



BOARD OF DIRECTORS MEETING AGENDA

Wednesday, October 12, 2016 – 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. It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Monge at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

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. PRESENTATION

A. Kangaroo Rat Research on the Santa Ana River Wash – Dr. Thea Wang with San Diego Zoo Institute for Conservation Research

4. COMMITTEE APPOINTMENTS

5. CONSENT CALENDAR

- A. Approval of Board Minutes, September 14, 2016 4
- B. Approval of Special Board Minutes, September 27, 2016 11
- C. Approval of Expenditure Report, September 2016 13

6. COMMITTEE REPORTS /ACTION ITEMS

Committee Reports

There are no Committee Reports.

Action Items

- A. UNAUDITED FINANCIAL REPORTS, SEPTEMBER 2016 – 5 minutes (M#1444)..... 20
Presenter: Daniel Cozad
Recommendation: Review and approve the unaudited financials for September 2016.
- B. UPLAND ROCK MATERIAL PROCESSING LICENSE – 10 minutes (M#1445)..... 26
Presenter: Daniel Cozad
Recommendation: Consider authorizing the General Manager to negotiate and execute a Material Processing License under standard term with Upland Rock for up to three one year terms.
- C. MILL CREEK DIVERSION AND PERMITTING ASSISTANCE TASK ORDER– 10 minutes (M#1446)..... 46
Presenter: Daniel Cozad
Recommendation: Consider authorizing the General Manager to execute a change order to ICF Jones & Stokes not to exceed \$35,000 for Permitting Assistance for the Mill Creek Diversions modifications
- D. RESTORATION OF DISTRICT LANDS IMPACTED BY EBXII CONSTRUCTION– 10 minutes (M#1447)..... 51
Presenter: Jeff Beehler
Recommendation: Consider authorizing staff to negotiate taking over the restoration of lands impacted by the Construction of EBX II with the California Department of Water Resources (DWR).
- E. STAFF PARTICIPATION IN SAWPA OWOW PLAN UPDATE– 5 minutes (M#1448)..... 54
Presenter: Jeff Beehler
Recommendation: Consider authorizing the Land Resources Manager to participate as the Natural Resources Stewardship Pillar Leader for the update of the SAWPA Integrated Regional Water Management Plan (IRWMP).

7. INFORMATION ITEMS:

- A. Wash Plan Report – 10 Minutes 56
- B. Trails Plan Presentation by Jeff Beehler – 10 Minutes
- C. General Manager’s Report and Monthly Recharge Report – 5 Minutes 59
- D. Groundwater Sustainability Council Update – 5 Minutes
- E. Future Agenda Items & Staff Tasks

8. MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS

- A. Board Member Meeting Reports – 15 minutes
- B. ACWA Fall Conference Travel Request 65

9. **UPCOMING MEETINGS:**

- A. October 13, 2016 San Bernardino Chamber of Commerce Legislative Breakfast, 7:30 a.m. at Arrowhead Country Club
- B. October 17, 2016 Association of San Bernardino County Special District Dinner Meeting, 6:30 p.m. at The Hilton Garden Inn, San Bernardino
- C. October 18, 2016 San Bernardino Valley Municipal Water District Board of Directors Meeting, 2:00 p.m. at Valley District
- D. October 27, 2016 Three Valley Municipal Water District Leadership Breakfast, 7:30 a.m. at Fairplex Pomona

- E. November 4, 2016 ACWA Region 9 Water Tour, 8:30 a.m. at Coachella Valley Water District
- F. November 11, 2016 Office Closed in Observance of Veterans Day
- G. November 24-25, 2016 Office Closed in Observance of Thanksgiving

- H. November 29, 2016-December 2, 2016 Association of California Water Agencies Fall Conference, Anaheim
(Board Approval Required)
- I. December 8, 2016 Advisory Commission on Water Policy, 6:30 p.m. at Valley District

10. **CLOSED SESSION**

- 1. The Board may convene in Closed Session for Conference with Real Property Negotiators - Pursuant to Government Code Section 54956.8 -Property APN No. 0302-131-14 - Owner: Mendoza Trust - Under Negotiation: Price and Terms of purchase, Negotiator: Daniel Cozad Negotiating Parties Gina Roquet and San Bernardino Valley Water Conservation District.

11. **ADJOURN MEETING.** The next regular scheduled Board of Directors Meeting will be on November 16, 2016 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF September 14, 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:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
John Longville, Director (Arrival 1:36 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

Jeremy Jungreis, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Charles Roberts, Highland Community News
Bob Tincher, San Bernardino Valley Municipal Water District
Michelle Diamond, Tetra Tech
Milford Harrison

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. PRESENTATIONS

Bob Tincher of San Bernardino Valley Municipal Water District (Valley District) presented a PowerPoint presentation about the Regional Urban Water Management Plan 2015 Update (RUWMP). The advantage of developing a RUWMP is improved coordination, cost effectiveness and better results. There has been an estimated 63% cost savings to various partner agencies from working together as a region. Mr. Tincher reviewed the history of RUWMP noting that these must be prepared every five years as required by the UWMP Act. The purpose of the plan is to ensure supplies are available to meet existing and future water demands. He reviewed the comparison from 2010 to 2015 where numbers changed due to the current drought conditions. In dry years water is coming out of groundwater storage. In wet years agencies will utilize surface water and put imported water into the ground. The fall back if assumptions do not pan out is to drill wells deeper. Mr. Tincher briefly discussed the limited subsidence risk. The Board thanked Mr. Tincher for his presentation.

4. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by President Corneille to approve Consent Calendar Item A: Board Minutes, August 10, 2016 and Item B: Expenditure Report, August 2016. The motion carried 4-0 with all Directors present voting in the affirmative.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, AUGUST 2016

It was moved by Director Longville and seconded by Vice President McDonald to approve the Unaudited Financials for August 2016. The motion carried 4-0 with all Directors present voting in the affirmative.

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

B. GROUNDWATER TOP FIVE PRODUCERS AND INVESTIGATION LIST

Mr. Cozad presented this item. This list is reviewed every 6 months to show who is utilizing the basin and who pays large portions of the groundwater charge revenue. The top five producers are for the last 6 months are: City of Riverside, East Valley Water District, Meeks and Daley, City of Redlands, City of San Bernardino and the City of Loma Linda. Mr. Cozad reviewed the Past Due Groundwater Producers list on package page 27. He noted that AHD Limited has been a difficult producer to get a hold of and suggested that a site visit be done. Mr. Cozad

stated that they may be non-operational because a large portion of the area has been developed. However, they are required by Water Code to properly destroy and abandon the well obtaining certification of such and submitting to the District and the County. Once properly destroyed and reported to the District the producer would not have to report any more. Director Raley asked what the issues would be for not properly destroying a well that is not being utilized. Mr. Cozad indicated that if the water near the well gets contaminated it becomes spread and old wells are a liability issue. The county requires wells to be properly abandoned. This item was received and filed.

C. DISTRICT RECORDS DESTRUCTION

It was moved by Director Longville and seconded by Vice President McDonald to approve the Destruction Log #0009 as presented. The motion carried 4-0 with all Directors present voting in the affirmative.

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

D. ASSISTANT ENGINEER BENEFITS APPROVAL

Mr. Cozad introduced this item for discussion. He stated that the Personnel Manual clearly outlines benefits for part-time and full time employees, but does not cover irregular time employees who work more than 20 hours and less than 40 hours. Due to this ambiguity Staff is asking for direction regarding whether or not Katelyn Scholte is eligible for benefits since the Board has recently increased her hours in the budget. The fiscal impact is estimated at \$10,387.31 in total for medical, dental and vision for the remainder of the fiscal year 2016-2017. Mr. Cozad indicated that staff will bring this back at the next budget review if Ms. Scholte remains with the District for the next fiscal year. President Corneille requested that the Finance & Administration Committee review the Personnel Manual; specifically the employee categories and benefits associated with each category. President Corneille and Vice President McDonald spoke in support of the motion noting that for an employee that works relatively close to full time it is appropriate that full benefits be provided.

It was moved by Vice President McDonald and seconded by Director Longville to approve Katelyn Scholte, Assistant Engineer for enrollment in full benefits for remainder of 2016-2017. The motion carried 4-0 with all Directors present voting in the affirmative.

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

6. INFORMATION ITEMS

A. WASH PLAN REPORT AND PRESENTATION

Mr. Beehler presented his written report which is included on package page 32. He is working with consultants on finalizing the Habitat Conservation Plan (HCP); the schedule has not been updated but will be at the October Board meeting. Mr. Beehler indicated that the HCP analysis is being revised based on UFWS solicitor's comments now. The final tables and maps should be completed by next week for review by Bureau of Land Management (BLM). The consultants are also working on EIR/EIS portion and addressing comments. They are currently working with BLM staff to address the South Coast Resource Management Plan (SCRMP). There will be a new field manager for BLM which will not begin until October; staff is working on scheduling a meeting with him to bring him up to speed. Mr. Beehler spoke to Congressman Pete Aguilar's staff which indicated that they are optimistic there will be a fall committee hearing where the BLM Land Exchange legislation will be discussed. The District has received the fully executed MOU from the San Manuel Band of Mission Indians. Mr. Beehler briefly discussed the lawsuit between the Endangered Habitats League who has notified the US Corp of Engineers and flood control districts of their intent to sue. Mr. Beehler stated that the posting of the HCP and related documents in the federal register has been delayed by approximately four weeks. Director Raley asked how much this delay is costing us. Mr. Beehler stated the consultants should not cost anything additional; everyone is working in sync. Mr. Beehler presented a brief review of the District's Wash Plan construction projects: 1) Plunge Creek-Prop 84 grant project that will reactivate isolated channels as well as create habitat for endangered species; 2) Greenspot Levee Removal-levee no longer needed since Seven Oaks Dam was built and may offset costs with the revenue from the sale of aggregate materials and 3) Dike D Habitat Enhancement-access ramp will be built for San Bernardino Kangaroo Rats to have a way in and out of the channel as well as allow for District to move heavy equipment easily This item was received and filed.

B. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad made his report verbally as he has been on vacation for the past few weeks. He thanked staff and the Board for making it possible for him to be gone. He said that the District purchased 18 AF of State Water Project (SWP) Water for Mill Creek flow meter testing. The testing has been completed and the Weir operated well. The District will need to request alternative compliance with SB-88; it will not be able to demonstrate better than 10% accuracy. Tamarisk removal was completed in the Borrow Pit. The Request for Proposals for Aggregate Management was sent out. In regards to the yearly financial audit, an employer specific GASB 68 report will need to be prepared and will take two-three weeks for completion delaying the completion of the audit. CalPERS completed this report previously. The jurisdictional delineation was done for Plunge Creek and the design permitting is underway. The cultural investigation will be contracted out to be able to move forward with permitting. President Corneille asked if the District is recharging any of the supplemental water from SWP for any agencies. Mr. Cozad stated that the District still has flow on the Santa Ana side for East Valley Water District. Monthly recharge thru August 31st is 3,718 AF. This item was received and filed.

C. GROUNDWATER SUSTAINABILITY COUNCIL UPDATE

Mr. Cozad introduced this item for discussion. He said that Rutan & Tucker has been developing the Framework Agreement for the Groundwater Sustainability Council (GSC). Ms. Scholte is staffing the BTAC Committee with Mr. Tincher to develop the "equitable allocation model". They are looking at the gap between need and supply on hand (agency by agency), using adjudicated base period 1959-1963 and calculating it using actual use from 2009-2013 with most recent years of drought subtracted out to avoid skewing the numbers. They are also using actual production. These will be presented at the October Council meeting. This item was received and filed.

D. NOTICE OF VACANCY AND APPOINTMENT PROCESS-DIVISION 3

The District received three applications for the vacant Division 3 Board seat. One of the applicants was outside of Division boundaries. T. Milford Harrison, one of the applicants is present today and the other applicant Dr. Ryan Sinclair works in water quality and is professor at the Loma Linda University School of Public Health. The board selected September 27th for the Special Board meeting with interviews to be held at 10:00 a.m. and 11:00 a.m.; lunch break at 12:00 p.m. and reconvene at 1:00 p.m. to appoint.

E. FUTURE AGENDA ITEMS & STAFF TASKS

President Corneille requested that the Trails Plan be summarized and be presented to the Board at its October meeting.

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

Director Raley attended the SBV Conservation Trust Board meeting on August 15th. He attended the East Valley Water District (EVWD) Board meeting on August 24th and San Bernardino Valley Municipal Water District (SBVMWD) Board of Directors' Workshop on September 12th.

Director Longville attended the SBV Conservation Trust Board meeting on August 15th. He also attended the SBC Water Conference on August 12th.

Vice President McDonald attended the Basin Technical Advisory Commission on August 1st. She also attended the SBC Water Conference on August 12th and the SBVMWD August 16th Board Meeting. Vice President McDonald attended the Highland Chamber of Commerce Luncheon on August 23rd. She attended the September 6th SBVMWD Board meeting.

President Corneille met with the Board of the Mentone Area Community Association to discuss their request for changes to the Community Garden Report. He attended the Loma Linda Chamber of Commerce meeting on September 7th. He attended on September 13th an Agenda planning meeting for the Advisory Commission on Water Policy's next meeting on September 22nd.

President Corneille noted that his travel request to the ACWA Fall Conference in included on package page 36.

It was moved by Director Longville and seconded by Vice President McDonald to approve President Corneille's travel request in the amount of \$1,814 to the ACWA Fall Conference. The motion carried 4-0 with all Directors present voting in the affirmative.

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

8. UPCOMING MEETINGS

President Corneille stated that the next Advisory Commission on Water Policy will be held September 22nd.

9. CLOSED SESSION

It was moved by Director Longville and seconded by Vice President McDonald to go into Closed Session under the items listed on the published agenda specifically Government Code 54956.8 related to Property APN No. 0302-131-14 and pending litigation under 54956.9 (a) IVDA vs. Michael Cohen. The motion carried 4-0 with all Directors present voting in the affirmative.

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

General Counsel announced that the meeting will adjourn to closed session under all items posted on the published agenda.

At 3:27 p.m., the meeting reconvened into Open Session. Mr. Jungreis noted while in Closed Session under Government Code section 54957.1 that there was no reportable action taken.

10. ADJOURN MEETING

It was moved by Vice President McDonald and seconded by President Corneille to adjourn in memory of John K. Longville whom passed on August 25th. The motion carried 4-0 with all Directors present voting in the affirmative.

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

At 3:29 p.m. the meeting adjourned to Special Board Meeting scheduled for September 27, 2016 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
SPECIAL BOARD OF DIRECTORS MEETING

MINUTES OF September 27, 2016
10:00 A.M.

President Corneille called the Board Meeting of the Board of Directors to order at 10:00 a.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
John Longville, Director (Arrival 10:14 a.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:

Ryan Sinclair
T. Milford Harrison

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. DIVISION 3 INTERVIEWS

A. RYAN SINCLAIR INTERVIEW

Mr. Sinclair gave a brief background of himself and an overview of his reasons behind seeking a position on the District Board. Interview commenced.

B. T. MILFORD HARRISON INTERVIEW

Mr. Harrison gave a brief background of himself and an overview of his reasons behind seeking a position on the District Board. Interview commenced.

4. BREAK FOR LUNCH

5. RECONVENE 1:00 P.M.

6. ACTION ITEMS

A. DIVISION 3 APPOINTMENT

The Board discussed candidates comparatively.

It was moved by Director Longville and seconded by Vice President McDonald to appoint T. Milford Harrison to Director of Division 3. The motion carried 4-0 with all Directors present voting in the affirmative.

