



BOARD OF DIRECTORS MEETING AGENDA

Wednesday, October 18, 2017 – 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 regular District business hours. New information pertaining 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 concerning 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 before 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. CONSENT CALENDAR

- A. Approval of Board Minutes, September 13, 2017 4
- B. Approval of Expenditure Report, September 2017..... 12
- C. Appendix C Revisions based on Conservation Trust Bylaw Changes (M#1524) 19

4. COMMITTEE REPORTS /ACTION ITEMS

Committee Reports

- A. OUTREACH & COMMUNICATIONS COMMITTEE VERBAL REPORT AND PRESENTATION OF THE OUTREACH PLAN- 5 minutes

Presenter: Committee Member, T. Milford Harrison

Recommendation: Committee Chair will provide a verbal report on items discussed at October 9, 2017, Outreach & Communications Committee meeting.

Action Items

- B. UNAUDITED FINANCIAL REPORTS, SEPTEMBER 2017 – 5 minutes (M#1525).....25

Presenter: Daniel Cozad

Recommendation: Review and approve the unaudited financials for August 2017.

- C. CONSERVATION TRUST CONTRACT FOR SERVICES WITH DISTRICT– 20 minutes (M#1526)..... 31

Presenter: Daniel Cozad/David Cosgrove

Recommendation: The San Bernardino Valley Conservation Trust (Conservation Trust) Board of Directors requests the Board review and consider approval of the Contract for Administrative Services.

- D. DRAFT COMMUNITY STRATEGIC PLAN FOR CIRCULATION – 10 minutes (M#1527)..... 39

Presenter: Daniel Cozad

Recommendation: Review and accept Draft Community Strategic Plan (CSP) for circulation to partners and the public.

- E. REDLANDS PLAZA PARKING LOT AND SIDEWALK IMPROVEMENTS – 15 minutes (M#1528)..... 62

Presenter: Daniel Cozad

Recommendation: Review and consider parking lot and sidewalk improvement options provided in the attached spreadsheet and authorize the General Manager to contract with the responsive proposal under the selected option.

5. INFORMATION ITEMS:

- A. Wash Plan Report – 5 Minutes 65
B. General Manager’s Report and Monthly Recharge Report – 5 Minutes 68
C. Groundwater Council Verbal Report – 5 Minutes
D. Future Agenda Items & Staff Tasks

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

- A. Board Member Meeting Reports – 15 minutes

7. **UPCOMING MEETINGS:**

- A. October 30, 2017 Outreach & Communications Committee, 10:00 a.m. at Conservation District
- B. November 7, 2017 San Bernardino Valley Municipal Water District Board of Directors, 2:30 p.m. at Valley Municipal
- C. November 8, 2017 Board of Directors Meeting, 1:30 p.m. at Conservation District
- D. November 15, 2017 Finance & Administration Committee, 1:30 p.m. at Conservation District
- E. November 28-December 1, 2017 ACWA Fall Conference, Anaheim
(Board Approval Required)
- F. December 14, 2017 Advisory Commission on Water Policy, 6:30 p.m. at Valley Municipal

8. **CLOSED SESSION**

- 1. The Board will meet in Closed Session under the authority of Government Code §54956.9 (a), in order to discuss existing litigation, Endangered Habitats League et al. vs. U.S. Army Corps of Engineers, Central District Court Case no. Case No.: 2:16-cv-09178-MWF-E.
 - 2. The Board will meet in Closed Session under the authority of Government Code §54956.9 (a), in order to discuss existing litigation, SBVWCD v. AHD Limited Partnership San Bernardino County Superior Court, Case No. CIVDS1702421.
9. **ADJOURN MEETING.** The next regularly scheduled Board of Directors Meeting will be on November 8, 2017, 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 13, 2017
1:30 p.m.

President Corneille called the Board Meeting of the Board of Directors to order at 1:34 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 (Departure 3:12 p.m.)
David E. Raley, Director (Arrival 1:40 p.m.)
T. Milford Harrison, Director
John Longville, Director (Arrival 1:42 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Charles Roberts, Highland Community News
Chet Andersen, City of Redlands Resident
David Smith, East Valley Water District
Scott Manno, Rogers, Anderson, Malody & Scott

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desired, to make an oral presentation to the Board of Directors. Absent public participation, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by Director Harrison to approve Consent Calendar Item A: Board Minutes, August 9, 2017; Item B: Expenditure Report, August 2017; and Item C: Top Five Groundwater Producers List for GWA #48. The motion carried 3-0 with all Directors present voting in the affirmative and Director Longville, and Raley noted as absent from the vote.

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. ACWA FALL CONFERENCE TRAVEL REQUESTS

It was moved by Vice President McDonald and seconded by Director Harrison to approve President Corneille and Director Harrison's travel requests. The motion carried 3-0 with all Directors present voting in the affirmative and Director Longville, and Raley noted as absent from the vote.

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

B. 2016-2017 ANNUAL DISTRICT AUDIT

Scott Manno from Rogers, Anderson, Malody & Scott provided a summary of the final 2016-2017 Annual District Audit Report. The draft report was included in the Board package beginning on page 25. Mr. Manno stated that no significant changes were made from the draft report included in the mailed package. He provided the final report as a handout along with a Management Letter stating the auditors found no significant findings and are providing an unqualified opinion. This is the highest level of assurance that can be provided by the Auditor. Mr. Manno noted that on package page 11 noncurrent liabilities from 2016 to 2017 decreased from \$5,808,663 to \$5,296,326 primarily due to the payoff of CalPERS Unfunded Liability in 2016. He noted that the Draft Report was reviewed in detail with the Ad Hoc Audit Committee on September 7. Mr. Manno also stated that staff did a great job assisting with the audit; primarily Angie Quiroga. Vice President McDonald stated that paying off CalPERS was a financially prudent decision; other agencies are carrying massive amounts of liability. Director Raley requested training on CalPERS. Mr. Cozad noted that the paragraph on package page 30 pertaining to Groundwater was replaced to include current recharge totals. He also added that Redlands Plaza Reserve appears high, but the District will have to make significant repairs and modifications to the parking lot and sidewalk for the plaza. Mr. Cozad said that the General Fund Reserve was reduced primarily due to the purchase of the Mendoza Property and the funding of Capital Projects. Director Longville reported on the September 7 Ad Hoc Audit

Committee; the auditor has found that the District and its staff and Board are fiscally responsible. Director Longville expressed his appreciation to staff for their efforts and said that the audit report is excellent. Mr. Cozad noted that this year is RAMS first year and the audit went smoothly, and he thanked RAMS. President Corneille thanked Mr. Cozad and Ms. Quiroga for their work on the audit. Director Harrison expressed his appreciation to RAMS as well. Director Longville voiced his appreciation for all staff members and their taking on of greater responsibilities.

It was moved by Director Longville and seconded by Vice President McDonald to approve the 2016-2017 Audit Report as presented and to direct staff to file the audit with the San Bernardino County Clerk of Supervisors. The motion carried 5-0 with all Directors present voting in the affirmative.

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

C. EDUCATION AND OUTREACH COMMITTEE VERBAL REPORT

Director Longville provided a review of the Outreach & Communications Committee held on August 30. He indicated that the Committee is recommending the District focus on outreach directed toward state and federal legislators and local government officials. Director Longville recommended other members of the Board participate in these outreach meetings as well. Director Harrison said that the Outreach Consultant would review the Committee's goals against the current scope and come back to the Committee with recommendations. President Corneille recommended news releases be included in the Outreach Program to reach the general public. He also said that he would like for the Outreach Consultant to review and update the standard PowerPoint presentation used by the District. Director Longville said that the Committee recommended focusing on the area where they can make the biggest impact. Director Raley asked to see an outline of the goals and objectives of the Outreach Program and to have a measurement of progress. Mr. Cozad indicated that both are included in the outreach plan the consultants are preparing. This item was received and filed.

D. UNAUDITED FINANCIAL REPORTS, AUGUST 2017

It was moved by Director Harrison and seconded by Vice President McDonald to approve the Unaudited Financial Reports for August 2017. The motion carried 5-0 with all Directors present voting in the affirmative.

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

E. GROUNDWATER LATE PAYER AND NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #48

Mr. Cozad introduced this item for discussion. He referred to the memo on package page 96 showing the list of Past Due groundwater producers and an investigation list. Trojan Groves and UCR are expected to file soon; wells on lines 3-9 require investigation.

It was moved by Vice President McDonald and seconded by Director Longville to direct staff to investigate late payers and non-respondents. The motion carried 5-0 with all Directors present voting in the affirmative.

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

F. MENTONE COMMUNITY GARDEN LEASE LETTER OF INTENT

Mr. Cozad introduced this item for discussion. The Mentone Area Chamber Association (MACA) requires a letter of intent from the District so that it may seek grant funding. District Counsel and Mr. Cozad drafted a conditional Letter of Intent included on package page 100. President Corneille works with MACA and recommends approval of the letter to allow them to move forward.

It was moved by Director Longville and seconded by Vice President McDonald to approve the conditional letter of intent to lease District lands for a Mentone Community Garden. The motion carried 5-0 with all Directors present voting in the affirmative.

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

G. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS

Mr. Cozad introduced this item for discussion noting that the memo is on package page 101. The fiscal impacts of the appointments are listed in detail on package page 103. Director Raley requested that he remain on the CSDA Audit Committee and/or the Fiscal Committee. Director Harrison requested to serve on the CSDA Professional Development Committee, Member Services Committee, and/or Legislative Committee. President Corneille said that the CSDA Committees are limited; appointments are not guaranteed.

It was moved by Vice President McDonald and seconded by Director Harrison to submit CSDA 2018 Committee and Expert Feedback Team Appointments for both Director Harrison and Raley. The motion carried 5-0 with all Directors present voting in the affirmative.

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

H. ACWA COMMITTEE APPOINTMENT NOMINATIONS FOR 2018-2019 TERM

Mr. Cozad introduced this item for discussion. He noted that a handout of revised fiscal impacts was handed out that included Director Harrison's request to be added to the ACWA Local Government Committee, State Legislative Committee and/or Communications Committee. Director Raley supported the requests with the condition that the budget is reviewed after appointments are made and that any necessary adjustments are made so that the District operates within its budget. Vice President McDonald requested that the Finance & Administration Committee review Appendix C once appointments are made.

It was moved by Director Longville and seconded by Vice President McDonald to direct staff to submit ACWA Committee Consideration Form in accordance with Board Member requests as provided in the handout. The motion carried 5-0 with all Directors present voting in the affirmative.

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

I. ACWA REGION 9 BALLOT FOR 2018-2019 TERM

President Corneille introduced this item for discussion.

It was moved by Vice President McDonald and seconded by Director Longville to submit the ballot voting for Joseph J. Kuebler, Chair; Michael Wilson, Vice Chair; Luis Cetina; Carl P. Coleman; James Morales Jr.; Phill Rosentrater; and Harvey R. Ryan for Board Members for the 2018-2019 term. The motion carried 5-0 with all Directors present voting in the affirmative.

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

J. COMMUNITY STRATEGIC PLAN 2017 UPDATE

Mr. Cozad introduced this item for discussion, referring to staff reports included on package page 117. He reviewed the list of changes and accomplishments listed on package page 121, and the 2017 Strategic Planning Goals table on package page 124. Mr. Cozad read aloud the reworded Mission Statement that staff drafted, shown on package page 125. President

Corneille requested the Policy Principles be added to the Plan. Director Harrison noted that on package page 127 the numbering did not match up with the referenced section. Mr. Cozad stated that there are a number of formatting issues that need to be fixed. Director Harrison handed in his edits to staff. President Corneille thanked Mr. Cozad for preparing the Community Strategic Plan, noting that in previous years the District paid for a facilitator. Staff has saved the District considerable expenses by completing the Community Strategic Plan in-house. Mr. Cozad requested that the Board provide feedback by the end of September so that revisions may be incorporated. A final draft will be presented to the Board at its October meeting with a recommendation to circulate it to the public for comment.

5. INFORMATION ITEMS

A. WASH PLAN REPORT

Mr. Beehler indicated that the Wash Plan Report is included on package page 140. He reviewed the table on package page 141 noting that the City of Redlands will be moving forward with their project in Fall 2018 or Winter 2018. The MOU for East Valley Water District was recently approved by their Board, and they have paid. President Corneille requested clarification on the preconstruction survey. Mr. Beehler said it is the duty of the project proponent to perform preconstruction surveys within a year of construction of projects; this includes avoidance and minimization measures be done to protect endangered species. This item was received and filed.

B. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report is included on package page 142. The report contains a copy of the Authorization for Destruction of Obsolete Records log on package page 147. Mr. Cozad noted that the Mill Creek North Canal Diversion liner was installed at significant cost savings to the District by using in-house staff. The enhancements will essentially double the capacity of the canal. This item was received and filed.

C. STATE WATERBOARD DREDGE AND FILL REGULATION

Mr. Cozad introduced this item for discussion and presented a PowerPoint presentation with reference to the State Waterboard Dredge and Fill Regulation included on package pages 148 to 156. Mr. Cozad said that many new mandates in the proposed Dredge and Fill Regulation could delay projects and increase costs. Staff notified President Corneille and Vice President McDonald who agreed with hiring special legal counsel to support the District response. Nossaman LLP was hired and prepared the response to the draft regulation. Mr. Cozad said that the District is asking that facilities with habitat value, water quality, and water supply value to be exempt from these regulations since they are of high benefit and are already regulated under other programs. A draft comment letter is being prepared and will be included with an executive summary prepared by special legal counsel. Staff will work with the State Waterboard staff to incorporate this language into proposed regulation that will go to their Board in December for approval. Director Longville suggested working on changing legislature. Mr. Cozad said there might be potential to change state law to include the exemptions the District is

requesting, but the staff and special legal counsel are identifying the specifics. The final letter and executive summary will be sent out Monday. This item was received and filed.

D. GROUNDWATER COUNCIL VERBAL UPDATE

Mr. Cozad presented a handout of the SBVWCD Summarized Budget and Actual Review, covering the last four years of the Groundwater Enterprise fund. President Corneille noted that the Advisory Commission would be discussing the GC at its meeting tomorrow night. This item was received and filed.

E. FUTURE AGENDA ITEMS & STAFF TASKS

President Corneille requested a field tour at the next Operations Committee set for 10 a.m. October 26. He also requested additional information he could present to the Mentone Area Chamber of Commerce regarding the proposed garden and the Mendoza Property that was purchased by the District. Director Longville requested government ID badges and cost savings analysis. Director Harrison requested name badges and detailed information on the California Waterfix.

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

President Corneille attended the Ad Hoc Audit Committee on September 7.

Director Harrison attended the ASBCSD Board of Directors Meeting on August 21, SBACC Meeting on August 23, and SAWPA OWOW Pillar Meeting on August 24. He also attended the Outreach & Communications Committee on August 30 and Valley Municipal Board Meeting on September 5.

Director Raley attended the Strategic Analysis/Plan Committee Workshop on August 10, Water Use Efficiency Committee Workshop on August 16, and Legislative & Policy Committee on September 6. He also attended the Redlands Rise N Shine on September 8.

Director Longville attended the Ad Hoc Audit Committee on September 7, and Outreach & Communications Committee on August 30.

7. UPCOMING MEETINGS

President Corneille said that September 14 is the Advisory Commission on Water Policy meeting.

8. CLOSED SESSION

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

President Corneille: Yes

Vice President McDonald: Absent

Director Longville: Yes
Director Raley: Yes
Director Harrison: Yes

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

At 4:26 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

9. ADJOURN MEETING

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

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

At 4:26 p.m. the meeting adjourned to the Board of Directors Meeting scheduled for 1:30 p.m. October 18, 2017, at District Headquarters, 1630 W. Redlands Blvd., Redlands, Calif.

Daniel B. Cozad
General Manager

San Bernardino Valley Water Conservation District
Expenditure Report
September 2017

Num	Date	Name	Account	Class	Original Amount
	09/05/2017	Citizens Business Bank	1012 · Citizens Busine...		0.00
AJE#7RAMSR	07/01/2017	Citizens Business Bank	2000 · Accounts Payable	4-General Fund Ent.	-77.34
TOTAL					-77.34
	09/05/2017	Rutan & Tucker	1012 · Citizens Busine...		0.00
AJE#18R	07/01/2017	Rutan & Tucker	2000 · Accounts Payable	4-General Fund Ent.	-23,637.84
TOTAL					-23,637.84
	09/05/2017	Year End Adjustments	1012 · Citizens Busine...		0.00
AJE #14	06/30/2017	Year End Adjustments	2000 · Accounts Payable	4-General Fund Ent.	-5,380.00
TOTAL					-5,380.00
PC 9.13.17	09/13/2017	Paychex	1012 · Citizens Busine...		-82.06
			6042 · Payroll Processing	4-General Fund Ent.	82.06
TOTAL					82.06
PC 9.27.17	09/27/2017	Paychex	1012 · Citizens Busine...		-80.84
			6042 · Payroll Processing	4-General Fund Ent.	80.84
TOTAL					80.84
ACH0111	09/11/2017	T. Milford Harrison	1012 · Citizens Busine...		-6.42
			6410 · Mileage	4-General Fund Ent.	6.42
TOTAL					6.42
ACH0112	09/25/2017	T. Milford Harrison	1012 · Citizens Busine...		-39.59
			6410 · Mileage	4-General Fund Ent.	39.59
TOTAL					39.59
ACH0113	09/28/2017	Melody McDonald	1012 · Citizens Busine...		-97.39
			6410 · Mileage	4-General Fund Ent.	97.39
TOTAL					97.39
20850	09/05/2017	Aaron Pederson	1012 · Citizens Busine...		-35.00
	08/26/2017		6018 · Janitorial Services	4-General Fund Ent.	35.00
TOTAL					35.00

San Bernardino Valley Water Conservation District
Expenditure Report
September 2017

Num	Date	Name	Account	Class	Original Amount
20851	09/05/2017	ACWA/JPIA-Health	1012 · Citizens Busine...		-12,635.43
	09/05/2017		6110 · Vision Insurance	4-General Fund Ent.	26.60
			6110 · Vision Insurance	1-Groundwater Ent.	84.25
			6110 · Vision Insurance	2-Redlands Plaza/...	8.45
			6110 · Vision Insurance	3-Land Resources	27.99
			6110 · Vision Insurance	5-Wash Plan	18.33
			6130 · Dental Insurance	4-General Fund Ent.	112.74
			6130 · Dental Insurance	1-Groundwater Ent.	357.06
			6130 · Dental Insurance	2-Redlands Plaza/...	35.80
			6130 · Dental Insurance	3-Land Resources	118.62
			6130 · Dental Insurance	5-Wash Plan	77.70
			6150 · Medical Insurance	4-General Fund Ent.	1,889.92
			6150 · Medical Insurance	1-Groundwater Ent.	5,986.33
			6150 · Medical Insurance	2-Redlands Plaza/...	600.16
			6150 · Medical Insurance	3-Land Resources	1,988.77
			6150 · Medical Insurance	5-Wash Plan	1,302.71
TOTAL					12,635.43
20852	09/05/2017	Assoc. San Bernardino...	1012 · Citizens Busine...		-70.00
	09/01/2017		6425 · Meals	4-General Fund Ent.	70.00
TOTAL					70.00
20853	09/05/2017	Castro Landscaping Se...	1012 · Citizens Busine...		-250.00
	08/30/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00
20854	09/05/2017	Day Lite Maintenance, I...	1012 · Citizens Busine...		-61.32
	08/24/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	61.32
TOTAL					61.32
20855	09/05/2017	Edison - 8812	1012 · Citizens Busine...		-308.71
	08/31/2017		5420 · Electricity	4-General Fund Ent.	86.44
			5420 · Electricity	1-Groundwater Ent.	61.74
			5420 · Electricity	2-Redlands Plaza/...	160.53
TOTAL					308.71
20856	09/05/2017	Edison - Redlands Plaza	1012 · Citizens Busine...		-72.31
	08/31/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	72.31
TOTAL					72.31
20857	09/05/2017	Frontier-4860	1012 · Citizens Busine...		-481.29
	08/28/2017		5440 · Telephone	4-General Fund Ent.	235.41
			5440 · Telephone	1-Groundwater Ent.	100.89
			5470 · Internet Services	4-General Fund Ent.	72.50
			5470 · Internet Services	1-Groundwater Ent.	43.50
			5470 · Internet Services	2-Redlands Plaza/...	7.25
			5470 · Internet Services	3-Land Resources	21.74
TOTAL					481.29

San Bernardino Valley Water Conservation District
Expenditure Report
September 2017

Num	Date	Name	Account	Class	Original Amount
20858	09/05/2017	Frontier-7275	1012 · Citizens Busine...		-144.96
	08/19/2017		5440 · Telephone	4-General Fund Ent.	48.98
			5440 · Telephone	1-Groundwater Ent.	20.99
			5470 · Internet Services	4-General Fund Ent.	37.50
			5470 · Internet Services	1-Groundwater Ent.	22.50
			5470 · Internet Services	2-Redlands Plaza/...	3.75
			5470 · Internet Services	3-Land Resources	11.24
TOTAL					144.96
20859	09/05/2017	JAN-PRO Cleaning Sys...	1012 · Citizens Busine...		-618.00
	09/01/2017		6018 · Janitorial Services	4-General Fund Ent.	618.00
TOTAL					618.00
20860	09/05/2017	Lowe's Companies, Inc.	1012 · Citizens Busine...		-114.42
	08/25/2017		5210 · Equipment Maint...	1-Groundwater Ent.	13.12
			5215 · Property Mainte...	1-Groundwater Ent.	81.04
			5215 · Property Mainte...	3-Land Resources	20.26
TOTAL					114.42
20861	09/05/2017	Netsteller	1012 · Citizens Busine...		-450.00
	09/01/2017		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
20862	09/05/2017	Parts Authority Metro L...	1012 · Citizens Busine...		-119.26
	08/28/2017		5310 · Vehicle Mainten...	1-Groundwater Ent.	119.26
TOTAL					119.26
20863	09/05/2017	Patton Sales Corp	1012 · Citizens Busine...		-581.54
	08/29/2017		5215 · Property Mainte...	1-Groundwater Ent.	465.23
			5215 · Property Mainte...	3-Land Resources	116.31
TOTAL					581.54
20864	09/05/2017	ReadyRefresh by Nestle	1012 · Citizens Busine...		-9.69
	08/24/2017		5460 · Water / Trash / ...	1-Groundwater Ent.	9.69
TOTAL					9.69
20865	09/05/2017	Rogers, Anderson, Mal...	1012 · Citizens Busine...		-19,160.00
	07/31/2017		5170 · Audit	4-General Fund Ent.	3,832.00
			5170 · Audit	1-Groundwater Ent.	8,813.60
			5170 · Audit	2-Redlands Plaza/...	2,874.00
			5170 · Audit	3-Land Resources	3,640.40
TOTAL					19,160.00

San Bernardino Valley Water Conservation District
Expenditure Report
September 2017

Num	Date	Name	Account	Class	Original Amount
20866	09/05/2017	Rutan & Tucker	1012 · Citizens Busine...		-29,959.46
	08/29/2017		5180 · Legal	4-General Fund Ent.	6,054.05
			5180 · Legal	1-Groundwater Ent.	6,054.05
			5180 · Legal	2-Redlands Plaza/...	1,412.61
			5180 · Legal	3-Land Resources	6,659.45
			5180 · Legal	3-Land Resources	65.00
			5175 · Legal - Wash Plan	5-Wash Plan	1,625.00
			5180 · Legal	4-General Fund Ent.	8,089.30
TOTAL					29,959.46
20867	09/05/2017	Schubert Landscaping,...	1012 · Citizens Busine...		-250.00
	08/20/2017		6015 · Mentone House ...	2-Redlands Plaza/...	250.00
TOTAL					250.00
20868	09/05/2017	Sonsray Machinery	1012 · Citizens Busine...		-2,227.95
	09/06/2017		5210 · Equipment Maint...	1-Groundwater Ent.	2,227.95
TOTAL					2,227.95
20869	09/05/2017	Valero Marketing & Su...	1012 · Citizens Busine...		-740.00
	08/30/2017		5320 · Fuel	1-Groundwater Ent.	740.00
TOTAL					740.00
20870	09/05/2017	Corneille, Richard	1012 · Citizens Busine...		-17.12
	09/05/2017		6410 · Mileage	4-General Fund Ent.	17.12
TOTAL					17.12
20871	09/18/2017	American Power Security	1012 · Citizens Busine...		-475.00
	09/12/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	475.00
TOTAL					475.00
20872	09/18/2017	Day Lite Maintenance, I...	1012 · Citizens Busine...		-207.79
	09/01/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	144.00
	09/05/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	63.79
TOTAL					207.79
20873	09/18/2017	Edison - 7241	1012 · Citizens Busine...		-56.78
	09/12/2017		5420 · Electricity	4-General Fund Ent.	15.90
			5420 · Electricity	1-Groundwater Ent.	11.36
			5420 · Electricity	2-Redlands Plaza/...	29.52
TOTAL					56.78

San Bernardino Valley Water Conservation District
Expenditure Report
September 2017

Num	Date	Name	Account	Class	Original Amount
20874	09/18/2017	Edison -5552	1012 · Citizens Busine...		-550.29
	09/09/2017		5420 · Electricity	4-General Fund Ent.	146.92
			5420 · Electricity	1-Groundwater Ent.	104.95
			5420 · Electricity	2-Redlands Plaza/...	272.86
			6020 · Vacancy Marketi...	2-Redlands Plaza/...	25.56
TOTAL					550.29
20875	09/18/2017	Highland Area Chambe...	1012 · Citizens Busine...		-20.00
	09/12/2017		6425 · Meals	4-General Fund Ent.	20.00
TOTAL					20.00
20876	09/18/2017	Kelly Associates Mana...	1012 · Citizens Busine...		-1,447.50
	09/06/2017		5120 · Misc. Profession...	4-General Fund Ent.	422.24
			5120 · Misc. Profession...	1-Groundwater Ent.	301.51
			5120 · Misc. Profession...	3-Land Resources	723.75
TOTAL					1,447.50
20877	09/18/2017	Parts Authority Metro L...	1012 · Citizens Busine...		-35.93
	09/07/2017		5310 · Vehicle Mainten...	1-Groundwater Ent.	35.93
TOTAL					35.93
20878	09/18/2017	Rogers, Anderson, Mal...	1012 · Citizens Busine...		-4,340.00
	08/31/2017		5170 · Audit	4-General Fund Ent.	868.00
			5170 · Audit	1-Groundwater Ent.	1,996.40
			5170 · Audit	2-Redlands Plaza/...	651.00
			5170 · Audit	3-Land Resources	824.60
TOTAL					4,340.00
20879	09/18/2017	So Cal News Circulation	1012 · Citizens Busine...		-228.11
	08/21/2017		6090 · Subscriptions/Pu...	4-General Fund Ent.	228.11
TOTAL					228.11
20880	09/18/2017	Terminix	1012 · Citizens Busine...		-66.00
	08/22/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.00
TOTAL					66.00
20881	09/18/2017	Watermaster Support S...	1012 · Citizens Busine...		-2,100.00
	09/14/2017		5120 · Misc. Profession...	4-General Fund Ent.	612.57
			5120 · Misc. Profession...	1-Groundwater Ent.	437.43
			5120 · Misc. Profession...	3-Land Resources	1,050.00
TOTAL					2,100.00

San Bernardino Valley Water Conservation District

Expenditure Report

September 2017

Num	Date	Name	Account	Class	Original Amount
100177N	09/12/2017	PERS	1012 · Citizens Busine...		-5,556.31
			6170 · PERS Retirement	4-General Fund Ent.	892.34
			6170 · PERS Retirement	1-Groundwater Ent.	2,826.49
			6170 · PERS Retirement	2-Redlands Plaza/...	283.37
			6170 · PERS Retirement	3-Land Resources	827.89
			6170 · PERS Retirement	5-Wash Plan	726.22
TOTAL					5,556.31

San Bernardino Valley Water Conservation District
Director Fees Expenditure Payroll Report
September 2017

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
9/13/2017	Corneille, R	Aug-17	\$ 824.00	\$ 88.42	\$ 735.58
9/13/2017	Harrison, T.M	Sep-17	\$ 618.00	\$ 52.84	\$ 565.16
9/27/2017	Harrison, T.M	Sep-17	\$ 618.00	\$ 52.83	\$ 565.17



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.sbvwd.org

Memorandum No. 1524

To: Board of Directors

From: General Manager, Daniel Cozad

Date: October 18, 2017

Subject: Appendix C Revisions

RECOMMENDATION

Staff recommends the Board review and approve Appendix C to the Board Policy Manual.

BACKGROUND AND DISCUSSION

At the August 9 Board of Directors meeting, the Board requested that the San Bernardino Valley Conservation Trust (Conservation Trust) amend their bylaws to allow for directors to receive compensation from other parties. On October 5, 2017, the Conservation Trust amended its Bylaws to allow for its directors to receive compensation from other parties. Appendix C of the Board Policy Manual reflects this change.

FISCAL IMPACT

The Conservation Trust holds between two to four meetings annually; the estimated budgetary impact ranges from \$824 to \$1648 for the two directors attendance.

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

APPENDIX "C"

Roster of Organizations and Committees with Assigned Representatives

District Requested Meetings

District Requested Meetings are organizations that the Board has determined as essential for participation. The Board designates a primary and alternate; the alternate only attends if the primary indicates they are unavailable to attend. Included are all District Board meetings and Standing and Ad Hoc committees the member is appointed to. Attendance by another Board member, other than the primary or alternate designee, may only be eligible for per diem compensation as a Director Selected meeting. Travel costs include conference registration, airfare car rental, hotel or similar reimbursable costs. Meeting Expenses include local mileage, meals, and parking. A cost estimate (Travel and Per Diem) must be presented to the Board in advance at its regularly scheduled Board meeting for approval for meetings listed as "Set by Board Action". Once "Set by Board Action" meetings are approved by the Board they may be claimed as District Requested meetings. Any District Requested or Director Selected meetings beyond ten per month are eligible for reimbursement of Expenses only. California Government Code § 53232.3 requires Board members to report on each compensated meeting outside of meetings District Board or Committee meetings at the next regular Board Meeting as designated in the Agenda. The reports may be made verbally or provided in writing at the discretion of the director.

<u>Organization/Committee</u>	<u>Primary/Alternate</u>
1. Association of California Water Agencies/JPIA	McDonald/Harrison
2. Association of California Water Agencies (Spring/Fall Conferences)	Set by Board Action
3. California Special Districts Association Annual Conference **	Set by Board Action
4. Association of San Bernardino County Special Districts	Harrison/McDonald
5. Special Presentations [only one per month per director]	All Board Limited
6. ACWA Region 9 Board	Harrison/No Alternate
7. Basin Technical Advisory Committee	McDonald/Harrison
8. SBVMWD Advisory Commission on Water Policy	Corneille/Raley
9. SBVMWD Board Meetings	McDonald/Raley

10. Wash Plan Task Force	Raley/Longville
11. Big Bear Watermaster Committee (Court Appointed Attendee-Cozad)	Raley/Corneille
12. San Bernardino Valley Conservation Trust	Raley & Longville
13. Meeting(s) Requested by the General Manager and/or Board President	All Board Limited
14. Any District Required/Mandated Training	All Board Limited

Organization/Committee's selected by Outside Organization subject to Board Approval

Other ACWA/CSDA Activities:

Organization/Committee

Primary/Alternate

a. Sacramento Legislative Forums	Set by Board Action
b. Washington DC Legislative Forum	Set by Board Action
c. ACWA Groundwater Committee	Corneille/McDonald*
d. ACWA State Legislative Committee	McDonald/No Alternate**
e. ACWA Local Government Committee	Harrison/No Alternate**
f. CSDA Audit Committee	Raley/No Alternate**

*Only one member should attend meeting on behalf of the District

** If appointed and while appointed.

Director Selected Meetings - Maximum of 3

The Director Selected meetings are pre-approved; discretionary meetings that each Director may attend, in a number not to exceed three (3) per month, and are eligible for meeting per diem compensation and eligible Expense (local mileage, meals, and parking) reimbursement. Directors may attend more than three (3) Director Selected meetings in a single month; such attendance will be eligible only for reimbursement of Expenses, and ineligible for meeting per diem reimbursement. Reimbursement for Travel expenses (conference registration, airfare car rental, hotel or etc.) for any Director Selected meeting shall be paid only upon prior approval of the Board. A cost estimate must be presented to the Board in advance at a regularly scheduled Board meeting for approval. Expenses are subject to limitations provided for in the Board Policy Handbook Section 4025.1 for all Director Selected meeting.

Organization

A. Redlands Chamber of Commerce	Director Selected
B. Highland Area Chamber of Commerce	Director Selected
C. Loma Linda Chamber of Commerce	Director Selected
D. Mentone Chamber of Commerce	Director Selected
E. San Bernardino Chamber of Commerce	Director Selected
F. Various Water Related Meetings	Director Selected

**FIRST AMENDMENT TO
BYLAWS OF
SAN BERNARDINO VALLEY CONSERVATION TRUST
A CALIFORNIA CORPORATION**

THIS FIRST AMENDMENT TO BYLAWS (the "Amendment") is made and entered into as of October 5, 2017 (the "Effective Date"), by the Directors the SAN BERNARDINO VALLEY CONSERVATION TRUST, a California nonprofit corporation (the "Corporation").

A. The Directors ratified the Bylaws of the Corporation dated March 10, 2016 (the "Bylaws").

B. On or about August 9, 2017, the Board of Directors of the San Bernardino Valley Water Conservation District ("Conservation District") requested this Corporation to amend its bylaws, to permit Directors of the Corporation who also serve as Directors of the Conservation District to receive per diem compensation for their efforts in attending Corporation meetings and performing other Corporation functions, should the Conservation District agree to pay such Directors from Conservation District funds, and not funds of the Corporation.

C. The Directors of the Corporation have considered this request, and have determined it is appropriate and in the best interests of the Corporation to assent to the request by the Conservation District.

NOW, THEREFORE, the Directors hereby amend the Bylaws of the Corporation as follows:

1. Amendment. As of the Effective Date, Article VII Section 6 of the Bylaws is hereby amended and restated in its entirety to read in full as follows:

"Section 6. Compensation. Directors and members of committees shall receive no compensation from the Trust for their services."

2. Status of Remaining Bylaws. Except to the limited extent expressly amended hereby, the Bylaws of the Corporation and its terms and conditions remain in full force and effect and unchanged.

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CERTIFICATE OF SECRETARY

The undersigned, being the duly qualified and acting Secretary of the SAN BERNARDINO VALLEY CONSERVATION TRUST, a California nonprofit corporation (the "Corporation"), does hereby certify the foregoing First Amendment to Bylaws of the Corporation, consisting of one (1) page, is the First Amendment to Bylaws of the Corporation, was duly adopted on October 5, 2017, by the Directors of the Corporation, at a Directors' meeting held on that date.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 5th day of October 2017, at Redlands, California.

Daniel B. Cozad, Secretary



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. 1525

To: Board of Directors

From: General Manager, Daniel Cozad

Date: October 18, 2017

Subject: Unaudited Financial Reports, September 2017

RECOMMENDATION

Review and approve the unaudited financials for September 2017.

BACKGROUND

Financials presented are as of September 30, 2017.

DISCUSSION

For three months into the fiscal year, most funds and accounts are as expected. The Enhanced Recharge Agreement was invoiced with a higher than budgeted CPI rate, and their payment was received. Upland Rock is currently behind on their aggregate payments. Staff is working with them to attain remittance and applicable late fees.

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 2017 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 2017
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

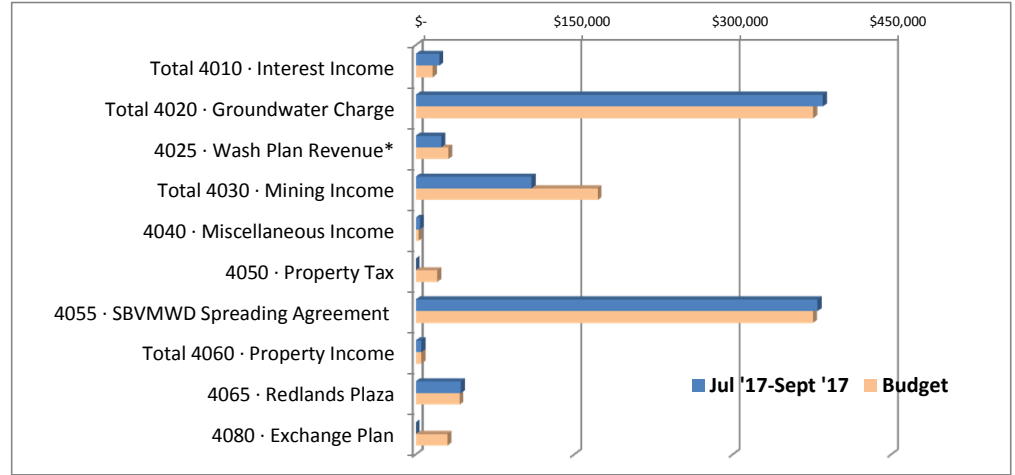
Daniel B. Cozad

SBVWCD - All Enterprises Budget and Actual

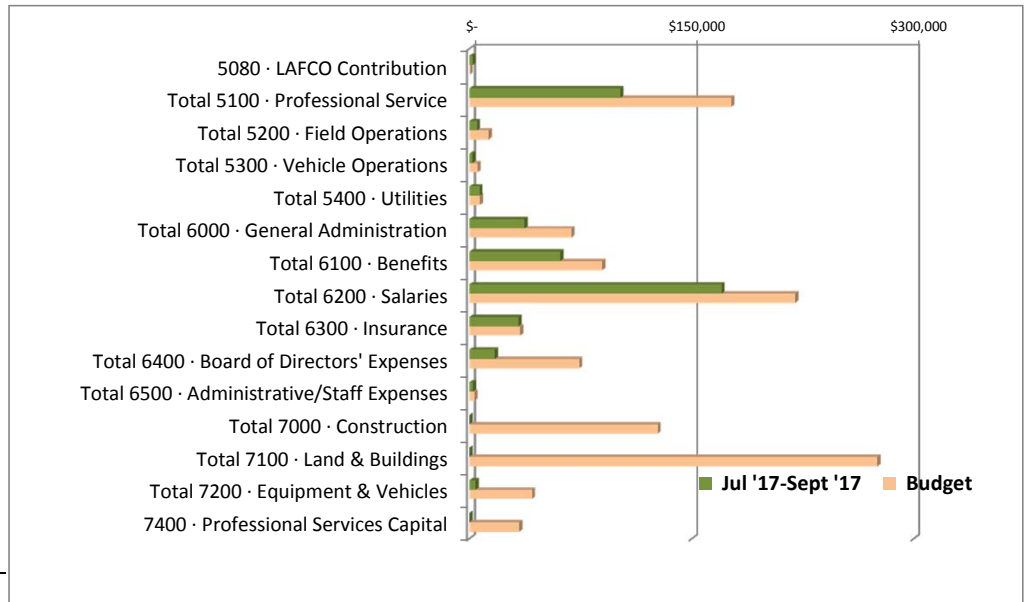
September 2017

REVENUE	Jul '17-Sept '17	Budget
Total 4010 · Interest Income	\$ 22,307	\$ 16,076
Total 4020 · Groundwater Charge	\$ 385,466	\$ 376,311
4025 · Wash Plan Revenue*	\$ 24,182	\$ 30,833
Total 4030 · Mining Income	\$ 109,667	\$ 172,250
4040 · Miscellaneous Income	\$ 4,081	\$ 2,500
4050 · Property Tax	\$ -	\$ 20,450
4055 · SBVMWD Spreading Agreement	\$ 380,371	\$ 376,067
Total 4060 · Property Income	\$ 5,450	\$ 5,400
4065 · Redlands Plaza	\$ 42,840	\$ 41,456
4080 · Exchange Plan	\$ -	\$ 30,000
Total Revenue	\$ 974,364	\$ 1,071,343

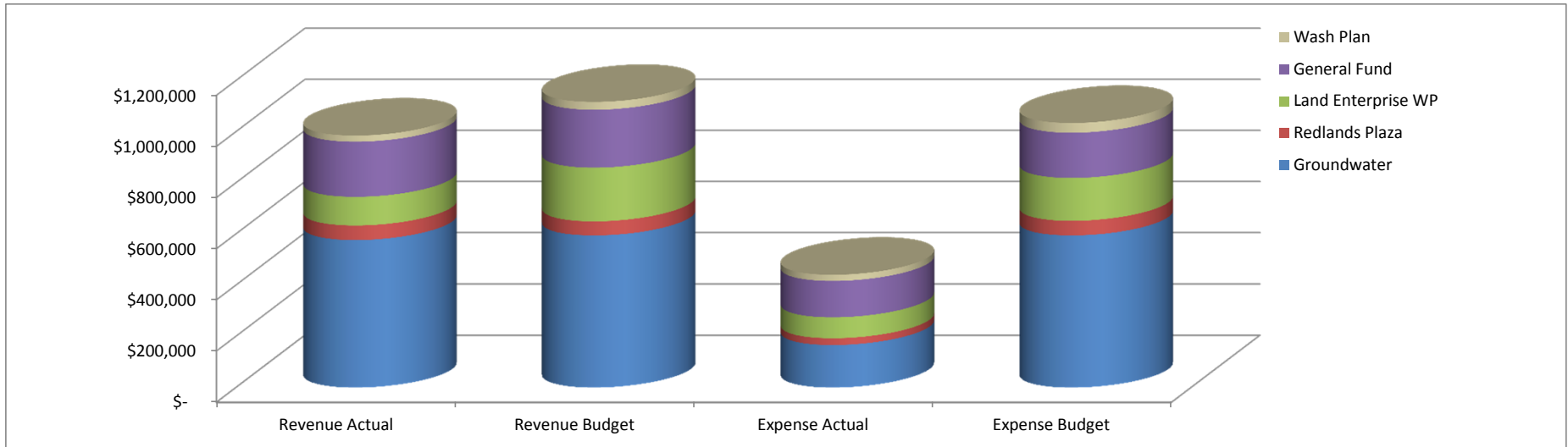
*District loans to the WP



EXPENSES Operating and Capital	Jul '17-Sept '17	Budget
5080 · LAFCO Contribution	\$ 2,153	\$ 400
Total 5100 · Professional Service	\$ 101,774	\$ 176,632
Total 5200 · Field Operations	\$ 5,139	\$ 12,994
Total 5300 · Vehicle Operations	\$ 2,078	\$ 5,563
Total 5400 · Utilities	\$ 6,879	\$ 7,027
Total 6000 · General Administration	\$ 37,244	\$ 68,786
Total 6100 · Benefits	\$ 61,325	\$ 89,500
Total 6200 · Salaries	\$ 170,101	\$ 219,815
Total 6300 · Insurance	\$ 33,198	\$ 34,250
Total 6400 · Board of Directors' Expenses	\$ 17,227	\$ 74,065
Total 6500 · Administrative/Staff Expenses	\$ 2,454	\$ 3,422
Total 7000 · Construction	\$ -	\$ 126,997
Total 7100 · Land & Buildings	\$ -	\$ 275,491
Total 7200 · Equipment & Vehicles	\$ 4,259	\$ 42,250
7400 · Professional Services Capital	\$ -	\$ 33,750
Total Expense	\$ 443,831	\$ 1,170,942



Enterprises to Date (September 2017)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 576,301	\$ 594,344	97%
Groundwater Expense	\$ 165,995	\$ 268,630	62%
Revenue -Expense	\$ 410,306	\$ 325,714	
Redlands Plaza Revenue	\$ 56,761	\$ 54,853	103%
Redlands Plaza Expense	\$ 26,592	\$ 56,952	47%
Revenue -Expense	\$ 30,169	\$ (2,099)	
Land Enterprise Revenue	\$ 112,206	\$ 210,375	53%
Land Enterprise Expense	\$ 81,927	\$ 168,058	49%
Revenue -Expense	\$ 30,280	\$ 42,317	
General Fund Revenue *	\$ 215,696	\$ 226,434	95%
General Fund Expense	\$ 141,979	\$ 176,845	80%
Revenue -Expense	\$ 73,716	\$ 49,590	
Wash Plan Revenue	\$ 24,182	\$ 30,833	78%
Wash Plan Expense	\$ 24,182	\$ 38,227	63%
Revenue-Expense	-	(7,394)	
Total All Revenue - Expense	\$ 544,471	\$ 408,128	133%

Cash Status	As of 7/1/2017	As of 9/30/2017
LAIF	\$ 450,847.82	\$ 451,886.06
Cal Trust	\$ 3,003,802.30	\$ 3,015,646.14
Citizens Bank	\$ 425,411.04	\$ 582,879.83
UBS Financial Services	\$ 1,868,928.62	\$ 1,867,474.51
Cal Credit Union	\$ 3,276,349.50	\$ 3,282,925.32
Total Cash	\$ 9,025,339.28	\$ 9,200,811.86
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Cash Position	\$ 4,025,339.28	\$ 4,200,811.86
	Increase (decrease) of	\$ 175,472.58
	Percent Increase	4.4%

* General Fund Revenue shown here does not include overhead

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

	<u>Jul - Sep 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Interest Income				
4012 · LAIF	1,038.24	1,800.00	-761.76	57.68%
4013 · Caltrust Investment Income	11,843.84	20,000.00	-8,156.16	59.22%
4014 · CalCredit Union Interest Income	6,575.82	25,000.00	-18,424.18	26.3%
4015 · UBS Interest Income	2,849.17	17,500.00	-14,650.83	16.28%
Total 4010 · Interest Income	<u>22,307.07</u>	<u>64,300.00</u>	<u>-41,992.93</u>	<u>34.69%</u>
4020 · Groundwater Charge				
4021 · Assessments - Ag	21,467.08	38,921.24	-17,454.16	55.16%
4023 · Assessments - Non-Ag	363,998.88	713,700.40	-349,701.52	51.0%
Total 4020 · Groundwater Charge	<u>385,465.96</u>	<u>752,621.64</u>	<u>-367,155.68</u>	<u>51.22%</u>
4025 · Wash Plan Revenue	24,182.47	70,000.00	-45,817.53	34.55%
4030 · Mining Income				
4031 · Plant Site - CEMEX	12,000.00	48,000.00	-36,000.00	25.0%
4032 · Cemex - Royalty / Lease	97,666.66	586,000.00	-488,333.34	16.67%
4034 · Redlands Aggregate 5% Royalty	0.00	0.00	0.00	0.0%
4036 · Aggregate Maintenance	0.20	55,000.00	-54,999.80	0.0%
4030 · Mining Income - Other	0.00	0.00	0.00	0.0%
Total 4030 · Mining Income	<u>109,666.86</u>	<u>689,000.00</u>	<u>-579,333.14</u>	<u>15.92%</u>
4040 · Miscellaneous Income				
4041 · Reimbursed Expenses	0.00	0.00	0.00	0.0%
4040 · Miscellaneous Income - Other	4,080.93	10,000.00	-5,919.07	40.81%
Total 4040 · Miscellaneous Income	<u>4,080.93</u>	<u>10,000.00</u>	<u>-5,919.07</u>	<u>40.81%</u>
4050 · Property Tax	0.00	81,800.00	-81,800.00	0.0%
4055 · SBVMWD Spreading Agreement Reim	380,371.00	376,066.70	4,304.30	101.15%
4060 · Property Income				
4062 · Mentone Property	5,450.00	21,600.00	-16,150.00	25.23%
Total 4060 · Property Income	<u>5,450.00</u>	<u>21,600.00</u>	<u>-16,150.00</u>	<u>25.23%</u>
4065 · Redlands Plaza	42,839.55	165,822.65	-122,983.10	25.84%
4066 · Redlands Plaza CAM	8,471.24	32,000.00	-23,528.76	26.47%
4080 · Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4086 · Plunge Creek IRWMP	2,539.61	150,000.00	-147,460.39	1.69%
4998 · Rate Stabilization From Reserve	0.00	35,000.00	-35,000.00	0.0%
Total Income	<u>985,374.69</u>	<u>2,478,210.99</u>	<u>-1,492,836.30</u>	<u>39.76%</u>
Gross Profit	985,374.69	2,478,210.99	-1,492,836.30	39.76%
Expense				
5040 · Regional Programs				
5080 · LAFCO Contribution	2,152.67	400.00	1,752.67	538.17%
Total 5040 · Regional Programs	<u>2,152.67</u>	<u>400.00</u>	<u>1,752.67</u>	<u>538.17%</u>
5050 · Basin Cleaning	0.00	50,000.00	-50,000.00	0.0%
5100 · Professional Service				
5120 · Misc. Professional Services	22,027.16	150,000.00	-127,972.84	14.69%
5122 · Wash Plan Professional Services				
5122.01 · Professional Services-Wash Plan	-251.80			
5122 · Wash Plan Professional Services - Other	0.00	50,000.00	-50,000.00	0.0%
Total 5122 · Wash Plan Professional Services	<u>-251.80</u>	<u>50,000.00</u>	<u>-50,251.80</u>	<u>-0.5%</u>
5124 · Plunge Creek Prof Services	7,011.51	150,000.00	-142,988.49	4.67%
5125 · Engineering Services	0.00	18,000.00	-18,000.00	0.0%
5130 · Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5145 · Environmental Services (WP)	0.00	0.00	0.00	0.0%
5160 · IT Support	900.00	7,000.00	-6,100.00	12.86%
5170 · Audit	23,500.00	27,135.00	-3,635.00	86.6%
5175 · Legal - Wash Plan	155.00	10,000.00	-9,845.00	1.55%
5180 · Legal	48,432.30	209,000.00	-160,567.70	23.17%
Total 5100 · Professional Service	<u>101,774.17</u>	<u>622,135.00</u>	<u>-520,360.83</u>	<u>16.36%</u>
5123 · Temp. Field Labor	0.00	11,000.00	-11,000.00	0.0%
5133 · Regional River HCP Contribution	0.00	40,000.00	-40,000.00	0.0%
5143 · SBVCT District Contribution	0.00	4,042.00	-4,042.00	0.0%
5200 · Field Operations				
5210 · Equipment Maintenance	2,327.56	6,000.00	-3,672.44	38.79%
5215 · Property Maintenance	2,811.81	40,000.00	-37,188.19	7.03%
5220 · Maintenance Materials/Shop/Flid	0.00	3,000.00	-3,000.00	0.0%
5225 · Field Clean Up-Illegal dumping	0.00	3,000.00	-3,000.00	0.0%
Total 5200 · Field Operations	<u>5,139.37</u>	<u>52,000.00</u>	<u>-46,860.63</u>	<u>9.88%</u>
5300 · Vehicle Operations				
5310 · Vehicle Maintenance	147.84	10,000.00	-9,852.16	1.48%
5320 · Fuel	1,929.68	12,250.00	-10,320.32	15.75%
Total 5300 · Vehicle Operations	<u>2,077.52</u>	<u>22,250.00</u>	<u>-20,172.48</u>	<u>9.34%</u>
5400 · Utilities				

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

	<u>Jul - Sep 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5410 · Alarm Service	387.00	1,500.00	-1,113.00	25.8%
5420 · Electricity	2,870.45	9,500.00	-6,629.55	30.22%
5430 · Mobile Phone	810.00	3,550.00	-2,740.00	22.82%
5440 · Telephone	1,548.60	8,000.00	-6,451.40	19.36%
5450 · Natural Gas	11.71	900.00	-888.29	1.3%
5460 · Water / Trash / Sewer	446.21	2,160.00	-1,713.79	20.66%
5470 · Internet Services	804.93	2,500.00	-1,695.07	32.2%
Total 5400 · Utilities	6,878.90	28,110.00	-21,231.10	24.47%
6000 · General Administration				
6001 · General Administration - Other	400.00	5,500.00	-5,100.00	7.27%
6002 · Website Administration	672.97	3,100.00	-2,427.03	21.71%
6003 · Property Tax	0.00	235.10	-235.10	0.0%
6004 · Meeting Expenses	391.03	2,000.00	-1,608.97	19.55%
6006 · Permits	2,266.25	10,000.00	-7,733.75	22.66%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	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	15.02	3,180.00	-3,164.98	0.47%
6013 · Office Lease Payment	15,000.00	60,000.00	-45,000.00	25.0%
6015 · Mentone House Maintenance	750.00	5,000.00	-4,250.00	15.0%
6016 · Redlands Plaza Maintenance	189.00	65,000.00	-64,811.00	0.29%
6018 · Janitorial Services	1,924.00	9,108.89	-7,184.89	21.12%
6019 · Janitorial Supplies	118.33	500.00	-381.67	23.67%
6020 · Vacancy Marketing-Redlands Plaz	82.00	5,050.00	-4,968.00	1.62%
6024 · Computer Equip Maint.	0.00	0.00	0.00	0.0%
6026 · Redlands Plaza CAM expenses	4,727.47	28,500.00	-23,772.53	16.59%
6027 · Computer Supplies	0.00	689.00	-689.00	0.0%
6030 · Office Supplies	349.02	4,250.67	-3,901.65	8.21%
6033 · Office Equipment Rental	2,255.50	8,900.00	-6,644.50	25.34%
6036 · Printing	52.92	980.00	-927.08	5.4%
6039 · Postage and Overnight Delivery	105.46	1,200.00	-1,094.54	8.79%
6042 · Payroll Processing	509.42	2,450.00	-1,940.58	20.79%
6045 · Bank Service Charges	459.89	2,500.00	-2,040.11	18.4%
6051 · Uniforms	245.98	2,000.00	-1,754.02	12.3%
6060 · Outreach	5,047.42	20,000.00	-14,952.58	25.24%
6087 · Educational Reimbursement	0.00	2,500.00	-2,500.00	0.0%
6090 · Subscriptions/Publications	472.67	1,000.00	-527.33	47.27%
6091 · Public Notices	0.00	3,000.00	-3,000.00	0.0%
6093 · Memberships	0.00	18,500.00	-18,500.00	0.0%
Total 6000 · General Administration	37,244.35	278,682.66	-241,438.31	13.36%
6100 · Benefits				
6110 · Vision Insurance	496.86	2,355.91	-1,859.05	21.09%
6120 · Workers' Comp. Insurance	0.00	13,265.35	-13,265.35	0.0%
6130 · Dental Insurance	2,105.76	10,566.73	-8,460.97	19.93%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-5,051.28	-22,217.51	17,166.23	22.74%
6150 · Medical Insurance - Other	35,303.67	167,161.64	-131,857.97	21.12%
Total 6150 · Medical Insurance	30,252.39	144,944.13	-114,691.74	20.87%
6160 · Payroll Taxes-Employer	9,830.98	64,235.94	-54,404.96	15.3%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-10,805.18	-26,015.02	15,209.84	41.53%
6170 · PERS Retirement - Other	29,444.39	148,647.12	-119,202.73	19.81%
Total 6170 · PERS Retirement	18,639.21	122,632.10	-103,992.89	15.2%
Total 6100 · Benefits	61,325.20	358,000.16	-296,674.96	17.13%
6200 · Salaries				
6220 · Contingency/Temporary	0.00	0.00	0.00	0.0%
6230 · Regular Salaries	170,100.82	879,260.46	-709,159.64	19.35%
Total 6200 · Salaries	170,100.82	879,260.46	-709,159.64	19.35%
6300 · Insurance				
6310 · Property/ Auto Insurance	0.00	7,000.00	-7,000.00	0.0%
6320 · General Liability Insurance	33,197.95	32,500.00	697.95	102.15%
Total 6300 · Insurance	33,197.95	39,500.00	-6,302.05	84.05%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	1,055.23	0.00	1,055.23	100.0%
6401 · Directors' Fees - Other	13,390.00	78,718.78	-65,328.78	17.01%
Total 6401 · Directors' Fees	14,445.23	78,718.78	-64,273.55	18.35%
6410 · Mileage	509.45	4,000.00	-3,490.55	12.74%
6415 · Air Fare	0.00	2,500.00	-2,500.00	0.0%
6420 · Other Travel	0.00	500.00	-500.00	0.0%

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

	<u>Jul - Sep 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6425 · Meals	233.00	2,500.00	-2,267.00	9.32%
6430 · Lodging	0.00	3,000.00	-3,000.00	0.0%
6435 · Conf/Seminar Registrations	2,039.00	5,000.00	-2,961.00	40.78%
6440 · Election Fees / Re-Districting	0.00	100,000.00	-100,000.00	0.0%
Total 6400 · Board of Directors' Expenses	17,226.68	196,218.78	-178,992.10	8.78%
6500 · Administrative/Staff Expenses				
6510 · Mileage	26.75	1,800.00	-1,773.25	1.49%
6515 · Air Fare	307.96	2,000.00	-1,692.04	15.4%
6520 · Travel, Other (rental car, taxi)	20.61	1,400.00	-1,379.39	1.47%
6525 · Meals	57.46	1,500.00	-1,442.54	3.83%
6530 · Lodging	227.67	3,000.00	-2,772.33	7.59%
6535 · Conf/Seminar Registrations	1,814.00	4,000.00	-2,186.00	45.35%
Total 6500 · Administrative/Staff Expenses	2,454.45	13,700.00	-11,245.55	17.92%
9999 · Contribution to Capital Maint.	0.00	280,500.00	-280,500.00	0.0%
Total Expense	439,572.08	2,875,799.06	-2,436,226.98	15.29%
Net Ordinary Income	545,802.61	-397,588.07	943,390.68	-137.28%
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	0.00	0.00	0.0%
7053 · HCP Endowment	0.00	0.00	0.00	0.0%
7055 · Plunge Creek Expansion	0.00	500,000.00	-500,000.00	0.0%
Total 7000 · Construction	0.00	508,000.00	-508,000.00	0.0%
7100 · Land & Buildings				
7110 · Property Capital Repairs	0.00	260,000.00	-260,000.00	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	577,000.00	-577,000.00	0.0%
7160 · Mendoza Property	0.00	215,000.00	-215,000.00	0.0%
Total 7100 · Land & Buildings	0.00	1,102,000.00	-1,102,000.00	0.0%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	0.00	5,000.00	-5,000.00	0.0%
7220 · Computer Software	4,259.00	12,500.00	-8,241.00	34.07%
7230 · Field Equipment / Vehicles	0.00	150,000.00	-150,000.00	0.0%
7240 · Office Equipment	0.00	1,500.00	-1,500.00	0.0%
Total 7200 · Equipment & Vehicles	4,259.00	169,000.00	-164,741.00	2.52%
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%
Total Other Expense	4,259.00	1,914,000.00	-1,909,741.00	0.22%
Net Other Income	-4,259.00	-1,914,000.00	1,909,741.00	0.22%
Net Income	541,543.61	-2,311,588.07	2,853,131.68	-23.43%



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. 1526

To: Board of Directors

From: Conservation Trust Board of Directors/Daniel Cozad

Date: October 18, 2017

Subject: Conservation Trust Contract for Services with District

RECOMMENDATION

The San Bernardino Valley Conservation Trust (Conservation Trust) Board of Directors requests the Board review and consider approval of the Contract for Administrative Services.

BACKGROUND

The District was instrumental in forming the Conservation Trust a 501, (C) 3 nonprofit corporation as a separate legal entity. The District provided support for the Conservation Trust as it developed because it was for the primary purpose of implementing the Wash Plan Habitat Conservation Plan. Staff and Legal Counsel for the Conservation Trust and the District worked to prepare the attached contract to clarify roles and allow the entities to perform their tasks and receive compensation where appropriate. The Conservation Trust Board of Directors reviewed and approved the attached contract at their October 5th meeting.

DISCUSSION

Staff and legal counsel developed the contract to fairly document the relationships and fiduciary responsibilities of both entities. The Conservation Trust Board is aware of the trust requirements and obligations as well as its roll.

FISCAL IMPACT

The contract with Trust is mostly revenue neutral. Staffing for the Trust may be provided or reimbursed under this contract. The advantage to both entities in the contract is the tracking accountability and transparency provided under the contract. If the trust receives endowment funds too slowly, a district contribution may be required to offset costs.

POTENTIAL MOTIONS

1. Move approval of the contract as approved by the Conservation Trust
2. Move to request this item be tabled and referred to Finance & Administration for consideration of specific issues or changes discussed for later approval.

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

**CONTRACT FOR THE PROVISION OF
ADMINISTRATIVE SERVICES**

THIS AGREEMENT FOR THE PROVISION OF ADMINISTRATIVE SERVICES (“Agreement”) is made and entered this ____ day of _____, 2017 (“Effective Date”), by and between the SAN BERNARDINO VALLEY CONSERVATION TRUST, a California nonprofit corporation (“Trust”), and the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, a California special district (“District”). District and Trust are hereinafter periodically referred to individually as a “party” and collectively as the “parties.”

RECITALS

A. Trust is a duly organized California nonprofit public benefit agency, certified by the United States Internal Revenue Service as tax exempt under Internal Revenue Code sections 501(c)(3). Trust’s specific purpose in formation is for the benefit of, and to carry out the purposes of, holding, administering, and funding habitat preserves, and the endowments for preservation of lands and conservation easements for the protection of endangered and threatened species, in connection with approved Habitat Conservation Plans, or otherwise. The purpose and formation of the Trust is set forth in the Articles of Incorporation, attached hereto as Exhibit “A” and incorporated herein by this reference.

B. District is a California special district and a political subdivision of the State of California, and serves as the lead agency for the approval and implementation of the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan (“Wash Plan”). The Wash Plan covers an area of approximately 4,892 acres generally located about one mile downstream of the Seven Oaks Dam, depicted in Exhibit B hereto (Wash Plan Area”).

C. As part of the Wash Plan, the District has prepared and will serve as lead agency on implementation of a Wash Plan Habitat Conservation Plan (“HCP”), and is anticipated to be the holder of an Incidental Take Permit issued under authority of the Endangered Species Act in connection with same. In both of these capacities, District will be ultimately responsible for compliance with the terms and conditions of the Incidental Take Permit, and the oversight of administration of the mitigation, and habitat preservation and enhancement, strategies of the Wash Plan HCP.

D. Trust is a legal entity separate and distinct from District, which has been formed in part to accept, hold, defend, and administer conservation easements that will be required over land within the Wash Plan Area which the Wash Plan HCP designates to be managed as a habitat preserve. Those lands have been designated as “District Conserved” and “District Managed” lands in the present iteration of the Wash Plan HCP, and such lands are depicted in Exhibit C. Trust has been authorized by the California Department of Fish and Game to hold and administer conservation easements and endowments, including those contemplated by the Wash Plan HCP and the Wash Plan participants.

E. District wishes to contract with Trust to cooperate between them to provide various Wash Plan HCP conservation easement management services, to the end that all lands

ultimately designated as conservation lands within the finally approved Wash Plan HCP will be held, managed, and operated in a manner that complies with the Wash Plan HCP, the Incidental Take Permit, and all Memoranda of Understanding or Implementing Agreements related thereto (collectively “Wash Plan Entitlements”). Such cooperative services may extend to other habitat or managed lands, as the parties may deem appropriate or advisable. Trust wishes to have District provide, and District agrees to provide, certain administrative support and services to Trust in the fulfillment of this purpose, pursuant to the terms and conditions herein.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants and promises hereinafter contained, and for good and valuable consideration, the sufficiency of which is hereby acknowledged, Trust and District hereby agree as follows:

1. Recitals Incorporated. The above Recitals are incorporated into this Agreement.

2. Endowment Funding. The District, as part of a Memorandum Of Understanding To Implement The Habitat Conservation Plan For The Upper Santa Ana River Wash Plan And Associated Implementing Agreement (“MOU”) has committed with other Wash Plan participants to assist the Conservation Trust as needed in establishing a non-wasting endowment to finance annual management, monitoring and administration costs (estimated to be approximately \$369,329 per year in perpetuity) in accordance with Chapter 7 of the HCP (“Endowment”). District agrees to coordinate the Trust’s collection of the various amounts of contributions from the Wash Plan participants who are signatories to the MOU, to the extent that those contributions relate to Wash Plan Covered Activities whose mitigation will be provided in whole or part by the habitat oversight, management, maintenance, and enhancement activities undertaken by the Trust under the Wash Plan HCP. Such cooperation shall include timely conveying to the Trust any and all monetary amounts due from the District toward the Endowment funding for the District’s Covered Activities under the Wash Plan. Trust shall regularly report to District the amount of funding in the Endowment, and if requested by District in the process of District’s review of applications for issuance of Certificates of Inclusion under the MOU, Trust shall provide such information as may be necessary or convenient to District in determining whether the Endowment’s funds meet the “stay ahead” phasing requirements of the Wash Plan HCP, and what amounts of contributions from Wash Plan participants are necessary to assure such requirements are met under the timing and phasing of the implementation of the Wash Plan HCP’s Covered Activities. Trust shall apply proceeds of the Endowment in the amount equal to the cost of the approved management plan as directed by the Preserve Management Committee, with the approval of the District and the Trust. These funds shall be applied within 30 days of any request by the District in its capacity as the Wash Plan HCP Permittee, unless other terms have been agreed to by both parties.

3. Trust Conveyance of Issuance Costs to District. To the extent that any participant in the Wash Plan HCP pays to the Trust any contribution that includes any component of the Issuance Costs with its Endowment, as that term is used and defined in the MOU, Trust shall, no later than thirty (30) days following receipt of such Issuance Costs, remit the same, in full, to District unless other remittance terms are agreed to by both parties.

4. Conveyance of Conservation Easements by District to Trust. District and Trust recognize and acknowledge that the establishment of the habitat preserve contemplated by the Wash Plan HCP, and issuance of the Incidental Take Permits contemplated by the Wash Plan, will require the recordation of conservation easements or other property dedications or encumbrances, in a form acceptable to the applicable regulatory agencies, over various portions of the lands to be managed and preserved under the HCP. To the extent such lands are owned by the District, and to the extent the Trust is the entity who will administer and oversee the implementation of the Wash Plan HCP habitat preservation and enhancement strategies thereon, District shall convey to the Trust the necessary conservation easement or other encumbrance, without compensation or cost to the Trust therefor. Such conservation easements or other encumbrances shall be provided to Trust by District as and when necessary to secure coverage for the various Wash Plan Covered Activities as they are proposed to be undertaken under Wash Plan Incidental Take permits. The District may convey to the Trust conservation easements on District-owned land on terms acceptable to the Trust and District Board of Directors, both in connection with the Wash Plan HCP, or in connection with any other party or project within or near the Wash Plan Area. All such conservation easements or other encumbrances shall be in a form subject to approval by the District's Board of Directors.

