plan Report is included in the Board package on page 56. Mr. Beehler noted that the District held two public scoping meetings on March 18th which were well attended. DWR and MWD have indicated that they have pipelines within the Wash Plan area that may need to be covered. Staff met with FWS and identified a way to include them in the Plan without amendment. Additionally, staff held a meeting April 7th related to habitat since that was what most of the public had questions or concerns regarding. There was only one member of the public present at that meeting who indicated that he is willing to submit a letter of support to the District. Staff has been working on rewriting the implementation of the Wash Plan so that it may move forward in two separate pieces. Mr. Beehler met with Congressman Cook's staff regarding legislation and they will be going to conference committee in a couple of weeks with our legislation. They requested letters of support from Wash Plan partners. The EIR/EIS are moving forward. BLM requested staff review our cultural report. Staff is reworking reports which should be out early May. Discussion ensued. Mr. Cosgrove asked if outreach was done to speak with Senator Feinstein. Mr. Beehler is working with Congressman Cook and Aguilar's staff regarding legislation. It was recommend that staff follow-up with Senator Feinstein. Director Raley attended both the

scoping meeting and habitat meeting and commended Mr. Beehler and consultants on their efforts. 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 57. Field staff captured approximately 60 acre feet at up to 250 CFS of water released from EBX2 pipeline. He mentioned that the District will be co-sponsoring the Highland Trails Days on April 18th from 8:00 a.m. to 10:30 a.m. and provided a handout of a map to location. LAFCO comments were prepared regarding draft MSR report and submitted to LAFCO. A joint letter from the District, East Valley Water District and San Bernardino Valley Municipal Water District was sent in as well echoing the District's letter. Mr. Cozad handed out the governor's executive order; regulations regarding the 25% statewide reduction. This is scheduled to go into effect the first week of May if approved by the State Board. Mr. Cozad said that he would like to inform the private groundwater producers of these new regulations. President Corneille requested that staff analyze the proposed regulations and identify a way to assist our producers with understanding and following them. The Big Bear Watermaster report was filed with the court. Mr. Cozad noted that April 18th and 19th will be a Redlands Horticultural Society tour. The monthly recharge report was provided as a handout. These items were received and filed.

D. FUTURE AGENDA ITEMS & STAFF TASKS

President Corneille requested that the District have a table at the Highland Trails Day, April 18th and provide information on the Wash Plan and the District. He asked other directors to attend as well. Additionally, he requested follow-up regarding the governor's executive order at the next Board meeting. Vice President McDonald noted that there will be a conference call on the drought for those interested.

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

Director Longville attended the Harvest Citrus Festival in Highland.

Vice President McDonald attended the Harvest Citrus Festival. She attended BTAC and SBVMWD Board meeting. Additional written reports for meetings she attended are in Board package.

Director Raley attended the Harvest Citrus Festival. He requested that he be registered for the upcoming ASBCSD Dinner meeting on April 20th.

Director Aranda attended the Citrus Harvest Festival, Sustainability Festival, SBVMWD Board Meeting and BTAC meeting. He also presented at the Loma Linda Chamber. Additional written reports are included in the Board package.

President Corneille setup and manned the District's display at the Sustainability Festival held at the University of Redlands, and the Citrus Harvest Festival. He acknowledged the help of Director Aranda in preparing materials for the display and engineering intern Peter Wedell for his help all day at the Citrus Harvest Festival. He also chaired the Advisory Commission meeting on March 12th. He indicated that the Mr. Cozad presented at the Advisory Commission on the Groundwater Sustainability Act and the Groundwater Sustainability Council (GSC). The

Commission voted unanimously to support the concept of the GSC. President Corneille provided a handout of the support letter of the GSC to the Valley Board from the Advisory Commission. He attended the IERCD Board meeting today and thanked them for their partnership and presented on the Wash Plan.

President Corneille and Director Aranda submitted travel requests for the 2015 ACWA Spring Conference.

It was moved by Vice President McDonald and seconded by Director Longville to approve President Corneille's travel request in the amount of \$2,027 and Director Aranda's travel request in the amount of \$2,558 for their attendance at the upcoming ACWA Spring Conference. The motion carried with all directors present voting in the affirmative.

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

8. UPCOMING MEETINGS

President Corneille indicated that the LAFCO hearing has been rescheduled to May 20th. The Board of Directors meeting for November 11th was rescheduled to November 10th at 1:30 p.m. due to the conflict with the District's observance of Veteran's Day.

9. CLOSED SESSION

It was moved by Director Aranda and seconded by Vice President to adjourn to Closed Session. The motion carried 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 4:31 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.

10. ADJOURN MEETING

It was moved by Director Longville and seconded by Director Aranda to adjourn. The motion carried 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 4:32 p.m. the meeting adjourned to the Board Workshop immediately following this meeting and the next regular Board Meeting/Public Hearing on Groundwater scheduled for April 22, 2015 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1334

To: Board of Directors

From: Finance & Administration Committee & General Manager, Daniel Cozad

Date: April 22, 2015

Subject: Third Quarter Financial Report Review for 2014-2015

RECOMMENDATION

The Finance & Administration Committee (Committee) recommend the Board review the Quarterly Financial Reports and receive and file the reports as presented at the April 15th Committee meeting.

