

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF August 13, 2014
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:32 p.m. All present stood for the pledge of allegiance, led by President Corneille. The Board observed a moment of silence in remembrance of East Valley Water District Director Kip Sturgeon commemorating his untimely passing.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director (Arrival 1:40 p.m.)

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:

Charles Roberts, Highland Community News
Don Lee, Tetra Tech
Ron Coats, East Valley Water District

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 to the Agenda.

3. CONSENT CALENDAR

President Corneille requested that Item C: GWA #42 Assessment Report be pulled for discussion.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Consent Calendar Item A: Board Minutes, July 9, 2014 and Item B: Expenditure Report, July 2014. The motion carried with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

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

President Corneille inquired as to whether the City of Redlands had reported and/or paid their groundwater assessment report for the assessment period from January 1, 2014 to June 30, 2014. Staff indicated that they had not, but indicated they should soon. Brief discussion ensued. President Corneille said that based on the report the District has collected approximately two thirds of its estimated groundwater revenue for this period. Mr. Cozad said that when Redlands reports it will bring us closer to budget. President Corneille requested that staff specify on the top of the report that it reflects the status date for the report. Staff indicated that producers have 30 days after the end of the reporting period (Jan-June or July-Dec) to submit their *Groundwater Production Statements*. Staff is currently preparing the *Past Due Statements* for distribution. Mr. Cozad anticipates that the District will meet its target for groundwater revenue.

It was moved by Director Aranda and seconded by Vice President McDonald to approve Consent Calendar Item C: GWA #42 Assessment Report through August 7, 2014. The motion carried with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIALS, JULY 2014

Mr. Cozad stated that the General Fund Revenue enterprise reflects a negative \$2,690 due to the market adjustments and it being the first month of the fiscal year. He said the market value of the bonds in the medium term fund have gone down, but once they accrue interest they will be in the positive.

It was moved by Director Aranda and seconded by Vice President McDonald to approve the Unaudited Financials for July 2014. The motion carried with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

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

B. 2014 BIENNIAL UPDATE OF CONFLICT OF INTEREST CODE

Mr. Cozad indicated that there are no changes to the current Conflict of Interest Code. This is an annual update to keep the District current. Staff has combined Resolution No. 512 with Exhibits and Appendix so that all documents are easily retrieved. President Corneille asked Staff and General Counsel to verify whether or not the addition of Land Resources Manager is required for Appendix A "Designated Positions" for the next update. Staff will bring this item back in next year with a recommendation based on whether or not his current tasks warrant his addition. Currently, Mr. Beehler is not making any procurement or governance decisions and the addition is not warranted.

It was moved by Vice President McDonald and seconded by Director Aranda to approve the 2014 Biennial Update of the Conflict of Interest Code. 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 Aranda: Yes**

C. JOINT SOLAR PROCUREMENT PROJECT DISCONTINUED

Mr. Cozad gave a brief update of the status of the project. He noted that a letter from SANBAG was included in the package for review and discussion. Since SANBAG has discontinued the Joint Solar Project, staff is asking for feedback from the Board. Mr. Cozad said that the requirement for agencies to come up with capital or incur additional debt posed a problem for some, especially cities. The District originally participated because there were several agencies involved and the solar installation was going to be less expensive due to the collaboration. Discussion ensued. President Corneille stated that there are additional projects that take precedence such as the Wash Plan and Plunge Creek. However, he is in support of obtaining solar but feels that right now is not the time to pursue it. Director Raley believes that the District should move forward with obtaining solar for Redlands Plaza to save money, even if we have to do so independently. Vice President McDonald stated that the cost for solar is more expensive when opting to obtain it independently. She indicated that she is not opposed to additional research being performed and it being brought back to the Board at a later date. It was the consensus of the Board to have staff perform additional research as time permits of the cost and procedures for moving forward independently. The status update was received and filed.

D. CALPERS RESOLUTION FOR EMPLOYEE PICK UP

Staff stated that when adopting Resolution No. 510 related to employee contribution the adoption of the 414(h) plan was inferred but not specifically included. CalPERS requires the District to specifically adopt the 414(h) plan in order to properly report employee deductions.

It was moved by Vice President McDonald and seconded by Director Raley to approve and adopt Resolution No. 513 pertaining to the employee contribution for CalPERS. 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 Aranda: Yes**

E. REGIONAL OUTREACH EFFORTS

Mr. Cozad gave a brief report on the regional outreach efforts performed at the direction of the Board. He indicated that the iEfficient billboards have gone up off the 10 freeway and various other locations. There are a number of articles in the Press Enterprise, Highland Community News and various other papers. The District contributed approximately \$10,000 to outreach and the outreach is moving forward as planned. There will be a meeting with Inland Empire Garden Friendly organization where they will be assisting with the development/implementation of commercial landscaper education. Brief discussion ensued. President Corneille asked for clarification on the "brown lawn signs". Mr. Cozad explained that where there are HOA's or ordinances that require lawns to be maintained the Outreach Subcommittee of the BTAC discussed the use of "brown lawn signs". The signs would be a way of alerting the public that the lawn is not simply being unmaintained, but that a conservation effort is being accomplished. Discussion ensued regarding signage. Vice President McDonald noted that legislation was passed which exempts homeowners from compliance with HOA or municipalities codes if landscape is not maintained due to reduction in water usage in an effort to conserve. Mr. Cozad indicated that this legislation prevents any adverse action against homeowners such as fines and penalties from any agency based on the need to conserve. This item was received and filed.

F. DROUGHT AND BASIN MANAGEMENT REGULATION AND LEGISLATION

Mr. Cozad stated that the State Water Board Emergency order does not directly apply to the District because it is not an urban water supplier, as the law defines them. A summary is included in the Board package for review as well as full regulation details. We are supporting the urban water suppliers and assisting small groundwater producers as needed. Additionally, there is groundwater management legislation being developed; SB 1168 and AB 1739. They are currently being amended frequently. They indicate that groundwater is well managed in the adjudicated basins. Because the Bunker Hill Basin is adjudicated it will be exempt from many of the provisions, except reporting, if the legislation passes as written. Brief discussion ensued. It was the consensus of the Board to receive and file this update.

G. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS FOR 2015

Mr. Cozad stated that the District has two members currently serving on CSDA committees: Director Raley is on the Fiscal Committee and Director Aranda is on the Education Committee. If they would like to continue to serve on these committees the Board is required to approve their reappointment. Director Raley declined to be reappointed, while the Board supported his reappointment if he wished to continue. Brief discussion ensued. Director Aranda requested to be reappointed to the Education Committee.

It was moved by Vice President McDonald and seconded by Director Longville to reappoint Director Aranda to the CSDA Education Committee for the 2015 term. 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 Aranda: Yes**

5. INFORMATION ITEMS

A. BOARD COMMITTEE REPORTS-WITHOUT ACTION

There were no committee meetings held since last Board meeting.

B. WASH PLAN REPORT

Mr. Beehler said that the Wash Plan consultants are almost finished with the Preliminary Draft of the HCP. This will be presented to the Task Force in early September. Since June every participant has finalized their covered activities. Mr. Beehler stated that since the implementation of the database, revisions are much simpler. Brief review of covered activities ensued. Some added projects include: 1) City of Redlands: addition of drainage plan, 2) Santa Ana River: Trails realignment and 3) FCD: Elder Creek Project. FCD is collaborating on a project with FWS near Plunge and Elder creeks; preliminary plans are to separate the flows in order to reduce flood risk and increase recharge. Mr. Cozad stated that BLM and FCD are developing a plan to abate the old shooting range and potentially recycle the lead, and use the dirt with low levels of lead dust for concrete needed for flood control facilities. This project would greatly benefit the community by providing additional groundwater recharge area, removal of hazardous wastes and provide additional habitat for SBKR. The Draft Habitat Management Plan (Plan) specifying the mitigation requirement has been completed. Mr. Beehler handed out a preliminary map of the Plan elements. The Plan includes such methods as spot treatment, mechanical thinning, sheep grazing, handwork and controlled burning. The controlled burning will be managed by CalFire and would be paid for by 80% grant funds and 20% Wash Plan costs. Mr. Beehler indicated that early implementation of sheep grazing may be possible since there is currently a shepherd near the Wash Plan area that seems interested. Mr. Beehler also noted that the cactus wren has been added to the database and that there are

50 nests located within the Wash Plan. Now that covered activities have been identified as well as mitigation, staff will be preparing the budget for management of the conserved lands.

Mr. Cozad noted that included in the package is the Profit & Loss statement (P&L) for the Wash Plan enterprise. Some agencies paid a year in advance and we are on budget; some funds will be expensed this year. President Corneille asked for clarification regarding the P&L. Mr. Beehler indicated that the P&L are included in the monthly financials reported to the Board; this is just an independent statement. President Corneille indicated that he would like to see a cost expended and revenue to date breakout for the Wash Plan lining out what expenses have been incurred including staff time, consultants, legal, etc. compared to the budget. Mr. Beehler said that the only contracts the District has out are ICF Jones & Stokes which is about 45% billed and the contract with RBF who is performing the EIS. Staff will prepare a simplified budget to actual financial report the next Wash Plan report to be presented at the September 10th Board meeting. Director Raley asked the benefit of listing the cactus wren now. Mr. Beehler stated that by listing it now it covers all bases and avoids the need to potentially add at a later date since this is a 30 year permit. There are several special interest groups gathering the information to potentially list the species. Vice President McDonald indicated that since the majority of the nesting is in mitigated areas she understands that the offset will be minor due to the District taking this precautionary step to have it covered now.

C. MONTHLY RECHARGE REPORT

Mr. Cozad presented a PowerPoint on this item combined with the General Manager's Report. He indicated that the District had a Spineflower working group meeting where they discussed how to potentially reproduce and expand the spineflower.

Mr. Cozad said that the District captured 50 acre feet of water to date from the recent storm. He presented photos of field operations and flood damage. The recent storm filled the Mill Creek intake canal with rock, sand and gravel; which is somewhat beneficial since it helps build the creek back up, but required heavy equipment repair. Aerial photos of field operations were shown and reviewed. The interim canal over the EBX2 pipeline was tested and proved to be functional. Additional methods of maintaining the basins in Mill Creek were reviewed in detail. Initially Engineering Intern, Gustavo Gomez prepared conceptual designs for a boom method to potentially be utilized to remove floating debris from water. However, Mr. Cozad indicated that in this last storm field operations received much heavier debris which sank to the bottom and this would have proven a boom to be inefficient. Additionally, Mr. Gomez designed a method utilizing a special type of excavator that could reach out during flows and remove debris. Staff is also reviewing a grate design which will be reviewed by the Operations Committee on September 12th.

Mr. Cozad also briefly reviewed the telecommunications changes that were approved by the Board in August 2013 and the cost savings. He indicated that the District is anticipated to save 45% during fiscal year 2014-2015 due to the changes approved by the Board and implemented by Staff. A cost savings breakout was included in Board package on package page 96, showing the implementation had achieved this level of savings. Briefly discussed were the letter

to Senator Feinstein related to Section 6 funding and Plunge Creek Conservation Scope of Work.

President Corneille asked if the numbers on Monthly Recharge Report for July 2014 is year to date and what the reporting period is. Mr. Cozad indicated that it is for the water year which starts October 1st and ends September 30th, so the total amount of recharge is only about 2300 AF from October 1, 2013 to July 31, 2014

D. GENERAL MANAGER'S REPORT

This item was discussed previously.

E. SAWPA AGREEMENT FOR PLUNGE CREEK AND PLUNGE CREEK RFP

This item was discussed previously.

F. FUTURE AGENDA ITEMS & STAFF TASKS

The written report is included in package. President Corneille requested that options for the potential reuse of mined areas be added to the Operations Committee agenda for September 12th.

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

Director Longville attended the iEfficient event at the 66ers stadium.

Director Raley attended the BTAC meeting where the primary focus was outreach. He also attended SBVMWD Board Workshop where they discussed AB2443.

Director Aranda attended BTAC, USAWRA and he will make a legislative report to USAWRA tomorrow at the August 14th meeting. Additional written reports are included in Board package.

Vice President McDonald attended the USAWRA where they discussed AB2443. Also, attended were SBVMWD Board meeting where they finalized their Exchange Agreement with Palmdale, adopted the OWOW plan, amongst various other issues they addressed. Vice President McDonald attended the BTAC meeting. Additional written reports are included in Board package.

President Corneille attended the ASBCSD Dinner meeting with other Directors where the CSDA District of Distinction and Transparency Certificate was presented to the District. He thanked the Board and Staff for their efforts which assisted in the District obtaining these awards. President Corneille attended the EVWD Board meeting where they discussed the reclamation plant; a decision should be made in October. On July 30th President Corneille and Vice President McDonald made a presentation to Kiwanis and have additional presentations coming out to discuss, conservation, and the District's function and community benefits of the Wash Plan. President Corneille met with Ron Coats, Director of EVWD to discuss the District. Additional written reports are included in Board package.

7. UPCOMING MEETINGS

President Corneille requested that the Board meeting scheduled for November 12th be rescheduled to November 19th. Mr. Cosgrove is unavailable on November 19th and will send an associate from his firm. Vice President McDonald indicated that the 1st quarter Finance & Administration Committee be moved to November 12th to accommodate President Corneille's request.

It was moved by Vice President McDonald and seconded Director Longville to move the regularly scheduled Board meeting from November 12, 2014 to November 19, 2014. 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 Aranda: Yes**

President Corneille noted that he will be attending the upcoming Groundwater Committee which he is appointed to, but will require travel to Sacramento. His estimated expenses are \$180 for this event.

President Corneille recommended moving the Board Workshop to discuss District policy principles scheduled to follow today's Board meeting to be moved to September 10th.

It was moved by Director Aranda and seconded by Vice President McDonald to reschedule the Board Workshop scheduled for August 13, 2014 at 2:45 p.m. to September 10, 2014. 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 Aranda: Yes**

8. CLOSED SESSION

It was moved by Director Longville and seconded by Vice President McDonald to adjourn to Closed Session. The motion was carried with all Directors present voting in the affirmative.

**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 3:56 p.m., the meeting reconvened into Open Session. Mr. Cosgrove 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 with all Directors present voting in the affirmative.

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

At 3:58 p.m. the meeting adjourned to the next regular Board Meeting scheduled for September 10, 2014 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager