

SANTA ANA RIVER - MILL CREEK COOPERATIVE WATER PROJECT  
MINUTES OF THE 132nd MEETING OF THE MANAGEMENT COMMITTEE

April 27, 2020

The 132nd Meeting of the Management Committee was called to order by Chairperson Robert Martin at 2:33 p.m. via Zoom.

Members Present

Daniel Cozad	San Bernardino Valley WCD
Robert Martin	Bear Valley Mutual Water Company
David B. Knight	Lugonia Water Company
Heather Dyer	San Bernardino Valley MWD
Cecilia Griego	City of Redlands

Guests

Richard Corneille	San Bernardino Valley WCD
Athena Monge	San Bernardino Valley WCD
Katelyn Scholte	San Bernardino Valley WCD
Wen Huang	San Bernardino Valley MWD
T. Milford Harrison	San Bernardino Valley MWD
Bob Tincher	San Bernardino Valley MWD
Matthew Howard	San Bernardino Valley MWD
Sam Fuller	Bear Valley Mutual Water Company
Jeffery Szytel	Water Systems Consulting
Laine Carlson	Water Systems Consulting
Aaron Morland	Water Systems Consulting
Jeff Noelte	East Valley Water District
Kevin Watson	City of Redlands
Madeline Blua	Yucaipa Valley Water District
Jennifer Ares	Yucaipa Valley Water District

APPROVAL OF MINUTES OF 131<sup>st</sup> MEETING ON MARCH 3, 2020

**It was moved by Daniel Cozad and seconded by David Knight to approve the minutes of the 131<sup>st</sup> Meeting held on March 3, 2020. 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 2.

Wen Huang from Valley Municipal gave a brief update on discussions with Southern California Edison (SCE). He said there was a conference call with SCE, Valley Municipal, and the Conservation District. Currently, SCE plans to divest small, non-economic hydropower facilities, and the water agencies are compiling information on these facilities. A white paper that was prepared by an energy company was shared with the group which provided background information and outlined how agencies may be able to move forward. There will be another meeting Wednesday. Mr. Cozad said that legal counsel was asked to review associated documents such as prior leases. The goal is to be prepared and ready to make an offer once SCE is ready to move forward with potential divestiture.

Ms. Carlson provided a quick overview of the Exchange Plan. She reviewed the potential agreement changes and key topics for discussion. She indicated that additional comments were received regarding deferred exchange credits and priorities of exchange. Ms. Carlson said that WSC will be working with Mr. Howard and Ms. Scholte to update maps attached to this agreement. Draft changes included:

1. Expand Use of Local/Import Water – Allow local or import water on both sides of an exchange. All present agree with this recommendation as presented.
2. Expand Uses of Associated Water Facilities – Expand the uses of associated water facilities to convey water. Ms. Griego asked if anyone intended to add any facilities to this section? Mr. Martin said that future facilities should be added to the Exchange Plan Agreement. Ms. Carlson indicated that the updated map will show all facilities included within the Exchange Plan. Mr. Tincher suggested leaving the language more general to ensure flexibility while alleviating the need for further updating of the agreement.
3. Recycled Water – Add a new section that permits use of facilities to convey recycled water subject to the consent of all affected parties and compliance with relevant regulations and permits. All present agreed with this revised recommendation as presented.
4. Streamlined Decision Making – The Management Committee (one person from each party) can set operating rules, regulations and policies outside of the Agreement. Section 6 would remain unchanged. Mr. Fuller stated that the Management Committee adopted rules and regulations on April 16, 1987. He indicated that the Committee could review those rules and regulations and revise if needed. He will circulate a copy to Committee. Mr. Tincher asked for a review of the project manager role. Ms. Carlson indicated that it is an administrative role. Mr. Tincher said that the project manager should be able to track the exchanges, but not need to authorize them. Director Corneille asked how the project manager will be informed of the exchange in order to be able to track it. Mr. Tincher said that the Conservation District would need to be cc'd on correspondence related to exchanges. He indicated that the Management Committee can develop a policy to clearly outline a procedure for notification. Mr. Cozad indicated that our field

- personnel are usually aware of where water is moving. The project manager will not have the authority to authorize or direct exchanges; they may only track water exchanges.
5. Ownership/Maintenance of Facilities – Each party retains the ownership of its own facilities and full responsibility for their operation, maintenance and replacement. Consider adding a provision that, in the event that any Party fails to perform these obligations, other Parties shall be given first right of refusal to operate and maintain the facility on behalf of the Party who owns the facility or acquire the affected infrastructure at the current fair market value. This intent will be provided to the attorney to recommend language.
  6. Unequal Exchanges – Mr. Tincher spoke in support of the recommendation. Mr. Noelte said that we can recommend the intent to the attorney so that the attorney can reword this section. Discussion ensued regarding this section. Mr. Fuller discussed unbalanced exchanges and water quality or suspended solids unbalance. Mr. Tincher said that the agreement with Big Bear is silent on water quality issues. It was the consensus of the Committee that the parties involved in the exchange will determine whether or not to accept an exchange or not.
  7. Edison Agreements – Ms. Carlson suggested that the Committee defer these to separate agreements.
  8. Costs/Charges – Charges are detailed below:
    - Supplemental water and/or local water transfers will be conducted through separate agreements;
    - Simultaneous balanced water exchanges will be conducted at no charge;
    - Unbalanced exchanges will be addressed by task order;
    - Deferred exchange water will be charged the actual differential cost;
    - Conveyance exchange is done at no charge.Mr. Tincher stated that imported water should have a generic reference number rather than utilize Valley Municipal’s resolution number.
  9. Form of New Agreement – Ms. Carlson discussed having an amended and restated agreement to incorporate the numerous minor changes. This would require modifying recitals in Section 1 to define the original agreement and describe the evolution. Mr. Fuller suggested keeping the existing agreement and then adding the altered agreement as a middle section and then do a final agreement that has only the new amendment words in it; there would be three documents. Mr. Cozad said there will be a redline version for review and the Committee can review these and decide then. The three-ring binder handed out by consultants at the initial meeting has the original agreement in it.
  10. Deferred Exchange Credits – Participants discussed whether or not there should be limits on deferred exchanges. Mr. Tincher suggested there be a time limit or that one exchange should be completed before you can do another. Mr. Fuller said that a deferred credit has to be completed within two years. Mr. Martin suggested reviewing the rules and regulations initially put into place. He said that there is not likely to be many, if any, deferred exchanges. It was a good concept but has not been used much in practice. Ms. Carlson will circulate rules.

11. Priorities – Ms. Carlson asked if the priorities should be reordered. She suggested demoting deferred exchange. It was the consensus of the Committee to delete the priorities list from the agreement.

Ms. Carlson reviewed the WSC budget. She indicated that some items were over budget, but costs may be reduced if we do not need the last three meetings or presentations to Boards. Mr. Cozad said that if the Committee is comfortable with the suggested cost savings then we will not need to change the budget. The Committee agreed to leave the budget as is.

Ms. Carlson requested that any additional comments be submitted to WSC by May 5. A preliminary draft of the agreement will be sent out to the Committee. She reviewed the next steps and indicated they will begin drafting presentations for the Boards and memo.

#### SCHEDULE WORKSHOPS AND MEETINGS FOR 2020

The next Meeting will be scheduled through Doodle poll.

#### ADJOURNMENT

There being no further business, the meeting was adjourned at 4:34 p.m.

Respectfully submitted,



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Robert Martin, Chairperson