

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

**MINUTES OF January 8, 2020
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:

David E. Raley, Director
Melody McDonald, Vice President
Robert Stewart, Director
John Longville, Director (Arrived 1:44 p.m.)
Richard Corneille, President

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

GUESTS PRESENT:

T. Milford Harrison, San Bernardino Valley Municipal Water District
Gil Navarro, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Paul Kielhold, San Bernardino Valley Municipal Water District
Willow Green, 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. There being none, the meeting continued with the posted agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

President Corneille requested that Item F: Trails Plan for Service Outline be moved before Item E: District Board Priorities for 2020.

It was moved by President Corneille and seconded by Director Stewart to move Item E to Item F on the agenda. The motion carried 4-0 with all Board members 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 Stewart: Yes**

3. DISTRICT STANDING COMMITTEE APPOINTMENTS

This item was taken after Item C: Exchange Plan Memorandum of Understanding.

President Corneille introduced this item for discussion. He requested Board feedback. There were no recommended revisions to existing appointments.

4. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by Director Stewart to approve the Consent Calendar: Item A: Board Minutes, December 11, 2019; and Item B: Expenditure Report, December 2019. The motion carried 4-0 with all Board members 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 Stewart: Yes**

5. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, DECEMBER 2019

Mr. Cozad introduced this item for discussion, noting its inclusion in Board package beginning package page 24. He noted that staff would soon begin next year's budget. The District is on the budget for revenue items and under budget on expenses. It also is over budget in interest earnings.

It was moved by Vice President McDonald and seconded by Director Raley to approve the Unaudited Financial Reports, December 2019, as presented. The motion carried 4-0 with all Directors present voting in the affirmative, and Director Longville from the vote.

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

B. STATEMENT OF INVESTMENT POLICY 2020

Mr. Cozad introduced this item for discussion, noting its inclusion in the board package on pages 31 to 40. Staff reviewed the existing policy with PFM Asset Management and neither Staff nor consultant recommends any changes to the existing policy.

It was moved by Vice President McDonald and seconded by Director Stewart to approve the 2020 Statement of Investment Policy 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 Stewart: Yes

C. EXCHANGE PLAN MEMORANDUM OF UNDERSTANDING WITH BVMWD/SBVWCD/SBVMWD

The Memorandum of Understanding (MOU) is put into place to allow time to work on a long term agreement; this item is related to the Exchange Plan. The MOU is between Bear Valley Municipal Water District (BVMWD), San Bernardino Valley Water Conservation District (SBVWCD), and San Bernardino Valley Municipal Water District (SBVMWD); related to water quality issues behind Seven Oaks Dam and how the parties will be addressing this issue. Mr. Cosgrove said that he had reviewed the agreement, and it is non-controversial.

It was moved by Vice President McDonald and seconded by Director Longville to approve the Exchange Plan Memorandum of Understanding with Bear Valley Municipal Water District, San Bernardino Valley Municipal Water District, and Conservation District. 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. PLUNGE CREEK PROCUREMENT

Mr. Fogerson introduced this item for discussion, noting its inclusion beginning package page 49 to 113. Staff estimates awarding the contract in March 2020; there will be a thirty-day advertising period. President Corneille noted that he reviewed the documents presented in the

Board package and provided feedback to staff. Mr. Cosgrove had his colleague review them as well and requested that the motion include authorization for District Counsel to make minor modifications as deemed appropriate. Director Stewart recommended minor verbiage changes. He recommended adding that access to the property will be with specific written permission only.

It was moved by President Corneille and seconded by Vice President McDonald to approve the contract bid documents including the Notice inviting Bids, Sample Agreement, Instruction to Bidders and Bid Proposal and authorize for the General Manager to advertise the project for Bid and District Counsel to make minor revisions to documents as deemed necessary by 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**

E. TRAILS PLAN FOR SERVICE OUTLINE

Ms. Miller presented on this item noting the written materials are shown on pages 118 to 127 in Board package. She noted that when the initial Trails Plan was developed, it was planned for the cities to be involved in planning and implementation. Since that time they have indicated that they are no longer interested. The District has been looking into other options up to and including reaching out to LAFCO and requesting activation of the District's recreational powers. Ms. Miller reviewed the proposed Trails Plan for Service Outline and recommendations. The Plan for Service is listed in detail on package page 119. Mr. Cosgrove discussed this item further. The fiscal impact is estimated to be \$187,000 for initial costs, \$100,000 for annual operations and \$2,500,000 for annual operations endowment. Staff has not identified the source of the \$2.5 million. If the District moves forward with them being the lead agency, it will have to go through the LAFCO process, which requires passage of a resolution after a public hearing to ask for an activation of latent powers and prepare a full Plan for Service. If directed to pursue trails, staff and District Counsel will obtain additional information on the process from LAFCO. Mr. Cosgrove said that support from the Wash Plan Task Force would likely be needed as well. Discussions on the two cities involvement ensued. Mr. Cozad said that the cities are not disinterested, but it is not a priority for them. President Corneille asked if IERCD has recreational powers with Mr. Cozad indicating that they do not. Mr. Cozad said that there are other entities that do have these powers; staff will have to identify those as it develops the Plan for Service. Director Longville asked about the cost to obtain LAFCO approval. Staff and District Counsel have not identified those costs yet but they would not be insignificant due to the size of the area in question. It was the consensus of the Board that spending an excessive amount of time and money to have LAFCO activate latent powers was inappropriate. Rather than approve specific actions, they preferred to forward this item to the Ad Hoc Trails Committee for further review of staff recommendations. Vice President McDonald requested that staff speak with entities that possess recreational powers to see if they are interested in partnering with the District to alleviate the need for the District to go through the LAFCO process which can be expensive.

It was moved by Director Raley and seconded by Director Longville to request that the Ad Hoc Trails Committee review and provide their recommendation to the 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 Stewart: Yes

F. DISTRICT BOARD PRIORITIES FOR 2020

Mr. Cozad introduced this item for discussion. The 2019 Board Priorities are included on package page 116, and Draft 2020 Board Priorities are included on page 117. President Corneille asked for clarification on Board Priority Item 8: Wash Plan Preserve Implementation Work Plan from 2019. Mr. Cozad said that that item was intended to be the first years' work plan for the implementation of the HCP. However, the HCP was not yet completed during that time. Staff has completed some of these items; it should be completed once the HCP is.

- Item 11: Mentone Shop Design/Permitting – Mr. Cozad noted that this item has been listed as Board Priority 3 and asked for Board feedback. Director Raley suggested moving this item to Priority 1. Staff is planned for work effort, but Plunge Creek, Mill Creek and ARTP are currently taking priority. Staff will review this item as soon as possible.
- Item 4: Wash Plan BO/ITP – This item is for the Biological Opinion and Incidental Take Permits; these are the actual permit and legal authority under the HCP for take.
- Item 8 Wash Plan COI Issuance – President Corneille said that the Certificate of Inclusion should be more of a routine process and asked why it was called out separately. Mr. Cozad said that this item will not come back to the Board but is of high importance to Taskforce Members.
- Item 9 Community Mitigation Conservation Easements – Mr. Cozad said that this was a priority in the Strategic Plan, and it was carried over from that. He said that SBTCA is likely to be one of the early entities to participate.
- Item 1 Active Recharge Transfer Projects Priorities – In addition to these, President Corneille suggested expanding this item to include conceptual design.
- Item 5 Wash Plan Trails Agreement Service Plan – Director Stewart recommended this item be listed as Priority 2; the remainder of the Board concurred.
- President Corneille asked about the Seven W Enterprises property that was acquired and what the plans for the District were. Mr. Cozad indicated that the property needs to be cleaned up and that Ms. Miller has identified potential grant funding to assist in this and potential acquisition of additional lands.

Staff will bring updated priorities back to the Board at the February meeting.