FISCAL IMPACT

None.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

3rd Quarter		Approved 2014-2015 Budget	Expended/ Received to Date as of 3/31/2015	Expected Remaining Costs/Revenue	Projected Annual Costs (7/1/14- 6/30/15)	Projected Over/Unde r Budget	Notes	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE		REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE		LAND RESOURCE		WASH PLAN	
GL ACCT:	GL DESCRIPTION:							2014 BUDGET:	% BUDGET	BASIS:	2014 BUDGET:	% BUDGET	2014 BUDGET:	% BUDGET	2014 BUDGET:	% BUDGET	2014 BUDGET:	% BUDGET
Budget 2014-2015																		
INCOME:																		
4012-13	INTEREST INCOME	86,200.00	33,847.95	24,352.05	58,200.00	-28,000.00	reduced by bond loss	86,200.00	100.00%		0.00		0.00		0.00		0.00	
4021-23	GROUNDWATER	873,295.00	973,293.19	1,500.00	974,000.00	100,705.00	Drought pumping	0.00			873,295.00		0.00		0.00		0.00	
4031-34	MINING	492,333.33	358,833.35	133,499.98	492,333.33	0.00		0.00			0.00		0.00		492,333.33		0.00	
4036,40,80	MISCELLANEOUS	95,000.00	126,780.83	13,219.17	140,000.00	45,000.00	Rock Processing may reduce	18,750.00	19.74%		30,000.00	31.58%	0.00	0.00%	46,250.00	48.68%	0.00	
4050	PROPERTY TAX	76,000.00	58,084.99	17,915.01	76,000.00	0.00		76,000.00	100.00%	Assessor \$70K + \$6K RDA	0.00		0.00		0.00		0.00	
4055	SBVMWD LEASE AGREEMENT	359,017.33	360,931.90	0.00	360,931.90	1,914.57	Actual Payment with CPI	179,508.67	50.00%	General and Reserve	161,557.80	45.00%	0.00		17,950.87	5.00%	0.00	
4062-66	RENTALS	204,902.33	157,763.06	39,105.53	196,868.59	-8,033.74	loss of tenant/repairs	0.00			0.00		204,902.33	100.00%	0.00		0.00	
4025	WASH PLAN REVENUE	404,700.00	258,054.85	146,645.15	404,700.00	0.00	CEMEX Payment Uncertain	0.00		Per Wash Plan Agreement	0.00		0.00		0.00		404,700.00	100.00%
4086	PLUNGE CREEK IRWMP	200,000.00	0.00	200,000.00	200,000.00	0.00	Uncertain due to changes	9,000.00	4.50%	Per Plunge Creek Budget	0.00		0.00		191,000.00	95.50%	0.00	
	TOTAL INCOME:	2,791,447.99	2,327,590.12	576,236.89	2,903,033.82	111,585.83		369,458.67			1,064,852.80		204,902.33		747,534.20		404,700.00	
EXPENSES:																		
5000	MISCELLANEOUS	5,345.83	238.96	5,345.83	5,584.79	238.96		5,345.83			0.00		0.00		0.00		0.00	
5100	PROFESSIONAL SERVICES	549,237.77	198,013.16	331,375.95	529,389.11	-19,848.66	Projected lower	123,341.11	22.46%		110,369.33	20.10%	15,522.78	2.83%	299,999.55	54.62%	0.00	0.00%
5120	MISC. PROFESSIONAL SERVICES	150,000.00	103,014.42	30,477.68	133,492.10	-16,507.90	Projected lower	66,500.00	44.33%	Trails and recharge	4,400.00	2.93%	0.00	0.00%	79,095.00	52.73%	0.00	
5122	WASH PLAN PROFESSIONAL SERVICES	544,533.00	164,962.58	279,570.42	444,533.00	-100,000.00	2015-16 Rollover	0.00	0.00%		0.00	0.00%	0.00	0.00%	33,033.00	6.07%	511,500.00	93.93%
52-53	FIELD OPERATIONS:	80,458.00	17,394.54	63,063.46	80,458.00	0.00		0.00			71,958.00		0.00		8,500.00		0.00	
5400	UTILITIES:	34,960.00	15,218.05	9,401.95	24,620.00	-10,340.00		15,680.00			10,864.00		6,875.00		1,541.00		0.00	
6000	GENERAL ADMINISTRATION:	221,032.45	127,475.21	79,416.65	206,891.86	-14,140.59		94,075.22			38,373.29		57,883.10		30,700.84		0.00	
6100	BENEFITS:	307,040.46	184,732.53	122,307.93	307,040.46	0.00		49,310.70			187,429.78		18,790.88		54,898.83		48,156.23	
6200	SALARIES:	640,775.82	402,918.59	234,736.94	637,655.53	-3,120.29		116,107.92	16.06%	Overhead Offset 20%	387,670.77	50.87%	32,783.94	5.10%	118,322.45	14.90%	90,824.31	13.07%
6300	INSURANCE:	32,633.30	38,441.65	0.00	38,441.65	5,808.35	actual above budget	1,631.67		Labor Total	24,474.98		4,895.00		1,631.67		0.00	
6400	DIRECTOR'S EXPENSES:	107,275.37	66,852.60	40,422.77	99,275.37	-8,000.00		107,275.37		Board Total	0.00		0.00		0.00		0.00	
6500	ADMINISTRATIVE/STAFF EXPENSES:	14,605.91	5,364.18	6,274.63	11,638.81	-2,967.10		6,425.66			5,553.07		0.00		2,627.18		0.00	
9999	Contribution toward Capital Maint.	421,038.87	0.00	421,038.87	421,038.87	0.00		6,185.99		See Below in 7000 series	208,755.00		23,798.38		182,299.50		0.00	
8010	Capital Reserve GWE/Rate Stabilization	20,000.00	0.00	20,000.00	20,000.00	0.00		0.00	0.00%		20,000.00	100.00%	0.00		0.00		0.00	
	TOTAL EXPENSES:	2,978,936.78	1,221,612.05	1,612,955.40	2,834,567.45	-152,369.33		525,379.46			1,065,448.21		160,549.07		733,554.03		650,480.54	
	Operating Revenue	2,791,447.99			2,903,033.82			369,458.67			1,064,852.80		204,902.33		747,534.20		404,700.00	
	NET OPERATING REVENUE	-187,488.79			68,466.37			-155,920.80			-595.41		44,353.26		13,980.17		-245,780.54	
	OVERHEAD							156,479.53										
	NET GENERAL FUND ANNUAL							558.73										
CONSTRUCTION CAPITAL COSTS:																		
7010	MATERIALS	7,725.00	0.00	7,500.00	7,500.00	-225.00		0.00			7,725.00	100.00%	0.00		0.00		0.00	
7050	BASINS -CAPITAL ANNUAL REPAIRS	75,000.00	3,198.00	30,000.00	33,198.00	-41,802.00	reduced rain	0.00			75,000.00	100.00%	0.00		0.00		0.00	
	3 year Maintenance		0.00	0.00	0.00	0.00		0.00			0.00	100.00%	0.00		0.00		0.00	
7055	PLUNGE CREEK PROJECT LOCAL MATCH	120,000.00	0.00	20,000.00	20,000.00	-100,000.00	behind schedule	0.00		This may be in 1 or more FY	0.00		0.00		120,000.00	100.00%	0.00	
	LAND & BUILDINGS		0.00	0.00	0.00	0.00		0.00										
7100	CAPITAL REPAIRS	60,298.38	29,959.48	21,000.00	50,959.48	-9,338.90		0.00	0.00%		26,000.00	43.12%	23,798.38	39.47%	10,499.50	17.41%	0.00	0.00%
7200	EQUIPMENT & VEHICLES	49,475.99	47,897.31	4,530.49	52,427.80	2,951.81		6,185.99	12.50%		41,490.00	83.86%	0.00	0.00%	1,800.00	3.64%	0.00	0.00%
	PROFESSIONAL SERVICES:	0.00	0.00	0.00	0.00	0.00		0.00										
7150	MILL CREEK MAINTENANCE PERMITTING	50,000.00	40,000.00	10,000.00	50,000.00	0.00		0.00			0.00		0.00		50,000.00	100.00%	0.00	
7438	ENGINEERING SERVICES-OTHER	80,000.00	0.00	30,000.00	30,000.00	-50,000.00	Slower start	0.00			80,000.00	100.00%	0.00		0.00	0.00%	0.00	
	CAPITAL EXPENSE	442,499.37	121,054.79	123,030.49	244,319.33	-198,180.04		6,185.99			230,215.00	6.91	23,798.38	1.40	182,299.50	2.59	0.00	
	CAPITAL REVENUE	421,038.87						6,185.99			208,755.00		23,798.38		182,299.50		0.00	
	CAPITAL SUBTOTAL ANNUAL NET	-21,460.50						0.00			-21,460.00		0.00		0.00		0.00	
	RESERVE CONTRIBUTION OR (-USE)	-208,949.29						558.73			-22,055.41		44,353.26		13,980.17		-245,780.54	

TOTAL EXPENSES:	3,000,397.28	1,342,666.84	1,735,985.89	2,657,847.91	-350,549.37			531,565.45	0.00	0.00	1,295,663.21	6.91	184,347.45	1.40	915,853.53	2.59	650,480.54	
Projected Revenue	2,791,447.99	2,327,590.12	576,236.89	2,903,033.82	111,585.83			369,458.67	0.00	0.00	1,064,852.80	0.00	204,902.33	0.00	747,534.20	0.00	404,700.00	
Revenue Minus Expenses	208,949.29	984,923.28		-245,185.91	462,135.20			162,106.79										
Overhead Charged Out								156,479.53										



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Memorandum No. 1335

To: Board of Directors

From: Finance & Administration Committee/General Manager, Daniel Cozad

Date: April 22, 2015

Subject: Reserve Policy Revisions and Target Levels for 2014-2015

RECOMMENDATION

The Finance & Administration Committee recommends that the Board review 2014-2015 reserve levels and consider approval of the revisions to the Reserve Policy and target levels.

BACKGROUND

At the close of the 2013-2014 year staff allocated fixed assets and depreciation by enterprise and posted end of year enterprise balances for 2013-2014 fiscal year. These values were shown in the Approved Budget. The Board requested information on reserve levels at the mid-year financial review. Staff provided and estimate based on the existing policy. After presentation some Directors has questions and suggestions on changes to the policy.

DISCUSSION

Staff has added clarifying language which specifically lines out the need for project funds to have segregated requirements within the Reserve Policy. This language is included under 2) Operating Funds and Levels. Additionally staff and the Committee recommended including a compensated absence reserve for sick and vacation time earned but unpaid. Staff also attached the spreadsheet summarizing target level for each reserve for 2014-2015. The basis of these target levels are spelled out for each reserve. Several reserve funds have significant capital and or project costs expected in 2015-2016 budget year:

1. Wash Plan Reserve – Remaining funding will be used for Wash Plan Project, most funds have been paid with the exception of CEMEX so the project will be using prior year funding.
2. Groundwater Recharge Reserve and Capital Improvement Reserve have two active projects: Mill Creek Diversion Improvement and Plunge Creek Conservation program, which require about \$400,000 in the 2015-2016 budget.
3. CalPERS is set to release actuarial information for unfunded liability for retirement benefits in summer 2015 and District policy has been to retire these debts if fiscally responsible to do so.

A redline/strikeout version of the policy is attached to this letter. Other minor non-substantive updates were made to the policy.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

FISCAL IMPACT

The allocation of reserves based on policy does not affect the overall financial status of the District. The changes to the reserve policy do not have direct fiscal impacts because they are primarily funded from one time revenue and budget savings. The development and funding of appropriate reserve levels from available cash in the short term and managing with reduced costs in the long term will maintain and build fiscal health for the enterprises. The clarity and transparency achieved by the system is believed to outweigh the small increase in transactional costs required for the implementation of enterprise and reserve policies.

San Bernardino Valley Water Conservation District Policy

Policy Number 0001

Date: Revised ~~4/11/2015~~ 4/22/15

Policy Name: District and Enterprise Reserve Policy

History: **Adopted** 1/2011 revised 4/15/2013, revised 9/11/13, revised 11/19/14, revised 4/22/15

Application: All SBVWCD Employees, Board Members, Enterprises, Partners and Financial Advisors

GENERAL POLICY:

SBVWCD desires to better document and communicate its reserve policy to identify the necessity, purpose, development and use of District General and Enterprise reserves.

Additionally the District needs to: 1) document a calculation methodology and/or maintained level of reserves for all existing and future needs within the agency where reserve funds are required and/or necessary; 2) allocate and separate fund excesses for similar use, restrict transfer without Board Approval. The policy addresses the following:

Consideration on the establishment and development/continuation of a reserve fund will be decided based on the following criteria:

- Purpose and need for the reserve fund;
- Availability and source of funds to continue, replenish or establish the reserve;
- Operating expenditures approved by annual budgets or Groundwater Charge processes;
- Current and future emergency repairs, capital expenditures and debt service requirements;
- Board approval or changes to the reserve policy.

SBVWCD recognizes the importance of operating an agency or company with sound reserve levels in place that provides for unanticipated/emergency costs, should they arise within a budgeted fiscal year. These costs would be set aside to avoid requesting significant increased funding from year to year from groundwater charge entities or other revenue sources and to insure that the District is able to perform required critical tasks and respond to emergencies.

SCOPE:

The development of the enterprise model was proposed based on the review of the District's operation and performance in prior fiscal years. Additionally the enterprise model requires a policy and process for transferring reserves. It is critical to identify and build a General Fund operating reserve to provide funding for both District special contingencies and annual budget shortfalls.

This policy will provide direction to staff for the following areas:

- Sources of funds and segregation of the accounts and reserves
- Level and/or target for a reserve;
- Limits placed on the use of reserves;
- Requirements for reporting trends for reserves
- Limitation of transfers without Board Approval;

SPECIFIC PROVISIONS:

A. Groundwater Recharge Enterprise Reserve

The Groundwater Recharge Enterprise Reserve (GRER) shall be developed to fund general operating cash flow needs relative to the operation of the GRER fund. Through the Groundwater Charge rate setting process, each year Staff shall coordinate with Groundwater Charge payees on the level of this

San Bernardino Valley Water Conservation District Policy

reserve in accordance with this policy. Initially it is proposed that the reserve level be set at an amount equal to 100% of the GRE operating budget or a target of \$1,250,000 until the completion of Mill Creek diversion and environmental permitting requirements. The additional funding is intended to be expended toward Mill Creek and return to approximately 1 year's operating budget over the years to cover large emergency repairs and significant operations costs as needed. The District's cost is higher in the year after a wet year and the District's revenue is highest in drought times. This countercyclical relationship requires a higher reserve and prudent planning. The primary source of these funds is the District Groundwater Charge and the GW Emergency Repair Reserve when approved by the Board. The GREER shall, upon completion of Mill Creek project, stop accumulating funding when it contains one year's operating costs for the Groundwater Enterprise.

An Agreement with SBVMWD and WMWD provides separate funding for Enhanced Recharge operation and maintenance. While this funding is separate from funding received from the Groundwater Charge the uses of the funding are very similar. A specific allocation of a portion of Enhanced Recharge funds annually to fund exceptional water year event costs is recommended. Allocation of a maximum of \$50,000 per year contribution up to \$250,000 will be included in the GREER.

B. Groundwater Assessment Rate Stabilization Reserve

This is a new reserve recommended to assist the District in providing stability and predictability in the Groundwater Assessment Fee. The reserve budget and excess funds will allow multi-year stability and support when costs increase or revenues decrease due to adverse weather or other changes. This reserve will accumulate 10% of any net retained earnings of the Groundwater Enterprise and beginning in 2014 will be budgeted at up to 5% of the total rate. This 5% may be phased in over time. The reserve shall no longer be budgeted when it reaches \$400,000.

C. Redlands Plaza Reserve

The District's offices are in Redlands Plaza and it manages the building for itself and its tenants. In addition, other real property owned by the District that is leased is also managed under this enterprise. The Redlands Plaza Reserve (RPR) shall be developed solely of lease payments of the property leased up to an amount not to exceed greater of 150% of the average annual maintenance costs or 50% of annual rental proceeds plus any capital improvement needed. For 2015 the level is set at \$65,000. The purpose of the RPR is to accumulate funding to pay for major maintenance, upgrades, marketing, or emergency repairs.

D. Land Resources Reserve

The Land Resources Reserve (LRR) shall be developed to fund general operating cash flow needs relative to the land management, planning, habitat, wash plan and other costs related to the Districts held lands. Through the payment of Aggregate royalties and other revenue, the LRR will accumulate capital to be able to fund the management needs and establish security against future unexpected expenses. Staff shall coordinate with Land Resource Partners on likely income for each fiscal year and plan for the contribution or use of this reserve fund.

Initially in 2011 this reserve did not have funding contribution due to limited mining activities. Costs to the Land Resources Enterprise will be funded by mining royalties. For 2015, the reserve is increased to \$750,000. Future levels may be set by modifications or in the Annual Budget.

E. Prepaid Royalties Reserve

The District holds a \$5 Million prepaid royalty from Robertsons. This reserve is subject to call provisions in the contract with Robertsons and is invested in 1 year or shorter investments. This Prepaid Royalties

San Bernardino Valley Water Conservation District Policy

Reserve (PRR) is intended to provide the assurance to the District from Robertsons for the long term lease of District property and the payment of future royalties. District revenue from interest may be used in the General Fund or fund the PRR if identified in the Annual Budget.

F. Habitat Management **Endowment Reserve/Trust (future)**

This reserve is to provide multi-year funding to support future habitat projects required in the Habitat Conservation Plan for the Wash Plan. This endowment requires a restricted reserve or trust to insure funding is available from interest to pay for future costs. These funds may be contributed to a Trust for safekeeping, if required. The District does not currently have any habitat management requirements budgeted for reserve but may have such requirements will when the wash plan is implemented. The level for this reserve will be determined when a plan is approved by the Board.

General Fund Reserves

1. General Fund Reserve

This reserve is to secure funding to the General Fund for District operations in time of temporary deficit and to balance the large swings in District cash flow. The sources of funding to the District are ephemeral and tend toward moving together so when one revenue source is down others are as well. Thus, the District needs to have longer term reserves and short term operating funds and capital.

Because there will be urgent needs and possible unforeseen costs after the District sets rates and or costs which are over budget the District will use the General Fund Reserve (GFR). This allows the District flexibility to operate even in down economic cycles.

This is the only existing reserve (with the exception of the Prepaid Royalty Reserve) and it has been significantly depleted in the past years due to the general economy and litigation costs. This reserve will be budgeted each year to increase and/or decrease based on annual operating expenditures of the General Fund and annual decisions made by the Board. It is envisioned that this reserve level balance once achieved, will be maintained at a level equal to two years of General Fund operating expenses, currently approximately \$1,200,000.

2. Operating Funds and Levels

The Board has established an "Operating Fund" as a subset of the General Fund Reserve. This fund, not to exceed \$300,000, is established and may be withdrawn by the General Manager, from LAIF or other investments to meet the projected operating cash flow needs of the District within the budget year. Because revenue and expense timing as well as contract reimbursements do not align with expenses this Operating Funding is important. Costs vary from year to year; therefore the Operating Fund level should be reviewed and may be modified by the Board as part of the Annual Budget process. The General Manager shall not transfer operating funds from investments beyond the level of the Operating Fund without Board approval.

Additionally Specific Projects (such as the Wash Plan and Plunge Creek) will have project funding that must be illustrated in the District Annual Budget, but is not received or expended with regard for fiscal year. Planned spending of these project funds will be identified in the budget to the extent possible and will be subject to the segregation requirements of the Reserve Policy, but are not technically reserves for other purposes.

3. Compensated Absences Reserve

The Board established this reserve to reflect the set aside of earned but unpaid annual leave, sick time and Vacation. The purpose of the reserve is to insure the District can pay for sick or vacation at employee separation.

34. PERS Employer Contribution and Post Employment Expense Reserve

The District has limited post-employment liabilities due to its prudent management of benefits. The District shall complete an actuarial evaluation every three years or similar report to provide reserve funding adequate to fund projected post-employment expenses. In May, 2014 the Board authorized \$32,423.00 allocated to this Reserve for the full funding of anticipated costs. The Board may authorize increases to this reserve. The actuarial evaluation also recommended additional annual contributions of \$8,883.00.

This reserve is to provide funding for the District to protect against future fluctuations in the employer contribution as witnessed over the past several years. SBVWCD, as most agencies were not obligated to contribute to the PERS retirement program as interest rates and earnings exceeded the projected liabilities of the retirement fund. Over the past few years the SBVWCD Employer Contribution has increased and additional increases are forecasted in the future. This reserve will be created to set aside funds at 7% of payroll even when the requested contribution from PERS falls below this level. No contribution and/or set aside will be required at this time.

45. Self-Insurance Reserve

This reserve is to provide insurance protection to the District for losses that could arise from property, general liability and worker’s compensation claims. The reserve should be maintained at a level that together with SBVWCD’s existing insurance policies would adequately protect the District. The Self-Insurance Reserve (SIR) will accumulate funds at an annual rate of \$5,000 earning interest allocated quarterly on balances maintained. The fund shall be utilized to cover insurance losses experienced by the agency that may or may not be awaiting insurance claim reimbursement or deductibles. The agency shall cease to contribute set-aside funds upon reaching a \$50,000 balance.

56. Capital Improvement and Equipment Reserve

This reserve is to provide multi-year funding to support future capital projects and equipment identified and approved by the Board in the District plans and budgets. Costly equipment or vehicles are budgeted and reserves maintained as an alternative to funding depreciation in the budget process. The District has reviewed its capital improvement and equipment reserve based on capital repairs and equipment. This reserve target is set to \$400,000 to accommodate future capital needs.

CLARIFICATION:

Restricted Reserves

The only funds classified as restricted are those which are specifically governed by a written contract with the agency or outlined within the “bond covenants” of a bond issue.

Unrestricted Reserves

Reserve levels classified as unrestricted are set by SBVWCD Board Resolution. The Board may modify or transfer funds between reserves by Board action.

Reserve and Enterprise Transfers, Loans and Approval

The District Board has authority over all transfers and loans among enterprises and their Reserve accounts. The Board delegates day to day management of the funds of the enterprises to the General Manager. Under this authority, the General Manager may approve the transfer/loan of funds from one enterprise/reserve to/from another within the fiscal year in an amount not to exceed \$50,000. Such

San Bernardino Valley Water Conservation District Policy

transfers/loans must be repaid within the same fiscal year and accrued interest (at the LAIF rate) is due to the lending enterprise reserve from the borrowing enterprise reserve. Invested funds are pooled and interest is allocated to the general fund unless specifically identified. Transactions above this limit or which will extend past the end of the fiscal year shall be disclosed and approved by the Board unless included in the annual budget.

