

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF September 9, 2015
1:30 P.M.

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

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrival 1:37 p.m./Departure 3:25 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Monge, Administrative Services Specialist

GUESTS PRESENT:

Don Lee, Tetra Tech
Charles Roberts, Highland Community News
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 none.

3. CONSENT CALENDAR

Mr. Cozad noted that the Unfunded Liability for CalPERS has been paid off in the amount of \$722,384 completed through wire transfer on August 27, 2015 although not explicitly listed on the expenditure report. Also, the OPEB trust has been formed and as of September 1, 2015 the amount of \$41,770 has been wire transferred into the trust from the OPEB Reserve and the annual contribution from General Fund.

It was moved by Director Aranda and seconded by Vice President McDonald to approve Consent Calendar Item A: Board Minutes, August 12, 2015, Item B: Expenditure Report, August 2015 and Item C: GWA #44 Report. The motion carried 4-0 with all Directors present voting in the affirmative and Direct Longville noted absent from the vote.

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, AUGUST 2015

President Corneille introduced this item for discussion. He stated that he and Director Aranda were unopposed during this election cycle and the budgeted amount of \$100,000 will not be expended this fiscal year.

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

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

B. GROUNDWATER TOP FIVE PRODUCERS AND INVESTIGATION LIST

Mr. Cozad introduced this item for discussion. The report is included in the package beginning on page 42. The top five producers include: 1) City of Riverside, 2) East Valley Water District, 3) City of Redlands, 4) Meeks and Daley and 5) City of San Bernardino. Staff met with the City of Redlands to verify decrease in usage and confirmed that the reduction is due to the newly implemented conservation regulations. Mr. Cozad commended the City of Redlands for their reduced usage of Bunker Hill Basin. He noted that on page 44 there is an investigation list of groundwater producers split into three categories; 1) Expect Payment/Report, 2) Late Reporters and 3) Field Visit Needed. The three producers that need further investigation are

listed under category 3: 1) Tennessee Water Company, 2) AHD Limited and 3) Previously Barton Development (owner unknown). Mr. Cozad indicated that two of the wells listed for investigation are believed to have been destroyed but may not have been properly recorded as such. The new owner for Barton Development has not yet been identified. Staff provided a handout of a map of the three groundwater producers that need additional investigation and requested authorization from the Board to investigate. Brief discussion ensued. President Corneille stated that although the revenue may be minimal the District must perform due diligence to collect any potential revenues. Mr. Cozad indicated that under the water code the District has the right to estimate and send them a bill based on the estimate.

It was moved by Director Longville and seconded by Vice President McDonald to authorize staff to conduct the investigation as proposed for producers that have been late or non-responsive. 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. FINALIZATION OF WASH PLAN DOCUMENTS

Mr. Cozad introduced this item for discussion in Mr. Beehler's absence. He stated that the District has received all the comments from US Fish and Wildlife Service (FWS), Bureau of Land Management (BLM), and the California Department of Fish and Wildlife (DFW) related to the Habitat Conservation Plan (HCP) and the Supplemental Environmental Impact Report/Environmental Impact Statement (EIR/EIS). In order to get these documents to final status the District will need to amend the contracts with the consultants; ICF Jones & Stokes and RBF Consulting to an amount not to exceed \$30,000total. Staff completed the tasks they could complete in-house, but there are some elements that can only be completed by consultants. The Wash Plan Enterprise has \$30,000 in the budget to cover these costs; however it does not fully obligate the money set aside for consultants including contingency.

It was moved by Vice President McDonald and seconded by Director Longville to authorize staff to execute a contract amendment for ICF Jones & Stokes and RBF Consulting to finalize Wash Plan Documents in an amount not to exceed \$30,000. 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. ACWA COMMITTEE APPOINTMENT NOMINATIONS FOR THE 2016-2017 TERM

President Corneille stated that he felt that there is limited benefit to the District with having someone on the ACWA Federal Affairs Committee and indicated his opposition for funding someone to participate in the committee. He indicated his support for Directors to remain on their current ACWA committees as listed within Board Memo on page 47. Director Aranda indicated that his first choice is to remain on the ACWA Communications Committee and therefore withdrew his request for support for the Federal Affairs Committee. Director Raley asked for a cost analysis for all outside committee appointments to be completed and brought back to the Board for review. Vice President McDonald was in support of this and noted that the costs previously paid by the District for outside consultants for both federal and local legislative representation has been replaced by her appointment to the ACWA State Legislative Committee which cost much less. Staff suggested these be brought to the November meeting for review.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Vice President McDonald for ACWA State Legislative and Water Management Committees, President Corneille for Groundwater Committee and Director Aranda for Communications Committee for the 2016-2017 term. 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. LEGISLATION POSITION ON STATEWIDE WATER PUBLIC GOODS CHARGE

It was moved by Vice President McDonald and seconded by Director Aranda to approve Resolution No. 531 opposing the proposed public good charge or other tax on water use. 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**

5. INFORMATION ITEMS

A. BOARD COMMITTEE REPORTS-WITHOUT ACTION

There were none discussed.

B. WASH PLAN REPORT

Mr. Cozad introduced this item for discussion. The written Wash Plan Report is included in the Board package on page 85 along with the Wash Plan financial spreadsheet. Mr. Cozad

presented a PowerPoint that was presented to the Wash Plan Task Force on this item. The comments presented to the District by FWS on the HCP were primarily editorial or clarifying comments. Additional detail has been added to identify temporary and permanent impacts and figures have been updated. Mr. Cozad indicated that staff will need to identify the Spineflower impacts more precisely. Staff will be working on adding more detail regarding avoidance and minimization efforts that will be part of the requirements. One area that will need minor revision is the EIS/EIR, where the Original Plan B alternative will be added. The cultural resources documentation has been updated as requested. Mr. Cozad said that the District will have a permit under FWS and will issue a Certificate of Inclusion (COI) to participating entities.

Mr. Cosgrove presented a PowerPoint on the Implementing Agreement (IA) and Memorandum of Understanding (MOU). He indicated that the initial drafts of both the IA and MOU were sent out to be reviewed by the Task Force with the agenda packet. Mr. Cosgrove and Mr. Cozad are working on incorporating the revisions. The IA is the contractual document that specifies how the FWS will direct compliance with the permit. It relates to the District and FWS and incorporates the HCP. He reviewed the IA in detail and the covered activities. Since not all covered activities will be initiated at the same time staff has incorporated the COI to allow for phasing of projects. The federal agencies require the District to have \$231,000 up front as jump start to initiate the mitigation required for the initially covered lands and activities. Parties that wish to have their activities covered will have to apply to the District for a COI which will be reviewed for consistency and issued. The District has to also establish a \$10 million dollar non-wasting endowment with a planned 4% return to sustain the \$400,000 per year mitigation costs. Discussion ensued. FWS will oversee implementation of IA/MOU and have agreed to review COI's to be issued the District.

President Corneille asked Mr. Cosgrove to explain what costs the District will be responsible for. Mr. Cosgrove said that each participating entity is responsible for their share of the Endowment. The projects and costs have been defined and there are contingency funds.

Mr. Cosgrove reviewed the MOU in detail. The COI has a two-step process 1) COI initial consistency determination and 2) COI processing issuance. The MOU lists three different methods in which funds can be managed, collected and held: 1) SBVWCD Enterprise Fund-segregated fund that is separately managed, 2) 501 (C) 3 – nonprofit corporation or 3) Joint Powers Authority (JPA). These will be discussed and identified by the Board Ad Hoc Wash Plan Committee. President Corneille assigned himself and Director Raley to an Ad Hoc Wash Plan Committee to discuss the IA and structure with no objection from the Board.

Mr. Cozad continued with presentation noting that the District put out an RFP for Investment Managers to identify one that can assist the District in getting the 4-6% cap rate. He reviewed the policy principles that the Task Force endorsed, in detail. The Board agreed that these policy principals were appropriated. President Corneille commended staff and general counsel on the work performed. 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 pages 88-90. He noted that the application to host the Qualified Water Efficient Landscaper (QWEL) program has been approved; a copy of final approval is on page 91. The District is accredited to offer training and is working with BTAC to identify dates for training. Mr. Cozad thanked Katelyn Scholte, Engineering/GIS Intern for the work she performed on the QWEL presentation. Mr. Cozad stated that the jurisdictional delineations have been completed and that the operations and basins in Mill Creek are not waters of the US. However, land on the north side of flood wall where the diversion is located are clearly waters of the US. There will be less regulatory oversight of spreading basins in Mill Creek compared to Santa Ana. Mr. Cozad stated that water with a lot of silt and ash in it is coming through on Santa Ana side at about 5 CFS. Total recharge through August is 3,837 AF for this water year.

D. FUTURE AGENDA ITEMS & STAFF TASKS

President Corneille noted the letter from the Riverside Land Conservancy on page 119 where the Task Force will be honored for their work on the Wash Plan. He requested that Director Raley as our representative attend this event. Mr. Cozad will be in attendance as well. President Corneille referred to the cost benefit analysis previously requested by Director Raley on outside committee meeting attendance. President Corneille requested a presentation on the QWEL program and to be kept up to date on when the workshops will be. He also would like to discuss the policy for Board written reports for meeting attendance.

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

Director Aranda will be attending the ACWA Communications Committee in Sacramento on September 15th where they will be holding a tour of the agricultural areas. He reports regularly to the Chambers on the drought. Additional written reports are included in Board Package.

Director Raley attended the San Bernardino County Water Conference on August 21st. He also attended the Wash Plan Task Force meeting held on September 8th as previously reported on by staff and general counsel. Director Raley will make a presentation to the Redlands Rise N Shine on September 11th.

Vice President McDonald attended the SBVMWD Workshop on August 24th. She also attended the SBVMWD Board Meeting on September 1st and August 18th. Vice President McDonald attended the ACWA State Legislative Committee August 28th and those materials are included in Board package. Additional written reports are included in Board Package.

Director Longville attended the San Bernardino County Water Conference on August 21st.

President Corneille attended the Mentone Area Chamber Association meeting on September 4th where Mr. Cozad presented three alternative layouts and preliminary budgets for the Community Garden. Supervisor Ramos' representatives were in attendance. Additional written reports are included in Board Package.

7. UPCOMING MEETINGS

President Corneille noted that the next Advisory Commission on Water Policy will be held on September 10th at Valley District, 6:30 p.m. Director Raley will be making a presentation at the upcoming Redlands Rise N Shine on September 11th. Director Aranda, Vice President McDonald and President Corneille will attend the upcoming ACWA Region 9 meeting to be held on September 18th at IEUA. Vice President McDonald will attend the Association of San Bernardino County Special Districts Dinner meeting to be held on September 28th in Twin Peaks along with Director Aranda.

8. ADJOURN MEETING

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

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

At 3:34 p.m. the meeting adjourned to the next regular Board Meeting scheduled for October 14, 2015 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager