

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF January 11, 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:

Melody McDonald, Vice President
David E. Raley, Director
T. Milford Harrison, Director
John Longville, Director
Richard Corneille, President

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Monge, Administrative Services Specialist
Jeff Beehler, Land Resources Manager
Gilbert Chavez, Document Imaging Intern

GUESTS PRESENT:

Michelle Diamond, Tetra Tech
Socorro Pantaleon, Representative of Assemblyman Marc Steinorth
Shane Massaud, Representative of Senator Mike Morrell

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. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. DISTRICT STANDING COMMITTEE APPOINTMENTS

It was moved by Director Raley and seconded by Vice President McDonald to approve the Standing Committees as presented in the Board Packet. 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**

The Finance & Administration Committee discussed the "Appendix C-Roster of Organizations and Committees with Assigned Representatives" and made specific recommendations included on package pages 6-8 of packet. Mr. Cozad noted that the Committee also added two asterisks to show that a Board Member may attend those meetings "if appointed and while appointed"; this will relate to additional items on the agenda. Brief discussion ensued regarding appointments. Vice President McDonald recommended Director Harrison as alternate for ACWA/JPIA stating that the Memorandum of Understanding for ACWA/JPIA requires it.

It was moved by Vice President McDonald and seconded by President Corneille to approve Appendix C with suggested revisions. 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**

4. CONSENT CALENDAR

It was moved by Director Raley and seconded by Vice President McDonald to approve Consent Calendar Item A: Board Minutes, December 7, 2016 and Item B: Expenditure Report, December 2016. The motion carried 5-0 with all Directors present voting in the affirmative.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, DECEMBER 2016

Mr. Cozad stated that any substantive changes are note in Board Memo on package page 25. President Corneille noted that the District is on budget for Director's Expenses so far this fiscal year; currently at 41% of budgeted amount.

It was moved by Director Harrison and seconded by Director Longville to approve the Unaudited Financial Reports for December 2016 as presented. 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**

B. DISTRICT BOARD PRIORITIES FOR 2017

Mr. Cozad presented a PowerPoint on this item stating that a Board Memo is included on package page 31. On package page 33 there is a list of current priorities showing that six were completed and five of them were ongoing. Mr. Cozad provided detailed review of current priorities briefly reviewing Community Strategic Plan (Strategic Plan) from 2013 and Policy Principles of 2014. President Corneille suggested adding the update of the Strategic Plan to the Board Priorities for 2017. He stated that the items that need added to the Strategic Plan include the updated organizational chart, Groundwater Sustainability Council and Transition, Staffing and Succession Plan to name a few. It was the consensus of the Board to hold a half day Board Workshop on Community Strategic Plan on March 23rd offsite; location to be determined.

Mr. Cozad began review of Board Priorities for 2017:

- Item 3: President Corneille requested that it be changed from "complete" to "sign".
- Item 4: The legislation for the Land Exchange was not allowed a Congressional Hearing last session. However, legislation has been circulated and will be reintroduced in next two weeks.
- Item 5: There are a number of implementation activities needed to fully implement the Conservation Trust; this item is ongoing.
- Item 6: The next steps for Plunge Creek are to obtain project permits.
- Item 7: Staff is working to identify which permits are required for Mill Creek to proceed as quickly as possible before implementation.
- Item 9: Coordinating activities with Valley Municipal.
- Item 10: The governance structure for the Wash Plan Trails will need to be identified. Director Harrison suggested appointing an Ad Hoc Committee to oversee Trails Plan.
- Item 11: There will be some changes to the program therefore Staff is recommending it remain on the list.
- Item 12: This item will be discussed in Closed Session.
- Item 8: Mr. Beehler said that the ESA Item will be discussed later in the meeting.

Director Raley suggested that an overview of the Robertson's Ready Mix Agreement at a regular Board Meeting. President Corneille requested that the Operations & Maintenance Manual be updated and added to priority list. He requested that an Operations Committee be scheduled to review and a field tour be scheduled. Mr. Cozad indicated that staff has compiling several items for addition to manual. A finalized Board Priorities list will be included in package for February Board meeting.

It was moved by Director Raley and second by Director Longville to approve Board Priorities for 2017 with proposed revisions to be incorporated. 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. AUDITOR PROCUREMENT AND SELECTION FOR 2017

Mr. Cozad presented this item for discussion indicating that a list of those who submitted proposals is included in memo beginning on package page 44. The Ad Hoc Audit Committee recommended that Rogers, Anderson, Malody and Scott (RAMS) be selected for the next audit. The amount is not to exceed, \$25,135 if they complete all tasks 1-3.

It was moved by Director Raley and second by President Corneille to authorize the General Manager to enter into an agreement for an amount not to exceed \$25,135 for 2016-2017 audit. 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**

D. CEQA COMPLIANCE DOCUMENT PREPARATION MILL CREEK DIVERSION AND DEBRIS MANAGEMENT IMPROVEMENT PROJECT

Mr. Beehler presented this item for discussion. He stated that some time ago an USCOE flood facility was built around the District's Mill Creek Diversion facility. Due to this factor it requires the District to obtain a 408 Permit before it can make any modifications to this diversion structure. Since the Mill Creek Diversion facility is located on SBFCD property they will need to be the ones to file for a 408 Permit with the USCOE. SBFCD will need to make a determination on whether the District needs the permit and file with the USCOE. The District will need to make an environmental determination to move to the next step. Mr. Beehler stated the District will need to file a Mitigated Negative Declaration and that there may be positive impacts to Waters of the US. Staff will be working on a Cultural Report and a Jurisdictional Delineation which are both needed to file for 404 Permit. Staff is asking for authority to contract for

documentation to support a CEQA determination from the Board. Jericho Systems is recommended as the sole source consultant to prepare necessary documents. The District has an easement and will be filing for an Encroachment Permit with SBCFCD.

It was moved by Vice President McDonald and seconded by Director Harrison to authorize Staff to enter into agreement with Jericho Systems for preparation of a Mitigated Negative Declaration not to exceed \$25,770. 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. RESERVE POLICY REVISION AND REALLOCATION

Mr. Cozad introduced this item for discussion. The Finance & Administration Committee reviewed this item at its last meeting and recommends approval of Reserve Policy and allocations as proposed in package. Mr. Cozad said that each year after the Audit is finalized staff reviews Reserve Levels for potential changes. Staff proposes that the Board authorize the transfer of \$200,000 from the Land Reserve to the General Fund Reserve.. It was also recommended that \$750,000 be transferred from Groundwater Recharge Reserve to Capital Improvement/Equipment Reserve for Mill Creek and Plunge Creek projects. Mr. Cozad briefly provided explanation of recent CalPERS discount rate change. Discussion ensued. Staff will bring back additional explanation to Finance & Administration Committee as requested by Vice President McDonald and report back to the Board. President Corneille proposed minor revisions to Reserve Policy. He commended staff on the detailed allocation of each reserve enterprise.

It was moved by Director Raley and seconded by Vice President McDonald to approved the revised Reserve Policy and authorize transfers among reserve funds. 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. DISTRICTS RECORDS DESTRUCTION

President Corneille thanked Document Imaging Intern, Gilbert Chavez for his efforts on preparing the destruction logs and his work on records retention and destruction of District documents. Mr. Cozad indicated that items required by policy that a scanned copy have been retained. Discussion ensued regarding records retention.

It was moved by Director Harrison and seconded by Director Raley to approve Destruction Logs #00010-00012, 00014 as presented within Board Packet. 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. ACWA JPIA EXECUTIVE COMMITTEE NOMINATION

President Corneille presented this item for discussion and thanked Vice President McDonald for representing the District and serving on the Executive Committee.

It was moved by Director Raley and seconded by Director Longville to approve Resolution No. 542 nominating Vice President McDonald for the ACWA JPIA Executive Committee. 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 REGION 9 NOMINATION

It was moved by Director Raley and seconded by Vice President McDonald to approve Resolution No. 543 nominating Director Harrison for the ACWA Region 9 Board. 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. LEGISLATIVE AND REGULATORY PLATFORM

President Corneille requested that the Legislative and Regulatory Platform be pulled from the agenda for the Outreach & Communications Committee's review. He also proposed that the Committee review the outreach budget and activities for 2017.

**It was moved by President Corneille and seconded by Director Harrison to pull the Legislative and Regulatory Platform from the agenda for Outreach & Communications Committee review. 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

6. INFORMATION ITEMS

A. WASH PLAN REPORT

Mr. Beehler indicated that the Wash Plan Report is included on Board Package on pages 72-74. He said the HCP document is complete and the EIR/EIS are in preparation. The first two chapters of the EIR/EIS will be available for Resource Agency review sometime this week. The Implementing Agreement has been reviewed and been to the region for review; several comments were received. The congressional session ended without a hearing on the Land Exchange Bill and the legislation will be reintroduced by Congressman Cook/Aguilar and has been rewritten to align with Feinstein Bill. The MOU with FCD has been adopted by the Board of Supervisors. The Conservation Trust Application requesting to hold and manage mitigation land has been sent to the State Office for review and was approved for completeness and sent back to region for final processing. The BLM MOU related to Wash Plan is moving forward and staff has met with new field director. CADFW and BLM may enter into a Durability Agreement to manage land in perpetuity. There is a program of the Coastal Conservancy, Santa Ana River Plan which now incorporates the District's Trails Plan and river crossing so that the District is able to potentially receive bond funding from the State to help fund those items in the Plan. It will be circulated this summer. No entity has been identified to file for trails permitting yet. This will be determined once governance is discussed and identified. President Corneille requested that staff bring back a series of steps that the need to be taken to implement trails.

B. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report is included in the Board Package on pages 75-77. He stated that the diligence report for the Conservation Trust was a district success prepared by staff and legal counsel. Field staff has been busy with active recharge; the water is full of silt and algae due to SWP water. Therefore there will be some operational issues. There has been a significant amount of recharge primarily in Mill Creek since SCE is out. The COE is building up their debris pool and will probably begin releasing flows once the pool is full. Mr. Cozad stated that staff is working on the budget for next fiscal year and working on identifying a Preliminary Groundwater Budget in order to select groundwater charge rate. Total recharge through December 2016 is 5,627 AF. This item was received and filed.

C. FUTURE AGENDA ITEMS & STAFF TASKS

Vice President McDonald requested that the Finance & Administration Committee review the CalPERS revisions as outlined in recent newsletter at their next meeting. President Corneille requested Field Tour and Operations Committee meeting, date to be determined. Outreach & Communications date will need to be identified as well. Special Workshop on Strategic Plan will

be held on March 23rd; time and location to be determined by staff. CalPERS update will be given at February Board meeting.

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

Director Raley attended the EVWD Board meeting on December 14th and Redlands Rise N Shine on January 6th.

Director Longville attended the Valley Municipal Board meeting on January 6th and on December 13th he swore in Mayor Deborah Robertson and City Clerk Barbara McGee.

Director Harrison attended Governance Training on December 8th. He attended ASBCSD Dinner meeting in Yucaipa on December 12th and December 13th the HACC Quarterly Breakfast. Director Harrison attended the SBACC Meeting on December 14th.

President Corneille attended the Valley Municipal Board meeting on December 20th and January 3rd.

Vice President McDonald attended Valley Municipal Board meeting on January 3rd and December 20th. She attended the Valley Municipal Board Workshop on January 4th, HACC Quarterly Breakfast on December 13th, SBACC Koffee Klatch on December 21st.

8. UPCOMING MEETINGS

President Corneille said that March 9th is the next Advisory Commission on Water Policy meeting at Valley Municipal.

9. CLOSED SESSION

It was moved by Vice President McDonald and seconded by Director Longville to adjourn to Closed Session. 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**

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

At 4:47 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted pursuant to 54957.1 (a) (2) that the Board gave authority to initiate or intervene in litigation that the specifics of the parties and the litigation would be disclosed after the litigation was initiated, consistent with the terms of the statute.

10. ADJOURN MEETING

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

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

At 4:48 p.m. the meeting adjourned to the next regular Board Meeting February 8, 2017 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager