

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF June 8, 2016
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:33 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, Vice President
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrival 1:39 pm)
Richard Corneille, President

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:

Charles Roberts, Highland Community News
Michelle Diamond, Tetra Tech

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

It was moved by Director Aranda and seconded by Vice President McDonald to approve Consent Calendar Item A: Board Minutes, May

11, 2016, Item B: Expenditure Report, May 2016, Item C: Outreach Committee Minutes, June 24, 2014, and Item D: Board Policy Manual Revision, Resolution No. 538. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. DISTRICT AND ENTERPRISE BUDGET FOR 2016-2017, INCLUDING RESERVE POLICY AND CAPITAL PROJECTS, RESOLUTION NO. 536

The Finance & Administration Committee (Committee) met and discussed this item at the May 23rd meeting and Operations Committee reviewed at its May 19th meeting. This item was included beginning package page 20. Mr. Cozad stated that all suggested revisions and comments were incorporated from the April 27th Budget Workshop into current version. As directed by Board staff modified 2016-2017 to show full funding for Capital Projects. This change makes the net annual budget look unbalanced, however funding comes from past and future years revenue. On page 27 Capital Projects list is included and is correlated with the purple Capital Improvement Project (CIP) numbers shown in purple in the budget spreadsheet. Mr. Cozad provided project charters for both Plunge Creek and Mill Creek which are included on pages 28-31 for review. The groundwater revenue projected for 2016-2017 is based on 2015-2016 as directed by Board. That revenue came out of the contribution to capital, leaving the bottom line for the Groundwater Enterprise in a similar position.

The Reserve Policy and balances were included on page 32-37. The total allocated reserves are in sum \$9,178,825; most reserve targets are fully funded. After the audit is performed staff may propose some adjustments to the Board to modify allocations. The 2016-17 Reserve Policy is on page 33; only non-substantive changes were made to the policy. The standard employee salary schedule was updated and is shown on page 38-43. Resolution No. 536 increases the CalPERS retirement employee contribution to 3.5%. This reduction in District costs achieves the Board's goal of reducing the employer share and is included on page 44-45 for review and approval. These documents comprise the entire budget related changes for the Fiscal Year. President Corneille thanked Mr. Cozad and staff for their hard work on these items.

It was moved by Vice President McDonald and seconded by Director Aranda to adopt Resolution No. 536 changing the employee paid contribution to 3.5% for employees hired prior to PEPRA. The motion carried 5-0 with all Directors present voting in the affirmative with a roll call vote as listed below.

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

Director Raley: Yes
Director Aranda: Yes

It was moved by Director Aranda and seconded by Vice President McDonald to approve the 2016-2017 District and Enterprise Budget including Reserve Policy and Capital Project list. 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. GENERAL MANAGER ANNUAL PERFORMANCE EVALUATION, EMPLOYMENT AGREEMENT AND RESOLUTION NO. 537

President Corneille, who chaired the Ad Hoc General Manager Evaluation Committee (Committee) introduced this item for discussion. The Committee met on April 26th to discuss the District's performance under Mr. Cozad's leadership in 2015-2016; the minutes of that meeting are included on package page 48-51. The Committee evaluated performance in detail and recommends that based on performance and under the conditions of his employment contract Mr. Cozad is entitled to a bonus of \$9,952 for his performance during 2015-2016 contract period. The Committee evaluated salary and duties; and recommends Mr. Cozad receive an annual salary increase to \$212,570 for 2016-2017.

Also included in package on page 57 is Resolution No. 537 redefining the General Manager's responsibilities and authority. The only substantive change to note is the inclusion of his responsibilities as Executive Director for the San Bernardino Valley Conservation Trust. Discussion ensued regarding potential for a multi-year employment agreement. Director Longville spoke very highly of Mr. Cozad's performance as the Districts General Manager and expressed his support for a multi-year agreement if Mr. Cozad was willing. Director Aranda expressed his appreciation for Mr. Cozad's efforts. After discussion, the Board concurred that the General Manager's performance for 2015-2016 has well exceeded their expectations and that an increase in salary is warranted as well as the bonus proposed.

