



GROUNDWATER CHARGE PUBLIC HEARING/BOARD OF DIRECTORS
MEETING AGENDA

Wednesday, May 31, 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 normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website. It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Monge at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. ADDITIONS/DELETIONS TO AGENDA

Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

**3. PUBLIC HEARING RELATED TO ADOPTION OF GROUNDWATER CHARGE
- 10 minutes**

Article 1, Section 75560 of the California Water Code requires that a Water Conservation District that proposes to levy a groundwater charge "...shall annually cause to be made an engineering investigation and report upon groundwater conditions of the District." District staff will present the annual Bunker Hill Engineering Investigation Report and review the Groundwater Replenishment Program annual budget

and groundwater charge. District staff is recommending the groundwater charge be increased by 4% to \$3.36 per acre-foot for groundwater production for agricultural production use and the non-agricultural production use to \$12.08, for Fiscal Year July 1, 2017 to June 30, 2018. The purpose of the groundwater charge is to fund the District's continuing groundwater replenishment efforts. District staff will present any written comments received and the board will hear oral comments.

- Open Public Hearing
- Receive Public Comments or Testimony
- Close Public Hearing
- Consider Approval of Resolution No. 5534

4. **CONSENT CALENDAR**

- A. Approval of Board Minutes, April 26, 2017 9
- B. Approval of Strategic Planning Workshop Minutes, May 3, 2017..... 14
- C. Approval of Expenditure Report, April 2017 17

5. **COMMITTEE REPORTS /ACTION ITEMS**

Other Board Actions

- A. UNAUDITED FINANCIAL REPORTS, April 2017 - 5 minutes (M#1495) 25
Presenter: Daniel Cozad
Recommendation: Review and approve the unaudited financials for April 2017.

- B. WASH PLAN HCP PRE-PERMIT PROJECT REVIEW PROCESS (M#1496)31
Presenter: Jeff Beehler
Recommendation: The Wash Plan Task Force and Staff recommend the Board authorize staff to implement the Wash Plan project review process prior to HCP Incidental Take Permit issuance in support of the Task Force.

6. **INFORMATION ITEMS:**

- A. Wash Plan report – 5 Minutes..... 34
- B. General Manager’s Report and Monthly Recharge Report – 5 Minutes 37
- C. Groundwater Council Report..... 43
- D. Future Agenda Items & Staff Tasks

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

8. **UPCOMING MEETINGS:**

- A. June 7, 2017 Strategic Planning Workshop, 1:30 p.m. at Conservation District
- B. June 8, 2017 Advisory Commission on Water Policy, 6:30 p.m. at Valley Municipal
- C. June 14, 2017 Board of Directors Meeting, 1:30 p.m. at Conservation District
- D. June 19, 2017 Association of San Bernardino County Special Districts’

Dinner, 6:30 p.m. hosted by ASBCSD, Location: The Wood Grill Buffet (Hesperia)
Topic: *Financing vs Pay As You Go*/Speaker: Rick Brandis (Brandis Tallman, LLC)

E. June 20, 2017

San Bernardino Valley Municipal Water District Board of Directors Meeting at 2:30 p.m. at Valley Municipal

9. **CLOSED SESSION**

1. The Board will meet in Closed Session under 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.
2. The Board will meet in Closed Session under 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.
3. The Board may convene in Closed Session for Conference with Real Property Negotiators - Pursuant to Government Code Section 54956.8 - Property APN No. 029707110 and 029707116 Owner: Ott Properties - Under Negotiation: Price and Terms of purchase, Negotiator: Daniel Cozad Negotiating Parties Ott Properties/Carbon One Consultants and San Bernardino Valley Water Conservation District.

10. **ADJOURN MEETING. The Board Budget Workshop will convene immediately after the meeting** and the next regular Board meeting will be on June 14, 2017 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

RESOLUTION NO. 553

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION
DISTRICT ESTABLISHING A GROUNDWATER CHARGE ON THE PRODUCTION OF
GROUNDWATER WITHIN DISTRICT BOUNDARIES, AND MAKING CERTAIN
FINDINGS RELATIVE THERETO**

WHEREAS, California Water Code, Division 21, Part 9 provides authority for the San Bernardino Valley Water Conservation District to consider and impose a groundwater charge on groundwater production within the District; and

WHEREAS, the California Legislature has found, in Water Code Section 75521, that such groundwater charges are in furtherance of District activities in the protection and augmentation of water supplies for users, which are necessary for the public health, welfare and safety; and

WHEREAS, Water Code Section 75523 allows for the use of proceeds from a groundwater charge for any District purposes, which may be authorized by law; and

WHEREAS, The District has presented a budget showing the needs and uses of the Groundwater Charge for 2017-2018 water year; and

WHEREAS, at the regular meeting of the Board of Directors on March 15, 2017, the District accepted an engineering investigation report, relating to groundwater conditions in the Bunker Hill Basin underlying the District boundaries; and

WHEREAS, the Engineering Investigation and preliminary Groundwater Enterprise Budget and rate options were presented to the Basin Technical Advisory Commission on April 3, 2017; and

WHEREAS, The BTAC and Basin Producers, as well as the District, have proposed a Groundwater Council, and in connection with that proposal are currently exploring alternative funding sources and approaches to offsetting the costs of the management and replenishment of regional groundwater basin supplies, and allocating such costs to users, but such alternative remains in the discussion stages; and

WHEREAS, the District provided mailed notice to all groundwater producers within its District boundaries of a public meeting held on April 12, 2017, and public hearings held on April 26, 2017 and May 31, 2017 inviting all groundwater producers and all persons interested in the condition of groundwater or surface water supplies of the District to appear and submit evidence, and inviting all water producers to examine the engineering investigation report; and

WHEREAS, the Board of Directors has conducted a public meeting on April 12, 2017, and a public hearing on April 26, 2017, and continued that public hearing to May 31, 2017 to receive comment and evidence submitted by the public at such hearing; and

WHEREAS, the Board has considered the engineering investigation report, and considered all comments and evidence presented to it at the public meetings and hearings; and

WHEREAS, the District has made available by wide distribution a Groundwater Enterprise Budget identifying the proposed use of the estimated Groundwater Charge proceeds, which will be subsequently incorporated in the District budget; and

WHEREAS, the District's ad valorem tax revenues are limited and the District has experienced a decrease in revenues from interest on reserves, which is expected to remain at a low rate; and

WHEREAS, on the basis of all evidence presented, including the engineering investigation and report and such public comment, the Board has determined that it is appropriate and in the best interests of the District and all those water users who rely, directly or indirectly, on the District's services, to levy a groundwater charge as further provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT AS FOLLOWS:

Section 1. As required by Water Code Section 75574, the Board hereby makes the following findings:

- A. Annual Change in Storage in those portions of the Bunker Hill Basin lying within the District's boundaries ("Bunker Hill Basin" herein), Fall 2015 to Fall 2016, is an increase of 16,820 acre-feet or more.
- B. Accumulated Change in Storage in the Bunker Hill Basin as of the Last Day of the Preceding Water Year (using 1993 as base year) is -566,555 acre-feet or more.
- C. Total Groundwater Production from the Bunker Hill Basin from the Preceding Water Year July 1, 2015 to June 30, 2016 is 158,028 acre-feet.
- D. Estimate of the Annual Change in Storage for the Current Water Year (July 1, 2016 to June 30, 2017) in the Bunker Hill Basin is -32,500 acre-feet or more.
- E. Estimate of the Annual Change in Storage for the Ensuing Water Year (July 1, 2017 to June 30, 2018) in the Bunker Hill Basin is -332 acre-feet.
- F. Average Annual Change in Storage for the Immediate Past Ten Water Years in the Bunker Hill Basin is -28,293 acre-feet or more.
- G. Estimated Amount of Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2017 to June 30, 2018) is 15,988 acre-feet.
- H. Estimated Amount of Other-than-Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2017 to June 30, 2018) is 91,495 acre-feet.
- I. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2017 - June 30, 2018) within the Bunker Hill Basin is 67,613 acre-feet.
- J. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2017 - June 30, 2018) for the District is 52,754 acre-feet.
- K. The Amount of Water which is Necessary for the Replenishment of the Groundwater Supplies of the Bunker Hill Basin to maintain constant groundwater supplies for the Ensuing Water Year (July 1, 2017 to June 30, 2018) is 144,044 acre-feet.
- L. The Amount of Water which is necessary from all sources, including natural recharge to bring the basin back to its "full" condition of 1993 is 743,099 acre-feet.

Section 2. The Board of Directors hereby finds that the entire District constitutes a single zone of benefit for the imposition of this charge. The basis for this finding is that the entire portion of the basin underlying the District boundary is fed by the same naturally occurring surface flows. Although the basin may be divided into various subparts, because of hydrogeologic conditions these areas are interconnected, and water recharged by the District from its existing recharge facilities contributes to underground "flows" which eventually reach other subparts of the basin. Thus, the District's recharge inures to the benefit of users in other areas by enhancing the availability of water supplies throughout the basin. In addition, the District maintains both the availability of surface water flows for groundwater recharge, and the facilities for accommodating the recharge, whether by the District or by other parties pursuant to collaborative regional groundwater management efforts.

Section 3. The Board finds that there is no past accumulation of the amount of water necessary to be replaced in the intake areas of the groundwater basins within the District to prevent the landward movement of salt water into the fresh groundwater body, or to prevent subsidence of the land within the District, either in the past water year or the proceeding 10 years, nor is there likely to be any amount of water necessary for these purposes in the ensuing water year. The Board further finds that the District is not obligated by contract to purchase any water. The Board also finds that further recharge of the basin is required based upon the findings related to change in storage stated in Section 1 above, to prevent depletion or degradation to the basin's groundwater supplies, to enhance both the availability and accessibility of such supplies, and to replenish, augment, and protect such supplies, and that the proceeds of the groundwater charge established hereon shall be used for such purposes.

Section 4. The Board of Directors hereby levies, assesses and affixes a groundwater charge in the amount of \$3.36 per acre-foot for agricultural water (\$75508), and in the amount of \$12.08 per acre-foot for non-agricultural water the latter being 3.59 times the agricultural rate. The comparative difference in rates is consistent with Water Code Section 75594 whose constitutionality is currently under review in *City of San Buenaventura v. United Water Conservation District*, presently briefed and awaiting hearing before the California Supreme Court in Case No. S226036 (review granted of Second Appellate District, Division Six, Case No. B251810). Further, the amount of non-agricultural production in the District is roughly five times that of agricultural production, based upon findings Nos. 1(G) and (H) above, which is proportional to the Water Code section 75594 legislated differential in rates based upon the type of use, and is also therefore proportional to the benefit of the District's groundwater recharge activities to the different types of users. Late charges on delinquent accounts will be 1%

interest per month in accordance with Water Code §75615 et seq. and any additional actual costs to collect delinquent amounts not paid by August 1, 2017 and February 1, 2018. Deposit or prepayment of production costs may be made by written agreement with the District. Direct production of water for agricultural use on Golf Courses by the owners of the course will be set at a rate equal to the Agricultural rate, in accordance with California Water Code §75592 and §75594. Exemptions: Notwithstanding the foregoing, for producers who can demonstrate either (1) that their production for the water year is restricted to basic, personal residential use limited to the property on which the applicable groundwater production facility is based; or (2) that their production for the water year is restricted to agricultural use limited to the property on which the applicable groundwater production facility is based, and in either instance, the total cumulative production for the applicable producer within the District is not in excess of two (2) acre feet over the course of the water year; such production shall be exempted from the groundwater charge provided the producer documents its exemption prior to bi-annual collection of the groundwater charge. In establishing this exemption, the Board finds that the likely revenues to be derived from the groundwater production subject to the exemption is outweighed by the administrative burdens in administering and collecting the charge. The District General Manager is authorized to waive late fees with explanation and request from payees or if the cost of recovery outweighs the fee to be collected.

Additionally, in accordance with the Groundwater Council or similar organizational structure currently under study, participants may agree on a mechanism to provide funding for the procurement of additional import water and support the percolation of water for the groundwater basin. The District is mindful that such process, and the funding mechanisms it may generate, may result in overlap with the District's existing groundwater charge, and the District has committed that it will work to assure that basin producers do not face duplicative charges. Pending approval and funding of the Groundwater Council, however, and identification of its funding sources, the District's groundwater charge remains necessary to fund the items identified in the District's Groundwater Enterprise Budget.

Section 5. In connection with fixing the groundwater charge as set forth in Section 4 above, the Board of Directors makes the following findings:

- A. There is an evolving issue under the law regarding whether the District's groundwater charge is a "property-related charge" for purposes of determining the applicability of Article XIID of the California Constitution. (See, e.g., *Great Oaks Water Company v. Santa Clara Valley Water District*, South Appellate District, Case No. H035260; *City of San Buenaventura v. United Water Conservation District*, presently pending before the California Supreme Court in Case No. S226036 (review granted of Second Appellate District, Division Six, Case No. B251810) The District believes that its charge likely is not a "property-related charge," based on the findings regarding the charge recited below, but in acknowledging the evolving law on this point, has endeavored to comport with all procedural requirements attendant to a water-related, property-related charge under Article XIID.
- B. The groundwater charge is imposed upon the action of extraction of groundwater from the basin underlying the District's boundaries, and not on property or groundwater extraction facilities as such. The groundwater charge will be incurred by groundwater producers through their voluntary action of groundwater production. The groundwater charge is not one for water delivery by the District to groundwater extractors, but rather relates to the District's service of maintaining groundwater supplies, recharge facilities, and management of both for groundwater extractors within the District. The District maintains no pipes, canals or other facilities directly connecting District facilities to the groundwater extractors' property or pumping facilities. In addition, parties subject to the groundwater charge are predominantly either public or private entities involved in the business of providing water, or persons or entities involved in irrigation, for agricultural-related activities, and for uses of water exceeding what would be required for basic residential use of the property.
- C. The District has provided notice of the proposal for imposition of the groundwater charge through a number of different avenues. Mailed notice was provided to all operators reflected on the District's records as containing active groundwater production facilities within the District. In addition, published notice was provided in the San Bernardino Sun on March 3, March 10, and March 17, 2017 and in the Highland Community News on March 3, March 10, and March 17, 2017. All such notices identified the prior and proposed existing rate for agricultural and non-agricultural water, the estimated total revenue to be collected from the charge, and the time and place for public hearing at a public meeting at which parties objecting to the charge could appear and be heard. That notice also reflected the rate and method of calculation for this consumption-based charge, which provided notice of the basis of the charge.
- D. The proposed groundwater charges, and engineering investigation prepared by the District, were reviewed at a public meeting held April 12, 2017, and public hearings held April 26, 2017 and May 31, 2017. In addition, the engineering investigation prepared by the District was presented to and reviewed with the Board of Directors at a public meeting on March 15, 2017, and was discussed at the Basin Technical Advisory Commission on April 3, 2017.

- E. The groundwater charge is being levied to assist in offsetting the costs of the District's Groundwater Enterprise in providing groundwater supplies, groundwater recharge facilities, and recharge management and administration for the benefit of groundwater producers within the District. The Groundwater Enterprise Budget includes, but is not limited to, funding the following:
1. Making available the District's Santa Ana River water rights, in an amount no less than 10,400 acres per feet per year, for recharge into the Bunker Hill Basin;
 2. Conducting groundwater recharge activities by diverting both Santa Ana River and Mill Creek water supplies into District's recharge facilities;
 3. Applying the District's experience and expertise in directing groundwater recharge effectively and efficiently, administering the physical recharge of groundwater both directly for the District and its water supplies, and recharging on behalf of other entities, including exchanges under the Santa Ana River/Mill Creek Cooperative Water Project Agreement;
 4. Maintaining and operating the District's diversion works, recharge basins and canals to insure the availability of sufficient infrastructure to accommodate needed groundwater recharge; and defense and protection of the District's water rights and manner of operations;
 5. Pursuing various environmental permits and related permissions to continue the maintenance and operation of the District's Facilities for the future and to provide for potential expansion of facilities for Bunker Hill recharge;
 6. Investigation and implementation of improvements to groundwater recharge infrastructure;
 7. Reporting to groundwater producers and other interested parties of groundwater recharge activities and conditions, including but not limited to the daily flow report;
 8. Conducting engineering analyses, such as the District's annual engineering investigation, designed to provide information regarding the District's groundwater basin and groundwater recharge facilities; and
 9. Administrative support, training and overhead for all the above-listed activities.
- F. The total amount of estimated revenues from the groundwater charge is estimated at approximately \$737,026 based on production reported for the 2016-2017 water year. These revenues do not fully recover expected cost and will not exceed the costs of providing the services as detailed above, in that the District's Groundwater Enterprise Budget for fiscal year 2017-2018 proposes \$766,507.
- G. The amount of groundwater charge paid by each individual payor will not exceed the benefit of the Conservation District's services to such parties, because the structure of the groundwater charge is such that the amount paid varies in direct proportion to the amount of groundwater supplies extracted, and therefore is proportional to the benefit each individual payor receives from the District's services.
- H. The District's services are immediately available to all parties subject to the charge, because the charge is limited to those extracting groundwater, and therefore able to take advantage of the District's services relative to groundwater recharge activities, facilities, and programs.
- I. The District's services are directed toward groundwater production and extractors, and are not generally available to parties not involved with groundwater extraction, as are other general governmental services such as police, fire, library, or other broad governmental services. The District's service is directed toward, and of benefit to, parties utilizing and extracting groundwater in the District.

Section 6. District staff is directed to prepare a report at the end of the water year for which the charge levied herein is imposed, detailing the revenues collected from the groundwater charge, and describing the purposes and expenses to which such revenues were applied toward the services detailed in Section 5(D) above.

Section 7. The Board of Directors further finds that the groundwater charge adopted herein is statutorily exempt from CEQA under Title 14, California Code of Regulations Sections 15273, 15301, and 15306. The action contemplated herein constitutes a structuring and establishment of a charge which will be used in part for meeting operating expenses and for purchasing or leasing equipment and materials. To the extent the groundwater charge revenues will be applied to groundwater testing, these activities fit within Title 14, California Code of Regulations Section 15306. Such activities involve the occasional taking of groundwater samples by means of temporary equipment, which will not cause any alteration to the land, and consist solely of information gathering. To the extent any portion of the funds is directed to maintenance, operation, or repair of existing facilities, involving no or negligible expansion of existing uses, these activities fit within Title 14, California Code of Regulations Section 15301. To the extent any portion of the funds is directed to construction

or establishment of new facilities, environmental review of such facilities will occur at such time those facilities are proposed, and the nature, location, scope, and function of such potential future facilities becomes known. Under each of the above-referenced exemptions, therefore, the Board of Directors finds that the levy and implementation of the groundwater charge is therefore properly exempt from CEQA.

Section 8. The General Manager is hereby authorized and directed to provide notice to operators of the levy of the groundwater charge, as provided for in Water Code Section 75610.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors this 31st day of May 2017, by the following roll-call vote:

YES:	DIRECTORS:
NO:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

ATTEST:

Richard Corneille, President

Daniel Cozad, Secretary

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF April 26, 2017
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
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
Athena Monge, Administrative Services Specialist

GUESTS PRESENT:

David E. Smith, East Valley Water District

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. PUBLIC HEARING RELATED TO ADOPTION OF GROUNDWATER CHARGE

President Corneille opened the Groundwater Public Hearing. Mr. Cosgrove stated that the EI Report was presented at the February 8th Board of Directors meeting and adopted at the March 15th Board of Directors meeting. The Groundwater Enterprise Budget was presented at the February 8th Board of Directors meeting. Mr. Cosgrove sought any public present who wished a

presentation on the EI Report or Groundwater Enterprise Budget. Mr. Cozad stated that no written or oral comments have been received. Vice President McDonald noted that she will not be able to attend the May 31st Groundwater Charge Public Hearing and spoke in support of the 4% increase for fiscal year 2017-2018. Mr. Cosgrove noted that the Draft Groundwater Charge Resolution No. 553 is included on package pages 13-18 for review and comment. President Corneille asked for any public who would like to speak on the groundwater charge. There being none, President Corneille continued the Groundwater Charge Public Hearing to May 31st.

It was moved by President Corneille and seconded by Vice President McDonald to continue the Groundwater Charge Public Hearing to May 31st. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

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

4. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by Director Raley to approve Consent Calendar Item A: Board Minutes, April 12, 2017. The motion carried 3-0 with all Directors present voting in the affirmative and Director Harrison and Longville noted absent from the vote.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. THIRD QUARTER FINANCIALS FOR 2016-2017

Vice President McDonald introduced this item for discussion. The Finance & Administration Committee met on April 21st and discussed the Reserve Policy and the changes proposed by the Operations Committee. The Operations Committee recommended maintenance items be left in the operations and maintenance budget rather than capital. Mr. Cozad said that revisions have been reviewed with auditor and will be presented in detail at the Budget Workshop on May 31st.

Mr. Cozad stated third quarter financials are included on package pages 28-29. He indicated that the majority of expenses and revenue are in line with prior projections. Mr. Cozad said that groundwater revenue and Wash Plan revenue have been received since last quarter. Costs for basin cleaning are higher than projected since it has been a wet year. The Quarterly Investment Report is included on package pages 30-31.

It was moved by Vice President McDonald and seconded by Director Raley to receive and file the Third Quarter Unaudited Financials for 2016-2017. The motion carried 3-0 with all Directors present voting in the affirmative and Director Harrison and Longville noted absent from the vote.

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

B. PUBLIC RECORDS REQUEST CONSIDERATIONS AND DRAFT POLICY

Mr. Cosgrove drafted revisions to the Public Records Request Policy and the Finance & Administration Committee reviewed revisions. The proposed revisions to the policy are included in redline on package pages 34-40. Mr. Cosgrove noted that the District has created District hosted email accounts for each Board Member to utilize for all of their electronic written communications related to District business. He recommended the Board utilize the District hosted email to take some of the burden off of the Board Members if a public records request were to arise particularly because these requests are time sensitive. If a District communication is on the District server, it expedites the response time and streamlines the search process. Mr. Cosgrove has developed an affidavit on package page 40. Vice President McDonald said this item was discussed at the Finance & Administration Committee on April 21st and the Committee recommends approval of revisions to the policy.

It was moved by Vice President McDonald and seconded by Director Longville to approve changes to the Public Records Request Policy with minor 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**

C. ANNUAL DISCLOSURE OF BOARD MEMBER AND STAFF REIMBURSEMENTS FOR 2015-2016

President Corneille stated that a revised handout has been provided to the Board. He noted that this report is for reimbursements to Staff and Board Members that are over \$100 and does not list all of Staff and Board Member expenses.

It was moved by Director Longville and seconded by Vice President McDonald to approve the Annual Disclosure of Staff and Board Member Reimbursements for 2015-2016 as listed in 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

D. BOARD MEETING CALENDAR REVISIONS

President Corneille introduced this item for discussion. He asked the Board if it should keep the May 24th Board of Directors Meeting in addition to the required May 31st Groundwater Charge Public Hearing. Vice President McDonald recommends keeping both scheduled meetings. She noted she will not be available to attend the May 31st Groundwater Charge Public Hearing. Director Raley and President Corneille spoke in support of cancelling the May 24th Board of Directors Meeting.

It was moved by Director Raley and second by President Corneille to cancel the May 24th Board of Directors Meeting. The motion carried 3-2 with President Corneille, Director Raley and Director Longville voting in the affirmative and Vice President McDonald and Director Harrison voting in opposition of the motion.

President Corneille: Yes
Vice President McDonald: No
Director Longville: Yes
Director Raley: Yes
Director Harrison: No

6. INFORMATION ITEMS

A. STRATEGIC PLANNING WORKSHOP RANKING REVIEW

Mr. Cozad presented this item for discussion. He provided a handout of Strategic Planning Issues Ranking. The next topics to be discussed at the May 3rd Strategic Planning Workshop are A) Additional Recharge and E) Boundary Expansion.

B. FUTURE AGENDA ITEMS & STAFF TASKS

Mr. Cozad provided a handout of the proposed changes to the HR 497 bill; noting that they are not substantive. He noted the Ad Hoc Trails Committee will meet on June 1st at 2:30 p.m.

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

Director Harrison attended the ASBCSD Dinner Meeting on April 17th and Valley Municipal Board Meeting on April 18th.

Director Raley attended the Valley Municipal Water Use Efficiency Committee Workshop on April 19th and Wash Plan Task Force Meeting on April 18th.

Vice President McDonald attended the ASBCSD Dinner Meeting on April 17th, Valley Municipal's Board of Directors Meeting on April 18th, Finance & Administration Committee on April 21st, and Highland Area Chamber of Commerce Luncheon on April 25th.

Director Longville attended the ASBCSD Dinner Meeting on April 17th.

President Corneille made no report.

8. UPCOMING MEETINGS

President Corneille noted that Valley Municipal will hold a field tour on May 5th of their facilities.

9. ADJOURN MEETING

It was moved by Director Harrison 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 2:34 p.m. the meeting adjourned to the next regular Board Meeting and Groundwater Public Hearing scheduled for May 31, 2017 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
STRATEGIC PLANNING WORKSHOP

MINUTES OF May 3, 2017
1:30 P.M.

President Corneille called the Workshop of the Board of Directors to order at 1:30 p.m.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President (Departure 3:41 p.m.)
David E. Raley, Director
John Longville, Director
T. Milford Harrison, Director (Departure 3:13 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker

STAFF PRESENT:

Daniel Cozad, General Manager
Jeff Beehler, Land Resource Manager
Athena Monge, Administrative Services Specialist
Katelyn Scholte, Assistant District Engineer

GUESTS PRESENT:

None

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. STRATEGIC PLANNING WORKSHOP

Mr. Cozad reviewed the strategic planning process and the ranking of issues using PowerPoint. The first issue being discussed today is Item A-Additional Recharge. The goal of the District is to improve recharge in the Bunker Hill Groundwater Basin (Basin) to assist in achieving sustainability of water supply. President Corneille spoke on centralized capture and current practices of other agencies. Vice President McDonald stated that the District does not necessarily need to own the land where recharge occurs. Mr. Cozad indicated that the District can do additional recharge on District-owned lands, on other lands inside the District Boundary or possibly through agreement for lands outside District boundaries. If the land is outside District boundaries and sphere, the District would likely need to seek LAFCO approval. Mr. Cozad stated that the District may identify whether or not it believes it needs additional recharge and if it needs the operational flexibility to recharge that water differently than it currently operates. There is potential for recharge on the Mendoza Property. The District can put additional recharge basins on the property or a canal. The canal seems to be the most cost efficient. There may be an opportunity to put additional recharge basins west of the current project in Plunge Creek; however, the District only owns part of the land. The other part is owned by BLM and SBCFCD; this is an example of an area outside the current boundaries. The District is currently operating at maximum basin capacity. Mr. Cozad asked for feedback from the Board.

Director Raley suggested focusing on additional storm water capture. He indicated that it may be unclear whether additional recharge is needed with partner agency projects under way. President Corneille stated staff should focus on maximizing its existing facilities first and come up with a plan for recharge on the Mendoza Property. Vice President McDonald said that if the District expands its boundaries, it should look for more opportunities to purchase land similar to that of the Mendoza Property. The goal is to refill the Basin and manage the Basin appropriately.

The second issue being discussed today is Item E. - District Boundary and Sphere. The issue identified as a priority was if and how the District's boundary should change and if so when. A potential project inside of District boundaries would be to take the water going through Mission Creek for recharge since FCD indicates they have issue with stormwater flowing through in that reach of the creek. This would be an opportunity to capture and recharge water from the Zanjke/Mission Creek. Mr. Cozad reviewed the District Boundaries using the online ArcGIS map created by Katelyn Scholte. President Corneille said the Groundwater Sustainability Council should be a part of determining if we should be recharging outside of District boundaries. He believes that if there is such a project, the next logical step would be to expand District boundaries to include the project or the needs of the Council. He said that the reason for expansion would be to optimize recharge in areas like Lytle Creek and to benefit others by creating partnerships for conservation and recharge. Director Raley said that the District provides an important resource for the benefit of the community and has to protect that resource. Mr. Cozad recapped the priorities stated by the Board: 1) Maximize existing operations within District boundaries, 2) Potentially identifying opportunities near and/or outside District Boundaries and 3) Revisit who assures management of the basin.

The next Strategic Planning Workshop is scheduled for June 7th at 1:30 p.m.

4. ADJOURN MEETING

It was moved by Director Raley and seconded by Director Longville to adjourn. The motion carried 4-0 with all Directors present voting in the affirmative and Director Harrison noted absent from the vote.

President Corneille: Yes

Vice President McDonald: Yes

Director Longville: Yes

Director Raley: Yes

Director Harrison: Absent

At 3:44 p.m. the meeting adjourned to Regular Board Meeting and Groundwater Public Meeting scheduled for May 31, 2017 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager

San Bernardino Valley Water Conservation District
Expenditure Report
April 2017

05/03/17

Num	Date	Name	Account	Class	Original Amount
PC 04.26.17	04/26/2017	Paychex	1012 · Citizens Busine...		-78.99
			6042 · Payroll Processing	4-General Fund Ent.	78.99
TOTAL					78.99
PC 4.12.17	04/12/2017	Paychex	1012 · Citizens Busine...		-89.99
			6042 · Payroll Processing	4-General Fund Ent.	89.99
TOTAL					89.99
ACH0090	04/17/2017	Melody McDonald	1012 · Citizens Busine...		-743.44
			6410 · Mileage	4-General Fund Ent.	102.19
			6425 · Meals	4-General Fund Ent.	92.86
			6415 · Air Fare	4-General Fund Ent.	473.88
			6420 · Other Travel	4-General Fund Ent.	74.51
TOTAL					743.44
ACH0091	04/17/2017	T. Milford Harrison	1012 · Citizens Busine...		-8.56
			6410 · Mileage	4-General Fund Ent.	8.56
TOTAL					8.56
ACH0092	04/24/2017	T. Milford Harrison	1012 · Citizens Busine...		-50.29
			6410 · Mileage	4-General Fund Ent.	50.29
TOTAL					50.29
ACH0093	04/24/2017	Raley, David	1012 · Citizens Busine...		-46.01
			6410 · Mileage	4-General Fund Ent.	46.01
TOTAL					46.01
20622	04/10/2017	Corneille, Richard	1012 · Citizens Busine...		-43.87
	04/10/2017		6410 · Mileage	4-General Fund Ent.	43.87
TOTAL					43.87
20623	04/10/2017	County of San Bernardi...	1012 · Citizens Busine...		-100.00
	03/24/2017		1450 · Prepaid Expenses	1-Groundwater Ent.	100.00
TOTAL					100.00
20624	04/10/2017	Cozad, Daniel B	1012 · Citizens Busine...		-161.04
	03/24/2017		6510 · Mileage	4-General Fund Ent.	161.04
TOTAL					161.04

San Bernardino Valley Water Conservation District
Expenditure Report
April 2017

05/03/17

Num	Date	Name	Account	Class	Original Amount
20625	04/10/2017	Daily Journal Corporati...	1012 · Citizens Busine...		-1,194.60
	03/17/2017		6091 · Public Notices	4-General Fund Ent.	238.92
			6091 · Public Notices	1-Groundwater Ent.	955.68
TOTAL					1,194.60
20626	04/10/2017	Edison - 8812	1012 · Citizens Busine...		-111.95
	04/01/2017		5420 · Electricity	4-General Fund Ent.	31.35
			5420 · Electricity	1-Groundwater Ent.	22.39
			5420 · Electricity	2-Redlands Plaza/...	58.21
TOTAL					111.95
20627	04/10/2017	Edison - Redlands Plaza	1012 · Citizens Busine...		-200.13
	04/01/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	200.13
TOTAL					200.13
20628	04/10/2017	Frontier-4860	1012 · Citizens Busine...		-477.92
	03/28/2017		5440 · Telephone	4-General Fund Ent.	233.05
			5440 · Telephone	1-Groundwater Ent.	99.88
			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					477.92
20629	04/10/2017	Frontier-7275	1012 · Citizens Busine...		-141.22
	03/19/2017		5440 · Telephone	4-General Fund Ent.	46.36
			5440 · Telephone	1-Groundwater Ent.	19.87
			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					141.22
20630	04/10/2017	ICF Jones & Stokes, Inc	1012 · Citizens Busine...		-9,537.50
	03/17/2017		5122 · Wash Plan Profe...	5-Wash Plan	9,537.50
TOTAL					9,537.50
20631	04/10/2017	IERCD	1012 · Citizens Busine...		-730.00
	03/10/2017		6060 · Outreach	4-General Fund Ent.	365.00
			6060 · Outreach	1-Groundwater Ent.	146.00
			6060 · Outreach	3-Land Resources	219.00
TOTAL					730.00
20632	04/10/2017	Jericho Systems, Inc.	1012 · Citizens Busine...		-5,000.00
	03/22/2017		1700 · Work in Progress	1-Groundwater Ent.	5,000.00
TOTAL					5,000.00

San Bernardino Valley Water Conservation District
Expenditure Report
April 2017

05/03/17

Num	Date	Name	Account	Class	Original Amount
20633	04/10/2017	Lowe's Companies, Inc.	1012 · Citizens Busine...		-36.67
	03/25/2017		5215 · Property Mainte...	1-Groundwater Ent.	29.34
			5215 · Property Mainte...	3-Land Resources	7.33
TOTAL					36.67
20634	04/10/2017	Pine Environmental Se...	1012 · Citizens Busine...		-79.94
	03/20/2017		5120 · Misc. Profession...	4-General Fund Ent.	19.99
			5120 · Misc. Profession...	1-Groundwater Ent.	15.99
			5120 · Misc. Profession...	3-Land Resources	43.96
TOTAL					79.94
20635	04/10/2017	ReadyRefresh by Nestle	1012 · Citizens Busine...		-9.69
	03/24/2017		5460 · Water / Trash / ...	1-Groundwater Ent.	9.69
TOTAL					9.69
20636	04/10/2017	San Bernardino Valley ...	1012 · Citizens Busine...		-40,000.00
	03/30/2017		1700 · Work in Progress	3-Land Resources	15,000.00
			5133 · Regional River H...	1-Groundwater Ent.	18,750.00
			5133 · Regional River H...	3-Land Resources	6,250.00
TOTAL					40,000.00
20637	04/10/2017	Valero Marketing & Su...	1012 · Citizens Busine...		-705.00
	03/30/2017		5320 · Fuel	1-Groundwater Ent.	705.00
TOTAL					705.00
20638	04/17/2017	Aaron Pederson	1012 · Citizens Busine...		-35.00
	04/09/2017		6018 · Janitorial Services	4-General Fund Ent.	35.00
TOTAL					35.00
20639	04/17/2017	American Power Security	1012 · Citizens Busine...		-475.00
	04/04/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	475.00
TOTAL					475.00
20640	04/17/2017	Assoc. San Bernardino...	1012 · Citizens Busine...		-32.00
	04/10/2017		6425 · Meals	4-General Fund Ent.	32.00
TOTAL					32.00
20641	04/17/2017	Castro Landscaping Se...	1012 · Citizens Busine...		-250.00
	03/30/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00

San Bernardino Valley Water Conservation District
Expenditure Report
April 2017

Num	Date	Name	Account	Class	Original Amount
20642	04/17/2017	Edison - 7241	1012 · Citizens Busine...		-45.99
	04/12/2017		5420 · Electricity	4-General Fund Ent.	12.88
			5420 · Electricity	1-Groundwater Ent.	9.20
			5420 · Electricity	2-Redlands Plaza/...	23.91
TOTAL					45.99
20643	04/17/2017	Edison -5552	1012 · Citizens Busine...		-377.92
	04/11/2017		5420 · Electricity	4-General Fund Ent.	99.04
			5420 · Electricity	1-Groundwater Ent.	70.74
			5420 · Electricity	2-Redlands Plaza/...	183.93
			6020 · Vacancy Marketi...	2-Redlands Plaza/...	24.21
TOTAL					377.92
20644	04/17/2017	Highland Area Chambe...	1012 · Citizens Busine...		-20.00
	03/28/2017		6425 · Meals	4-General Fund Ent.	20.00
TOTAL					20.00
20645	04/17/2017	Highland Community N...	1012 · Citizens Busine...		-1,068.75
	03/31/2017		6091 · Public Notices	4-General Fund Ent.	213.75
			6091 · Public Notices	1-Groundwater Ent.	855.00
TOTAL					1,068.75
20646	04/17/2017	Home Depot Credit Ser...	1012 · Citizens Busine...		-64.63
	03/28/2017		5215 · Property Mainte...	1-Groundwater Ent.	51.70
			5215 · Property Mainte...	3-Land Resources	12.93
TOTAL					64.63
20647	04/17/2017	Kelly Associates Mana...	1012 · Citizens Busine...		-1,427.50
	04/04/2017		5120 · Misc. Profession...	4-General Fund Ent.	356.88
			5120 · Misc. Profession...	1-Groundwater Ent.	285.50
			5120 · Misc. Profession...	3-Land Resources	785.12
TOTAL					1,427.50
20648	04/17/2017	Netsteller	1012 · Citizens Busine...		-450.00
	04/01/2017		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
20649	04/17/2017	Parts Authority Metro L...	1012 · Citizens Busine...		-30.33
	03/31/2017		5310 · Vehicle Mainten...	1-Groundwater Ent.	30.33
TOTAL					30.33

San Bernardino Valley Water Conservation District
Expenditure Report
April 2017

05/03/17

Num	Date	Name	Account	Class	Original Amount
20650	04/17/2017	Pat's Pots	1012 · Citizens Busine...		-160.00
	04/13/2017		5460 · Water / Trash / ...	4-General Fund Ent.	80.00
			5460 · Water / Trash / ...	1-Groundwater Ent.	64.00
			5460 · Water / Trash / ...	3-Land Resources	16.00
TOTAL					160.00
20651	04/17/2017	Redlands Plumbing, Inc.	1012 · Citizens Busine...		-200.00
	03/28/2017		6016 · Redlands Plaza ...	2-Redlands Plaza/...	200.00
TOTAL					200.00
20652	04/17/2017	Redlands Tire Pros & S...	1012 · Citizens Busine...		-1,285.00
	04/06/2017		5310 · Vehicle Mainten...	1-Groundwater Ent.	1,285.00
TOTAL					1,285.00
20653	04/17/2017	San Bernardino Valley ...	1012 · Citizens Busine...		-54,042.00
	04/17/2017		7053 · HCP Endowment	1-Groundwater Ent.	40,531.50
			7053 · HCP Endowment	3-Land Resources	13,510.50
TOTAL					54,042.00
20654	04/17/2017	Smart & Final	1012 · Citizens Busine...		-122.78
	04/05/2017		6004 · Meeting Expenses	4-General Fund Ent.	56.49
			6004 · Meeting Expenses	3-Land Resources	56.48
			6019 · Janitorial Supplies	4-General Fund Ent.	5.89
			6019 · Janitorial Supplies	1-Groundwater Ent.	3.92
TOTAL					122.78
20655	04/17/2017	Sonsray Machinery	1012 · Citizens Busine...		-993.11
	04/11/2017		5210 · Equipment Maint...	1-Groundwater Ent.	993.11
TOTAL					993.11
20656	04/17/2017	Stanley Convergent Se...	1012 · Citizens Busine...		-340.14
	04/03/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	226.76
			1450 · Prepaid Expenses	2-Redlands Plaza/...	113.38
TOTAL					340.14
20657	04/17/2017	Terminix	1012 · Citizens Busine...		-66.00
	03/23/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.00
TOTAL					66.00
20658	04/17/2017	Thomas Purvis	1012 · Citizens Busine...		-221.23
	04/12/2017		6051 · Uniforms	4-General Fund Ent.	66.37
			6051 · Uniforms	1-Groundwater Ent.	154.86
TOTAL					221.23

San Bernardino Valley Water Conservation District
Expenditure Report
April 2017

05/03/17

Num	Date	Name	Account	Class	Original Amount
20659	04/17/2017	Watermaster Support S...	1012 · Citizens Busine...		-515.00
	04/04/2017		5120 · Misc. Profession...	4-General Fund Ent.	128.75
			5120 · Misc. Profession...	1-Groundwater Ent.	103.00
			5120 · Misc. Profession...	3-Land Resources	283.25
TOTAL					515.00
20660	04/17/2017	Wilbur's	1012 · Citizens Busine...		-148.32
	04/03/2017		5210 · Equipment Maint...	1-Groundwater Ent.	61.36
			5210 · Equipment Maint...	1-Groundwater Ent.	86.96
TOTAL					148.32
20687	04/01/2017	ACWA/JPIA-Health	1012 · Citizens Busine...		-12,635.43
	04/01/2017		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	24.67
			6110 · Vision Insurance	5-Wash Plan	21.65
			6130 · Dental Insurance	4-General Fund Ent.	112.73
			6130 · Dental Insurance	1-Groundwater Ent.	357.06
			6130 · Dental Insurance	2-Redlands Plaza/...	35.80
			6130 · Dental Insurance	3-Land Resources	104.59
			6130 · Dental Insurance	5-Wash Plan	91.74
			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	1,753.42
			6150 · Medical Insurance	5-Wash Plan	1,538.06
TOTAL					12,635.43
20688	04/01/2017	ACWA JPIA - Workers ...	1012 · Citizens Busine...		-2,396.20
	04/30/2017		6120 · Workers' Comp. ...	4-General Fund Ent.	384.83
			6120 · Workers' Comp. ...	1-Groundwater Ent.	1,218.94
			6120 · Workers' Comp. ...	2-Redlands Plaza/...	122.21
			6120 · Workers' Comp. ...	3-Land Resources	404.96
			6120 · Workers' Comp. ...	5-Wash Plan	265.26
TOTAL					2,396.20
100166N	04/10/2017	PERS	1012 · Citizens Busine...		-4,937.00
			6170 · PERS Retirement	4-General Fund Ent.	792.88
			6170 · PERS Retirement	1-Groundwater Ent.	2,511.45
			6170 · PERS Retirement	2-Redlands Plaza/...	251.79
			6170 · PERS Retirement	3-Land Resources	735.61
			6170 · PERS Retirement	5-Wash Plan	645.27
TOTAL					4,937.00

San Bernardino Valley Water Conservation District Expenditure Report April 2017

Num	Date	Name	Account	Class	Original Amount
100167N	04/17/2017	PERS	1012 · Citizens Busine...		-4,935.40
			6170 · PERS Retirement	4-General Fund Ent.	792.63
			6170 · PERS Retirement	1-Groundwater Ent.	2,510.63
			6170 · PERS Retirement	2-Redlands Plaza/...	251.71
			6170 · PERS Retirement	3-Land Resources	735.37
			6170 · PERS Retirement	5-Wash Plan	645.06
TOTAL					4,935.40
100168N	04/25/2017	PERS	1012 · Citizens Busine...		-4,927.40
			6170 · PERS Retirement	4-General Fund Ent.	791.34
			6170 · PERS Retirement	1-Groundwater Ent.	2,506.57
			6170 · PERS Retirement	2-Redlands Plaza/...	251.30
			6170 · PERS Retirement	3-Land Resources	734.18
			6170 · PERS Retirement	5-Wash Plan	644.01
TOTAL					4,927.40

San Bernardino Valley Water Conservation District

Director Fees Expenditure Payroll Report

April 2017

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
4/12/2017	Corneille, R	Mar-17	\$ 1,648.00	\$ 268.71	\$ 1,379.29
4/12/2017	Harrison, T.M	Apr-17	\$ 618.00	\$ 52.83	\$ 565.17
4/12/2017	McDonald, M	Mar-17	\$ 2,060.00	\$ 243.64	\$ 1,816.36
4/26/2017	Harrison, T.M	Apr-17	\$ 618.00	\$ 52.84	\$ 565.16
4/26/2017	Longville, J	Mar-17	\$ 824.00	\$ 296.03	\$ 527.97
4/26/2017	Raley, D	Mar-17	\$ 1,648.00	\$ 418.69	\$ 1,229.31



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. 1495

To: Board of Directors
From: General Manager, Daniel Cozad
Date: May 31, 2017
Subject: Unaudited Financials, April 2017

RECOMMENDATION

Review and approve the unaudited financials for April 2017.

BACKGROUND

Each month staff presents the unaudited financials for the District. The reports presented under this Board Letter are as of April 30, 2017.

DISCUSSION

Costs remain below budget and as expected. Cash is reduced due to a couple of larger payments made this month: MOU payment of \$54,052 to the Wash Plan for the District's share of obtaining permits and funding the Wash Plan endowment and payment to San Bernardino Valley Municipal District for Cost sharing of the USAR HCP and Mill Creek permitting fees.

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 April 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 April 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

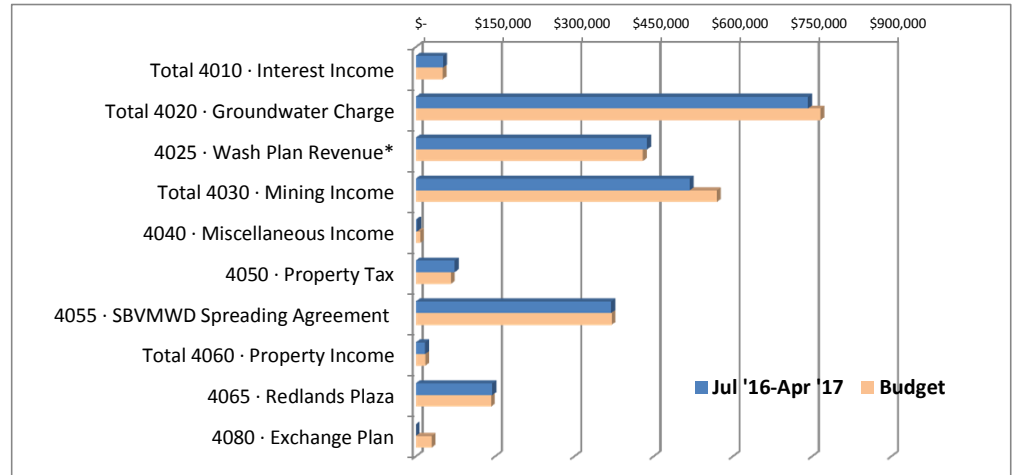
Daniel B. Cozad

SBVWCD - All Enterprises Budget and Actual

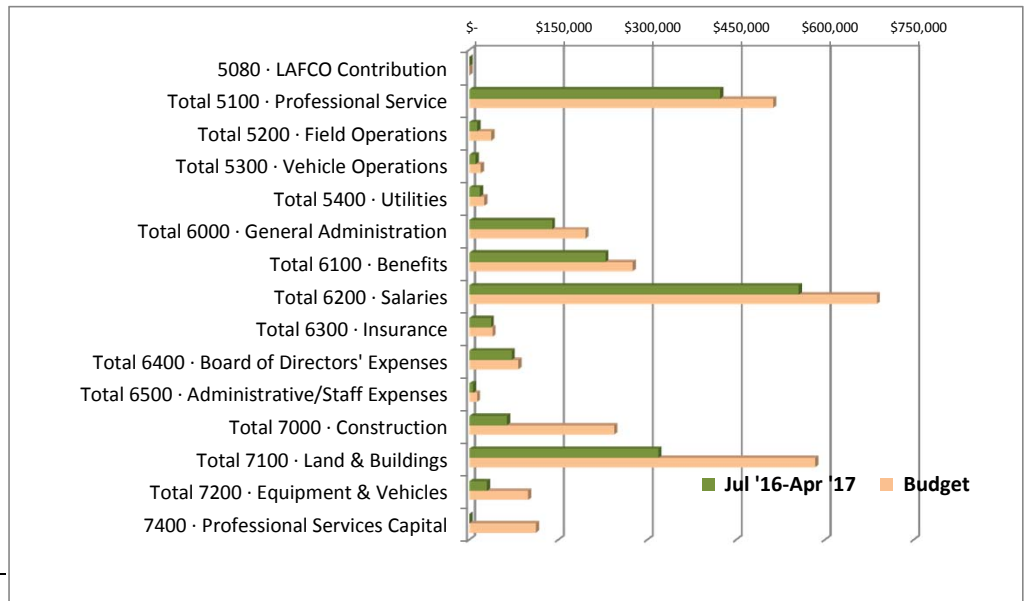
April 2017

REVENUE	Jul '16-Apr '17	Budget
Total 4010 · Interest Income	\$ 51,747	\$ 51,093
Total 4020 · Groundwater Charge	\$ 742,664	\$ 766,398
4025 · Wash Plan Revenue*	\$ 438,192	\$ 430,000
Total 4030 · Mining Income	\$ 518,727	\$ 570,003
4040 · Miscellaneous Income	\$ 2,743	\$ 8,333
4050 · Property Tax	\$ 73,674	\$ 66,500
4055 · SBVMWD Spreading Agreement	\$ 370,011	\$ 370,887
Total 4060 · Property Income	\$ 17,705	\$ 18,000
4065 · Redlands Plaza	\$ 145,001	\$ 142,421
4080 · Exchange Plan	\$ -	\$ 30,000
Total Revenue	\$ 2,360,463	\$ 2,453,635

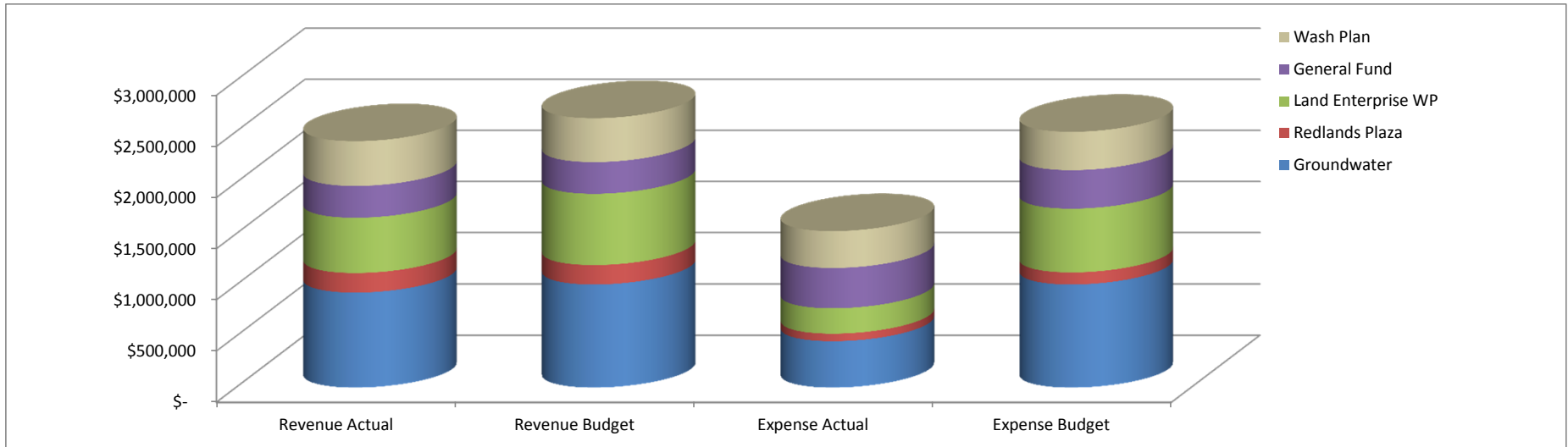
*District loans to the WP \$340,692



EXPENSES Operating and Capital	Jul '16-Apr '17	Budget
5080 · LAFCO Contribution	\$ -	\$ 333
Total 5100 · Professional Service	\$ 422,701	\$ 512,420
Total 5200 · Field Operations	\$ 13,368	\$ 37,083
Total 5300 · Vehicle Operations	\$ 10,496	\$ 19,167
Total 5400 · Utilities	\$ 17,981	\$ 24,850
Total 6000 · General Administration	\$ 139,346	\$ 195,611
Total 6100 · Benefits	\$ 229,267	\$ 275,161
Total 6200 · Salaries	\$ 555,633	\$ 687,598
Total 6300 · Insurance	\$ 36,276	\$ 39,133
Total 6400 · Board of Directors' Expenses	\$ 71,532	\$ 82,519
Total 6500 · Administrative/Staff Expenses	\$ 6,511	\$ 12,837
Total 7000 · Construction	\$ 63,307	\$ 244,169
Total 7100 · Land & Buildings	\$ 318,698	\$ 583,340
Total 7200 · Equipment & Vehicles	\$ 29,936	\$ 99,167
7400 · Professional Services Capital	\$ -	\$ 112,500
Total Expense	\$ 1,915,051	\$ 2,925,888



Enterprises to Date (April 2017)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 927,669	\$ 1,006,698	92%
Groundwater Expense	\$ 452,662	\$ 720,330	63%
Revenue -Expense	\$ 475,007	\$ 286,368	
Redlands Plaza Revenue	\$ 191,120	\$ 189,588	101%
Redlands Plaza Expense	\$ 73,388	\$ 117,717	62%
Revenue -Expense	\$ 117,732	\$ 71,871	
Land Enterprise Revenue	\$ 540,166	\$ 697,087	77%
Land Enterprise Expense	\$ 248,282	\$ 623,077	40%
Revenue -Expense	\$ 291,884	\$ 74,010	
General Fund Revenue *	\$ 310,666	\$ 309,287	100%
General Fund Expense	\$ 393,153	\$ 376,363	104%
Revenue -Expense	\$ (82,487)	\$ (67,076)	
Wash Plan Revenue	\$ 438,192	\$ 430,000	102%
Wash Plan Expense	\$ 360,742	\$ 375,479	96%
Revenue-Expense	77,450	54,521	
Total All Revenue - Expense	\$ 879,586	\$ 419,694	210%

Cash Status	As of 7/1/2016	As of 4/30/2017
LAIF	\$ 447,930.82	\$ 450,847.82
Cal Trust	\$ 2,980,263.74	\$ 2,998,494.49
Citizens Bank	\$ 616,344.18	\$ 562,212.43
UBS Financial Services	\$ 1,871,300.49	\$ 1,872,148.82
Cal Credit Union	\$ 3,250,385.53	\$ 3,271,996.70
Total Cash	\$ 9,166,224.76	\$ 9,155,700.26
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Cash Position	\$ 4,166,224.76	\$ 4,155,700.26

Increase (decrease) of
Percent Increase \$ (10,524.50)
-0.3%

* General Fund Revenue shown here does not include overhead

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

	<u>Jul '16 - Apr 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	2,917.00	1,300.00	1,617.00	224.39%
4013 - Caltrust Investment Income	16,093.76	20,000.00	-3,906.24	80.47%
4014 - CalCredit Union Interest Income	21,611.16	20,000.00	1,611.16	108.06%
4015 - UBS Interest Income	11,125.00	20,000.00	-8,875.00	55.63%
Total 4010 - Interest Income	<u>51,746.92</u>	<u>61,300.00</u>	<u>-9,553.08</u>	<u>84.42%</u>
4020 - Groundwater Charge				
4021 - Assessments - Ag	36,355.27	47,158.00	-10,802.73	77.09%
4023 - Assessments - Non-Ag	706,308.51	719,239.60	-12,931.09	98.2%
Total 4020 - Groundwater Charge	<u>742,663.78</u>	<u>766,397.60</u>	<u>-23,733.82</u>	<u>96.9%</u>
4025 - Wash Plan Revenue	438,191.63	430,000.00	8,191.63	101.91%
4030 - Mining Income				
4031 - Plant Site - CEMEX	40,000.00	48,000.00	-8,000.00	83.33%
4032 - Cemex - Royalty / Lease	442,499.97	586,000.00	-143,500.03	75.51%
4034 - Redlands Aggregate 5% Royalty	0.00	0.00	0.00	0.0%
4036 - Aggregate Maintenance	36,227.17	50,000.00	-13,772.83	72.45%
4030 - Mining Income - Other	0.00	0.00	0.00	0.0%
Total 4030 - Mining Income	<u>518,727.14</u>	<u>684,000.00</u>	<u>-165,272.86</u>	<u>75.84%</u>
4040 - Miscellaneous Income				
4041 - Reimbursed Expenses	0.00	0.00	0.00	0.0%
4040 - Miscellaneous Income - Other	2,743.00	10,000.00	-7,257.00	27.43%
Total 4040 - Miscellaneous Income	<u>2,743.00</u>	<u>10,000.00</u>	<u>-7,257.00</u>	<u>27.43%</u>
4050 - Property Tax	73,673.68	79,800.00	-6,126.32	92.32%
4055 - SBVMWD Spreading Agreement Reim	370,010.78	370,886.54	-875.76	99.76%
4060 - Property Income				
4062 - Mentone Property	17,705.00	21,600.00	-3,895.00	81.97%
Total 4060 - Property Income	<u>17,705.00</u>	<u>21,600.00</u>	<u>-3,895.00</u>	<u>81.97%</u>
4065 - Redlands Plaza	145,001.17	170,905.56	-25,904.39	84.84%
4066 - Redlands Plaza CAM	28,413.73	35,000.00	-6,586.27	81.18%
4080 - Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4086 - Plunge Creek IRWMP	71,768.72	150,000.00	-78,231.28	47.85%
4998 - Rate Stabilization From Reserve	0.00	24,857.00	-24,857.00	0.0%
Total Income	<u>2,460,645.55</u>	<u>2,834,746.70</u>	<u>-374,101.15</u>	<u>86.8%</u>
Gross Profit	2,460,645.55	2,834,746.70	-374,101.15	86.8%
Expense				
5050 - Regional Programs				
5080 - LAFCO Contribution	0.00	400.00	-400.00	0.0%
Total 5050 - Regional Programs	<u>0.00</u>	<u>400.00</u>	<u>-400.00</u>	<u>0.0%</u>
5100 - Professional Service				
5120 - Misc. Professional Services	29,964.92	150,000.00	-120,035.08	19.98%
5122 - Wash Plan Professional Services	70,782.57	70,000.00	782.57	101.12%
5124 - Plunge Creek Prof Services	31,647.77	50,000.00	-18,352.23	63.3%
5125 - Engineering Services	0.00	16,000.00	-16,000.00	0.0%
5130 - Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5145 - Environmental Services (WP)	171,681.49	160,000.00	11,681.49	107.3%
5160 - IT Support	4,455.00	6,000.00	-1,545.00	74.25%
5170 - Audit	23,134.00	22,000.00	1,134.00	105.16%
5175 - Legal - Wash Plan	16,757.23	25,000.00	-8,242.77	67.03%
5180 - Legal	74,277.82	90,000.00	-15,722.18	82.53%
Total 5100 - Professional Service	<u>422,700.80</u>	<u>590,000.00</u>	<u>-167,299.20</u>	<u>71.64%</u>
5123 - Temp. Field Labor	0.00	10,000.00	-10,000.00	0.0%
5133 - Regional River HCP Contribution	25,000.00	30,000.00	-5,000.00	83.33%
5143 - SBVCT District Contribution	116.55	50,000.00	-49,883.45	0.23%
5200 - Field Operations				
5210 - Equipment Maintenance	4,234.78	6,000.00	-1,765.22	70.58%
5215 - Property Maintenance	9,133.17	32,500.00	-23,366.83	28.1%
5225 - Field Clean Up-Illegal dumping	0.00	6,000.00	-6,000.00	0.0%
Total 5200 - Field Operations	<u>13,367.95</u>	<u>44,500.00</u>	<u>-31,132.05</u>	<u>30.04%</u>
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	3,914.13	10,000.00	-6,085.87	39.14%
5320 - Fuel	6,581.73	13,000.00	-6,418.27	50.63%
Total 5300 - Vehicle Operations	<u>10,495.86</u>	<u>23,000.00</u>	<u>-12,504.14</u>	<u>45.63%</u>

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

	<u>Jul '16 - Apr 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5400 - Utilities				
5410 - Alarm Service	1,075.00	2,500.00	-1,425.00	43.0%
5420 - Electricity	5,169.04	9,500.00	-4,330.96	54.41%
5430 - Mobile Phone	2,970.00	3,500.00	-530.00	84.86%
5440 - Telephone	4,566.91	8,700.00	-4,133.09	52.49%
5450 - Natural Gas	877.31	900.00	-22.69	97.48%
5460 - Water / Trash / Sewer	1,235.55	2,160.00	-924.45	57.2%
5470 - Internet Services	2,087.20	2,500.00	-412.80	83.49%
Total 5400 - Utilities	<u>17,981.01</u>	<u>29,760.00</u>	<u>-11,778.99</u>	<u>60.42%</u>
6000 - General Administration				
6001 - General Administration - Other	817.38	7,000.00	-6,182.62	11.68%
6002 - Website Administration	2,003.13	3,100.00	-1,096.87	64.62%
6003 - Property Tax	0.00	235.10	-235.10	0.0%
6004 - Meeting Expenses	1,167.79	2,200.00	-1,032.21	53.08%
6006 - Permits	370.00	10,000.00	-9,630.00	3.7%
6007 - Inter District Costs	0.00	12,500.00	-12,500.00	0.0%
6009 - Licenses	288.60	1,639.00	-1,350.40	17.61%
6010 - Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 - Office Maintenance	121.74	3,180.00	-3,058.26	3.83%
6013 - Office Lease Payment	50,000.00	60,000.00	-10,000.00	83.33%
6015 - Mentone House Maintenance	3,368.82	6,500.00	-3,131.18	51.83%
6016 - Redlands Plaza Maintenance	767.86	15,000.00	-14,232.14	5.12%
6018 - Janitorial Services	5,807.00	9,108.89	-3,301.89	63.75%
6019 - Janitorial Supplies	233.06	500.00	-266.94	46.61%
6020 - Vacancy Marketing-Redlands Plaz	230.48	5,050.00	-4,819.52	4.56%
6024 - Computer Equip Maint.	0.00	200.00	-200.00	0.0%
6026 - Redlands Plaza CAM expenses	21,300.79	25,000.00	-3,699.21	85.2%
6027 - Computer Supplies	280.80	689.00	-408.20	40.76%
6030 - Office Supplies	1,529.36	4,250.67	-2,721.31	35.98%
6033 - Office Equipment Rental	7,098.59	8,734.40	-1,635.81	81.27%
6036 - Printing	512.17	980.00	-467.83	52.26%
6039 - Postage and Overnight Delivery	618.71	1,800.00	-1,181.29	34.37%
6042 - Payroll Processing	1,890.43	2,347.54	-457.11	80.53%
6045 - Bank Service Charges	1,580.66	3,150.00	-1,569.34	50.18%
6051 - Uniforms	958.57	2,000.00	-1,041.43	47.93%
6060 - Outreach	16,491.98	20,000.00	-3,508.02	82.46%
6087 - Educational Reimbursement	0.00	2,500.00	-2,500.00	0.0%
6090 - Subscriptions/Publications	1,032.77	750.00	282.77	137.7%
6091 - Public Notices	2,684.20	2,940.00	-255.80	91.3%
6093 - Memberships	16,980.67	17,500.00	-519.33	97.03%
6000 - General Administration - Other	0.00	0.00	0.00	0.0%
Total 6000 - General Administration	<u>139,345.56</u>	<u>230,754.60</u>	<u>-91,409.04</u>	<u>60.39%</u>
6100 - Benefits				
6110 - Vision Insurance	1,608.88	2,355.91	-747.03	68.29%
6120 - Workers' Comp. Insurance	7,447.20	14,341.09	-6,893.89	51.93%
6130 - Dental Insurance	6,888.80	10,566.73	-3,677.93	65.19%
6150 - Medical Insurance				
6150.01 - Medical Employee Contribution	-16,758.06	-20,773.25	4,015.19	80.67%
6150 - Medical Insurance - Other	110,986.86	157,423.96	-46,437.10	70.5%
Total 6150 - Medical Insurance	<u>94,228.80</u>	<u>136,650.71</u>	<u>-42,421.91</u>	<u>68.96%</u>
6160 - Payroll Taxes-Employer	39,050.28	60,382.29	-21,332.01	64.67%
6170 - PERS Retirement				
6170.01 - PERS Employee Contributions	-32,335.20	-22,897.65	-9,437.55	141.22%
6170 - PERS Retirement - Other	112,378.43	128,793.80	-16,415.37	87.26%
Total 6170 - PERS Retirement	<u>80,043.23</u>	<u>105,896.15</u>	<u>-25,852.92</u>	<u>75.59%</u>
Total 6100 - Benefits	<u>229,267.19</u>	<u>330,192.88</u>	<u>-100,925.69</u>	<u>69.43%</u>
6200 - Salaries				
6220 - Contingency/Temporary	0.00	0.00	0.00	0.0%
6230 - Regular Salaries	555,632.55	826,162.50	-270,529.95	67.26%
Total 6200 - Salaries	<u>555,632.55</u>	<u>826,162.50</u>	<u>-270,529.95</u>	<u>67.26%</u>
6300 - Insurance				
6310 - Property/ Auto Insurance	4,218.99	6,924.00	-2,705.01	60.93%
6320 - General Liability Insurance	32,057.00	32,209.32	-152.32	99.53%
Total 6300 - Insurance	<u>36,275.99</u>	<u>39,133.32</u>	<u>-2,857.33</u>	<u>92.7%</u>

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

	<u>Jul '16 - Apr 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6400 - Board of Directors' Expenses				
6401 - Directors' Fees				
6401.5 - Payroll Taxes-Directors	4,725.49	0.00	4,725.49	100.0%
6401 - Directors' Fees - Other	57,886.00	78,718.78	-20,832.78	73.54%
Total 6401 - Directors' Fees	<u>62,611.49</u>	<u>78,718.78</u>	<u>-16,107.29</u>	<u>79.54%</u>
6410 - Mileage	1,813.83	4,000.00	-2,186.17	45.35%
6415 - Air Fare	919.84	3,000.00	-2,080.16	30.66%
6420 - Other Travel	106.51	500.00	-393.49	21.3%
6425 - Meals	1,605.71	2,600.00	-994.29	61.76%
6430 - Lodging	961.29	3,200.00	-2,238.71	30.04%
6435 - Conf/Seminar Registrations	3,513.00	7,000.00	-3,487.00	50.19%
6440 - Election Fees / Re-Districting	0.00	0.00	0.00	0.0%
Total 6400 - Board of Directors' Expenses	<u>71,531.67</u>	<u>99,018.78</u>	<u>-27,487.11</u>	<u>72.24%</u>
6500 - Administrative/Staff Expenses				
6510 - Mileage	960.67	2,000.00	-1,039.33	48.03%
6515 - Air Fare	920.81	2,000.00	-1,079.19	46.04%
6520 - Travel, Other (rental car, taxi)	348.54	1,400.00	-1,051.46	24.9%
6525 - Meals	1,344.00	1,500.00	-156.00	89.6%
6530 - Lodging	1,168.47	3,500.00	-2,331.53	33.39%
6535 - Conf/Seminar Registrations	1,769.00	5,000.00	-3,231.00	35.38%
Total 6500 - Administrative/Staff Expenses	<u>6,511.49</u>	<u>15,400.00</u>	<u>-8,888.51</u>	<u>42.28%</u>
8010 - Capital Reserve GWE/Rate Stabil	0.00	0.00	0.00	0.0%
9999 - Contribution to Capital Maint.	0.00	297,000.00	-297,000.00	0.0%
Total Expense	<u>1,528,226.62</u>	<u>2,615,322.08</u>	<u>-1,087,095.46</u>	<u>58.43%</u>
Net Ordinary Income	<u>932,418.93</u>	<u>219,424.62</u>	<u>712,994.31</u>	<u>424.94%</u>
Other Income/Expense				
Other Expense				
7000 - Construction				
7010 - Materials	0.00	8,000.00	-8,000.00	0.0%
7050 - Basins- Capital Annual Repair	9,265.00	20,000.00	-10,735.00	46.33%
7053 - HCP Endowment	54,042.00	55,000.00	-958.00	98.26%
7055 - Plunge Creek Expansion	0.00	210,000.00	-210,000.00	0.0%
Total 7000 - Construction	<u>63,307.00</u>	<u>293,000.00</u>	<u>-229,693.00</u>	<u>21.61%</u>
7100 - Land & Buildings				
7110 - Property Capital Repairs	7,586.00	50,000.00	-42,414.00	15.17%
7120 - Property-Land Purchase	311,111.50			
7130 - Mentone Property (House)-CapRep	0.00	0.00	0.00	0.0%
7140 - Mentone Property (Shop)-CapRep	0.00	50,000.00	-50,000.00	0.0%
7150 - Mill Creek Diversion	0.00	600,000.00	-600,000.00	0.0%
Total 7100 - Land & Buildings	<u>318,697.50</u>	<u>700,000.00</u>	<u>-381,302.50</u>	<u>45.53%</u>
7200 - Equipment & Vehicles				
7210 - Computer Hardware-Capital Purch	0.00	5,000.00	-5,000.00	0.0%
7220 - Computer Software	10,274.38	12,500.00	-2,225.62	82.2%
7230 - Field Equipment / Vehicles	19,661.84	100,000.00	-80,338.16	19.66%
7240 - Office Equipment	0.00	1,500.00	-1,500.00	0.0%
Total 7200 - Equipment & Vehicles	<u>29,936.22</u>	<u>119,000.00</u>	<u>-89,063.78</u>	<u>25.16%</u>
7400 - Professional Services Capital				
7438 - Engineering Services-Other	0.00	135,000.00	-135,000.00	0.0%
Total 7400 - Professional Services Capital	<u>0.00</u>	<u>135,000.00</u>	<u>-135,000.00</u>	<u>0.0%</u>
9010 - General Fund - Transfer Out	0.00	0.00	0.00	0.0%
Total Other Expense	<u>411,940.72</u>	<u>1,247,000.00</u>	<u>-835,059.28</u>	<u>33.04%</u>
Net Other Income	<u>-411,940.72</u>	<u>-1,247,000.00</u>	<u>835,059.28</u>	<u>33.04%</u>
Net Income	<u><u>520,478.21</u></u>	<u><u>-1,027,575.38</u></u>	<u><u>1,548,053.59</u></u>	<u><u>-50.65%</u></u>



Memorandum No. 1496

To: Board of Directors

From: Land Resource Manager, Jeffrey Beehler

Date: May 31, 2017

Subject: Wash Plan HCP Pre-Permit Project Review Process

RECOMMENDATION

The Wash Plan Task Force and Staff recommend the Board authorize staff to implement the Wash Plan project review process prior to HCP Incidental Take Permit issuance in support of the Task Force.

BACKGROUND

At the last Wash Plan Task Force meeting, staff reviewed the Certificate of Inclusion (COI) process for Wash Plan Covered Activities. Upon successful review staff would to present USFWS with an Initial Consistency Determination and the FWS would have 10 days to concur: Prior to a COI application a project proponent would have needed to enter into the Wash Plan MOU agreement and pay any mitigation costs associated with the project to the Conservation Trust. Items needed for COI issuance include: (1) project description, (2) project location, (3) description of Avoidance and Minimization Measures for the project, including those completed, and (4) Description of other environmental (CEQA/NEPA) or permit requirements (401, 1602, 404).

At the Task Force meeting, it was recommended that the District offer a pre-review COI application process prior to the approval of the HCP. This process would allow MOU participants to get their projects started as soon as possible once the HCP is approved. By consensus, the Task Force members requested that the District offer a pre-application process.

DISCUSSION

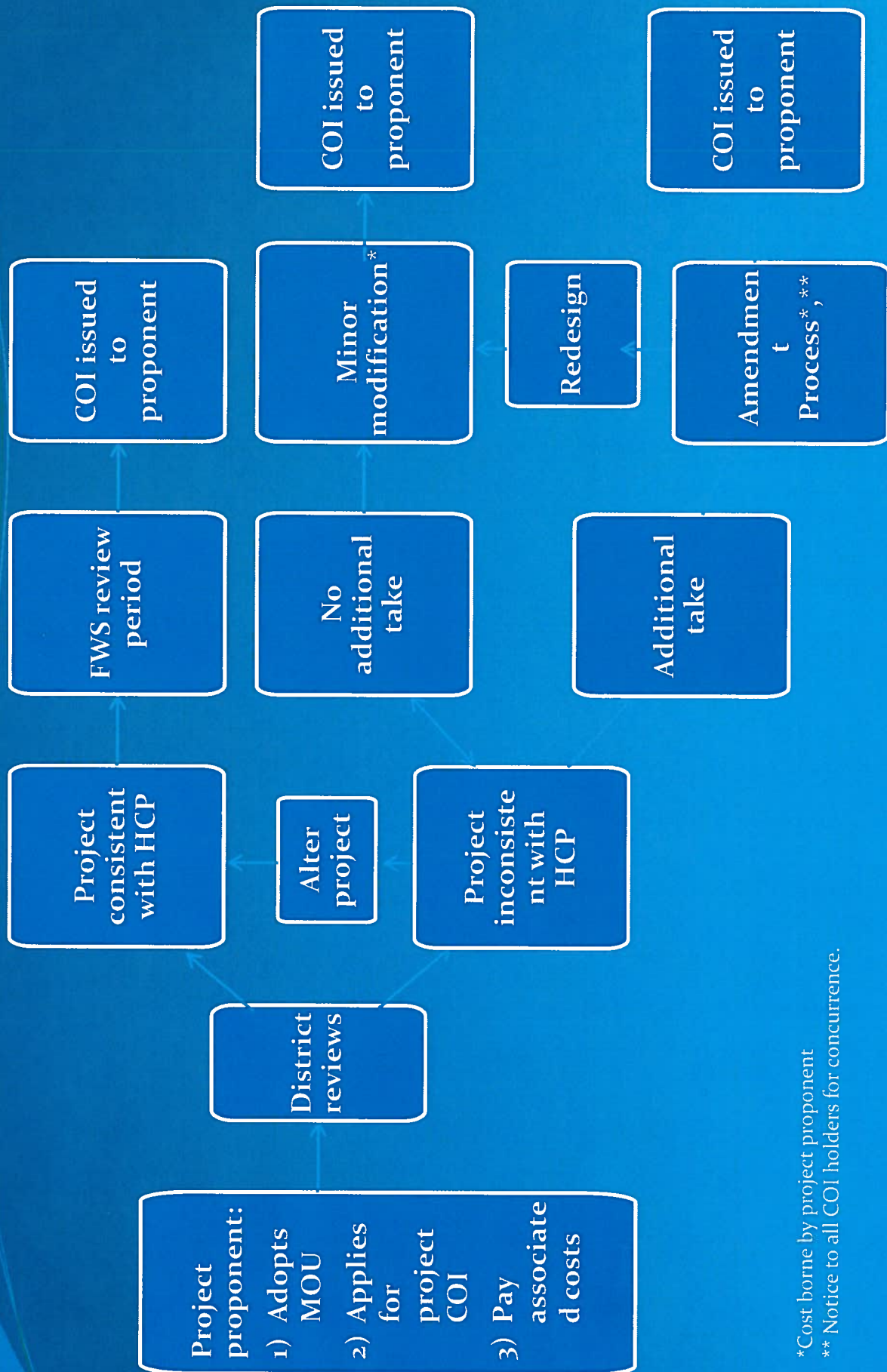
Working with a group of agencies on a small number of COI's would have a number of benefits. First, it would allow the District to develop a "pilot" program and further refine the COI process discussed in the Implementing Agreement. Second, it would allow Task Force members with time constraints for implementation (e.g. grant funded projects) to minimize time between permit issuance and construction, as well as, help them develop full project materials needed for other permit and authorizations. Finally, should there be unforeseen delays in the Wash Plan; the pilot group would be in a position to move forward with take permit alternatives to avoid project delays. Currently, the District, the City of Highland and Valley Municipal Water District have one or more projects moving forward in the first half of 2018.

FISCAL IMPACT

The cost for coordination and development for this activity is included in the FY 2017-2018 budget. Some costs may accrue in FY 2016-2017. Adequate staff time is currently available to implement a preapproval process with the anticipated small subset of Wash Plan projects. Adequate staffing is not available to complete the COI process for a large subset of projects and would require augmentation.

ATTACHMENTS

Certificate of Inclusion Process



*Cost borne by project proponent
 ** Notice to all COI holders for concurrence.



Wash Plan Update

April 26 through May 24, 2017



Staff continues to estimate completion of the HCP in the late Fall/early winter of 2017. Preparation of final documents for Federal Register continues. Additional issues identified by the FWS Solicitor resulted in changes not only to the HCP document under review, but to all documents.

The approval of the MOU with the District and payment of mitigation costs is the first step for the issuance of a Certificate of Inclusion (COI). Any entity planning a project as soon as the Wash Plan is approved should begin the COI process in the spring. At the April 18 Task Force meeting only Valley Municipal, the City of Highland and the District reported that they will have projects ready for construction in the next fiscal year. The Task Force asked the Board consider a mechanism for “conditional” COI approval so that projects can move forward as soon as take authorization is issued.

Wash Plan Habitat Conservation Plan (HCP) Document. An additional review by the FWS Solicitor and senior staff identified several issues that needed to be resolved prior to Federal Register publication. This additional review was not anticipated by District staff. Issues have been resolved and the draft document is again “complete” and ready for publication in the Federal Register. It has been reviewed and approved for circulation by the US Fish and Wildlife (FWS) local office, as well as, by the Federal Solicitor and Regional Office staff. The accompanying GIS database is updated with improved species model information and updated project information so it is ready for use in issuing project level COI. Staff continues to use the database in the development of the EIR/EIS.

Implementing Agreement (IA) - The IA agreement is an agreement between the District and the FWS describing specifically how the HCP will be implemented. The Solicitor has completed her final review of the document for Register publication and the Solicitor has returned those comments to senior FWS staff. Staff met with FWS and along with District Counsel, resolved the remaining issues and the document is ready for publication in the Federal Register. The Flood Control District is developing a separate IA to implement their section of the HCP and staff continues to work with Flood Control in preparation of a draft of that separate IA and preparing to implement the HCP. In addition, staff has provided assistance to Flood Control in scoping their RFP for land management activities on their HCP lands.

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.

The initial chapters describing the project, mitigation actions and updated covered activities are complete. Other sections are being provided to the District and Federal Partners on schedule. FWS has requested simultaneous document review by the Sacramento office to move the documents as quickly as possible.

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. This transfer is now rescheduled for Board of Supervisors consideration in June as Flood needs to get additional approvals from Riverside and Orange County Flood agencies. Flood and Robertson's had a meeting to discuss the final land transfer details in April. The second transfer, a transfer of land between the District and the BLM, requires Congressional approval. Congressmen Cook and Aguilar sponsored H.R. 497 facilitating that transfer. The House Resources Subcommittee on Federal Lands held a hearing on H.R. 497 in April and referred the Bill on to the full Resources Committee. It is expected move forward by June. The Senate version, S357, has not had any action and will likely move when the House passes it. It is important to note, that the initial phase of the Wash Plan can be implemented prior to the Congressional action. Full implementation of the mining activities described in the HCP; however, require the land transfer to be completed.

WASH PLAN

PROFIT & LOSS BUDGET VS ACTUAL

FY 2016-2017 AND TOTAL BUDGET through April 2017

	FY 2016-2017 Wash Plan							TOTAL WP Budget as of April 30, 2017			
	Budget	\$ Over Budget	% of Budget	Jul '16 - Jun '17	Budget	\$ Over Budget	% of Budget	Jul '13 - Apr '17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense											
Income											
4025 - Wash Plan Revenue	175,355.20	-175,355.20	0.0%	473,776.91	430,000.00	43,776.91	110.18%	1,425,773.20	1,425,855.20	-82.00	99.99%
Total Income	<u>175,355.20</u>	<u>-175,355.20</u>	<u>0.0%</u>	<u>473,776.91</u>	<u>430,000.00</u>	<u>43,776.91</u>	<u>110.18%</u>	<u>1,425,773.20</u>	<u>1,425,855.20</u>	<u>-82.00</u>	<u>99.99%</u>
Expense											
5081 - Wash Plan	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	282.46	0.00	282.46	100.0%
5083 - Repayment of Wash Plan Advance	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%	188,365.40	0.00	188,365.40	100.0%
5122 - Wash Plan Professional Services	62,000.00	-18,048.95	70.89%	71,985.05	70,000.00	1,985.05	102.84%	498,430.22	421,000.00	77,430.22	118.39%
5145 - Environmental Services (WP)	55,000.00	-55,000.00	0.0%	171,681.49	160,000.00	11,681.49	107.3%	191,347.74	733,000.00	-541,652.26	26.11%
5175 - Legal - Wash Plan	44,500.00	31,818.21	171.5%	16,757.23	25,000.00	-8,242.77	67.03%	117,998.20	156,000.00	-38,001.80	75.64%
* District Support-overhead, benefits, salary	144,952.94	-19,398.03	86.62%	101,520.66	175,075.05	-73,554.39	57.99%	429,631.64	599,507.10	-169,875.46	71.66%
Total Expense	<u>306,452.94</u>	<u>-60,628.77</u>	<u>80.22%</u>	<u>361,944.43</u>	<u>430,075.05</u>	<u>-68,130.62</u>	<u>84.16%</u>	<u>1,425,773.20</u>	<u>1,909,507.10</u>	<u>-483,733.90</u>	<u>74.67%</u>
Net Income	<u><u>-131,097.74</u></u>	<u><u>-114,726.43</u></u>	<u><u>187.51%</u></u>	<u><u>111,832.48</u></u>	<u><u>-75.05</u></u>	<u><u>111,907.53</u></u>	<u><u>-149,010.63%</u></u>	<u><u>0.00</u></u>	<u><u>-483,651.90</u></u>	<u><u>483,651.90</u></u>	<u><u>0.0%</u></u>

*WP Professional Services

Baker (RBF Consulting) (EIS)-Complete
 Baker (RBF Consulting) (1st Amendment)-36% remaining
 Michael Baker International (survey work)-Complete
 Jericho Systems (survey work)-Complete
 Randy Scott (management)-38% spent-Contract Expired

ICF Jones & Stokes (HCP)-Complete
 ICF Jones & Stokes (1st Amendment)-Complete
 ICF Jones & Stokes (2nd Amendment)-Complete
 ICF Jones & Stokes (3rd Amendment)-10% remaining

Total due to District

\$376,276.91



General Manager's Report

For April 8, 2017 to May 31, 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** – Santa Ana flows have diminished significantly with little additional rain in the area in March. Continued significant recharge of the residual watershed flows and snow melt from the upper mountains occurred throughout the month of April and May with State Water increasing in May. The pool levels behind Seven Oaks Dam remain at or below the Debris Pool with outflow matching inflow and Edison facilities in operation. Santa Ana recharge now totals more than 27,000 AF and Mill Creek about 7,200 AF. While all basins continue to recharge well cleaned basins in Mill Creek and Santa Ana are still developing algae from both native river water and from State Project water. Staff is researching alternatives for management. Total recharge is above 33,500 AF with about 8,200 AF from State Project water.
- 2. Facility Maintenance and Cleanout – Plan Goal 1** – Field staff are operating all basins and rotating the basins where possible to allow drying. The Mill Creek diversion is fully operable diverting available flows around 10 to 15 CFS depending on other surface water uses. Sand ponds 1 and 12 in Mill Creek are being cleaned now that Garnet Bridge is completed.
- 3. Aggregate Management – Plan Goal 2** – Staff and Upland Rock work on sand cleanout when flows allow. Sand management efforts will accelerate further when Enhanced Recharge facilities and other construction get underway.
- 4. Personnel/Administration/Staff – Plan Goal 6** – Staff worked on several items related to the Board's strategic planning sessions. Preparing materials and tools for the Board was an investment in time by staff for the Board process. Staff prepared a GIS based model to identify and discuss area where recharge is likely. Staff continued to work with legal counsel on a number of closed session items.
- 5. Finance/Budget/Audit – Plan Goal 6** – Staff continued work to prepare the District budget for 2017-2018 and coordinated with the Finance & Administration Committee on several issues on the Board Agenda in May.
- 6. Mill Creek Diversion Engineering – Plan Goals 1/7** – Staff has been reviewing the work and coordinating with the consultant to prepare the needed information for the Mitigated Negative Declaration and hydraulic assessment to provide a permit request to SB County Flood Control for submission for a section 408 permit. Mill Creek is nearing completion and will be reviewed and submitted for approval by the Board likely in June.
- 7. Plunge Creek Project – Plan Goals 1/4/7** – ICF Jones & Stokes is supporting regulatory permitting for Plunge Creek (as well as Mill Creek). Permit applications are being

prepared and preapplication meetings were held in April and May. Regional Board and California Department of Fish and Wildlife informal feedback is positive.

- 8. Collaborative Enhanced Recharge Project – Plan Goal 7** – SBVMWD is in the procurement process. Staff has coordinated with several groups on aggregate management for the project. The pre-bid schedule indicates notice to proceed in July and construction from winter 2017 to summer 2018. Work phasing requirements to keep District facilities open. The sedimentation basin related canals and pipeline are planned to be complete in summer 2018.
- 9. Groundwater Sustainability Council – Plan Goal 1** – The last meeting was held on May 8, 2017 and details are provided in the separate GSC report.
- 10. Wash Plan – Plan Goal 2** – A separate report is provided in the agenda on the Wash Plan.
- 11. Santa Ana River Wash Plan Land Exchange Act** – Congressman Cook and Aguilar are the coauthors of the reintroduced bill as HR 497 which received a hearing on April 5, 2017 in the House National Resources Committee’s Federal Lands Subcommittee. Markup was held on the bill on April 24th and the Bill was passed out of the Natural Resources Committee. H.R. 497 will be packaged with other Committee bills to be heard by the full House of Representatives, hopefully later this year. Senator Harris also signed on to co-author S. 357 reintroduced in the Senate by Senator Feinstein. Action in the Senate is most likely after the house finalized hearings acts.
- 12. Conservation Trust** – The Conservation Trust Board of Directors last met on February 10, 2017 when they reviewed the financial status Wash Plan status. They plan to meet next on June 9th, 2017.
- 13. Property/Redlands Plaza – Plan Goal 3** – Staff continues to manage Redlands Plaza. All units are leased but the chiropractor’s unit is vacant. Efforts are ongoing to obtain a new tenant. Efforts to plan for the Mendoza property are documented and reviewed by the Operations Committee and will be included in the 2017-18 budget as appropriate.
- 14. Mining – Plan Goal 2/3** – Mining efforts by CEMEX Contractors continue on the Plant Site quarry where they have mined more than one million tons under the lease. CEMEX and Robertson’s will be submitting a mining plan to the District in the near future to document the areas to be mined by each company. CEMEX has not provided feedback of the methodology and procedure proposed for the review of mining revenues and validation of excavations.
- 15. Public Outreach and Legislative – Plan Goal 4** – Staff worked with the BTAC group on iEfficient efforts. In state legislation Staff prepared a support letter for AB-1235 which supports funding for the Santa Ana River Conservancy. SB-50 was amended and passed the Natural Resources and Water Committee and was heard and passed the Senate Standing Committee on Judiciary on April 4, 2017. It was referred to the Appropriations Committee and is set for hearing on May 25, 2017. Many other legislative actions are

covered in the Wash Plan Land Exchange Act section. Staff provided a tour of District Facilities for Riverside Public Utilities Conservation and Outreach staff.



16. Current Board Action Implementation – Plan Goal 3 – Staff is implementing the updated priorities of the Board. Most priority elements are segregated into separate sections of the General Manager’s Report or separate reports. Staff and District Counsel coordinated on AHD Limited and EHL/CBD v. USACOE v. cases. Staff met with litigant’s prior considering action. Staff worked to coordinate the Strategic Planning Sessions in May and prepare for the meeting in June.

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

- Board Strategic Planning Workshops
- Groundwater Public Hearing May 31, 2017
- Budget workshop May 31, 2017
- District Budget for Board Consideration June 14, 2017
- General Manager Annual Performance Evaluation Ad Hoc Committee report and consideration June 14, 2017

18. District Successes – Plan Goal 6

- Field staff have coordinated State Water Project water and native Santa Ana River and Mill Creek water recharging
- Staff assisted the City of Redlands with the Wash Fire response and cleanup, see attached map
- Strategic Planning Workshop 2 was successful and provided recharge and boundary feedback
- Manual and Katelyn supported the annual YMCA Circus in May, additionally Katelyn was recognized by the East Valley YMCA for individual overall contribution.

Attachments

Legislative Support Letter

Fire Map from Katelyn

San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 4/1/2017
To: 4/30/2017



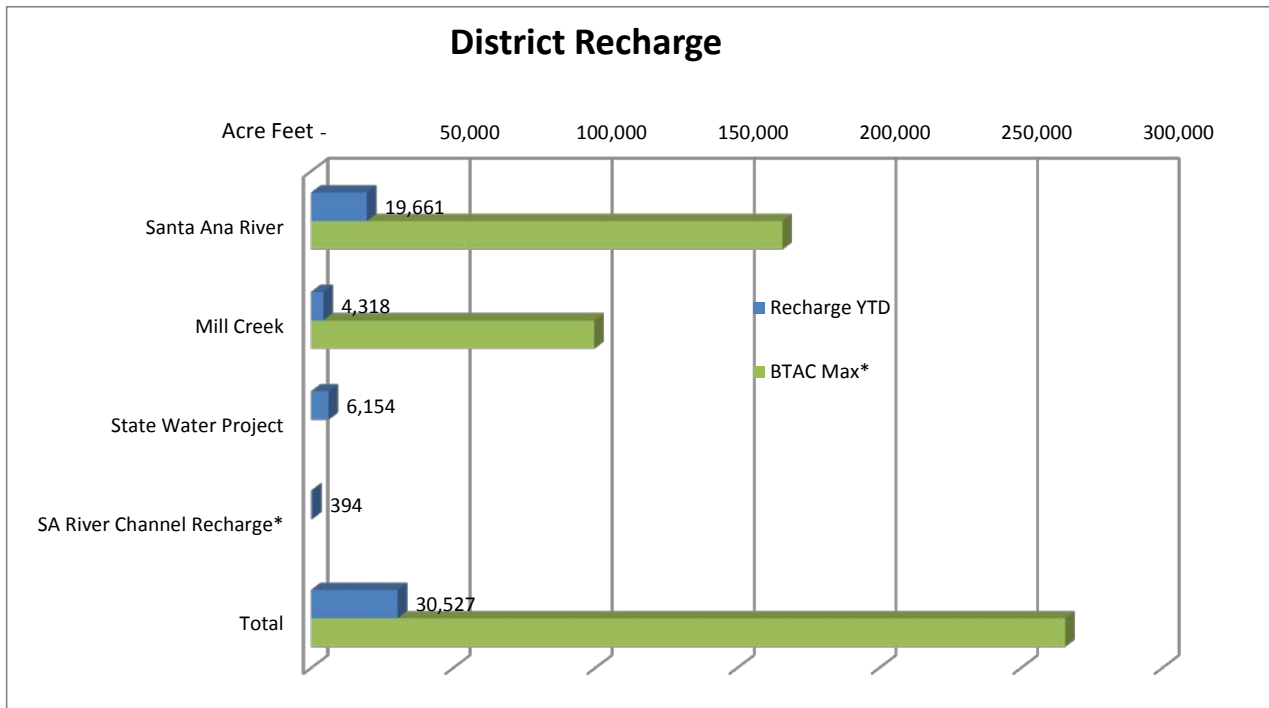
	April				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	130.7	3,922	19,661	166,000	12%
Mill Creek	27.3	820	4,318	99,700	4%
State Water Project	0.0	-	6,154	NA	NA
In River Channel Recharge**	0.0	-	394	NA	NA
Total	158	4,742	30,527	265,700	11%

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





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

May 23, 2017

Honorable Lorena Gonzalez-Fletcher
Chairwoman, Appropriations Committee
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0080

Hard Copy and via email

Re: AB1235 (Daly) SUPPORT

Dear Chairwoman Gonzalez-Fletcher,

The San Bernardino Valley Water Conservation District appreciates your leadership. We support Assemblymember Daly's bill (AB1235) which would provide funding for the Santa Ana River Conservancy. We understand this Bill is held in your committee and we respectfully request that you allow the bill to move forward for a vote.

Riverside and San Bernardino counties have very low ratio of parks to people. San Bernardino County has many economically disadvantaged communities who have not received their fair share of funding in past park and water bonds. The Santa Ana River Trail and Parkway Partnership was formed to connect and support solutions for this situation. We believe that funding for the Conservancy is important for inland Southern California. Our region provides affordable homes and open space but lacks access and amenities to make these available to the disadvantaged communities in the region.

Please remove AB 1235 from the suspense file. We need funding to provide children and families in the region the same opportunities other Californians enjoy.

Sincerely,

Daniel B. Cozad
General Manager

BOARD
OF
DIRECTORS

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

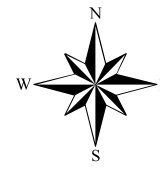
Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

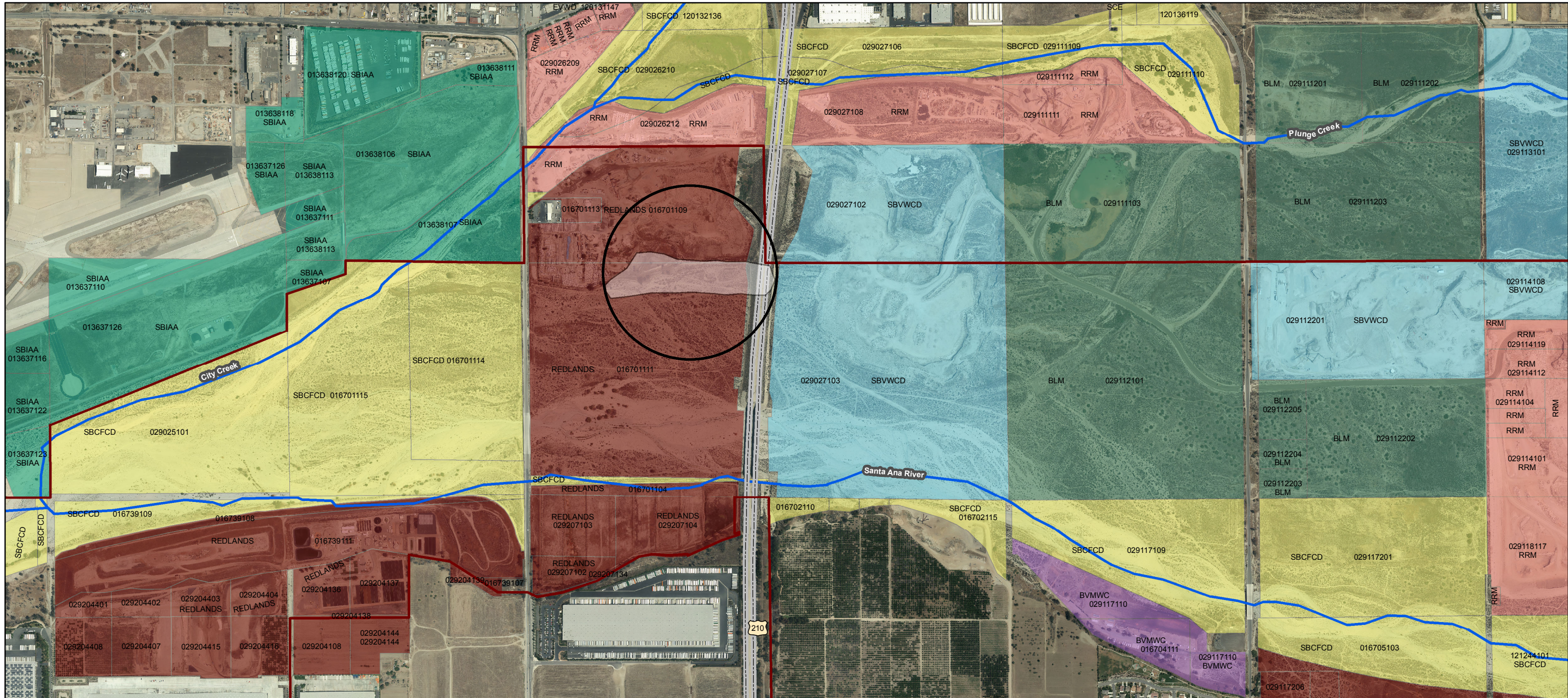
GENERAL
MANAGER

Daniel B. Cozad

Fire Location May 21, 2017



Coordinate System:
 NAD 1983 StatePlane California V FIPS 0405 Feet
 Projection: Lambert Conformal Conic
 Datum: North American 1983
 Source: SBVWCD, CASIL, SBVMWD
 GIS Contact: K. Scholte
 May 22, 2017



Legend

- | | | | | | | | | | |
|--|---------------------------|-----------------------|-----|-------|----------|-----|--------|-------|--------|
| | Approximate Fire Location | Land Ownership | | BVMWC | | RRM | | SBIAA | |
| | City of Redlands Boundary | | BLM | | REDLANDS | | SBCFCD | | SBVWCD |

GSC Status Update

For May 2017
Daniel B. Cozad



The following update on the development of the Groundwater Sustainability Council (GSC) or Groundwater Council (GC) included activities:

- 1. Accomplishments** – The BTAC Engineering Committee finalized all of the issues related to the Equitable Allocation Methodology to determine Cost Share and potentially Vote Weight for each entity producing from the Basin. No significant changes were made to the model that used the base period safe yield usage and Urban Water Management Plan demand not fulfilled by any other water source as the “Gap” or demand for the groundwater basin. The BTAC Engineering Committee continued to recommend the Operations and Maintenance \$1 million be allocated on current (2015) production.

The group provided feedback to the Framework Agreement developed by legal counsel. This feedback resulted in changes to the agreement to reduce its similarities to SGMA and changed the name to the Groundwater Council. The agreement was well received.

Significant Comments and an alternative was produced by Miguel Guerrero, from the City of San Bernardino Water Department. They suggest that an agreement is needed but the agreement does not need a council or governance. They see the agreement as self-implementing and not in need of any decision authority or coordination beyond that of the BTAC.

- 2. Council Development Meeting** – Significant progress was made on the elements related to council development. This allows the group to move forward. The group asked for a list of powers needed to implement the agreement for which governance may be needed. They also asked for a listing potential powers or efforts needed for basin management.
- 3. Upcoming Efforts and Decisions** – In the June meeting it is expected that additional comments will be provided by participants. In addition the group will discuss the lists of powers that are described above. The Group will continue discussions on how the GSC will work as well as continue funding allocation discussions.



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
 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
		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		

Aug. 09 Board Meeting

MARCH						
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	

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
24	25	26	27	28	29	30

Sept. 13 Board Meeting

APRIL						
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						

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
8	9	10	11	12	13	14
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
	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			

May 3 Strategic Planning Workshop
 May 31 Board Meeting
Public Hearing/Groundwater Charge

NOVEMBER						
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		

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

JUNE						
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	

Jun. 7 Strategic Planning Workshop
 Jun. 14 Board Meeting

DECEMBER						
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						

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