

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF February 12, 2014  
1:30 P.M.

President Corneille called the Board 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:

Richard Corneille, President  
Melody McDonald, Vice President  
David E. Raley, Director (Arrival 1:34 pm)  
Manuel Aranda, Director  
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

Alisha Patterson, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Athena Monge, Administrative Services Specialist  
Jeff Beehler, Land Resource Manager

GUESTS PRESENT:

Charles Roberts, Highland Community News  
Don Lee, Tetra Tech

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

## 2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions.

## 3. CONSENT CALENDAR

President Corneille requested that Item C be pulled for discussion and staff requested that Item E be pulled for discussion and update.

**It was moved by Director Longville and seconded by Vice President McDonald to approve Consent Calendar Items A-Board Minutes for January 8<sup>th</sup>, B-Expenditure Report for January, D-Board Policy Manual, Appendix B, F-Second Quarter Financials & G-Resolution No. 506. The motion carried 4-0 with Director Raley noted absent from the vote.**

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

President Corneille asked if Staff has begun performing field audits on unpaid producers or non-respondents. Mr. Cozad stated that the District is still receiving and updating the database for GWA #41. He indicated that desk audits have been performed on approximately eight producers and corrections have been made. Mr. Cozad indicated that there may be field audits performed in March. Item C- Groundwater Assessment Status Report includes the producers who have responded and/or paid.

**It was moved by Vice President McDonald and seconded by Director Aranda to approve Item C, Groundwater Assessment Status Report. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

Mr. Cozad noted the changes that were made to Form 806 after the Board package was published and provided a handout for Board review. Vice President McDonald indicated that for the Advisory Commission on Water Policy the term should be "until removed". Mr. Cozad stated that in confirming with the Board Secretary the term is supposed to be 1 year. President Corneille stated that annually each agency is supposed to appoint a representative, but this policy has not been enforced by SBVMWD. Vice President McDonald asked what the policy of JPIA is. Mr. Cozad stated that for JPIA, Vice President McDonald is elected to a term because she serves on the Executive Committee. He stated that the internal committees of the District are clear because they have a two year term. Vice President McDonald stated that the President appoints the internal committees not the external committees. She stated that it is the appointing agency that is responsible for naming director and listing on Form 806. Vice President McDonald indicated that as the JPIA representative she is paid by JPIA and Director Aranda is paid by the District. The form will need to be updated to indicate that Vice President

McDonald's and Director Aranda's term for JPIA is "until removed" and the compensation from District is zero for Vice President McDonald. It should be listed as a separate line item since she is not compensated by the District and Director Aranda is as the District's representative.

**It was moved by Vice President McDonald and seconded by Director Aranda to approve Item E-Form 806 with suggested revisions. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### **4. ACTION ITEMS**

##### **A. UNAUDITED FINANCIALS, JANUARY 2014**

President Corneille noted that on the graph it shows the totals for each general ledger account rather than the breakdown between the enterprise funds, and that is what the Board will receive each month. He asked where the reserves are listed. Mr. Cozad stated that the sum of all reserves is in Cash Status Position on Enterprise to Date chart.

**It was moved by Director Aranda and seconded by Vice President McDonald to approve the Unaudited Financials for January 2014. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

##### **B. 2014 ENGINEERING INVESTIGATION DRAFT REPORT**

Mr. Cozad presented a PowerPoint on this item. This is required by the Districts organic act in the California water code. Mr. Cozad stated that Katelyn Scholte, Engineering Intern is the primary responsible staff person for the compilation and completion of this report. Ryan Hejka also assisted in the QA/QC portion of the report as well as additional staff and interns listed in report. Mr. Cozad thanked Field Supervisor, Manuel Colunga for recommending Ms. Scholte whom has been an asset to the District. The Draft Engineering Investigation (EI) report has been uploaded to the District website. Mr. Cozad indicated that the change in storage is -129,945 AF (decrease) since last water year, which is calculated by the change in water level multiplied by size of the basin. He reviewed what the basin looked like last year in the presentation. The changes in the graphic are subtle because the entire basin has dropped. Mr. Cozad reviewed the Water Elevation slide for 2012 and 2013 to show the variance. Discussion ensued. President Corneille indicated that all water levels are down. Mr. Cozad indicated that you can see that the average well is down 7-30 feet. The accumulated change in storage is -444,322 AF (decrease) from "full" levels in 1993. The total production from the basin for the last water year is 208,617 AF. The projected estimated annual change for the current year (2013-2014) is -65,285 AF (decrease). Review continued. Director Aranda asked if there is a way to

measure how much water is left in a well. Mr. Cozad indicated that it is up to the individual owners to assess where the operational bottom of their well is. He said that BTAC was asked to identify where this level is for wells or to what depth a well will become nonfunctional. Mr. Cozad indicated there is no data compiled for the basin currently.

In June 2014 it is estimated that the basin will increase +2,253 AF. The average annual change in storage listed in Task 6 indicates that there is a decrease of -8,065 AF. The production for ensuing water year 2014-2015 in the District is estimated to increase to 17,083 AF for agricultural and 71,083 AF for non-agricultural use. Mr. Cozad stated that if the District were to purchase water to make the basin whole it would have to purchase 141,000 AF. He estimated the cost of supplemental (if available) water in this drought time would be \$1,000 per AF. Discussion ensued. Mr. Cozad stated that the bottom line is that there is a substantial need for water to recharge the basin. He thanked field staff for their efforts, because although it has been a dry year they have made every effort to capture and spread as much water as is available. Mr. Cozad noted that the Draft EI has been posted to the website and notice was sent out to producers. He will make a presentation to BTAC and/or USAWRA in March.

**It was moved by Vice President McDonald and seconded by Director Aranda to receive Staff's recommendation and receive and accept the 2014 Draft Engineering Report. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### **C. PRELIMINARY GROUNDWATER ENTERPRISE BUDGET FOR FISCAL YEAR 2014-2015**

Mr. Cozad presented a PowerPoint of the preliminary groundwater enterprise budget for FY 14-15. He indicated that at this time the District needs to review the expected revenue and expenses and groundwater charge rate options. Mr. Cozad reviewed the Groundwater Assessment periods (GWA) and total revenue received. For the future period groundwater production is estimated to be slightly lower based on the trends from the past several periods. The estimated groundwater production for GWA 42 is 6,900 AF and 36,000 AF production for GWA 43 similar and consistent with previous periods. Based on the estimated costs, Staff is recommending a 3% increase to \$3.23 per AF for agricultural and an increase to \$11.62 per AF for non-agricultural be advertised in the Public Meeting and Hearing Notices. The District's last increase was implemented in July 2012. The Board and constituents recommended having incremental rate increases rather than periodic large increases. Mr. Cozad reviewed the requirement by Water Code §75594; it requires that the non-agricultural rate be between 3 and 5 times the agricultural rate. He indicated that most of the District's costs are fixed costs. He stated that the year after a wet year is typically more costly to the District due to the amount of maintenance that needs to be performed. However, Mr. Cozad said that the cost to remove invasive species is affecting the costs when there are several dry years. He indicated that the costs for the groundwater enterprise have been fairly level with minor spikes that the District needs to develop reserves in the Groundwater Rate Stabilization Fund to be sure any future spikes can be accommodated without large rate increases to the ratepayers. Mr. Cozad stated that the requested rate increase is based on actual costs. Vice President McDonald confirmed that the District is taking into account the rate stabilization fund to avoid large rate increases in the

future. Mr. Cozad said that the ratepayers have asked for a five year projection of what we expect rates may be. He indicated most of the District's larger producers set their rates for five years so they need an estimate of costs. He also indicated that due to the specific process in which the District has to abide by that the District cannot legally set rates for more than one year. President Corneille stated that the two items that the Board needs to decide on today is whether or not to direct Staff to provide a 5 year preliminary non-binding projection of groundwater rates and what yearly rate increase, if any, to advertise for public meeting and hearing to be held in April.

Mr. Cozad continued with his presentation reviewing the revenue and expense budget noting that the operating and capital expenses have been separated out. The groundwater enterprise revenue is estimated to be \$1,065,352.80 and expense are \$1,065,448.48. Director Raley indicated that the District is budgeting for expenses that have not incurred yet and typically in a dry year there should be less maintenance needed. President Corneille stated that Staff has indicated the maintenance performed out in the field is fairly constant. Discussion ensued. Mr. Cozad said that the budget presented today has been provided to all large producers for review. None have indicated a concern with a small increase. Director Longville stated the reason that rate setting efforts fail is because incremental increases are not done; constituents would rather incur small incremental increases than large infrequent ones. He indicated that even if fluctuations do not occur if the District is anticipating fluctuation in the near future a small increase should be implemented to avoid future issues. Director Longville is supportive of Staff's recommended increase.

**It was moved by Director Longville and seconded by Vice President McDonald to direct staff to notice a 3% groundwater rate increase for agricultural and non-agricultural production. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

**It was moved by Director Longville and seconded by Vice President McDonald to develop a five year non-binding projection of groundwater rates subject to annual findings by Staff which will be a non-binding forecast. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### **D. BOARD EFFECTIVENESS SELF EVALUATION DISCUSSION**

President Corneille reviewed in brief the results of the Board Effectiveness Self Evaluation taken by the Board, Executive Staff and General Counsel. He indicated that areas of concern are

Teamwork, Roles, Chairperson Leadership and Productivity. This item will be reviewed in further detail at the March 12<sup>th</sup> Board of Directors meeting.

#### E. PUBLIC RECORDS REQUEST POLICY

Mr. Cozad stated that this item was reviewed and approved by the Administrative Committee at the January 15<sup>th</sup> meeting.

**It was moved by Director Raley and seconded by Director Aranda to approve the Public Records Request Policy. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### F. RECORDS RETENTION AND DESTRUCTION POLICY

Mr. Cozad introduced this item for discussion. The Administrative Committee reviewed and recommends approval of this policy. This policy was also reviewed by Mr. Cosgrove. Vice President McDonald requested that Board Policy Manuals term be changed to permanent. In regards to recordings of Board meetings, General Counsel advised that the term is a minimum of 90 days after the minutes are approved. Brief discussion ensued. Director Raley asked why the recordings are not permanent. Mr. Cozad stated that the recordings are translated into the minutes which become the permanent record of the meetings therefore there is no need to keep the recordings. Discussion ensued. Director Longville noted that keeping materials beyond the statutory requirements may expose the District to issues in the case of litigation. Ms. Patterson concurred that she advises clients not to keep records longer than statutory requirement. Director Raley stated that he is in favor of keeping the recordings for two years.

**It was moved by Director Longville and seconded by Director Aranda to approve the Records Retention and Destruction Policy with revisions noting that the section on recordings shall be changed to the term that is the minimum required by law. The motion carried 4-1, with Director Raley in opposition.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: No  
Director Aranda: Yes**

#### G. COMPENSATION ORDINANCE REVISION NOTICE FOR PUBLIC HEARING

Vice President McDonald stated that the Administrative Committee did review and recommends approval of Ordinance No. 2014-1. Mr. Cozad stated that the automatic increase was removed

and that a date will need to be set to consider adoption of the Ordinance. President Corneille requested that legal counsel review the language referring to Staff since the Ordinance pertains to compensation for Directors.

**It was moved by Director Raley and seconded by Director Longville to direct Staff to notice ordinance for public hearing and remove language pertaining to Staff if not required by law subject to legal counsel approval. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### **H. ACWA/JPIA COMMITMENT TO EXCELLENCE**

Vice President McDonald spoke on this item. She discussed the positive aspects of participating in this program. Director Raley asked the cost for participating. Vice President McDonald indicated that there is no direct cost. President Corneille said the costs associated with this program would be indirect such as staff training. Mr. Cozad did indicate that additional staff training will need to be implemented, costs have not been determined. He indicated that the limitation of loss is offsetting against the cost for staff time in training.

**It was moved by Vice President McDonald and seconded by Director Raley to approve the District's participation in the ACWA/JPIA Commitment to Excellence Program. The motion carried unanimously.**

**President Corneille: Yes  
Vice President McDonald: Yes  
Director Longville: Yes  
Director Raley: Yes  
Director Aranda: Yes**

#### **5. INFORMATION ITEMS**

##### **A. GENERAL MANAGER'S REPORT**

Mr. Cozad reported that Dike D cleanup is a large project which is why the cost is \$100,000. Mr. Cozad stated that the revisions to the website have been made and that the new website is now live. He also noted that the Document Imaging Intern, Gilbert Chavez has entered in 2,366 documents to date. The District Priorities have been updated based on last month's feedback and included in the Board package as informational. Mr. Cozad included in the Board package is SBVWCD Wash Plan Trails Planning Efforts. Mr. Cozad said that Staff met with the City of Highland for a field meeting to discuss the trails plan last Friday. They will be revising their general planning for trails based on feedback received from District. He advised the Board that included in the budget is funds for two summer engineering interns to perform field work and conceptual planning on trails.

Mr. Cozad presented a PowerPoint on the Stormwater Aggressive Capture Study. This item is related to the Board's request to more actively recharge water. He stated that typically when storms hit field staff close District gates until it peaks and the water clears up. He indicated that the District can open their gates early to collect more water, but that would include taking on more silt. Vice President McDonald said that some agencies have sedimentation basins in the field to collect the silt and asked if the District has one. Mr. Cozad stated that currently the first two ponds on the Mill Creek side are used to collect the silt. He indicated that the sediment management and maintenance costs increase exponentially when taking on unclean water. Those costs have not been included in the budget.

Mr. Cozad presented a PowerPoint on the 2014 Water Supply Contingency Workgroup plan pertaining to the drought. He reviewed the reservoir conditions and noted that some agencies are expecting to run out of water between 30-60 days. The governor has the signature authority to change where the water goes. There are seven water bonds and draft legislation in the works. Mr. Cozad reviewed the drought comparison from 2008-2014 noting conditions are not terribly different. He indicated the difference is the type of storms that we continue to have. The storms seem to be minor and do not saturate the ground like previous storms. In the last 3 years the District has recharged 88,000 AF. BTAC's Annual Management Plan contains the general recommendations on recharge for the basin. Discussion ensued. Mr. Cozad indicated that the question of how low we will let the basin get given the risk of limited rain next year is being discussed. He noted the District does not have a drought ordinance and that we may be subject to curtailment by the State Water Board. If curtailment occurs the State Water Board may keep us from exercising our water diversion rights. Mr. Cozad said this is happening in Northern California and that most likely it will affect those with junior water rights. The District has provided links and information to the public on the drought and possible ways to conserve. Mr. Cozad said that the District is collaborating on developing a joint message on the drought for advertising. He estimates first few phases will cost \$1500. This item will be brought back for discussion if the costs are estimated higher than that.

## B. MONTHLY RECHARGE REPORT

There was no discussion.

## C. WASH PLAN REPORT

Mr. Beehler reviewed this item. He said that there will be a meeting with FWS tomorrow to review the Covered Activities and a Technical Committee meeting is scheduled for next week. Mr. Beehler stated that each agency will need to sign off on the Covered Activities they are requesting to be included in the HCP. The Wash Plan fact sheet was handed out for Board information. There will be a policy with mitigation ratios and FWS agreement brought back at a later date. Director Raley asked for the short and long term costs to be identified. Mr. Beehler indicated that language will be developed to specify that if a party to the Wash Plan does not pay for their cost of the Covered Activity that the Covered Activity will no longer have incidental take coverage in the HCP. He indicated that the Implementation Agreement will have specific language which will cover these issues. President Corneille encourages Directors to use the Wash Plan Fact Sheet to bring awareness of the Wash Plan. He thanked Staff for their efforts



in creating the Fact Sheet. President Corneille suggested that the Outreach Committee meet to review potential outreach opportunities to bring public awareness regarding the Plan.

#### D. FUTURE AGENDA ITEMS & STAFF TASK REQUEST FROM DIRECTORS

President Corneille requested an Operations Committee for mid-March. He wants to have a field tour to review a number of activities being performed out in the field. Vice President McDonald asked that full Board be notified of field tour. She also indicated her interest in possibly participating in the E.R.N.I.E. program. We would need to join by resolution. Mr. Cozad's primary concern is the minimum requirement of 80 hours of training for certification. He is reviewing costs and requirements with the program coordinator. This item is to be brought back in March or April. Director Longville requested additional information on landscaping and water waste; primarily educating commercial landscapers on the importance of water conservation and ways to conserve. Director Raley requested JPIA coverage review and the minute and recording process review. Mr. Cozad indicated he will have general counsel review for affirmation this process is being implemented sufficiently.

#### 6. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

Vice President McDonald attended the BTAC meeting; where they discussed the Water Supply Contingency Plan. She also attended SBVMWD Board Meeting and IEUA Breakfast.

Director Longville made no report.

Director Raley attended the Redlands Rise N Shine where President Corneille presented on the Wash Plan. He also attended the BTAC meeting to specifically identify where the soft bottom of the basin is and length it would take to get there.

Director Aranda presented at the University of Loma Linda on the drought. The university students have requested a field tour.

President Corneille attended the DWR California Statewide Groundwater Elevation Monitoring Program (CASGEM) meeting; where DWR discussed prioritizing groundwater basins. His meeting report is included in Board Package. He also attended the IEUA Leadership Breakfast, Redlands Public Works Committee, Redlands Chamber of Commerce Installation Dinner, and Rise N Shine as presenter.

#### 7. UPCOMING MEETINGS

Vice President McDonald indicated the ACWA Drought Briefing will be held on February 14<sup>th</sup> in Sacramento. She said there will be an ACWA State Legislative Symposium on March 5<sup>th</sup> and requested approval to attend. President Corneille stated that he will not be attending the ACWA Spring Conference.

**It was moved by Director Longville and seconded by Director Aranda to approve Vice President McDonald's verbal travel request. The motion carried unanimously.**

**President Corneille: Yes**  
**Vice President McDonald: Yes**  
**Director Longville: Yes**  
**Director Raley: Yes**  
**Director Aranda: Yes**

8. CLOSED SESSION

**It was moved by Director Longville and seconded by Director Aranda to adjourn to Closed Session. The motion was carried unanimously.**

**President Corneille: Yes**  
**Vice President McDonald: Yes**  
**Director Longville: Yes**  
**Director Raley: Yes**  
**Director Aranda: Yes**

General Counsel announced that the meeting will adjourn to closed session under all of the items listed on the posted agenda.


At 5:12 p.m., the meeting reconvened into Open Session. Ms. Patterson noted while in Closed Session under Government Code section 54957.1 there was no reportable action taken.

9. ADJOURN MEETING

**It was moved by Director Longville and seconded by Vice President McDonald to adjourn. The motion carried unanimously.**

**President Corneille: Yes**  
**Vice President McDonald: Yes**  
**Director Longville: Yes**  
**Director Raley: Yes**  
**Director Aranda: Yes**

At 5:14 p.m. the meeting adjourned to the next regular Board Meeting scheduled for March 12, 2014 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

  
Daniel B. Cozad  
General Manager