

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF January 10, 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
Melody McDonald, Vice President
David E. Raley, Director
T. Milford Harrison, Director
John Longville, Director (Arrived at 2:26 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:

James Folmer, Highland Community News
David 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. DISTRICT STANDING COMMITTEE APPOINTMENTS

It was moved by Vice President McDonald and seconded by Director Harrison to approve Appendix B-Standing Committees and Appendix C-Roster of Organizations and Committees with Assigned Representatives as presented. 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

President Corneille appointed two ad hoc committees. He appointed Vice President McDonald and himself to an Ad Hoc General Manager Evaluation Committee and Director Raley and Longville to an Ad Hoc Audit Committee.

4. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by Director Raley to approve Consent Calendar Item A: Board Minutes, December 13, 2017; and Item B: Expenditure Report, December 2017. 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. UNAUDITED FINANCIAL REPORTS, DECEMBER 2017

Mr. Cozad introduced this item for discussion. He noted that interest income was inadvertently posted to the miscellaneous income general ledger account; this will be revised on next month's unaudited financial reports. Mr. Cozad said that approximately \$8,000 of Wash Plan staff costs that were not included in the reports will be updated next month as well.

It was moved by Director Raley and seconded by President Corneille to approve the Unaudited Financial Reports for December 2017. 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

B. STATEMENT OF INVESTMENT POLICY 2018

Mr. Cozad introduced this item for discussion. He indicated that the Statement of Investment Policy is reviewed by the Board annually. There are no changes recommended by staff this year. The Finance & Administration Committee reviewed and concurred with the recommendation. Mr. Cozad said that staff continues to make investments in line with current policy. Director Harrison noted some minor verbiage changes needed in paragraph two.

It was moved by Director Raley and seconded by Director Harrison to approve the Statement of Investment Policy for 2018 with recommended revisions. 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

C. DISTRICT BOARD PRIORITIES FOR 2018

Mr. Cozad reviewed Board Draft Priorities for 2018 included on package page 45. He incorporated the goals from the Community Strategic Plan (CSP) and some Board Priorities from 2017 into the 2018 draft.

Mr. Cozad began a review of the Board Priorities:

- Item 7: Wash Plan Implementation Preserve Work Plan is significant to staff. President Corneille requested that the language be changed to "Wash Plan Preserve Implementation Work Plan."
- Item 5: President Corneille said that the District would like to have at least one active trail by 2020.
- Item 9: President Corneille recommended that this item be changed to a priority 1 rather than priority 2.
- Item 11: President Corneille requested that the initial plan for the Mendoza Property be brought forward to the full Board for approval in 2018.

It was moved by Director Harrison and seconded by Director Raley to approve the District Board Priorities for 2018 with revisions. 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

D. IMPACT OF THE UNITED WATER CONSERVATION DISTRICT COURT RULING ON CONSERVATION DISTRICTS

Mr. Cosgrove noted the inclusion of a memo on package page 47 detailing the recent court decision. He reviewed the City of Ventura and the United Water Conservation District (UWCD) court case. The District has been following the guidelines of Proposition 218 even though it did not believe that the statute applied to it. The UWCD charges the groundwater charge under the same statute that the District does. There are two major issues that impact the groundwater charge assessed by the Conservation District; 1) whether the groundwater charge is a property-related charge as outlined in Proposition 218 and 2) whether the District must have a higher non-agricultural rate than agricultural rate as required under Government Code §75594. Mr. Cosgrove discussed burdens versus benefits. Under the recent court decision, the court said that Proposition 218 did not apply to the UWCD groundwater charge and Government Code §75594 was found to be unconstitutional. The District is not required to adhere to Proposition 218, but Proposition 26 does apply. Under Proposition 26, there has to be proportionality between the benefits and burdens. Mr. Cosgrove recommended that, even though the groundwater notices are not required, the District should continue to send notices to its groundwater producers. However, the letter will no longer include the majority protest language. Mr. Cosgrove recommended that the District no longer have two separate rates for agricultural and non-agricultural usage. The facilities, staff, and water supplies are the same for both. He recommended having one unitary rate based on the District's costs.

Director Raley voiced concerned over raising the agricultural groundwater rate significantly; he proposed having a phase-in plan. President Corneille agreed with phasing as well. Mr. Cozad said that the District will send out notices to groundwater producers advising them of the recent court decision and how it will affect their groundwater rates. Staff suggested the District hold an informational workshop so that groundwater producers may voice their concerns and the District may answer any questions they may have before advertising a rate. Discussion ensued. Vice President McDonald also voiced concern over the adverse effect that any significant increase may have on agricultural groundwater producers. It was the consensus of the Board to direct staff to move forward with holding an informational workshop with groundwater producers, prepare a phase-in plan and bring back information to the Board at the next Board meeting.

6. INFORMATION ITEMS

A. WASH PLAN REPORT

Mr. Beehler presented a PowerPoint presentation on this item. He said that the package would be ready in February for posting in the Federal Register. Mr. Beehler said that the District is complying with AB-52 consultation requirements. He has met with the San Manuel Band of Mission Indians, Soboba, and Gabrieleño. They are primarily interested in recent cultural resources. No cultural monitors have been requested. The San Manuel Band of Mission Indians and Soboba tribes will be notified of any herbicide usage and ground-disturbing projects. 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 was included in the Board Package on pages 52 to 55. The Monthly Recharge Report was included on package page 56. Mr. Cozad noted that the US Army Corps of Engineers (USACOE) had received the permit application and plans for Mill Creek Diversion Improvement Project and the cost for expedited review is estimated by the USACOE at \$75,000. The project cannot move forward until the 408 permit is obtained. Staff recommends that the Operations Committee meet to review this project's costs and approach to 408 permitting. The regulatory entities will have a field visit to Plunge Creek on January 12. Mr. Cozad said that the Enhanced Recharge Project pipeline is currently being backfilled and should be done between June and July. He noted that Redlands Plaza parking lot striping had been delayed for a week due to weather. A copy of the proclamation presented by Vice President McDonald to Charles Roberts at his retirement party is included on package page 55. Mr. Cozad provided a handout of a newspaper article from Charles Roberts about the Wash Plan. He also provided a handout of a letter from Congressmen Cook & Aguilar supporting Senator Feinstein's request to move the Wash Plan Land Exchange Act forward for approval by Senate. The Santa Ana River HCP is estimated to be approved in 2020. This item was received and filed.

C. GROUNDWATER COUNCIL VERBAL REPORT

Mr. Cozad introduced this item for discussion. There have been no substantive changes to the draft agreement. Ms. Scholte made revisions to the Equitable Allocation Model (EAM). The next GC meeting will be held March 12. This item was received and filed.

D. FUTURE AGENDA ITEMS & STAFF TASKS

Vice President McDonald asked staff to verify the candidate filing period for November 2018 elections.

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

Director Longville made no report.

Director Raley attended the Advisory Commission on December 14 and the Redlands Rise N Shine on January 5. He also attended the Valley Municipal Board Workshop on January 9.

Director Harrison attended the Valley Municipal Board Meeting on December 19, SBACC Koffee Klatch on December 20 and January 3. He also attended the Redlands Rise N Shine on January 5 and Valley Municipal Board Workshop on January 9.

President Corneille chaired the Advisory Commission on December 14. He noted that due to a conflict with Commission members' schedules, the Commission would no longer hold a meeting in December. He noted that he will be joining the Valley Municipal President to visit agencies that have not been regularly attending the Advisory Commission meetings to encourage participation.

Vice President McDonald attended the Baseline Feeder Committee Workshop on December 21 and the Water Use Efficiency Meeting on December 20. She also attended the Valley Municipal Board Meeting on December 19.

8. UPCOMING MEETINGS

Mr. Cozad noted that Governance Training would be held on February 5 in La Quinta; this is a mandatory Board training required to renew our CSDA Districts of Distinction and Transparency Certificates.

9. CLOSED SESSION

There was none.

10. ADJOURN MEETING

It was moved by Director Harrison and seconded by President Corneille 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 3:45 p.m., the meeting adjourned to the Board of Directors meeting scheduled for 1:30 p.m. February 14, 2018, at District Headquarters, 1630 W. Redlands Blvd., Redlands, Calif.



Daniel B. Cozad
General Manager