

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

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

President Corneille called the Board Meeting of the Board of Directors to order at 1:42 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
Manuel Aranda, Director
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Michelle Diamond, 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. PUBLIC HEARING ON ORDINANCE 2014-1

President Corneille opened the Public Hearing on Ordinance No. 2014-1 related to the per diem of the Board of Directors and announced this as the time for public comment. Hearing none,

President Corneille closed the public hearing. He noted one correction in the title of the ordinance.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Ordinance No. 2014-1. The motion carried.

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

4. CONSENT CALENDAR

Vice President McDonald requested that Item A-Board Minutes for February 12, 2014 be pulled for discussion.

It was moved by Vice President McDonald and seconded by Director Aranda to approve the balance of the Consent Calendar Items B-Expenditure Report for February, and C-GWA #41 update and Non-respondent Report. The motion carried.

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

Vice President McDonald noted that a revision needs to be made pertaining to Item H-ACWA Commitment to Excellence in the Board Minutes of February 12th. She provided a correction to the minutes to indicate that it is ACWA/JPIA rather than ACWA who is heading up this program.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Item A-Board Minutes of February 12, 2014 with the suggested revision. The motion carried.

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

5. ACTION ITEMS

A. UNAUDITED FINANCIALS, JANUARY 2014

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

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

B. 2014 FINAL ENGINEERING INVESTIGATION REPORT

Mr. Cozad presented this item for discussion. He noted that additional data was received by agencies which did not affect the figures, tables or appendices. The Final Engineering Investigation (EI) report has been published to the District website at the link shown in the agenda. Mr. Cozad indicated that Staff identified a reporting error related to Gage Wells. Production from the Gage Wells was being double counted due to duplicate reporting from the City of Riverside and Gage Canal Company; however different methods were used so the error was not immediately apparent. Upon checking with both entities this error has been fixed in the Final EI. President Corneille asked if the BTAC had any changes. Mr. Cozad presented the Final EI to them on March 3rd and they did not have any revisions to the report.

It was moved by Director Aranda and seconded by Vice President McDonald to approve the 2014 Final Engineering Investigation Report. The motion carried.

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

C. AUDITOR PROCUREMENT AND SELECTION FOR 2014

Mr. Cozad introduced this item for discussion. He stated that the Ad Hoc Audit Committee of President Corneille and Director Raley met on January 8th. An RFP was sent out on January 10th to 14 auditing firms in which 7 proposals were received. Staff placed the proposals into a spreadsheet for Ad Hoc Audit Committee review. Based on a detailed evaluation of the proposals received, the Ad Hoc Audit Committee recommends Eadie & Payne for the upcoming audit. Mr. Cozad verified references and positive feedback was provided. The selected auditing firm fee is slightly higher than the previous auditors.

It was moved by Vice President McDonald and seconded by Director Raley to move the Ad Hoc Audit Committee's recommendation to authorize President Corneille to enter into an agreement with selected audit firm Eadie & Payne for an amount not to exceed \$20,000 to prepare the audit for Fiscal Year 2013-2014. The motion carried.

President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes

Director Raley: Yes
Director Aranda: Yes

D. NEW REDLANDS PLAZA SIGN

Vice President McDonald commended Staff on the design presented in the package. President Corneille requested that the District be listed on the new monument sign in the first panel. Mr. Cozad indicated that the District will need a permit prior to the new sign being installed. He indicated it's not a conforming sign, but Quiel is optimistic the City of Redlands will approve. Mr. Cozad stated that Quiel Signs has stated that permitting should not be an issue. He indicated that the agreement with Quiel Signs has been reviewed and approved by general counsel. Brief discussion ensued regarding permitting. President Corneille asked what would happen if the City of Redlands did not grant a permit. Mr. Cozad indicated that it would be sent to Quiel Signs for redesign. Director Raley asked if there is cost for redesign. Mr. Cozad said that if the sign had to be redesigned there may be minor cost, but that if the sign was smaller, cost would be less. Vice President McDonald stated that she is in support of replacing sign and that it will be Quiel Signs responsibility to obtain permitting. Brief discussion ensued.

It was moved by Vice President McDonald and seconded by Director Raley to move Staff's recommendation to enter into an agreement with Quiel Signs to purchase a new monument sign for Redlands Plaza in the amount not to exceed, \$14,271.61 plus city's permitting fees. The motion carried.

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

E. CSDA BOARD OF DIRECTORS CALL FOR NOMINATION

President Corneille polled the Board for interested parties. Discussion ensued as to what region was covered. Director Raley indicated his interest in being nominated to stand for election for Region 6 Seat C of the CSDA Board. President Corneille indicated that Director Raley would need to complete additional training within two years, if elected.

It was moved by Director Longville and seconded by Vice President McDonald to nominate Director Raley for CSDA Board of Directors, Region 6, Seat C. The motion carried.

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

F. ACWA REGION 9 NOMINATIONS

President Corneille indicated that there is a vacancy on the Region 9 Board for ACWA for the remainder of 2014-2015 term. Vice President McDonald stated that this Board is separate from the ACWA Board of Directors; this is the local region board. She said that Director Aranda has been on the Board and asked if he would be interested in being nominated for this Board. He indicated his interest to sit on the Board. Discussion ensued regarding the requirements to be nominated.

It was moved by Director Longville and seconded by Vice President McDonald to nominate Director Aranda for the ACWA Region 9 Board and prepare a resolution in accordance with the ACWA template subject to general counsel approval to be signed by President Corneille and Mr. Cozad. The motion carried.

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

G. MILL CREEK STORM UPDATE AND POSSIBLE ACTION

Mr. Cozad reviewed a PowerPoint of the damage that occurred to field operations in Mill Creek. He indicated that there was a breach in the levee in Mill Creek and the soft plug did not wash out fully and that the levee next to the diversion overflowed with water. Mr. Cozad said that normally the flow would have gone into Basin 2, but since EBXII project is taking place it flowed into their excavation. He indicated the flow from the storm reached between 100-300 CFS. Staff paid Jacinto Construction approximately \$4,500 for emergency repairs. Mr. Cozad stated that the District has received information related to an expected request for repairs and an invoice for repairs to EBXII from Spiniello Construction estimated at \$9,000. A claim has not been submitted but is expected. He continued detailed review of the flows that caused that damage. Discussion ensued. The Operations Committee will tour the site at their meeting on March 17th. The update was accepted and no action was required.

6. INFORMATION ITEMS

A. GENERAL MANAGER'S REPORT

Mr. Cozad indicated that this item was covered previously and written report is in package. It included before and after pictures of storm and several other items.

B. MONTHLY RECHARGE REPORT

Mr. Cozad noted that the District is taking Bear Valley Mutual's water in Mill Creek and recharging it on behalf of the City of Redlands. He also indicated that there are a number of leaks in the dikes that were re-built due to the EBXII pipeline construction. Mr. Cozad presented pictures of the basins which were filled and that show leaks in several walls of the basins. The contractors for EBXII are working on repairing these leaks, but the lack of recharge water will

limit the re-testing of the basins after repairs this year. Field staff is attempting to identify if the District is getting underground flow along the EBXII pipeline in the backfill. He stated that the installation of the pipe is not supposed to impede District operations. Vice President McDonald asked if it was percolating. Mr. Cozad believes that these basins are recharging. He stated that it is hard to assess at this point if the water is percolating or moving from basin to basin due to the leaks. Discussion ensued. SBVMWD may review this issue as well. The Operations Committee will review this item at their Monday meeting.

C. WASH PLAN REPORT

Mr. Beehler reviewed this item. On pages 78-80 in the package there are maps of the impacts of covered activities on endangered species. He reviewed the maps and noted that most of the covered activities impacts on the habitat for the San Bernardino Kangaroo Rat (SBKR) are low, and for the Woolly star and Spine flower are high. Mr. Beehler stated a geodatabase has been completed with intern help. This is where all GIS data is placed into a single database and linked to how much maintenance occurs, when it occurs and a description of what maintenance is required. Mr. Beehler explained phasing. Vice President McDonald asked if mitigation on District roads is continual. Mr. Beehler indicated it is reoccurring and that he is taking all of the operation and maintenance mitigation activities and putting them into the database so that they are covered, but because of the way we do O&M the mitigation is not significant. He also indicated that maintenance activities are included to ensure that entities do not have to mitigate for coverage they do not need. President Corneille stated that the District had some preliminary consultations with FWS and indicated that some of this information presented today is based on these discussions. Mr. Beehler stated that the high low habitat quality concept is based on discussions with FWS. He indicated that where the District is performing activities in SBKR habitat, which is low quality, it should be reflected in mitigation. Mr. Cozad reminded the Board that the reason FWS would not previously move forward with the permitting of the Wash Plan is because covered activities were not specifically identified. He indicated that Mr. Beehler has been tasked with identifying the specifics on covered activities and their impacts on endangered species. Mr. Cozad stated that the District should have a baseline of these items. Vice President McDonald and President Corneille commended staff on the information presented today. Mr. Beehler indicated that the interns helped immensely and that they are trying to be sure that all covered activities are included.

D. FUTURE AGENDA ITEMS & STAFF TASK REQUEST FROM DIRECTORS

President Corneille appointed an Ad Hoc Committee for General Manager Evaluation with Vice President McDonald and himself as the members. Vice President McDonald indicated that findings will come back to the Board after the Ad Hoc Committee.

President Corneille requested that Director Aranda speak on the Water Bond issue, which he has been closely following. Director Aranda indicated there are several versions of the bond that the Board could discuss. He noted the bond proposals range from ACWA's originally supported proposal of \$11.14 billion approved for the November ballot, to AWCA's currently suggested proposal of \$8.2 billion, and two legislative bond proposals (SB 848 by Wolk, and AB 1331 by Rendon) for \$6.5 billion. Negotiations are underway to come to try to come to an

agreement on a bond proposal for the November ballot that can address the statewide priorities and pass.

He indicated that even if the bond passes there is still the issue of teaching the public about water conservation. Director Aranda reviewed conservation issues and possible incentives. He stated the importance of conserving water and conveying that message to the public.

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

Director Raley attended the State of the County Program along with the full Board. He also attended the Ad Hoc Audit Committee, Rise N Shine Redlands, and CSDA Fiscal Committee. He attended the Big Bear Watermaster Committee where it was noted that the lake is down 7.7 feet below full and they are not majorly impacted by the drought but are affected.

Director Longville attended the State of the County.

Vice President McDonald attended the SBVMWD Board meeting where they adopted the Water Conservation Plan and approved a contract with CV Strategies for outreach activities related to the drought in the amount of \$29,000. She also attended BTAC where reports were given from all of the subcommittees and Mr. Cozad reported on the 2014 Engineering Investigation Report. She attended USAWRA, ACWA State Legislative Committee meeting, Highland Chamber, State of the County, and ACWA/JPIA HR Training. She attended the ACWA Water Management Committee meeting where they discussed final framework report, drought and subcommittee listing.

Director Aranda attended the Three Valley's Municipal Water District on "California's Path to a More Reliable Water Supply" presented by Mark Cowin, Director of DWR. He also attended Rise N Shine Redlands, BTAC, and SBACC. He indicated that he will be making a presentation at SBACC in two weeks on the drought and water conservation.

President Corneille attended the Ad Hoc Audit Committee, HACC Quarterly Breakfast and the State of the County. He indicated that the Board Member Meeting Reports are duplicative and requested that a "prepared by" line be added. This item is to be reviewed by Finance & Administration Committee.

Director Aranda included in the package his request to attend the ACWA Spring Conference with total estimated cost to attend in the amount of \$2,861.

It was moved by Vice President McDonald and seconded by Director Longville to approve Director Aranda's attendance and cost estimate. The motion carried.

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

8. UPCOMING MEETINGS

President Corneille indicated that March 13th is the Advisory Commission meeting and that EVWD headquarters ribbon cutting is on March 18th. He mentioned that the District will be hosting the April 21st ASBCSD dinner meeting. Vice President McDonald indicated that all directors should be in attendance at this event.

9. CLOSED SESSION

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

**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.

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

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

At 3:39 p.m., the meeting reconvened into Open Session. Mr. Cozad noted while in Closed Session under Government Code section 54957.1 the Board voted with all directors present voting yes for General Counsel and General Manager to retain an evaluation consultant and to prepare and enter into arbitration in regards to the mineral lease with CEMEX pertaining to the Fair Market Royalty Rate.

It was moved by Director Aranda and seconded by Director Longville to defer the Board Workshop to the next regularly scheduled Board meeting. The motion was carried with Vice President McDonald noted absent from the vote.


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

10. ADJOURN MEETING

It was moved by Director Longville and seconded by Director Aranda to adjourn. The motion carried with Vice President McDonald noted absent from the vote.

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

At 3:42 p.m. the meeting adjourned to the next regular Board Meeting scheduled for April 9, 2014 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager