

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF July 8, 2020
1:30 p.m.

President Corneille called the meeting of the Board of Directors to order at 1:34 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 (Arrived 1:40 p.m.)

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
Paul Kielhold, San Bernardino Valley Municipal Water District
Gil Navarro, San Bernardino Valley Municipal Water District
Clayton Larkins, Tetra Tech
David E. Smith, East Valley Water District
Karin Cleary-Rose, U.S. Fish & Wildlife Service
Larry Mainez, City of Highland
Ernie Wong, Former Staff of City of Highland

1. PUBLIC PARTICIPATION

President Corneille announced that any person present, who so desired, may make an oral presentation to the Board of Directors. Gil Navarro of San Bernardino Valley Municipal Water District provided public comment. He read an excerpt from a letter from Congress to Governor Newsom dated April 15, 2020.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by Director Stewart to approve the Consent Calendar: Item A: Board Minutes, June 10, 2020, and Item B: Expenditure Report, June 2020. The motion carried 4-0 with all Board members present voting in the affirmative and Director Longvilled noted absent from the vote.

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, JUNE 2020

Mr. Cozad introduced this item for discussion, noting its inclusion on package pages 17 to 23. He indicated that this would be the last cash basis reporting before the financials change due to accruals made for the FY 2019-2020 audit. He said that the Exchange Plan had been invoiced, and payment is expected soon. The District also expects CEMEXs' monthly payment soon. The Groundwater, Land Resources, and Redlands Plaza Enterprises are all under budget. The District is beginning to expense funds out of the Wash Plan Enterprises, which is why it reflects costs that are higher than usual. The expenses are a loan from the District until these funds are repaid upon issuance of Wash Plan Certificates of Inclusion. Director Stewart congratulated staff for ending the year on budget. President Corneille noted that Director's Expenses ended the year at eighty-six percent of their budgeted costs.

It was moved by Director Raley and seconded by Director Stewart to approve the Unaudited Financial Reports for June 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**

B. UPPER SANTA ANA RIVER WASH HABITAT CONSERVATION PLAN AND FINAL ENVIRONMENTAL IMPACT STATEMENT SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

President Corneille introduced this item for discussion. Ms. Miller presented a PowerPoint presentation on the Wash Plan Habitat Conservation Plan and Environmental Impact Statement and Environmental Impact Report (HCP/EIS/EIR). The original parties to the Wash Plan include the City of Highland, City of Redlands, San Bernardino Valley Municipal Water District (Valley Municipal), East Valley Water District, San Bernardino County Flood Control District (SBFCD), San Bernardino County Planning and Parks Departments, Robertson's Ready Mix, CEMEX, California Department of Fish and Wildlife (CADFW), Bureau of Land Management (BLM), U.S. Fish and Wildlife Service (USFWS) and the San Bernardino Valley Water Conservation District. The Planning effort was initiated under the leadership of former General Manager, D. Burnell Cavendar. Ms. Miller reviewed the project area map.

The Wash Plan was the alternative to a previous proposal known as Plan A, which included mining of nearly all of the Wash. The Wash Plan began development in the mid-1990s when Plan A was determined to be infeasible. Ms. Miller indicated that the current Wash Plan includes additional conservation of woolly-star, Spineflower, gnatcatcher, and SBKR habitat, and places 312 more acres in conservation and permits 88 fewer acres of impacts compared to the 2008 Wash Plan EIR. She reviewed the goals and objectives of the Wash Plan. Ms. Miller discussed the Wash Plan Preserve map, which will include 778 acres set aside as new conservation and 881 acres in public ownership to be managed at Wash Plan standards. In total, there are nearly 3,000 acres within and adjacent to the Wash Plan that will be preserved in perpetuity. Following Board consideration today, U.S. Fish and Wildlife Service is scheduled to post their Record of Decision under NEPA on July 13, 2020. Staff anticipates receipt of the Wash Plan Biological Opinion, Implementing Agreement, and Incidental Take Permit at that time. Ms. Miller reviewed Wash Plan implementation, which will include a Certificate of Inclusion review, Land Exchange completion, additional permitting for select projects, and Wash Plan Year 1 Implementation (land conservation, species monitoring, and habitat management). The Wash Plan CEQA approval includes the adoption of the Habitat Conservation Plan, Supplemental Environmental Impact Report, Mitigation Monitoring Reporting Program, and Findings/Statement of Overriding Considerations. Staff recommendations were read as listed within the motion, and the resolution was read by title.

Vice President McDonald thanked Ms. Miller and all staff that worked on this project for their efforts and Ms. Miller for her detailed presentation. President Corneille congratulated Ms. Miller, Mr. Cozad, and previous Land Resources Manager, Jeff Beehler. He thanked the Task Force members for their support and efforts as well. President Corneille thanked the Karin Cleary-Rose of USFWS along with the BLM, and the CADFW. He thanked the consultants for their efforts; ICF Jones & Stokes, Mikael Baker International, Ruth Villalobos & Associates, and General Counsel, David Cosgrove. Vice President McDonald thanked former General Manager D. Burnell Cavendar for his vision and leadership initiating the Wash Plan.

Mr. Cosgrove said that as part of the Statement of Overriding Considerations, there were economic impacts and economic benefits; one of the economic benefits was that the entire plan area was designated as MRZ-2. It is an area of significant aggregate resources, and the Wash Plan balances these resources while maintaining sensitivity to water conservation enhancements. Mr. Cosgrove also expressed his appreciation and admiration for Mr. Cavendar.

Director Stewart thanked District staff and the staff from partner agencies and is looking forward to the Wash Plan implementation. Mr. Cozad thanked the Board for their support on the Wash Plan and Mr. Cavendar for his leadership. He also thanked Mr. Kielhold, now a Director of Valley Municipal who, as a staff person, helped to write some of the Wash Plan project documentation over ten years ago.

President Corneille opened up this item for public comment, reading a letter of support submitted and distributed to the Board by Dan Silver, Executive Director of the Endangered Habitats League. Ms. Cleary-Rose of USFWS spoke in support of the Wash Plan and expressed her appreciation for the Conservation District Board and all of the partners who have exercised the vision, persistence, and collaboration throughout the development process. The benefits of this project will support the local community by supporting vital infrastructure to support water management, revenue generation related to aggregate, and community recreation. The project balances community interests, conservation stewardship and natural resources within the plan area. Ms. Cleary-Rose stated that USFWS supports the Upper Santa Ana Wash Plan Habitat Conservation Plan and looks forward to its implementation. Former Board member of the Conservation District and current Director of Valley Municipal, Milford Harrison, expressed his support of the Wash Plan. He spoke highly of Mr. Beehler, former Land Resources Manager, Ms. Miller, Ms. Scholte, and other staff of the Conservation District. He also expressed his appreciation for the collaborative efforts and for the time he had on the Conservation District Board. Director Kielhold of Valley Municipal thanked Mr. Cozad and said that it was a great project, and he was glad to work on it in various capacities. Mr. Cosgrove thanked Mr. Cozad for his leadership of the Conservation District and efforts in bringing the Wash Plan project forward to completion and final approval. Director Longville spoke in appreciation of Mr. Cozad, Conservation District staff, and District Counsel. Director Kielhold spoke to the complexity of the HCP and what an accomplishment it was to bring it to fruition. Vice President McDonald thanked Director Longville for his comments regarding the dedication of the Conservation District staff. She thanked Mr. Cosgrove for his commitment and dedication to the District and thanked Director Raley for stepping in to become the Wash Plan Task Force representative for the District. Mr. Mainez from the City of Highland thanked everyone that worked on the HCP, including Ernie Wong, who was critical to the City's efforts and the HCP. He thanked Councilman John Timmer, and on behalf of the City Manager, he thanked the District. Mr. Wong, who has retired from the City of Highland, said that the staff of the District are incredible and are very responsive, noting Mr. Cozad and Ms. Millers' prompt responses to the City of Highland. He congratulated the District for completing this very complex project.

Mr. Cosgrove stated that a statement of the MRZ-2 designation is included within the EIS in section 3.2-6 and 3.2-4. President Corneille noted that the District would have a virtual celebration for the Wash Plan in August. A Wash Plan video recognizing the occasion was played for those in attendance.

It was moved by Vice President McDonald and seconded by Director Longville to certify the Final Environmental Impact Statement/Supplemental Environmental Impact Report for the Proposed Habitat Conservation Plan and Section 10 Permit for the Upper Santa Ana River Wash Plan, FWS-R8-ES-2019-N111 and SCH No. 2004051023; Adopt the Findings In Fact, Statement of Overriding Considerations and mitigation and findings under Section 15091 and 15902, Adopt the Mitigation Monitoring and Reporting Program; Approve and Adopt the Upper Santa Ana River Wash Habitat Conservation Plan; Authorize the General Manager to execute on behalf of the District any and all documents relating to the issuance of any Incidental Take Permits (State and Federal), other permits related to implementation of the Upper Santa Ana River Wash Habitat Conservation Plan, and any Implementation Agreement, Memoranda of Understanding or Certificates of Inclusion in furtherance of such plan; and Approve Resolution No. 579 approving the Upper Santa Ana Wash Habitat Conservation Plan and Certifying the Final Environmental Impact Statement/Supplemental Environmental Impact

Report prepared therefore and making certain findings relative thereto in Memoriam of D. Burnell Cavendar former General Manager of the Conservation District, and directing District staff to file a Notice of Determination. 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. AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR ON-CALL BIOLOGICAL SERVICES WITH ORIGIN BIOLOGICAL

Mr. Cozad introduced this item for discussion, noting a table summary of changes included on the Board package on package page 99.

It was moved by Vice President McDonald and seconded by Director Longville to approve the amendment to the Contract Services Agreement for Professional Services with Origin Biological for biological services to increase the not-to-exceed amount by \$176,505. 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. INFORMATION ITEMS

A. WASH PLAN VERBAL UPDATE

Mr. Cosgrove said the Land Exchange Appraisal request for proposals had been sent to approved appraisers. The District anticipated receiving the Proposals by July 17.

B. CONSTRUCTION PROJECTS PLUNGE/MILL/ARTP VERBAL UPDATE

Mr. Fogerson said that Plunge Creek would begin on August 3, with staging and fencing currently being placed. Also, Mr. Romich is working on the surveys for SBKR burrows that may be impacted in order to appropriately place exclusion fencing. The Active Recharge Transfer Project (ARTP) Policy Committee quarterly meeting with Valley Municipal will be held tomorrow. FCD is reviewing the draft MOU with the District. Valley Municipal purchased land which could tie ARTP and Enhanced Recharge together. On the Mill Creek Project, staff has received and submitted responses to questions from the COE. The District and staff have signed the 1602 permit and is working on the 401 permit modifications.

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 115 through 119. The Monthly Recharge Report was included on package page 120. The District is working on two MOU's: One with San Bernardino County FCD and one with Robertson's Readymix. Under Item 18, Mr. Cozad discussed the potential divestiture of the Southern California Edison (SCE) hydro facilities; Valley Municipal has hired a consultant to assist with this item. Governance alternatives are being developed, potentially looking at a joint powers authority to handle facilities. President Corneille suggested that the SCE divestiture and Mentone Shop be separated within the GM report. This item was received and filed.

D. COST-BENEFIT ANALYSIS FOR AGGRESSIVE RECHARGE OPERATIONS

Mr. Cozad presented a PowerPoint presentation on this item, included beginning package page 121. The total recharged through September 30, 2019, was 70,148 AF. It was estimated that there was 2,618 AF of additional recharge on Santa Ana side and 1,998 AF additional recharge on Mill Creek during that period. Ms. Scholte said that State Water Project (SWP) water was considered part of aggressive recharge because, in contrast, SWP water was being recharged during Seven Oaks Dam releases. The cost of recharge water was calculated to be \$120 per AF based on a ten year average. The marginal cost was \$68-\$291K or \$2.61 and \$11.11 for each additional acre foot recharged, depending on single or multiple wet year scenarios. Based on 26, 226 AF of extra water and a cost of \$120 per AF. The extra water was worth \$3,147,134, and represents a return on investment of at least 980%. Director Stewart thanked the staff for their report.

E. FUTURE AGENDA ITEMS AND STAFF TASKS

President Corneille noted that the Board would like kept up to date on the SCE divestiture and Mentone Shop.

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

President Corneille completed his Ethics Training via webinar on June 22.

Director Stewart made no report.

Director Raley attended the Valley Municipal Policy Workshop on June 11, Valley Municipal Resources Workshop on July 2 and Valley Municipal Board Meeting on July 7.

Director Longville attended the Valley Municipal Board Meeting on June 16.

Vice President McDonald attended Valley Municipal Board Meeting on July 7, Valley Municipal Resources Workshop on July 2 and Valley Municipal Board Meeting on June 16. She attended the ACWA State Committee on June 26 and Valley Municipal Policy Workshop on June 11.

7. UPCOMING MEETINGS

The ARTP Policy Committee meeting will be held on July 9 at 9:00 a.m., via zoom and the Advisory Commission meeting will be held on July 16 at 6:30 pm. via zoom. The Conservation Trust meeting will be held July 13 at 1:30 p.m., via zoom

8. 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 3 posted on the published agenda.


At 4:00 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.

9. 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 4:00 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on August 12, 2020, via zoom.


Daniel B. Cozad
General Manager