SPECIAL NOTICE REGARDING
CORONAVIRUS DISEASE 2019 (COVID-19)
AND PARTICIPATION IN PUBLIC MEETINGS

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. Governor Newsom issued Executive Order N-25-20 (3-12-20) and Executive Order N-29-20 (3-17-20) which temporarily suspend portions of the Brown Act relative to conducting public meetings. Subsequent thereto, Governor Newsom issued Executive Order N-33-20 (3-19-20) ordering all individuals to stay at home or at their place of residence. Accordingly, it has been determined that all Board and Workshop meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, JULY 7, 2020 – 2:00 P.M.

PUBLIC PARTICIPATION
Public participation is welcome and encouraged. You may participate in the July 7, 2020, meeting of the San Bernardino Valley Municipal Water District online and by telephone as follows:

Dial-in Info: 877 853 5247 US Toll-free
Meeting ID: 684 456 030

https://us02web.zoom.us/j/684456030

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District’s consideration by sending them to comments@sbvmwd.com with the subject line “Public Comment Item #” (insert the agenda item number relevant to your comment) or “Public Comment Non-Agenda Item”. Submit your written comments by 6:00 p.m. on Monday, July 6, 2020. All public comments will be provided to the President and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your “identifier” during the meeting and available to all meeting participants. Participation in the meeting via the Zoom app is strongly encouraged; there is no way to protect your privacy if you elect to call in to the meeting. The Zoom app is a free download.
CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1. PUBLIC COMMENT - Any person may address the Board on matters within its jurisdiction.

2. APPROVAL OF MINUTES

   2.1. June 16, 2020, Meeting (Page 3)
       Minutes 061620

   2.2. June 19, 2020, Meeting (Page 11)
       Minutes 061920

3. DISCUSSION AND POSSIBLE ACTION ITEMS

   3.1. Consider Continuing On-Call Grant Support Services (Page 13)
       Staff Memo - Consider Continuing On-Call Grant Support Services
       Proposal for Continuation of On-Call Grant Services

   3.2. Consider Cooperative Study Program with the United States Geological Survey for 2020-21 (Page 20)
       Staff Memo - Consider USGS Program Letter FY 20-21
       USGS FY 2020-21 Program Letter and Agreement

   3.3. Consider Continued Participation in the Sites Reservoir Project (Page 33)
       Staff Memo - Sites 2nd Amendment to 2019 Agreement
       2019 Sites Annual Report
       Sites Executive Prospectus
       Sites Second Amendment Cover Letter
       Sites Second Amendment to 2019 Project Reservoir Agreement

   3.4. Discuss CSDA Board of Directors Ballot - Term 2021-2023 Seat C and Direct the General Manager to Cast the Ballot (Page 68)
3.5. Appointments by the Board President to: 1) Ad-hoc Committee for the San Gorgonio Pass Water Agency/Yucaipa Valley Water District Cooperative Agreement and; 2) Standing Committee for the Forest Headwaters Resiliency Partnership

4. REPORTS (DISCUSSION AND POSSIBLE ACTION)

4.1. Board of Directors' Workshop - Engineering, June 9, 2020 (Page 81)
Summary Notes BOD Workshop - Engineering 060920

4.2. Board of Directors' Workshop - Policy, June 11, 2020 (Page 85)
Summary Notes BOD Workshop - Policy 061120

4.3. SAWPA Meeting Report

4.4. Primary Representatives' Report/Director's Activities

5. ANNOUNCEMENTS

5.1. List of Announcements (Page 88)
List of Announcements

6. CLOSED SESSION

7. ADJOURNMENT

PLEASE NOTE:
Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District’s office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District’s website at www.sbvmwd.com subject to staff’s ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Lillian Hernandez at (909) 387-9214 two working days prior to the meeting with any special requests for reasonable accommodation.
MINUTES
OF
THE
REGULAR BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

June 16, 2020

Directors Present: T. Milford Harrison, Paul Kielhold, Gil Navarro, Susan Longville, and June Hayes

Directors Absent: None

Staff Present: Heather Dyer, Bob Tincher, Wen Huang, Cindy Saks, Mike Esquer, Chris Jones, Kristeen Farlow, Kai Palenscar, Melissa Zoba, Lillian Hernandez, and Brendan Brandt

Registered Guests:
Ronald Coats, East Valley Water District
Joseph Mays

The regular meeting of the Board of Directors was called to order by President Harrison at 2:00 p.m. A quorum was noted present by roll-call.

President Harrison stated that before they consider public comments, the record will reflect that pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom on March 17, 2020, this meeting will be conducted by teleconference only. Please note that all actions taken by the Board at the meeting will be conducted by a roll-call vote.

Agenda Item 1. Public Comment

President Harrison stated that any member of the public wishing to make any comments to the Board may do so. Audience attendance will be recorded in the minutes based on registration information generated in the teleconference or by stating their name during this time. There were no email comments or Zoom requests to speak.

Agenda Item 2. Approval of Minutes of the June 2, 2020, Board meeting.

Director Navarro moved to approve the minutes of the June 2, 2020, Board meeting. Director Longville seconded. The motion was unanimously adopted by a roll-call vote.
Agenda Item 3. Discussion and Possible Action Items.

3.1) Consider Approval of Proposed General Fund Budget for Fiscal Year 2020-2021. Heather Dyer stated that this item was discussed at the May 28th Wages, Benefits and Insurance Workshop and the June 8th Budget Workshop. The Budget includes expenditures in the amount of $82,730,975 and revenues in the amount of $48,519,000. Previously established reserves will cover the $34,211,975 difference. On May 28th at the Wages, Benefits and Insurance Workshop, there was a consensus to approve a COLA of 3.0% for staff to be applied to the District’s salary schedule which was also included in the proposed budget. Also, in the budget were changes in staffing positions and proposed new staffing additions. These changes were also noted on a revised Organizational Chart. Staff recommended that the Board approve the General Fund Budget for the fiscal year ending June 30, 2021, which included total revenue in the amount of $48,519,000 and total expenditures in the amount of $82,730,975, the District Salary Schedule and the revised Organizational Chart.

Director Hayes moved to approve the General Fund Budget for the fiscal year ending June 30, 2021, which included total revenue in the amount of $48,519,000 and total expenditures in the amount of $82,730,975, the District Salary Schedule and the revised Organizational Chart. Director Kielhold seconded. The motion was unanimously approved by a roll-call vote.

3.2) Consider Approval of Resolution No. 1105 Paying Employer Paid Member Contributions for Employees Hired on or after July 1, 2011. Cindy Saks stated that this item was discussed at the May 28th Wages, Benefits and Insurance Workshop. The item is an annual resolution that establishes San Bernardino Valley Municipal Water District’s (SBVMWD) contributions towards CalPERS retirement for Tier 2 and Tier 3 employees. The item formalizes the Board’s policy of contributing 16 percent of salary that would apply to all 2nd Tier CalPERS employees. Employee contributions for Fiscal Year 2020-2021 will be 1.62 percent for Tier 2 and 7.5 percent for Tier 3 PEPRA employees. Staff recommended the Board adopt Resolution No. 1105 formalizing the CalPERS employee contribution rates for Fiscal Year 2020-2021 for Tier 2 and Tier 3 employees.

Director Navarro moved to approve adoption of Resolution No. 1105 Paying Employer Paid Member Contributions to California Public Employees Retirement System for Employees Hired on or after July 1, 2011. Director Longville seconded. The motion was unanimously adopted by a roll-call vote.

RESOLUTION 1105

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT PAYING EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALIFORNIA PUBLIC
EMPLOYEES RETIREMENT SYSTEM FOR EMPLOYEES HIRED ON OR AFTER JULY 1, 2011

(See Resolution Book)

3.3) Consider Consulting Agreement with Maureen Erbeznik and Associates for a Water Use Efficiency Assessment. Kristeen Farlow stated that this item was discussed at the Board of Directors’ Resources Workshop on June 4th where staff was requested to bring the item to the full Board for consideration. She went through the background of the program. The District has seen a decline in the participation of its water conservation reimbursement program so it believes conducting a Water Use Efficiency Assessment will provide it valuable information to move the program forward. Staff recommended that the Board authorize a contract with Maureen Erbeznik and Associates to perform the assessment. The firm was selected after a Request for Proposal was issued and consultants were interviewed.

Director Navarro moved to authorize the general manager to execute a consulting services agreement in the amount of $49,545 with Maureen Erbeznik and Associates to complete the Water Use Efficiency Assessment. Director Kielhold seconded. The motion was unanimously adopted by a roll-call vote.

3.4) Consider Cost Share Agreement with OCWD and Chino Basin Watermaster for Aerial Imagery and LiDAR Data Collection and Processing. Chris Jones stated that this item was discussed at the Board of Directors’ Resources Workshop on June 4th where staff was requested to bring the item to the full Board for consideration. Staff requested the Board authorize the general manager to execute a cost share agreement with the Orange County Water District (OCWD) to fund collection and processing of aerial imagery and LiDAR in areas of the Santa Ana River watershed where impacts from activities covered by the Upper Santa Ana River Habitat Conservation Plan (HCP) may occur. The resulting georeferenced aerial photographs and LiDAR data will have wide ranging application for the Biological Resources staff and could also be used by other staff. In particular, the datasets will be used in analyses to help establish baseline topographic, vegetation, and hydrology conditions prior to the implementation of the HCP Covered Activities and Conservation projects. They will also be used in analysis for the High Flow Study in the Santa Ana River Wash, to calibrate predictive models for HCP covered species, and to inform conservation and long-term monitoring plans for the HCP and several other projects. The total cost for the HCP portion of this imagery is approximately $77,775. Since this cost is part of the HCP implementation requirements, approximately 60 percent, or $46,665, of the District’s cost will be reimbursed by the HCP partners based on each agency’s HCP impacts. Therefore, the District’s 40 percent share of the HCP portion is approximately $31,110. Additionally, the total amount will be counted towards the non-federal matching funds requirement of the 2019 Section 6 HCP Planning Grant that was awarded by United States Fish and Wildlife Service (USFWS) in March and was approved by the Board in May 2020. After reimbursement by the HCP partners, the final cost to the District will be $31,110.
Director Navarro moved to authorize the general manager to execute the cost share agreement with Orange County Water District and Chino Basin Watermaster for the completion of aerial imagery and LiDAR survey on behalf of the Upper Santa Ana River Habitat Conservation Plan. Director Hayes seconded. The motion was unanimously adopted by a roll-call vote.

3.5) Consider Purchase of State Water Project Turnout WR-23 to Use to Recharge the Colton and Riverside North Groundwater Basins. Bob Tincher stated that this item was discussed at the Board of Directors’ Engineering Workshop on June 9th where staff was requested to bring the item to the full Board for consideration. The District staff has been working with the other member of the Watermaster, Western Municipal Water District (WMWD), to develop an action plan to restore groundwater levels. One of the actions on the plan is to utilize WMWD’s Turnout WR-23 (WR-23) to recharge State Water Project (SWP) water into the Colton and Riverside North basins. Staff recommended that the Board consider purchasing WR-23 from WMWD and Metropolitan Water District of Southern California (MWDSC) at a total cost of $128,055.37. The transaction would also require a joint agreement with the Department of Water Resources (DWR) and MWDSC to formally notify DWR that ownership of the turnout has changed to the District and to outline the procedure for MWDSC to use the turnout in the future.

Director Hayes moved to authorize the purchase of Turnout WR-23 at a total cost of approximately $553,00 and execution of the two agreements with Metropolitan Water District of Southern California, Western Municipal Water District, and the Department of Water Resources. Director Kielhold seconded. The motion was unanimously adopted by a roll-call vote.

3.6) Consider Santa Ana River Recharge Modeling and Testing with Geoscience. Wen Huang stated that this item was discussed at the Board of Directors’ Engineering Workshop on June 9th where staff was requested to bring the item to the full Board for consideration. He gave background on the project and outlined the tasks that Geoscience would undertake on the District’s behalf. The reason for the modeling is because three of the index wells in the Colton and Riverside North Basins fell below the threshold and that threshold is contained in the 1969 Western Judgment therefore the District needs to take action to investigate why the wells are falling below the threshold. The tasks are to refine the Integrated Santa Ana River Model, modeling of the recharge test, prepare draft and final modeling technical memorandum, prepare a workplan for testing, coordination and data management during testing, prepare the draft and final recharge testing technical memorandum, and project management and meeting attendance.

Director Kielhold moved to authorize the general manager to execute an agreement with Geoscience to conduct modeling of recharge testing and providing support during testing for a total cost of approximately
$77,513. Director Longville seconded. The motion was unanimously adopted by a roll-call vote.

3.7) Consider Contract for Inland Empire Brine Line Pretreatment Program Services. Bob Tincher stated the District administers, on behalf of customers within its service area, the Inland Empire Brine Line (IEBL) and one of those services that it provides is for pretreatment. The District has used the firm of G & G Environmental Compliance, Inc. for several years. Staff continues to believe they are providing a valuable product at a reasonable cost. This year a new discharger was added which increased the cost by $18,128 and was not included in the budget but there is funding under line item 6360 Consultants to cover the additional charge. The charges for fiscal year 2020-2021 are $68,128 which includes monitoring and sampling services. Staff recommended that the Board authorize staff to enter into a contract with G & G Environmental Compliance, Inc. for $68,128 to conduct the required Brine Line pretreatment program for fiscal year 2020-2021.

Director Kielhold moved approval of authorizing staff to enter into a contract with G & G Environmental Compliance, Inc. for $68,128 to conduct the required Brine Line pretreatment program for fiscal year 2020-2021. Director Navarro seconded. The motion was unanimously adopted by a roll-call vote.

3.8) Consider Fourth Joint Facilities Agreement with San Gorgonio Pass Water Agency. Mike Esquer presented the Fourth Joint Facilities Agreement with San Gorgonio Pass Water Agency (SGPWA). The District entered into the First Joint Facilities Agreement with the SGPWA on July 13, 1970. The Second Joint Facilities Agreement with SGPWA was signed on February 10, 1986. The Second Agreement was amended to incorporate new local facilities not covered in the original agreement. The main purpose of the two agreements was to allow SGPWA to buy capacity in planned District facilities, including the Foothill, Greenspot, Santa Ana River Crossing (SARC) and Yucaipa Pipelines. After the East Branch Extension (EBX) Phase II project was completed, the Board approved the Third Joint Facilities Agreement with SGPWA on February 17, 2015, which amended the capacity rights of the District and SGPWA to conform to the enhanced capacities of the new EBX facilities. In this agreement, purchase price and sales terms of certain capacities in the pipeline facilities with SGPWA were contemplated. To formalize the purchase price and sale terms for the associated capacity rights that were contemplated in the Third Joint Facilities Agreement, the Fourth Agreement has since been developed collaboratively by the District and SGPWA. This includes the SGPWA purchasing a 32 cubic feet per second in the Foothill Pipeline and the District purchasing back SGPWA’s unused capacity in other local facilities in anticipation of the Enhanced Recharge and Bunker Hill Conjunctive Use Projects. There is a positive fiscal impact as SGPWA will pay the District a net sum of $3,129,634 for the additional capacity rights in the Foothill pipeline after deducting the cost of the capacity rights the District is buying back from SGPWA.
Director Navarro moved to authorize the general manager to execute the Fourth Joint Facilities Agreement between San Bernardino Valley Municipal Water District and San Gorgonio Pass Water Agency. Director Kielhold seconded. The motion was unanimously adopted by a roll-call vote.

3.9) Consider Resolution in Appreciation and Recognition of the Service of Mr. Jeff Davis. Mike Esquer stated that he has worked with Mr. Davis since he became general manager at the San Gorgonio Pass Water Agency in 2005. They were involved in the East Branch Extension Project as well as many other projects over the years. Mr. Davis has worked for the Metropolitan Water District of Southern California (MWDSC), the Water Resources Institute at California State University San Bernardino (WRI), and the San Gorgonio Pass Water Agency (SGPWA). Mr. Davis’ career has spanned 40 years and he is retiring from the SGPWA at the end of June 2020. Staff recommended that the Board approve the Resolution in Recognition and Appreciation of Mr. Davis’s service to the SGPWA.

Director Hayes moved to approve the Resolution in Recognition and Appreciation of Mr. Jeff Davis’ service to the San Gorgonio Pass Water Agency. Director Kielhold seconded. The motion was unanimously adopted by a roll-call vote.

Agenda Item 4. Reports (Discussion and Possible Action Items).

4.1) Board of Directors Workshop – Resources, June 4, 2020. No oral report was given as a written report was included in the Board packet.

4.2) Directors’ Fees and Expenses for May 2020. No oral report was given as a written report was included in the Board packet.

4.3) SAWPA Meeting Report, June 16, 2020. President Harrison reported on the following items:

1. Approved a resolution for a new Statement of Investment Policy.
3. Approved execution of a Task Order for the Roundtable of Regions Network Coordinator Project.
4. Received and filed a Disadvantaged Communities Involvement Program Status.
5. Approved a Task Order for social media support for the Emerging Constituents Program Task Force.

4.4) Primary Representatives’ Reports/Directors’ Activities.
Director Longville reported that she attended a Maven’s Notebook meeting. She requested that Chris Austin give a presentation on the Maven’s Notebook website at one of the District’s meeting.

Director Hayes reported that she attended a webinar from the Southern California Water Coalition.

Director Navarro reported that he attended the June 1st meeting of the Basin Technical Advisory Committee, the regular District Board meetings and workshops, and a special meeting of the West Valley Water District. He will be attending the Riverside County Water Task Force meeting on June 19th.

President Harrison reported that he attended the Loma Linda Chamber of Commerce meeting on June 3rd where California State Senator Mike Morrell gave a legislative update and discussed California’s business climate and moving forward with Covid-19. He attended the California Special Districts Association Legislative Committee webinar on June 5th where they discussed pending legislation and their recommendations. He attended the San Bernardino Valley Water Conservation District board meeting on June 10th where they discussed the California Special Districts’ Association (CSDA) board election and voted for Ron Coats for a position on the CSDA board. He also attended the June 16th meeting of the Santa Ana Watershed Project Authority (SAWPA).

4.5) Operations Report. No oral report was given as a written report was included in the Board packet.

4.6) Treasurer’s Report. Director Longville moved the following expenses for the month of May 2020. The State Water Contract Fund $2,240,496.00, Devil Canyon/Castaic Fund $104,371.00, and General Fund $1,720,292.28. Director Hayes seconded. The motion was unanimously adopted by a roll-call vote.

Agenda Item 5. Announcements.

5.1) List of Announcements. None.

Agenda Item 6. Closed Session. None.

Agenda Item 7. Adjournment.

The meeting was adjourned at 3:11 p.m.
Respectfully submitted,

Lillian Hernandez
Board Secretary
MINUTES
OF
THE
SPECIAL BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

June 19, 2020

Directors Present: T. Milford Harrison, Paul Kielhold, Gil Navarro, Susan Longville, and June Hayes

Directors Absent: None

Staff Present: Heather Dyer, Wen Huang, Cindy Saks, Melissa Zoba, Lillian Hernandez, and Brendan Brandt

Registered Guests:
Melody McDonald, San Bernardino Valley Water Conservation District

The special meeting of the Board of Directors was called to order by President Harrison at 2:03 p.m. A quorum was noted present by roll-call.

President Harrison stated that before they consider public comments, the record will reflect that pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom on March 17, 2020, this meeting will be conducted by teleconference only. Please note that all actions taken by the Board at the meeting will be conducted by a roll-call vote.

Agenda Item 1. Public Comment

President Harrison stated that any member of the public wishing to make any comments to the Board may do so. Audience attendance will be recorded in the minutes based on registration information generated in the teleconference or by stating their name during this time. There were no email comments or Zoom requests to speak.

Agenda Item 2. Closed Session

President Harrison adjourned the meeting to Closed Session at 2:06 p.m.

Conference with Real Property Negotiators - Property: Bryce E. Hanes Park, 900 N. E Street, San Bernardino (APN 0140-143-54) - Agency negotiator: Heather Dyer, General Manager - Negotiating parties: City of San Bernardino - Under negotiation: Price and terms of payment
Pursuant to Government Code Section 54957.1 President Harrison returned the meeting to Open Session at 2:39 p.m. Brendan Brandt reported that the Board gave staff direction and there was no reportable action taken.

President Harrison requested a motion for adjournment.

Director Kielhold moved to adjourn the meeting. Director Longville seconded. The motion was unanimously adopted by a roll-call vote.

**Agenda Item 3. Adjournment.**

The meeting was adjourned at 2:39 p.m.

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**APPROVAL CERTIFICATION**

I hereby certify to approval of the foregoing Minutes of San Bernardino Valley Municipal Water District.

__________________________________________________
Secretary

Date

Respectfully submitted,

Lillian Hernandez
Board Secretary
DATE: July 7, 2020
TO: Board of Directors
FROM: Bob Tincher, Deputy General Manager/Chief Water Resources Officer
SUBJECT: Consider Continuing On-call Grant Support Services

This item was discussed at a Board of Directors Workshop – Policy on June 11, 2020. Those Board members in attendance asked that it be placed on an upcoming Board of Directors agenda for consideration. During the discussion at the recent budget workshop, some Board members and staff suggested increasing the contract value so that Kennedy Jenks could help identify grants specifically for disadvantaged communities. To accommodate this request, Staff has increased its recommendation by $20,000 per year for a total of $70,000 per year.

In 2018, the Board continued its on-call grant services contract with Kennedy Jenks Consultants (KJ) for an amount not to exceed $100,000. This contract generally consists of the following services:

1. Identify potential grant opportunities for Valley District projects
2. Provide grant administration services for existing grants, including:
   a. Proposition 84, Round 2 (Enhanced Recharge, Phase 1a)
   b. Proposition 84, Drought Round
   c. Proposition 84, Round 2 (SARCCUP)
   d. Proposition 1
   e. United States Fish & Wildlife Service, Section 6
   f. United States Bureau of Reclamation
3. As requested, provide a grant proposal(s) to write a competitive grant application(s) that would be considered by the Board
4. Identify potential grant opportunities specific to assisting Disadvantaged Communities within our area improve water infrastructure, water use efficiency, water quality, safety and reliability, and/or other water-related services.

Staff continues to be pleased with KJ’s performance. They provide a monthly list of possible grant opportunities that are matched with Valley District projects, provide required grant reporting and, at the board’s request, prepare grant applications. During the past two years, KJ has written three successful grant applications worth over $3.5 million.

The funds in the current contract are almost gone and covered a period of about two (2) years. Staff is recommending that the on-call services contract with KJ be funded for another $140,000.

**Background**

Voter-approved bond funds are often required to be awarded through competitive grant processes. Valley District has received the following grant amounts from the listed propositions:

<table>
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<tr>
<th>Proposition</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>PROPOSITION 13</td>
<td>$25,000,000</td>
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<tr>
<td>PROPOSITION 50</td>
<td>$498,560</td>
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<tr>
<td>PROPOSITION 84</td>
<td>$15,103,004</td>
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<tr>
<td>PROPOSITION 1</td>
<td>$815,000</td>
</tr>
<tr>
<td>2020 Camp Evans Habitat</td>
<td>$2,000,000</td>
</tr>
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<td>2020 Enh Recharge 1b</td>
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<tr>
<td>US FISH &amp; WILDLIFE, SECTION 6</td>
<td>$2,621,929</td>
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<tr>
<td>2014 Planning</td>
<td>$635,345</td>
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<tr>
<td>2015 Native Fish Survey</td>
<td>$119,963</td>
</tr>
<tr>
<td>2017 Integrated Model</td>
<td>$991,621</td>
</tr>
<tr>
<td>2019 Monitoring/Mgmt</td>
<td>$875,000</td>
</tr>
<tr>
<td>US FISH &amp; WILDLIFE/USGS</td>
<td>$35,535</td>
</tr>
<tr>
<td>US BUREAU OF RECLAMATION</td>
<td>$750,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$59,445,957</strong></td>
</tr>
</tbody>
</table>

Obtaining a grant is highly competitive. Being successful requires a grant application that meets, or exceeds, the highest standards. Once a grant is obtained, there are stringent
reporting requirements that continue throughout the life of the grant and, often, through the life of the project. Failure to comply with the grant requirements can result in an agency receiving a poor evaluation by the granting agency which can reduce, or eliminate, the possibility for future grant funds.

Some water agencies have hired staff to research new grants, prepare grant applications and administer grant requirements and some agencies have contracted with a consultant that specializes in these services. In May 2016, the Board chose to hire Kennedy Jenks, a consulting firm that specializes in grant services based on a competitive selection process. Because it is difficult to foresee all of the various grant opportunities that may become available to Valley District, the Board has been using an on-call services contract with a not-to-exceed budget that is billed on a time and materials basis rather than hiring additional staff.

**Fiscal Impact**
The funds for this contract have been included in the 2020-2021 General Fund Budget. The actual amount spent could vary since this is a time and materials contract where Kennedy Jenks Consultants only invoices Valley District for the actual time spent.

**Staff Recommendation**
Authorize staff to amend its contract with Kennedy Jenks Consultants for on-call grant services to increase the maximum fee by an amount not to exceed $140,000.

**Attachment**
Proposal from Kennedy Jenks Consultants for on-call grant services
29 May 2020

Mr. Robert Tincher, P.E.
Deputy Manager
San Bernardino Valley Municipal Water District
380 E Vanderbilt Way
San Bernardino, CA 92408

Subject: Grant Tracking and Management Services
Request for Amendment No. 2

Dear Mr. Tincher:

Kennedy/Jenks Consultants (Kennedy Jenks) has been assisting San Bernardino Valley Municipal Water District (Valley District) with grant related tasks since May 2016; Kennedy Jenks anticipates completing the effort associated with the existing contract in mid-June 2020.

Kennedy Jenks has managed the following grants for Valley District:

- Proposition 84 Santa Ana Watershed Project Authority High Visibility Turf Removal Project (since complete)
- Proposition 84 Santa Ana Watershed Project Authority SMARTSCAPE (complete)
- Proposition 84 Santa Ana Watershed Project Authority Habitat Improvements for the Santa Ana River Conservation and Conjunctive Use Project
- Proposition 84 Santa Ana Watershed Project Authority Stormwater Capture and Recharge Phase 1a (near completion)

In addition to providing grant management services, Kennedy Jenks prepared winning grant applications resulting in $3.5 million in grant funding:

- Proposition 1 for the Yucaipa Groundwater Sustainability Plan ($815,000)
- US Bureau of Reclamation Drought Resiliency Grant for the Central Feeder East Branch Extension ($750,000)
- Proposition 1 for the Evans Lake Tributary Restoration ($2 million)
Per your request, Kennedy Jenks is pleased to submit this proposal for an extension to our existing contract for grant services.

**Task 1. Grant Monitoring**

Under this Task, Kennedy Jenks will continue to monitor local, state, and federal grant programs such as those administered by the California Department of Water Resources; California State Water Resources Control Board; California Department of Public Health; Governor’s Office of Homeland Security; U.S. Bureau of Reclamation; and U.S. Environmental Protection Agency. This task also includes evaluating whether Valley District’s projects are eligible for the grant funding opportunities. On a monthly basis, Kennedy Jenks will provide Valley District a simple matrix organizing grant opportunities by topic (Water, Wastewater, Habitat, Energy). As in the past, the matrix will include a “hot list” which shows which near-term grants match up with Valley District project needs and which merit immediate attention.

Under this Task, Kennedy Jenks will conduct a monthly teleconference to review the “hot list”, to discuss how to position for future grant opportunities, and to review project funding needs with Valley District staff.

**Task 2. Grant Administration**

Kennedy Jenks will continue managing Valley District grants. Tasks include working with Valley District to prepare quarterly progress reports and reimbursement requests, preparation of project monitoring plans, and amendment requests with grantor agencies.

**Optional Task. Prepare Grant Applications**

As requested by Valley District, Kennedy Jenks will submit proposal(s) to develop grant application materials for specific funding programs. Kennedy Jenks will not proceed with preparing grant application(s) without prior authorization from Valley District.

**Budget**

Kennedy Jenks proposes to provide the scope of services described on a time and materials reimbursement basis in accordance with our January 1, 2020 Schedule of Charges for a not to exceed fee of $100,000. Based on past grant efforts, we anticipate this fee will cover a period of about two years.

**Schedule**

Kennedy Jenks will initiate work on this project immediately following receipt of a written Notice to Proceed (NTP) from Valley District.
Terms and Conditions

We propose completing this work as an amendment to the Professional Services Agreement for On-Call Grant Support Services dated August 21, 2018.

We appreciate your consideration of this amendment request. Please contact Meredith Clement at (805) 973-5718 should you have any questions or require any additional information.

Very truly yours,
KENNEDY/JENKS CONSULTANTS

Ryan Huston, P.E.  
Principal-in-Charge  
Meredith Clement  
Project Manager
Schedule of Charges

PERSONNEL COMPENSATION

<table>
<thead>
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<th>Classification</th>
<th>Hourly Rate</th>
</tr>
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<tbody>
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Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- Consultants, soils engineers, surveyors, contractors, and other outside services.
- Rented vehicles, local public transportation and taxis, travel and subsistence.
- Project specific telecommunications and delivery charges.
- Special fees, insurance, permits, and licenses applicable to the work.
- Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

If prevailing wage rates apply, the above billing rates will be adjusted as appropriate.

Overtime for non-exempt employees will be billed at one and a half times the Hourly Rates specified above.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective June 1, 2020 through December 31, 2020. After December 31, 2020, invoices will reflect the Schedule of Charges currently in effect.
DATE: July 7, 2020
TO: Board of Directors
FROM: Bob Tincher, Deputy General Manager/Chief Water Resources Officer
SUBJECT: Consider Cooperative Study Program with United States Geological Survey

This item was discussed at a Board of Directors Workshop – Resources on July 2, 2020 and is a recurring item in the Valley District General Fund budget each year.

For decades, Valley District has been a “cooperator” with the United States Geological Survey (USGS). As a cooperator, Valley District has benefited from having the USGS perform various scientific studies, or investigations, within the Valley District service area and has provided, or cooperated, in the USGS’ cost for this work. These investigations have resulted in the development of groundwater flow models for the San Bernardino Basin Area, Yucaipa Basin and the Rialto-Colton Basin and have provided valuable scientific data in support of the Upper Santa Ana River Habitat Conservation Plan. The cost sharing arrangement between Valley District and USGS has fluctuated over the years based upon the amount Congress allocates to the USGS and the needs of Valley District for USGS support. The USGS works cooperatively with Valley District staff on the scope of work to be completed during each fiscal year. The scope of work for fiscal year 2020-21 is attached and includes the following items:

1. Optimal Water Management in the Bunker Hill and Lytle Creek Basins [San Bernardino Basin Area]
   a. Providing technical outreach
   b. Rehabilitation of multi-depth monitoring well sites
   c. Follow-up on rehabilitation of USGS monitoring-well sites

2. Hydrogeology of the Yucaipa Basin
   a. Providing technical outreach
   b. Integrated hydrologic model scenarios and uncertainty analysis
c. Distribute nitrate Scientific Investigative Report to review

d. Analysis of groundwater age and stable isotopes in the Yucaipa and San Bernardino subbasins

3. Rialto-Colton Basin
   a. Providing Technical outreach
   b. Documentation of InSAR Analysis
   c. Documentation of a hypothetical model for simulation of flow across the Rialto-Colton fault
   d. Documentation of modeling of wellbore flow in Rialto-6

4. Santa Ana River [Santa Ana Sucker]
   a. Final report

5. Santa Ana River Native Fish Study
   a. Develop a population estimate for native fish species
   b. Develop a bioenergetics model for Largemouth Bass

6. Upper Santa Ana River Integrated Model
   a. Technical support
   b. Report on the geology of the Upper Santa Ana River Groundwater Basin

The detailed scope for the fiscal year 20-21 investigation program is attached. The total cost is $609,212 with the USGS contributing $96,066 and Valley District contributing $513,146. Valley District will be reimbursed approximately $133,445 from the Upper Santa Ana River Habitat Conservation Plan for the work in tasks 4, 5 and 6 for a net cost to Valley District of about $379,701.

Also attached is a letter from the USGS summarizing their accomplishments, under this cooperative program, during the last fiscal year. USGS staff will be present at this workshop to present the accomplishments for the last fiscal year and answer any questions.

**Fiscal Impact:** The cost for this program was included in the line item 6350 United States Geological Survey in the Valley District General Fund Budget for fiscal year 2020-21.

**Recommendation:**
Authorize staff to enter into the cooperative program Joint Funding Agreement with the United States Geological Survey for the fiscal year 2020-21 investigation program for a total cost of
$513,146. Valley District will be reimbursed about $133,445 from the Upper Santa Ana River Habitat Conservation Plan for a net cost to Valley District of about $379,701.

**Attachments:**

1. United States Geological Survey letter summarizing the work completed during fiscal year 2019-20
2. United States Geological Survey program letter and joint funding agreement for fiscal year 2020-21
Ms. Heather Dyer, General Manager  
San Bernardino Valley Municipal Water District  
380 East Vanderbilt Way  
San Bernardino, California 92408

Subject: Proposed USGS program for July 1, 2020 – June 30, 2021

Dear Ms. Dyer,

This letter confirms discussions between our respective staffs describing proposed work for July 1, 2020 through June 30, 2021, the agreement period, as part of our cooperative water-resources program between the San Bernardino Valley Municipal Water District (SBVMWD) and the United States Geological Survey (USGS). The 12-month agreement period, spanning parts of Federal Fiscal Years 2020 and 2021, is proposed in order to bring the program into alignment with SBVMWD fiscal years ending June 30.

Six topical tasks are included: one for each of the study areas: Bunker Hill/Lytle Creek Basins (task 1), Yucaipa Basin (task 2), and Rialto-Colton Basin (task 3); two tasks related to the Santa Ana River: the Santa Ana River hydraulic and sedimentation study (task 4) and native fish study (task 5); and technical support for the Upper Santa Ana River Integrated Model (task 6).

Proposed funding for each task is summarized in an attached table. This letter also provides details of the proposed work for each of the 6 tasks during the 12-month agreement period. Program accomplishments for the previous agreement through May 1, 2020, are documented in a separate letter. This letter, however, does provide brief descriptions of how the proposed work fits within the long-term study plan for each component of the program.

**1. Optimal Water Management in the Bunker Hill and Lytle Creek Basins**

During the July 1, 2020 – June 30, 2021 agreement period, work in the Bunker Hill and Lytle Creek Basins will include providing hydrogeologic support and validation of USGS multiple-depth, monitoring-well sites. Specific subtasks include:

**1a. Providing technical outreach**

Technical outreach will be provided, as requested by SBVMWD, to the several water agencies and general public in the Bunker Hill and Lytle Creek Basins. During this agreement period, work also will include updating the project website [http://ca.water.usgs.gov/sanbern] with site characteristics, photographs, and data for all multiple-depth, monitoring-well sites maintained by the USGS.

Funding: SBVMWD = $14,955; USGS = $2,951; Total = $17,906

Deliverable: Written summary of technical support provided during the agreement period. Updated project website [http://ca.water.usgs.gov/sanbern].

**1b. Rehabilitation of USGS monitoring-well sites**

The USGS multiple-depth, monitoring-well sites provide valuable data that are used to better understand and to manage the Bunker Hill and Lytle Creek Basins, including changes in water levels and water quality; calculations of changes in basin storage; estimates of runoff and recharge; and interaction of surface water and groundwater. These data also are used to calibrate the various groundwater-flow and solute-transport models, and are used in multiple studies and by multiple water agencies. Last year, rehabilitation focused on significant upgrades to the SBWD monitoring-well site. Next year, rehabilitation will continue with an assessment of all wells at each of the 7 sites; replacement of damaged vaults; evacuation of silt and debris in wells; re-development of wells; and re-sampling wells for selected water-quality constituents. The priority of wells and exact number will be determined
by an assessment and will continue until all funds are expended. SBVMWD will be provided an assessment of all well sites, status of repairs, and what remains to be done at each of the sites by September 30, 2020.

Funding: SBVMWD = $24,243; USGS = $3,218; Total = $27,461

Deliverable: Written summary of rehabilitation done at each well site.

1c. Follow-up on Rehabilitation of USGS monitoring-well sites

In the years following rehabilitation of each USGS multiple-depth, monitoring-well site, subsequent water-level and water-quality data will be analyzed and compared to prior data to ensure that (1) the site was rehabilitated sufficiently, and (2) an offset in the data was not induced by the rehabilitation.

Funding: SBVMWD = $19,208; USGS = $3,841; Total = $23,049

Deliverable: Written summary of results of the analysis of each well site.

For these efforts in the 2020–2021 agreement period, a total of $68,416 in funding is required for task 1. Cost to SBVMWD is $58,406 and subject to the availability of Cooperative Matching Funds, the USGS will contribute $10,010.

2. Hydrogeology of the Yucaipa Basin

As a result of prior cooperative agreements, 3 reports have been published to better understand the hydrogeology of the Yucaipa Basin: surface-water and ground-water quality (Mendez and others, 2001); geologic structure (Mendez and others, 2016); and geologic, hydrologic, and water-quality data from multiple-depth, monitoring-well sites (2018). With this current cooperative agreement, an additional 5 reports are in preparation, including: (1) draft reports on the geologic framework model (Cromwell and Matti, in review), (2) conceptual hydrology (Cromwell and others, in review), (3) an integrated hydrologic model (Alzraiee and others, in review), (4) evaluation of managed aquifer recharge (Mendez, in preparation), and (5) an analysis of geochemistry in San Bernardino and Yucaipa basins (Cromwell and Mendez, in preparation).

This historical body of work in the Yucaipa Basin has resulted in an important improvement in understanding and managing water resources in the basin, and in particular, in development of an integrated hydrologic model that simulates the groundwater system. Model development was anticipated to be a four-year process (years 1-4 completed). As a result of the lapse in Federal Appropriations and subsequent federal employee furlough in federal fiscal year 2019, final delivery of the integrated model and related reports were delayed beyond the initial timeline. Preliminary model calibration and draft reports were provided for review in federal fiscal year 2020, and will be completed during the subsequent year. Investigation of the groundwater system has prompted additional questions about the Yucaipa Basin, which may be useful in answering to aid future management of water resources.

During the July 1, 2020 – June 30, 2021 agreement period, investigations in the Yucaipa Basin will include four subtasks, as described below:

2a. Providing technical outreach

Technical outreach will be provided, as requested by SBVMWD, to the several water agencies and general public in the Yucaipa Basin. As these parties continue to work together and develop hydrogeologic understanding and water management plans, the USGS will provide the necessary technical guidance and support to help ensure success. This outreach will include attendance at meetings, individual briefings of agencies, completing publication of information products, maintenance and updating of the project web page, and technical review of proposed plans.

Funding: SBVMWD = $7,575; USGS = $1,246; Total = $8,821

Deliverable: Written summary of technical outreach provided during the agreement period.

2b. Integrated hydrologic model scenarios and uncertainty analysis

This accelerated four-year subtask is to develop an integrated hydrologic model focused on groundwater flow in the Yucaipa Basin. Preliminary versions of the integrated model, and associated watershed/recharge and hydrogeologic framework models, have been completed and calibrated, and the associated reports are in review. Completion of this task has been delayed beyond the initial four-year timeline as a result of the Federal government shutdown in federal fiscal year 2019. We anticipate all deliverables to be completed during this current program year.

Funding: No new funds are requested for this part of the subtask.

Deliverables: Final integrated model; USGS report(s) documenting data collection efforts, hydrogeologic framework model, recharge/runoff model, groundwater flow model, and integrated hydrologic model.
As part of work on this subtask, the change in groundwater storage for the model was compared to the change in groundwater storage calculated by SBVMWD. Discrepancies were found between the two methods and were discussed with SBVMWD. These findings are documented in the USGS report on the integrated hydrologic model.

Continuation of this subtask has two parts. First, to evaluate and to document as many as three groundwater management scenarios in the Yucaipa Basin using the integrated hydrologic model developed as part of subtask 2b. This work will include (1) a numerical analysis of the types of data that should be collected to optimize the scenarios, and (2) a statistical evaluation of the uncertainties in the integrated hydrologic model. Groundwater management scenarios will focus on better understanding areas of the basin, and will help local water purveyors understand the dynamics of the groundwater basin and plan for future water use. Statistical uncertainty analysis of the integrated hydrologic model will help SBVMWD, and other users of the model, understand the strengths and limitations of the numerical model by generating confidence intervals and correlations associated with different model parameters. Groundwater management scenarios and optimized data collection will be documented and archived in a USGS report or technical memo. Uncertainty analysis of the integrated model will be documented as a scientific journal article.

Funding: SBVMWD = $135,194; USGS = $25,874; Total = $161,068.

Deliverables: USGS approved report or memo, and journal article.

2c. Distribution of Nitrate SIR to review
The purpose of this subtask is to finalize the nitrate report, including with the USGS quality assurance and report review system. The report should be submitted for review by June 30, 2021. The report documents both aerially and vertically distributed nitrate concentrations in groundwater throughout the Yucaipa Basin. This information will aid in calibration and use of the USARIM to track nitrate concentrations throughout the Upper Santa Ana Basin, as described in task 6. The nitrate report will be published as a Scientific Investigative Report (SIR).

Funding: SBVMWD = $29,571; USGS = $5,914; Total = $35,485


2d. Analysis of groundwater age and stable isotopes in the Yucaipa and San Bernardino Basins
The purpose of this task is to better understand the groundwater chemistry and the hydrogeologic history of the Yucaipa and San Bernardino basins by investigating select groundwater chemistry signatures from 11 USGS multiple-depth, monitoring-well sites, and at least eight other wells, in the Yucaipa and Bunker Hill Basins. These analyses will provide additional information about the groundwater flow system and will provide data to better constrain estimates of flow paths and lengths of travel times. This investigation includes a correlation of groundwater age and stable isotope chemistry with paleoclimate records, and a comparison of groundwater chemistry between the two basins relative to geography and hydrogeology. Preliminary evaluation of these data indicates a correlation between stable isotopes and paleoclimate, and at least two different sources of groundwater recharge in the Bunker Hill Basin. A preliminary draft of this scientific journal article will be provided to SBVMWD for review and will be submitted for initial USGS review by the end of 2020; final publication will occur during 2021. Nominal funds are requested to finalize and publish this report.

Funding: SBVMWD = $24,925; USGS = $4,209; Total = $29,134.

Deliverables: USGS approved scientific journal article.

For these efforts in the 2020–2021 agreement period, a total of $234,508 in funding is required for task 2. The cost to SBVMWD is $197,265, and subject to the availability of cooperative matching funds, the USGS will contribute $37,243.

3. Rialto–Colton Basin
During the July 1, 2020 – June 30, 2021 agreement period, work in the Rialto–Colton Basin will focus on providing technical outreach, publication of a USGS Open-File report describing the analysis of InSAR data that was done to refine understanding of faults within and bounding the Rialto-Colton basin; review and publication of a journal article assessing flow across the Rialto–Colton Fault near Barrier H using a hypothetical model; and review and publication of a journal article describing results from 3D well-bore flow modeling that provides information on transport of water through Rialto–6 under unpumped conditions. These studies provide important constraints to simulation models for the area.

3a. Providing technical outreach
Technical outreach will be provided, as requested by SBVMWD, to the several water agencies and general public in the Rialto–Colton Basin. Technical guidance includes attendance at meetings and conference calls at the request...
3b. Documentation of InSAR analysis
Analysis of InSAR data for 1992–2010 was completed during a previous phase of the project. This analysis was done to help refine the location and extent of internal faults and faults bounding the Rialto–Colton Basin. A summary of the results has been written. The location and extent of the faults provide constraints and locations of potential barriers to flow needed in simulation models. Review and publication of the report was intended to be completed during the 2019–2020 funding period but was delayed because the initial format for the report was determined to be inappropriate for the data being presented, and conversion to a USGS Open-File report format required inclusion of additional subject matter and reformatting. Work during this funding period will focus on completing the review process and publication of the manuscript in a USGS Open-File report, but using the style of a USGS Fact-Sheet.

Funding: SBVMWD = $10,520; USGS = $2,104; Total = $12,624

Deliverable: Final report will be published during this agreement period. Publication of these results will enable revised fault locations identified by this analysis to be included in the Rialto–Colton groundwater basin model when it is updated.

3c. Documentation of a hypothetical model for simulation of flow across the Rialto–Colton fault
A simple hypothetical model was developed to simulate flow across the main trace of Rialto–Colton Fault at depth as part of previous work. This model was used to test the hypothesis by Izbicki and others (2015) that the measured upward flow at depth in well F–26A under static unpumped conditions was due to: (1) a high permeability zone at depth, and (2) the head difference across the fault. Results of this local study will provide an estimate of flow across the main trace of the Rialto–Colton Fault near Barrier H. A draft of a journal article describing the results has been completed and generally confirmed the hypothesis that the measured upward flow at depth in well F–26A under static conditions likely results from a higher permeability zone at depth and head differences across the fault. Revisions to the draft were made and the revised manuscript was submitted to a journal. Review and publication of the journal article was intended to be completed during the 2019–2020 funding period but was delayed because of late feedback on content and results. Work during this funding period will focus on tasks associated with the review process and publication of the manuscript.

Funding: SBVMWD = $14,027; USGS = $2,805; Total = $16,832

Deliverable: Approved journal article. These results will provide insight in the area of the basin that is not well-understood and may have regional implications for understanding flow across faults in other parts of the Rialto–Colton basin.

3d. Documentation of modeling of wellbore flow in Rialto–6
Recent work by Izbicki and others (2015) and Hatzinger and others (2018), supported in part with funding from SBVMWD and other agencies, demonstrated that perchlorate from shallow contamination sources moves through unused or abandoned wells into deeper aquifers. In well Rialto–6, downward flow of water was measured at rates as great as 36,500 gallons per day. Downward flow through Rialto–6 resulted in redistribution of perchlorate from the shallow aquifer into the deeper aquifer penetrated by the well that would normally be protected from surficial sources of contamination, resulting in relatively high perchlorate contamination at depth. Similar processes likely result in the redistribution of perchlorate from shallow to deeper aquifers elsewhere in the Rialto–Colton Basin, and the redistribution of other industrial and legacy agricultural contaminants through long-screened wells within the SBVMWD service area.

Data collected by Izbicki and others (2015) were used to develop a simple numerical model of flow from the upper aquifer through Rialto–6 into the deeper aquifer. Model development was funded by the California Water Science Center research funds. The model described geologic, hydrologic, and engineering factors that influence flow of water and contaminants from shallow to deeper aquifers through the wells, and evaluates the effectiveness of management strategies to control contaminant concentrations within deeper aquifers. The model is intended to be a first step in the development of a generic tool for analyses of management alternatives to control contaminant migration through long-screened wells.

The model of well-bore flow through Rialto–6 is complete and the paper describing the model is written but needed revisions based on recent modeling before submission to a journal. The revisions were made, and the manuscript is being finalized for review. Funding is requested for tasks associated with the review process and
Specific subtasks include:

support development of the HCP. The overall objective of this proposed work in task 5 is to address those needs. Additional data on population density and availability of suitable habitat would be needed to ensure that the HCP is effective in protecting native fish species. Initial assessment of the available data within the HCP suggested to the concerned parties that additional data on population density and availability of suitable habitat would be needed to ensure that the HCP is effective in protecting native fish species.

Developing an HCP requires sufficient knowledge of the populations of interest to develop plans for their protection and management. The ability to monitor population abundance and habitat availability with some level of confidence is important when developing such plans. Initial assessment of the available data suggested that additional data on population density and availability of suitable habitat would be needed to support development of the HCP. The overall objective of this proposed work in task 5 is to address those needs. Specific subtasks include:

5a. Develop a population estimate for native fish species

A full population survey for native fish species of the Santa Ana River will be conducted in order to continue documenting the baseline condition of the Santa Ana Sucker and Arroyo Chub within the mainstem. The survey will be completed in September 2020 and plans are to collect samples within the area of HCP potential effects beginning at the Rialto Channel and continuing downstream to approximately Mission Blvd. The survey will use the sampling methods developed in 2015 and 2016 which have been refined and updated based on river conditions over the past three years. Results of the survey will be used to estimate the total population of Santa Ana Sucker and Arroyo Chub within the study area along with estimates of non-native predator fish. The data also will be used to refine our understanding of habitat suitability for native fishes and proposed habitat improvement projects.

5b. Develop a bioenergetics model for Largemouth Bass

Largemouth Bass is a known predator of Santa Ana Sucker and Arroyo Chub. Our 2018 and 2019 populations surveys documented a large increase in Largemouth Bass (LMB) numbers. Concern about the effects of this predator on the native fishes resulted in a large-scale predator removal in November 2019. To better understand when the LMB population is large enough to have negative effects on the native fishes, we will develop a bioenergetics model of LMB predation. LMB capture during the 2019 removal were frozen in anticipation of this study. Otoliths (ear bones) will be removed from the LMB and used to determine LMB age and growth rates. Water temperature from previous studies will be used to estimate the temperature regime. These data are used to develop a model of the amount of food the fish must consume to achieve the measured growth rates. The amount of food consumed by an LMB can then be estimated and used to estimate the number of native fish that the LMB is capable of consuming.

