

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF September 9, 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; all those in attendance stood for the pledge of allegiance led by President Corneille.

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
Clayton Larkin, 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

There were none.

3. CONSENT CALENDAR

Mr. Cozad noted that the costs for the Bureau of Land Management (BLM) paid were reimbursement for their staff work for completing the Land Exchange. He also indicated the Brownstein Hyatt Farber Schreck expenditure would be incurred until the appraisal process and memorandum of agreement with BLM is complete; this is estimated to take several months. President Corneille thanked staff for adding the Groundwater Council members to Item C: Groundwater Top Five Producers for January 1, 2020, to June 30, 2020. Mr. Cozad stated that the Inland Empire Resource Conservation District (IERCD) budget is approximately \$10,000 for both outreach and habitat management.

It was moved by Vice President McDonald and seconded by Director Longville to approve the Consent Calendar: Item A: Board Minutes, August 12, 2020, Item B: Expenditure Report, August 2020, and Item C: Groundwater Top Five Producers for January 1, 2020-June 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**

4. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, AUGUST 2020

Mr. Cozad introduced this item for discussion, noting its inclusion on package pages 21 to 26. The District has invoiced the Groundwater Council participants and anticipates that the City of Redlands will be joining it soon.

It was moved by Director Longville and seconded by Director Raley to approve the Unaudited Financial Reports for August 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. GROUNDWATER LATE PAYER AND NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #54

Mr. Cozad noted this item's inclusion on package page 27. Staff indicated that Splash Kingdom had a fire, and any production is unknown at this time, and the remainder listed are anticipated to pay soon. There was no action needed at this time.

C. RENEWAL OF LEASE WITH CEMEX MATERIALS, LLC

Mr. Cosgrove introduced this item for discussion. He stated that the current lease with CEMEX expires in 2021 and that the new draft lease complete with exhibits is included on package pages 33 to 104. The new lease is proposed at a term of thirty years. Staff is continuing many of the provisions in the existing lease that was drafted in 2011. Mr. Cosgrove said that most of the structural changes were incorporated then, and the District has been working well with CEMEX since. The royalty is currently at \$0.92 per ton, and there is a guaranteed annual rental included in the new draft lease. He noted that there would be four monitoring wells installed early in the lease that would become the property of the District. He outlined the structure of the lease agreement in detail. He pointed out there are some remaining details to be determined within the lease, on package page 65. Mr. Cosgrove noted that any approval should include a provision to allow for discretion to be given to the General Manager and General Counsel to make non-substantive revisions. Mr. Cosgrove said that the District is requesting that CEMEX pay its issuance costs for the Wash Plan in the estimated amount of \$215,000; after this amount is received by the District, the lease will be signed and recorded. President Corneille asked for clarification regarding audit procedures. Mr. Cozad indicated that the audit is done by using an aerial LiDAR survey. The District then compares sold aggregate to unsold aggregate and onsite aggregate against receipts CEMEX turns in. The phasing map was briefly reviewed and it was noted that a detailed schedule for mining does not exist.

It was moved by Director Longville and seconded by Vice President McDonald to approve the CEMEX Lease subject to non-substantive revisions approved by the General Manager and General Counsel and execution subject to the agreed-upon Wash Plan issuance costs being received by the District from CEMEX. 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 IMPLEMENTATION UPDATE

Ms. Miller indicated that staff is continuing to develop the BLM Memorandum of Understanding (MOU) related to the Land Exchange. Mr. Cosgrove said that he is currently working on refining the Statement of Work for the appraisers for the Request for Proposals (RFP). There has been progress in working with Appraisal Valuation Services Office (AVSO); they are no longer

requiring the retaining of a mineral expert. The Mineral Potential Report was done in 2006 and updated in 2019 and will suffice for the quantities of available mining. The RFP will likely be finished by the end of this month and subsequently released. Mr. Cosgrove said that BLM had questions related to permitting and right of way, and he is working on responding to them. Ms. Miller is working on meeting the Wash Plan Year One Implementation requirements, including working with IERCD to conduct some tasks. A kickoff meeting with AECOM was held to discuss remaining permitting needed for the Wash Plan,. There will be another meeting held with AECOM within the next two weeks. Staff is working closely with AECOM to provide all necessary data to help expedite the project. Vice President McDonald expressed her appreciation for staffs' efforts. This item was received and filed.

B. CONSTRUCTION PROJECTS PLUNGE CREEK UPDATE

Mr. Fogerson provided a verbal update and stated that staff had the final walkthrough today for Plunge Creek. The contractor is conducting site clean up, and the project completion notice will be filed next week. Later in September, staff will estimate the final quantities and record the project. Somewhat higher excavation is expected but within budget. Ms. Miller is handling the permitting reporting , and it is estimated that the District spent \$25,000 more than budgeted on habitat fencing; however, this is well within 10% of the contingency amount. 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 105 through 108. Staff reviewed the Draft Audit Report this morning and recommended minor revisions to the document to Rogers, Anderson, Malody, and Scott (RAMS). The Ad Hoc Audit Committee will be scheduled for later this month and the audit will be agendized for Board approval in October. Plunge Creek finished on budget, subject to final quantity verification, and a day ahead of schedule. Staff estimates that the project will be completed at about \$760,000 with \$500,000 being reimbursed by the grant obtained through SAWPA. Staff is preparing a needs assessment for the Mentone Shop facilities; this item will be discussed at the September 16 Operations Committee meeting. Mr. Cozad indicated that Hello Sushi has submitted a request to put solar panels on their suite, and staff is reviewing this option. He said that Chris Palmer from California Special Districts Association delivered the award plaque and took a brief video of the presentation. Mr. Cozad said that field personnel took online and onsite equipment training. He thanked Ms. Miller for moving the AECOM contract forward quickly. Mr. Cozad said that Mr. Fogerson will be on jury duty for the next two months. He also noted that Tommy Purvis, Field Operations Specialist, was in an automobile accident yesterday as he was pulling onto Sapphire Blvd. and will likely be out for a few days. The Monthly Recharge Report was included on package page 109. This item was received and filed.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

The next Conservation Trust meeting will be held on October 7. Valley Municipal Board members requested a tour of the Plunge Creek project.

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

President Corneille presented to the Redlands Kiwanis Club on August 24 and attended the Plunge Creek Field Tour on August 27.

Director Raley attended the Valley Municipal Policy Workshop on August 13, Valley Municipal Board Meeting on September 1, and Valley Municipal Resources Workshop on September 3. He signed expenditures for the Conservation District on September 4 and attended the Valley Municipal Engineering Workshop on September 8.

Director Stewart attended the Plunge Creek Field Tour on August 27.

Director Longville attended the Plunge Creek Field Tour on August 27.

Vice President McDonald attended Valley Municipal Policy Workshop on August 13, ACWA State Legislative Meeting, and the Association of San Bernardino County Special Districts Board Meeting on August 17. She attended the Valley Municipal Board Meetings on August 18 and September 1, and she had a tour of Plunge Creek on September 2. Vice President McDonald thanked Ms. Scholte and Mr. Fogerson for the tour. She attended the Valley Municipal Resources Workshop on September 3 and Valley Municipal Engineering Workshop on September 8.

7. UPCOMING MEETINGS

President Corneille noted that the Operations Committee Meeting on September 16. Staff will be presenting to the Highland Chamber of Commerce on September 22.

8. CLOSED SESSION

It was moved by President Corneille and seconded by Vice President McDonald 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 on the published agenda.

At 3:46 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 President Corneille and seconded by Vice McDonald 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 3:46 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on October 14, 2020, via Zoom.



Daniel B. Cozad
General Manager