

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

**MINUTES OF April 8, 2020
1:30 p.m.**

President Corneille called the meeting of the Board of Directors to order at 1:30 p.m. by teleconference and Zoom meeting.

ROLL CALL:

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

T. Milford Harrison, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Gil Navarro, San Bernardino Valley Municipal Water District
David Smith, East Valley Water District
Ted Park, Hello Sushi
Daniel Yeboah, Lightway Church
Clay Larkins, Tetra Tech

1. PUBLIC PARTICIPATION

President Corneille announced that any person present, who so desired, may make an oral presentation to the Board of Directors. Mr. Navarro noted a typo under upcoming meetings and that his Board will be holding a Policy Workshop Teleconference on April 9 at 2:00 p.m. Mr. Park of Hello Sushi indicated that their restaurant is having hardship due to COVID-19. They

requested the Conservation District waive their rent for three months or pay fifty percent of their rent for six months with no payback to the District. President Corneille noted that the Conservation District offered to allow a fifty percent reduction in their usual rent and CAM/HVAC fees for the tenants with repayment by December 2020. Although Hello Sushi did receive this notice, they are asking for the aforementioned options to be considered instead. Hello Sushi indicated that it would be very difficult for them to even pay half of their rent due to their restaurant losing significant business caused by the pandemic. Mr. Cosgrove stated that the District is unable to take action on this item at this time, but it will be discussed further in Closed Session. The District is receiving public comment for consideration of Closed Session item. Lightway Church indicated that they are a non-essential business and are closed, and although they appreciate the Conservation District's offer even 50% would be difficult for them to pay. The church asked for the Conservation District to consider allowing a longer payback period and a potential waiver of full rent.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. PUBLIC MEETING RELATING TO ADOPTION OF GROUNDWATER CHARGE

President Corneille opened the Groundwater Public Meeting and asked if any member of the public desired to hear the 2020 Engineering Investigation Report Presentation or provide any comments on the Draft Resolution. Staff is proposing a five percent increase in the unitary groundwater rate to \$13.85 for the fiscal year 2020-2021. The staff has not received any written or verbal comments. Hearing no public comments, President Corneille closed the Groundwater Public Meeting.

4. CONSENT CALENDAR

It was moved by Director Raley and seconded by Vice President McDonald to approve the Consent Calendar: Item A: Board Minutes, March 11, 2020, and Item B: Expenditure Report, March 2020. 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**

5. COMMITTEE REPORTS/ACTION ITEMS

A. **3RD QUARTER UNAUDITED FINANCIALS FOR 2019-2020**

The Finance & Administrative Committee met on March 25 to review and discuss the 3rd Quarter Unaudited Financials for 2019-2020. Mr. Cozad said that the Committee reviewed the estimated numbers and that there are minor changes to the financials presented today. He noted that the District is on budget in revenue and expenses. The Quarterly Investment Report was sent out in a separate email. The decreases in investments will likely continue into at least

next quarter due to the pandemic. The economic downturn will affect both Conservation Trust and District investments. The decrease in investments depicts unrealized gains and losses. Vice President McDonald asked if, with the decreases in market value, there is an opportunity for the District to buy investments. Mr. Cozad indicated that PFM is the financial consultant who advises the District on investments.

It was moved by Director Raley and seconded by Director Longville to approve the 3rd Quarter Unaudited Financials for 2019-2020 as presented. 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**

B. UNAUDITED FINANCIAL REPORTS, MARCH 2020

Mr. Cozad introduced this item for discussion, noting its inclusion on package page 24. Director Raley asked about the insurance being over budget. Mr. Cozad indicated that this item would be adjusted at the end of the year, where it goes from cash to accrual basis. Field Operations (GL 5200) was also briefly discussed. Mr. Cozad noted that basin maintenance was performed and that the District paid to move aggregate materials to storage.

It was moved by Director Raley and seconded by Director Longville to approve the Unaudited Financial Reports for Marche 2020. 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**

C. RECONSIDERATION OF CONSERVATION EASEMENT AND ENDOWMENT AGREEMENTS WITH SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

President Corneille noted that Director Longville had feedback that he was unable to provide at the April 2 Special Board meeting due to technical difficulties and had requested reconsideration of the vote.

It was moved by Director Stewart and seconded by Director Raley to grant reconsideration of the item by the Board. 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**

Director Longville said that he is experienced in dealing with transportation issues, and he was on the SBCTA Board in prior years. He said that freeway widening does not resolve the traffic issues but expands urban sprawl development. He said he would rather see SBCTA implement more public transit projects. Vice President McDonald asked when the deposit will be received. Ms. Miller indicated that a check had been issued, and it is on its way to the District via FedEx. Director Raley asked what action needs to be taken on behalf of the Conservation Trust and if that action has to come prior to the Conservation District receiving funds. Mr. Cozad indicated that the agreements would be considered by the Conservation Trust for approval at its next meeting.

It was moved by President Corneille and seconded by Vice President McDonald to authorize the General Manager to execute the Conservation Easement Deed and the Endowment Agreement for the Deposit, Disbursement and Use of Funds for Wasting and Non-wasting endowments related to the San Bernardino County Transportation Authority's State Route 210 Mixed Flow Lane Addition Project with minor revisions acceptable to District Counsel. The motion carried 4-1 with Directors Corneille, McDonald, Stewart, and Raley voting in the affirmative and Director Longville voting opposition.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: No
Director Raley: Yes
Director Stewart: Yes**

D. EXCHANGE PLAN RELATED AGREEMENT TO EXCHANGE WATER FOR SANTA ANA RIVER WATER DURING PERIOD OF POOR WATER QUALITY

Mr. Cozad began by noting that the Board Letter on package page 60 explains this item. He indicated that the Board approved the Memorandum of Understanding related to this issue earlier this year. The agreement presented helps resolve an issue caused by the poor water quality caused by Seven Oaks Dam (SOD) operations. The agreement, shown on package page 63, has already been approved by the Board of Valley Municipal; its purpose is to provide clean water to Bear Valley during times when it cannot take SOD water due to poor water quality. The Conservation District would use this water for groundwater recharge and Bear Valley would receive State Project Water in lieu up to 3,200 AF. Director Stewart asked who would be responsible for the additional maintenance caused by the silt. Mr. Cosgrove indicated we were but that the costs would be covered by the Groundwater Council within their general maintenance budget since it will be a benefit to the basin. A brief discussion ensued regarding calculations.

It was moved by Vice President McDonald and seconded by Director Longville to approve the agreement to exchange State Water Project Water for Santa Ana River Water during periods of poor water quality and authorize the General Manager to execute the agreement. 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

E. REVIEW OF LEGAL COUNSEL FEES

Mr. Cosgrove is requesting a minor increase in legal fees from \$365 per hour to \$375 per hour for the fiscal year 2020-2021, with a reimbursable rate of \$500 per hour. Mr. Cosgrove reviewed the history of legal fees, noting that during hard times for the District, his firm reduced their fees and that his hourly rate is already discounted from rates charged to private entities. This item is included on package page 73 for consideration. This is a minor increase in line with CPI. The Board expressed their appreciation to Mr. Cosgrove for his continued support of the District.

It was moved by Vice President McDonald and seconded by Director Longville to approve an increase in legal counsel fees from \$365 per hour to \$375 per hour with a reimbursable rate of \$500 per hour and authorize staff to prepare and execute an amendment to contract for legal services. 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

6. INFORMATION ITEMS

A. WASH PLAN VERBAL UPDATE

Ms. Miller provided a verbal update. The responses to public comments on the EIR/EIS and HCP were submitted to USFWS on March 27. They are currently in review by the USFWS solicitor. The draft Biological Opinion (BO) was reviewed by Conservation District staff with support from Valley Municipal staff and was submitted to USFWS. Ms. Miller thanked Valley Municipal for their efforts to support preparation of the BO. The Implementing Agreement is being reviewed by District Counsel. District staff is coordinating with Flood Control District. The Department of Interior Secretarial briefing will be held on May 1; there will be a thirty-day waiting period with an additional two weeks added due to the pandemic. April 16 will be a meeting with CDFW regarding state permitting for the Wash Plan. USFWS has indicated that final approval for the Wash Plan should occur by the end of July 2020. There will be a Wash Plan Task Force meeting in the near future; the date has yet to be determined. Staff is meeting with the new director of the Bureau of Land Management to provide an introduction to the Wash Plan and Land Exchange. The Board thanked staff for their hard work.

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 78 through 81. The Monthly Recharge Report was included on package page 82. Mr. Cozad said that most of the staff are working from home most of the time, except for field staff. Director Stewart asked for a report on the aggressive recharge actions from last year and the cost/benefit ratio. Mr. Cozad said that staff is identifying the acre-feet that the costs should be recovered over for comparison. Staff should have a report by the end of the fiscal year. This item was received and filed.

C. CONSTRUCTION PROJECTS PLUNGE/MILL/ARTP VERBAL UPDATE

Mr. Fogerson said that the contracts for Plunge Creek are executed. Staff is coordinating with CDFW on Mill Creek. Mr. Fogerson said that the District is anticipating Plunge Creek to move to construction in June or July.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

President Corneille requested an update on the Mentone Shop Facilities Enhancements. Director Raley requested an update on the Active Recharge Transfer Projects be presented to the Board at a future meeting. Staff will prepare and email out the status report for that item.

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

President Corneille attended the meeting via zoom on the Active Recharge Transfer Project (ARTP) on March 31.

Director Stewart attended the ARTP meeting on March 31 and listened in on the Finance & Administration Committee meeting on March 25.

Director Longville attended the Finance & Administration Committee Meeting on March 25.

Director Raley attended the Valley Municipal Board Meeting on March 17 and Big Bear Watermaster on March 18. He attended the Finance & Administration Committee Meeting on March 25.

Vice President McDonald attended the Valley Municipal Policy Workshop on March 12, State Legislative Meeting on March 13 and Valley Municipal Board Meeting on March 17. She attended the Koffee Klatch on March 18 and met with Valley Municipal on March 31.

8. UPCOMING MEETINGS

Staff will add the May and June meetings on the next agenda.

9. 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 all posted agenda items.

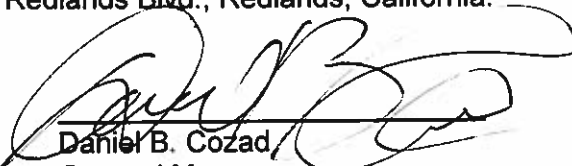
At 3:30 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

10. ADJOURN MEETING

It was moved by Vice President McDonald 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 Stewart: Yes

At 3:20 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on April 22, 2020, at District Headquarters, 1630 W. Redlands Blvd., Redlands, California.


Daniel B. Cozad
General Manager