It was moved by Vice President McDonald and seconded by Director Aranda to approve the Employment Agreement for 2016-2017 and Resolution No. 537. 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. **UNAUDITED FINANCIAL REPORTS, MAY 2016**

It was moved by Vice President McDonald and seconded by Director Longville to approve the Unaudited Financials for May 2016. 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. **CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) PROPOSED BYLAWS**

It was moved by Vice President McDonald and seconded by Director Longville to approve the 2016 CSDA Proposed Bylaws Amendments be adopted and direct staff to submit a ballot as a "yes" vote. 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. **WASH PLAN REPORT**

Mr. Cozad presented this item for discussion. The written Wash Plan Report is included in the Board package on page 100 along with the Wash Plan financial spreadsheet. The Wash Plan timeline is included on page 101. RBF Consulting and ICF Jones & Stokes have been asked to begin work on the environmental documents and Final Habitat Conservation Plan (HCP). Final comments were received from the USFWS Region and USFWS Solicitor on these documents. There are no significant changes. The Santa Ana River HCP (River HCP) was discussed briefly.

B. **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 103. Minimal water is flowing in the field; year to date recharge as of end of May is 3685 AF. The Woolly Star are in full bloom and Spineflowers will bloom for the next couple of weeks. RBF Consulting will be surveying Spineflower locations. The US Fish & Wildlife Service (FWS) will be out in the field as well to study Spineflower. There was a meeting with FWS Region Staff, Dan Cox and later there will be one with Mendel Stuart with the Southern Regional FWS. Staff is working on final briefing for these meetings. The Operations Committee will review when the Mill Creek Redesign is completed. There is some concern over the Santa Ana Sucker and potential impacts to River HCP. The hydrologic work for the Active

Recharge Program is almost complete. It was remodeled and the process is ongoing. This item was received and filed. There will be a Groundwater Sustainability Council (GSC) meeting on Monday to discuss ground rules and list of issues identified by participants. Southern California Edison will be participating on behalf of industrial water users. Each retail agency will be self-certifying what their conservation efforts will be. Discussions of credits and debits procedures will be discussed at the Monday meeting. . The emergency conservation regulation numbers were rescinded by the SWRCB and agencies are required to tell the state what percentage of conservation are required to be sustainable. This includes assuming the same production and water supply and demand of the last three years. President Corneille stated that the Groundwater Sustainability Council is important to the District and requested a separate agenda item through the end of the year. This item was received and filed.

C. FUTURE AGENDA ITEMS & STAFF TASKS

Vice President McDonald would like for Heather Dyer of Valley District to make a presentation to the Board on the River HCP. President Corneille suggested either in July or August. Director Raley requested an update on the Munoz Construction item that was brought before the Board previously. Mr. Cozad stated that Munoz Construction has removed some sand and gravel and that upon completion of his permit on June 30, the District will begin working on a Request for Proposal for aggregate management.

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

Director Raley made a presentation to the Democratic Luncheon Club on May 13th. He attended a San Bernardino Valley Municipal Water District (SBVMWD) Board Workshop on May 31st and on June 3rd he attended the Redlands Rise N Shine.

Director Aranda noted that his written reports are included in package on page 107-109.

Director Longville attended the May 24th Highland Area Chamber of Commerce Luncheon (HACC).

Vice President McDonald attended the May 11th East Valley Water District Board Meeting, May 23rd Finance & Administration Committee meeting, May 24th HACC Luncheon, May 25th Koffee Klatch, June 1st SBVMWD Board of Directors meeting, June 2nd SBVMWD General Fund Budget Workshop, June 6th Basin Technical Advisory Committee Meeting, and June 7th SBVMWD Board of Directors meeting.

President Corneille met with Doug Headrick on May 13th to plan the Advisory Commission on Water Policy meeting and May 19th Operations Committee Meeting.

7. UPCOMING MEETINGS

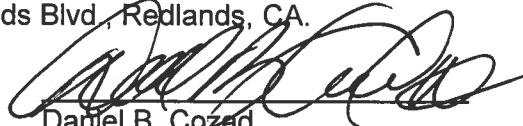
President Corneille will attend the State of the Community Luncheon for Redlands Chamber as well as Director Raley on June 24th.

8. ADJOURN MEETING

It was moved by Director Aranda and seconded by Vice President McDonald to adjourn. The motion carried 5-0 with all Directors present voting in the affirmative.

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

At 3:04 p.m. the meeting adjourned to the next regular Board Meeting July 13, 2016 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager