

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF May 11, 2016
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:

Melody McDonald, Vice President
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrival 1:35 pm)
Richard Corneille, President

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Charles Roberts, Highland Community News
Michelle Diamond, Tetra Tech
Elisio Ochoa, 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

It was moved by Director Aranda and seconded by Director Raley to approve Consent Calendar Item A: Board Minutes, April 27, 2016, Item B: Budget Workshop Minutes, April 27, 2016, Item C: Expenditure Report, April 2016. 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. BOARD POLICY MANUAL MEETING REPORTING CLARIFICATIONS

The Finance & Administration Committee (Committee) met and discussed this item at the April 20th meeting. The recommended verbiage has been added to clarify that a report for each meeting a Board Member is compensated for requires either an oral or written report under California Government Code § 53232.3. As directed by Committee, Staff revised the text of the policy to alleviate the requirement to withhold payment before a written report is received. These changes are reflected in redline in Section 4025.1.1 (e) and Appendix C on pages 21-24 of the Board package. Vice President McDonald thanked Mr. Cozad for clarifying the policy and reiterated the fact that a report is always required. She stated that at no time did the Board intend to indicate they would not adhere to the Government Code; however the written report requirement was both cumbersome to staff and Directors. President Corneille noted staff's recommendation that oral Board Member Meeting Reports should follow a specific and consistent format such as: 1) Date of Meeting, 2) Agency or Organization and 3) Committee or Meeting Name. He indicated that by implementing the recommended reporting format that will assist in ensuring that these are recorded accurately in the minutes.

It was moved by Vice President McDonald and seconded by Director Aranda to adopt the revised Board Policy Manual revisions to section 4025.1.1 (e) and Appendix C to simplify and clarify Board Member Meeting reporting requirements. 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. DISTRICT RESERVE INVESTMENT INSTITUTIONS

Mr. Cozad introduced this item for discussion. The 2016 Statement of Investment Policy was reviewed and approved by the Finance & Administration Committee and Board in March. In order to implement the policy and utilize additional investment institutions the Board must

submit a resolution to these institutions. He referred to package page 27 which includes Resolution No. 535 authorizing staff to utilize both UBS Financial Services and California Credit Unions to invest surplus cash. A quarterly report of all investments and reserves will be completed and distributed to the Board. If any significant changes are needed these will be brought forward to Finance & Administration Committee and the Board for final approval; such as any items that affect the availability or the return of the funds invested.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Resolution No. 535 allowing the General Manager to utilize additional institutions for investment of District reserves in accordance with the 2016 Statement of Investment Policy. 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, APRIL 2016**

It was moved by Vice President McDonald and seconded by Director Longville to approve the Unaudited Financial Reports of April 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**

5. **INFORMATION ITEMS**

A. **WASH PLAN REPORT**

The written Wash Plan Report is included in the Board package on page 36 along with the Wash Plan financial spreadsheet. The Wash Plan countdown clock is currently at 338 days; it was suggested to add 365 days by US Fish & Wildlife Service (FWS) and the Task Force at the April 15th meeting. The San Bernardino County Flood Control District (FCD) has requested changes which will not affect partners other than schedule. FCD will create their own Implementing Agreement (IA) and Incidental Take Permit (ITP), but will remain under the Wash Plan Habitat Conservation Plan (HCP). Technical issues related to endangered species such as spineflower and cactus wren have been addressed without increasing costs for partners. Solicitor comments have been addressed pertaining to the Memorandum of Understanding (MOU). The legislation has been introduced by Congressman Cook and Aguilar; Senator Feinstein is working on a companion bill. Discussion ensued regarding legislation and process. Wash Plan phase one can be implemented without legislation but phase two is dependent on

the Land Transfer with the Bureau of Land Management. Director Raley requested a detailed project schedule be shared with the Board at the June Board meeting. Mr. Beehler noted that the countdown clock will run out on April 15, 2017; that is the anticipated completion date of the HCP. This item was received and filed.

B. PLUNGE CREEK CONSERVATION DESIGN STATUS UPDATE

Mr. Beehler presented a PowerPoint presentation on this item. This is a Proposition 84 grant funded project. It is currently at 30% design completion. The complete design is expected to be complete by the end of this fiscal year, June 30th. Mr. Beehler reviewed the project area. The purpose of this project is to move a portion of base flow into abandoned channels and allow the silt to erode away naturally. It will also provide additional habitat for the San Bernardino Area Kangaroo Rat (SBKR). The estimated water to recharge groundwater would be 15-18 feet per day. Mr. Beehler reviewed the high flow map and what it modeled to occur during storms. The project yield is 14.6 AF for existing inundation area and it is estimated to increase to 26.3 AF based on 30% design. FCD and FWS have seen design and are in support of the project, but they want operational flexibility and adaptive management will be incorporated. Mr. Roberts asked about Elder Creek. Mr. Beehler said that Elder Creek is covered under the Wash Plan and that it will be designed to kick flows out to enhance the project. FCD will address Elder Creek flooding issues. The design is estimated at \$210,000 and total project is estimated at \$710,000 based on the 30% design. Staff is preparing a project charter and will be presenting it to the Finance & Operations Committee and Operations Committee for review. There are options to do additional phases as funds become available, if the District desires to, but those would not be covered by grant funds. The SAWPA grant is for \$500,000 and the District's obligation is \$210,000. Mr. Cozad said that we will be on budget for this project because scope can be adjusted. Mr. Beehler said that the new channel is expected to erode out so that the alluvial fan can reestablish itself increasing habitat. 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 38. The year to date recharge as of the end of April is 3,477 AF. Staff attended the City of Highland Finance Committee meeting where they decided to finance their endowment as soon as the Wash Plan MOU is signed. East Valley Water District, San Bernardino Valley Municipal Water District and City of Redlands have all included funds for the endowment in their 2016-2017 budget as well.

Mr. Cozad presented a PowerPoint on the Groundwater Sustainability Council (GSC). They had their first meeting on May 9th. The groundwater basin is a shared resource with shared responsibility, so everyone needs to do their part to ensure it stays hold. The safe yield numbers were reviewed, local rain and the 18-year drought. If the GSC was started in 2000 the District would still be in the safe operating range because that is when there was State Water Project (SWP) available for purchase. The reason for pushing forward with the GSC is because this is exactly the type of year the GSC would want to purchase water. We have a 60% allocation of SWP this year. On average there is an around 20,000 AF of water purchased. San Bernardino Valley Municipal Water District (Valley District) has a 103,000 AF maximum

allocation. There is about 60,000 available this year. The GSC would like for partners to purchase at least 20,000 AF a year on average when available for purchase. There is 10,000 AF of carry over and at least 12,000 AF available for purchase. Purchase cost is currently \$125 per AF; but actual cost is about \$200 per AF with the difference subsidized by SBVMWD. Mr. Cozad said that the GSC partners should set aside some money every year for when SWP water becomes available. The Sustainable Groundwater Management Act (SGMA) provisions were reviewed. The provision that would be most useful to GSC is 1) authority to charge an equitable fee for recharge and 2) AB 938 would allow us to "opt in" to SGMA. Mr. Cozad reviewed the framework. The cost breakdown for adequate funding for GSC is preliminarily estimated at approximately \$5 per person per year or \$1.50 per month per household. The GSC will use the yearly BTAC recharge recommendation. The GSC is currently working on the framework for governance. As more information becomes available it will be brought to the Board. This item was received and filed.

D. 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.

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

Director Longville attended the Association of San Bernardino County Special Districts Dinner on April 18th as reported as last meeting. He had a lunch meeting with EVWD director on May 3rd.

Vice President McDonald attended the SBVMWD Board of Directors Meeting on May 10th. She also attended the ACWA Spring Conference May 2-6; the ACWA/JPIA meeting was held Monday May 2nd at the ACWA Conference. Vice President McDonald attended compliance training and obtained her Sexual Harassment Prevention Training (May 3rd) and Ethics training (May 5th) at the conference.

Director Raley attended the Redlands Rise N Shine on May 6th. Additional written report is included in package on page 48.

Director Aranda noted that his written reports are included in package on page 42-47. He also attended the May 10th Upper Santa Ana Water Resources Association meeting where they discussed disbanding the association.

President Corneille attended the ACWA Spring Conference on May 3-5th. He attended the May 3rd Groundwater Management Committee and Water Management Committee meetings at the conference as well as Ethics Training on May 5th. President Corneille also attended the Groundwater Sustainability Formations Panel, the Go Time for the Delta Fix Panel, and the State of the State's Water System Panel discussions at the conference.

7. UPCOMING MEETINGS

There were none discussed.

8. ADJOURN MEETING

It was moved by Director Aranda and seconded by President Corneille 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 3:51 p.m. the meeting adjourned to the next regular Board Meeting June 8, 2016 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.


Daniel B. Cozad
General Manager