5.. Trust Land and Endowment Management. Trust agrees to cooperate reasonably with District in the administration of conservation easements over, and endowment funds relating to, all Newly Conserved and Additionally Conserved lands as finally designated in the approved Wash Plan HCP, consistent with the requirements of the Wash Plan Entitlements. In so doing, Trust may perform, or contract to perform, such habitat mitigation or conservation measures as are called for by the Wash Plan HCP and Wash Plan Entitlements on property not otherwise owned by the District. On property owned by the District, Trust may either perform such measures on behalf of District, or assist District in doing so. Trust will hold endowments for the effectuation of such purposes, and will use its best efforts to hold, invest, apply, manage, and disburse all endowed funds in such a way as to comply with the Wash Plan Entitlements, and to assure the amount of endowed funds, including returns on investments in connection therewith, remain sufficient to meet all costs associated with the requirements of the lands so managed, and to comply with all applicable provisions of the Wash Plan Entitlements. The Trust shall review and provide any comments or approve the investment policy in accordance with the Wash Plan MOU.

6. Description of Services to be Provided; Procedure for Requests; Consideration. District hereby agrees to make available to Trust administrative support and services related to Trust's Wash Plan HCP operations. Such services may include, but are not limited to: providing biological field oversight on monitoring, trapping, and habitat management strategy implementation measures; overseeing the solicitation, award, and oversight of consultant contracts; providing regular and periodic inspections of the Wash Plan HCP conservation areas; providing field staff to monitor the consistency, effectiveness, and efficiency of Wash Plan mitigation implementation strategies; assisting in the provision of information necessary or helpful for periodic reporting required of District as lead agency and Permittee under the Wash Plan HCP; providing bookkeeping and financial account management, including billing, invoicing and processing of payments; securing and administering periodic auditing responsibilities including reporting of audit information to Wash Plan HCP participants; and

securing legal or executive management services, all as needed. Trust shall request each such service in writing delivered to the appropriate District designated staff (as determined by the District). Upon written notice of a request for service by the Trust pursuant to this Agreement, District shall advise Trust whether District staff is available to perform the service, and if so, at what hourly rate. Such hourly rates shall not be in excess of the District's reasonable costs of providing the service, which may include the cost of outside consultants or vendors District may need or desire to retain to provide such services, including a reasonable overhead charge in connection therewith. District and Trust may for their mutual convenience establish an annual rate sheet determining the hourly costs for such services in advance. District shall accurately track all such services and the time spent performing them, and may charge Trust therefor. Trust shall remit to District payment for the specific service from any source of funds in the possession or under the control of Trust, which funds may lawfully be used for such support services, or alternatively, the cost of such services may be credited against any endowment or other contribution District is required to make to the Trust, provided, however, that no such offset for administrative services provided by the District shall reduce the Trust's available endowment funds to a point where credits inuring to the District render the Trust's overall endowment funding below the amount required to comply with the Wash Plan Entitlements. Absent other agreement by the parties, all such payments shall be made from Trust to District not later than thirty (30) days from Trust's receipt of District's invoice, and outstanding late amounts shall accrue interest at one percent (1%) per month until paid.

7. Non-exclusivity; Term. Trust is not obligated under this agreement to utilize the services of District exclusively, or at all, and District is not obligated to provide Trust all or any requested services, particularly if District has insufficient staffing or resources to provide such services when and as requested. The purpose of this Agreement is to make the District's services available to the Trust, as may be mutually convenient or beneficial to the parties. Notwithstanding the foregoing, should District agree to provide such services as requested by the Trust, District shall pursue the provision of such services in good faith to completion, so long as Trust remits the reasonable hourly rate payments reflecting the costs thereof. Unless terminated earlier as set forth in this Agreement, the services to be made available by District pursuant to this Agreement shall commence on the date first stated above, which is the date of adoption and approval by Trust and District pursuant to official action of the governing bodies thereof ("Effective Date"), and shall continue in full force and effect for a period of thirty (30) years, and may be renewed unless earlier terminated by either party on no less than one hundred eighty (180) days' notice.

8. Amendment. This Agreement may be amended only by an instrument in writing signed by each of the parties hereto after approval by each of such party's governing authorities.

9. Interpretation and Severability. The interpretation and enforcement of this Agreement shall be governed by the law of the State of California without regard to conflict of law principles. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be deemed severable and the same shall remain enforceable and valid to the fullest extent permitted by law.

10. Headings. The headings used in this Agreement are inserted for reference purposes only and do not affect the interpretation of the terms and conditions thereof.

11. Party Representatives.

11.1 Trust designates the following person/officer to act on Trust's behalf: Trust's Executive Director.

11.2 District designates the following person to act on District 's behalf: District General Manager

12. Notices. All notices or other writings required to be delivered under this Agreement shall be personally delivered, sent via United States mail, sent via facsimile transmission with confirmation of receipt, or sent via electronic mail with confirmation of receipt, to the following address of the respective party:

To Trust: San Bernardino Valley Conservation Trust
c/o 1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8072
Attn: Secretary and Executive Director

To District : San Bernardino Valley Water Conservation District
1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8072
Attn: District General Manager

Any such notices shall be deemed delivered when deposited in the mail as required above and shall be deemed received the day of delivery for personal delivery, the next business day if sent by facsimile or electronic mail, or three (3) days after being deposited in the mail, as required above.

13. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties hereto are not signatories to the original or the same counterpart.

14. Authority. The person(s) executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, and (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

“DISTRICT ”

By: _____
Richard Corneille
Its: President of the Board of Directors

APPROVED AS TO FORM:

District General Counsel

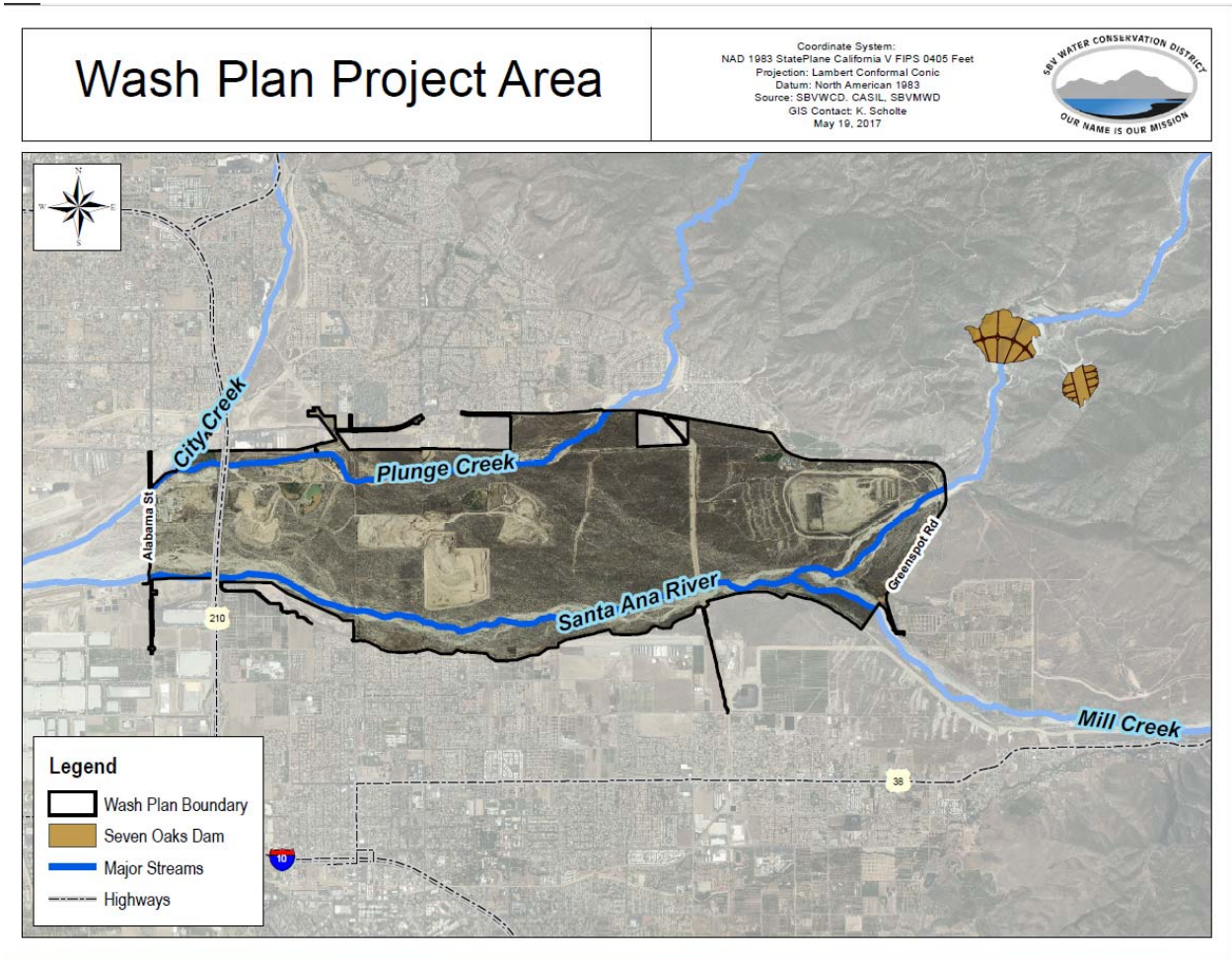
“TRUST”

SAN BERNARDINO VALLEY
CONSERVATION TRUST, a California nonprofit
corporation

By: _____
Its: Executive Director

EXHIBIT "B"

Wash Plan Area Map





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. 1527

To: Board of Directors

From: General Manager, Daniel Cozad

Date: October 18, 2017

Subject: Draft Community Strategic Plan for Circulation

RECOMMENDATION

Review and accept Draft Community Strategic Plan (CSP) for circulation to partners and the public.

BACKGROUND

Staff drafted the strategic plan based on the Board workshops. Staff provided the preliminary draft to the Board. Several Board members provided comments which were incorporated into the Draft document.

DISCUSSION

The District uses an open process to solicit feedback and better understand the community's needs on the CSP. The District circulates the draft document and presents summary presentations for water, community and other partner's feedback. During the development of the CSP, staff and Directors will meet with: Groundwater Recharge Partners and Water Agencies, Land Stakeholders and Wash Plan Task Force Members, Mining Partners, Resource Agencies, Districts, Cities and the County of San Bernardino, and Community Stakeholders.

If the Board accepts the Plan for circulation it will go to distribution to receive comments. Staff will modify the document to reflect the recommended changes, community feedback and comments to produce the final plan. The Board would then consider the final CSP for implementation.

FISCAL IMPACT

Costs for developing the CSP are included in the 2017-18 budget.

POTENTIAL MOTIONS

1. Move to accept the plan for circulation.
2. Move to request this item be tabled to allow specific changes to be incorporated.

ATTACHMENTS OR MATERIALS

Draft CSP

BOARD
OF
DIRECTORS

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

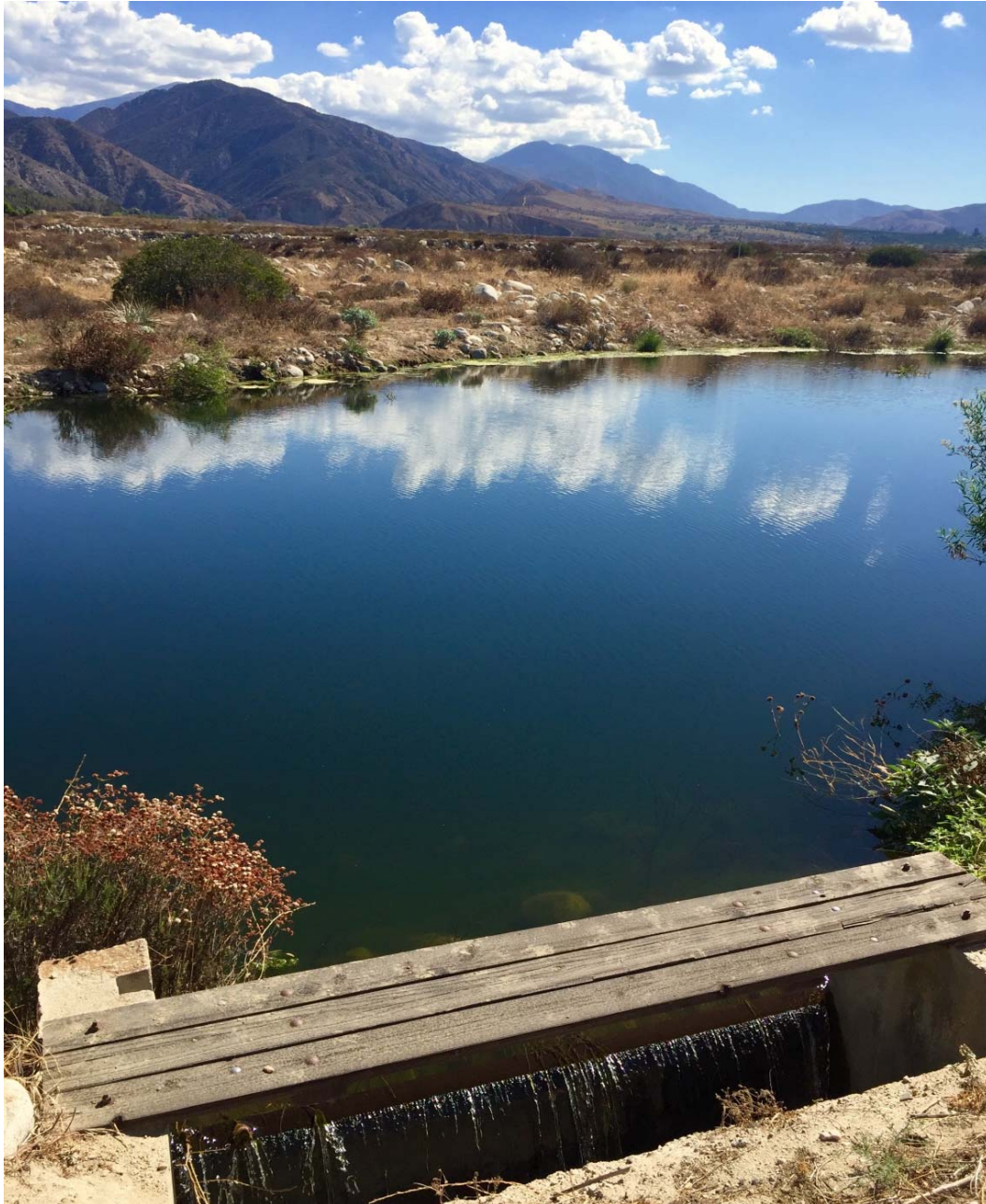
Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

San Bernardino Valley Water Conservation District Community Strategic Plan 2017



*Circulation Draft
October 2017*

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1 Introduction and History

1.1 Introduction

The Community Strategic Plan (CSP) for the San Bernardino Valley Water Conservation District (District) was first created in 2013. This Community Strategic Plan indicates that it is built on the Board's 2010 Strategic Plan with feedback from, and support for, the communities and partners we serve. With the approval of the original CSP in 2013, the Board indicated that a review and update should occur at regular intervals during the implementation phase. In late 2016, staff began preparing to work with the Board on this 2017 update. This update documents progress on the 2013 CSP and updates areas of focus and priorities as indicated by the four strategic planning sessions held with the Board in the first half of 2017.

1.2 District History

The District has a long history in water management in the east end of the San Bernardino Valley. A prolonged drought from 1898 to 1903 brought sustainable water supplies from the Santa Ana River to the forefront of attention for San Bernardino, Riverside and Orange counties. A private Water Conservation Association (WCA) formed in 1909, led by Francis Cuttle, the manager of the Riverside Water Company. This group pushed for surface water flows to be stored underground for future use. In 1909, four entire sections were set aside by the Federal Government for water conservation.

Percolation ponds were dug, and the Cuttle Weir was completed in 1914. The current District was formed by the San Bernardino County Board of Supervisors on January 4, 1932. This formation occurred after a vote of landowners seeking to obtain water for conservation purposes created a special purpose District under §74000 of the California Water Code. The



Cuttle Weir Diversion Structure Dedication

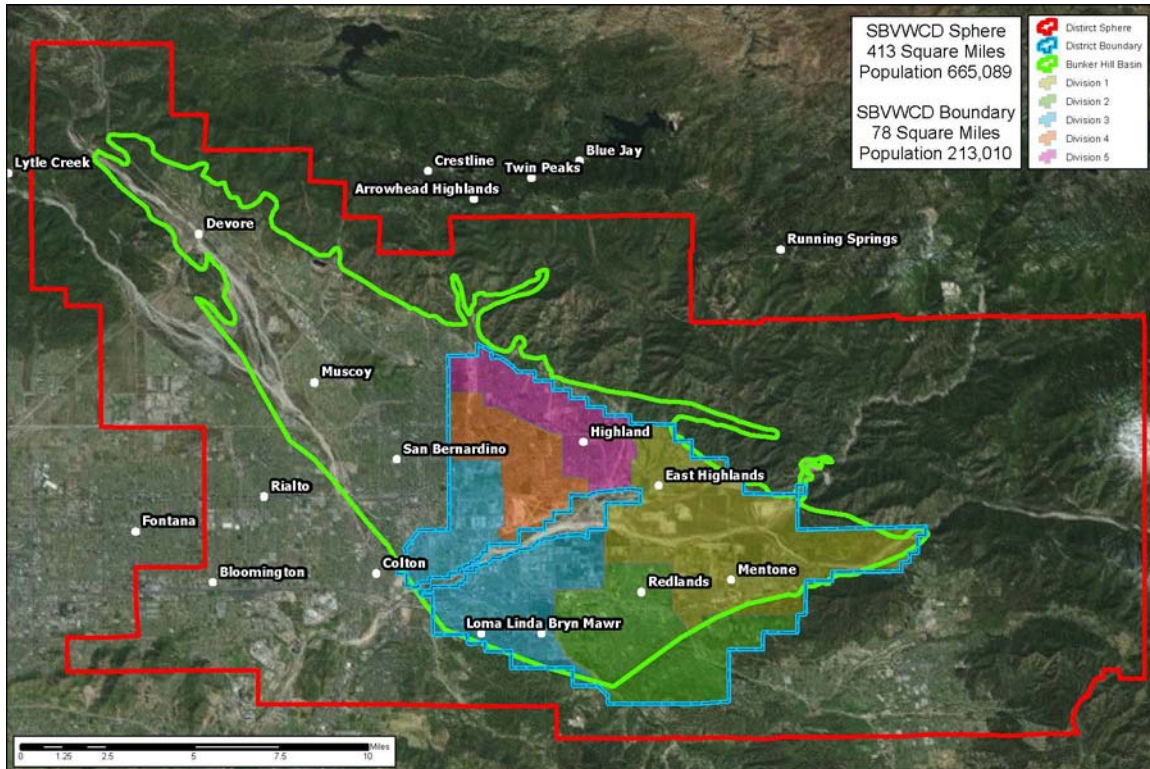
District authorization happened under the Water Conservation District Act of 1931. Shortly after the formation of the District, the WCA dissolved. The District has fee ownership, water recharge easements, and permitted use on over 3,650 acres. The District, as an agency, serves a total of approximately 50,000 acres.

This water mission, which is the origin of the District, continues to be as critical to the groundwater basin and the farmers, communities, and stakeholders of the region as it was when the District began.

1.2.1 Recent History

Relevant to the history of the mission of the District is its interaction with the region. In 2005, the Local Agency Formation Commission (LAFCO) eliminated the District's Sphere of Influence signaling it intended to consolidate the District. In 2009, LAFCO proposed consolidation of the District into the

San Bernardino Valley Municipal Water District (SBVMWD), despite the objections of the Water Conservation District. The LAFCO Commission did not approve the consolidation, and the District operates today having implemented most of the recommendations made by LAFCO, short of consolidating. LAFCO again reviewed the District in 2015 as part of the municipal service review to reinstate the District's sphere of influence. LAFCO's report noted that the District has significantly improved its financial ability to provide recharge and related conservation services, and that it cooperates with partners and communities for shared services and access to facilities. LAFCO accepted the proposed Groundwater Council as an alternative to consolidation as it more equitably allocated the groundwater charge to all agencies benefiting from the Bunker Hill Basin.



District Sphere, Basin and District Boundary

On October 21, 2015, the LAFCO Commission provided the District a sphere of influence which covers the Bunker Hill groundwater basin, shown above. Also, the District has continued to strengthen relationships and open lines of communications with water agencies, cities and its partners in the region.

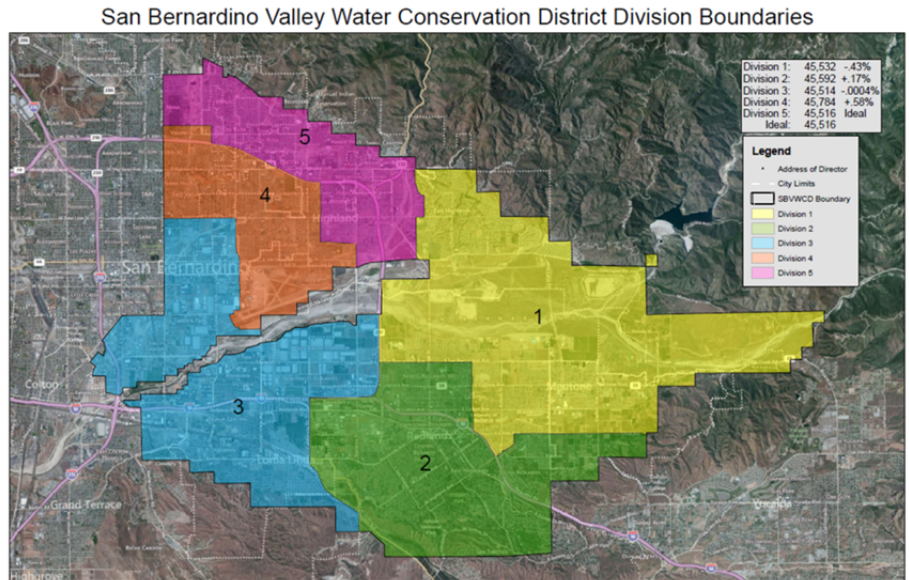
1.3 Changes and Accomplishments

Leading up to the 2013 CSP and following its approval, the District addressed several governance issues and developed an enterprise financial system to separate the District's activities into distinct enterprises, providing transparency and accountability in the District's business dealings. The District also implemented a concise reserve policy to give clarity to the development, maintenance and use of reserves. In 2012, the District completed the Enhanced Recharge Agreement with Western Municipal Water District (WMWD) and SBVMWD and subsequently, SBVMWD also joined the Wash Plan to permit these facilities. This agreement is a cost-effective method for additional recharge within the Basin for all three districts. Construction of these facilities began in August 2017.

The District also implemented SB-235 in 2012. This bill, sponsored by the District, allows it to reduce from seven to five the number of members on its Board. The Board subsequently adopted five new Division boundaries, based on the 2010 Census.

1.3.1 2013 CSP Accomplishments

In the past four years, the District has made significant progress in many areas.



The list below includes significant accomplishments related to goals in the 2013 CSP:

1. Aggressive Recharge – Staff implemented projects and operational changes to more aggressively recharge both local native rainfall and large flows of State Water Project recharge in 2017, following several years of drought.
2. Grant-funded support for innovative capital projects in Plunge Creek and reserve-funded improvements to the Mill Creek Diversion are under regulatory review for permitting.
3. Wash Plan Land Stewardship – The conservation strategy was completed and documents completed including Habitat Conservation Plan, Implementing Agreement, Memorandum of Agreement, approved Endowment Allocation and Issuance Costs, and an MOU with San Bernardino County Flood Control for independent implementation.
4. Wash Plan Implementing Legislation – HR 497 was unanimously passed by the House of Representatives in June 2017, and S. 357 was heard in the Senate Committee in July 2017.
5. Conservation Trust – To implement the Wash Plan with proper governance and appropriate fiscal management, the District developed a 501 (c) 3 nonprofit, the San Bernardino Valley Conservation Trust, which was approved March 1, 2017 by the California Department of Fish and Wildlife to hold endowments and conservation easements.
6. Cooperative Regional Agreements – Several critical agreements including the Enhanced Recharge Agreement were completed and are in implementation; others, such as the Groundwater Council, are developing through negotiation, and attitudes toward basin management are improving.
7. Recreational Trails – A trail masterplan was developed and approved by the Board, with implementation discussion with Redlands and Highland.
8. Fiscal Management – The District continued to improve its financial health and sustainability through stable groundwater charge and aggregate mining and management. Also, District budgets were approved on-time and clean audit opinions rendered.
9. Professional development efforts by limited staff and interns resulted in enhanced cost-effectiveness while achieving an extraordinary high level of quality work.

The District has made substantial progress in every area identified in the seven 2013 CSP goals.

1.4 2017 CSP Planning Process

The Board began a staff-led update to the CSP in February 2017. After reviewing the strategic planning steps and the implementation of the 2013 CSP, the Board identified issues of priority to explore further. Three additional planning sessions were facilitated by the General Manager, covering the seven issues raised by the Board in the first offsite meeting. The Board discussed the following:

1. Additional Recharge
2. Service Boundary Expansion
3. Wildlands Trail Recreation
4. Expanded Habitat Management
5. Mining Area Reuse Planning
6. Public Outreach
7. Treatment Wetlands

The Board members ranked each of the issues, and all were evaluated and prioritized by the Board. The Board explored each of these issues following a staff presentation on current efforts, status and successes. Board members provided feedback and determined goals and objectives for the next five years. Shown below is a summary table of their conclusions:

1	Additional Recharge	Continue aggressive recharge on District lands, look for opportunities for community stormwater recharge outside of District-owned property, and potentially develop a Community Recharge project or a cooperative project within the District Sphere of Influence.
2	Boundary Service Expansion	Staff should seek opportunities for expanding service where appropriate within the Sphere of Influence, If projects are outside this boundary, consider LAFCO application for contract or change in boundary.
3	Expanded Habitat Management	Passively work with partners to achieve habitat management in the Wash area and surrounding territory.
4	Outreach PR	Develop and implement a program for additional outreach, according to Board recommendations, benefiting the mission and projects of the District.
5	Mining Pit Reuse	Develop a conceptual planning document for mined area use and reuse.
6	Treatment Wetlands	Monitor long-term opportunities for aesthetic and water quality wetlands projects.

After initial discussions, the Board again prioritized the issues as discussed. Several issues were not carried forward as strategic issues. Treatment of wetlands was determined to be an ancillary issue to be pursued in partnership with others should an opportunity arise. Mining pit reuse was determined to be premature except for ensuring the mine plan and closure plans contain the provisions appropriate for groundwater recharge as they are updated. Public outreach was found to be an operational issue with staff working with the Public Outreach Committee to plan and implement improved outreach and consultant support in the current year.

Of the remaining issues, Additional Recharge was considered to be the highest priority with Boundary and Service Expansion being second. All of these issues are correlated and have significant overlap,

but with the change in Sphere of Influence authorized by LAFCO and the developing Groundwater Council, the Board wanted to ensure the District provides service wherever it is needed and appropriate.

With the Wash Plan HCP being virtually complete, the Board indicated priorities for implementing the HCP elements including Regional Wildland Trails and Expanded Habitat Management. These issues are consistent with the full implementation of the HCP in partnership with the local cities of Redlands and Highland for trails, the Inland Empire Resource Conservation District (IERCD), and San Bernardino Valley Conservation Trust for habitat management.

In a final review of current strategies, goals, and objectives, the Board found significant consistency with the goals from the 2013 CSP and determined that the presentation of both sets of goals should be integrated.

1.4.1 Summary of Community Strategic Plan Goals

This Community Strategic Plan provides background and context to the efforts and goals in the plan. The table below shows an overview of 2017 Community Strategic Plan Goals compared to the CSP Goals from 2013.

No.	2017 Strategic Planning Goals	No.	2013 Community Strategic Plan Goals
1	Additional Recharge - Consistent with CSPG 1, increase stormwater recharge through maximizing District-owned facilities (aggressive recharge) then expand to support distributed community recharge in cooperative partnerships 2017-2022	1	Increase and enhance basin water resources and conservation management through core mission efforts and enhancement projects
2	Boundary Service Expansion - Consistent with CSPG 3, and supporting the mission and services of the District expand the District Boundary or Service Contracts by 2020	3	Continue to develop and improve financially sound and efficient District organization with secure foundation to better serve District Partners and Communities
3	Trail Recreation - Consistent with CSPG 5, continue to work to open wildland trails on District-owned lands with at least one trail open by 2020	5	Support Trails and outdoor recreation identified in the Wash Plan and in cooperation with District Partners and Communities where financially viable
4	Habitat Management - Consistent with SSPG 2 and working with the Conservation Trust, leverage the Wash Plan successes to expand habitat management support for Wash Area lands.	2	Provide effective stewardship of District lands for environmental, water conservation and habitat management through the Wash Plan
5	Outreach - Consistent with CSPG 4, expand efforts for opportunistic outreach and provide information to decision-makers (tactical issue)	4	Deliver services and programs to improve non-retail outdoor water use efficiency and new groundwater recharge in the valley watershed
6	Mining Area Reuse - Consider mining pit reuse and recharge needs (not a strategic issue)	6	Develop staff and District organization to support District Mission and regional projects and programs
7	Treatment Wetlands - Respond to opportunities for potential treatment wetlands areas compatible with the District's mission, (not found to be a strategic issue).	7	Support and lead regional efforts related to water conservation and management of natural resources with District partners and communities

2 Core Water Mission Activities

While the District has the tagline, “Our Name is our Mission,” the formally adopted mission of the District was approved in 2001. During the 2017 CSP process, some changes were recommended, and the revised mission is shown below:

The San Bernardino Valley Water Conservation District ensures recharge of the Bunker Hill Groundwater Basin in an environmentally and economically responsible way, using its facilities and all sources of high-quality surface water, including imported and recycled water. We strive to improve the sustainable supply and quality of groundwater while protecting and enhancing our land resources and balancing ecosystem responsibilities with public access and aggregate resources uses.

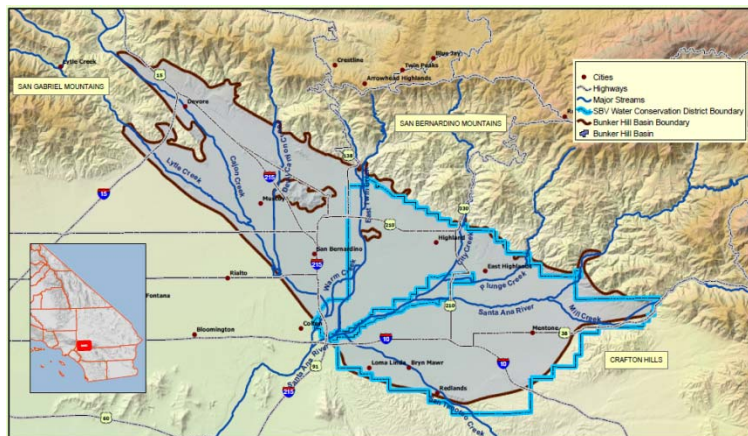
The core water mission is but one of the District’s significant endeavors. The Board developed Policy Principals in October 2014 to guide decisions in the absence of specific policy.

1. *Water recharge facilities and recharge management to benefit basin producers and the region’s water basin and managing District land resources are Job #1!*
2. *Undertake all actions and efforts in an open, responsive, fair and transparent manner.*
3. *Continuously maintain open working relationships and communications with our communities, water entities, partners, and local, regional, state and federal agencies.*
4. *Operate and manage lands, properties and facilities as safely, efficiently, and sustainably as possible.*
5. *Forecast and maintain fair and affordable groundwater charges, which maintain the overall financial viability of efficient District operations.*
6. *Seek, train, and retain excellent staff, utilize highly qualified consultants, contractors, and quality suppliers.*
7. *Seek to understand and support the needs and plans of the communities we serve related to our mission, including water, lands and public access.*
8. *Participate in regional and statewide water and habitat-related efforts of high value to the District, and support or oppose legislation and policy in accordance with these principles.*
9. *Continually evaluate our strategies, policies, technology, and performance to seek opportunities for improvement*

(The section below describes several ongoing core District activities.)

2.1 Water Conservation

Water conservation management and recharging the groundwater aquifer are the core business of the District. To maximize groundwater recharge, the District initiated the Aggressive Recharge approach to divert and sink the maximum amount of water available in wet periods under District licenses and partner agreements. This effort marked the beginning of facility improvements and changes that allow better management of sediment in the Mill Creek



Bunker Hill Groundwater Basin

spreading grounds and the expansion of facilities in the Santa Ana spreading ground. The expansion program is a partnership with SBVMWD, and the District's facilities are in an ideal location to recharge the basin. The District and its predecessor association have provided these services for over 100 years. Since its inception, the District has recharged over one million acre-feet of water, which equates to more than 325 billion gallons.

2.1.1 Water Facilities Operations and Management

The District utilizes and maintains diverse types of facilities to accomplish its recharge mission:

- Three soft plugs made of erodible materials and three diversion structures
- Four weirs and flumes for measurement
- 18 miles of canals, 38 control gates, and 31 road crossings
- 26 miles of roads and 11 access gates
- 73 basins (43 acres) with 92 overflows

Field operations personnel maintain not only these facilities but also the trucks, loaders, excavator and hand equipment needed for operations and maintenance. They are adept at utilizing and enhancing the capabilities of the existing facilities. Because many of the District's field structures have been in service for many years, annual cleaning, maintenance, and upgrades are critical to achieving the strategic goals in this area. The Aggressive Recharge approach pushed the facilities to sink more water and to take more State Project Water for an extended period during the summer when available.

The District regularly updates its Operations and Maintenance Manual, including detailed information about the facilities and their operations. The manual describes the field functions for all facilities, equipment, and operations. It also provides information on the many coordinated efforts and partnerships related to the District's services.



District Percolation Basins

2.1.2 Facility Permitting

The 2013 CSP documented the Board's commitment to entirely permitting operations and maintenance activities in the Mill Creek and Santa Ana recharge areas. This permitting process was already underway in the Santa Ana area through the Wash Plan. The Mill Creek diversion project and the Santa Ana River HCP would provide additional permit coverage for District actions. Also, the District undertook modeling and engineering to implement the Plunge Creek Habitat and Water Conservation project with grant funds from Proposition 84 through the Santa Ana Watershed Project Authority (SAWPA).

2.1.3 Water Facilities Partnerships

The District is an active participant in several regional partnerships closely aligned to the District's mission. The District links these separate interests with its local role in the watershed and its independent purpose. These partnerships and shared services assist the public and other agencies as much as they do the District. They enable all entities to operate more efficiently and to ensure

adequate services are available to the public. The District has executed agreements with SBVMWD and Western Municipal Water District (WMWD), East Valley Water District, San Bernardino County Flood and Water Conservation District, IERCD and others.

2.1.3.1 Exchange Plan

The Exchange Plan is an existing program between the District, SBVMWD, and WMWD for cooperative measurement and records of surface waters that are directed and divided above, on and near District lands. The District field staff monitors Santa Ana River and Mill Creek water diversions, transfers, exchanges, and the amount of water recharged for the benefit of the basin on a daily basis. Daily and monthly flow reports provide water managers and the public summarized information through email and the District website. These efforts support strategic goals for many agencies and ensure recording and efficient surface flow deliveries.

2.1.3.2 Facility Improvements

In addition to annual cleaning and maintenance, the District has made many changes and improvements to its facilities. These changes increase the efficiency of operations and reduce the likelihood of injury and damage to facilities. Gates and other control structures are being improved and updated as well as overflows to recharge basins. Many of these improvements have been completed in coordination with partners to accommodate additional flows, such as State Water Project imported water recharged on behalf of the District’s water partners.



Basin Maintenance Activities

Additionally, the Enhanced Recharge joint project with SBVMWD and WMWD will further improve and increase capacity needed to support existing and anticipated population needs and the current capabilities of the District’s facilities. In partnership, SBVMWD led the second phase of the project developing a design for additional recharge of water that was demonstrated to be available through the water rights application approved by the State Water Resources Control Board.

3 Strategic Water Related Mission Efforts

3.1 Aggressive Recharge

The Aggressive Recharge approach is a management and operations tactic to increase recharge even at the expense of higher operations and maintenance costs. Because the operations and maintenance costs are still significantly less than the value of the water, the strategy makes sense for groundwater charge payees. Field staff mostly implements the changes needed for active recharge. They “turn out” water from the creek and river as soon as it begins to stabilize and clear rather than waiting for water carrying lower sediment and debris, and take all water that is available closer to the physical limits of the facilities. These efforts require more frequent and expensive cleaning and repairs.

3.1.1 Resource Implications

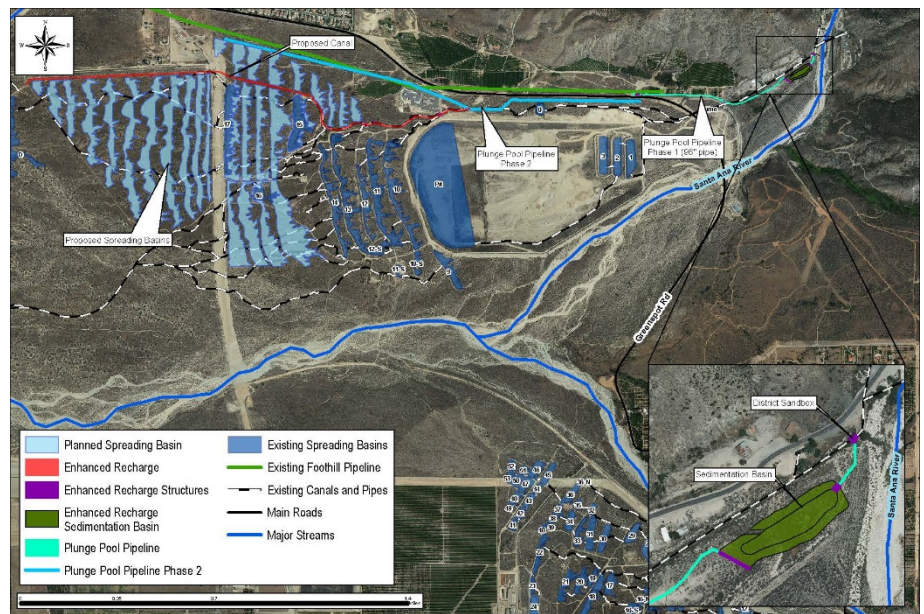
This approach has been undertaken with existing staffing but places a considerable additional burden on staff. Active recharge was not fully implemented in the drought years of 2014, 2015 and 2016. As the year of 2017 began, the approach was tested and resulted in recharge of water at the maximum for the basins. Both natural river and State Project flows were high enough to wet areas of the

spreading grounds that had been unused for over 25 years. These flows successfully provided significant groundwater recharge—over 40,000 acre-feet—and also improved habitat in more remote channels. More attention and active management are needed when running the facilities near or above their traditional maximum flows and elevations. Furthermore, repairs, maintenance, sediment removal, and algae management increase in cost.

3.2 Enhanced Recharge Project

The joint cooperative project initiated in 2008 and codified in a three-party, 50-year lease agreement, is one of the District’s most significant strategic goals. Additional capital and water rights from WMWD and SBVMWD along with the District’s ideally suited lands and operations capabilities create great value for the San Bernardino Basin Area (SBBA). This effort expands recharge capacity on District lands by more than 100 acres of new facilities to support current reliability and projected growth.

Also, the new sedimentation basin in front of the spreading basins will reduce basin cleaning needs. The agreement also requires the District to efficiently maintain the facilities in the same manner as our existing recharge basins. Collaboratively developing this expanded capacity is a major accomplishment. Staff participated in the development of plans and designs for the project, and supported the permitting process under the Wash Plan. Phase I A began construction in August 2017.



Enhanced Recharge Plans and Land Ownership

3.2.1 Resource Implications

The District allocates enhanced recharge funding toward the Groundwater Enterprise field efforts and Land Management Enterprise. The agreement also requires the District to hold, in reserve, money from the lease payment to prepare for future cleaning of constructed basins. This revenue is generated from annual payments as provided for in the lease agreement with WMWD and SBVMWD for the expanded facilities, with revenue also allocated to the Land Enterprise. This additional funding increased the financial ability of the District to provide these and other critical public services.

Current efforts include coordinating engineering design, permitting, initial construction, and—in 2019—preliminary operations of the Enhanced Recharge facilities. The District will support these efforts with current field staff and an additional field technician as needed in 2018 to assist in the operations and maintenance of the new facilities.

3.3 Enhanced Facility Security

An important strategic goal is to increase the security of the facilities and lands the District owns or manages under easement. An increase in metal theft, illegal dumping, trespassing, homeless

encampments, and off-road vehicle traffic damages the District’s lands, facilities, and habitat. Reducing unauthorized access is a long-term strategic effort of the District. This initiative will increase the reliability of services and safeguard the premises. Over the past five years, the District has installed new gates, replaced old gates, repaired fences, positioned boulders to discourage vehicles and cleaned up dumping. Further discussion of issues related to habitat occur in the Land Management Section below, but controlling access to sensitive habitat areas is critical to a successful Wash Plan implementation. Continued effort and new infrastructure are needed now and into the future.

3.3.1 Resources Implications

The District currently budgets for security enhancements, primarily in maintaining fencing, destroying nuisance buildings and developing better perimeter controls to discourage illegal entry by vehicle. Funding is focused mainly on the groundwater facilities and provided by Groundwater Enterprise. The District’s Land Enterprise provides funds for coordination with adjacent developments and agencies on resource issues. Field staff support this effort when the time is available, or the need is critical. Wash Plan HCP implementation will require additional staffing and funding as discussed in Section 4.



District Main Canal to Santa Ana Basins

3.4 Water Use Efficiency and Communication Efforts

The District has had a limited role in retail customer water use efficiency. As discussed, its primary purpose is in diverting surface water to recharge groundwater. The Board has a strategic goal to cost-effectively expand its water use efficiency efforts in order to more fully implement its mission. To provide this service, the District utilizes a partnership with IERCD to serve areas not served by retail water providers.

3.4.1 Groundwater Producer Communication

Because the retail water providers are the District’s partners and pay the Groundwater Charge, it is more efficient for them to communicate with retail water users. The District can fulfill this part of its strategic goals by partnering with them to assist where needed in reaching their customers. Additionally, there are partners not currently served by retail water suppliers, communities or others providing conservation programs. Such producers are likely our non-governmental Groundwater Charge payees and may not always be receiving a message about conservation. Communication to this group is an area in which the District can assist and provide service.

3.4.2 Educational Outreach

The Board has approved District participation with the Inland Empire Resource Conservation District in its Elementary School Education efforts. This mature program needs additional support to reach more students. By partnering with the IERCD, the District can convey messages about conservation and the success of its programs. This cost-effective program shares staff and facilities and achieves multiple goals at a low cost.

3.4.3 iEfficient and Focused Outreach

The District participates in a regional water use/efficiency conservation program with other regional agencies and its retail water agencies. This program has used print, radio, and additional awareness outreach to the entire Inland Empire for the past three years. The state’s drought emergency order was subsequently withdrawn, requiring a revamping of the iEfficient program to continue at a lower level in the future.

As part of the 2017 CSP, the Board agreed to expand outreach and retained a firm to assist with limited, focused outreach to local, regional, state and federal officials. This effort will be targeted to entities and organizations that may depend on the District or have connection or interactions with the District now or in the future. The September 2017 Little Hoover Commission on Special Districts encouraged Special Districts to “tell your story” and ensure your community leaders know you work for the public and the fees which are collected to serve them. Enhanced and focused outreach planning is ongoing and will continue throughout 2017. As such, this issue is not considered a strategic action.

3.4.4 Conservation Education and Outreach

The Board identified an opportunity to help develop and provide conservation education to landscapers and gardeners who manage water at the many facilities they maintain. This unmet conservation gap could have a significant impact on outdoor water usage from municipal sources, but more importantly from small agricultural groves and other users that obtain water from mutual water companies or private wells. This sector is not currently served or targeted for education in the District’s area. After working with the Basin Technical Advisory Committee’s subcommittee on conservation, the District agreed to license and help provide the Qualified Water Efficient Landscaper (QWEL) program with the conservation coordinators in the Inland Empire. Chino Basin Water Conservation District also supports this program in Western San Bernardino County.



QWEL Class Graduates

3.4.5 Resources Implications

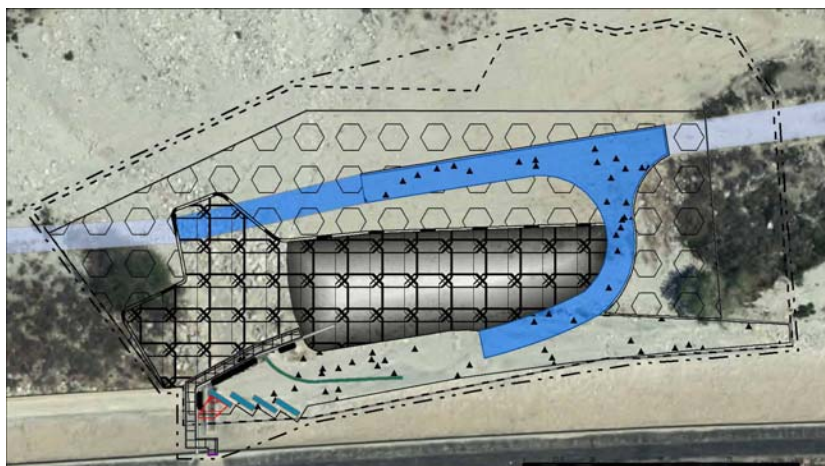
The District currently budgets about \$50,000 toward conservation education and outreach efforts. The strategic goal of increasing conservation reduces the water demand on the basin and the amount of water recharge needed to maintain the groundwater basin. By cooperating with others for shared services, and with our groundwater producers that do not have existing programs, we can cost-effectively reach groups who do not otherwise get these messages. The QWEL program is viable as implemented for the area. Focused outreach to District partners and community leaders is also cost-effective and will not require augmenting staff.

3.5 Expanding Recharge Efforts

While identified as a goal of the 2013 CSP, Board members affirmed that the District’s core mission of recharge is the key strategic action central to their work. They also identified opportunities to expand recharge in several areas listed below in priority order.

3.5.1 Expanded Recharge

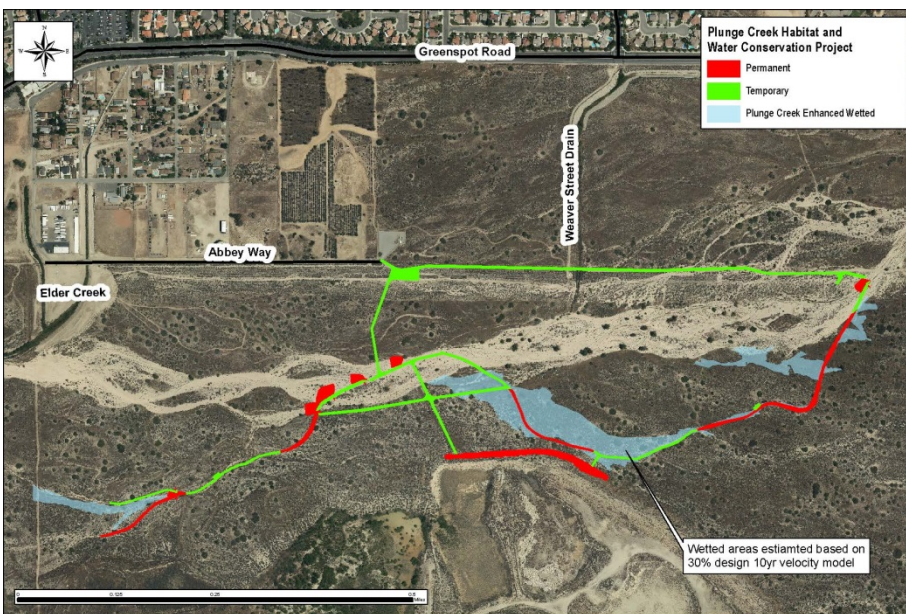
Expanding recharge activities on District lands or newly acquired lands in the Wash Area was the top priority for this strategic issue. The staff has been working on more aggressive operation facilities and has identified capital efforts to expand recharge capacity on the existing facility footprint. The District can implement some expanded recharge capacity as a distinct maintenance project that improves operating flexibility.



Mill Creek Diversion Improvements

However, this category also includes the Mill Creek Diversion Sediment Improvement project initiated in 2015, which requires design and permitting. Finally, the District acquired approximately 16 acres referred to as the Mendoza Trust property after its long-time owners passed away. This property has the opportunity to provide both increased recharge of imported water or local natural surface flow in a meandering channel. California gnatcatcher habitat may be useful for District needs or to offset one or more partners’ mitigation needs.

In 2012, the District received a grant under the SAWPA Integrated Regional Water Management Planning program. This project is currently in permitting and will increase water recharge and endangered habitat in the Upper Plunge Creek. This project is a partnership between San Bernardino County Flood Control District, San Bernardino Valley Municipal Water District and the U.S. Fish and Wildlife Service. This restoring of the braiding of Plunge Creek occurs on District lands and can be expanded to



Plunge Creek Habitat and Water Conservation Project

other lands to increase the benefits of the project. As a collaborative project, its shared benefits efficiently provide services to the region, and it is an opportunity to work together with the resource agencies and habitat managers in the region.

3.5.2 Community Recharge

Also identified in the 2017 CVP process was the goal of seeking Community Recharge projects which could occur on District or non-District lands in partnership with the communities the District serves. The development project could partner wherever there is a stormwater quality requirement for retaining water onsite in an area with recharge potential. This project could bring long-term management and recharge benefits to an area that could support recharge facilities. Alternatively, several parcels in development could cooperate with the District to aggregate stormwater into a recharge facility outside of the land in development.

3.5.3 Resources Implications

The District expends significant funding and resources to expand recharge. The Plunge Creek project and other aggressive recharge efforts occur within the existing budget and staffing. Future Community Recharge and Enhanced Recharge will require additional capital resources and staffing. In the District staffing plan, a new field staff position would support Wash Plan and Enhanced Recharge implementation. A Community Recharge project, if identified, would require contracted or additional staff. The Groundwater Recharge Enterprise Reserve and Capital Improvement Reserve will fund the identified capital projects in Mill and Plunge Creek.

3.5.4 Big Bear Watermaster

The District is one of the three court-appointed Watermaster members with Big Bear Municipal Water District and Bear Valley Mutual Water Company. The District's primary role is as an unbiased representative of the groundwater basin to ensure the basin is kept whole in the operations of the Big Bear Dam facilities and water management activities. This strategic partnership supports the working relationships between the mountain communities, their water supply, and the water supply for the valley and its users.

4 Land Resource Management

In 2011, the District established a Land Management Enterprise fund to better clarify the roles of the District and to provide better accountability for the sources and use of funding available in the various areas of the District's efforts. Components and tasks are described below along with several relevant and strategic goals.

4.1 Land Management Enterprise

The Land Management Enterprise funds District land cost not directly related to current water recharge activities. Revenue related to this enterprise includes mining royalties, land leases, commercial property leases, and easement payments for encroachments and encumbrances. These funds enhance the District's financial position through one-time and recurring revenue opportunities. These revenues can support the District's core functions and augment reserves to stabilize rates and allow funding for improvements.

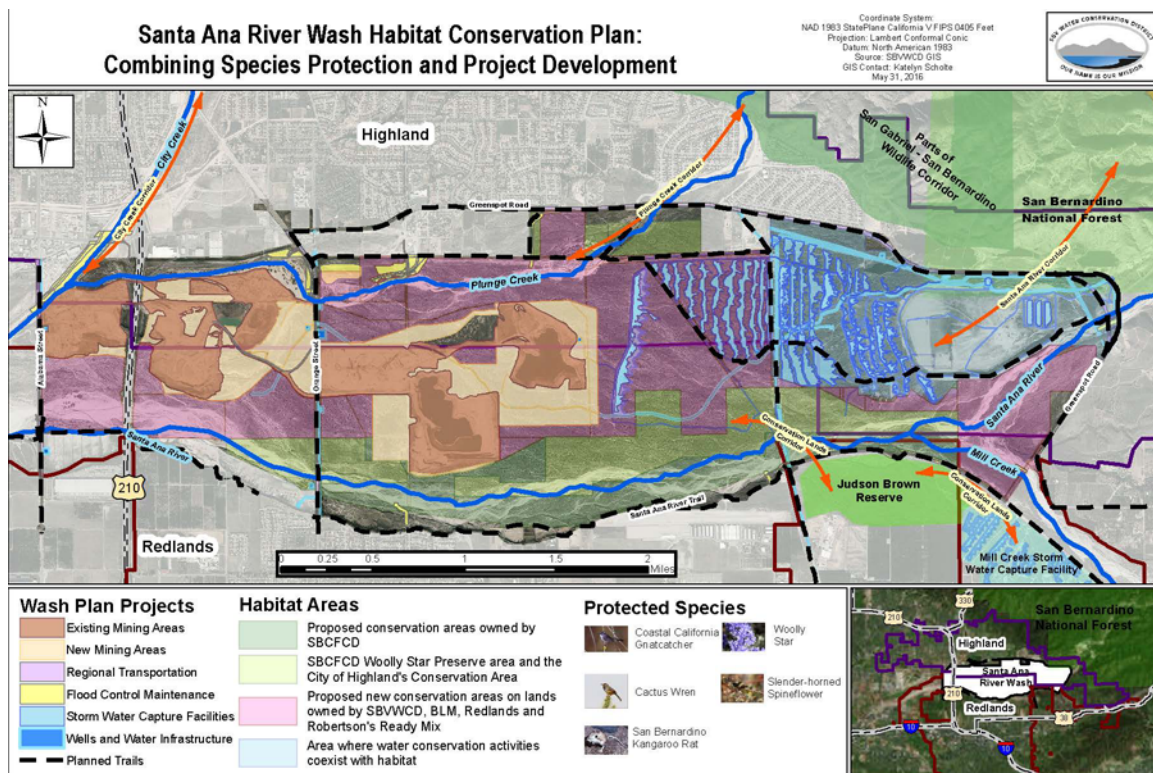


Blooming Santa Ana Woolly Star, an endangered species

4.2 Long-term Wash Planning and Management

A critical planning and management endeavor that is related to the land enterprise is Plan B or the Santa Ana Wash Plan. This plan is a long-term management approach that creates a comprehensive program to manage the Wash Area shown on the following page. The development of this HCP is challenging and requires the participation of the Task Force, made up of stakeholder communities and partners, as well as resource agencies such as the U.S. Fish and Wildlife Service, the Bureau of Land Management and the California Department of Fish and Wildlife.

While time-consuming and challenging to complete, this plan is critical to permitting mining operations beyond their current boundaries, accommodating enhanced recharge facilities, and documenting and permitting maintenance functions the District undertakes. It also supports our community and partners' local projects with positive impacts to endangered and threatened species present in the wash. Strategic goals related to this planning effort are summarized by the Wash Plan's commitment to active stewardship of District-owned and managed easement lands. Habitat management and enhancement in accordance with the HCP is both a requirement and an opportunity for the District.



Implementing the Wash Plan is a fundamental element to the sustainability of water recharge in the Wash area. Current strategic examples include the sections described below.

4.2.1 Wildland Trails in Wash Plan HCP

A repeated priority in both the 2013 and 2017 CSPs is the implementation of wildland trails in the HCP. Actions to date include a preliminary trail plan by intern staff, and a District-approved Trails Plan which reviewed requirements and costs as well as governance for the trails. This HCP has the assistance of the cities of Redlands and Highland and is in close coordination with the Santa Ana River Trail and the County of San Bernardino. The next steps in this effort are to gain agreement among the

cities on the form of governance and cost sharing and other issues needed to open the trails. After an acceptable agreement is signed, the group can apply for coverage from USFWS to open some or all trails to limited or full use, depending on preferences and funding. The goals related to this 2017 CSP are to have one or more trails open by 2020.

Resources are required from the District as well as from the cities and mining entities to allow trail usage by the public. The trails master plan documents the support needed for trails. Also, District operational resources or facilities need to be isolated from trail users for safety and to reduce liability. Additionally, homelessness on the Santa Ana River Trail has recently become an epidemic in Orange County, causing residents nearby to resist the construction of trails and parks in their neighborhoods. Because of a significant amount of open land and remote areas, Wash Area homelessness is only an intermittent problem. If better access roads, food, and water are made available, the area will have increased homeless encampment usage, particularly since adjacent areas may push them out.

4.2.2 Habitat Coordination and Management

Wash Plan implementation includes not just the projects and mitigation land management. Staff will assist District partners and communities with their covered projects through the Certificate of Inclusion process, working closely with the San Bernardino Conservation Trust. Additionally, the District and the Trust will need to participate with the Cities and adjacent landowners to ensure compatible land uses and development as it occurs.

4.2.3 Conservation Trust and Resource Implications

In 2016, a new Tax exempt 501 (c) 3, public benefit nonprofit corporation was initiated to hold the conservation easements and the endowment for Habitat Mitigation required by the Wash Plan implementation. The San Bernardino Valley Conservation Trust has a three-member Board of Directors made up of District-elected and public members. This State-approved conservation trust is staffed by District employees reimbursed by the trust under an agreement.

In summary, current resources are implementing the Wash Plan efforts, with additional field staff planned for management efforts, and contract support for annual efforts.

4.3 Mining, Land Use, and Development

Responsibly planning, managing and developing the District's lands are crucial to the sustainability of the District and its land holdings.

4.3.1 Mining

An example of development proposals are the aggregate mining leases which pay royalties to the District. Additionally, they make sand, gravel, and rock available to the local communities at a lower cost and a smaller carbon footprint than what would be produced from hauling aggregate from longer distances. Furthermore, these mining efforts also pay tax or royalties to the surrounding communities. In 2011, the District negotiated a revised agreement with CEMEX to provide minimum annual guaranteed revenue to the District if they did not mine the resources. The District also has contracts with Redlands Aggregate for permitted aggregate mining. Even in the mining area, the District holds an agreement with CEMEX and the County of San Bernardino to provide an easement allowing the County to cooperatively operate on District lands for processing sediment from flood control facilities. The District continues to maximize opportunities for new amenities for District community partners and better use of the property that is not currently in mining or when mining is

complete. Mining efforts and aggregate management benefit the local community in providing a local source of jobs, concrete, and aggregate materials.

Also, the District has a contract with Robertson's Ready Mix, which provides for mining on District property when permits are issued. The District holds a prepaid royalty as a deposit until permitting is completed under the HCP. The mining activities are well buffered from the community and are expected to be ongoing for up to 60 years. At the cessation of mining in one or more areas, the area will



Mining in the Santa Ana River Wash see from the air

undergo restoration, and the lands will be returned to a shallow slope to accommodate groundwater recharge according to lease requirements and Surface Mining Reclamation Act closure requirements.

4.3.2 Land Use, Development, and Community Mitigation

In any year, numerous proposals may be presented to the District to participate in related development on District lands or in nearby communities. These projects, if consistent with the HCP and District policy, can be accommodated if they are in best interest of the District or its communities and partners. Easement and fee proposals to develop District lands unneeded for water conservation may be received or solicited under certain conditions. A strategic goal related to this area is to continue to improve alternative long-term funding mechanisms for the District to mitigate rates for groundwater producers and to fund District land management needs.

4.4 Sustainability and Resource Management

The District is also committed to sustainably managing the properties it owns and uses with its partners and communities. Consolidating land ownership near District facilities has value to the District as a buffer. It also serves as an asset to the community as well as helping to separate noisy or dusty operations from residential or commercial use. In the 2013 CSP, the District provided a vision for community parks and recreational amenities. Wetland areas were also suggested for water quality issues. Presently, there is no driving need or funding to support these projects, but the Board believes that these amenities may fit into broader future resource management efforts with partners in the region. It is essential to keep these aims in mind when discussing resource management for the area.



District Lands and Native Habitat

5 Agency and General Fund

Most of the strategic goals are related to projects of the District, but some goals from the 2013 CSP were primarily associated with the District operations. They are described in this section.

5.1 Annual and Short-Term Efforts

The 2013 CSP contained several actions which were short-term, generally less than one year. Beginning in 2011, the Board started setting priorities at the beginning of its calendar year to allow these priorities implemented during the calendar year. Some of these items were regular District efforts that required particular attention or were infrequent projects. Other priorities are being tracked and reported upon to provide direction and accountability to the staff and Board. This process continues, although the 2017 CSP no longer contains these near-term financial issues.

5.2 Organizational and Financial Improvement

The District has the strategic goal of continuing to develop a more efficient District governance and organization with a secure governmental and sound financial foundation. Enhancing this status and continuing to build relationships are a strategic goal intended to provide better, more reliable service to the District's partners and communities.

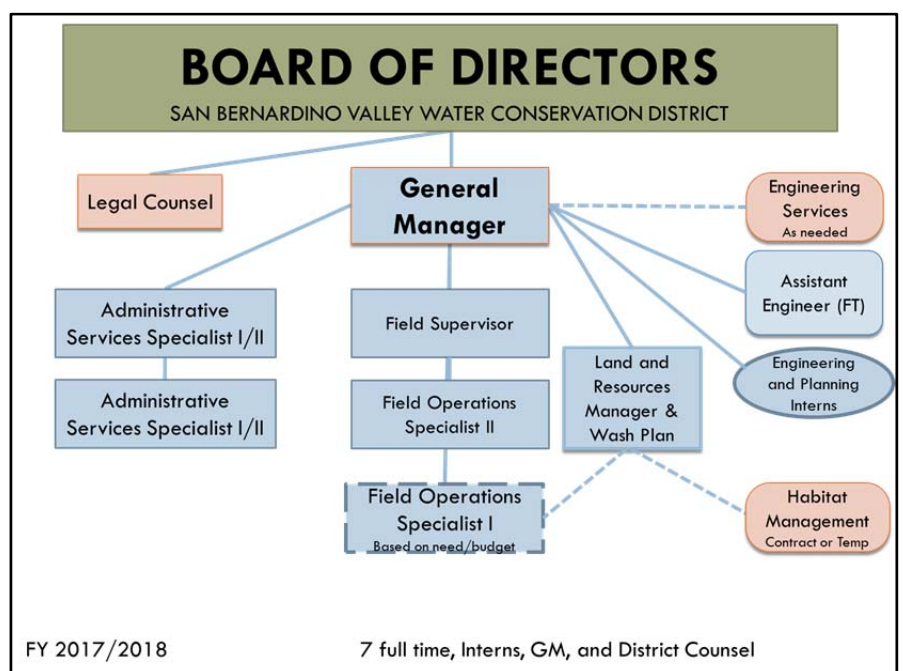
An example of this strategic goal, accomplished in 2012, was the development of the groundwater charge rates which are adequate to fund the District's groundwater recharge services.

Other ongoing examples include:

- Managing costs and expenses to ensure cost-effective services
- Operating reserves and revenue opportunities which stabilize District costs and service levels
- Working with regional partners and supporting projects, shared needs and shared facilities
- Developing cooperative agreements to support mutual needs
- Continuing to demonstrate the high value of District services by promoting and enhancing community and partner goals and efforts.

5.3 Develop Staff and Organizational Capacity

In the 2013 CSP, the Board recommended a strategic goal of developing staff and the District's capability to support vital regional programs such as the Wash Plan, and water and natural resources management in cooperation with the District's partners. This effort, as accomplished, was financially viable. The 2017-18 organizational chart is shown here. Expansion of training for existing staff, use of interns and consultants, and collaborative staff



District Organization Chart as shown in the approved 2017 staffing plan

sharing with neighboring agencies and communities will continue. Based on the strategic goals of the 2017 CSP, District staffing may need revision in the next review. Also, in 2016, the Board requested a succession and transition plan for the organization, which the Board may implement along with these strategic goals.

6 Strategic Revenue Initiatives

During the planning phase for the 2013 CSP, the District had weathered difficult financial times starting in 2008 and continuing through 2011. This situation mirrored the overall economic slow-down; however, the effect on the District was more severe because all sources of the District revenues declined at the same time. Since that time, the District revised its financial structure, reduced costs, and implemented various policies that will reduce the likelihood and severity of these occurrences in the future. These changes give the District the financial ability to adequately provide its core public services even in the case of a future downturn. The District also implemented cost-cutting measures documented in the annual budgets including the reduction from seven to five Divisions for the Board of Directors as allowed by the District-sponsored Senate Bill 235. The District also adopted the Enterprise Financial structure and reserve policies to limit the future impact of broader economic times on the District, since drought happens in good and bad economic times. The District revenues are described briefly below, categorized as renewable and non-renewable.

6.1 Renewable Revenue

Renewable revenues are generated every year at varying levels based on the source and conditions.

Groundwater Charge - The District sets the Groundwater Charge with the support of the District's partners and communities. The District established a rate stabilization reserve to reduce the need for significant rate increases in any given year. The Board of Directors authorized the use of the rate stabilization reserve in 2017 and increased the groundwater charge by four percent. These rate increases were needed because rate increases were forestalled in 2015 and 2016 to allow retail agencies to recover from the emergency conservation regulations during the drought. The rates per acre-foot are still minimal and affordable to the water producers in the basin.

The District embarked on the formation of a Groundwater Council with regional agency support, and has continued to convene meetings and prepare legal and technical materials to allow the producers from the basin to have a more equitable method of paying groundwater charges to support the O&M of regional recharge facilities:

Investments - The District reserves are adequate to ensure future operations and the variability of the District's revenue sources. The District's investments include significant funding provided as a prepayment of royalties. Placement of these cash reserves offers a small but sustainable amount of income to the District.

Rental/Lease Income - The District owns and leases lands and office and residential space beyond the current needs of the District. The



Collaborative Use of District Lands

District manages these investments to reduce its operating cost and provide public opportunities for local communities.

Service Fees and Miscellaneous Income - The District provides several services and allows the use of its land for compatible purposes. Recharge and other services performed for others are ongoing sources of relatively stable revenue. Also, the District gains additional income from sales of materials that result from the cleaning of basins or placement of materials for storage or processing on District lands.

Property Tax - The District has a minimal amount of General Fund property tax it receives related to its share of county collected taxes. The annual property tax of the past few years is approximately \$85,000.

6.2 Extractive or Non-Renewable

Some of the District's funding sources are not renewable, and when used or spent are no longer available to the District for future revenue.

6.2.1 Mining Royalties

Mining royalties from the extracted material are priced based on a market rate negotiated with the company mining the lease. The aggregate that will be permitted and minable is finite and cannot easily expand. The Wash Plan conservation strategy provides for a significant increase in minable area and although increased, will be limited. Moreover, the lands after mining are less



CEMEX Mining On District Lease

useful and may be harder to reclaim for productive purposes. In the 2017 CSP, the Board discussed planning for reuse of the mining pits. After discussion, they determined such an effort would be premature, except for a review of the modified mining or closure plans. Staff should review to be sure they contain the needed criteria to sustain groundwater recharge after mining ends.

6.2.2 Property Easement or Community Mitigation Revenue

District lands can be sources of revenue to the District, if well managed. Various public and private organizations seek easements which are compatible with the use of the property for recharge and habitat. However, once a pipeline or road is developed, that precludes other use of the location. Additional mitigation areas are available on District lands, due to the HCP. In partnership with IERCD and the Conservation Trust, the District may be able to help provide offsetting mitigation for community projects, easement projects or District requirements. These Community or Partner Conservation Easements for habitat are



Slender horned spineflower

likely to generate revenue and endowments to care for the lands but limit the future of the property for uses incompatible with the easement. Acceptance or use of these funds should be considered carefully due to the loss of alternative opportunities for the property.

7 Community Strategic Plan Input and Feedback

Like the 2013 CSP, a Board-led, community-based process begins with the elements identified and developed by the Board and incorporates community and partner feedback to establish the final Community Strategic Plan. This draft CSP will benefit from the input of water partners, community partners, and wash plan stakeholders. Incorporating the feedback of these partners creates a shared vision for the 2017 CSP.

7.1 Process and Feedback

The District uses an open process to solicit feedback and better understand the community's needs on this Community Strategic Plan. The District circulates the draft document and presents summary presentations for water, community and other partner's feedback. During the development of the CSP, staff and Directors will meet with:

- Groundwater Recharge Partners and Water Agencies
- Land Stakeholders and Wash Plan Task Force Members
- Mining Partners
- Resource Agencies
- Districts, Cities and the County of San Bernardino
- Community Stakeholders

7.2 Approvals Implementation and Revision

The Board of Directors will review the Circulation Draft Community Strategic Plan and accept it for distribution and comment. Staff will modify the document to reflect the recommended changes, community feedback and comments to produce the final draft. The Board will then consider the final CSP for implementation.

Staff will implement the Community Strategic Plan with direction from the Board of Directors and in cooperation with the District's partners and communities. The Community Strategic Plan will assist with the development of the Annual Priorities List and the Annual Fiscal Budget for the District. Staff and the Board review the Community Strategic Plan when considering critical decisions. Every three to five years, they formally review and consider revising the plan if needed.

Please feel free to contact the District with any questions or comments.

Daniel Cozad, General Manager

dcozad@sbvwcd.org

909-793-2503

1630 Redlands Blvd. Suite A

Redlands, California 92373



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
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Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1528

To: Board of Directors

From: General Manager, Daniel Cozad

Date: October 18, 2017

Subject: Redlands Plaza Parking Lot and Sidewalk Improvements

RECOMMENDATION

Review and consider parking lot and sidewalk improvement options provided in the attached spreadsheet and authorize the General Manager to contract with the responsive proposal under the selected option.

BACKGROUND

Staff budgeted for \$50,000 to repave and re-stripe the parking lot in the 2017-2018 Budget based on paving alone. The ADA changes needed were not included in the budget but adequate reserves are available to cover the paving options.

DISCUSSION

Staff began obtaining parking lot repaving proposals in April 2017 based on a recommendation from ACWA JPIA, the District's insurer. Several companies indicated the parking lot would have to be re-graded to meet Americans Disability Act (ADA) requirements. They alerted staff that the handicap ramps of Redlands Plaza sidewalk would need to be adjusted. To be sure all ADA compliance requirements have been identified, staff hired a California certified accessibility inspector. The inspector confirmed the sidewalk requires several changes to become ADA compliant. Parking and outside areas are the responsibility of the owner.

Three companies that provide asphalt re-pavement have included sidewalk repairs or replacement options to achieve compliance. Staff also considered an option for more permeable paving its recharge value. Using permeable pavers would provide a more esthetically pleasing option with percolation benefits. Staff has provided both paving and permeable paver estimates in the attached table. The permeable paver companies do not offer sidewalk replacement so Staff would have to obtain another company to complete that task if the Board directs that option.

FISCAL IMPACT

Costs for making improvements to Redlands Plaza parking lot and sidewalk range from \$87,729 to approximately \$344,000. The Redlands Plaza Reserve contains adequate funding to fund paving options with sidewalk changes but does not have adequate funding for the permeable paving options and would have to borrow from the Land Enterprise Reserve.

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 direct staff to contract with paving companies with sidewalk changes to achieve ADA compliance revising the the annual budget for Redlands Plaza capital not to exceed \$90,000 from the Redlands Plaza Reserve.
2. Move to direct staff to contact for some or all permeable pavers and sidewalk changes to achieve ADA compliance and permeability revising the annual budget for the Redlands Plaza capital not to exceed \$350,000 from Redlands Plaza Reserve with a reserve loan from the Land Enterprise.
3. Move to request this item be tabled for further review and consideration.

ATTACHMENTS OR MATERIALS

Parking Lot Repair Estimates Spreadsheet

Parking Lot Repair Estimates Asphalt or Permeable Pavers

Company		Total	
Estes Paving Construction	Overlay lot up to 2", grind where needed, place tac oil 88 l.f. gutter repair, slurry seal entrance, re-stripe	\$ 34,288.00	*sidewalk not included
United Paving Company	Asphalt removal and replacement (partial) Mill/coldplane up to 1.5" T top of lot 142 l.f. curb repair, seal and re-stripe entire lot	\$ 30,525.00	*sidewalk not included
	*ADA curb cut ramp installation in 2 locations and concrete sidewalk repair 288 s.f. in 3 locations	\$ 39,125.00	*with sidewalk repairs
International Paving Services	Asphalt removal and replacement (partial), adjust ADA stalls to <2% slope, remove/replace (1) sidewalk ramp, 160 l.f. curb repair, crackfill, slurry seal, re-stripe	\$ 37,867.00	*sidewalk not included
	Sidewalk removal & repair-fence removal/re-installation & permit fees not included	\$ 87,729.00	*with sidewalk replacement
Titan Contractors	Grind & overlay 394 sq ft, remove & replace 324 sq ft, 1,800 l.f. crack fill , overlay 846 sq ft, 2 coat application of sealer, re-stripe	Not indicated	
	Remove & replace sidewalk & curbing, install truncated domes-permit fees not included	\$ 98,765.38	*with sidewalk replacement
Edson Pavers, Inc	23,000 sq ft permeable interlocking pavers, 80MM thick over 2" of #8 rock	\$ 126,500.00	
	23,000 sq ft 6" of #57 rock	\$ 36,800.00	
	Additional Cost if requested: 23,000 sq ft Joint Stabilizing sealer	\$ 21,850.00	
	Demolition and removal of asphalt	\$ 109,250.00	
	Total	\$ 294,400.00	*sidewalk not included
Paver Décor Masonry, Inc.	23,000 sq ft Cascada permeable pavers, 80MM thick over 2# of #8 rock	\$ 117,300.00	
	23,000 sq ft permeable base 4" of #57 rock and 6" of #2 rock, 1 layer of Mirafi 140N	\$ 55,200.00	
	NO DEMOLITION of asphalt (will need separate company for removal) estimated	\$ 110,000.00	
	Total	\$ 282,500.00	*sidewalk not included
Alternative	Top of parking lot only (in front of suites) permeable pavers 80MM over 2" of #8 rock	\$ 92,341.00	
	Base 4" of #57 rock and 6" of #2 rock, 1 layer of Mirafi 140N	\$ 42,287.00	
	Leaving parking lot entrance as asphalt	\$ 134,628.00	*sidewalk not included

*Sidewalk repairs or replacement are needed to meet ADA compliance requirements (estimated \$50,000 additional cost)



Wash Plan Update

Sept. 8 through Oct. 11, 2017



Staff continues to estimate publication in the Federal Register of the HCP in the late Fall/early winter of 2017 and no additional financial resources will be needed. The earliest scheduled project implementation of HCP projects is the District's Plunge Creek Project scheduled for summer/fall of 2018. Draft permit documents have been prepared for this project. Staff continues to coordinate with those having projects under development and most recently provided assistance to Valley District in moving their well project forward. It appears the Incidental Take Permit will be complete for all projects and the HCP implemented prior to construction.

Wash Plan Habitat Conservation Plan (HCP) Document. Complete.

Implementing Agreement (IA). Complete.

Environmental Documents. The Environmental Impact Report (EIR) and the Environmental Impact Statement (EIS) are the review documents that disclose impacts related to implementation of the HCP. These documents are combined in a single EIR/EIS document with the Federal Partners (the FWS and the Bureau of Land Management) using the EIS section and the District using the EIR as their decision support documents. The "screen check" version completed last fall is being updated to reflect updates to the HCP.

Staff and partners have completed the required Land Use and Hydrology sections of the document during this period. FWS continues to do simultaneous review at their regional office in Sacramento and have been providing comments within several weeks. Senior FWS Palm Springs office management has been satisfied with staff and Regional review and will have no additional document comments. This decision will further streamline the review process and greatly increase the probability of meeting the schedule.

Land Transfers. There are two land transfers required for full implementation of the HCP. The first is a land transfer between Robertson's and the Flood Control District. The County of San Bernardino is doing final property and title descriptions for Board of Supervisors consideration of the transfer later this calendar year. The second transfer, a transfer of land between the District and the BLM, requires Congressional approval. The Senate version of the land transfer bill, S357, has passed out of the Senate Committee on Energy and Natural Resources and will be heard by the full Senate this fall.. Senate staff is awaiting a mark-up of the Bill from BLM Washington staff. Full implementation of the mining activities described in the HCP requires the land transfer to be completed.

Additionally, the HCP calls for the transfer of approximately 114 acres of land fee title to the District from Redlands. This land will be managed as part of the Wash Plan preserve. Staff

anticipates the transfer to occur this fall with the MOU for Wash Plan implementation approved by Redlands Council on September 19.

Wash Plan: Readiness to Proceed ¹

Task Force Member	MOU Approval Complete	Payment to Trust	Project Description and Plans ²	Preconstruction Survey ³	COI Ready ⁴	Early Project Implementation Dates
City of Highland	✓	✓	✓	✓	✓	Fall 2018
City of Redlands	✓	-	-	-	-	Fall 2018
Valley Municipal	✓	-	-	Partial	-	Spring 2019
Conservation District	✓	✓	✓	✓	✓	Summer 2018
East Valley	✓	✓	-	-	-	-
CEMEX	-	-	-	-	-	-
Robertson's	-	-	-	-	-	-

¹ 63 projects, 2 ready to proceed
² Self certified as consistent with HCP
³ Required surveys contracted or in process
⁴ Project ready for review under COI



General Manager's Report

For September 9, 2017 to October 13, 2017

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** – This was an excellent recharge year for the District and the groundwater basin. Cooperation among the producers, the District and the SBVMWD allowed for record recharge of State Project Water into the District facilities on Mill Creek and the Santa Ana River. The Field staff are recharging very small residual watershed flows instream. Edison facilities are in operation, and no flood control activity has occurred. Significant State Project Water flows recharged throughout the summer. This recharge combined with nearly average rainfall locally provided our field staff with challenges and opportunities to improve the groundwater basin this year. Recharge is critically important this year given the long drought both locally and in Northern California in recent years.

Santa Ana recharge totals for the Water Year ending September 30th total 49,500 AF including about 375 AF of intentional instream recharge. Of this total 39,259 AF was recharged in Santa Ana and 10,241 AF in Mill Creek. State Project Water recharge totaled 23,181 AF, which was nearly as much as natural streamflow at 26,319 AF. Put another way more than 16 billion gallons recharged in the District facilities could provide 94% of the demand for the nearly 392,000 people living in Redlands, Highland and San Bernardino.

- 2. Facility Maintenance and Cleanout – Plan Goal 1** – Field staff are operating all basins on a rotating basis to force drying to reduce algae concerns. The Mill Creek diversion is dry without storms, and all flows are from State Project water. Staff continued to build and install gates and make repairs and coordinated with CalFire crews for maintenance and brush removal. The fire service continues to use our facilities for fires in Highland and practice between fires.
- 3. Aggregate Management – Plan Goal 2** – Sand sales have increased with Enhanced Recharge facilities underway. Upland Rock helped clear tamarisk from the pit area. Upland is also working with contractors to facilitate accepting rock and taking sand for the pipeline and other facilities.
- 4. Personnel/Administration/Staff – Plan Goal 6** – Staff worked on the Board's strategic plan drafts and incorporating changes provided by the Board. Staff worked with numerous committee appointments and meeting modifications during the month.
- 5. Finance/Budget/Audit – Plan Goal 6** – The District is implementing the budget for 2017-2018. The Board reviewed and approved the Rogers, Anderson, Malady and Scott (RAMS) 2017 Audit draft. Currently, the reserve totals are close to their targets and staff will not bring forward changes.

6. **Mill Creek Diversion Engineering** – *Plan Goals 1/7* – Final signed plans for Mill Creek along with the Stormwater quality management plan were delivered to Flood Control so they can seek a Section 408 permit from USACOE.
7. **Plunge Creek Project** – *Plan Goals 1/4/7* – ICF Jones & Stokes is supporting regulatory permitting for Plunge Creek (as well as Mill Creek). Draft Permit applications for the 401 and 404 permits were reviewed by Staff and final can be submitted.
8. **Collaborative Enhanced Recharge Project** – *Plan Goal 7* – The Enhanced Recharge contractor, J.F. Shea Construction is making excellent progress and is likely to complete early efforts for our facilities to be back in service by November 1 or the first significant rains. The building will continue outside of the District’s operations until the end of April 2018. In the river, recharge is monitored and recorded during the outage.
9. **Groundwater Council** – *Plan Goal 1* – The next Groundwater Council meeting will be October 16th. Because this meeting occurs after the publication of the package, Staff will provide an oral update. Staff has worked with the City of San Bernardino and Western Municipal Water District on their comments GC related to the Equitable Allocation Model and the Council Agreement.
10. **Wash Plan** – *Plan Goal 2* – The Wash Plan has a separate report listed in the agenda.
11. **Santa Ana River Wash Plan Land Exchange Act** – S. 357 (Feinstein) Bill hearing was in July before the Senate Energy and Natural Resources Committee. Staff is working with BLM staff to understand clarifications related to the Land Transfer Regulations the DOJ constitutional issue. No schedule is available noting bill markups or Senate approval. Staff and lobbyists continue to receive support letters from Task Force Members and others. Staff and lobbyists are scheduling meetings with committee and authors staffs.
12. **Conservation Trust** – The Conservation Trust Board of Directors met on October 9th, 2017. They addressed mitigation need for the District projects and Community Mitigation opportunities. Staff and District Legal Counsel developed an initial draft of a District – Trust agreement for reimbursement and related needs to be considered by both Boards. The staff has also coordinated with Development interests adjoining the Wash Plan for mitigation needs and conservation easements.
13. **Property/Redlands Plaza** – *Plan Goal 3* – Staff continues to manage Redlands Plaza. We have one vacant unit and a potential new tenant for the open vacancy.
14. **Mining** – *Plan Goal 2/3* – Mining efforts by CEMEX Contractors continue on the Plant Site quarry. CEMEX and Robertson’s will shortly be submitting a mining plan to the District to detail the areas to be mined by each company. CEMEX and the District are working on the validation of mining revenues and verification of excavations in accordance with the jointly approved methodology. This process is planned to take about 3-4 months and is slightly behind schedule for the LiDAR assessment.

15. Public Outreach and Legislative – *Plan Goal 4* – Staff continued working with the BTAC group on iEfficient efforts. The Outreach & Communications Committee met with the consultant team and reviewed the Communication Plan and outreach scope based on the committee’s feedback. Staff worked with special counsel to finalize comments on the State Water Boards’ Dredge and Fill Regulations. A copy of the letter without exhibits is attached to this report.

16. Current Board Action Implementation – *Plan Goal 3* – Staff is implementing the updated priorities of the Board. Most priority efforts have separate sections of the General Manager’s Report, or independent Board requested reports. Staff and District Counsel worked closely on EHL/CBD v. USACOE settlement as well as other closed session items.

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

- Agreement with the Conservation Trust for reimbursement and related efforts in support of Wash Plan Implementation on this agenda
- Review and consideration of approval of the Memorandum of Agreement with the BLM

18. District Successes – *Plan Goal 6*

- The Enhanced Recharge project is making excellent progress, shown in the photo below. Trenching for pipe placement has started and may complete in 10 days.
- Staff and consultants worked quickly with the Outreach & Communications Committee to plan the Board’s requested Public Outreach.
- Field Staff worked hard to manage the substantial recharge achieved this water year and the repairs needed after the flows.
- Staff and Board Members participated in Wellness Program supported by ACWA JPIA.



San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 9/1/2017
To: 9/30/2017



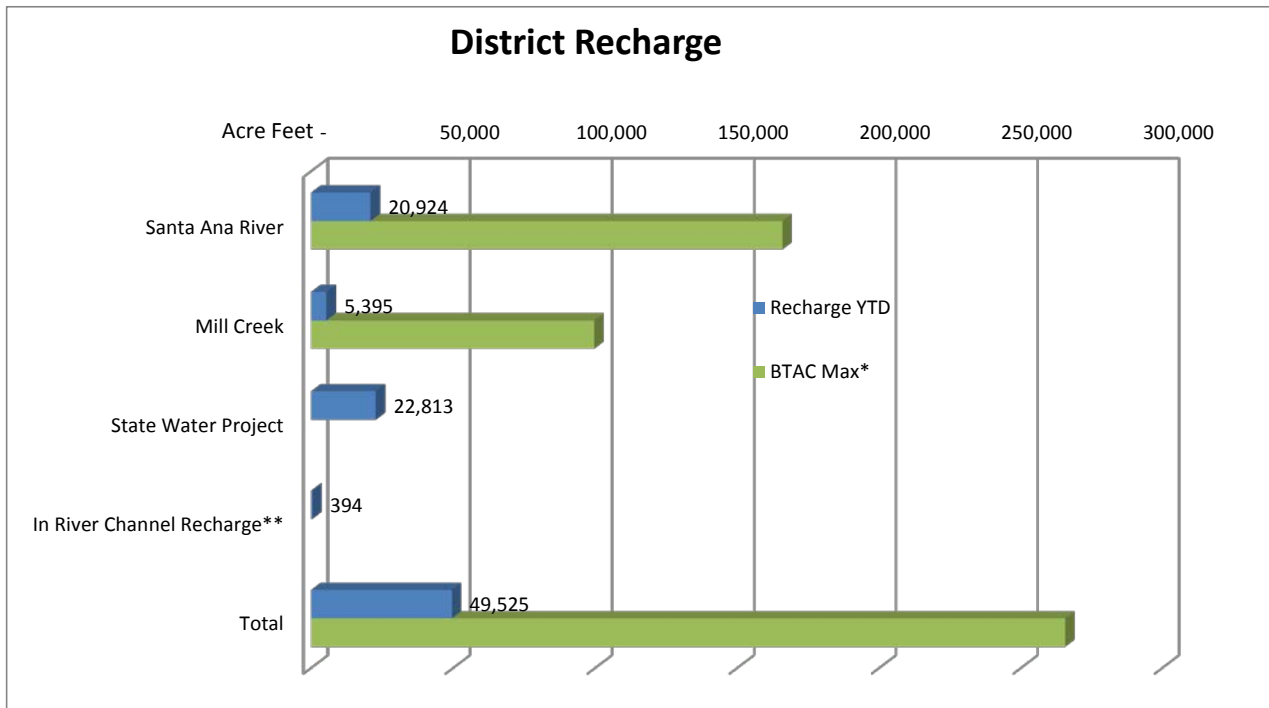
	September				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	0.0	-	20,924	166,000	13%
Mill Creek	0.0	-	5,395	99,700	5%
State Water Project	166.3	4,989	22,813	NA	NA
In River Channel Recharge**	0.0	-	394	NA	NA
Total	166	4,989	49,525	265,700	19%

Values in Acre Feet

*BTAC Revised Max in December 2016

**Monitoring began in Mid-April 2011

*** All Values Based on Water Year Oct-Sep 2017





**VIA EMAIL: commentletters@waterboards.ca.gov
HARD COPY TO FOLLOW**

September 18, 2017

The Honorable Felicia Marcus, Chair
and Members of the State Water Resources Control Board
c/o Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Re: STATEWIDE PROCEDURES FOR DISCHARGES OF DREDGED OR FILL
MATERIALS INTO WATERS OF THE STATE

Dear Chair Marcus:

Our organizations thank you for the opportunity to comment on the revised draft State Wetland Definition and Procedures for Discharges of Dredged or Fill Materials to Waters of the State creating a new permitting and regulatory program for such discharges (Proposed Regulatory Program), as well as the Draft Staff Report Including the Substitute Environmental Documentation (Staff Report) for the Proposed Regulatory Program. These comments have been prepared and submitted by the City of San Buenaventura (Ventura Water), the San Bernardino Valley Water Conservation District (SBVWCD), and the Santa Clara Valley Water District (SCVWD), and have been endorsed by the Association of California Water Agencies, the California Municipal Utilities Association, and the California Water Association, which collectively represent 465 California water agencies/utilities.

Our comments focus on the Proposed Regulatory Program's effects on our water agencies' ability to sustainably, reliably, and in an environmentally sensitive manner provide for augmentation of water supply, storage, and capture, as well as natural treatment of urban runoff, storm water, wastewater treatment plant discharges, and impaired surface waters. Specifically, our comments address and provide relevant examples of the substantial costs and permitting and project implementation delays associated with the Proposed Regulatory Program's new permitting requirements for activities related to Multi-benefit Constructed Facilities, which are artificial, man-made, or improved facilities operated to provide water supply/quantity, water storage, water conveyance, water quality treatment, and/or storm water, runoff or flood protection functions, while also providing other environmental benefits, such as: groundwater recharge; natural beds, banks, soils, or substrates; and wetland, riparian, or other habitat and vegetation, including, without limitation, naturalized surface water, runoff, or storm water quality treatment facilities or structural best management practices; naturalized surface water, runoff, storm water, or flood management swales, conveyance channels, or basins;

naturalized percolation ponds and percolation channels; bio-filtration and bio-retention basins, ponds, and wetlands; and naturalized groundwater and surface water storage facilities.

Accordingly, we are requesting the State Water Resources Control Board (SWRCB) to exempt Multi-benefit Constructed Facilities from permitting under the Proposed Regulatory Program by excluding, for purposes of the Proposed Regulatory Program only, such facilities from jurisdictional waters of the state (WOTS). Alternatively, we ask the SWRCB to exempt Multi-benefit Constructed Facilities from the Proposed Regulatory Program's permit application requirements. At a minimum, we urge the SWRCB to exempt Multi-benefit Constructed Facilities from the Proposed Regulatory Program's new, more burdensome alternatives analysis and compensatory mitigation related requirements that should apply only to permanent net losses of waters of the state. Suggested revisions and modifications to the text of the Proposed Regulatory Program consistent with these recommended revisions are shown in redline/strikethrough in the attached **Exhibit 1**.

This comment letter summarizes and provides an overview of our more detailed Discussion and Recommendations pertaining to the Proposed Regulatory Program, which is attached as **Exhibit 2**.

I. NEW AND SUBSTANTIAL REGULATORY BURDENS WILL INTERFERE WITH WATER AGENCIES' MISSIONS AND ARE INCONSISTENT WITH STATE POLICY.

A. Multi-benefit Constructed Facilities and Related Activities are Critical to Water Agencies' Missions.

Our organizations are committed to the development, management, treatment, provision, and use of high quality water at the lowest practical cost and in an environmentally sensitive manner. We are submitting these comments because the Proposed Regulatory Program, if adopted without significant revisions, will significantly impact the creation, restoration, enhancement, operations, management and maintenance of our Multi-benefit Constructed Facilities in a manner that substantially interferes with our ability to fulfill that commitment, without a demonstrable incremental benefit to water quality or the environment. Unfortunately, in the vast majority of situations, application of the Proposed Regulatory Program's new permitting regime mandates waste discharge requirements (WDR) for Multi-benefit Constructed Facilities. With certain changes described in this letter and more fully explained in **Exhibit 2**, the impacts of the Proposed Regulatory Program's new permitting requirements on our Multi-benefit Constructed Facilities can be avoided.

B. State Policies Encouraging the Use of Multi-benefit Constructed Facilities.

Multi-benefit Constructed Facilities are encouraged by a variety of SWRCB, EPA, and California Department of Water Resources (DWR) policy statements and reports, including the California Water Action Plan,¹ California's Strategy to Optimize Resource Management of Storm

¹ California Natural Resources Agency. California Water Action Plan 2016 Update, 2016.

Water (STORMS),² and DWR's Urban Stormwater Runoff Management: Resource Management Strategy of the California Water Plan.³

California's Water Action Plan is the State's roadmap to sustainable water management, with the specific objective of encouraging practices that meet ecological and human needs, respond to the conditions of climate change, and respond to the water needs of a growing population.⁴ The Water Action Plan establishes the following three broad objectives developed to advance California toward more sustainable water management:

- Development of more reliable water supplies;
- Development of more resilient, sustainably managed, multi-benefit water resource systems, including water supply and water quality facilities that better enhance the environment, and better withstand inevitable and unforeseen pressures; and
- Restoration of important species and habitat.⁵

Multi-benefit Constructed Facilities such as those described in **Table 1 below** are precisely the types of projects contemplated by the Water Action Plan because they cost effectively provide essential water supply, water quality treatment and/or flood protection functions, while at the same time providing wetland or riparian habitat that may also be used by sensitive fish and wildlife species.⁶

The Water Action Plan also includes several measures to encourage multi-benefit projects to attain sustainable and reliable water supplies using a multi-pronged, "all of the above" approach to water supply development and management, including, without limitation, the following water supply development and management strategies:

- Full utilization of existing surface reservoir capacity;
- Increased groundwater recharge to improve management and water quality in groundwater basins; and
- Urban storm water capture and natural treatment, including both larger-scale and incidental infiltration to groundwater basins.^{7, 8}

² California Water Boards. STORMS: Strategy to Optimize Resource Management of Storm Water, Jan. 6, 2016.

³ CDWR. Urban Stormwater Runoff Management: A Resource Management Strategy of the California Water Plan.

⁴ California Natural Resources Agency. California Water Action Plan 2016 Update, 2016, p. 1.

⁵ *Id.*, p. 4.

⁶ *Id.*, pp. 7-8.

⁷ See Public Policy Institute of California. Building Drought Resilience in California's Cities and Suburbs, Jun. 2017, pp. 43-44.

⁸ California Water Boards. STORMS: Strategy to Optimize Resource Management of Storm Water, Jan. 6, 2016, p. 10.

Both surface and subsurface storage are also identified as critical components of the Water Action Plan's water supply reliability strategy.⁹

Multi-benefit Constructed Facilities such artificial wetland and in-channel water recharge and percolation facilities (e.g., SBVWCD's recharge and spreading facilities summarized below) materially increase the quantity and quality of local groundwater supplies through water infiltration, while also providing wildlife habitat, parks, and open space.¹⁰ Further, bio-retention treatment facilities designed to infiltrate all captured storm water, and bio-detention and filtration facilities (e.g., Irvine Ranch Water District's (IRWD's) Natural Treatment System (NTS) and SCVWD's flood protection facilities) improve groundwater quality and supply by smaller scale infiltration of flows.

With respect to water quality, both the California STORMS: Strategy to Optimize Resource Management of Storm Water and DWR's Urban Stormwater Runoff Management: A Resource Management Strategy of the California Water Plan encourage and emphasize that capture, natural treatment, and infiltration of runoff and storm water are integral to treating surface waters, runoff, and storm water, thereby improving long-term water supply reliability. Storm water collection and treatment facilities and surface water diversion and treatment facilities that mimic natural bio-filtration and wetland treatment processes reduce surface water pollution while improving flood protection, increasing wetland, riparian and other habitat and vegetation, and increasing water supply through capture and infiltration. Multi-benefit storm water treatment facilities also provide additional environmental benefits such as wildlife habitat, parks, and open space.¹¹

For example, artificial treatment wetlands, e.g., IRWD's San Joaquin Marsh and NTS and Ventura Water's wildlife/water quality ponds remove nutrients and sediment, pollutants that adhere to sediment (including heavy metals), and other pollutants that are transformed, absorbed, and volatilized by natural wetland processes. Such Multi-benefit Constructed Facilities are considered the best strategy for addressing regional water quality treatment needs because they implement a proven, naturalized pollutant reduction technology that can be opportunistically and cost-effectively implemented to address pollutants from point sources, storm water, in-stream flows, and nonpoint sources.^{12, 13}

Consistent with the Water Action Plan, STORMS, and the Public Policy Institute of California's *Building Drought Resilience in California's Cities and Suburbs* (see note 7), all of which recognize that increased regulatory burdens discourage integrated water management projects and implementation and operation of Multi-benefit Constructed Facilities, we request that the SWRCB exempt Multi-Benefit Constructed Facilities from the Proposed Regulatory

⁹ California Water Action Plan 2016 Update, p. 15.

¹⁰ CDWR. Urban Stormwater Runoff Management: A Resource Management Strategy of the California Water Plan, p. 6.

¹¹ *Ibid.*

¹² CDWR. Urban Stormwater Runoff Management: A Resource Management Strategy of the California Water Plan, Jul. 29, 2016, p. 6.

¹³ USEPA. Guiding Principles for Constructed Treatment Wetlands: Providing for Water Quality and Wildlife Habitat, Oct. 2000, p. 1.

Permitting Program to streamline permitting and eliminate regulatory hurdles to the implementation, operation, management, and maintenance of such facilities.

C. The Proposed Regulatory Program Mandates Water Boards Implement a New Permitting Program, Resulting in Additional Costs and Delays.

We recognize staff's position is that the scope of "WOTS" that are subject to regulation is not expanded by the Proposed Regulatory Program. That said, as a practical matter the Proposed Regulatory Program mandates that the SWRCB and the Regional Water Quality Control Boards (collectively, Water Boards) implement a new and greatly expanded permitting program for discharges of dredge or fill material to WOTS. From our "on-the-ground" perspective, the scope of the Proposed Regulatory Program's new permitting requirements and the stringency of the new permit application analysis requirement, without modification, will add tremendous cost, permit processing burdens, and delays for our Multi-benefit Constructed Facilities. Unfortunately, these new and significant burdens are not offset by any additional environmental benefit the Proposed Regulatory Program might offer due to the significant degree to which the new permitting program duplicates regulation of resources already protected under section 404 of the Clean Water Act (CWA) by the U.S. Army Corps of Engineers (USACE) and the U.S. Environmental Protection Agency (EPA) and section 1600 of the California Fish and Game Code by the California Department of Fish and Wildlife (CDFW). Specifically, the Proposed Regulatory Program imposes new and supplemental permitting requirements – all of which are different than – and in some cases conflict with – existing federal and State requirements – as summarized in **Table 1**, below.

Table 1 Summary of New/Supplemental Permitting Requirements

New/Supplemental Permitting Requirement	New/Increased Regulatory Burden	Consistent with USACE and CDFW regulation?
Delineation Report for wetland and non-wetland WOTS	<p><i>For wetland WOTS:</i> New definition and new Wetlands Jurisdictional Framework substantially increases the number of Multi-benefit Constructed Facilities deemed jurisdictional wetland WOTS compared to existing regulation</p> <p><i>For non-wetland WOTS:</i> no guidance regarding features that are jurisdictional, leaving it to each Water Board’s discretion, and resulting in inconsistent application across regions</p>	<p>No</p> <p>No</p>
Prepare and submit application, including an alternatives analysis	<p>Includes O&M, which by definition cannot be conducted in another location</p> <p>Includes activities that under current rules would be performed pursuant to a Nationwide Permit and CWA section 401 water quality certification</p> <p>Potential conflicts between USACE’s and Water Boards’ Least Environmentally Damaging Practicable Alternative (LEDPA) determinations</p>	<p>No</p> <p>No</p>
Analyze and provide compensatory mitigation	<p>Use of watershed profiles, which do not now exist and encompass all lands within a watershed, including those privately owned and not publicly accessible</p> <p>Prioritizes in-watershed mitigation, which is different from USACE prioritization of mitigation banks, and results in different compensatory mitigation requirements</p> <p>Unspecified, but different methodology for calculating mitigation obligations: declines to adopt USACE’s California Rapid Assessment Method and Standard Operating Procedure, used to determine compensatory mitigation requirements, but does not propose an alternative</p> <p>With a broader, more inclusive definition of “wetlands,” a corresponding increase in compensatory mitigation obligation</p> <p>Requires compensatory mitigation necessary to address permanent, net loss of aquatic resources for temporal impacts that are addressed by restoration, particularly if restoration effort takes more than 1 year</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>

The Proposed Regulatory Program, as drafted, will impose cost, delay, and related burdens on water agencies that will negatively impact regular management, maintenance, repair and operation of existing Multi-benefit Constructed Facilities. It will also deter investments into the creation, enhancement, and restoration of new Multi-benefit Constructed Facilities. The additional information and analysis requirements and the conflicting standards that govern them will require more support from technical consultants and permitting experts, and additional legal review, creating delays and significantly increasing applicants' permitting costs.

II. MULTI-BENEFIT CONSTRUCTED FACILITIES SUBJECT TO THE NEW PERMITTING REQUIREMENTS.

This section is a brief summary of the Multi-benefit Constructed Facilities owned/operated by the signatory water agencies. The use of Multi-benefit Constructed Facilities is critical to implementing our agencies' broad commitment to the provision of high-quality water and water quality treatment services in a cost-effective, environmentally sensitive manner and consistent with State policies as discussed in Section I of this letter. See **Table 1** and **Attachment A** of **Exhibit 2** for a detailed description of these facilities and the related activities necessary to operate and maintain them at capacity and optimal function.

- IRWD's San Joaquin Marsh (Marsh) is a series of constructed water quality treatment facilities that use natural processes to receive and treat flows from the San Diego Creek before reaching environmentally sensitive waters. The Marsh reduces nutrients and other pollutants as a part of the San Diego Creek and Upper Newport Bay Total Maximum Daily Load (TMDL) implementation programs for nutrients, sediment, toxics, metals, and pathogens. Annually, the Marsh typically achieves 85% removal of nitrogen loads and 99% reduction of total coliform bacteria, in addition to high levels of reduction of other pollutants. Besides enhancing water quality, the Marsh serves as home to over 250 species of birds and other wildlife, including several State and federally listed species, in a park-like setting.
- IRWD's region-wide Natural Treatment System (NTS) is a series of constructed water quality treatment facilities that benefit the San Diego Creek watershed by enhancing water quality and providing additional neighborhood open space and wildlife habitat. The NTS uses natural ecosystems to remove sediment, nutrients, pathogens, and other contaminants from urban runoff and storm flows and prevents these contaminants from reaching sensitive receiving waters such as the Upper Newport Bay.
- Ventura Water's wildlife/water quality ponds are sited on a 20-acre system, which includes three wildlife/water quality ponds that polish tertiary treated wastewater flows from the Ventura Water Reclamation Facility before they are discharged into the Santa Clara River Estuary. The ponds were constructed by the City of Ventura in 1977 to both provide additional treatment and enhance wetland and riparian habitat and beneficial uses within the Santa Clara River Estuary watershed.
- SBVWCD's Santa Ana River Recharge Facility consists of 14 large percolation basins at the base of the San Bernardino Mountains. These critical facilities provide more than 100 wetted acres of percolation basins storing 940 acre-feet, which percolate an average of 5 feet per day. The Santa Ana facility is also managed to provide habitat for San Bernardino

kangaroo rat, coastal California gnatcatcher, cactus wren, Los Angeles pocket mouse, least Bell's vireo, and other special status species.

- SBVWCD currently maintains three sand ponds for sediment management and 56 percolation basins as part of its Mill Creek Spreading Facility, for a total of 66 acres of wetted basin area. The Mill Creek recharge facilities percolate very high quality native water into the groundwater, thereby improving salt balance in the aquifer. The Mill Creek Spreading Facility provides sustainable water to approximately 1 million residents as well as riparian habitat, including habitat for least Bell's vireo, San Bernardino kangaroo rat, coastal California gnatcatcher, and other sensitive species on the edges of the sand ponds.
- SCVWD's Managed Recharge Facilities are comprised of 393 acres of recharge ponds, 91 miles of controlled in-stream recharge, 17 miles of canals and three surface reservoirs. While these facilities serve essential water supply functions, many of them also provide other environmental benefits such as percolation and recharge of groundwater; riparian, wetland and other habitat for wildlife species; and recreational and educational opportunities.
- SCVWD's natural flood protection projects are designed using an integrated planning and management approach which considers the physical, hydrologic, and ecological functions and processes of streams and creeks within the community setting. This "natural flood protection" approach result in project benefits to natural resources including water quality, riparian/wildlife habitat, and recreational beneficial use.

III. RECOMMENDED REVISIONS TO THE PROPOSED REGULATORY PROGRAM.

We request the SWRCB make one or more of the following revisions to the Proposed Regulatory Program to exclude/exempt Multi-benefit Constructed Facilities from the requirements of the new permitting program. Our recommendations are presented in order of preference in this section below, and are reflected in color-coded redlined revisions to the Proposed Regulatory Program in **Exhibit 1**.

A. Preferred: Exclude Multi-benefit Constructed Facilities from Jurisdictional WOTS.

1. For Wetlands WOTS.

The Staff Report states that the intent of the Wetlands Jurisdictional Framework is to exclude artificially created and/or temporary features that meet the technical definition of a wetland from regulation as wetland WOTS. However, as drafted and applied, the framework sweeps all artificial, Multi-benefit Constructed Facilities into the wetland WOTS designation.¹⁴

¹⁴ Several of the Multi-benefit Constructed Facilities outlined in Section II, including SCVWD and SBVWCD manmade percolation ponds, IRWD's Marsh and NTS facilities, and Ventura Water's wildlife/water quality ponds provide excellent examples of Multi-benefit Constructed Facilities that concurrently improve local water supply volume, groundwater quality, and/or water quality and provide for habitat that supports sensitive and listed species. However, SWRCB staff has confirmed

As discussed in Section I above, the cost, delay and other impacts associated with the Proposed Regulatory Program's mandate to obtain permits by the designation of such facilities as artificial, wetland WOTS will discourage and deter implementation of new such facilities, as well as negatively impact the management and maintenance of existing facilities.

For these reasons, we urge the SWRCB to revise the Proposed Regulatory Program to exclude such facilities from the proposed permitting requirements by excluding them from designation as wetland WOTS for purposes of the Proposed Regulatory Program.

2. For Non-wetland WOTS.

The Proposed Regulatory Program does not provide definitions, descriptions, or guidance regarding identification of non-wetland WOTS. This, combined with the current inconsistency among Water Boards in defining such WOTS (with some Water Boards defining puddles, riffles, and certain swimming pools as WOTS), and the new Class I Priority violation status assigned by the recent updates to the Water Quality Enforcement Policy to discharges of dredged or fill material to WOTS without obtaining WDRs, create an untenable situation for applicants that must operate, maintain, repair, restore, or enhance Multi-benefit Constructed Facilities. We therefore urge the SWRCB to revise the Proposed Regulatory Program to exclude Multi-benefit Constructed Facilities from designation as (non-wetland) WOTS and permitting jurisdiction for purposes of the Proposed Regulatory Program.

B. Alternatively: Exclude Multi-benefit Constructed Facilities from Permit Application Requirements.

If the SWRCB does not adopt the preferred recommendation, we request in the alternate that the SWRCB expand the exclusions from the Proposed Regulatory Program's permit application requirements to Multi-benefit Constructed Facilities. The activities excluded from permit application requirements under Section IV.D.2.b should be expanded and clarified. In addition, a new category of activities related to Multi-benefit Constructed Facilities should also be excluded from the Proposed Regulatory Program's permit application requirements. This approach provides less certainty for water agencies as compared to our preferred recommendation, but might also attain consistency with the State policies discussed in Section I.

C. At a Minimum: Exempt Multi-benefit Constructed Facilities from the Alternatives Analysis and Certain Mitigation Requirements.

The Proposed Regulatory Program's required alternatives analysis is time-consuming and costly. In addition, as summarized in **Table 1**, new mitigation requirements that are inconsistent with existing State and federal requirements will increase costs, and may create delay. If the SWRCB does not adopt either of the above recommendations in Section III.A

that – as a result of the Proposed Regulatory Program's elimination of the vegetation requirement from the definition of "wetland" and/or application of the Wetlands Jurisdictional Framework – these facilities (and countless others like them), many of which do not constitute WOTUS due to their constructed nature, would now be categorized as artificial wetlands that constitute WOTS.

(exclude from permitting requirements as WOTS) or Section III.B (exempt from permit application requirements) Multi-benefit Constructed Facilities, we urge the SWRCB *at a minimum* to exempt Multi-benefit Constructed Facilities from the alternatives analysis requirement and certain mitigation requirements.

IV. CONCLUSION.

Thank you for the opportunity to provide comments on the Proposed Regulatory Program. If you have any questions, please contact Mary Lynn Coffee at (949) 477-7675.

Sincerely,



Mark D. Watkins
City Manager
City of San Buenaventura



Daniel B. Cozad
General Manager
San Bernardino Valley Water Conservation District



Norma J. Camacho
Chief Executive Officer
Santa Clara Valley Water District

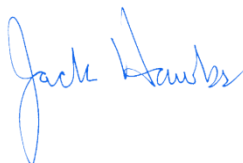
The Honorable Felicia Marcus, Chair
and Members of the State Water Resources Control Board
September 18, 2017
Page 11



David E. Bolland
Director of State Regulatory Relations
Association of California Water Agencies



Jonathan Young
Regulatory Advocate
California Municipal Utilities Association



Jack Hawks
Executive Director
California Water Association

Enc.

cc (by e-mail): Honorable Members of the State Water Resources Control Board
Eileen Sobek, Executive Director
Jonathan Bishop, Chief Deputy Director
Karen Larsen, Deputy Director, Division of Water Quality



2017 Board Calendar - San Bernardino Valley Water Conservation District

JANUARY						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Jan. 11 Board Meeting
 Jan. 25 2nd Qtr. Finance & Admin Mtg.

JULY						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Jul. 12 Board Meeting
 July 18th Strategic Planning Workshop
 Jul. 19 4th Qtr. Finance & Admin Mtg.

FEBRUARY						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

Feb. 08 Board Meeting

AUGUST						
S	M	T	W	Th	F	S
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Aug. 09 Board Meeting

MARCH						
S	M	T	W	Th	F	S
			1	2	3	4
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12	13	14	15	16	17	18
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26	27	28	29	30	31	

Mar. 1 Special Board Meeting (@ 1:00 p.m.)

Mar. 15 Board Meeting (@ 9:00 a.m.)
Engineering Investigation Report Presentation

Mar. 23 Strategic Planning Workshop

SEPTEMBER						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
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Sept. 13 Board Meeting

APRIL						
S	M	T	W	Th	F	S
						1
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9	10	11	12	13	14	15
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23	24	25	26	27	28	29
30						

Apr. 12 Board Meeting
Public Meeting/Groundwater Charge

Apr. 21st 3rd Qtr. Finance & Admin Mtg.

Apr. 26 Board Meeting
Public Hearing/Groundwater Charge

OCTOBER						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Oct. 18 Board Meeting

MAY						
S	M	T	W	Th	F	S
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28	29	30	31			

May 3 Strategic Planning Workshop

May 31 Board Meeting
Public Hearing/Groundwater Charge

NOVEMBER						
S	M	T	W	Th	F	S
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26	27	28	29	30		

Nov. 08 Board Meeting
 Nov. 15 1st Qtr. Admin Mtg.

JUNE						
S	M	T	W	Th	F	S
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Jun. 7 Strategic Planning Workshop

Jun. 14 Board Meeting

DECEMBER						
S	M	T	W	Th	F	S
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24	25	26	27	28	29	30
31						

Dec. 13 Board Meeting (@ 9:30 a.m.)
Holiday Luncheon