

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF September 13, 2017
1:30 p.m.

President Corneille called the Board Meeting of the Board of Directors to order at 1:34 p.m. All present stood for the Pledge of Allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President (Departure 3:12 p.m.)
David E. Raley, Director (Arrival 1:40 p.m.)
T. Milford Harrison, Director
John Longville, Director (Arrival 1:42 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

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

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. CONSENT CALENDAR

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

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. ACWA FALL CONFERENCE TRAVEL REQUESTS

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

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

B. 2016-2017 ANNUAL DISTRICT AUDIT

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

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

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

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

C. EDUCATION AND OUTREACH COMMITTEE VERBAL REPORT

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

D. UNAUDITED FINANCIAL REPORTS, AUGUST 2017

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

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

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

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

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

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

F. MENTONE COMMUNITY GARDEN LEASE LETTER OF INTENT

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

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

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

G. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS

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

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

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

H. ACWA COMMITTEE APPOINTMENT NOMINATIONS FOR 2018-2019 TERM

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

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

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

I. ACWA REGION 9 BALLOT FOR 2018-2019 TERM

President Corneille introduced this item for discussion.

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

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

J. COMMUNITY STRATEGIC PLAN 2017 UPDATE

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

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

5. INFORMATION ITEMS

A. WASH PLAN REPORT

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

B. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

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

C. STATE WATERBOARD DREDGE AND FILL REGULATION

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

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

D. GROUNDWATER COUNCIL VERBAL UPDATE

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

E. FUTURE AGENDA ITEMS & STAFF TASKS

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

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

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

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

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

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

7. UPCOMING MEETINGS

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

8. CLOSED SESSION

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

**President Corneille: Yes
Vice President McDonald: Absent**

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

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

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

9. ADJOURN MEETING

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

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

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



Daniel B. Cozad
General Manager