



GROUNDWATER CHARGE PUBLIC HEARING/BOARD OF DIRECTORS
MEETING AGENDA

Wednesday, April 25, 2018 – 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. District staff is recommending to the District's Board of Directors that an increase take place for fiscal year 2018-2019 in the amount of \$12.56 for both agricultural and non-agricultural uses. 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*
- *Provide any comments on Resolution No. 5574*
- *Close Public Hearing*

4. **CONSENT CALENDAR**
 A. Approval of Board Minutes, April 11, 2018 10

5. **COMMITTEE REPORTS /ACTION ITEMS**

- A. UPLAND ROCK MATERIAL PROCESSING LICENSE UPDATE - 5 minutes
 (M#1572)..... 18
Presenter: Daniel Cozad
Recommendation: Receive and file update on Upland Rock’s Material Processing License.

6. **INFORMATION ITEMS:**
 A. Future Agenda Items & Staff Tasks

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

8. **UPCOMING MEETINGS:**

- | | | |
|----|----------------|---|
| A. | April 27, 2018 | Finance & Administration Committee Meeting, 1:30 p.m. at Conservation District |
| B. | May 1, 2018 | Wash Plan Task Force Meeting, 10:00 a.m. at Conservation District |
| C. | May 8-11, 2018 | ACWA Spring Conference in Sacramento |
| D. | May 21, 2018 | Association of San Bernardino County Special Districts’ Dinner, 6:30 p.m. hosted by Hi-Desert Water District, Location: The Roost Sports Café & Bar (Yucca Valley)
Topic: A Virtual Look at Shaping a Public Sewer System from the Ground Up |
| E. | May 23, 2018 | Board of Directors Meeting, 1:30 p.m. at Conservation District |
| F. | May 28, 2018 | Office Closed in Observance of Memorial Day |
| G. | June 7, 2018 | Advisory Commission on Water Policy, 6:30 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, 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.

10. **ADJOURN MEETING.** The Budget Workshop will be on May 22, 2018 at 2:00 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

RESOLUTION NO. 557

**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 2018-19 water year; and

WHEREAS, at the regular meeting of the Board of Directors on February 14, 2018, 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 Committee on April 12, 2018; and

WHEREAS, The BTAC and Basin Producers, as well as the District, have proposed and formed a Groundwater Council, and in connection with that Groundwater Council have agreed to enter into a San Bernardino Basin Groundwater Council Framework Agreement (“GC Agreement”), which includes the annual review and funding of various maintenance costs for facilities used to replenish the Bunker Hill Basin, including facilities owned or managed by the District, pursuant to an Equitable Allocation formula developed as part of the GC Agreement; and

WHEREAS, the California Supreme Court on December 4, 2017 issued its decision in the case of *City of San Buenaventura v. United Water Conservation District*; Case No. S226036 (“Ventura Decision”) which resolved outstanding legal issues relating to the procedures and constitutional requirements attending the levy and collection of groundwater charges under applicable authorizing statutes pertaining to water conservation districts like the District; and

WHEREAS, under that opinion, the California Supreme Court clarified that such groundwater charges are not “property related charges” under California Constitution Article XIII D (Proposition 218), but did affirm that such charges are governed by California Constitution Article XIII C (Proposition 26), such that the charge must be set at a rate that in the aggregate is no more than is necessary to cover the reasonable costs of the governmental activity for which it is charged, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity; and

WHEREAS, the California Supreme Court’s opinion in the Ventura Decision cast serious legal doubt on the continuing validity of the statutory differentials in groundwater charge rates provided under Water Code section 75594, which dictates that groundwater charges for non-agricultural uses be three to five times greater than agricultural uses; and

WHEREAS, the District desires to comply with the procedural and constitutional requirements clarified by the California Supreme Court in the Ventura Decision, while at the same time understanding that agricultural producers within the District may bear a short-term transitional burden from elimination of statutorily-dictated rate differentials in groundwater charges, and

WHEREAS, the District provided mailed notice to all known groundwater producers, within its boundaries of the California Supreme Court’s Ventura Decision and its potential groundwater charge rate implications; and

WHEREAS, on February 1, 2018, after mailed notice to all known groundwater producers within the District boundaries, the District held a workshop to discuss the Ventura Decision and strategies for implementing changes to the District’s groundwater charge called for by the decision; and

WHEREAS, the District provided mailed notice to all groundwater producers within its District boundaries of a public meeting held on April 11, 2018, and a public hearing held on April 25, 2018, 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 11, 2018, and a public hearing on April 25, 2018, 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 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 2016 to Fall 2017, is an increase of 54,982 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 -511,573 acre-feet or more.
- C. Total Groundwater Production from the Bunker Hill Basin from the Preceding Water Year July 1, 2016 to June 30, 2017 is 154,142 acre-feet.
- D. Estimate of the Annual Change in Storage for the Current Water Year (July 1, 2017 to June 30, 2018) in the Bunker Hill Basin is 21,867 acre-feet or more.
- E. Estimate of the Annual Change in Storage for the Ensuing Water Year (July 1, 2018 to June 30, 2019) in the Bunker Hill Basin is -1,963 acre-feet.
- F. Average Annual Change in Storage for the Immediate Past Ten Water Years in the Bunker Hill Basin is -11,635 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, 2018 to June 30, 2019) is 14,177 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, 2018 to June 30, 2019) is 95,781 acre-feet.
- I. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2018 - June 30, 2019) within the Bunker Hill Basin is 77,090 acre-feet.
- J. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2018 - June 30, 2019) for the District is 54,744 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, 2018 to June 30, 2019) is 134,083 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 623,523 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 hydrogeological 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, though depending on the decision making processes of the Groundwater Council, the District may be asked to help fund regional purchases of imported water to augment native water supplies, in amounts presently unknown. 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 \$12.56, to be applicable to both agricultural and non-agricultural use. The Board imposes this unitary rate in response to, and in an attempt to comply with, the Ventura Decision, but also because the District has not historically segregated either facilities or groundwater charge-funded efforts based on agricultural vs. non-agricultural use basis. Nor has the District undertaken studies to isolate a predominantly agricultural producing zone or region within the District boundaries, and even if such an area were to be isolated, there is some question based on existing facts and circumstances whether the benefits and burdens of the District's groundwater management and replenishment services could support a rate differential based on agricultural use. 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, 2018 and February 1, 2019

Section 5. Notwithstanding the unitary rate set above, the District recognizes that the elimination of the previously statutorily-directed rate differential between agricultural and non-agricultural uses may cause some short-term transitional financial hardship on certain users that previously paid the lower agricultural rate. In recent years, the District has accumulated a Rate Stabilization Fund, which it has drawn from to reduce the year-by-year step increases occasioned by the increases in costs of the services the District provides. In order to alleviate burdens on certain agricultural producers from compliance with the Ventura Decision, and consistent with the discretion for application of groundwater charge proceeds granted to the District under Water Code section 75523, the District has determined to draw on this fund to subsidize a portion of the rate increase on certain agricultural use producers for the upcoming water year. Those Agricultural producers eligible for the Rate Stabilization offset shall be those whose pumped groundwater is applied directly to production of agricultural products or livestock, or is directly applied to landscape watering for cemeteries or golf courses. The District's Rate Stabilization Fund shall be used to offset the costs for such producers on a per acre foot basis of production, in the amount of \$6.05 per acre foot, which will reduce the "effective rate" such producers pay to \$6.51 per acre foot. In making this determination, the Board of Directors also indicates its intent to continue to utilize the Rate Stabilization Fund in additional amounts for the next two upcoming water years, in order to provide a stepped phasing of rates to bring those eligible agricultural producers' rates to an amount equal to the rates paid by all other users at the end of three years.

Section 6. Exemptions:

A. Notwithstanding the foregoing, for producers who can demonstrate 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, and 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.

B. To the extent that a party who is a member of the Groundwater Council has paid a maintenance and operation charge through the Equitable Allocation based upon an approved budget for the Groundwater Council that includes the maintenance and operations costs reflected in the District's budget showing the needs and uses of the Groundwater Charge for 2018-19 water year, and such payment is remitted to the District, the General Manager is authorized to accept such Equitable Allocation payment as payment in full for groundwater charges due from that party's production for the applicable water year. If a party remits its Equitable Allocation for maintenance and operation costs to the District, but in that same water year leaves or otherwise ceases to participate in the Groundwater Council, the District's then-current groundwater charges shall apply to such party's production for the entire water year, and that party's amount of the Equitable Allocation so remitted will be used as a prepayment offset for groundwater charges otherwise due from such party's production. The purpose for this credit is to assure that parties contributing to the maintenance and operations component of the Equitable Allocation do not double-pay for their proportionate cost of the District's services.

