

SANTA ANA RIVER - MILL CREEK COOPERATIVE WATER PROJECT
MINUTES OF THE 135th MEETING OF THE MANAGEMENT COMMITTEE

September 7, 2022

The 135th Meeting of the Management Committee was called to order by Chairperson George Hanson at 10:03 a.m. via Zoom and in-person at the Conservation District.

Members Present

Betsy Miller	San Bernardino Valley WCD
George Hanson	Bear Valley Mutual Water Company
David B. Knight	Lugonia Water Company
John Harris	City of Redlands

Guests

Daniel Cozad	San Bernardino Valley WCD (Consultant)
Athena Laroche	San Bernardino Valley WCD
Katelyn Scholte	San Bernardino Valley WCD
Dave Cosgrove	San Bernardino Valley WCD
Robert Stewart	San Bernardino Valley WCD
Richard Corneille	San Bernardino Valley WCD
Bob Tinchler	San Bernardino Valley MWD
Matt Howard	San Bernardino Valley MWD
Adekunle Ojo	San Bernardino Valley MWD
T. Milford Harrison	San Bernardino Valley MWD
Sam Fuller	Bear Valley Mutual Water Company
Robert Martin	Bear Valley Mutual Water Company
Charlotte Van Eck	Bear Valley Mutual Water Company
Laine Carlson	Water Systems Consulting
Jennifer Ares	Yucaipa Valley Water District
Jeff Noelte	East Valley Water District

APPROVAL OF MINUTES OF 133rd MEETING ON JUNE 29, 2022

It was moved by Betsy Miller and seconded by Dave Knight to approve the minutes of the 134th Meeting held on June 29, 2022. The motion carried with those present voting in the affirmative.

EXCHANGE PLAN UPDATE/EXPANSION-WSC

Laine Carlson, with Water Systems Consulting (WSC), presented a PowerPoint overview of Workshop 6. The key changes from the June 29 Workshop included: 1) Project Manager and

Management Committee roles are moved; 2) Rules and Regulations are removed; 3) Continued preparation of the Daily Flow Report (DFR) by the Conservation District is preserved, with language updated to reflect cost sharing for this effort among the Parties of the agreement or through the San Bernardino Basin Groundwater Council (GC) O&M costs, if permitted; and 4) New template agreement developed to document exchanges.

Ms. Carlson recapped the Management Committee Role. She indicated there are additional existing forums where exchange opportunities could be discussed such as the Basin Technical Advisory Committee and GC. However, she indicated that these forums do not represent Mutuals. The current draft of the agreement has the Management Committee Role removed, and there is no discussion forum identified for dispute resolution. Ms. Carlson discussed the dispute resolution process, and said that through previous discussions the Committee suggested having the GC be the forum for this. Some members indicated uncertainty as to whether the GC would be the proper forum for this. Ms. Carlson requested feedback from the Committee. Ms. Miller stated that the GC discussed paying for the DFR. The DFR is useful for some member agencies, but the group did not believe the GC was the appropriate funding group due to their focus on groundwater. Mr. Tincher said that the mutuals are represented as part of the BTAC. Mr. Cozad said that the GC discussed surface water as part of the group's renewal talks. He said that there is no Committee for discussion of surface water issues at the GC. Mr. Martin asked how we will proceed in updating this agreement in the future if the management role is removed. Ms. Carlson said that would have to be an as needed meeting that would be called. Mr. Cosgrove stated that it would be an amendment notifying the parties for their review and approval. Mr. Knight said that there may be changes related to the SCE facilities. Mr. Cosgrove said that he did not include a mechanism for an amendment since the participants indicated their desire for less restrictions and more simplicity. Any agency that would like an amendment may draft the amendment and request other members review and approve. The potential formation of a Joint Powers Agreement (JPA) was discussed. It was discussed that the JPA may take the place of the Management Committee. It was the consensus of the Committee to dissolve the Management Committee.

The Project Manager Role was discussed. The prior discussion of the Committee included: 1) Parties could report and track their own exchanges and credits; 2) Management Committee role removed; 3) Rules and Regulations eliminated; 4) Dispute resolution would occur among Parties to an exchange with no Project Manager Facilitation role; and 5) The DFR continues to have value and the group would like to determine a way to fund that activity. Ms. Miller proposed a cost share to prepare the DFR of \$4,000 per agency. She requested feedback. Mr. Tincher suggested that each agency pay per data point they utilize. Mr. Cosgrove said that one reason they proposed a flat rate for each party is to make it equitable for everyone. Ms. Miller said that the Conservation District is comfortable moving forward with continuing the DFR preparation, with the cost share allocation to each agency of \$4,000 annually or based on data use; however, she expressed concerns that the effort to calculate data use percentages may exceed the cost of each agencies' annual payment. Ms. Carlson stated that this language will be added in. There were no concerns expressed related to the DFR cost share.

The new Exchange Agreement template include: a voluntary form that could be used to document exchanges that defines the Parties and the water/facilities involved in the exchange, references updated Exchange Plan Agreement, and includes a suggested 5-year term. It also defines terms of exchange and includes dispute resolution language used by the GC. Ms. Carlson said the optional form template and exchange documentation language could served to avoid open ended agreements. Mr. Cosgrove asked for feedback on the proposed template agreement. The template is not part of the agreement, so it can be amended as needed. Ms. Carlson reviewed the proposed exchange plan management structure. She stated that the proposed changes discussed today will be incorporated into the final version. The previous map has been removed from the amendment. Mr. Cosgrove asked if the agreement has received the Parties' legal review. Mr. Harrison said that he expects the City of Redlands (Redlands) will not be executing this agreement amendment. Ms. Carlson said that the remaining parties can move forward with the amendment to the agreement. Mr. Tincher said that Valley has not taken this amendment to the agreement to their Board. He suggested asking all Parties who are planning to execute the agreement amendment to take this to their Boards. The following are supportive of the amended agreement and indicated that they will present the action to the decision-making body for approval: San Bernardino Valley Municipal Water District, Bear Valley Mutual Water Company, Crafton Water, Yucaipa Valley Water District, San Bernardino Valley Water Conservation District, Redlands Water Company and East Valley Water District/North Fork. There are multiple agencies that need to complete legal review of the amendment. It is estimated that it will take approximately six weeks for legal review. Ms. Carlson noted that with Redlands declining to continue as a member, the annual cost share is now an estimated \$4,450 per member agency for the DFR. She will send out links to the digital binder which contains all documents related to the Exchange Plan Agreement and the proposed amendment.

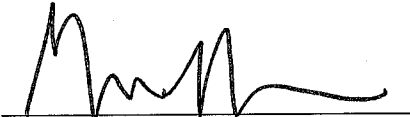
NEXT STEPS

Ms. Carlson reviewed the proposed timeline and said that any additional comments should be provided to Mr. Cosgrove and WSC by October 19. Mr. Cosgrove will send out a revised agreement incorporating this discussion as soon as possible. Any party with questions can contact Mr. Cosgrove directly.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:05 a.m.

Respectfully submitted,



George Hanson, Chairperson