Reserve Balances, Contributions, Uses and Loans

	6/30/2012		6/30/2013		6/30/2014		Budget Estimate		Projected as of 2/29/15			Notes
	Ending		Ending		Ending							
	July 2012		July 2013		July 2014		July 2015			Feb 2015		
	Balance	Percent Funded	Balance	Target or Max	New Balance	Target or Max	New Balance	Percent Funded	Changes	Estimated Balance	Percent Funded	Basis of allocation
District Policy Reserves												
Groundwater Recharge Enterprise Reserve	\$300,934	945%	\$1,229,001	\$200,000	\$1,589,449	\$1,250,000	\$1,250,000	100%	\$0	\$1,250,000	100%	Fully funded-no addition
Groundwater ER Maintenance Reserve	\$0	100%	\$50,000	\$250,000	\$100,000	\$250,000	\$100,000	40%	\$150,000	\$250,000	100%	applied net income
GWA Rate Stabilization	\$0		\$0	\$400,000	\$45,605	\$400,000	\$45,605	11%	\$20,000	\$65,605	16%	Per policy
Redlands Plaza Reserve	-\$3,330	0%	\$0	\$65,000	\$61,450	\$65,000	\$61,450	95%	\$3,550	\$65,000	100%	applied net income
Land Resources Reserve	\$43,682	1358%	\$679,206	\$50,000	\$968,387	\$750,000	\$968,387	129%	\$0	\$968,387	129%	Over funded
Prepaid Royalties Reserve	\$5,000,000	100%	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	100%	\$0	\$5,000,000	100%	Fully funded-no addition
Habitat Management Reserve/Trust	\$0		\$0		\$0	\$0	\$0		\$0	\$0		
PERS/Post Employment Expense Trust	\$1,962	100%	\$3,118	\$32,423	\$12,287	\$32,423	\$32,423	100%	\$0	\$32,423	100%	Fully funded-no addition
Self Insurance Reserve	\$0	100%	\$10,000	\$50,000	\$15,000	\$50,000	\$20,000	40%	\$0	\$20,000	40%	Per policy
Capital Improvement/Equipment Reserve	\$0	100%	\$30,000	\$60,000	\$60,000	\$400,000	\$399,449	100%	\$551	\$400,000	100%	applied net income
General Fund Reserve	\$851,219	51%	\$510,027	\$1,048,000	\$540,273	\$1,200,000	\$520,137	43%	\$691,429	\$1,211,566	101%	Cash Allocated to GFR
Total All Allocated Reserves	\$6,194,467		\$7,511,352	\$7,155,423	\$8,392,451	\$9,397,423	\$8,397,451		\$865,530	\$9,262,981	99%	
Cash & Cash Equivalents (Enter Audited #)	\$6,194,467		\$7,511,352		\$8,392,451					\$870,530		Cash Position Increase
										\$870,530		Allocated
										\$0		Unallocated



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1336

To: Board of Directors

From: General Manager, Daniel Cozad

Date: April 22, 2015

Subject: Annual Disclosure of Reimbursements for 2013-2014

RECOMMENDATION

Receive and file the annual disclosure of reimbursements report as required by statute for fiscal year 2013-2014.

DISCUSSION

This disclosure is a yearly requirement by Government Code Section 53065.5, shown below:

Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.

Additionally, in accordance with the District's commitment to transparency, District staff has prepared the annual disclosure report for fiscal year 2013-2014 including all Board Members and Staff.

FISCAL IMPACT

Staff time to track and prepare the report is included in the annual budget.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
Manual Aranda, Jr.
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

FY 2013/2014 Reimbursements >\$100

Directors

Richard Corneille

12/03/13 Lodging at JW Marriott in Los Angeles, CA for ACWA Meeting, \$230.10

Melody McDonald

07/30/13 Roundtrip travel costs to District office for check signing from San Clemente, CA (mileage:186*.565) \$105.09

08/16/13 Airfare from Ontario, CA to ACWA State Legislative Committee Meeting in Sacramento, CA, \$449.30

10/25/13 Airfare from Ontario, CA to ACWA State Legislative Committee Meeting in Sacramento, CA, \$429.80

01/29/14 Airfare from Ontario, CA to Water Management Committee Meeting in Sacramento, CA, \$229.75

2/21/14 Airfare from Ontario, CA to ACWA State Legislative Committee Meeting in Sacramento, CA, \$437.50

03/05/14 ACWA 2014 Legislative Symposium Registration, \$230.00

03/05/14 Airfare from Ontario, CA to ACWA State Legislative Symposium in Sacramento, CA, \$437.50

03/11/14 Airfare from Ontario, CA to Water Management Committee Meeting in Sacramento, CA, \$437.50

04/04/14 Airfare from Ontario, CA to ACWA State Legislative Committee Meeting in Sacramento, CA, \$437.50

06/06/14 Airfare from Ontario, CA to ACWA State Legislative Committee Meeting in Sacramento, CA, \$485.50

06/27/14 Airfare from Ontario, CA to ACWA State Legislative Committee Meeting in Sacramento, CA, \$505.50

Manuel Aranda

8/14/13 Roundtrip travel costs from Redlands,CA to ACWA Regulatory Conference in Oxnard, CA (mileage: 260*.56) \$146.90

9/19/13 Estimated travel costs (airfare cheaper)from Redlands, CA to Special Districts Annual Conference in Monterey, CA \$290.00

5/6/14 Estimated travel costs (airfare cheaper)from Redlands, CA to ACWA Spring Conference in Monterey, CA \$290.00

John Longville, David Raley, Clare Henry Day and Bob Glaubig

None

FY 2013/2014 Reimbursements >\$100

Staff

Daniel Cozad

09/20/13 Travel Expenses, Rental Car from Ontario, CA to CSDA Fall Conference in Monterey, CA, \$248.37
05/02/14 Mileage from Redlands, CA to ACWA Spring Conference in Monterey, CA (mileage: 379*.56) \$214.14
05/10/14 Mileage to Redlands, CA from ACWA Spring Conference in Monterey, CA (mileage: 379*.56) \$214.14

Athena Monge

09/10/13 Tuition reimbursement for U of R Course Performance Mgmt for term July-Aug 2013, \$1,135.00
11/04/13 Tuition reimbursement for U of R Course Employee Recruitment & Selection Sept-Oct 2013, \$1,210.09
01/06/14 Tuition reimbursement for U of R Course Employee Compensation & Benefits Sept-Oct 2014, \$1,214.54
06/30/14 Tuition reimbursement for U of R Course Legal Aspects of HR Management Apr-Jun 2014, \$1,237.36

Jeff Beehler, Angie Quiroga, Manuel Colunga, and Bill Boggan

None

Governors Executive Order on Drought B-29-15

April 1, 2015

General Issues

- * Mandatory Conservation
 - * 25% reduction from 2013
 - * Local rates will vary many inland areas are 35%
 - * SWRCB Developing Emergency Regulations
 - * Effective on or about May 5th
- * 50 Million SQFT turf removal via DWR
- * Appliance Rebates via electrical providers
- * Prohibition potable water on Ornamental Turf on public street medians

General Issues

- * New homes and buildings using potable water must use drip and microspray
- * Water Board to direct Urban Water Suppliers to develop rate or pricing structures to maximize conservation
- * Require water reporting and enforcement
- * State Landscape Ordinance Model to be updated

General Issues

- * Ag water suppliers greater than 10,000 acres include drought management plan
- * Emergency regulations to improve water efficiency
- * Support new water saving technology
- * Temporary house and water supply
- * Permitting agencies shall prioritize water project including stormwater capture

General Issues

- * Water transfers and salinity barriers
- * Suspend CEQA for water related projects that the state deems need suspension to complete in a timely manner
- * Suspend procurement rules for equipment needed

Our Region and Producers

- * Groundwater Sustainability Counsel and CASGEM
- * Notice letter to producers - Local Users Local Notice
 - * Applies to you, 25% or more
 - * Specific prohibitions for institution, industry, cemeteries and golf courses
 - * Turf Removal options
 - * Landscape ordinances may change
 - * GW Sustainability Council forming

Our Region and Producers

- * Notice and Information
- * Advocacy if appropriate
- * Connection with programs and funding
 - * Turf
 - * Conservation
 - * Etc.
- * Consider Metering Support
 - * Allocate Budget and agreement for repayment
 - * 3 year repayment no interest

Executive Department
State of California

EXECUTIVE ORDER B-29-15

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and

WHEREAS on April 25, 2014, I proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and

WHEREAS California's water supplies continue to be severely depleted despite a limited amount of rain and snowfall this winter, with record low snowpack in the Sierra Nevada mountains, decreased water levels in most of California's reservoirs, reduced flows in the state's rivers and shrinking supplies in underground water basins; and

WHEREAS the severe drought conditions continue to present urgent challenges including: drinking water shortages in communities across the state, diminished water for agricultural production, degraded habitat for many fish and wildlife species, increased wildfire risk, and the threat of saltwater contamination to fresh water supplies in the Sacramento-San Joaquin Bay Delta; and

WHEREAS a distinct possibility exists that the current drought will stretch into a fifth straight year in 2016 and beyond; and

WHEREAS new expedited actions are needed to reduce the harmful impacts from water shortages and other impacts of the drought; and

WHEREAS the magnitude of the severe drought conditions continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage and drought conditions with which local authority is unable to cope; and

WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular Government Code sections 8567 and 8571 of the California Government Code, do hereby issue this Executive Order, effective immediately.



IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my January 17, 2014 Proclamation, my April 25, 2014 Proclamation, and Executive Orders B-26-14 and B-28-14 remain in full force and effect except as modified herein.

SAVE WATER

2. The State Water Resources Control Board (Water Board) shall impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. These restrictions will require water suppliers to California's cities and towns to reduce usage as compared to the amount used in 2013. These restrictions should consider the relative per capita water usage of each water suppliers' service area, and require that those areas with high per capita use achieve proportionally greater reductions than those with low use. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.
3. The Department of Water Resources (the Department) shall lead a statewide initiative, in partnership with local agencies, to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. The Department shall provide funding to allow for lawn replacement programs in underserved communities, which will complement local programs already underway across the state.
4. The California Energy Commission, jointly with the Department and the Water Board, shall implement a time-limited statewide appliance rebate program to provide monetary incentives for the replacement of inefficient household devices.
5. The Water Board shall impose restrictions to require that commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water usage in an amount consistent with the reduction targets mandated by Directive 2 of this Executive Order.
6. The Water Board shall prohibit irrigation with potable water of ornamental turf on public street medians.
7. The Water Board shall prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.



8. The Water Board shall direct urban water suppliers to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees, and penalties, to maximize water conservation consistent with statewide water restrictions. The Water Board is directed to adopt emergency regulations, as it deems necessary, pursuant to Water Code section 1058.5 to implement this directive. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.

INCREASE ENFORCEMENT AGAINST WATER WASTE

9. The Water Board shall require urban water suppliers to provide monthly information on water usage, conservation, and enforcement on a permanent basis.
10. The Water Board shall require frequent reporting of water diversion and use by water right holders, conduct inspections to determine whether illegal diversions or wasteful and unreasonable use of water are occurring, and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. Pursuant to Government Code sections 8570 and 8627, the Water Board is granted authority to inspect property or diversion facilities to ascertain compliance with water rights laws and regulations where there is cause to believe such laws and regulations have been violated. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
11. The Department shall update the State Model Water Efficient Landscape Ordinance through expedited regulation. This updated Ordinance shall increase water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and by limiting the portion of landscapes that can be covered in turf. It will also require reporting on the implementation and enforcement of local ordinances, with required reports due by December 31, 2015. The Department shall provide information on local compliance to the Water Board, which shall consider adopting regulations or taking appropriate enforcement actions to promote compliance. The Department shall provide technical assistance and give priority in grant funding to public agencies for actions necessary to comply with local ordinances.
12. Agricultural water suppliers that supply water to more than 25,000 acres shall include in their required 2015 Agricultural Water Management Plans a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. The Department shall require those plans to include quantification of water supplies and demands for 2013, 2014, and 2015 to the extent data is available. The Department will provide technical assistance to water suppliers in preparing the plans.

13. Agricultural water suppliers that supply water to 10,000 to 25,000 acres of irrigated lands shall develop Agricultural Water Management Plans and submit the plans to the Department by July 1, 2016. These plans shall include a detailed drought management plan and quantification of water supplies and demands in 2013, 2014, and 2015, to the extent that data is available. The Department shall give priority in grant funding to agricultural water suppliers that supply water to 10,000 to 25,000 acres of land for development and implementation of Agricultural Water Management Plans.
14. The Department shall report to Water Board on the status of the Agricultural Water Management Plan submittals within one month of receipt of those reports.
15. Local water agencies in high and medium priority groundwater basins shall immediately implement all requirements of the California Statewide Groundwater Elevation Monitoring Program pursuant to Water Code section 10933. The Department shall refer noncompliant local water agencies within high and medium priority groundwater basins to the Water Board by December 31, 2015, which shall consider adopting regulations or taking appropriate enforcement to promote compliance.
16. The California Energy Commission shall adopt emergency regulations establishing standards that improve the efficiency of water appliances, including toilets, urinals, and faucets available for sale and installation in new and existing buildings.

INVEST IN NEW TECHNOLOGIES

17. The California Energy Commission, jointly with the Department and the Water Board, shall implement a Water Energy Technology (WET) program to deploy innovative water management technologies for businesses, residents, industries, and agriculture. This program will achieve water and energy savings and greenhouse gas reductions by accelerating use of cutting-edge technologies such as renewable energy-powered desalination, integrated on-site reuse systems, water-use monitoring software, irrigation system timing and precision technology, and on-farm precision technology.

STREAMLINE GOVERNMENT RESPONSE

18. The Office of Emergency Services and the Department of Housing and Community Development shall work jointly with counties to provide temporary assistance for persons moving from housing units due to a lack of potable water who are served by a private well or water utility with less than 15 connections, and where all reasonable attempts to find a potable water source have been exhausted.
19. State permitting agencies shall prioritize review and approval of water infrastructure projects and programs that increase local water supplies, including water recycling facilities, reservoir improvement projects, surface water treatment plants, desalination plants, stormwater capture, and greywater systems. Agencies shall report to the Governor's Office on applications that have been pending for longer than 90 days.



20. The Department shall take actions required to plan and, if necessary, implement Emergency Drought Salinity Barriers in coordination and consultation with the Water Board and the Department of Fish and Wildlife at locations within the Sacramento - San Joaquin delta estuary. These barriers will be designed to conserve water for use later in the year to meet state and federal Endangered Species Act requirements, preserve to the extent possible water quality in the Delta, and retain water supply for essential human health and safety uses in 2015 and in the future.
21. The Water Board and the Department of Fish and Wildlife shall immediately consider any necessary regulatory approvals for the purpose of installation of the Emergency Drought Salinity Barriers.
22. The Department shall immediately consider voluntary crop idling water transfer and water exchange proposals of one year or less in duration that are initiated by local public agencies and approved in 2015 by the Department subject to the criteria set forth in Water Code section 1810.
23. The Water Board will **prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages.** As the Department of Public Health's drinking water program was transferred to the Water Board, any reference to the Department of Public Health in any prior Proclamation or Executive Order listed in Paragraph 1 is deemed to refer to the Water Board.
24. The California Department of Forestry and Fire Protection shall launch a public information campaign to educate the public on actions they can take to help to prevent wildfires including the proper treatment of dead and dying trees. Pursuant to Government Code section 8645, \$1.2 million from the State Responsibility Area Fire Prevention Fund (Fund 3063) shall be allocated to the California Department of Forestry and Fire Protection to carry out this directive.
25. The Energy Commission shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of **securing alternate water supply necessary for continued power plant operation.** Title 20, section 1769 of the California Code of Regulations is hereby waived for any such petition, and the Energy Commission is authorized to create and implement an alternative process to consider such petitions. This process may delegate amendment approval authority, as appropriate, to the Energy Commission Executive Director. The Energy Commission shall give timely notice to all relevant local, regional, and state agencies of any petition subject to this directive, and shall post on its website any such petition.



26. For purposes of carrying out directives 2–9, 11, 16–17, 20–23, and 25, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension applies to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions. This suspension, and those specified in paragraph 9 of the January 17, 2014 Proclamation, paragraph 19 of the April 25, 2014 proclamation, and paragraph 4 of Executive Order B-26-14, shall remain in effect until May 31, 2016. Drought relief actions taken pursuant to these paragraphs that are started prior to May 31, 2016, but not completed, shall not be subject to Division 13 (commencing with section 21000) of the Public Resources Code for the time required to complete them.
27. For purposes of carrying out directives 20 and 21, section 13247 and Chapter 3 of Part 3 (commencing with section 85225) of the Water Code are suspended.
28. For actions called for in this proclamation in directive 20, the Department shall exercise any authority vested in the Central Valley Flood Protection Board, as codified in Water Code section 8521, et seq., that is necessary to enable these urgent actions to be taken more quickly than otherwise possible. The Director of the Department of Water Resources is specifically authorized, on behalf of the State of California, to request that the Secretary of the Army, on the recommendation of the Chief of Engineers of the Army Corps of Engineers, grant any permission required pursuant to section 14 of the Rivers and Harbors Act of 1899 and codified in section 48 of title 33 of the United States Code.
29. The Department is directed to enter into agreements with landowners for the purposes of planning and installation of the Emergency Drought Barriers in 2015 to the extent necessary to accommodate access to barrier locations, land-side and water-side construction, and materials staging in proximity to barrier locations. Where the Department is unable to reach an agreement with landowners, the Department may exercise the full authority of Government Code section 8572.
30. For purposes of this Executive Order, chapter 3.5 (commencing with section 11340) of part 1 of division 3 of the Government Code and chapter 5 (commencing with section 25400) of division 15 of the Public Resources Code are suspended for the development and adoption of regulations or guidelines needed to carry out the provisions in this Order. Any entity issuing regulations or guidelines pursuant to this directive shall conduct a public meeting on the regulations and guidelines prior to adopting them.



31. In order to ensure that equipment and services necessary for drought response can be procured quickly, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended for directives 17, 20, and 24. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of April 2015.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