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

7. ADJOURN MEETING

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

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

At 1:29 p.m. the meeting adjourned to Special Board Meeting scheduled for October 12, 2016 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
Expenditure Report
September 2016

09/30/16

Num	Date	Name	Account	Class	Original Amount
PC 09.28.16	09/28/2016	Paychex	1012 · Citizens Busine...		-73.32
			6042 · Payroll Processing	4-General Fund Ent.	73.32
TOTAL					73.32
PC09.14.16	09/14/2016	Paychex	1012 · Citizens Busine...		-77.84
			6042 · Payroll Processing	4-General Fund Ent.	77.84
TOTAL					77.84
20309	09/06/2016	Department of Pesticid...	1012 · Citizens Busine...		-180.00
			6006 · Permits	3-Land Resources	180.00
TOTAL					180.00
20310	09/07/2016	Aaron Pederson	1012 · Citizens Busine...		-35.00
	08/27/2016		6018 · Janitorial Services	4-General Fund Ent.	35.00
TOTAL					35.00
20311	09/07/2016	Assoc. San Bernardino...	1012 · Citizens Busine...		-120.00
	08/30/2016		6425 · Meals	4-General Fund Ent.	90.00
			6525 · Meals	4-General Fund Ent.	13.50
			6525 · Meals	1-Groundwater Ent.	10.50
			6525 · Meals	3-Land Resources	6.00
TOTAL					120.00
20312	09/07/2016	Beach Boyz Auto Service	1012 · Citizens Busine...		-212.77
	08/31/2016		5310 · Vehicle Mainten...	1-Groundwater Ent.	212.77
TOTAL					212.77
20313	09/07/2016	Castro Landscaping Se...	1012 · Citizens Busine...		-250.00
	08/30/2016		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00
20314	09/07/2016	CDM Smith	1012 · Citizens Busine...		-1,030.00
	08/24/2016		5122 · Wash Plan Profe...	5-Wash Plan	1,030.00
TOTAL					1,030.00
20315	09/07/2016	Eadie & Payne, LLP	1012 · Citizens Busine...		-4,600.00
	08/25/2016		5170 · Audit	4-General Fund Ent.	920.00
			5170 · Audit	1-Groundwater Ent.	2,116.00
			5170 · Audit	2-Redlands Plaza/...	690.00
			5170 · Audit	3-Land Resources	874.00
TOTAL					4,600.00

San Bernardino Valley Water Conservation District
Expenditure Report
September 2016

Num	Date	Name	Account	Class	Original Amount
20316	09/07/2016	Edison - 8812	1012 · Citizens Busine...		-271.20
	08/31/2016		5420 · Electricity	4-General Fund Ent.	75.94
			5420 · Electricity	1-Groundwater Ent.	54.24
			5420 · Electricity	2-Redlands Plaza/...	141.02
TOTAL					271.20
20317	09/07/2016	Edison - Redlands Plaza	1012 · Citizens Busine...		-66.27
	08/31/2016		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.27
TOTAL					66.27
20318	09/07/2016	Frontier-4860	1012 · Citizens Busine...		-504.00
	08/28/2016		5440 · Telephone	4-General Fund Ent.	271.52
			5440 · Telephone	1-Groundwater Ent.	116.37
			5470 · Internet Services	4-General Fund Ent.	58.06
			5470 · Internet Services	1-Groundwater Ent.	34.83
			5470 · Internet Services	2-Redlands Plaza/...	5.81
			5470 · Internet Services	3-Land Resources	17.41
TOTAL					504.00
20319	09/07/2016	Frontier-7275	1012 · Citizens Busine...		-135.81
	08/19/2016		5440 · Telephone	4-General Fund Ent.	56.50
			5440 · Telephone	1-Groundwater Ent.	24.22
			5470 · Internet Services	4-General Fund Ent.	27.55
			5470 · Internet Services	1-Groundwater Ent.	16.53
			5470 · Internet Services	2-Redlands Plaza/...	2.75
			5470 · Internet Services	3-Land Resources	8.26
TOTAL					135.81
20320	09/07/2016	Highland Area Chambe...	1012 · Citizens Busine...		-20.00
	08/23/2016		6425 · Meals	4-General Fund Ent.	20.00
TOTAL					20.00
20321	09/07/2016	Highland Community N...	1012 · Citizens Busine...		-90.25
	08/31/2016		6091 · Public Notices	4-General Fund Ent.	18.05
			6091 · Public Notices	1-Groundwater Ent.	72.20
TOTAL					90.25
20322	09/07/2016	Home Depot Credit Ser...	1012 · Citizens Busine...		-18.34
	08/28/2016		5210 · Equipment Maint...	1-Groundwater Ent.	18.34
TOTAL					18.34
20323	09/07/2016	ICF Jones & Stokes, Inc	1012 · Citizens Busine...		-15,817.20
	08/19/2016		5122 · Wash Plan Profe...	5-Wash Plan	15,817.20
TOTAL					15,817.20

San Bernardino Valley Water Conservation District
Expenditure Report
September 2016

09/30/16

Num	Date	Name	Account	Class	Original Amount
20324	09/07/2016	Image Source	1012 · Citizens Busine...		-307.46
	08/16/2016		6033 · Office Equipmen...	4-General Fund Ent.	230.60
			6033 · Office Equipmen...	1-Groundwater Ent.	15.37
			6033 · Office Equipmen...	2-Redlands Plaza/...	46.12
			6033 · Office Equipmen...	3-Land Resources	15.37
TOTAL					307.46
20325	09/07/2016	Lowe's Companies, Inc.	1012 · Citizens Busine...		-182.82
	08/25/2016		5210 · Equipment Maint...	1-Groundwater Ent.	40.78
			5215 · Property Mainte...	1-Groundwater Ent.	113.63
			5215 · Property Mainte...	3-Land Resources	28.41
TOTAL					182.82
20326	09/07/2016	Michael Baker Internati...	1012 · Citizens Busine...		-7,500.00
	08/19/2016		5122 · Wash Plan Profe...	5-Wash Plan	7,500.00
TOTAL					7,500.00
20327	09/07/2016	Office Solutions	1012 · Citizens Busine...		-134.96
	08/19/2016		6030 · Office Supplies	4-General Fund Ent.	107.97
			6030 · Office Supplies	1-Groundwater Ent.	6.75
			6030 · Office Supplies	2-Redlands Plaza/...	13.49
			6030 · Office Supplies	3-Land Resources	6.75
TOTAL					134.96
20328	09/07/2016	Pat's Pots	1012 · Citizens Busine...		-240.00
	08/25/2016		5460 · Water / Trash / ...	4-General Fund Ent.	120.00
			5460 · Water / Trash / ...	1-Groundwater Ent.	96.00
			5460 · Water / Trash / ...	3-Land Resources	24.00
TOTAL					240.00
20329	09/07/2016	Patton Sales Corp	1012 · Citizens Busine...		-50.54
	08/31/2016		5215 · Property Mainte...	1-Groundwater Ent.	50.54
TOTAL					50.54
20330	09/07/2016	Pine Environmental Se...	1012 · Citizens Busine...		-79.93
	08/29/2016		5120 · Misc. Profession...	4-General Fund Ent.	19.98
			5120 · Misc. Profession...	1-Groundwater Ent.	15.99
			5120 · Misc. Profession...	3-Land Resources	43.96
TOTAL					79.93
20331	09/07/2016	ReadyRefresh by Nestle	1012 · Citizens Busine...		-67.60
	08/24/2016		5460 · Water / Trash / ...	4-General Fund Ent.	33.80
			5460 · Water / Trash / ...	1-Groundwater Ent.	27.04
			5460 · Water / Trash / ...	3-Land Resources	6.76
TOTAL					67.60

San Bernardino Valley Water Conservation District
Expenditure Report
September 2016

09/30/16

Num	Date	Name	Account	Class	Original Amount
20332	09/07/2016	Valero Marketing & Su...	1012 · Citizens Busine...		-462.87
	08/31/2016		5320 · Fuel	1-Groundwater Ent.	462.87
TOTAL					462.87
20333	09/20/2016	American Power Security	1012 · Citizens Busine...		-475.00
	09/08/2016		6026 · Redlands Plaza ...	2-Redlands Plaza/...	475.00
TOTAL					475.00
20334	09/20/2016	Citizens Business Bank	1012 · Citizens Busine...		-931.12
	09/13/2016		5215 · Property Mainte...	1-Groundwater Ent.	61.52
			5215 · Property Mainte...	3-Land Resources	15.38
			6001 · General Adminis...	4-General Fund Ent.	100.00
			6001 · General Adminis...	1-Groundwater Ent.	100.00
			6002 · Website Adminis...	4-General Fund Ent.	175.00
			6015 · Mentone House ...	2-Redlands Plaza/...	40.19
			6027 · Computer Suppli...	4-General Fund Ent.	89.09
			6027 · Computer Suppli...	1-Groundwater Ent.	5.94
			6027 · Computer Suppli...	2-Redlands Plaza/...	17.82
			6027 · Computer Suppli...	3-Land Resources	5.94
			6030 · Office Supplies	4-General Fund Ent.	169.79
			6030 · Office Supplies	1-Groundwater Ent.	10.61
			6030 · Office Supplies	2-Redlands Plaza/...	21.23
			6030 · Office Supplies	3-Land Resources	10.61
			6091 · Public Notices	4-General Fund Ent.	21.60
			6091 · Public Notices	1-Groundwater Ent.	86.40
TOTAL					931.12
20335	09/20/2016	City News Group, Inc.	1012 · Citizens Busine...		-95.00
	09/02/2016		6091 · Public Notices	4-General Fund Ent.	19.00
			6091 · Public Notices	1-Groundwater Ent.	76.00
TOTAL					95.00
20336	09/20/2016	County Treasurer	1012 · Citizens Busine...		-134.00
	08/31/2016		5170 · Audit	4-General Fund Ent.	26.80
			5170 · Audit	1-Groundwater Ent.	61.64
			5170 · Audit	2-Redlands Plaza/...	20.10
			5170 · Audit	3-Land Resources	25.46
TOTAL					134.00
20337	09/20/2016	Daily Journal Corporati...	1012 · Citizens Busine...		-127.60
	09/05/2016		6091 · Public Notices	4-General Fund Ent.	25.52
			6091 · Public Notices	1-Groundwater Ent.	102.08
TOTAL					127.60
20338	09/20/2016	Day Lite Maintenance, I...	1012 · Citizens Busine...		-144.00
	09/01/2016		6026 · Redlands Plaza ...	2-Redlands Plaza/...	144.00
TOTAL					144.00

San Bernardino Valley Water Conservation District
Expenditure Report
September 2016

09/30/16

Num	Date	Name	Account	Class	Original Amount
20339	09/20/2016	Eadie & Payne, LLP	1012 · Citizens Busine...		-12,000.00
	09/14/2016		5170 · Audit	4-General Fund Ent.	2,400.00
			5170 · Audit	1-Groundwater Ent.	5,520.00
			5170 · Audit	2-Redlands Plaza/...	1,800.00
			5170 · Audit	3-Land Resources	2,280.00
TOTAL					12,000.00
20340	09/20/2016	Edison - 7241	1012 · Citizens Busine...		-52.22
	09/10/2016		5420 · Electricity	4-General Fund Ent.	14.62
			5420 · Electricity	1-Groundwater Ent.	10.44
			5420 · Electricity	2-Redlands Plaza/...	27.16
TOTAL					52.22
20341	09/20/2016	Edison -5552	1012 · Citizens Busine...		-530.63
	09/09/2016		5420 · Electricity	4-General Fund Ent.	141.39
			5420 · Electricity	1-Groundwater Ent.	101.00
			5420 · Electricity	2-Redlands Plaza/...	262.59
			6020 · Vacancy Marketi...	2-Redlands Plaza/...	25.65
TOTAL					530.63
20342	09/20/2016	ICF Jones & Stokes, Inc	1012 · Citizens Busine...		-10,005.00
	09/10/2016		5124 · Plunge Creek Pr...	3-Land Resources	10,005.00
TOTAL					10,005.00
20343	09/20/2016	Jericho Systems, Inc.	1012 · Citizens Busine...		-4,320.00
	09/12/2016		5124 · Plunge Creek Pr...	3-Land Resources	2,160.00
			5120 · Misc. Profession...	3-Land Resources	2,160.00
TOTAL					4,320.00
20344	09/20/2016	Netsteller	1012 · Citizens Busine...		-450.00
	09/01/2016		5160 · IT Support	4-General Fund Ent.	180.00
			5160 · IT Support	1-Groundwater Ent.	225.00
			5160 · IT Support	3-Land Resources	45.00
TOTAL					450.00
20345	09/20/2016	Pine Environmental Se...	1012 · Citizens Busine...		-79.93
	09/07/2016		5120 · Misc. Profession...	4-General Fund Ent.	19.98
			5120 · Misc. Profession...	1-Groundwater Ent.	15.99
			5120 · Misc. Profession...	3-Land Resources	43.96
TOTAL					79.93
20346	09/20/2016	Redlands Tire Pros & S...	1012 · Citizens Busine...		-79.99
	09/14/2016		5310 · Vehicle Mainten...	1-Groundwater Ent.	79.99
TOTAL					79.99

San Bernardino Valley Water Conservation District
Expenditure Report
September 2016

09/30/16

Num	Date	Name	Account	Class	Original Amount
20347	09/20/2016	Terminix	1012 · Citizens Busine...		-66.00
	08/12/2016		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.00
TOTAL					66.00
20348	09/20/2016	U.S. Bank Equipment F...	1012 · Citizens Busine...		-362.20
	09/13/2016		6033 · Office Equipmen...	4-General Fund Ent.	271.65
			6033 · Office Equipmen...	1-Groundwater Ent.	18.11
			6033 · Office Equipmen...	2-Redlands Plaza/...	54.33
			6033 · Office Equipmen...	3-Land Resources	18.11
TOTAL					362.20
100149N	09/06/2016	PERS	1012 · Citizens Busine...		-4,946.61
			6170 · PERS Retirement	4-General Fund Ent.	794.43
			6170 · PERS Retirement	1-Groundwater Ent.	2,516.34
			6170 · PERS Retirement	2-Redlands Plaza/...	252.28
			6170 · PERS Retirement	3-Land Resources	737.04
			6170 · PERS Retirement	5-Wash Plan	646.52
TOTAL					4,946.61
100150N	09/08/2016	PERS	1012 · Citizens Busine...		-4,938.60
			6170 · PERS Retirement	4-General Fund Ent.	793.14
			6170 · PERS Retirement	1-Groundwater Ent.	2,512.27
			6170 · PERS Retirement	2-Redlands Plaza/...	251.87
			6170 · PERS Retirement	3-Land Resources	735.85
			6170 · PERS Retirement	5-Wash Plan	645.47
TOTAL					4,938.60
100151N	09/13/2016	PERS	1012 · Citizens Busine...		-4,904.19
			6170 · PERS Retirement	4-General Fund Ent.	787.61
			6170 · PERS Retirement	1-Groundwater Ent.	2,494.76
			6170 · PERS Retirement	2-Redlands Plaza/...	250.11
			6170 · PERS Retirement	3-Land Resources	730.72
			6170 · PERS Retirement	5-Wash Plan	640.99
TOTAL					4,904.19
100152N	09/26/2016	PERS	1012 · Citizens Busine...		-4,896.98
			6170 · PERS Retirement	4-General Fund Ent.	786.45
			6170 · PERS Retirement	1-Groundwater Ent.	2,491.09
			6170 · PERS Retirement	2-Redlands Plaza/...	249.75
			6170 · PERS Retirement	3-Land Resources	729.65
			6170 · PERS Retirement	5-Wash Plan	640.04
TOTAL					4,896.98

San Bernardino Valley Water Conservation District
Director Fees Expenditure Payroll Report
September 2016

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
9/14/2016	Corneille, D	Aug-16	\$ 206.00	\$ 17.61	\$ 188.39
9/14/2016	McDonald, M	Aug-16	\$ 1,236.00	\$ 105.67	\$ 1,130.33



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. 1444

To: Board of Directors

From: General Manager, Daniel Cozad

Date: October 12, 2016

Subject: Unaudited Financial Reports, September 2016

RECOMMENDATION

Review and approve the unaudited financials for September 2016.

BACKGROUND

Each month staff presents the unaudited financial for the District. The presented reports are as of September 30, 2016.

DISCUSSION

Most funds and accounts are as expected, however groundwater charge payments have not yet been received from City of Riverside for their groundwater production. City staff have indicated payment will be sent soon. The Enhanced Recharge Agreement has been invoiced and accrued in attached financials. Payment is expected by end of October. The small difference to budget is the estimated versus the actual CPI escalation factor.

An additional \$13,905.37 of the District's loan commitment to fund Wash Plan costs was booked to revenue from reserves totaling \$213,905.37 of the \$430,000 commitment.

The financials are attached for the Board review and approval.

FISCAL IMPACT

There is no fiscal impact from reporting the financial status of the District.

POTENTIAL MOTIONS

1. Move approval of the Unaudited Financials for September 2016 as presented.
2. Move to request this item be tabled and referred to Finance & Administration Committee for reconsideration of specific issues discussed.

ATTACHMENTS OR MATERIALS

Graph Financials for September 2016
Profit & Loss to Date vs. Annual Budget

BOARD
OF
DIRECTORS

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

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

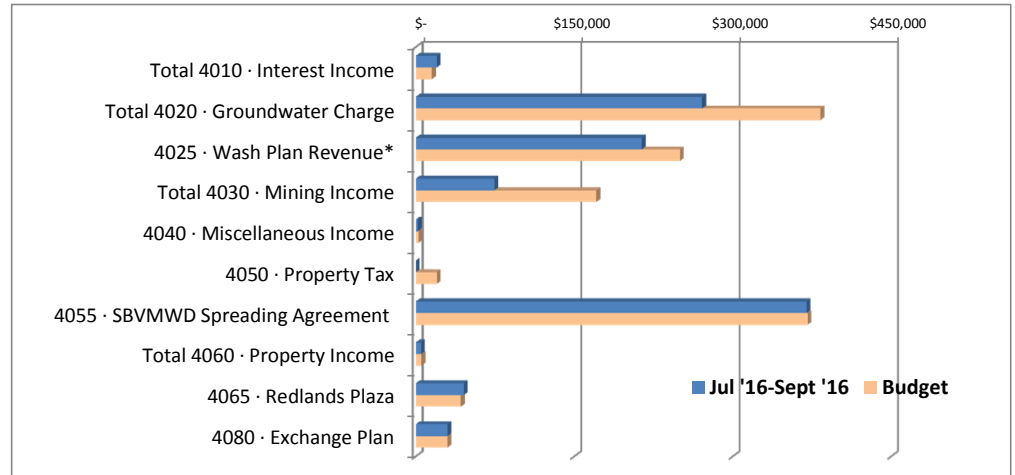
GENERAL
MANAGER Daniel B. Cozad

SBVWCD - All Enterprises Budget and Actual

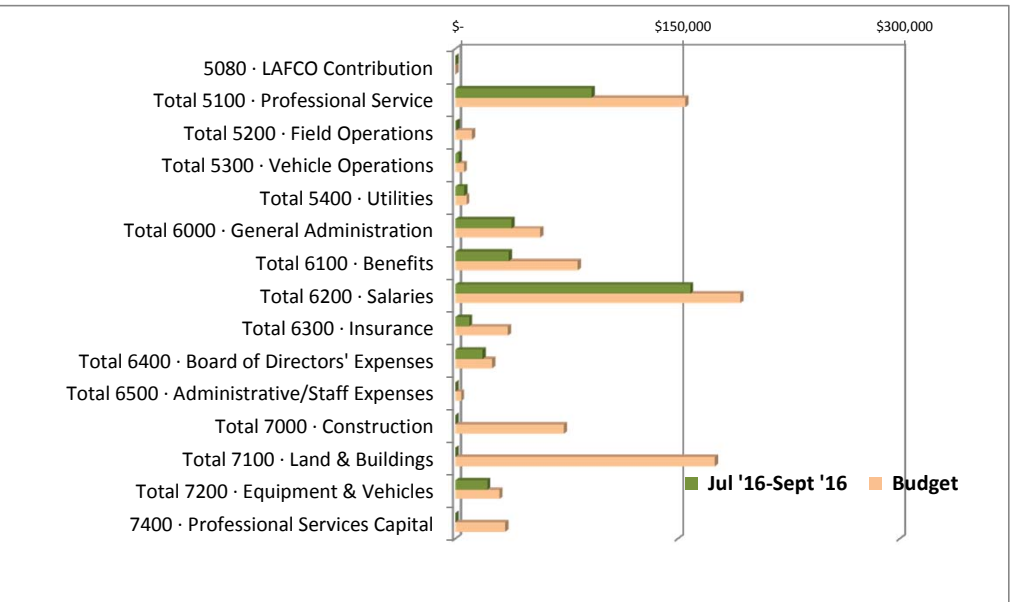
September 2016

REVENUE	Jul '16-Sept '16	Budget
Total 4010 · Interest Income	\$ 19,901	\$ 15,328
Total 4020 · Groundwater Charge	\$ 271,248	\$ 383,199
4025 · Wash Plan Revenue*	\$ 213,905	\$ 250,000
Total 4030 · Mining Income	\$ 74,452	\$ 171,004
4040 · Miscellaneous Income	\$ 1,920	\$ 2,500
4050 · Property Tax	\$ -	\$ 19,950
4055 · SBVMWD Spreading Agreement	\$ 370,011	\$ 370,887
Total 4060 · Property Income	\$ 5,005	\$ 5,400
4065 · Redlands Plaza	\$ 45,487	\$ 42,726
4080 · Exchange Plan	\$ 30,000	\$ 30,000
Total Revenue	\$ 1,031,928	\$ 1,290,994

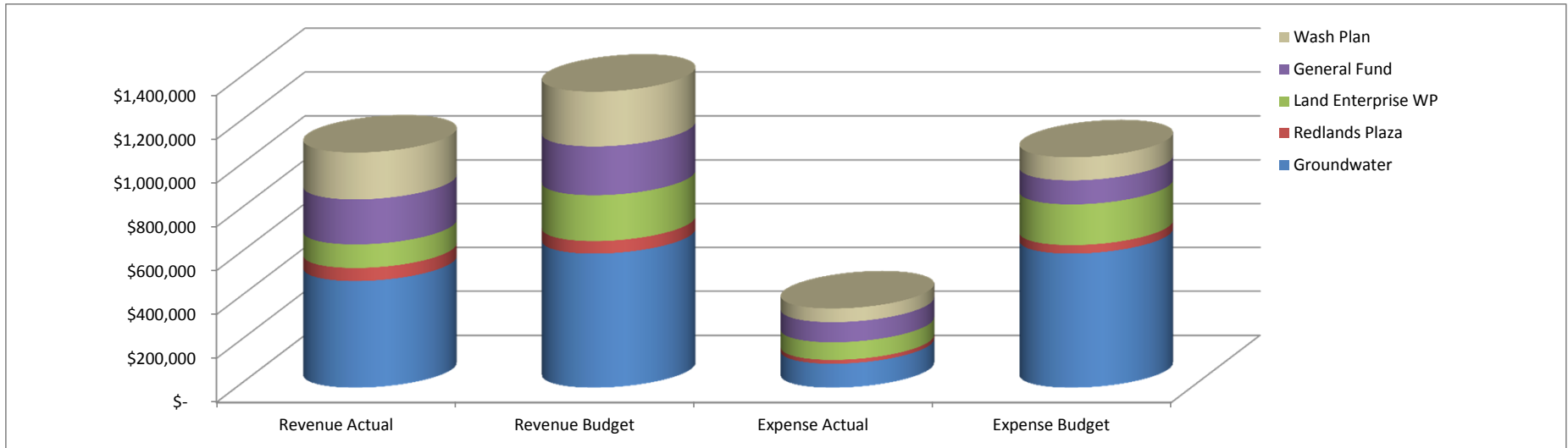
*current income is from District loans to the WP



EXPENSES Operating and Capital	Jul '16-Sept '16	Budget
5080 · LAFCO Contribution	\$ -	\$ 100
Total 5100 · Professional Service	\$ 91,812	\$ 155,107
Total 5200 · Field Operations	\$ 643	\$ 11,125
Total 5300 · Vehicle Operations	\$ 2,147	\$ 5,750
Total 5400 · Utilities	\$ 6,034	\$ 7,440
Total 6000 · General Administration	\$ 37,950	\$ 57,124
Total 6100 · Benefits	\$ 36,057	\$ 82,548
Total 6200 · Salaries	\$ 158,293	\$ 192,324
Total 6300 · Insurance	\$ 9,277	\$ 35,374
Total 6400 · Board of Directors' Expenses	\$ 18,367	\$ 24,765
Total 6500 · Administrative/Staff Expenses	\$ 66	\$ 3,851
Total 7000 · Construction	\$ -	\$ 73,262
Total 7100 · Land & Buildings	\$ -	\$ 175,011
Total 7200 · Equipment & Vehicles	\$ 21,542	\$ 29,750
7400 · Professional Services Capital	\$ -	\$ 33,750
Total Expense	\$ 382,187	\$ 887,280



Enterprises to Date (September 2016)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 486,070	\$ 611,071	80%
Groundwater Expense	\$ 108,991	\$ 227,447	48%
Revenue -Expense	\$ 377,079	\$ 383,624	
Redlands Plaza Revenue	\$ 59,211	\$ 56,876	104%
Redlands Plaza Expense	\$ 17,727	\$ 38,409	46%
Revenue -Expense	\$ 41,484	\$ 18,467	
Land Enterprise Revenue	\$ 107,572	\$ 209,129	51%
Land Enterprise Expense	\$ 80,244	\$ 185,914	43%
Redlands Plaza Expense	\$ 27,328	\$ 23,215	
General Fund Revenue	\$ 205,146	\$ 222,596	92%
General Fund Expense	\$ 91,430	\$ 109,354	84%
Land Enterprise Expense	\$ 113,716	\$ 113,243	
Wash Plan Revenue	\$ 213,905	\$ 250,000	86%
Wash Plan Expense	\$ 62,386	\$ 105,519	59%
Revenue-Expense	151,519	144,481	
Total All Revenue - Expense	\$ 711,127	\$ 683,030	4%

Cash Status	As of 7/1/2016	As of 09/30/2016
LAIF	\$ 447,930.82	\$ 448,540.22
Cal Trust	\$ 2,980,263.74	\$ 2,985,822.89
Citizens Bank	\$ 616,344.18	\$ 543,005.40
UBS Financial Services	\$ 1,871,300.49	\$ 1,876,093.30
Cal Credit Union	\$ 3,250,385.53	\$ 3,256,915.90
Total Cash	\$ 9,166,224.76	\$ 9,110,377.71
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Cash Position	\$ 4,166,224.76	\$ 4,110,377.71
	Increase of	\$ (55,847.05)
	Percent Increase	-1.3%

San Bernardino Valley Water Conservation District
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Sep 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	0.00	1,300.00	-1,300.00	0.0%
4013 - Caltrust Investment Income	5,559.15	20,000.00	-14,440.85	27.8%
4014 - CalCredit Union Interest Income	6,530.36	20,000.00	-13,469.64	32.65%
4015 - UBS Interest Income	7,811.53	20,000.00	-12,188.47	39.06%
Total 4010 - Interest Income	<u>19,901.04</u>	<u>61,300.00</u>	<u>-41,398.96</u>	<u>32.47%</u>
4020 - Groundwater Charge				
4021 - Assessments - Ag	15,356.80	47,158.00	-31,801.20	32.57%
4023 - Assessments - Non-Ag	255,890.84	719,239.60	-463,348.76	35.58%
Total 4020 - Groundwater Charge	<u>271,247.64</u>	<u>766,397.60</u>	<u>-495,149.96</u>	<u>35.39%</u>
4025 - Wash Plan Revenue	213,905.37	430,000.00	-216,094.63	49.75%
4030 - Mining Income				
4031 - Plant Site - CEMEX	8,000.00	48,000.00	-40,000.00	16.67%
4032 - Cemex - Royalty / Lease	51,833.33	586,000.00	-534,166.67	8.85%
4034 - Redlands Aggregate 5% Royalty	0.00	0.00	0.00	0.0%
4036 - Aggregate Maintenance	14,618.23	50,000.00	-35,381.77	29.24%
Total 4030 - Mining Income	<u>74,451.56</u>	<u>684,000.00</u>	<u>-609,548.44</u>	<u>10.89%</u>
4040 - Miscellaneous Income				
4041 - Reimbursed Expenses	0.00	0.00	0.00	0.0%
4040 - Miscellaneous Income - Other	1,920.00	10,000.00	-8,080.00	19.2%
Total 4040 - Miscellaneous Income	<u>1,920.00</u>	<u>10,000.00</u>	<u>-8,080.00</u>	<u>19.2%</u>
4050 - Property Tax	0.00	79,800.00	-79,800.00	0.0%
4055 - SBVMWD Spreading Agreement Reim	370,010.78	370,886.54	-875.76	99.76%
4060 - Property Income				
4062 - Mentone Property	5,005.00	21,600.00	-16,595.00	23.17%
Total 4060 - Property Income	<u>5,005.00</u>	<u>21,600.00</u>	<u>-16,595.00</u>	<u>23.17%</u>
4065 - Redlands Plaza	45,486.72	170,905.56	-125,418.84	26.62%
4066 - Redlands Plaza CAM	8,535.83	35,000.00	-26,464.17	24.39%
4080 - Exchange Plan	30,000.00	30,000.00	0.00	100.0%
4086 - Plunge Creek IRWMP	31,440.62	150,000.00	-118,559.38	20.96%
4998 - Rate Stabilization *From Reserv	0.00	24,857.00	-24,857.00	0.0%
Total Income	<u>1,071,904.56</u>	<u>2,834,746.70</u>	<u>-1,762,842.14</u>	<u>37.81%</u>
Gross Profit	1,071,904.56	2,834,746.70	-1,762,842.14	37.81%
Expense				
5050 - Regional Programs				
5080 - LAFCO Contribution	0.00	400.00	-400.00	0.0%
5081 - Wash Plan	15.34			
Total 5050 - Regional Programs	<u>15.34</u>	<u>400.00</u>	<u>-384.66</u>	<u>3.84%</u>
5100 - Professional Service				
5120 - Misc. Professional Services	6,037.36	150,000.00	-143,962.64	4.03%
5122 - Wash Plan Professional Services	25,847.20	70,000.00	-44,152.80	36.93%
5124 - Plunge Creek Prof Services	26,340.00	50,000.00	-23,660.00	52.68%
5125 - Engineering Services	0.00	16,000.00	-16,000.00	0.0%
5130 - Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5145 - Environmental Services (WP)	0.00	160,000.00	-160,000.00	0.0%
5160 - IT Support	900.00	6,000.00	-5,100.00	15.0%
5170 - Audit	16,734.00	22,000.00	-5,266.00	76.06%
5175 - Legal - Wash Plan	3,570.00	25,000.00	-21,430.00	14.28%
5180 - Legal	12,383.75	90,000.00	-77,616.25	13.76%
Total 5100 - Professional Service	<u>91,812.31</u>	<u>590,000.00</u>	<u>-498,187.69</u>	<u>15.56%</u>
5123 - Temp. Field Labor	0.00	10,000.00	-10,000.00	0.0%
5133 - Regional River HCP Contribution	0.00	30,000.00	-30,000.00	0.0%
5143 - SBVCT District Contribution	116.55	50,000.00	-49,883.45	0.23%
5200 - Field Operations				
5210 - Equipment Maintenance	320.38	6,000.00	-5,679.62	5.34%
5215 - Property Maintenance	322.35	32,500.00	-32,177.65	0.99%
5225 - Field Clean Up-Illegal dumping	0.00	6,000.00	-6,000.00	0.0%
Total 5200 - Field Operations	<u>642.73</u>	<u>44,500.00</u>	<u>-43,857.27</u>	<u>1.44%</u>
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	504.30	10,000.00	-9,495.70	5.04%
5320 - Fuel	1,642.51	13,000.00	-11,357.49	12.64%
Total 5300 - Vehicle Operations	<u>2,146.81</u>	<u>23,000.00</u>	<u>-20,853.19</u>	<u>9.33%</u>
5400 - Utilities				
5410 - Alarm Service	430.00	2,500.00	-2,070.00	17.2%
5420 - Electricity	1,930.51	9,500.00	-7,569.49	20.32%
5430 - Mobile Phone	945.00	3,500.00	-2,555.00	27.0%
5440 - Telephone	1,702.79	8,700.00	-6,997.21	19.57%

San Bernardino Valley Water Conservation District
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Sep 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5450 · Natural Gas	2.08	900.00	-897.92	0.23%
5460 · Water / Trash / Sewer	393.90	2,160.00	-1,766.10	18.24%
5470 · Internet Services	629.71	2,500.00	-1,870.29	25.19%
Total 5400 · Utilities	6,033.99	29,760.00	-23,726.01	20.28%
6000 · General Administration				
6001 · General Administration - Other	448.40	7,000.00	-6,551.60	6.41%
6002 · Website Administration	350.00	3,100.00	-2,750.00	11.29%
6003 · Property Tax	0.00	235.10	-235.10	0.0%
6004 · Meeting Expenses	437.52	2,200.00	-1,762.48	19.89%
6006 · Permits	230.00	10,000.00	-9,770.00	2.3%
6007 · Inter District Costs	0.00	12,500.00	-12,500.00	0.0%
6009 · Licenses	0.00	1,639.00	-1,639.00	0.0%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	0.00	3,180.00	-3,180.00	0.0%
6013 · Office Lease Payment	15,000.00	60,000.00	-45,000.00	25.0%
6015 · Mentone House Maintenance	790.19	6,500.00	-5,709.81	12.16%
6016 · Redlands Plaza Maintenance	50.39	15,000.00	-14,949.61	0.34%
6018 · Janitorial Services	1,341.00	9,108.89	-7,767.89	14.72%
6019 · Janitorial Supplies	38.15	500.00	-461.85	7.63%
6020 · Vacancy Marketing-Redlands Plaz	51.94	5,050.00	-4,998.06	1.03%
6024 · Computer Equip Maint.	0.00	200.00	-200.00	0.0%
6026 · Redlands Plaza CAM expenses	4,361.51	25,000.00	-20,638.49	17.45%
6027 · Computer Supplies	118.79	689.00	-570.21	17.24%
6030 · Office Supplies	486.99	4,250.67	-3,763.68	11.46%
6033 · Office Equipment Rental	1,756.26	8,734.40	-6,978.14	20.11%
6036 · Printing	0.00	980.00	-980.00	0.0%
6039 · Postage and Overnight Delivery	100.00	1,800.00	-1,700.00	5.56%
6042 · Payroll Processing	459.13	2,347.54	-1,888.41	19.56%
6045 · Bank Service Charges	321.91	3,150.00	-2,828.09	10.22%
6051 · Uniforms	0.00	2,000.00	-2,000.00	0.0%
6060 · Outreach	48.98	20,000.00	-19,951.02	0.25%
6087 · Educational Reimbursement	0.00	2,500.00	-2,500.00	0.0%
6090 · Subscriptions/Publications	192.11	750.00	-557.89	25.62%
6091 · Public Notices	420.85	2,940.00	-2,519.15	14.32%
6093 · Memberships	9,735.67	17,500.00	-7,764.33	55.63%
6000 · General Administration - Other	0.00	0.00	0.00	0.0%
Total 6000 · General Administration	37,949.79	230,754.60	-192,804.81	16.45%
6100 · Benefits				
6110 · Vision Insurance	141.96	2,355.91	-2,213.95	6.03%
6120 · Workers' Comp. Insurance	0.00	14,341.09	-14,341.09	0.0%
6130 · Dental Insurance	636.72	10,566.73	-9,930.01	6.03%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-5,062.11	-20,773.25	15,711.14	24.37%
6150 · Medical Insurance - Other	9,735.75	157,423.96	-147,688.21	6.18%
Total 6150 · Medical Insurance	4,673.64	136,650.71	-131,977.07	3.42%
6160 · Payroll Taxes-Employer	9,445.44	60,382.29	-50,936.85	15.64%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-10,299.80	-22,897.65	12,597.85	44.98%
6170 · PERS Retirement - Other	31,459.50	128,793.80	-97,334.30	24.43%
Total 6170 · PERS Retirement	21,159.70	105,896.15	-84,736.45	19.98%
Total 6100 · Benefits	36,057.46	330,192.88	-294,135.42	10.92%
6200 · Salaries				
6220 · Contingency/Temporary	0.00	0.00	0.00	0.0%
6230 · Regular Salaries	158,292.51	826,162.50	-667,869.99	19.16%
Total 6200 · Salaries	158,292.51	826,162.50	-667,869.99	19.16%
6300 · Insurance				
6310 · Property/ Auto Insurance	3,164.24	6,924.00	-3,759.76	45.7%
6320 · General Liability Insurance	6,113.00	32,209.32	-26,096.32	18.98%
Total 6300 · Insurance	9,277.24	39,133.32	-29,856.08	23.71%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	1,367.12	0.00		
6401 · Directors' Fees - Other	16,274.00	78,718.78	-62,444.78	20.67%
Total 6401 · Directors' Fees	17,641.12	78,718.78	-61,077.66	22.41%
6410 · Mileage	285.66	4,000.00	-3,714.34	7.14%
6415 · Air Fare	0.00	3,000.00	-3,000.00	0.0%
6420 · Other Travel	0.00	500.00	-500.00	0.0%
6425 · Meals	220.00	2,600.00	-2,380.00	8.46%
6430 · Lodging	0.00	3,200.00	-3,200.00	0.0%

San Bernardino Valley Water Conservation District
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Sep 16</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6435 · Conf/Seminar Registrations	220.00	7,000.00	-6,780.00	3.14%
6440 · Election Fees / Re-Districting	0.00	0.00	0.00	0.0%
Total 6400 · Board of Directors' Expenses	18,366.78	99,018.78	-80,652.00	18.55%
6500 · Administrative/Staff Expenses				
6510 · Mileage	0.00	2,000.00	-2,000.00	0.0%
6515 · Air Fare	0.00	2,000.00	-2,000.00	0.0%
6520 · Travel, Other (rental car, taxi	0.00	1,400.00	-1,400.00	0.0%
6525 · Meals	60.59	1,500.00	-1,439.41	4.04%
6530 · Lodging	0.00	3,500.00	-3,500.00	0.0%
6535 · Conf/Seminar Registrations	5.00	5,000.00	-4,995.00	0.1%
Total 6500 · Administrative/Staff Expenses	65.59	15,400.00	-15,334.41	0.43%
8010 · Capital Reserve GWE/Rate Stabil	0.00	0.00	0.00	0.0%
9999 · Contribution to Capital Maint.	0.00	297,000.00	-297,000.00	0.0%
Total Expense	360,777.10	2,615,322.08	-2,254,544.98	13.8%
Net Ordinary Income	711,127.46	219,424.62	491,702.84	324.09%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00	8,000.00	-8,000.00	0.0%
7050 · Basins- Capital Annual Repair	0.00	20,000.00	-20,000.00	0.0%
7053 · HCP Endowment	0.00	55,000.00	-55,000.00	0.0%
7055 · Plunge Creek Expansion	0.00	210,000.00	-210,000.00	0.0%
Total 7000 · Construction	0.00	293,000.00	-293,000.00	0.0%
7100 · Land & Buildings				
7110 · Property Capital Repairs	0.00	50,000.00	-50,000.00	0.0%
7130 · Mentone Property (House)-CapRep	0.00	0.00	0.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	50,000.00	-50,000.00	0.0%
7150 · Mill Creek Diversion	0.00	600,000.00	-600,000.00	0.0%
Total 7100 · Land & Buildings	0.00	700,000.00	-700,000.00	0.0%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	0.00	5,000.00	-5,000.00	0.0%
7220 · Computer Software	4,262.00	12,500.00	-8,238.00	34.1%
7230 · Field Equipment / Vehicles	17,280.00	100,000.00	-82,720.00	17.28%
7240 · Office Equipment	0.00	1,500.00	-1,500.00	0.0%
Total 7200 · Equipment & Vehicles	21,542.00	119,000.00	-97,458.00	18.1%
7400 · Professional Services Capital				
7438 · Engineering Services-Other	0.00	135,000.00	-135,000.00	0.0%
Total 7400 · Professional Services Capital	0.00	135,000.00	-135,000.00	0.0%
9010 · General Fund - Transfer Out	0.00	0.00	0.00	0.0%
Total Other Expense	21,542.00	1,247,000.00	-1,225,458.00	1.73%
Net Other Income	-21,542.00	-1,247,000.00	1,225,458.00	1.73%
Net Income	689,585.46	-1,027,575.38	1,717,160.84	-67.11%



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. 1445

To: Board of Directors, Resources Committee Members

From: General Manager, Daniel Cozad

Date: October 12, 2016

Subject: Upland Rock Material Processing License

RECOMMENDATION

Consider authorizing the General Manager to negotiate and execute a Material Processing License under standard terms with Upland Rock for up to three one year terms.

BACKGROUND

For at least 15 year the District has had contractors assisting the field staff and processing sand and rock that is entrapped by the District's intake facilities. These contractors have varied and the District has accommodated both local need and partnered with firms who can market the materials to insure they are taken off the property to keep facilities functional. The District has had separate contractors in Mill Creek and Santa Ana River facilities in the past. During the past year there has been conflict between contractors and some concern about short term access permit use for aggregate. This led the Board to document their policy on aggregate and processing in April 2016. In accordance with this policy Staff determined that it was in the Districts best interest to undergo a more formal procurement process for Materials Processing Licensee to formalize a longer term relationship and ensure the District received the best value possible. In Early August the District distributed and posted a Request for Proposals (RFP) for Aggregate Materials Processing. It was distributed to vendors who had expressed interest in materials and former access permit holders as well as posted on the District internet web site. The District received only one proposal in response to the RFP, but in review the proposal was responsive.

Staff recommends that the Board authorize the General Manager to execute the attached Material Processing License which has been reviewed by District Counsel to make available rock to the City of Redlands project. Under the approved standard Material Processing Licenses templates, the District requires contractors pay a royalty for processing and removal of the aggregate.

POLICY CONSIDERATIONS

The Board has recently revised and affirmed its prior policy on the Materials Processing and this action specifically implements the April 2016 policy. The Board could direct staff to further revise the policy or to follow another procurement process. Under existing Board policy the recommendation is appropriate.

BOARD
OF
DIRECTORS

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

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

JUSTIFICATION

The terms and conditions of the Materials Processing License contain the standard risk transfer language approved by District Counsel. The royalty rates are consistent with market research done in the past year. The performance of the proposing contractor has been very good over the past year. They have marketed and sold materials from District Operations and excess from adjoining construction reducing the cost and difficult for partners such as East Valley Water District, the City of Highland and San Bernardino County.

ALTERNATIVES

Potential Board Actions include:

- No Action, the Board could determine not to award a Materials Processing License, and direct staff to identify another manner to manage aggregate materials.
- Approve the Staff recommendation to negotiate and award the Materials Processing License to Upland Rock in accordance with the District's current policy.
- Table the item and/or remand to Finance & Administration or Operations Committee for reconsideration of specified issues.

FISCAL IMPACT

The proposal included an increase in royalty for some materials in accordance with market values and lower royalties for sand and small rock. Overall, based on estimated volumes of materials revenue to the District could increase to as much as \$95,000. Each year the sales volume will increase or decrease based on material available and market for the processed materials.

POTENTIAL MOTIONS

1. Move to authorize the General Manager to negotiate and execute a Material Processing License under standard terms with Upland Rock for up to three years
2. Move to request this item be tabled and referred to committee for reconsideration specific issues discussed.

APPROVALS

Recommended by the General Manager

Reviewed by District Counsel

ATTACHMENTS OR MATERIALS

Material Processing License

MATERIAL PROCESSING LICENSE

THIS MATERIAL PROCESSING LICENSE (“License”) is made and entered into as of January 15, 2017 by and between the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, a California water conservation district formed and operating under the Water Conservation District Law of 1931, Water Code Section 74000, *et seq.* (“District”) and Upland Rock, Inc. (“Licensee”).

SECTION ONE: FUNDAMENTAL LICENSE TERMS

1.1 **License:** District hereby issues to Licensee a License to enter upon those portions of real property owned or controlled by District as depicted on the map included as Section 4 hereto and incorporated herein by this reference (“Premises”), for the purpose or activity specified in Paragraph 1.2.

1.2 **Use of Premises:** For and during the term of this License, and any extension or renewal thereof, Licensee shall use the Premises for the following purpose(s) or activity (ies): for the crushing (Borrow Pit Only), cleaning, sorting, stockpiling, and processing of, and sale of, previously excavated sand and gravel material located on the Premises. Such uses may include Licensee bringing such equipment on the Premises as is necessary to accomplish the purposes of the License, provided, however, that any construction of structures, roadways, improvements, or fixtures, apart from transportable and removable equipment or personal property, shall require the prior, written approval of the District. Additional material may become available upon District approval from nearby native land grading and/or removal of the dike at the south of the Santa Ana riverbed next to Greenspot Road.

1.3 **Term:** This License replaces all prior agreements written or verbal and shall commence on January 15, 2017 and subject to the provisions of paragraph 1.4 below, shall continue on to January 15, 2018 with (2) two 1-year extensions if mutually agreeable to the Licensee and District. Extensions year to year beyond 2020 are for the conveyance and at the discretion of the District. This License and the Licensee’s rights hereunder may not be extended beyond the Expiration Date unless such extension is set forth in writing and signed by both District and the Licensee. Notwithstanding the foregoing or any other provision of this License, either District or Licensee may terminate this License with or without cause, or for any reason, at any time, by giving the other party a thirty (30) day written notice of termination.

BY PLACING ITS INITIALS HERE, LICENSEE ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS LICENSE THAT ALLOW DISTRICT TO TERMINATE THIS LICENSE AT ANY TIME WITH OR WITHOUT CAUSE AS SET FORTH HEREINABOVE.

Licensee: _____

1.4 **License Consideration:** As consideration for the issuance of this License, Licensee shall pay to District a monthly fee for the occupancy of the Premises or any services fee split in the amount set forth in Section Five hereunder. In addition, Licensee shall pay to District a Tonnage License Fee, which fee shall be paid on a per-ton basis for all sand, gravel, or aggregate material sold from the Premises, or from any sale of sand, gravel, aggregate, or other material processed in any manner on the Premises. The Tonnage License Fee shall be paid on a monthly basis, and shall be calculated based on the removal of all sand, gravel, aggregate, or other material processed on the Premises, whether such material originated on the Premises or not, and whether such material was sold directly from the Premises, or exported from the Premises for sale elsewhere. Licensee shall keep accurate records of any material removed from the Premises, and shall remit the tally of all such material removed, and the corresponding Tonnage License Fee, to District, in writing, and signed under penalty of perjury. District shall have the right at all times, to audit the books and records of Licensee to confirm the accuracy of the tallies of material removed from the Premises, and shall likewise at all times have the right, at its own expense, to have the inspectors or other personnel on site on the Premises during Licensee's operations, to monitor Licensee for compliance with the terms of this License, and for confirmation of the accuracy of the tallies provided by Licensee. Any Monthly Fee for Occupancy of the Premises and the Tonnage License Fee, are collectively referred to herein as the "License Fee."

1.5 **Notices and Payments:** All payments, notices and other writings required to be delivered under this License to either party shall be delivered in accordance with the provisions of Section Two ("General Provisions") to District at the address set forth in Section Two, and to Licensee at the address set forth in this Section One.

1.6 **Attachments:** This License incorporates by reference the following Attachments to this License:

- Section One: Fundamental License Terms
- Section Two: General License Provisions
- Section Three: Special License Provisions
- Section Four: Map of the Premises

1.7 **Integration:** This License represents the entire understanding of District and Licensee as to the License and all other matters contained herein. No prior oral or written understanding shall be of any force or effect with regard to those matters covered by this License. This License supersedes and cancels any and all previous negotiations, arrangements, agreements or understandings, if any, between the parties, and none shall be used to interpret this License.

IN WITNESS WHEREOF, the parties have executed and entered into this License as of the date first set forth above.

<p>SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT</p> <p>By: _____ Daniel B. Cozad General Manager</p>	<p>By: _____ Name: Neal Grabowski Title: President</p> <hr/> <p>Licensee Information:</p> <p>Upland Rock Inc. 8780 119th Street #373 Alta Loma, California 91701 (909) 981-2700</p>
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SECTION TWO:
GENERAL LICENSE PROVISIONS

2.1 Payment of License Fee

2.1.1. Transmittal of Payments: Licensee shall make all License Fee payments on a monthly basis, and pay all other sums due under this License, in lawful money of the United States, by check payable to "SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT," and shall personally deliver or mail all payments without any notice or demand to District at the address set forth in Paragraph 2.8.1 below. Licensee assumes all risk of loss or late payment if any payment is made by mail.

2.1.2. No Offsets: All License Fees and other sums due under this License shall be paid without offset or deduction, and shall be deemed payments on account. Neither the payment by Licensee nor the acceptance by District of any License Fee or other sum in an amount which is less than the amount due and payable pursuant to this License, nor the issuance of any statement showing as due and payable an amount less than is properly due and payable pursuant to the terms of this License, shall constitute an agreement by District modifying this License or a waiver of District's right to receive all sums provided for in this License. No endorsement or statement on any check or any letter accompanying any check or payment shall be deemed an accord or satisfaction, and District shall accept all checks and payments from Licensee without prejudice to District's right to recover the balance of the amount due or to pursue any other remedy in this License or otherwise provided by law.

2.2 Charges for Delinquent Payment of License Fee

2.2.1. If any payment of any License Fee or any other sum due District is not received by District within ten (10) days after the due date, Licensee shall be deemed delinquent in its License Fee payment and a late charge of one and one-half percent (1.5%) of the delinquent amount, plus the sum of One Hundred Dollars (\$100.00), shall become immediately due and payable to District. An additional charge of one and one-half percent (1.5%) of such delinquent License Fee payment (excluding late charges) shall be added for each additional calendar month (or portion thereof) that the delinquent sum remains unpaid.

2.2.2. Licensee and District hereby acknowledge and agree that such late charges do not represent and shall not be deemed to be an interest payment, but that such late charges represent a fair and reasonable estimate of the costs and expenses that District will incur by reason of Licensee's late payment.

2.2.3. Acceptance by District of any delinquent License Fee payment or late charge shall in no way constitute a waiver of Licensee's default with respect to such overdue and delinquent payment, or in any way impair, prevent or restrict District from exercising any of its rights or remedies set forth in this License or otherwise provided at law.

2.3 Use of Premises

2.3.1. Conditions of Use: For and during the term of this License, and any extension or renewal thereof, Licensee's use of the Premises shall be subject to the following conditions, covenants and restrictions:

2.3.1.1 Except as provided in this License, the Premises shall be used only for the purposes specified in Paragraph 1.2 above, and the Premises shall not be used for any other use or purpose whatsoever, without the prior written consent of District.

2.3.1.2 Licensee shall not cause, permit or suffer any "hazardous material," "hazardous waste," or "hazardous chemicals" as those terms are used in CERCLA (42 U.S.C. § 9061(14)) or SARA (42 U.S.C. § 11021(E)) or any Federal, State or local environmental law, statute, ordinance, regulation or order, or otherwise determined by District, to be brought upon, left, used or abandoned on the Premises, including but not limited to asphalt, scrap, metal, tires, trash or other waste.

2.3.1.3 Licensee shall not maintain, commit or permit the maintenance or commission of any waste or any nuisance (as defined in California Civil Code section 3479) on the Premises, and Licensee shall not use or permit the use of the Premises for any unlawful purpose.

2.3.1.4 District or its authorized representative shall have the right at all reasonable times to enter upon the Premises and inspect the general condition of the Premises to determine if Licensee is complying with the terms, conditions, requirements and provisions of this License.

2.3.2. Utilities and Services: Licensee shall be solely responsible for obtaining all required utility service and for the payment of all utility charges, including but not limited to water and power, supplied to the Premises.

2.3.3. Permits and Approvals: Licensee shall obtain at its own sole cost and expense, any and all governmental permits, approvals, licenses or other authorizations which may be required in connection with the use of the Premises as set forth in this License, including but not limited to approvals for business licenses, use permits, or any approvals that may be required under the California Environmental Quality Act, Surface Mining and Reclamation Act, any rules or restrictions relating to environmental protection or protection of endangered species, or other provision of law. Licensee shall maintain active valid California Contractors licenses for the type of work performed. No approval or consent given under this License by District shall affect or limit Licensee's obligations hereunder, nor shall any approvals or consents given by District, in its capacity as a party to this License, be deemed to be approval as to compliance or conformance with any applicable governmental codes, laws, orders, rules or regulations.

2.4 Insurance: Without limiting Licensee's indemnification obligations, Licensee shall not enter or occupy the Premises until Licensee has obtained all of the insurance required herein from a company or companies acceptable to District, and Licensee shall maintain all such insurance in full force and effect at all times during the term of this License and any extension or

renewal thereof. Insurance shall be placed with insurers having a current A.M. Best rating of no less than A-VII or equivalent or as otherwise approved by District.

2.4.1. Licensee shall at a minimum take out and maintain the following insurance:

2.4.1.1 Workers' Compensation and Employer's Liability Insurance: Licensee shall cover or insure under the applicable laws relating to workers' compensation insurance all of its employees working on or about the Premises, in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Licensee shall provide worker's compensation insurance and employer's liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence. Such policy of workers compensation insurance shall contain the following separate endorsements:

(a) "Insurer waives all rights of subrogation against the San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives and volunteers."

(b) "This insurance policy shall not be suspended, voided, reduced in coverage or in limits, cancelled, limited, non-renewed or materially changed for any reason by the insurer until thirty (30) days after receipt by the San Bernardino Valley Water Conservation District of a written notice of such cancellation, limitation or reduction of coverage."

2.4.1.2 Commercial General Liability Insurance providing coverage in the following minimum limits:

(a) Combined single limit of One Million Dollars (\$1,000,000) per occurrence for Bodily Injury, Personal Injury or Death and Property.

(b) Damage Coverage shall be at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage (occurrence Form CG 0001).

(c) If Commercial General Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503 or ISO CG 2504, or insurer's equivalent endorsement provided to District), or the general aggregate limit shall be twice the required occurrence limit.

2.4.1.3 Comprehensive Automobile Liability Insurance, including owned, non-owned, leased, hired, and borrowed automobiles and similar vehicles, providing the following minimum limits:

(a) Combined single limit of One Million Dollars (\$1,000,000) per occurrence for Bodily Injury or Death and Property Damage.

(b) Coverage shall be at least as broad as Insurance Services Office (ISO) Business and Auto Coverage (Form CA 0001) covering any auto.

2.4.2. Endorsements: The policies of liability insurance provided for in Paragraphs 2.4.1.2 and 2.4.1.3 shall specify that this specific License is insured and that coverage for injury to participants resulting from Licensee's activities is not excluded, and shall be in a form satisfactory to District and contain the following separate endorsements:

(a) “The San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives and volunteers, are declared to be additional insureds on all of the above policies with respects to the operations and activities of the named insured at or from the premises of the San Bernardino Valley Water Conservation District. The coverage shall contain no special limitations on the scope of protection afforded to the San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives and volunteers.”

(b) “This insurance policy shall not be suspended, voided, reduced in coverage or in limits, canceled, limited, non-renewed, or materially changed for any reason until thirty (30) days after receipt by the San Bernardino Valley Water Conservation District of a written notice of such cancellation, limitation or reduction of coverage.”

(c) “This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon or looked to cover a loss under said policy; the San Bernardino Valley Water Conservation District shall not be liable for the payment of premiums or assessments on this policy.”

(d) “Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives, or volunteers.”

(e) “This insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.”

2.4.3. Evidence of Coverage: Licensee shall at the time of the execution of the License present to District the original policies of insurance required by this Paragraph 2.4 or a certificate of the insurance, with separate endorsements (Insurance Services Office Form CG 2026, or equivalent), showing the issuance of such insurance and the additional insured and other provisions and endorsements required herein and copies of all endorsements signed by the insurer’s representative. All policies shall contain the Licensee’s name and location of the Premises on the certificate. At least thirty (30) days prior to the expiration of any such policy, a signed complete certificate of insurance, with all endorsements provided herein, showing that such insurance coverage has been renewed or extended, shall be filed with District. Licensee’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

2.4.4. Review of Coverage: District shall have the right at any time to review the coverage, form, and limits of insurance required under this License. If, in the sole and absolute discretion of District, the insurance provisions in this License do not provide adequate protection for District, District shall have the right to require Licensee to obtain insurance sufficient in coverage, form and limits to provide adequate protection and Licensee shall promptly comply with any such requirement. District's requirements shall not be unreasonable, but shall be adequate in the sole opinion of District to protect against the kind and extent of risks which may exist at the time a change of insurance is required, or thereafter.

2.4.5. Deductibles: Any and all deductibles must be declared and approved by District prior to execution of this License.

2.4.6. License Contingent Upon Coverage: Notwithstanding any other provision of this License, this License shall be null and void at all times when the above-referenced original policies of insurance or Certificate of Insurance or Renewal Certificates or Endorsements are not on file with District.

2.5 Indemnification

2.5.1. District Not Liable: District shall not be liable at any time for any loss, damage or injury whatsoever to the person or property of any person or entity whatsoever, including but not limited to any employee, agent or contractor of Licensee, resulting from or arising out of any act or omission of Licensee or of any person or entity holding under Licensee, or the occupancy or use of the Premises or any part thereof by or under Licensee, the physical condition or state of the Premises, or any act or omission in the exercise of any right or the performance of any obligation under this License, or directly or indirectly from any state or condition of the Premises, or any part thereof.

2.5.2. Indemnification: Irrespective of any insurance carried by Licensee for the benefit of District, and notwithstanding any other provision or statement of precedence of this License to the contrary, Licensee shall indemnify and hold District, its officers, directors, employees, representatives and volunteers (collectively "District Personnel") harmless from and against any and all actions, claims, demands, judgments, attorneys fees, costs, damages to persons or property, penalties, obligations, expenses or liabilities of any kind that may be asserted or claimed by any person or entity (including, but not limited to, any employee, agent or contractor of Licensee) in any way arising out of or in connection with this License, the operations carried on by Licensee on the Premises or any lands to which Licensee has access hereunder, or the occupation or use of the Premises by Licensee or any person or entity holding under Licensee (collectively, "Claims"), whether or not there is concurrent active or passive negligence on the part of District, and/or acts for which the District would be held strictly liable, but excluding the sole active negligence or willful misconduct of District. In connection therewith:

2.5.2.1 Licensee shall defend and hold District and District Personnel harmless from any and all Claims, whether caused in whole or in part by District's active or passive negligence, and/or acts for which District and/or District Personnel would be held strictly liable, but excluding any Claim that results from the sole active negligence or willful misconduct

of District or District Personnel; and Licensee shall pay all expenses and costs, including attorneys' fees, incurred in connection therewith.

2.5.2.2 Licensee shall promptly pay any judgment rendered against Licensee or District covering any Claim, and hold and save District and District Personnel harmless therefrom, whether such Claim was caused in whole or in part by District and/or District Personnel's active or passive negligence, and/or acts for which District and/or District Personnel would be held strictly liable, but excluding the sole active negligence and willful misconduct of District and/or District Personnel.

2.5.2.3 In the event District is made a party to any action or proceeding filed or prosecuted for or arising out of or in connection with any Claim, Licensee shall pay to District any and all costs and expenses incurred by District in any such action or proceeding, together with reasonable attorneys' fees.

2.5.2.4 All of the indemnity obligations of Licensee under this Paragraph 2.5.2, or as otherwise set forth in this License, shall survive the expiration or earlier termination of this License.

2.6 Legal Relations and Responsibilities

2.6.1. Nature of Relationship: District and Licensee understand and agree that the only relationship between them created by this License is that of Licensor and Licensee, and that this License is a license and not a lease, profit a prendre, or any other interest in the Premises, and does not create, and shall not be construed to create, any agency, partnership, joint venture, landlord-tenant or other relationship between District and Licensee.

2.6.2. Compliance with Laws: Licensee shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the activities of Licensee under this License, or the possession or use of the Premises by Licensee, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Licensee shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, District, its officers, directors, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Licensee or any person or entity holding under Licensee.

2.6.3. Assignment: The License granted hereby is personal to Licensee and any assignment of said License by Licensee, voluntarily or by operation of law, shall automatically terminate this License, unless Licensee has obtained the prior written consent of District, which may be withheld, in its sole and absolute discretion, for any reason or no reason at all.

2.6.4. Acknowledgment of District's Title: Licensee hereby acknowledges the title of District in and to the Premises, including the real property fixtures and improvements existing or erected thereon, and Licensee hereby covenants and promises never to assail, contest or resist District's title to the Premises.

2.6.5. Liens: Licensee shall maintain the Premises free from and clear of any claims, obligations, liabilities, liens, encumbrances and charges, including but not limited to any claims, liens or charges arising out of or in connection with the furnishing of materials or the performance of labor on the Premises. Licensee further shall protect and indemnify District and the Premises from and hold them, and each of them, harmless against any and all such claims, obligations, liabilities, liens, encumbrances and charges.

2.6.6. Taxation: A possessory interest subject to property taxation may be created by this License. It is understood and agreed that if such a possessory interest is created, Licensee shall be responsible for the payment of all property taxes levied on such interest, and that District shall have no responsibility therefor. Licensee shall be solely responsible for any second allotted taxes or charges that may be revised or imposed on Licensee's activities taken hereunder, including any severance or other taxes.

2.6.7. Condemnation. In the event the Premises or any portion of the Premises is acquired under the power of eminent domain, or transferred by way of negotiated agreement in lieu of, or under threat of eminent domain, District shall receive and be entitled to all just compensation that may be awarded for the taking, including but not limited to just compensation for the property taken, any damage for injury to the remainder, and damage for any loss of business goodwill, excepting only damages or compensation specifically awarded for any relocation benefits that may be available to Licensee, and any compensation for tangible personal property losses or improvements pertaining to the realty owned by Licensee, all of which shall be recoverable by Licensee.

2.6.8. District's Reservations

2.6.8.1 District hereby reserves the right to grant easements and rights-of-way for pole or tower lines for transmission of electricity, and easements, leases and rights-of-way for telephone, telegraph, telecommunication facilities, gas, water, sewer and oil lines, for roads and highways, and for other similar uses over and across the Premises at any location or locations within the Premises. In the event Licensee determines that the granting or exercise of any such easement, lease, or right-of-way significantly interferes with Licensee's possession or use of the Premises, Licensee's only remedy shall be to terminate this License upon no less than ten (10) days written notice to District, without further damage claim or other remedy against District. Licensee shall not interfere with any easements or rights-of-way pertaining to or affecting the Premises.

2.6.8.2 District hereby reserves the right to sell, transfer or otherwise dispose of any portion of the Premises at any time. In the event of such sale, transfer or disposition, and notwithstanding any other provision of this License, this License shall, upon the close of escrow or the conveyance of title, terminate as to the portions of the Premises sold, transferred or disposed of, and Licensee shall release the same from the terms of this License and from any encumbrance which results from this License, and immediately remove all of Licensee's equipment or improvement thereon, and shall promptly quit the Premises, in accordance with Sections 2.6.9 and 2.6.10 below.

2.6.8.3 District reserves the right unto itself to perform any and all work involved in protecting, replenishing and/or conserving the basin groundwater supply and any other work necessary to the functions or purposes of District, as set forth in the Water Conservation District Law of 1931, as amended, Water Code Section 74000, *et seq.*, upon any portion, or all, of the Premises, at any time. Such work may be performed without incurring any liability of any nature whatsoever to Licensee and Licensee hereby releases District from, and covenants not to sue District for, any such liability. District further reserves unto itself the rights of ingress and egress over all or any portion of the Premises.

2.6.8.4 This License is nonexclusive. A portion or all of the Premises may be subject to preexisting licenses or other encumbrances, and the District hereby reserves the right to issue licenses to third parties for joint usage of any portion of the Premises for any period of time during the term of this License. The District may issue such licenses without incurring any liability of any nature whatsoever to Licensee and Licensee hereby releases District from, and covenants not to sue District for, any such liability. In the event Licensee determines that the granting or exercise of any said license significantly interferes with Licensee's possession or use of the Premises, Licensee's only remedy shall be to terminate this License upon no less than ten (10) days written notice to District.

2.6.9. Surrender of Possession: At the expiration or termination of this License, whether with or without cause, Licensee shall promptly quit and surrender the Premises in a good state of repair, and shall remove any and all fixtures, structures, equipment, or fixtures placed on the Premises by Licensee, at Licensee's sole cost and expense.

2.6.10. Disposition of Abandoned Property: If Licensee abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property left on the Premises for fifteen (15) or more days after such event shall at District's option, be deemed to have been abandoned and transferred to District. District shall have the right to remove and dispose of any and all such property without liability therefor to Licensee or to any person or entity claiming under Licensee, and District shall have no duty to account for such property. Licensee agrees to reimburse District for any and all costs associated with District transferring or disposing of Licensee's personal property pursuant to this Section.

2.6.11. Premises "As-Is": Licensee acknowledges that the Premises are being provided to Licensee on an "as-is" basis, and Licensee takes and occupies the Premises without reliance upon any representation by District, or any of its officers, employees, agents or representatives, or any other person, concerning the Premises, its state of title or fitness for Licensee's intended use or any other particular purpose of use, their income-producing history, potential or capabilities, their value, or any other promise, representation or inducement not expressly set forth in this License.

2.6.12. Disputes: In the event that any action is commenced by a party to this License against the other to enforce its rights or obligations arising from this License or seeking to interpret this License, the prevailing party in such action, in addition to any other relief and recovery ordered by the court, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees. Should District be named in any suit brought by any third party against Licensee in connection with or in any way arising out of Licensee's occupancy or use of the Premises

under this License, Licensee shall pay to District its costs and expenses incurred in such suit, including reasonable attorneys' fees.

2.6.13. No Obligation to Third Parties: Execution and issuance of this License shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than District and Licensee.

2.6.14. Waiver: Any waiver by any party of a breach of any provision of this License shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or of another provision hereof.

2.6.15. District's Liability on Termination: Licensee hereby waives all damages or claims for damage that may be caused by any action of District in terminating this License (either with or without cause), or taking possession of the Premises as provided in this License or at law, and Licensee waives all claims for damages to or loss of such property of Licensee as may be in or upon the Premises upon the termination of this License.

2.7 Miscellaneous

2.7.1. Notices: Any notice, payment or instrument required or permitted to be given or delivered by this License may be given or delivered by personal delivery or by depositing the same in any United States mail depository, first class postage prepaid, and addressed as follows:

If to District: SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT
1630 West Redlands Blvd., Suite A
Redlands, California 92373
Attn: General Manager

If to Licensee: Upland Rock, Inc.
8780 19th St., #373
Alta Loma, CA 91701

or such other person or address as either party may direct in writing to the other; provided, however, that such new or different person or address shall not become effective until acknowledged in writing by the party to who directed. Except where service is by personal delivery or by registered or certified mail, return receipt requested, service of any instrument or writing shall be deemed completed forty-eight (48) hours after deposit in a United States mail depository.

2.7.2. Warranty of Authority: Each officer of District and Licensee affixing his or her signature to this License warrants and represents by such signature that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this License, that his or her respective party has the full legal right, power, capacity and authority to enter into this License and perform all of its provisions and obligations, and that no other approvals or consents are necessary in connection therewith.

2.7.3. Headings: The titles and headings of Sections and Paragraphs of this License, as herein set forth, have been inserted for the sake of convenience only, and are not to be taken, deemed or construed to be any part of the terms, covenants or conditions of this License, or to control, limit or modify any of the terms, covenants or conditions hereof.

2.7.4. Time of Essence: Time is of the essence of this License. Failure to comply with any requirement, including but not limited to any time requirement, of this License shall constitute a material breach of this License.

2.7.5. Construction and Amendment: This License shall be construed, interpreted, governed and enforced in all respects according to the laws of the State of California and as if drafted by both District and Licensee. No amendment, change or modification of this document shall be valid unless in writing, stating that it amends, changes or modifies this License, and signed by all of the parties hereto.

2.7.6. Successors: Subject to the provisions of Paragraph 2.6.3 above, this License, and all of the terms, conditions and provisions herein, shall inure to the benefit of, and be binding upon, District, Licensee, and their respective successors and assigns.

2.7.7. Partial Invalidity: If any term, covenant, condition or provision of this License is held by a court of competent jurisdiction to be invalid, void, illegal, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way affect, impair, or invalidate any other term, covenant, condition or provision contained in this License.

2.7.8. Further Assurances: Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties hereto.

2.7.9. Precedence: In the event of any conflict between Parts of this License, Part I shall prevail over Parts II, III and IV, and Part III shall prevail over Part II.

[END GENERAL LICENSE PROVISIONS]

SECTION THREE:
SPECIAL LICENSE PROVISIONS

3.1 Processed material and/or aggregate on the Premises shall remain the property of District until such time as it is sold or exported from the Premises, in such a way as to be subject to the Tonnage License Fee.

3.2 Licensee shall furnish its own equipment for the processing of material from the Premises.

3.3 Licensee shall at all times control dust created during Licensee's use of the Premises. Dust control shall be by watering the area where dust may be created and Licensee shall have a water truck on the Premises at all times to carry out the intent of this paragraph. Licensee is responsible for obtaining its own water supply at its own cost and expense.

3.4 Licensee shall not deposit material or aggregates, including sand gravel and rock, on any public roadway(s) or District maintenance roads, and shall be responsible for cleaning such roadway(s) of any such material or aggregates. In the event that Licensee fails to comply with this paragraph and the responsible City, the County of San Bernardino, or Santa Ana Regional Water Quality Control Board requires the District to remove said material or aggregates, District shall invoice Licensee for any cost incurred plus 10% for administrative cost.

3.5 Licensee may only process material between the hours of 6:00 a.m. to 6:00 p.m., Monday through Friday, excluding holidays.

3.6 Licensee shall only process excavated and stockpiled materials from designated areas at surface grade level. Licensee shall not operate outside premises without direction to process any materials.

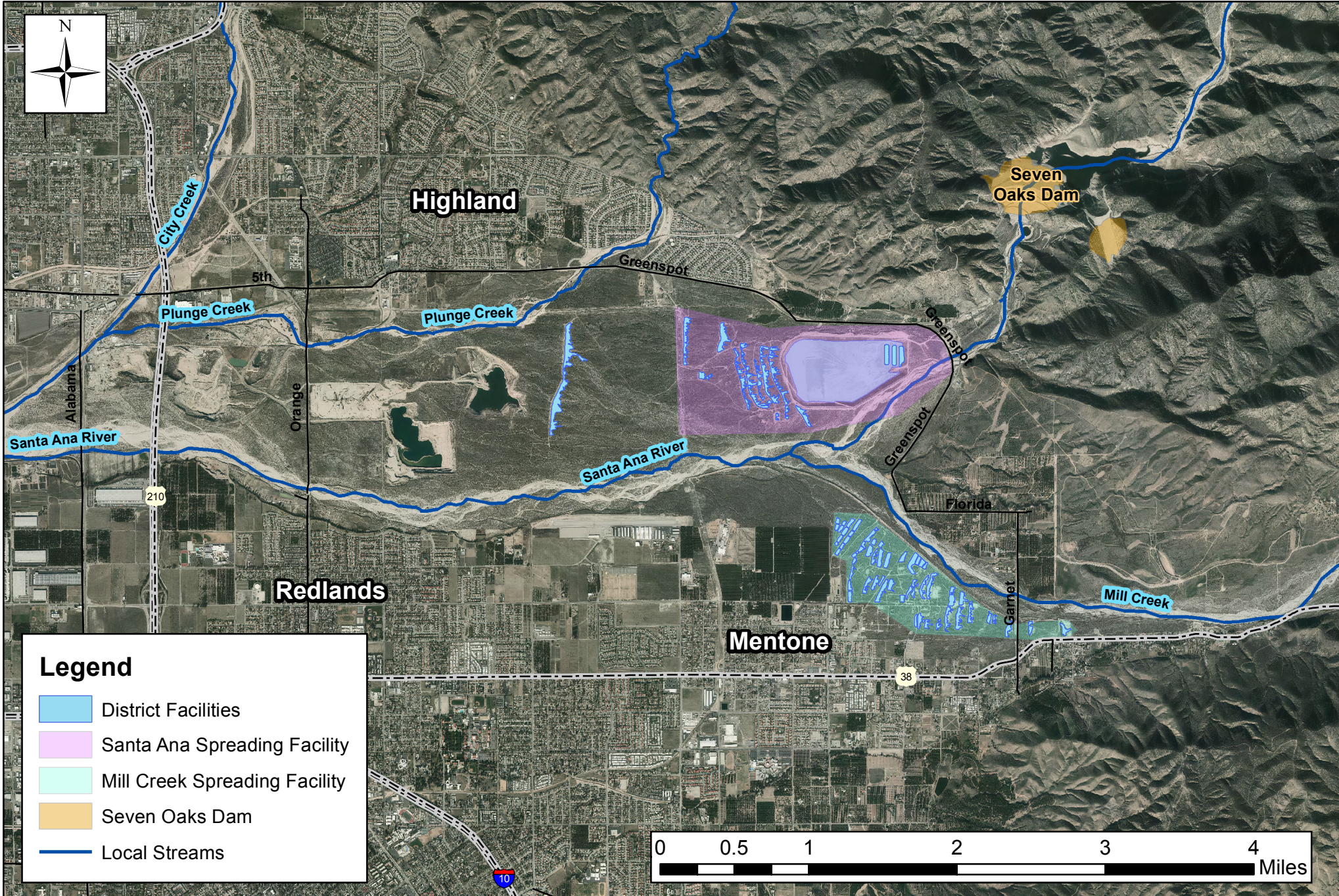
SECTION FOUR:
MAP OF THE PREMISES

The Premises are show on the attached maps. The Licensee may operate in Material Processing Areas designated on maps-Attachment 2a and Attachment 2b.

[END MAP OF THE PREMISES]

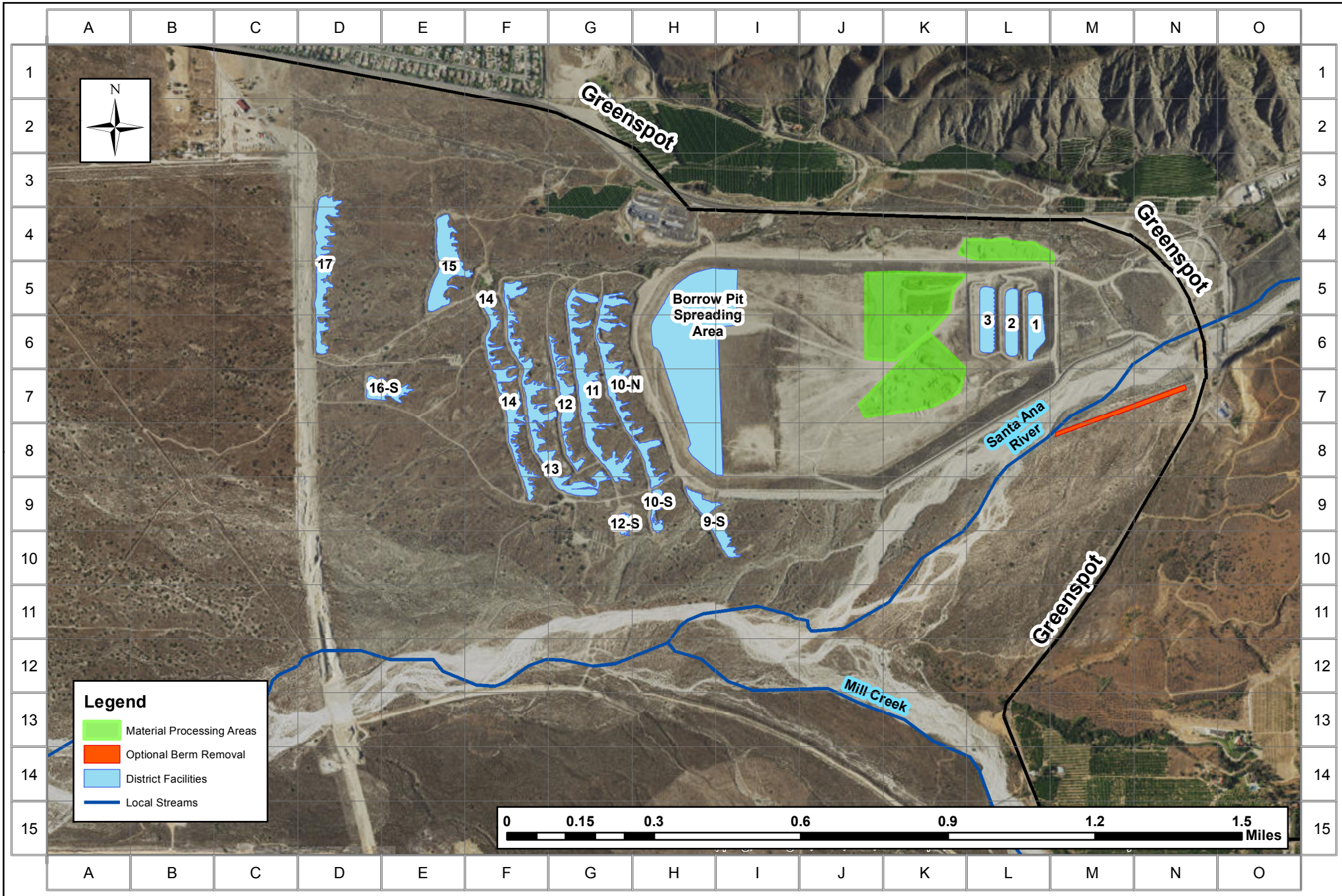
Attachment 1: Location Map

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD GIS
GIS Contact: Katelyn Scholte
August 12, 2016



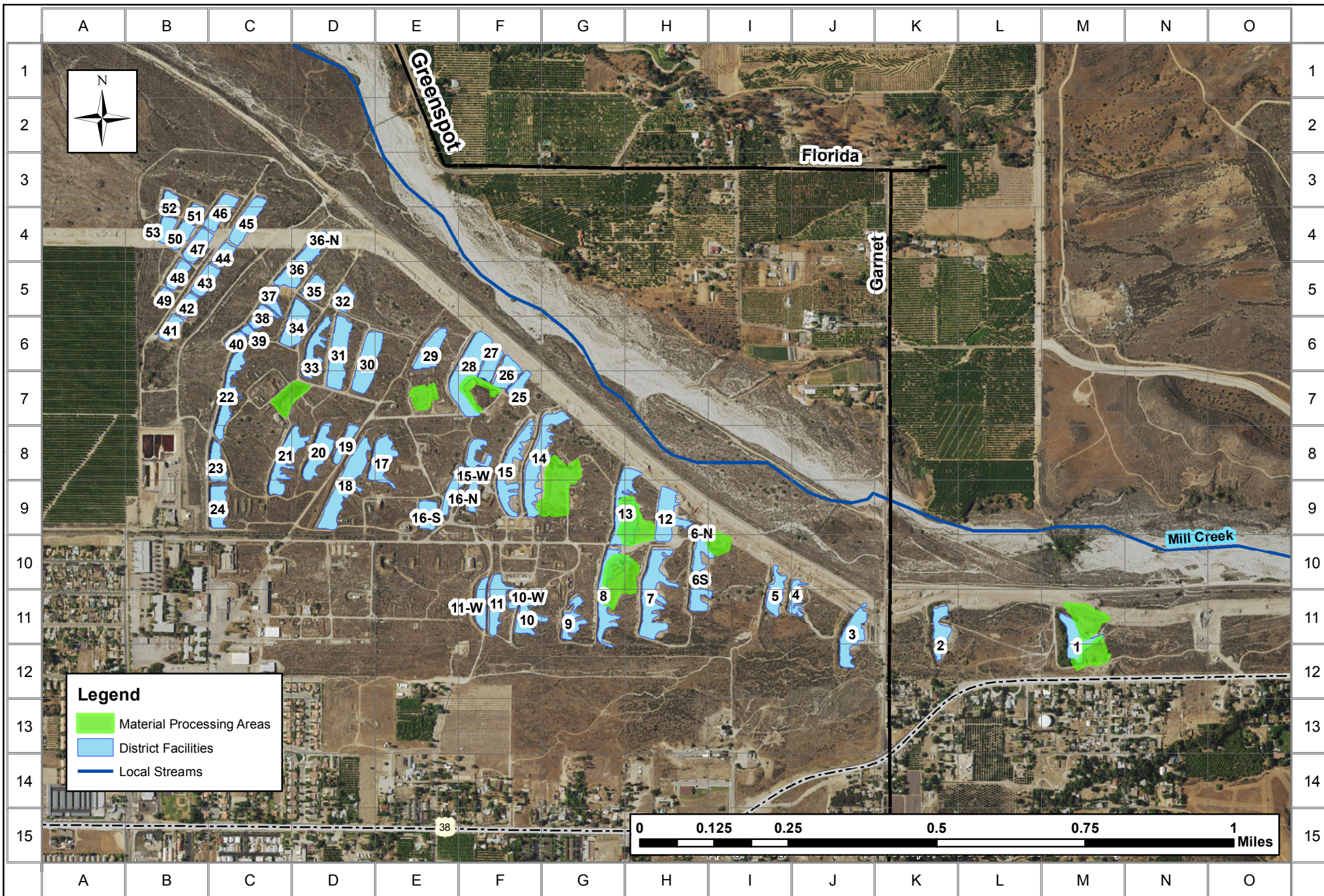
Attachment 2a: Santa Ana Facility Material Processing Areas

Coordinate System:
 NAD 1983 StatePlane California V FIPS 0405 Feet
 Projection: Lambert Conformal Conic
 Datum: North American 1983
 Source: SBVWCD GIS
 GIS Contact: Katelyn Scholte
 August 12, 2016



Attachment 2b: Mill Creek Facility Material Processing Areas

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD GIS
GIS Contact: P. Wedell, K. Scholte
August 12, 2016





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. 1446

To: Board of Directors

**From: General Manager, Daniel Cozad
Land Resources Manager, Jeffrey Beehler**

Date: October 12, 2016

Subject: Mill Creek Diversion Permitting Assistance Task Order

RECOMMENDATION

Consider authorizing the General Manager to execute a change order to ICF Jones & Stokes not to exceed \$35,000 for Permitting Assistance for the Mill Creek Diversions modifications.

BACKGROUND

In March 2015, the Board approved a design contract for needed improvements to the Mill Creek Diversion. California Watershed Engineering (CWE) completed draft design and specification for the project in September. District staff included \$80,000 in the Capital and Equipment Budget for permit assistance. Staff initially intended to have CWE support permitting of the project. Staff has been working on permitting other projects and believes ICF has staff and experience that is ideal to assist in permitting this project, including a track record permitting projects that overlay existing Corps Facilities. ICF was procured under similar efforts for Plunge Creek and have performed well on that scope. Some additional design revisions may be needed from CWE as a result of permitting coordination. Staff will prepare a \$20,000 change order upon Board approval to further develop a permit strategy for the project. The strategy memo will include various options, including the need for a Corps 408 Permit, data available to support permit applications, options and costs for covering species habitat issues, and timelines for project permitting options.

POLICY CONSIDERATIONS

Permitting is a critical part of the project development process. Because the project is located in Critical Habitat areas and upon a US Army Corps of Engineers certified levee, significant permitting effort is needed to initiate procurement and construction. Several permitting options are possible as reviewed in the Project Charter update. The HCP alternative appears the most viable for a variety of reasons but staff will update the Board as permitting proceeds.

BOARD
OF
DIRECTORS

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

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

POTENTIAL MOTIONS

1. Move to authorize General Manager to execute a change order to ICF Jones & Stokes not to exceed \$20,000 for Permitting Strategy Assistance for the Mill Creek Diversions modifications.
2. Move to table the action and refer back to the Operations Committee to discuss specific issues.

ATTACHMENTS OR MATERIALS

Project Charter Update

Mill Creek Project Scope of Work

FISCAL IMPACT

The cost permitting and procurement has been estimated at \$80,000. CWE is working on a revised construction cost estimate. The approved 2016-2017 budget includes these costs with funding from the Groundwater Enterprise Reserve.

Mill Creek Diversion - Project Charter Update (May 2016)

Scope

Mill Creek is an internal project to increase the District's ability to manage debris and sediment and maintain water diversion in high flows and to regain capacity and reduce costs due to sediment. This Project coordinates with Flood Control and SBVMWD on Active Recharge. This Project is included in River HCP with SBVMWD.

Project Budget

\$200K Design Permitting – CWE \$188,037 expended \$93,860 remaining \$94,177, contingency \$10,973
\$80,000 Environmental Permitting and Procurement
\$395 - \$450K for Construction
\$50,000 Monitoring and Post Project Reporting
\$750,000 Total

Project Benefits

- Expects 3,967 Acre feet of additional water capture over 10 years assuming 20 days of 50 CFS and 40 days of 25 CFS
- Based on the capital costs and expected water created over 10 years the average capital water cost is \$189/AF
- Avoided Cost \$25,000 of capital maintenance and sand management plus there is additional water expected \$991,750, when recharge water is valued at \$250 per Acre Foot
- ROI is 39.3% and payback is 7.2 years

Approvals Required

- SBVWCD - Complete
- BTAC - Complete
- Flood Control Encroachment and (408 Levee Permit) with US Army Corps of Engineers
- US Army Corps of Engineers (404 permit)
- USFWS & CA DFW (HCP coverage (Section 10) and 1602 permit)
- Regional Water Quality Control Board (401 certification)?
- Others

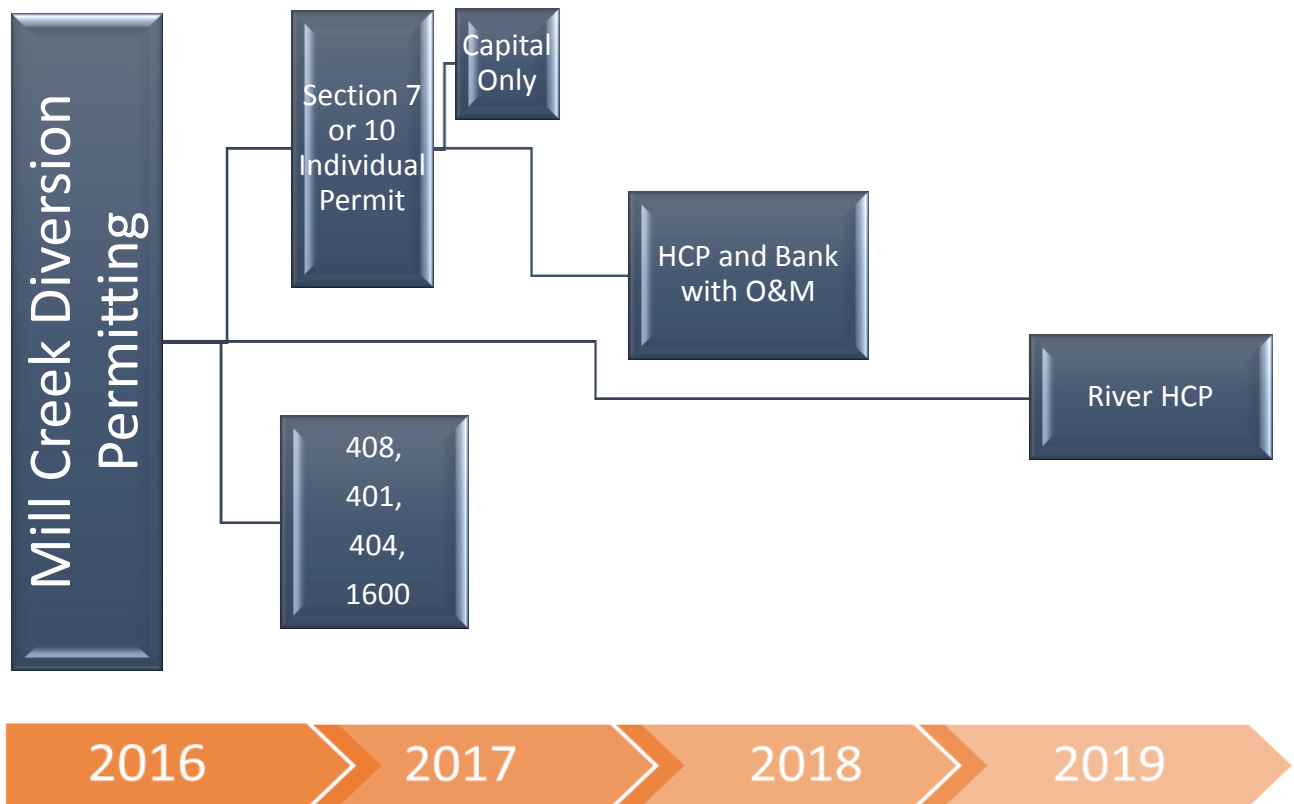
Summary Schedule

2-3 year Design and Implementation

- Year 1 design – Permitting drawings complete by end of Fiscal Year
- Year 2 Permitting Approvals – March 2017 or later – Depending on options*
- Year 3 Construction/Operations – April-October 2017 or April –October 2018*

Permitting Options available*

Individual Permits under Section 7 or Section 10 HCP or a combined HCP with O&M activities and Bank Agreements. The Project is also in the River HCP in case SAS



Policy Decisions and Considerations

The Committee and Board may consider the following:

1. Permitting – The Committee and Board may consider from among several options for piecemeal or holistic permitting for Mill Creek project, spreading grounds or continuing with the River HCP. Implications of the selection will determine schedule and budget.
2. Project Procurement – At the end of design and permitting the Board may consider directing staff to initiate procurement
3. Selection and Construction Budget – The Committee and Board may consider award of a contract for construction of project and setting a construction budget based on bids and contingency.
4. Construction Management and Oversight – The Committee and Board may consider contracting for construction management and oversight to insure staff limitations to not constrain the project.
5. Cooperation with Partners – The Committee and Board may consider the Active Recharge Project when fully identified with SBVMWD.



Mill Creek Diversion and Debris Management Project

Scope of Work

The San Bernardino Valley Water Conservation District (SBVWCD) has requested that ICF prepare a permitting strategy for the Mill Creek Diversion Project. Mill Creek is a SBVWCD project intended to increase the District's ability to manage debris and sediment and maintain water diversion in high flows and regain capacity and reduce costs due to sediment.

While the required regulatory approvals have been identified, the District has not chosen a specific path and/or mechanism to obtain them. The paths open to the District vary in coverage, cost and time to complete and warrant further evaluation to make a recommendation. For example, federal Endangered Species Act compliance is necessary and it could be obtained through the SBVMWD led River HCP or individually just for this project (e.g., under Section 7 of the ESA through the USACE authority under Section 408).

ICF will work with SBVWCD, its other consultants, and regulatory agency staff to identify and assess available information, information gaps, and applicable regulatory pathways to refine permitting duration and cost for the various options. It is anticipated that the effort will include investigation of needs for CEQA, NEPA, Clean Water Act Sections 404 and 401, U.S. Code Section 408, Endangered Species Act Sections 7 and 10, Central Valley Flood Protection Board Encroachment Permit, National Historic Preservation Act Section 106, and CA Fish & Game Code Sections 1600 and 2081 compliance.

ICF will produce a permitting strategy memo documenting applicable regulatory pathways and identifying the pathways most appropriate for SBVWCD and tradeoffs. Consideration will be given to efficiency, timeline, cost, and information needs. Consideration will also be given to permitting strategies that provide compliance for ongoing operation and maintenance activities. Information gathered will be compiled in a manner suitable for permit preparation in order to expedite that process if/when the District decides to pursue a specific permit pathway.



Memorandum No. 1447

To: Board of Directors

From: Jeffrey Beehler, Land Resources Manager

Date: October 12, 2016

Subject: Restoration of District Lands Impacted by EBXII Construction

RECOMMENDATION

Consider authorizing staff to negotiate taking over the restoration of lands impacted by the Construction of EBX II with the California Department of Water Resources (DWR).

BACKGROUND

The construction of the EBXII pipeline impacted approximately 50 acres of native habitat on both the Mill Creek and Santa Ana facilities (see attached map). DWR is responsible for restoring the habitat to the following criteria over a five year period:

1. <30% absolute cover of non-native invasive species;
2. 20-50% cover of perennial scalebroom scrub species;
3. Presence of San Bernardino kangaroo rat in on both Santa Ana and Mill Creek facilities;
4. Number of native species > 70% of the number of species in adjacent habitat, and;
5. 30-50% absolute cover of native species; signs of woody species recruitment.

These objectives should be met within five years of project completion. DWR has completed the first year of restoration. The District would partner with Inland Empire Resource Conservation District (IERCD) for vegetation management under the current MOU between the District and IERCD. The project would further develop staff skills for habitat management on District lands in anticipation of Wash Plan implementation and previous work with IERCD has yielded outcomes superior to those currently undertaken by DWR contractors.



Current EBXII Site Condition

ATTACHMENTS OR MATERIALS

Map showing EBXII restoration area.

FISCAL IMPACT

This effort will be reimbursed by the EBXII project proponent and at this time are estimated to be less than \$50,000 per year for the remaining four years. Staff would bring final budget and final agreements to the Board for consideration.

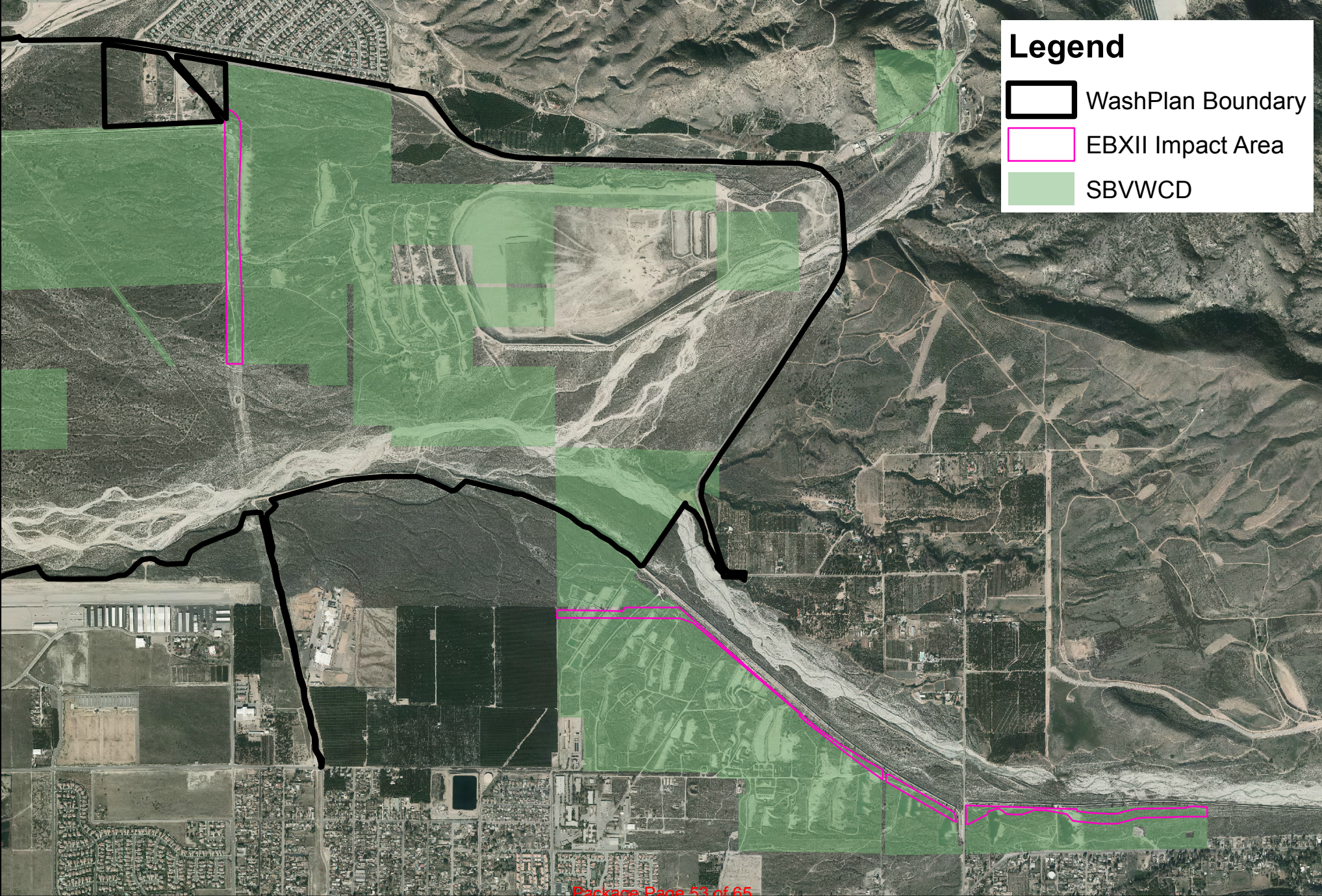
EBXII Temporary Impact Area






Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD GIS
GIS Contact: J. Zhou



October 6, 2016



Legend

-  WashPlan Boundary
-  EBXII Impact Area
-  SBVWCD



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. 1448

To: Board of Directors
From: Jeffrey Beehler, Land Resources Manager
Date: October 12, 2016
Subject: Staff Participation in SAWPA OWOW Plan Update

RECOMMENDATION

Consider authorizing the Land Resources Manager to participate as the Natural Resources Stewardship Pillar Leader for the update of the SAWPA Integrated Regional Water Management Plan (IRWMP).

BACKGROUND

The Santa Ana Watershed Project Authority (SAWPA) most recent IRWMP planning effort in began in 2007. The plan, also known as the One Water One Watershed (OWOW) Plan, included over 100 agencies in Riverside, San Bernardino and Orange counties. The planning process attempted to develop a shared planning vision for all aspects of water management from all geographic regions and political jurisdictions within the 2,700 square mile Santa Ana watershed. The planning objectives developed through the planning process were used to select agencies to receive Proposition 84 funding throughout the watershed. The plan was updated in 2011, and again was used as the basis to select agencies to receive proposition 84 funding. The District received \$500,000 for the Plunge Creek project through this funding allocation.

In 2016, the OWOW plan will again be updated to: 1) reflect new programs/ conditions within the watershed, and; 2) bring the plan into compliance with State of California 2016 IRWMP standards.

The Land Resources Manager was asked to lead the update of the Natural Resources Stewardship section of the plan. There are minimal changes needed to comply with the new IRWMP standards for natural resources and most of the effort would require updating the plan to document new conservation/ stewardship efforts within the watershed by Spring of 2018.

ATTACHMENTS OR MATERIALS

Participation request from SAWPA.

FISCAL IMPACT

This effort is estimated will require approximately 120 hours of staff time for meeting attendance and preparation of update materials between November 2017 and March 2018.

BOARD
OF
DIRECTORS

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

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad



Santa Ana Watershed Project Authority

OVER 45 YEARS OF INNOVATION, VISION, AND WATERSHED LEADERSHIP



One Water One Watershed

AWRA INTEGRATED WATER RESOURCES MANAGEMENT AWARD

HARVARD KENNEDY SCHOOL'S TOP 25 INNOVATIONS IN AMERICAN GOVERNMENT

October 5, 2016

Thomas P. Evans
Commission
Chair

Daniel Cozad, General Manager
San Bernardino Valley Water Conservation District
1630 West Redlands Blvd, Suite A
Redlands, CA 92373

Celeste Cantú
General
Manager

Re: Request for Dr. Jeff Beehler to serve as Natural Resources Pillar for the One Water One Watershed Plan Update 2018

Dear Mr. Cozad:

Orange
County
Water
District

We request that your agency's assistance by allowing your staff member, Dr. Jeff Beehler, to serve as the Natural Resources Stewardship Pillar chair of the One Water One Watershed (OWOW) process during the OWOW Plan Update 2018 Project.

Western
Municipal
Water District

As you know the One Water One Watershed Plan is the Santa Ana River Watershed Integrated Regional Water Management Plan. The OWOW Plan was last updated and approved in 2014, and now requires updates to both achieve compliance with state guidelines and to account for the many developments in the watershed.

Eastern
Municipal
Water
District

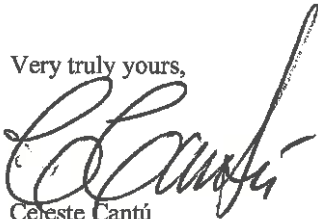
The OWOW process has relied on "Pillars", or technical experts working in groups to provide specific components to the Plan. Dr. Beehler would serve as a Pillar chair overseeing the workgroup for Natural Resources Stewardship. Since there are no specific new requirements or state guidelines that have changed regarding Natural Resource Stewardship, we do not anticipate that updating the Natural Resource chapter to be a significant effort. The primary work would be to review and update the previous OWOW chapter reflecting any recent developments or subregional planning efforts that affect natural resources stewardship within the Santa Ana River Watershed. The amount of time commitment anticipated would be for regular bi-monthly Pillar meetings and some chapter preparation time spanning the two year OWOW Plan Update period.

San
Bernardino
Valley
Municipal
Water
District

Your agency providing this valuable staff support would be very much appreciated. We would like to bring this recommendation of Dr. Beehler's assignment to the OWOW Steering Committee on October 20th so; if possible, we hope to hear from you regarding Dr. Beehler's participation by October 11th to allow for this item to be agendized with other new Pillar assignments.

Inland
Empire
Utilities
Agency

Very truly yours,


Celeste Cantú
General Manager





Wash Plan Update

Sept. 10 through Oct. 6, 2016



Wash Plan Habitat Conservation Plan (HCP)

The Habitat Conservation Plan document is the basis and core component of the Wash Plan HCP. The Endangered Species Act Incidental Take Permit (ITP) needed to construct Covered Activity projects will be based on this document. Consultants are currently engaged in completing the final copy for publication in the Federal Register. Final copy will be ready for FWS and District review on October 20.

Tasks completed this month include:

- Staff and consultants revised and finalized all tables and figures for the final copy.
- Staff worked with consultants to clarify FWS solicitor comments.
- Workshop to review changes to the Wash Plan HCP with the resource agencies and the environmental community prior to Federal Register posting is scheduled for October 19.

Environmental Review (EIR/EIS)

The joint supplemental Environmental Impact Report (EIR) and Environment Impact Statement (EIS) documents will be noticed with the HCP document and will provide information needed for Federal, State and Local agencies, including the District, to determine whether to implement the HCP after public comment is received. Consultants are updating a “screen check” version of the document for publication in the Federal Register.

Tasks completed this month include:

- Consultant incorporated BLM comments on EIR/EIS screen check.
- Staff and consultants reviewed changes to the HCP document and identified areas needing update in the final EIR/EIS.

Land Transfers

The successful implementation of the Wash Plan HCP requires two land transfers, one between Flood Control and Robertson’s Ready mix and a transfer between the District and the Bureau of Land Management (BLM). The District and BLM transfer requires Congressional action. Congressmen Cook and Aguilar introduced H.R. 4024.

Tasks completed this month include:

- Staff met with San Bernardino County Flood Control to review remaining issues involving the transfer of land between Robertson’s and Flood. These lands are important conservation components of the Wash Plan. Additionally, staff responded to comments on Flood’s revision to the agreement allowing Flood to participate in the Wash Plan.

- A new Field Administrator began work at the BLM Palm Springs office on October 3. BLM staff briefed him on the MOU between the District and the BLM. A meeting to discuss remaining issues is scheduled for late October.

Wash Plan Timeline	Committee Selected	Schedule Date	Actual**/ Revised	Meeting
Make Changes to Wash Plan to reflect SBCFC as a separate Permittee	30	5/15/2016	5/25/2016**	
Review	15	5/30/2016	7/9/2016**	
Finish EIS/EIR, IA, MOU*	45	7/15/2016	9/15/2016	
Review	20	7/30/2016	9/30/2016	
Documents to the Federal Register	20	8/15/2016	12/15/2016	Milestone
Public Review - fixed time period	90	11/15/2016	3/15/2017	
Respond to comments	45	12/31/2016	5/15/2017	
FWS -Complete, review, and approve biological opinion and other internal documents	30	1/30/2017	6/15/2017	
ROD and other documents to Federal Register	25	2/15/2017	6/15/2017	Milestone
CEQA Public Hearing		2/8/2017	6/8/2017	Milestone
FWS - Region review of final documents ITP issuance	45	4/15/2017	8/15/2017	Milestone
Timeline to Issuance:	365		485	
*MOU complete **Complete		Permit Issuance		

WASH PLAN PROFIT & LOSS BUDGET VS ACTUAL

FY 2016-2017 AND TOTAL BUDGET through September 2016

	FY 2015-2016 Wash Plan				FY 2016-2017 Wash Plan				TOTAL WP Budget as of September 30, 2016			
	Jul '15 - Jun '16	Budget	\$ Over Budget	% of Budget	Jul '16 - Jun '17	Budget	\$ Over Budget	% of Budget	Jul '13 - Sept '16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense												
Income												
4025 · Wash Plan Revenue	0.00	175,355.20	-175,355.20	0.0%	213,905.37	430,000.00	-216,094.63	49.75%	1,165,901.66	1,425,855.20	-259,953.54	81.77%
Total Income	<u>0.00</u>	<u>175,355.20</u>	<u>-175,355.20</u>	<u>0.0%</u>	<u>213,905.37</u>	<u>430,000.00</u>	<u>-216,094.63</u>	<u>49.75%</u>	<u>1,165,901.66</u>	<u>1,425,855.20</u>	<u>-259,953.54</u>	<u>81.77%</u>
Expense												
5081 · Wash Plan	0.00	0.00	0.00	0.0%	15.34	0.00	0.00	100.0%	297.80	0.00	297.80	100.0%
5083 · Repayment of Wash Plan Advance	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	188,365.40	0.00	188,365.40	100.0%
5122 · Wash Plan Professional Services	82,109.55	62,000.00	20,109.55	132.44%	25,847.20	70,000.00	-44,152.80	36.93%	490,450.87	421,000.00	69,450.87	116.5%
5145 · Environmental Services (WP)	0.00	55,000.00	-55,000.00	0.0%	0.00	160,000.00	-160,000.00	0.0%	19,666.25	733,000.00	-713,333.75	2.68%
5175 · Legal - Wash Plan	76,318.21	44,500.00	31,818.21	171.5%	3,570.00	25,000.00	-21,430.00	14.28%	104,810.97	156,000.00	-51,189.03	67.19%
* District Support-overhead, benefits, salary	127,083.41	144,952.94	-17,869.53	87.67%	32,968.69	175,075.05	-142,106.36	18.83%	362,608.17	599,507.10	-236,898.93	60.48%
Total Expense	<u>285,511.17</u>	<u>306,452.94</u>	<u>-20,941.77</u>	<u>93.17%</u>	<u>62,385.89</u>	<u>430,075.05</u>	<u>-367,689.16</u>	<u>14.51%</u>	<u>1,165,901.66</u>	<u>1,909,507.10</u>	<u>-743,605.44</u>	<u>61.06%</u>
Net Income	<u>-285,511.17</u>	<u>-131,097.74</u>	<u>-154,413.43</u>	<u>217.79%</u>	<u>151,519.48</u>	<u>-75.05</u>	<u>151,594.53</u>	<u>-201,891.38%</u>	<u>0.00</u>	<u>-483,651.90</u>	<u>483,651.90</u>	<u>0.0%</u>

*WP Professional Services

Baker (RBF Consulting) (EIS)-19% remaining
 ICF Jones & Stokes (HCP)-Complete
 ICF Jones & Stokes (1st Amendment)-Complete
 ICF Jones & Stokes (2nd Amendment)-Complete
 ICF Jones & Stokes (3rd Amendment)-83% remaining

Jericho Systems (survey work)-Complete
 Randy Scott (management)-38% spent-Contract Expired
 CDM Smith (Trail Planning)-22% remaining
 Michael Baker International (survey work)-Complete

Total due to District

\$213,905.37



General Manager's Report

For September 15, to October 7, 2016

Daniel B. Cozad

The following report covers the weeks between meetings and the efforts and activities during the reporting period.

1. Water Conservation – Plan Goal 1 – No significant new rainfall occurred to augment limited flows in Mill Creek and Santa Ana River. Native water recharged this water year was 2766 acre feet in Santa Ana River spreading including 132 acre feet in Mill Creek. State Project water recharged in Santa Ana totaled 1907 acre feet with water from East Valley and District testing water. In total for the water year 4673 acre feet was recharged. Mill Creek received a little water from a mountain thunderstorm and water from State Project water from Redlands. In total 1265 acre feet were recharged. This brings total recharge from all sources to 5938 acre feet.



2. Facility Maintenance and Cleanout- Plan Goal 1 – All water facilities continue to be fully operable and ready for additional stormflows. Staff continued work to remove invasive brush in the borrow pit and other areas with IERCD. Staff worked to complete installation and testing of the new meter to provide continuous monitoring to meet SB-88 requirements.

3. Aggregate Management – Plan Goal 2 – Upland Rock continued to screen and remove rock generated by construction projects in Mill Creek both above and below Garnet. Some rock will remain to be used in the Garnet Bridge project starting soon. Staff reviewed the Aggregate Material Processing proposal which was received by the September 23. Because only one proposal was received and the proposal was responsive staff is preparing the Material Processing License for Board approval.

4. Personnel/Administration/Staff – Plan Goal 6 – Staff completed materials and information for Director Harrison to help him get everything completed and submitted. Staff also provided a field tour.

5. Finance/Budget/Audit – Plan Goal 6 – Considerable work was accomplished to support the annual audit. A new GASB 68 Report is required and CALPERS no longer provides these reports. The auditors finished field work and is preparing the draft report, awaiting the GASB 68 Report which is expect in early October. Staff will reschedule the Ad Hoc committee when the draft is received.

6. **East Branch Extension** – *Plan Goal 7* – Planning is ongoing to propose to perform the habitat management required for the EBX2 easement areas for Valley District to improve habitat management efforts and reduce their costs.
7. **Mill Creek Diversion Engineering** – *Plan Goals 1/7* – Permitting design received and staff provided final which were addressed. The final draft design will be used to discuss with the Permitting Agencies, USACOE and SB County Flood Control. Staff coordinated permitting support task order with ICF on the Board’s October agenda. Staff began working with County Flood at the beginning of the design project and recently provided them an update.
8. **Plunge Creek Project** – *Plan Goals 1/4/7* – ICF Jones and Stokes is supporting the regulatory permitting. The jurisdictional delineation and cultural resources reports were completed to facilitate COE permit requirements.
9. **Collaborative Enhanced Recharge Project** – *Plan Goal 7* – Staff received and update from Valley District on their planning and design for phase 1 of the project. They have completed design and are preparing materials for bidding. They are also taking care of property acquisition. They expect to have bids in January and start construction as soon as possible thereafter.
10. **Groundwater Sustainability Council** – A separate report is provided in the agenda as requested by the Board.
11. **Wash Plan** – *Plan Goal 2* – A separate report is proved in the agenda on the Wash Plan.
12. **Santa Ana River Wash Plan Land Exchange Act** – Staff in the congressmen’s offices report progress toward a lame duck hearing after the election. It is uncertain if this is likely or not. The elections in November portend some changes and uncertainty will likely continue until 2017.
13. **Conservation Trust** – The Conservation Trust Board of Directors met on August 15, reviewed policy and financial status and conditions. Authorized filing with California Department of Fish and Wildlife. The next planned meeting is in December.
14. **Property/Redlands Plaza** – *Plan Goal 3* – Staff continues to manage Redlands Plaza. All units are leased but the chiropractor’s unit is vacant. Efforts are ongoing to obtain a new tenant. CAM Fees are adjusted in October and notice to all tenants was provided.
15. **Mining** – *Plan Goal 2/3* – Mining efforts by CEMEX Contractor continue on the Plant Site. Staff continues to press CEMEX and Robertson’s for a mine plan and within the next year or so need to revise mining agreements.
16. **Public Outreach and Legislative** – *Plan Goal 4* – Staff continue to provide information and outreach to legislative and other local leaders. Staff participates in various efforts related to regional monitoring of species and issues of public importance.

17. Current Board Action Implementation – *Plan Goal 3* – Staff is implementing the updated priorities of the Board. Most of these are segregated into separate sections of the General Managers Report or separate reports. The Trails Plan Phase 2 completed and comments from the City of Redlands and City of Highland are incorporated. This item will be considered by the Board at its October or November meeting.

18. Future Board Activities – Expected short term items for consideration or note

- Annual audit Review in October and Approval in November
- Post Audit reserve balance adjustment recommendations
- Mill Creek Project permitting approach/plan contracting

19. District Successes – *Plan Goal 6*

- Able to provide information and get T. Milford Harrison up to speed on District activities and provide a field facilities tour
- Groundwater Sustainability Council Framework Agreement and Equitable Allocation methodology are progressing – David Cosgrove and Katelyn Scholte deserve credit accordingly
- Imported water for recharge is increasing and several basins are now full in the Santa Ana Spreading Grounds, excellent work and coordination by field staff
- Borrow Pit activities were well coordinated with Upland, Marks Club, BLM and EVP for the event on October 6-8

San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 9/1/2016
To: 9/30/2016



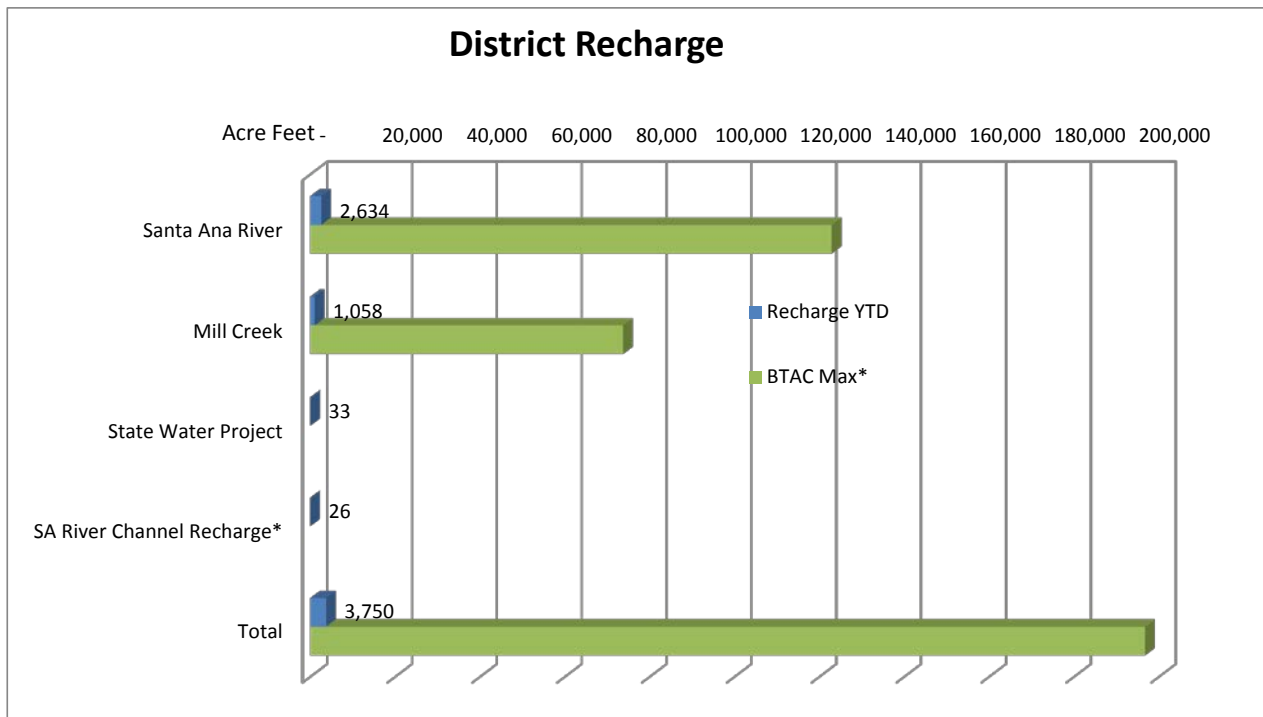
	September				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	0.5	15	2,634	123,000	2%
Mill Creek	0.6	18	1,058	73,800	1%
State Water Project	0.6	18	33	NA	NA
In River Channel Recharge**	0.0	0	26	NA	NA
Total	2	50	3,750	196,800	2%

Values in Acre Feet

*BTAC Revised Max in December 2014

**Monitoring began in Mid-April 2011

*** All Values Based on Water Year Oct-Sep 2016



GSC Status Update

For August 6, to October 7, 2016
Daniel B. Cozad



The following update on the development of the Groundwater Sustainability Council (GSC) included activities from the prior monthly meeting and related efforts:

- 1. Accomplishments** – The BTAC Engineering Committee held 4 meetings to review the Equitable Allocation Methodology being developed to determine both Cost Share and Vote Weight for each entity producing from the Basin. Detailed production information from the Base Period of the Adjudication 1959-1963 was used to allocate production within safe yield. Current 2009-2013 project was also modeled to assess the changes and these values were compared to the entity demand or usage. The difference between the base period safe yield usage and Urban Water Management Plan demand not fulfilled by any other water source was call “the Gap” and was the basis for setting “basin usage” and cost to contribute to sustainability. The Framework Agreement was developed by legal counsel and staff for initial review by the GSC members. This draft was distributed on October 5th and because some agencies observe Columbus Day on October 10th the meeting is being rescheduled.
- 2. Council Development Meeting** – The next meeting will be later in October or on November 14, 2016. Early in the meeting the GSC will get an update on the Equitable Allocation Model developed by the BTAC Engineering Committee with support from SBVWCD Assistant Engineer and SBVMWD Water Resources Manager Bob Tinchler. Several approaches will be reviewed as described above. The BTAC recommend the average of both the base period allocation and current period allocation to determine “the Gap”. This methodology provides for an anchor and primary relationship to the Watermaster Judgement and an update that would happen annually or as appropriate that adjusts for current usage of the basin. A portion of the cost related to Operations and Maintenance would be allocated by current production to all agencies. When taken together this would constitute the Equitable Allocation Methodology. Additional review of the methodology will occur after the next meeting with comments in November.

After the Equitable Allocation the next meeting will cover a detailed review and discussion of the GSC Framework Agreement. The draft was distributed with summary slides on October 5th. District staff and Counsel provided an outline and specifically asked participants to review the following points shown below:

- Roles GSC and Component Basins
- Non agency (other) representation
- Equitable Allocation (Funding & Vote Weighting)
- Powers of the GSC
- Dispute Resolution
- Significant Producers >500AF
- Annual Budget Allocation update
- GSC MOU Entity vs JPA

- 3. Upcoming Efforts and Decisions** – In the next month the participants will provide comment and concerns, ideas and options with their feedback. With the meeting being delayed it is likely that a final draft for Agency consideration will be delayed 4-6 weeks, but is highly dependent on comments and participant review.

TRAVEL AND EXPENSES COST ESTIMATE

Name of Event:	ACWA Fall Conference
Event Dates:	November 29-December 2, 2016
Requested by:	T. Milford Harrison

GL	GL Name	Cost	Notes
6401	Directors Fees	\$ 618.00	Tuesday-Thursday
6410	Mileage	\$ 57.56	Roundtrip (Anaheim)
6415	Air Fare	\$ -	
6420	Other Travel	\$ -	
6425	Meals	\$ -	
6430	Lodging	\$ 278.00	
6435	Conference Registration	\$ 695.00	
Estimated Total		\$ 1,648.56	

*Mileage Rate is \$0.54

*Per Diem is \$206 per day