6. INFORMATION ITEMS

A. WASH PLAN VERBAL UPDATE

Ms. Miller provided the verbal update and noted that there would be two public meetings held at the District Office. They will both be tomorrow; one held at 2:00 p.m. and at 6:30 p.m. Ms. Miller handed out agendas to those interested. Mr. Cozad noted that the two lead agencies for CEQA/NEPA are the U.S. Fish & Wildlife Service (FWS) and the Conservation District. Ms. Miller said that BLM would be in attendance. She said that no comments had been received to date to the District. However, some FWS staff are still on holiday and the District is awaiting their return to see if they have obtained any comments. The comment period deadline is January 23, 2020.

Ms. Miller provided a verbal update on Plunge Creek. California Department of Fish & Wildlife (CDFW) has evaluated permitting methods. They have indicated that there is another permit aside from the 2081 permit for issuing take for species called the Safe Harbor Agreement that may be an option for the District. Ms. Miller read the code and believes that it may be an appropriate fit for our project. The District is meeting with CDFW on Tuesday to discuss options further. The District's concern is the timeframe; the District will need to be sure that whatever option it chooses will meet the deadline in March 2020. Mr. Fogerson has already prepared two different sets of bid documents. Mr. Cozad said that if the District is able to utilize the Safe Harbor Agreement, it could serve as a model for other agencies. He also noted that staff has been reviewing legislation, particularly SB45 in partnership with Valley Municipal to see if there is an opportunity to change legislation in regards to restoration projects to make them easier to do. Director Stewart asked if the District can do a white sheet for the Safe Harbor Agreement. Ms. Miller said that she reviewed the terrestrial permit and believes it can be replicated.

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 128 through 131. The Santa Ana Watershed Information is included on package page 132 to 133, and the Monthly Recharge Report was included on package page 134. Mr. Cozad provided the Board with a handout of the 2020 Water Resilience Portfolio. This item was received and filed.

C. FUTURE AGENDA ITEMS AND STAFF TASKS

President Corneille requested an electronic copy of the most recent Outreach PowerPoint.

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

Director Stewart made no report.

President Corneille attended the ACWA Fall Conference from December 2 through December 5; at the conference, he attended the Groundwater Committee and Water Management Committee meetings. He attended the Redlands Rise N Shine on December 6 and presented Doug Headrick with the retirement resolution on December 17 at Valley Municipal Board

meeting. He attended the Active Recharge Transfer Projects (ARTP) Policy Committee meeting on December 16 and he met with staff to discuss Plunge Creek.

Vice President McDonald attended the Valley Municipal Board meeting on December 17, Valley Municipal Board Meeting and Finance Corporation meeting on January 7 and Koffee Klatch on December 18. She attended the Highland Chamber of Commerce Open House on December 13 and Valley Municipal Policy Workshop on January 2.

Director Raley attended the CalPERS seminar on December 12, Valley Municipal Policy Workshop on January 2, and Valley Municipal Board Meeting and Finance Corporation meeting on January 7.

Director Longville attended the Valley Municipal Board Meeting and Finance Corporation meeting on January 7.

8. UPCOMING MEETINGS

President Corneille will chair the Advisory Commission on Water Policy tomorrow at 6:30 pm. Vice President McDonald would like to attend the ASBCSD Dinner on January 27 and HACC Installation Dinner on January 23. Director Navarro from Valley Municipal noted that there would be a Resources Workshop held at 2:30 p.m. at their District.

9. CLOSED SESSION

It was moved by President Corneille and seconded by Director Longville 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 posted agenda items 1 and 2.

At 4:24 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

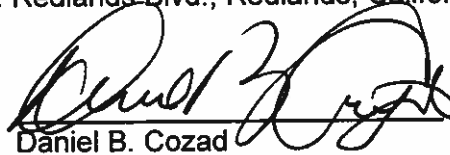
10. ADJOURN MEETING

Director Longville thanked Mr. Cosgrove for his hard work and dedication to the District. He expressed his appreciation for Mr. Cosgrove's effective communication and insight of necessary information.

It was moved by President Corneille 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 4:26 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on February 12, 2020, at District Headquarters, 1630 W. Redlands Blvd., Redlands, California.



Daniel B. Cozad
General Manager