Deliverable: Results of the population estimate survey and the bioenergetics model will be presented annually, or more frequently by request, to the SBVMWD as well as to other interested parties. We will continue to develop draft manuscripts describing the results of the population abundance and habitat use results collected to date with the goal of having one or more draft manuscripts available in the fall/winter of 2020. We will participate in workshops and symposia as requested by SBVMWD to support monitoring and management of Santa Ana River fishes.

For these efforts in the 2020–2021 agreement period, a total of $42,080 in funding is required for task 3. The cost to SBVMWD is $35,067, and subject to the availability of cooperative matching funds, the USGS will contribute $7,013.

4. Santa Ana River

During the July 1, 2020 – June 30, 2021 agreement period, work on the Santa Ana River will focus on co-authorship of a paper with Larry Brown describing the effect of Rialto/RIX flow release levels on habitat attributes in the river channel. This paper will integrate the habitat usage information that Larry has developed, as part of task 5, with the flow and sediment transport models developed as part of the Sediment Transport Study (task 4).

Deliverable: Manuscript describing the relationship between wastewater discharges and habitat conditions.

For these efforts in the 2020–2021 agreement period, a total of $17,510 in funding is required for task 4. The cost to SBVMWD is $14,590, and subject to the availability of cooperative matching funds, the USGS will contribute $2,920.

5. Santa Ana Native Fish Study

Proposed work for the July 1, 2020 – June 30, 2021 agreement period will include estimating populations and habitat features for native fish species in the study area. The Santa Ana Sucker (Catostomus santaanae) is listed as a threatened species under federal legislation and is considered a species of special concern in California by the California Department of Fish and Wildlife (Moyle, 2002). The Arroyo Chub (Gila orcutti) is considered a species of special concern in California by the California Department of Fish and Wildlife (Moyle, 2002). Both species are present in the Santa Ana River watershed in the area being evaluated for establishment of the upper Santa Ana River Habitat Conservation Plan (HCP).

Developing an HCP requires sufficient knowledge of the populations of interest to develop plans for their protection and management. The ability to monitor population abundance and habitat availability with some level of confidence is important when developing such plans. Initial assessment of the available data within the HCP suggested that additional data on population density and availability of suitable habitat would be needed to support development of the HCP. The overall objective of this proposed work in task 5 is to address those needs. Specific subtasks include:

5a. Develop a population estimate for native fish species

A full population survey for native fish species of the Santa Ana River will be conducted in order to continue documenting the baseline condition of the Santa Ana Sucker and Arroyo Chub within the mainstem. The survey will be completed in September 2020 and plans are to collect samples within the area of HCP potential effects beginning at the Rialto Channel and continuing downstream to approximately Mission Blvd. The survey will use the sampling methods developed in 2015 and 2016 which have been refined and updated based on river conditions over the past three years. Results of the survey will be used to estimate the total population of Santa Ana Sucker and Arroyo Chub within the study area along with estimates of non-native predator fish. The data also will be used to refine our understanding of habitat suitability for native fishes and proposed habitat improvement projects.

5b. Develop a bioenergetics model for Largemouth Bass

Largemouth Bass is a known predator of Santa Ana Sucker and Arroyo Chub. Our 2018 and 2019 populations surveys documented a large increase in Largemouth Bass (LMB) numbers. Concern about the effects of this predator on the native fishes resulted in a large-scale predator removal in November 2019. To better understand when the LMB population is large enough to have negative effects on the native fishes, we will develop a bioenergetics model of LMB predation. LMB capture during the 2019 removal were frozen in anticipation of this study. Otoliths (ear bones) will be removed from the LMB and used to determine LMB age and growth rates. Water temperature from previous studies will be used to estimate the temperature regime. These data are used to develop a model of the amount of food the fish must consume to achieve the measured growth rates. The amount of food consumed by an LMB can then be estimated and used to estimate the number of native fish that the LMB is capable of consuming.

Deliverable: Results of the population estimate survey and the bioenergetics model will be presented annually, or more frequently by request, to the SBVMWD as well as to other interested parties. We will continue to develop draft manuscripts describing the results of the population abundance and habitat use results collected to date with the goal of having one or more draft manuscripts available in the fall/winter of 2020. We will participate in workshops and symposia as requested by SBVMWD to support monitoring and management of Santa Ana River fishes.
Funding: SBVMWD = $177,821; USGS = $34,434; Total = $212,255

For these efforts in the 2020–2021 agreement period, a total of $212,255 in funding is required for task 5. The cost to SBVMWD is $177,821, and subject to the availability of cooperative matching funds, the USGS will contribute $34,434.

6. Upper Santa Ana River Integrated Model

During the July 1, 2020 – June 30, 2021 agreement period, work will continue to provide technical support and peer review on development of the Upper Santa Ana River Integrated Model (USARIM), as needed. In the past program year (2018–2020), the USGS provided technical support and peer review to SBVMWD and their consultants, and attended meetings and workshops related to the USARIM. This next year, USGS support will include review of the final version of the USARIM and extension of the model to track movement of total dissolved solids (TDS) and nitrate. Specific subtasks include:

6a. Technical support

Respond to inquiries from SBVMWD, their consultant(s), and other interested parties; attendance at model meetings; review of documents requested by SBVMWD; and preparation of summary review comments.

Funding: SBVMWD = $15,770; USGS = $2,765; Total = $18,535

Deliverables: Summaries of work performed to support this modeling effort.

6b. Report on the geology of the Upper Santa Ana River Groundwater Basin

USGS involvement in subtask 6a resulted in a comprehensive evaluation of the geology of the Upper Santa Ana River Groundwater Basin, and a description of basin development over geologic time; a draft summary of these findings has been written as a USGS report, in the style of a USGS Fact Sheet. As a result of the federal government shutdown in 2019, publication of this report was delayed beyond the initial one-year timeline. A preliminary draft of this report will be provided to SBVMWD for review and will be submitted for initial USGS review by the end of the 2019–2020 program year; final publication will occur during this program year. Nominal funds are requested to finalize and publish this report.

Funding: SBVMWD = $14,227; USGS = $1,681; Total = $15,908

Deliverables: USGS approved report on the geology of the Upper Santa Ana River Groundwater Basin

For these efforts in the 2020–2021 agreement period, a total of $34,443 in funding is required for task 6. The cost to SBVMWD is $29,997, and subject to the availability of cooperative matching funds, the USGS will contribute $4,446.

The proposed program for the July 2020 — June 2021 agreement period, including the six major tasks and associated subtasks and costs, are as follows:
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<td><strong>1. Bunker Hill and Lytle Creek Basins</strong></td>
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<tr>
<td>a. Providing technical outreach</td>
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<td>b. Rehabilitation of USGS monitoring-well sites</td>
<td>$24,243</td>
<td>$3,218</td>
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<td>c. Follow-up on rehabilitation of USGS monitoring-well sites</td>
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<td><strong>2. Yucaipa Basin</strong></td>
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<tr>
<td>a. Providing technical outreach</td>
<td>$7,575</td>
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<td>b. Integrated hydrologic model scenarios</td>
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<td>c. Distribution of Nitrate SIR</td>
<td>$29,571</td>
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<td>d. Analysis of groundwater age and stable isotopes in the Yucaipa and San Bernardino subbasins</td>
<td>$24,925</td>
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<td><strong>Subtotal</strong></td>
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<td><strong>3. Rialto–Colton Basin</strong></td>
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<td>a. Providing technical outreach</td>
<td>$5,260</td>
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<td>b. Documentation of InSAR analysis</td>
<td>$10,520</td>
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<td>c. Documentation of a hypothetical model for simulation of flow across the Rialto–Colton fault</td>
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<td>d. Documentation of modeling of wellbore flow in Rialto–6 well</td>
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<td><strong>4. Santa Ana River</strong></td>
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<td>a. Report on wastewater discharges and habitat conditions</td>
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<td><strong>Subtotal</strong></td>
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<td><strong>5. Santa Ana Native Fish Study</strong></td>
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<td>a. Native fish population estimate; b. Bioenergetics model for bass</td>
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<td><strong>Subtotal</strong></td>
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<td><strong>6. Upper Santa Ana River Integrated Model</strong></td>
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<tr>
<td>a. Providing technical input and support for regional modeling effort</td>
<td>$15,770</td>
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<td>b. Report on geology of Upper Santa River Groundwater Basin</td>
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Total cost for the proposed investigations program is **$609,212.00**. Cost to SBVMWD is **$513,146.00**. Subject to the availability of cooperative matching funds, the USGS will provide **$96,066.00**. Total agreement cost for July 1, 2020 through June 30, 2021.

Enclosed are two original Joint Funding Agreement’s (JFA’s) 20ZGJFA600080910 for your approval. Work performed with funds from this JFA will be conducted on a fixed-price basis. Billing for the agreement will be rendered on a quarterly basis. If you are in agreement with this proposed program, please return one signed original JFA to our office. The second JFA is for your files.

Thank you for your long-standing support of our collective efforts to better understand the water resources of the San Bernardino Valley.

Sincerely,

Reichard, Eric G.

Eric G. Reichard
Director, USGS California Water Science Center
cc: Claudia C. Faunt, Supervisory Hydrologist, Groundwater Availability and Use Program
Wesley R. Danskin, Research Hydrologist, Project Chief, Bunker Hill/Lytle Basin (task 1,6)
Gregory O. Mendez, Hydrologist, Project Chief, Yucaipa Basin (task 2a,c,d)
Geoff Cromwell, Geologist, Project Chief, Yucaipa Basin (task 2h,e, 6)
Linda R. Woolfenden, Research Hydrologist, Project Chief, Rialto-Colton Basin (task 3)
Scott A. Wright, Research Hydrologist, Project Chief, Santa Ana River (task 4)
Larry Brown, Research Hydrologist, Project Chief, Santa Ana Native Fish Study (task 5)
THIS AGREEMENT is entered into as of the 1st day of July, 2020 by the U.S. GEOLOGICAL SURVEY, California Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the San Bernardino Valley Municipal Water District, party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for cooperative water resources investigations in the San Bernardino Valley Municipal Water District area as outlined in the USGS program letter dated May 15, 2020 (Scope of Work), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of $0.00.

   (a) $96,066.00 by the party of the first part during the period
       July 1, 2020 to June 30, 2021
   (b) $513,146.00 by the party of the second part during the period
       July 1, 2020 to June 30, 2021
   (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of : $0.00

   Description of the USGS regional/national program:
   Not Applicable
   (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
   (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request; be furnished by the party of the first part; at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (https://www2.usgs.gov/fsp/).
9. Billing for this agreement will be rendered **quarterly**. Invoices not paid within 60 days from the billing date will bear Interest, Penalties, and Administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C § 3717) established by the U.S. Treasury.

**USGS Technical Point of Contact**

Name: See Program Letter  
Address: 
Telephone: 
Fax: 
Email: 

**USGS Billing Point of Contact**

Name: David Penisten  
Address: 6000 J Street - Placer Hall  
Sacramento, CA 95819  
Telephone: (916) 278-9200  
Fax: (916) 278-3070  
Email: dpenisten@usgs.gov

**Customer Technical Point of Contact**

Name: Heather Dyer  
Address: 380 East Vanderbilt Way  
San Bernardino, CA 92408  
Telephone: (909) 387-9256  
Fax: 
Email: heatherd@sbvmwd.com

**Customer Billing Point of Contact**

Name: Heather Dyer  
Address: 380 East Vanderbilt Way  
San Bernardino, CA 92408  
Telephone: (909) 387-9256  
Fax: 
Email: heatherd@sbvmwd.com

**Signature**

Reichard, Eric G.  
By: Eric G. Reichard  
Title: Director, USGS California Water Science Center  
Date: 05/15/2020  
Signature: Digitally signed by Reichard, Eric G.

**Signatures**

By: ___________________________ Date: _________  
Name: Heather Dyer  
Title: General Manager

By: ___________________________ Date: _________  
Name:  
Title:

By: ___________________________ Date: _________  
Name:  
Title:
DATE: July 7, 2020
TO: Board of Directors
FROM: Bob Tincher, Deputy General Manager/Chief Water Resources Officer
SUBJECT: Consider Continued Participation in the Sites Reservoir Project

This item was discussed at the July 2, 2020 Board of Directors Workshop – Resources.

The Board of Directors approved participation in the Sites Reservoir Project (Project) in 2017 and has chosen a participation level of 21,400 acre-feet per year. The Project has made notable progress over the last year including, but not limited to: hiring a new Executive Director, hiring the consultants necessary to design and permit the project, reducing the estimated construction cost from $5 billion to $3 billion and the estimated water cost by 1/3 from about $900 per acre-ft to about $600 per acre-ft, offsetting $12 million in project costs with grant funds and continuing to work on securing permits from the wildlife agencies.

The Project is currently in Phase 2 which began in 2019. The funding for Phase 2 was intentionally broken into two tranches, to be paid over multiple fiscal years. The first tranche, was $60 per acre-ft, or $1,284,000 for Valley District and was previously approved by the Board and paid to the Sites Authority in FY 2019/2020. The current tranche of Phase 2, to be paid in FY 2020/2021, is $100 per acre-ft, or $2,140,000 for Valley District. Phase 2 will generally complete the planning and permitting for the Project. The next phase will be design and construction which will require a considerably larger investment for each of the participating agencies.

The Project continues to be one of the most economical water supply projects for Valley District because it utilizes the existing State Water Project infrastructure to deliver the water to the Valley District service area. Staff continues to recommend participation in the Project and recommends executing the attached contract amendment and paying the $2,140,000 for its
participation level of 21,400 acre-feet. The attached Amendment to the Phase 2 Agreement was approved by the Sites Reservoir Project Committee and Sites Reservoir Authority and has been approved, as to form, by Valley District special counsel David Aladjem.

**Background:**
As a result of a series of endangered species protection decisions in the Sacramento - San Joaquin Delta, the average water supply reliability of the State Water Project has been reduced by approximately 20% (20,000 af per year reduction for Valley District) since 2007 with possible future reductions likely due to ongoing fish population issues. To help overcome these reductions, the California Department of Water Resources (DWR), along with Valley District and many other State Water Contractors, are promoting the Delta Conveyance Project (Delta Conveyance) which will restore some of this lost supply. Although progress continues to be made on Delta Conveyance, Valley District Staff continues to investigate possible, additional supplies both locally and in other parts of the State to help ensure that we can reliably meet supplemental water demands long into the future. Both the Bunker Hill Conjunctive Use Project and the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP) will rely on supplemental water supplies like those from the Sites Reservoir Project. In addition, securing additional supplies, like Sites Reservoir, helps Valley District mitigate any further risk of further cutbacks on the State Water Project and prepare for droughts.

The Sites Reservoir has been anticipated for more than 30 years. It was originally envisioned as part of, what was then referred to, as Stage II of the State Water Project which was administered by DWR until 2010 when the Sites Reservoir Authority took over. The project was envisioned as an off-stream reservoir with 1.3 to 1.8 million acre-feet of storage capacity that would be filled from several diversions off the Sacramento River. The water supply benefits have been studied for years and are currently estimated at about 243,000 acre-feet per year. Up to 50% of the annual yield is being reserved for public benefit purposes like fish habitat that would be funded with Proposition 1 grants and other Federal and State funding. The remaining annual yield is being reserved for water supply purposes.

The Valley District Board decided to participate in Phase 1 of the Project for of 30,000 af per year with 17,100 acre-feet (57%) being originally classified as Class 1 water and 12,900 acre-feet (43%) being classified as Class 2 water. The total participation level in Phase 1 exceeded the available water (oversubscribed). The current participation level is about 85% so there is still 15% of the total water available for water agencies
and/or the environment. Due to the decrease in partner participation levels from Phase 1 to Phase 2, Valley District’s Class 1 water was increased to 21,400 af. During Phase 1, Valley District staff estimated that 50% (15,000 af) of Valley District’s Phase 1 total water amount would support Valley District and its customers and the other 50% (15,000 af) would support Santa Ana River Watershed (Watershed) wide projects like SARCCUP. Since that time, the SARCCUP agencies expressed less interest. For this reason, the Board reduced Valley District’s total participation amount for Phase 2 to the Class 1 water available to Valley District, or 21,400 acre-feet per year.

A value planning study was recently conducted for the Project that evaluated the size of the reservoir based upon the number of participants and the need for certain project features. The results of this study is a “right sized” project that is 1.5 million acre-feet and cost about $3 billion, or $2 billion less than the original construction cost estimate. Valley District’s portion of the total construction cost is about 9%, or about $270 million. The estimated additional cost per acre foot from the Project is now estimated to be about $600 delivered north of the Delta. After considering Delta losses and power costs to deliver to Valley District, the total, additional cost would range from around $700 to $1,000, about the same as Delta Conveyance. This cost is considered very reasonable for a new water supply in the State of California. It is also worth noting that the Sites Reservoir Project complements Delta Conveyance by providing more water in dry and critically dry years while Delta Conveyance provides more water in wet years.
**Fiscal Impact:**
Participation in the completion of Phase 2 for the Sites Reservoir Project would cost $2,140,000. This cost was included in the FY 2020-21 General Fund budget.

**Staff Recommendation:**
Authorize staff to execute the *Sites Second Amendment to the 2019 Reservoir Project Agreement dated as of April 1, 2019 by and Among Sites Project Authority and the Project Agreement Members Listed Herein*, at a total cost to Valley District of $2,140,000.

**Attachments:**
1. 2019 Sites Annual Report
2. Sites Executive Prospectus
3. Sites Second Amendment Cover Letter
4. Sites Second Amendment to the 2019 Reservoir Project Agreement dated as of April 1, 2019 by and Among Sites Project Authority and the Project Agreement Members Listed Herein
Bringing resiliency, reliability, and flexibility to California’s water supply

We understand how critical it is to have a water system that provides multiple benefits. Sites Reservoir will produce significant benefits to the environment and secure water supply resiliency across the state for future generations.
Letter from the Sites Board Chair

On behalf of the Sites Project Authority (Authority), I am pleased to publish this inaugural annual report to highlight the significant progress we have made in developing Sites Reservoir. Since 2010, the Authority, representing 28 public agencies throughout California, has advanced this important project.

The Authority’s strength lies in our participants, which represent the local counties where the project is located, along with cities, and water and irrigation districts throughout the Sacramento Valley, San Joaquin Valley, Bay Area, and Southern California. Through this spirit of teamwork and regional collaboration, the Authority has made great progress in advancing Sites Reservoir.

In 2019, the Authority focused on project permitting, operation modeling, financial analysis, and conducting a proactive stakeholder engagement effort. We have been diligently working on developing a project that meets the needs of our participants and is affordable for our investors. We remain steadfast in our commitment to working in partnership with both landowners and project stakeholders to advance a project that meets the needs of our communities and the environment.

I believe strongly that Sites Reservoir offers a unique and generational opportunity to construct a multi-benefit water storage project that helps restore flexibility, reliability, and resiliency to our statewide water supply, and provide a dedicated supply of water for environmental purposes.

Creating a resilient and reliable water future for California is essential to our environment, economy, and our communities. The Authority is committed to advancing Sites Reservoir and will continue to work in collaboration with our participants, federal and state partners, and stakeholders to deliver this important project for the people of California.

Fritz Durst
Chairman, Sites Project Authority Board of Directors
Now more than ever, California needs to address its statewide water management challenges by implementing innovative solutions that address our need for a sustainable and affordable water supply. **Managing California’s water resources remains one of the greatest challenges that will continue to face California policy makers well into the future.**

Our participants provide water for more than half the population of California. Each participant is working together as partners with a unified goal of creating a reliable water supply solution for California.

Our participants serve:

- **Cities/Neighborhoods**
- **Farmland/Irrigation**
- **State/Environment**

equating to **24+ million people** and **over 500,000 acres of farmland**
Sites Reservoir Overview: Focusing on Resiliency

California’s current water problem

California’s water infrastructure is stressed beyond its capabilities. Our demands for water to serve our communities, fuel our economy, and preserve our environment have increased far beyond what the system was designed to reliably and sustainably support. Changing weather conditions only exacerbate an already unsustainable reality.

As we experienced in the 2012-2016 drought, the current water management system is not able to manage future conditions without severe consequences to our communities, families, farms, businesses, and the environment. Reliable dry year water supply is critical to creating a resilient future for California. Sites Reservoir is a vital part of the solution to improving dry year water supply for generations to come.

How Sites Reservoir will provide a solution

Sites Reservoir will significantly improve the state’s water management system in drier periods and restore much-needed flexibility and reliability that has been lost in the system. Located 10 miles west of the town of Maxwell in rural Glenn and Colusa counties, Sites Reservoir is an off-stream storage facility that captures and stores stormwater flows from the Sacramento River for release in dry and critical years.

When operating, Sites Reservoir will become a new drought management tool providing significantly more water during drier periods. Sites Reservoir will be one of the state’s largest reservoirs, and will add flexibility to California’s water infrastructure by providing up to 1.5 million acre-feet of water storage capacity.

When operated in conjunction with other Northern California reservoirs, such as Shasta, Oroville, and Folsom that function as the backbone to both the Central Valley Project and the State Water Project, Sites Reservoir will greatly increase the flexibility, reliability and resiliency of statewide water supplies in drier years for environmental, agricultural, and urban uses.

A portion of Site Reservoir’s annual water supplies will be provided for environmental flows to help improve conditions for Delta smelt; help preserve the cold-water pools in Shasta Lake later into the summer months to support salmon development, spawning, and rearing; and improve Pacific Flyway habitat for migratory birds and other native species.

Sites Reservoir will benefit the local and regional economy by creating hundreds of construction-related jobs during each year of the construction period, and long-term jobs related to operations and recreation.

Simply put, Sites Reservoir can significantly improve the state’s existing water management system in drier years and restore the much-needed flexibility that has been lost. The time is right to build on our momentum and growing support to ensure Sites Reservoir gets across the finish line before the next drought.

Sites Reservoir Fast Facts

- Adds significant annual water storage capacity to California’s water system for use in drier periods
- Provides the state of California with up to 1.5 million acre-feet of water storage capacity
- Creates reliable supplies for environmental, agricultural, and municipal uses
- Provides crucial water for homes and businesses
- Supported by 28 participating agencies representing communities across California
Gaining Momentum from planning through 2019
The beginning of more successes in the years to come

From humble beginnings as a discussion around water needs first referred to in the California Department of Water Resources’ (DWR) Bulletin 3 in 1957 to becoming Sacramento Valley’s best option for surface water storage, Sites Reservoir is the culmination of the lengthy journey toward finding a reliable water source for California.

Initial discussions surrounding the need for additional water storage were prompted by DWR’s initial interest in and studies surrounding a north-of-Delta off-stream storage concept that inspired the first official references to Sites Reservoir. Conversations continued about the need for an additional water source, but there was little funding to advance the project. Then, in 1981, the Bureau of Reclamation published findings from an independent feasibility study that set the groundwork for Sites Reservoir as a valid solution to water reliability in California. Following the study, support for the project continued through the 1990s, but the key issue remained finding adequate project funding to make Sites Reservoir a reality.

The early 2000s saw focused efforts on research and data gathering to gain funding and to support the importance of Sites Reservoir to the goals of the CALFED Bay-Delta Program (CALFED). These research efforts included reports and additional studies targeting engineering feasibility, alternative analysis, testing, and evaluations of California’s water systems, canals, treatment plants, and related facilities. The data from these efforts propelled the project forward, paving the way for the Sites Project Authority to form in 2010.

In November 2014, California voters overwhelmingly approved the passage of Proposition 1 that dedicated $2.7 billion for water storage projects, dams, and reservoirs throughout the state. After a rigorous evaluation process, the Sites Reservoir Project was awarded $816 million in state investment to advance the project, the largest award given to any project requesting Proposition 1 support.

Today, the Authority remains committed to Sites Reservoir and is committed to maintaining the trust of the community through transparent and efficient practices, and by honoring the water storage efforts that began more than 60 years ago.

1957
Initial Project Identification
DWR Bulletin 3 first references the project, and the project is included in the 1957 California Water Plan.

1997
Calfed Bay-Delta Authorization
The project is evaluated as part of a comprehensive water management framework for ecosystem restoration.

2010
Joint Powers Authority Formed
The Authority is formed to serve as the lead local agency to advance the project.

2014
Proposition 1 Passed
The proposition dedicated $2.7 billion for water storage projects, dams, and reservoirs.
2016

Reservoir Committee Organized
Authorization is provided to spend $27 million over 3 years.

Draft Environmental Impact Report/Statement (EIR/EIS) Released
The documents are developed in partnership with the Bureau of Reclamation.

2018

$816 million investment from the State of California
The investment meets Proposition 1 criteria in recognition of its significant benefits to the public, the economy, and the environment.

$449 million in federal funding from the U.S. Department of Agriculture
The project receives a construction loan for the Maxwell Water Intertie Project.
(U.S. Secretary of the Interior Ryan Zinke, U.S. Secretary of Agriculture Sonny Perdue, and elected officials tour proposed project facilities)

2019

Water Infrastructure Improvements under the WIIN Act Appropriations
Through Authority-led outreach in 2019, the project receives $6 million, bringing the total in Congressional Appropriations from the Water Infrastructure Improvements for the Nation (WIIN) Act to $10 million.

California Water Resilience Draft Portfolio
Sites Reservoir is specifically named as one of only two priority project in the Governor’s 2019 Water Resilience Draft Portfolio—a plan to provide reliability and resiliency to statewide water supplies.

2020

And beyond
Additional milestones in the years to come will make this project a reality.
The Resiliency, Reliability, and Flexibility of Sites Reservoir

Sites Reservoir will capture and store stormwater flows from the Sacramento River—after all other water rights and regulatory requirements are met—for release primarily in dry and critical years for environmental use and for California communities, farms, and businesses when it is so desperately needed.

Rain and snowmelt from mountains feed into our rivers and lakes, providing us with water. A small portion of this water will be stored in Sites Reservoir and released in drier water years to provide water for our crops, support wildlife habitat and at-risk species, and provide water for our communities when it is needed most.
California's Water Challenges are multi-layered, but so are the benefits of Sites Reservoir.

**Floods put many Californians at risk.**

Floods jeopardize our safety and they destroy homes, agricultural land, local businesses, and the environment. After a severe flood event many homeowners, farmers, and business owners never fully recover. Recently, Sacramento Valley communities have seen local economies suffer overwhelming impacts of flooding. Sites Reservoir will improve local flood control in the Sacramento Valley to help prevent post-flood devastation.

**Droughts are a destructive reality in California.**

In harsh drought conditions, the life cycle and habitat of many species are at risk, including the thousands of eggs and newly spawned salmon that rely on the Sacramento River to survive. Orchards and other agricultural crops are particularly vulnerable to drought due to limited groundwater stores. Our businesses and communities are also affected, as droughts bring severe economic and employment impacts. Sites Reservoir will provide water during drought and significantly increase the state’s storage.

The good news is, significant benefits can be possible if Sites Reservoir becomes a reality, including:

- **Off-stream Storage**
  - Does not create a barrier to native fish migration

- **Federal and State Agencies Manage Environmental Water**
  - Adaptable to current and future conditions and priorities

- **Local Leadership and Cooperation**
  - Aligns with Sacramento Valley’s values and fosters regional and statewide collaboration

- **Recreational Opportunities**
  - Provides northern Sacramento Valley with additional opportunities for recreation

- **Cooperative Operation**
  - Increases effectiveness and efficiency of existing water storage infrastructure

- **Adaptable to Climate Change**
  - Improves water system reliability and performance as climate changes

- **Dry Year Water Supply**
  - Reliable dry year water supply for California communities, farms and businesses

- **Environmental Support**
  - Provides environmental water in drier periods for native fish, and habitat for native species and birds
2019 Highlights and Milestones

Throughout 2019, the Authority continued to build on the substantial momentum the project gained over the last few years. The Authority focused on several key milestones that position Sites Reservoir for success in 2020. In 2019, the Authority:

**Engaged Federal and State Officials**
Sites Reservoir gained congressional support in 2017 when the Authority submitted the Water Storage Investment Program (WSIP) application with a letter signed by 53 California House Representatives and another signed by U.S. Representative Doris Matsui. To continue building support throughout 2019, the Authority participated in three legislative events in Washington, D.C., and facilitated a state legislative day with California elected officials.

OUTCOME: With continued outreach and support from elected officials at both the state and federal level, Sites Reservoir continues to receive funding.

**Discussed Permitting with Federal and State Regulatory Agencies**
Throughout 2019, the Authority focused on working with federal and state regulatory agencies to discuss the permitting application process.

OUTCOME: The foundation is set to continue the permitting process with the U.S. Fish and Wildlife Service, National Marine Fisheries Service, and California Department of Fish and Wildlife.

**Adopted California Environmental Quality Act (CEQA) Guidelines**
In March, the Authority adopted CEQA guidelines which identify decision-making and project approval authority and outline CEQA review procedures.

OUTCOME: The guidelines bring the Authority in compliance with State law and identifies an open and transparent process for implementing Sites Reservoir.

**Continued Discussions with Landowners and Project Stakeholders**
Throughout the project’s history the Authority has dedicated time to discussing project progress with landowners and project stakeholders. 2019 was no exception, as the Authority continued to proactively engage landowners.

OUTCOME: The Authority provided transparent communication with affected landowners, local government agencies, project stakeholders, and the general public.

**2019 was focused on permitability and affordability. Each key milestone accomplished throughout 2019 sets the stage for success in 2020.**
Conducted an Affordability Analysis
The Authority conducted an Affordability Analysis in the second half of 2019. Information was conveyed in a series of joint Reservoir Committee and Authority Board workshops; the efforts culminated in the rollout of a cash flow tool for participants.

OUTCOME: Participants are informed about the cost of water in terms of annual repayment and operations costs.

Began Focused Geotechnical Investigations
Beginning in the 4th quarter, the Authority began biological and cultural monitoring for the Bureau of Reclamation’s geotechnical investigations. The focused investigations involved coordination with landowners and local agencies, including Colusa County, Maxwell Irrigation District, and Glenn Colusa Irrigation District.

OUTCOME: Getting “rigs in the field” was an enormous breakthrough for the project and is a significant step toward the next phase.

 Executed Bureau of Reclamation Cost Share Amendment
In December, the amendment to the Cost Share Memorandum of Understanding between the Bureau of Reclamation and the Authority was executed for continued planning and pre-construction activities. The agreement was initially executed in 2015, and this first amendment extends the term for 5 additional years from the signing date.

OUTCOME: With support from the Bureau of Reclamation, the Sites Reservoir can continue to advance.

Executed Value Planning
The Authority embarked on a value planning effort that consists of appraisal-level engineering, environmental, permitting, operations, and financial assessments.

OUTCOME: The Authority is identifying the “right-size” project to build under today’s conditions through value planning that prioritizes the creation of eligible public benefits (as identified in Proposition 1) and water supply benefits for the public water agencies that have been funding the studies to date.

Secured WIIN Act Funding
At the close of 2019, President Trump signed a bipartisan spending bill that authorized $6 million from the federal government and appropriated the authorized WIIN Act funds to the Bureau of Reclamation to advance the Sites Reservoir.

OUTCOME: To date, Congress has appropriated roughly $10 million in WIIN Act funding to the Bureau of Reclamation for Sites Reservoir.

California's Water Resilience Draft Portfolio identified Sites Reservoir as one of only two critical projects.

Executive Order N-10-19 outlines a plan for a water resilience portfolio to provide reliability and resiliency to statewide water supplies. Sites Reservoir was identified as a priority project that supports the goals presented in this document.

Sites Reservoir is recognized as a top priority that will support the water needs of California’s communities, economy, and environment through the 21st century.
Looking Ahead
Planning for 2020 and Beyond

The Authority will build on the significant achievements of 2019 to advance Sites Reservoir toward operations in 2030.

Efforts will remain focused on project affordability and permitability. Value-planning efforts to right-size project facilities and operations will continue in early 2020, and produce the details needed to complete environmental documentation and advance key project permits.

Near-term goals are to:

- Define the reservoir’s operations and integration with the State Water Project and Central Valley Project
- Continue to improve certainty related to the project’s permitability, and prepare applications for key federal and state permits and a state water right permit
- Continue to improve project affordability by advancing engineering and cost estimates
- Secure additional low-interest financing and other grants
- Cultivate and strengthen partnerships with local landowners, communities, and key stakeholders that represent environmental, business, labor, and other interests
- Continue local, state, and federal funding to move the project forward through the planning and feasibility stage and into implementation beginning in 2022

Sites Reservoir Project Schedule
What our elected officials are saying about Sites Reservoir

From humble beginnings in 1957, Sites Reservoir is swiftly becoming reality as it moves from planning to execution.

“Sites Reservoir is best positioned to help increase our water supply, improve flood protection, improve water quality, and enhance water resources for the foreseeable future.”
—Senator Jim Nielsen

“Sites Reservoir offers a remarkable opportunity to reoperate California’s longest and largest river, the Sacramento, to provide multiple benefits for fish, farms, and cities in an innovative manner.”
—Senator Dianne Feinstein

“Building Sites Reservoir would bring California closer to achieving a drought-resilient water system... Sites will benefit farmers, our communities, and the environment.”
—U.S. Representative John Garamendi

“Sites Reservoir is best positioned to help increase our water supply, improve flood protection, improve water quality, and enhance water resources for the foreseeable future.”

—Assemblyman James Gallagher

“Sites is a critical component of what we need to do to prepare for the next drought... it would be a huge addition to our water storage capacity in California.”
—Senator Jim Nielsen

“Sites is the best opportunity we have to increase water storage in California. Dry years or wet—for habitat, farms and Northern California communities—this project brings water security and benefits. I’ll keep fighting to get this project built.”
—Congressman Doug LaMalfa

SOURCES:
Gallagher: sacramentovalley.org/sites-reservoir/
Garamendi: www.dailydemocrat.com/2020/01/08/sites-reservoir-proposal-receives-6m-in-federal-funds/
LaMalfa: www.dailydemocrat.com/2020/01/08/sites-reservoir-proposal-receives-6m-in-federal-funds/
Nielsen: nielsen.cssrc.us/content/senator-nielsen-pushes-construction-sites-reservoir
The Authority leveraged local funds in 2019 to improve certainty on project affordability and permitability.

In 2019 the Authority focused resources on improving certainty related to the project’s permitability and affordability. The project went through a re-balancing in early 2019 as the project transitioned from phase 1 to phase 2. As participants changed their investment, the Authority re-prioritized funds through the approval of a new phase 2 work plan and schedule. A change in participation also triggered the implementation of the Authority’s credit reimbursement policy. The Authority focused on leveraging local investments by executing an early funding agreement with the state using Proposition 1 funding, totaling a third of the project’s revenue in 2019. Coordination with the Bureau of Reclamation also paved the way for a financial assistance agreement to be executed in 2020 to provide federal funds to the Authority and further leverage local investment.

Early in 2019 a management and technical team was assembled to deliver on the Authority’s mission. In addition to bolstering critical environmental, permitting, operations, and engineering teams, the team added real estate, outreach, geotech, and project management resources. The team will provide the technical and business infrastructure needed to grow in a way that is efficient, transparent, and responsible.
## Authority 2019 Profit and Loss Report*

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Membership Admin/Authority</td>
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<tr>
<td>Membership Water</td>
<td>$11,458,034</td>
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<tr>
<td>Proposition 1 Funding</td>
<td>$6,123,082</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>$18,086,116</strong></td>
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<table>
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<tr>
<th>Expense</th>
<th>Amount</th>
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<td>Financial Fees and Subscriptions</td>
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<tr>
<td>Office Expenses</td>
<td>$12,991</td>
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<td>Credit Reimbursement (Phase 1)</td>
<td>$6,503,713</td>
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<td>Total Professional Fees</td>
<td>$10,820,725</td>
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<td>Website, Data, Computer Support</td>
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<td><strong>Total Expense</strong></td>
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<td><strong>Net Ordinary Income</strong></td>
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<td>Interest</td>
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<tr>
<td><strong>Net Income</strong></td>
<td><strong>$820,465</strong></td>
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</table>

*rounded to the nearest dollar

---

### The Authority has undergone an independent audit each year since 2016.

Each audit has confirmed that the Authority has maintained outstanding business practices resulting in efficient and transparent operations.

---

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America."

—Sites Project Authority Annual Financial Report with Independent Auditor’s Report Theron, December 31, 2018

---

Auditor/Report Preparer: Fechter & Company
Certified Public Accountants
Sacramento, California, June 28, 2019

---

$27 million

Invested by Sites Reservoir participants through 2019.

Sites Reservoir participants are committed to seeing this project constructed.
EXECUTIVE PROSPECTUS

A 21st Century Solution

Sites Reservoir is generational opportunity to construct a multi-benefit water storage project that helps restore flexibility, reliability, and resiliency to our statewide water supply. Simply put, no other storage project currently under consideration in California can positively influence the operational efficiencies of our existing statewide water.

Perhaps what makes Sites Reservoir so unique is that it is not a “traditional” reservoir project. It is an off-stream facility that does not dam a major river system and would not block fish migration or spawning. Rather, Sites Reservoir offers a significant water storage opportunity that benefits both people and the environment.