C. The District is currently in discussions with various Riverside County entities who propose to be Ex Officio members of the Groundwater Council, and who may, by separate agreement with the District, agree to fund portions of the maintenance and operations costs of existing recharge facilities. To the extent such an agreement is reached, and a party otherwise subject to the District's groundwater charge contributes in such a way this its payment is remitted to the District; the General Manager is authorized to provide discharges and credits to such Ex Officio members in the same manner as for Groundwater Council members, provided above. The purpose for this credit is to assure that parties contributing to the maintenance and operations of the District through any such agreement do not double-pay for their proportionate cost of the District's services.

Section 7. In connection with fixing the groundwater charge as set forth in Section 4 above, the Board of Directors makes the following findings:

- A. Consistent with the Ventura Decision, the District's groundwater charge is not a "property-related charge" for purposes of determining the applicability of Article XIID of the California Constitution. Notwithstanding, the District has provided mailed notice of the proposed charge and the amounts proposed to be charged to all known groundwater producers within its jurisdictional boundaries.
- 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, 10 and 17, 2018, and in the Highland Community News on March 3, 10 and 17, 2018. All such notices identified the prior and proposed 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 report prepared by the District, were reviewed at a public meeting held April 11, 2018, and a public hearing held April 25, 2018. In addition, the Engineering Investigation report prepared by the District was presented to and reviewed with the Board of Directors at a public meeting on February 14, 2018, and was discussed at the Basin Technical Advisory Committee on March 5, 2018.
- 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 acre 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; and performing such maintenance of other parties' diversion works, recharge basins and canals as requested and per prior agreements.
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;
9. Participating in, and serving as the accounting arm for the collection of, facilities maintenance and operations funds and contributions for the Groundwater Council; and
10. 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 \$958,497 based on production reported for the 2017-2018 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 2018-2019 proposes total expenditures of \$1,203,877.

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.

Section 8. 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 properly exempt from CEQA.

Section 9. 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 25th day of April 2018, 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 11, 2018
1:30 p.m.

President Corneille called the 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 (Departed 3:15 p.m.)
Melody McDonald, Vice President
David E. Raley, Director
T. Milford Harrison, Director
John Longville, Director (Arrived 1:35 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
Katelyn Scholte, Assistant Engineer

GUESTS PRESENT:

Kimberli Munkres, Thunderwheel Communications
Gil Navarro, Valley Municipal
Clayton Larkins, Tetra Tech
Troy Martinez, Redlands Unified School District
Ken Morse, Redlands Unified School District

1. PUBLIC PARTICIPATION

President Corneille announced that any persons present, who so desired, may make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

Mr. Cosgrove noted corrections to Closed Session Item 1 regarding property negotiations. The first is property negotiations with SP Deerfield LLC for property located on Greenspot

Road in Highland. The second is property negotiations with Seven W Enterprises for property located at 1500 Crafton Avenue in Redlands with Daniel Cozad as negotiator for the District on both matters. He noted that the board would also be going into Closed Session on items 2 and 3 on the printed agenda.

3. PUBLIC MEETING RELATED TO ADOPTION OF GROUNDWATER CHARGE

President Corneille opened the public meeting to invite members of the public to comment on the Engineering Investigation Report and groundwater charge. He asked if any written comments were received by staff. Mr. Cozad indicated that there were no written comments received. There being no public present wishing to address the Board, President Corneille closed the public meeting.

4. CONSENT CALENDAR

It was moved by Director Harrison and seconded by Vice President McDonald to approve the Consent Calendar: Item A: Board Minutes, March 14, 2018; and Item B: Expenditure Report, March 2018. 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**

5. COMMITTEE REPORTS/ACTION ITEMS

A. OUTREACH PLAN IMPLEMENTATION AND BRANDING AND VERBAL UPDATE ON OUTREACH & COMMUNICATIONS COMMITTEE

This item was taken out of order.

Director Longville introduced this item for discussion. Kimberli Munkres, Thunderwheel Communications, presented a PowerPoint presentation and reviewed branding results that are included in the package on pages 20 through 28. She also reviewed the electronic newsletter which will be distributed to partners and interested parties. Ms. Munkres also discussed an annual awards event, called *The Scroppies*, that would be presented by the District to partner agencies. These awards will be created from items found in the wash and would be bestowed upon individuals and organizations that exhibit District values and show resourcefulness and frugality. Thunderwheel Communications will continue scheduling presentations to cities and counties and will coordinate with Board members and advise the entire Board of the dates. The Board thanked Ms. Munkres for her efforts on the Outreach Plan and brand changes.

It was moved by Director Longville and seconded by Director Raley to accept and implement internal and external change to communications materials as presented. The motion carried 5-0 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: Yes
Director Raley: Yes
Director Harrison: Yes

B. VERBAL REPORT ON OPERATIONS COMMITTEE

President Corneille noted that the Operations Committee met on March 21 and reviewed several items; including the Mill Creek and Plunge Creek projects. The Committee reviewed engineering drawings for the Mill Creek project and it recommends using a traditional competitive bid process. The Plunge Creek project should utilize competition to fulfill grant conditions but may choose unit price or fixed-price bids. Staff is hoping to obtain permits this summer; construction would likely be in fall or winter. President Corneille noted that on the Mill Creek side, a 408 permit is required. A topographic survey will be done. The Mentone shop facilities were discussed along with the possibility of expanding upon current facilities. The Committee also reviewed the Capital Equipment and Improvement Project list and provided input; which will be incorporated into the 2018-2019 budget. This item was received and filed.

C. INSTALLATION OF MILL CREEK NORTH CANAL MEASUREMENT DEVICE

President Corneille introduced this item for discussion. Ms. Scholte provided a detailed overview of the project referencing the written report on package pages 29 through 43. There were multiple options discussed with the Operations Committee. The Committee is recommending installing a new weir gate measurement system.

It was moved by Vice President McDonald and seconded by Director Longville to authorize staff to procure a contractor to install a weir measurement device within the North Canal on the Mill Creek spreading facilities for a cost not to exceed \$50,000 and to file a CEQA Notice of Exemption. 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. UNAUDITED FINANCIAL REPORTS, FEBRUARY 2018

It was moved by Director Longville and seconded by Vice President McDonald to approve the Unaudited Financial Reports for February 2018. 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. EASEMENT AGREEMENT WITH SOUTHERN CALIFORNIA EDISON

Mr. Cozad presented this item for discussion indicating the inclusion of materials on package page 50. Southern California Edison requires a Grant of Easement in order to install power poles which will be utilized for the Enhanced Recharge Project-Phase 2.

It was moved by Director Harrison and seconded by Vice President McDonald to authorize the General Manager to execute an Easement Agreement with Southern California Edison for the Enhanced Recharge Project. 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. IERCD MEMORANDUM OF UNDERSTANDING AMENDMENT

Mr. Cozad introduced this item for discussion noting the inclusion of background materials on package page 61. Representatives of Inland Empire Resource Conservation District (IERCD) have requested that the District store herbicide for them at the District's Mentone shop. They intend to utilize a 9-by-12-foot shed that is not currently in use.

It was moved by Director Harrison and seconded by President Corneille to authorize the General Manager to execute an Amendment to the existing Memorandum of Understanding with the Inland Empire Resource Conservation District to allow shared use of the facilities and equipment. 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. EDUCATIONAL ASSISTANCE REIMBURSEMENT

It was moved by Vice President McDonald and seconded by Director Harrison to approve the Education Assistance Reimbursement of \$4,165 in tuition expenses to Katelyn Scholte for a Master's in Engineering. 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. COUNTYWIDE RDA OVERSIGHT BOARD REGULAR AND ALTERNATE ELECTION

It was moved by Director Longville and seconded by Vice President McDonald to support James Curatalo as Regular Special District Member for the Local Agency Formation Commission. 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

It was moved by Director Harrison and seconded by Vice President McDonald to support Cindy Saks as Special District Member of Countywide Oversight Board. The motion carried 5-0 with all Directors present voting in the affirmative.

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

It was moved by Vice President McDonald and seconded by President Corneille to support Director Harrison as Alternate Special District Member of the Countywide Oversight Board. The motion carried 5-0 with all Directors present voting in the affirmative.

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

I. CSDA BOARD OF DIRECTORS REQUEST FOR CONCURRING NOMINATION

Mr. Cozad introduced this item for discussion noting the inclusion of background information beginning on package page 96. A brief discussion ensued.

It was moved by Vice President McDonald and seconded by Director Harrison to support Jo MacKenzie of Vista Irrigation District for CSDA Board of Directors. 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. SANTA ANA RIVER PARKWAY AND OPEN SPACE PLAN: LETTER OF SUPPORT

Mr. Cozad introduced this item for discussion. The board memo on this item is included on package page 98. A draft letter of support is listed on package page 100. President Corneille requested that staff add verbiage relating to permitting.

It was moved by Director Harrison and seconded by Director Raley to direct staff to submit a letter of support with minor revisions for the Santa Ana River Parkway and Open Space Plan to the Coastal Conservancy and receive and file the update on the Santa Ana River Trail construction. The motion carried 5-0 with all Directors present voting in the affirmative.

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

6. INFORMATION ITEMS

A. BOARD COMMITTEE REPORTS WITHOUT ACTION

There were none.

B. JPIA COVERAGE CHANGES

This item was taken out of order.

Vice President McDonald provided a brief update. She indicated that ACWA/JPIA has approved a 10% rate reduction for the current policy year and increased coverage limits and areas of coverage.

C. WASH PLAN UPDATE

Mr. Cozad introduced this item for discussion noting the inclusion of Jeff Beehler's written report on package page 105. It is hoped that the Land Exchange Bill will get marked up in the Senate this spring. The Task Force Meeting is scheduled for May 1. This item was received and filed.

D. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report was included in the Board Package on pages 106 through 108. The Monthly Recharge Report was included on package page 109. President Corneille congratulated staff on the implementation of the Groundwater Council under District Successes. This item was received and filed.

E. FUTURE AGENDA ITEMS AND STAFF TASKS

The Wash Plan Task Force meeting will be held May 1 at 10 a.m. The Budget Workshop will be held on May 22 at 2 p.m. Director Raley requested an update on the current Material Processing Agreement with Upland Rock. He also asked to receive an update on the Annual CalPERS Actuarial Report.

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

President Corneille chaired the Advisory Commission on Water Policy on March 15 and the Operations Committee on March 21. He met with Doug Headrick on April 9 to plan the Advisory Commission meeting and attended the City of Highland Council meeting to promote the Advisory Commission.

Director Raley chaired the Conservation Trust meeting on March 15. He attended the Advisory Commission on March 15, Valley Municipal Water Use Efficiency Committee Workshop on March 21, and East Valley Water District Board meeting on March 28. He attended the Redlands Rise N Shine on April 6, Highland Trails Event on April 7, and Valley Municipal Board Workshop on April 10.

Vice President McDonald attended the Valley Municipal Board Workshop on April 10, Valley Municipal Board of Directors Meeting on April 3, and the Basin Technical Advisory Commission (BTAC) on April 2. She also attended the Highland Area Chamber of Commerce (HACC) Luncheon on March 27, the Valley Municipal Water Use Efficiency Committee Workshop on March 21, and the West Valley Water District Board of Directors Meeting on April 5. Vice President McDonald attended the Baseline Feeder on March 15.

Director Harrison attended the Outreach & Communications Committee Meeting on March 15, the Association of San Bernardino County Special District's (ASBCSD) dinner meeting on March 19, and Valley Municipal Board of Director's Meeting on March 20. He attended the Operations Committee Meeting on March 21, the HACC Luncheon on March 27, and the San Bernardino Area Chamber of Commerce (SBCC) Meeting on March 28. Director Harrison attended the BTAC on April 2, Valley Municipal Board of Directors Meeting on April 3, and the Redlands Rise-n-Shine on April 6.

Director Longville attended the Valley Municipal Board of Directors Meeting on April 3, and Outreach & Communications Committee Meeting on March 15. He attended the Conservation Trust meeting on March 15.

8. UPCOMING MEETINGS

The Board of Directors set the Budget Workshop for May 22 at 2 p.m.

9. CLOSED SESSION

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

**President Corneille: Absent
Vice President McDonald: Yes
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. In addition, Item 1 real property negotiations with SP Deerfield LLC for property located on Greenspot Road in Highland, and with Seven W Enterprises for property located at 1500 Crafton Avenue in Redlands with Daniel Cozad as negotiator for the District on both matters.

At 4:18 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

10. ADJOURN MEETING

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

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

At 4:19 p.m., the meeting adjourned to the Board of Directors/Groundwater Public Hearing scheduled for 1:30 p.m. April 25, 2018, at District Headquarters, 1630 W. Redlands Blvd., Redlands, Calif.

Daniel B. Cozad
General Manager



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Email: info@sbvwcd.org
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Memorandum No. 1572

To: Board of Directors

From: General Manager, Daniel Cozad

Date: April 25, 2018

Subject: Upland Rock Material Processing License Update

RECOMMENDATION

Receive and file the update on Upland Rock's Material Processing License.

BACKGROUND

For at least 15 year the District has had contractors assisting the field staff and processing sand and rock that is entrapped by the District's intake facilities. These contractors have varied and the District has accommodated both local need and partnered with firms who can market the materials to insure they are taken off the property to keep facilities functional. The Board documented their policy on aggregate and processing in April 2016. In accordance with this policy Staff a formal procurement process for Materials Processing Licensee to create a long term relationship and ensure the District received the best value possible. Staff distributed and posted a Request for Proposals (RFP) for Aggregate Materials Processing. In October 2016 the Board authorized the General Manager to execute a Material Processing License under standard terms to Upland Rock.

DISCUSSION

Upland Rock has operated under the terms and conditions of the Materials Processing License since January 2017 and is midway through the second one-year extension. Upland Rock and District staff have worked well together and no significant problems or concerns have been raised. Both cooperated to replace a gate that was no longer maintaining security. Upland has also accommodated public events and District activities as requested. Upland Rock also provided support cleaning basins and accepting clean rock from Partner and Community construction projects and continues to market the rock accepted from the East Branch Extension project. Currently, in addition to Upland Rock activities, we store under an Access Permit, large rock for the SBVMWD City Creek pipeline project. Recently Upland cooperated with the contractor performing construction for the Enhanced Recharge Project.

To date Upland has sold and paid royalties on more than 40,000 tons of sand and rock products. In total Upland Rock has received significant materials from construction adding to revenue shared with the District.

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

FISCAL IMPACT

Upland Rock continues to market and sell materials from District Operations and excess from adjoining construction reducing the cost and difficult for partners such as East Valley Water District, the City of Highland and San Bernardino County. Staff has found that the royalty rates are consistent with market research done in past years. A summary of sales and royalties are shown in the attached chart.

POTENTIAL MOTIONS

1. Move to receive and file the report.
2. Move to request this item be tabled and referred to committee for reconsideration or additional information.

Upland Rock Royalties

Jan 15, 2017 Material Processing License Jan 2017-Feb 2018 royalties

- Native Material per load (50% of Fee received) \$17,673.00
- Fill Sand (\$.50/ton) 19,089.50 tons
- Aggregate less than 1” (\$.50/ton) 2,442.50 tons
- Aggregate 1” to 4” (\$.50/ton) 61 tons
- Aggregate 4” to 12” (\$1.50/ton) 1,428.50 tons
- Boulders (\$1.50/ton) 17,177.42 tons
- **Total Royalties \$57,028.23**



2018 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. 10 Board Meeting
 Jan. 24 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. 11 Board Meeting
 Jul. 25 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. 14 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. 08 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. 14 Board Meeting
Engineering Investigation Report Presentation

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. 12 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. 11 Board Meeting
Public Meeting/Groundwater Charge
 Apr. 25 Board Meeting
Public Hearing/Groundwater Charge
 Apr. 27 3rd Qtr. Finance & Admin Mtg.

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. 10 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 22 Budget Workshop (@ 2:00 p.m.)
 May 23 Board Meeting

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. 14 Board Meeting
 Nov. 21 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. 13 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. 12 Board Meeting (@ 9:30 a.m.)
Holiday Luncheon