

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS MEETING

MINUTES OF August 12, 2020  
1:30 p.m.

President Corneille called the meeting of the Board of Directors to order at 1:37 p.m. by teleconference and Zoom meeting; all those in attendance stood for the pledge of allegiance led by Director Raley.

ROLL CALL:

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker

STAFF PRESENT:

Daniel Cozad, General Manager  
Betsy Miller, Land Resources Manager/Assistant General Manager  
Erwin Fogerson, Senior Engineer/Project Manager  
Athena Monge, Administrative Specialist  
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 E. Smith, East Valley Water District  
Chris Palmer, California Special Districts Association

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.

### 3. PRESENTATION

Chris Palmer of California Special Districts Association (CSDA) provided a brief legislative update. He also congratulated the District for the record recharge made possible by the implementation of the Groundwater Council and indicated that the District received the 2020 CSDA "Innovative Program of the Year Award" in the small district category. The Board thanked Mr. Palmer for the award and presentation.

### 4. CONSENT CALENDAR

President Corneille presented this item for discussion. Director Stewart noted that the revised Board minutes of July 8 were sent out via email and that those are the minutes being approved today.

**It was moved by Vice President McDonald and seconded by Director Longville to approve the Consent Calendar: Item A: Board Minutes, July 8, 2020, as revised, Item B: Expenditure Report, July 2020, and Item C: Groundwater Assessment Report, 01/01/2020-06/30/2020. 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. FINANCE & ADMINISTRATION COMMITTEE VERBAL REPORT

Director Raley indicated that the 4<sup>th</sup> Quarter Unaudited Financial Reports for 2019-2020 were reviewed at the July 22 Finance & Administration Committee. He also noted that the District did not utilize as many reserves as anticipated during the fiscal year 2019-2020 due to a delay in projects being completed. Director Raley stated that he is proud of the District and staff for how they have been maintaining the Districts' finances. This item was received and filed.

#### B. 4<sup>TH</sup> QUARTER UNAUDITED FINANCIAL REPORTS FOR FY 2019-2020

Mr. Cozad stated that the 4<sup>th</sup> Quarter Unaudited Financial Reports for FY 2019-2020 are reflected on a cash basis and give the Board a view of the operating year that was implemented. The difference between the unaudited and audited financials is that the audited financials include accruals that occur during the fiscal year, such as multi-year expenses. Vice President McDonald noted that several expense areas came in under budget, including directors' expenses. Mr. Cozad indicated that having Ms. Miller and Mr. Fogerson on staff alleviated the need to hire outside consultants, resulting in savings in the Professional Services category. Director Longville stated that he is pleased with staffs' performance. President Corneille suggested that the Board recommend nominating Mr. Cozad for the CSDA and/or ACWA General Manager of the Year award.

It was moved by Director Longville and seconded by Director Raley to approve the 4<sup>th</sup> Quarter Unaudited Financial Reports for FY 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**

C. AD HOC COMMITTEE VERBAL REPORT

Director Raley stated that Rogers, Anderson, Malody, and Scott (RAMS) are auditing both the District and Conservation Trust financials. RAMS is also reviewing the transfers between both entities to ensure they are being handled efficiently. Mr. Cozad said that the audit would likely be ready for approval in October. The Conservation Trust will meet to approve their audit and then it would be available for the Board to review. President Corneille requested a copy of the Trust audit.

D. UNAUDITED FINANCIAL REPORTS, JULY 2020

Mr. Cozad introduced this item for discussion, noting its inclusion on package pages 44 to 49. It does not show very many expense entries for the year. However, during the month of August, the Plunge Creek Project was initiated, so those expenses will be reflected in upcoming financial reports. The District will be able to submit these expenses for reimbursement through the grant through the Santa Ana Watershed Project Authority. Mr. Cozad said that there are changes in investments since the interest rates have decreased. President Corneille noted that both Director Stewart and he are unopposed during this election, and there will be no election fees (budgeted at \$100,000) for this fiscal year.

It was moved by Director Longville and seconded by Vice President McDonald to approve the Unaudited Financial Reports for July 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**

E. WASH PLAN REMAINING PERMITS PROFESSIONAL SERVICES CONTRACT AWARD

Ms. Miller introduced this item for discussion. Staff is moving at the request of the Wash Plan Task Force to obtain the remaining permits for the Wash Plan. These permits include the State Lake and Streambed Alteration (Fish and Game Code Section 1602), California Endangered Species Act (Fish and Game Code Section 2081), and Clean Water Act implemented by both state and federal agencies. Staff met with the Task Force in April, and they indicated a desire to jointly permit their covered activities with the exception of Valley Municipal's Enhanced Recharge project, which will be permitted separately. Staff released a Request for Proposal (RFP) for expert technical consulting services to pursue these permits.

There were seven proposals received, and five firms were interviewed. On August 3, the Task Force selected AECOM to be recommended to the District Board. The cost of the agreement is estimated to be \$295,576, which includes \$66,420 for optional tasks staff believes may be necessary to respond to regulatory agency requests. The majority of these costs will be reimbursed by the Task Force members; the District's actual cost share is 0.12%, which equates to \$236 for the permitting strategy portion of this agreement. Ms. Miller is working with District counsel to finalize the agreement in standard form. Director Raley asked if the money reimbursed by the Task Force is considered income to the District. Mr. Cozad said that the audit has shown it separately as a reimbursement. President Corneille asked for the contract cost for the permitting strategy alone and the timeframe that it will be completed. Ms. Miller said that it is estimated to be around \$70,000 and is to be completed by November 2020. President Corneille asked if there is potential for costs to increase. Ms. Miller indicated that future costs may increase depending on what permitting strategy is selected by the Task Force. Fees will vary based on the activity and the type of permit selected. District Counsel said that the contract requires monthly invoicing and costs are separated by task; allocated cost limits are shown per task and if the consultant needs more funds they would need approval by District and Task Force. Mr. Cozad said that the costs for the District for strategy are minimal, but the costs for permits in phase two will be higher than the 0.12%.

**It was moved by Director Raley and seconded by Vice President McDonald to accept the proposal of AECOM, and authorize the General Manager and District Counsel to prepare and execute a Professional Consultant Services Agreement substantially consistent with the AECOM proposed scope of work and District's standard professional service agreement in an amount not to exceed \$295,573. 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**

## **6. INFORMATION ITEMS**

### **A. WASH PLAN IMPLEMENTATION UPDATE**

Mr. Cozad said that meetings were held with the Bureau of Land Management (BLM), and those efforts are ongoing. Mr. Cosgrove said that he has been working with the Appraisal and Valuation Services Office (AVSO) on the appraisal, and the land exchange appraisal RFP was sent out, and responses were due July 17. There were no responses received, and District Counsel is working to refine RFP. District Counsel is working with the title company and CEMEX on title exceptions. This item was received and filed.

### **B. CONSTRUCTION PROJECTS PLUNGE/MILL/ARTP VERBAL UPDATE**

Mr. Fogerson reviewed Plunge Creek maps prepared by Ms. Scholte. The contractors have rough graded and put in wildlife exclusion fencing. He described channel work being done and the daily inspection reports. Ms. Scholte oversees construction in the field in the mornings, and Mr. Fogerson oversees the construction in the field in the afternoon. Ms. Miller is managing the

permits and coordinating with regulatory agencies. Mr. Fogerson said that the project is on track to complete on time. President Corneille requested a tour of the Plunge Creek Project. Mr. Fogerson suggested that the tour be held late in the day so that temperatures are cooler and there is less construction traffic. Mr. Cozad said that Southern California News Group ran an article on the San Bernardino Kangaroo Rat (SBKR) and Plunge Creek Project, which received a wide range of coverage. There was also a videographer out to document the work, which was coordinated by Ms. Miller. This item was received and filed.

