

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS MEETING**

**MINUTES OF September 11, 2019  
1:30 p.m.**

President Corneille called the 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:**

David E. Raley, Director  
Robert Stewart, Director  
Melody McDonald, Vice President  
Richard Corneille, President  
John Longville, Director

**BOARD MEMBERS ABSENT:**

None

**GENERAL COUNSEL PRESENT:**

David Cosgrove, Rutan & Tucker, LLP

**STAFF PRESENT:**

Daniel Cozad, General Manager  
Betsy Miller, Land Resources Manager/Assistant General Manager  
Erwin Fogerson, Senior Engineer/Project Manager  
Athena Monge, Administrative Specialist

**GUESTS PRESENT:**

Laine Carlson, WSC  
T. Milford Harrison, San Bernardino Valley Municipal Water District  
Bob Martin, Bear Valley Mutual Water Company  
Jennifer Ares, Yucaipa Valley Water District  
Madeline Blua, Yucaipa Valley Water District  
David Smith, East Valley Water District

**1. PUBLIC PARTICIPATION**

President Corneille announced that any person present, who so desired, may make an oral presentation to the Board of Directors. There being none, the meeting continued with the posted agenda items.

## 2. ADDITIONS/DELETIONS TO AGENDA

There were none.

Mr. Cozad introduced Betsy Miller, Land Resources Manager/Assistant General Manager, and Erwin Fogerson, Senior Engineer/Project Manager.

## 3. CONSENT CALENDAR

**It was moved by Director Longville and seconded by Vice President McDonald to approve the Consent Calendar: Item A: Board Minutes, August 14, 2019, with minor revisions. The motion carried 5-0 with all board members present voting in the affirmative.**

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

**It was moved by Director Longville and seconded by Vice President McDonald to approve Consent Calendar: Item B: Expenditure Report, August 2019 and Item C: Top Give Groundwater Producers for GWA #52. 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 Stewart: Yes**

## 4. COMMITTEE REPORTS/ACTION ITEMS

### A. 2019 ANNUAL DISTRICT AUDIT

Director Raley introduced this item for discussion, noting that it was a clean audit report. He noted that the Ad Hoc Audit Committee met and reviewed the draft report on September 3. President Corneille requested that the auditor be present next year when the audit is presented in case the Board should have any questions. Director Raley noted that the District's net position is shown on package page 58 and it is in line with 2018-2019 budget estimates. There is a typo where it states that the OPEB goes up by \$120,000/year; this is the amount contributed for unfunded liability in 2019. Director Raley stated that if the Board has any questions about the CalPERS information in the Audit Report the District may request PERS to make a presentation. Vice President McDonald asked why the District's total liabilities went from \$577,004 to \$850,388 as shown on package page 61. Director Raley stated that is primarily due to the advance to the Wash Plan. President Corneille asked about the purpose of three separate letter reports included with the financial statements in the audit report. Mr. Cozad said that the first audit letter is the representation letter that documents the scope of services for the audit, the second is the audit opinion and the third letter is an evaluation of District internal controls. President Corneille thanked staff members for their work on the audit.

**It was moved by Director Raley and seconded by Director Longville to approve the 2019 Audited Financial Report as presented. The motion carried 5-0 with all Directors present voting in the affirmative.**

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

#### **B. LEGISLATIVE AND REGULATORY PLATFORM**

Mr. Cozad introduced this item for discussion. This item was discussed by the Outreach & Communications Committee on August 23. The Committee reviewed the California Special Districts Association's suggested advocacy policy, which is more robust, but recommends the District continue to use the Legislative Platform. The updated version is shown on package pages 103 and 104. Director Longville said that the Committee also discussed outreach efforts and encouraged Board members to meet with local legislators, partners, etc. and make presentations. President Corneille said that we need to continue that and update the PowerPoint presentation.

**It was moved by Director Longville and seconded by Director Stewart to approve the Legislative and Regulatory Platform for 2020 as presented 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 Stewart: Yes**

#### **C. EXCHANGE PLAN AGREEMENT SUPPORT AND CONTRIBUTION FOR PLAN UPDATE**

Mr. Cozad noted these items are included in the Board package beginning on page 105. The District is the Project Manager for the Santa Ana River-Mill Creek Cooperative Water Project (Exchange Plan). Mr. Cozad provided a brief overview of the project. He said that this Exchange Plan was developed in 1977 and requires updating. The Management Committee of the Exchange Plan met and approved a scope of work for updating this agreement. Valley Municipal offered to pay 50 percent of the cost, and the other participants agreed to pay the remainder as shown on package page 106. Water Systems Consulting (WSC) is the consultant the Management Committee is comfortable with, and the firm's proposal is included on package pages 108 to 111. Bob Martin of Bear Valley Mutual Water Company spoke on the need to update the agreement and voiced support for hiring WSC. Jennifer Ares of Yucaipa Water District spoke in favor of hiring WSC and thanked Valley Municipal and the Conservation District for their support. President Corneille noted that staff proposed that legal fees are also proposed to be covered by the District. Mr. Cosgrove described, in brief, the basis for that and estimated it would cost roughly \$25,000. The District will invoice the partner agencies upon approval of this agreement by the Board.

It was moved by Vice President McDonald and seconded by Director Longville to authorize the General Manager to contract with Water Systems Consulting for support services to amend and update the Cooperative Exchange Plan Agreement under standard terms acceptable to legal counsel in an amount not to exceed \$100,000. 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 Stewart: Yes**

**D. UNAUDITED FINANCIAL REPORTS, AUGUST 2019**

Mr. Cozad noted the new enterprise for the Active Recharge Transfer Projects. This is to enable us to show the accounting to the Policy Committee which will be meeting in the October/November timeframe. Director Raley inquired about the budgeted amount for aerial mapping. Mr. Cozad indicated that is how the District keeps track of how much aggregate that has been mined. This is part of the audit performed every two years. Director Stewart asked about basin cleaning. Mr. Cozad said that the District has not yet been invoiced for the cleaning performed by Jacinto, but costs will be forthcoming.

**It was moved by Vice President McDonald and seconded by President Corneille to approve the Unaudited Financial Reports for August 2019 as presented. The motion carried 5-0 with all Directors present voting in the affirmative.**

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

**E. GROUNDWATER LATE PAYER AND NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #52**

Mr. Cozad introduced this item for discussion, noting its inclusion beginning on package page 118. He said that Splash Kingdom had not reported groundwater use in four assessment periods. If they do not provide usage the District will estimate their usage and send them a demand letter. Discussion ensued.

**It was moved by Director Raley and seconded by Director Longville to direct staff to follow up with non-respondents and late payers. 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 Stewart: Yes**

#### F. LAND EXCHANGE BLM AGREEMENTS

Mr. Cosgrove provided a handout of the Memorandum of Understanding (MOU) for the Implementation of the Land Exchange. The Federal solicitor made some revisions and accepted and rejected some of the Districts' proposed revisions. Mr. Cosgrove said that under the District agreement in Section C he had added "if deemed mutually necessary" regarding environmental cleanup and it was removed by the solicitor. He would like for the "mutually" to be included within the agreement and indicated he believes that is the last of the revisions that need to be made. Staff recommends that the Board accept the agreement subject to approval by District Counsel.

**It was moved by Director Longville and seconded by Director Stewart to approve the Bureau of Land Management Implementation of Land Exchange Agreement subject to changes acceptable to District Counsel. 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 Stewart: Yes**

#### 5. INFORMATION ITEMS

##### A. WASH PLAN VERBAL UPDATE

Ms. Miller provided the report. The EIR/EIS was reviewed and approved by the Federal solicitor, who provided a question back to the District. Mr. Cozad and Ms. Miller met with FWS staff to discuss the Land Exchange MOU and requested Management MOU. The Federal Registrar notice is complete, and the review is being scheduled. Ms. Miller said once the review is complete the notice will be published in the Federal Registrar. She indicated that the secretarial waiver expires in January 2020. Mr. Cozad expanded on the secretarial waiver. A brief discussion ensued. This item was received and filed.

Mr. Cozad provided a handout on the next steps needed to complete the Plunge Creek Conservation project. He said that California will have listed the San Bernardino Kangaroo Rat (SBKR) as a "candidate species": staff continues to work on an approach to address this issue. Staff will bring back a modified project charter for Board approval.

##### 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 122 through 132. The Monthly Recharge Report was included on package page 133. Staff agreed to cover the cost of updating the Mineral Potential Report, which will be

between \$5,000 and \$10,000. Staff is working with CEMEX to get rid of some of the sand, but would have to pay to get it to them. Jacinto began basin clean up the beginning of this month; it will likely take between 10 to 15 days to complete. Mr. Cozad said that there would be an article about the Groundwater Council in the October/November issue of CSDA News magazine. There is a PFM investment summary on package page 126. The 2018-2019 Communications Summaries are included beginning on package page 127. This item was received and filed.

### C. FUTURE AGENDA ITEMS AND STAFF TASKS

President Corneille requested an update on the trails approach. He also asked to include in the outreach presentation information about the 7W Enterprise, R100 and Mendoza property purchases to be presented to the Mentone Area Chamber of Commerce. Director Raley has been asked to present on the Active Recharge Transfer Projects.

#### 6. MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS

President Corneille attended the Redlands Rail Construction Groundbreaking on July 19, Highland Area Chamber of Commerce (HACC) Luncheon on July 23, Exchange Plan Meeting on July 29 and chaired the Operations Committee on August 1. He met with the General Manager on August 30. President Corneille attended the Redlands Rise N Shine on September 6 and Steps for Life Gala on September 7 where the District was presented with a plaque for its collaboration and dedication.

Director Stewart attended the Outreach & Communications Committee on August 23, Ad Hoc Audit Committee on September 3 and the Loma Linda Chamber of Commerce on September 4.

Vice President McDonald attended Valley Municipal Board Meeting on September 3 and August 20. She attended the San Bernardino Area Chamber of Commerce (SBACC) Koffee Klatch on September 4, Association of San Bernardino County Special Districts Dinner (ASBCSD) on September 16 and State Legislative Committee on August 23. She also attended the HACC Luncheon on August 27.

Director Raley attended the Redlands Rise N Shine on September 6, Ad Hoc Audit Committee on September 3 and Valley Municipal Board Meeting on August 20.

Director Longville attended the Valley Municipal Board Meeting on September 3 and Local Government Commission Workshop on September 10.

#### 7. UPCOMING MEETINGS

There were none discussed.

#### 8. CLOSED SESSION

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

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

General Counsel announced that the meeting would adjourn to closed session under Closed Session item two.

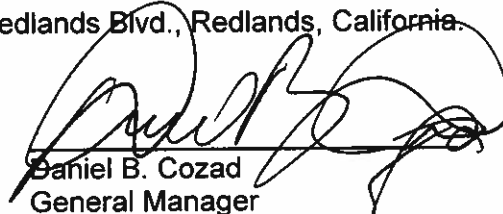
At 4:05 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

**9. ADJOURN MEETING**

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

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

At 4:06 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. October 9, 2019, at District Headquarters, 1630 W. Redlands Blvd., Redlands, California.



Daniel B. Cozad  
General Manager