#### C. 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 67 through 70. President Corneille asked if the State Water Project (SWP) allocation was received. Mr. Cozad said that for 2020 the allocation was 20% with most water going to direct use. He indicated that due to the pandemic, staff continues to work remotely and rotate shifts in the office. The Active Recharge Transfer Project (ARTP) status report is included on package pages 71 to 79. Mr. Cozad reviewed the maps shown on package pages 75 and 76, referred to as Robertson's Plunge Creek Quarry. Robertson's will mine them, and the District Counsel is working with them to develop a purchase and sale agreement. This agreement would reduce the habitat take associated with a new recharge basin for the District while allowing Robertson's increased aggregate removal from the quarry. Staff is working on a Memorandum of Understanding (MOU) with the Flood Control District related to the Plunge Creek Quarry that will likely come to the Board for review and approval in the next few months. Mr. Cozad said the Exchange Plan Committee is working to finalize updates to the agreement in September. U.S. Fish and Wildlife Service (USFWS) and California Department of Fish & Wildlife (CDFW) have requested the San Diego Zoo Institute for Conservation Research trap and relocate 20-30 SBKR from Wash Plan Covered Activity footprints to the San Jacinto Preserve in support of a state/federal research grant. There is low diversity among the San Jacinto Preserve, and they are hoping that by introducing SBKR into that habitat that they will colonize and increase the diversity. The District will issue the Zoo an Access Permit to accomplish this work. President Corneille asked for the Access Permit to release the District from liability as it relates to the endangered species. Vice President McDonald asked if we will get any SBKR back to ensure the Wash Plan population is thriving as well. Mr. Cozad indicated that we requested CDFW and USFWS prioritize relocating displaced SBKR to the Wash Plan Preserve in the future. USFWS and CDFW have indicated that they will try to meet this request but are unable to guarantee it. The standard language of the Access Permit contains indemnifications and the District has asked for letters of support from the agencies and all applicable permits from the Zoo. The Outreach Update presentation is included on package pages 80 to 91. The Monthly Recharge Report was included on package page 92. This item was received and filed.

#### D. FUTURE AGENDA ITEMS AND STAFF TASKS

Staff will work with the Board to set up a date for the Plunge Creek Project Field tour. The next Conservation Trust meeting will be held on October 7. Director Stewart asked if the District has a contingency plan related to the fires and the impacts they have on our watershed. Mr. Cozad indicated that staff will provide a report on the previous fire and how they operated the

watershed. Field staff actively manage flows and allow fire impacted flows to pass whenever possible.

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

Director Stewart attended the ARTP Policy Committee meeting on July 9, the Conservation Trust Board meeting on July 13, and the Big Bear Watermaster (BBWM) Committee meeting on July 15. He also attended the Finance & Administration Committee on July 22.

Director Raley attended the ARTP Policy Committee meeting on July 9, the Conservation Trust Board meeting on July 13, Valley Municipal Engineering Workshop on July 14, and the BBWM Committee meeting on July 15. He attended the Finance & Administration Committee meeting on July 22, Valley Municipal Board meeting on July 21, and Valley Municipal Board meeting on August 4. He attended the Valley Municipal Resources Workshop on August 6 and Ad Hoc Audit Committee on August 3. He came into the District to sign expenditures on July 16 and 17.

Director Longville attended the Conservation Trust Board meeting on July 13, the Finance & Administration Committee on July 22, and Valley Municipal Board Meeting on July 21. He attended the Ad Hoc Audit Committee on August 3 and the Valley Municipal Board meeting on August 4.

President Corneille attended the ARTP Policy Committee meeting on July 9, chaired the Advisory Commission on July 16, and attended the Association of California Water Agencies (ACWA) Virtual Conference from July 29 to July 30. He attended the ACWA Groundwater Committee meeting on August 5 and attended the Wash Plan Virtual Celebration on August 3.

Vice President McDonald attended the ARTP Policy Committee meeting on July 9, Valley Municipal Engineering Workshop on July 14, and Valley Municipal Board meeting on July 21. She attended the Finance & Administration Committee on July 22, the ACWA State Legislative meeting on July 24, and the ACWA/JPIA Board and ACWA Virtual Conference. She attended the Wash Plan Virtual Celebration on August 3, Valley Municipal Board Meeting on August 4, and Valley Municipal Special Board meeting on August 5.

**8. UPCOMING MEETINGS**

There were non discussed.

**9. CLOSED SESSION**

**It was moved by Vice President McDonald and seconded by President Corneille to adjourn to Closed Session. The motion carried 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 item 2 posted on the published agenda.

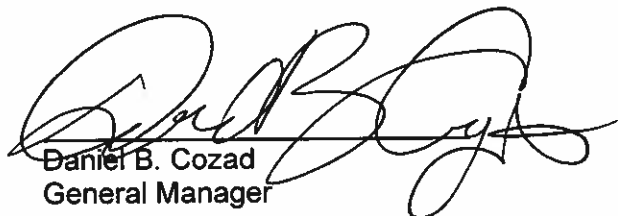
At 3:27 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted while in Closed Session under Government Code section 54957.1 that there was no reportable action.

**10. ADJOURN MEETING**

**It was moved by Director Longville 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 3:29 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on September 9, 2020, via zoom.

  
Daniel B. Cozad  
General Manager