Sites Reservoir captures and stores stormwater flows from the Sacramento River—after all other water rights and regulatory requirements are met—for release primarily in dry and critical years for environmental use and for California communities, farms, and businesses when it is so desperately needed. Sites Reservoir is designed to be adaptable to a changing climate. As snowpack declines due to climate change and more of our water comes in the form of atmospheric rivers—Sites Reservoir will become even more vital to the future resiliency of our statewide water supply.

Next Steps to 2021

Improves the state’s water management system in drier periods, restores much-needed flexibility and reliability

Dedicates water to the environment to be managed by state resources agency managers who will decide how, and when, this water would be used.

Creates a water asset for members and for the state that does not currently exist

Looking Ahead

Our participants are what makes Sites Reservoir such a unique and promising storage project. We have accomplished a great deal in recent years and are moving into a critical time as we transition to this next phase. As we move forward, we will continue to strengthen partnerships with local landowners, communities, and key stakeholders that represent environmental, business, labor, and other interests and continue to pursue funding to move the project forward through the planning and feasibility stage and into implementation beginning in 2022.

Affordability Overview

<table>
<thead>
<tr>
<th>Reservoir Size (MAF)</th>
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</thead>
<tbody>
<tr>
<td>Project Cost (2019$, billions)</td>
<td>$2.4 – $2.7</td>
</tr>
<tr>
<td>Contingency Cost (2019$, billions)</td>
<td>$0.6</td>
</tr>
<tr>
<td>Total Project Cost (2019$, billions)</td>
<td>$3.0 – $3.3</td>
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<tr>
<td>Annualized AF/year release (AF/year)</td>
<td>240,000</td>
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<tr>
<td>Range of Annual Costs During Repayment Without WIFIA Loans (2020$, $/AF)</td>
<td>$650 - $710</td>
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<tr>
<td>Range of Annual Costs During Repayment With WIFIA Loans (2020$, $/AF)</td>
<td>$600 - $660</td>
</tr>
</tbody>
</table>

Our participants span California

Our participants serve:

- Cities/Neighborhoods
- Farmland/Irrigation
- State/Environment

equating to 24+ million people and over 500,000 acres of farmland
Value Planning

The Sites Project Authority conducted a rigorous value planning effort to review the project’s proposed operations and facilities to develop a project that is “right-sized” for our investors and participants while still providing water supply reliability and enhancing the environment.

This right-sized reservoir is:

- Responding to extensive member-agency, community, NGO and regulatory input
- Resulting in a smaller footprint
- Optimizing operations for climate conditions

It is essential that we build a project now that makes sense for all our participants – local, state, and federal. This means rightsizing and optimizing the project for current conditions, while maintaining flexibility to expand and adapt the project to address future conditions.

Benefits

- Off-stream Storage
  - Does not create a barrier to native fish migration
- Federal and State Agencies Manage Environmental Water
  - Adaptable to current and future conditions and priorities
- Local Leadership and Cooperation
  - Aligns with Sacramento Valley’s values and fosters regional and statewide collaboration
- Cooperative Operation
  - Increases effectiveness and efficiency of existing water storage infrastructure
- Adaptable to Climate Change
  - Contributes to system reliability and performance with climate change
- Dry Year Water Supply
  - Reliable dry year water supply for California communities, farms and businesses

Operations

- Reservoir operations being refined and integrated with the State Water Project and Central Valley Project to improve certainty related to the project’s permitability

<table>
<thead>
<tr>
<th>YEAR TYPE</th>
<th>1,000 CFS RELEASE</th>
<th>CAPACITY (TAF/YEAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wet</td>
<td>90 - 120</td>
<td></td>
</tr>
<tr>
<td>Above Normal</td>
<td>260 - 290</td>
<td></td>
</tr>
<tr>
<td>Below Normal</td>
<td>245 - 275</td>
<td></td>
</tr>
<tr>
<td>Dry</td>
<td>355 - 385</td>
<td></td>
</tr>
<tr>
<td>Critically Dry</td>
<td>210 - 240</td>
<td></td>
</tr>
<tr>
<td>Long Term Average</td>
<td>~240</td>
<td></td>
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</table>

Sites Reservoir:

Improves the state’s water management system in drier periods, restores much-needed flexibility and reliability

Dedicates water to the environment to be managed by state resources agency managers who will decide how, and when, this water would be used

Creates a water asset for members and for the state that does not currently exist
May 21, 2020

Dear Reservoir Committee Member,

In April 2020, actions were taken by the Project and Authority governing bodies to adopt the April 13, 2020, Sites Project Value Planning Alternatives Appraisal Report and the Amendment 2 Work Plan which together constitute the scope, schedule and budget for the next stage of project development through December 2021. In taking these actions, funding requirements were set which established the timing and amount due from each participating member that wishes to continue its participation in the Project during the Amendment 2 Work Plan period.

As a participating member in the original Phase 2 Project Agreement dated April 1, 2019 and the First Amendment dated January 1, 2020, the Authority hereby requests your determination of interest in continued participation by returning the attached Second Amendment completed and signed by your authorized agency designee, no later than September 10, 2020.

Please note that the Second Amendment requires the following information in addition to the authorized signature on the amendment:

- Indicate the amount of capacity shares in acre feet that you are securing through this phase of the project which, in accordance with the amended Section 2.04, will represent the capacity share amount to which your agency has first rights of refusal in any future phase of work. These capacity share amounts indicated by each participating member will be used for the final Exhibit A of the Second Amendment.
- Indicate your commitment to provide up to the total funding required for the capacity shares you have designated. The unit cost is the total for the original agreement already paid ($60/AF) and the new commitment for the Amendment 2 Work Plan (not to exceed $100/AF).

We have prepared a set of documents for you to use in your agency deliberations of this request. Documents are available for you to download at this link: https://brwncalifornia-my.sharepoint.com/:f:/p/jrobinette/Epm9jMLcDwNOhlMc2840b6EBFm-iqGMQEPzc-HU2pCxovcQ?e=Z6687k. Don't hesitate to contact Kevin Spesert, Sites Project Authority, External Affairs Manager, at kspesert@sitesproject.org if you need assistance with any of these materials.

The project team is excited to embark on this ambitious Amendment 2 Work Plan. It is critical that you receive timely information for your next decision prior to December 2021 where we will be seeking commitment of the total project local cost share which is one of the conditions for receiving the $816M State WSIP funds.
Please don’t hesitate to contact me if there are any questions or you need my support regarding this request.

Jerry Brown
Executive Director, Sites Project Authority

Sincerely,

_________________________

Jerry Brown, Executive Director
Sites Project Authority
SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG

SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of July 1, 2020
THIS SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT (this “Second Amendment”), dated as of July 1, 2020, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the project agreement members listed in the Agreement referenced below (the “Project Agreement Members”) and amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the “Original Agreement”), as previously amended by the First Amendment to 2019 Reservoir Project Agreement dated as of January 1, 2020 (the “First Amendment” and, together with the Original Agreement, the “Agreement”), each by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to approve an Amendment 2 Work Plan and to extend the term of the Agreement to December 31, 2021; and

WHEREAS, under Section 11 of the Agreement, the Agreement may be amended by a writing executed by the Authority and at least 75% of the total weighted vote of the then current Committee members as provided in Subsection 3(g); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Second Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Amendment;

NOW, THEREFORE, THIS SECOND AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

ARTICLE II

AMENDMENTS TO AGREEMENT

Section 2.01. Project Agreement Members.

(a) Effective September 1, 2020, the Project Agreement Members attached as Exhibit A to the Agreement shall be succeeded in their entirety by the Project Agreement Members attached hereto as Exhibit A.

Section 2.02. Work Plan.

(a) Effective September 1, 2020, the 2019 Work Plan attached as Exhibit B to the Agreement shall be supplemented by the Work Plan attached hereto as Exhibit B (the “Amendment 2 Work Plan”).
Section 2.03. **Funding.**

The Agreement is hereby amended to remove Section 4(a) in its entirety and replace it with the following:

“(a) **Budget.** The Committee shall, in cooperation with the Authority’s Board, provide and approve both a Fiscal Year operating budget and reestablish a Phase 2 budget target, annually or more frequently as needed. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums reflected in the 2019 Work Plan (prior to November 1, 2020) and the Amendment 2 Work Plan (on and after November 1, 2020) in accordance with Section 5 of this Project Agreement; provided, however, that in no event shall the amount paid by a Project Agreement Member exceed $160 per acre-foot (with $60 of such amount being attributable to the 2019 Work Plan and $100 of such amount being attributable to the Amendment 2 Work Plan) without the approval of such Project Agreement Member. The contribution with respect to the pro-rata budgeted sums reflected in the Amendment 2 Work Plan shall be payable by each Project Agreement Member in two installments. The first installment shall be in an amount equal to $60 per acre-foot and shall be payable by no later than November 1, 2020. The second installment shall be in an amount up to $40 per acre-foot and shall be payable by no later than April 1, 2021. The exact amount per acre-foot of the second installment shall be established by the Committee, in cooperation with the Authority’s Board, and notice of such amount shall be provided by the Authority to each Project Agreement Member.”

Section 2.04. **Future Development of the Sites Reservoir Project.**

The Agreement is hereby amended to remove Section 6(b) in its entirety and replace it with the following:

“(b) Without limiting the foregoing, any Project Agreement Member that elects to continue participating in the development, financing, and construction of the Sites Reservoir Project to the time when the Authority offers contracts for a water supply or other services, will be afforded a first right, equal to that Project Agreement Member’s Participation Percentage, to contract for a share of any water supply that is developed, and for storage capacity that may be available from, the Sites Reservoir Project. In any successor phase agreements, Project Agreement Members who are parties to this Project Agreement that submitted a proposal to participate before February 28, 2019, shall be granted rights to contract for a share, in an amount equal to that Project Agreement Member’s Participation Percentage as of the effective date of such successor phase agreement, of any water supply that is developed, and for storage capacity that may be available from the Sites Reservoir Project prior to the rights of those becoming parties to this Project Agreement after that date.

If a participating Project Agreement Member as of February 28, 2019 identifies a lesser amount in the Second Amendment than its Original Agreement requested amount, that participating Project Agreement Member’s first rights of refusal in the future are to be based on the Second Amendment amounts and not the February 28, 2019 amounts.

Provided, however, that if a Project Agreement Member withdraws from the Project Agreement pursuant to Section 9 of this Agreement but later requests to be reinstated, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the
Committee may vote to readmit said withdrawn Member with a reinstated first right of refusal provided said withdrawing Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Authority’s credit reimbursement policy (the “Credit Reimbursement Policy”).

Further provided, that if a Project Agreement Member desires to increase its participation after execution of the Second Amendment, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the Committee may vote to approve said increase, or portion thereof, with a first right of refusal attendant thereto, provided said increasing Project Agreement Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Credit Reimbursement Policy.

The Authority and the Project Agreement Members will cooperate on the drafting of provisions in the water supply contract that will allow a Project Agreement Member or other eligible entity that commits to purchase a Sites Reservoir Project water supply to transfer water that the entity may not need from time to time on terms and conditions acceptable to the Project Agreement Member.”

Section 2.05. **Term.** The Agreement is hereby amended to remove Section 8(b) in its entirety and replace it with the following:

“(b) The term of this Project Agreement shall continue until December 31, 2021. In the event that this Second Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Agreement by June 30, 2020, the Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this Second Amendment shall become effective.”

Section 2.06. **Executive Director.** All references to the “General Manager” in the Agreement shall be changed to “Executive Director.”

**ARTICLE III**

**PROJECT AGREEMENT MEMBER PARTICIPATION**

Section 3.01. **Project Agreement Participation.** Each Project Agreement Member shall specify its participation in the Sites Reservoir Project by indicating its elected water participation amount in the Sites Reservoir Project and the associated cost in the space provided therefor on the signature page to this Second Amendment. Based upon the respective participation elections of the Project Agreement Members, the Authority shall update Exhibit A pursuant to Section 5 of the Agreement.
ARTICLE IV

MISCELLANEOUS

Section 4.01. Effectiveness of Agreement. Except as expressly amended by this Second Amendment, the Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this Second Amendment shall be incorporated as part of the Agreement upon their effectiveness in accordance with Section 11 of the Agreement.

Section 4.02. Execution in Several Counterparts. This Second Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 4.03. Authorization, Ratification and Confirmation of Certain Actions. The Authority and the Project Agreement Members each hereby authorize, ratify and confirm the extension of the term of the Agreement, as previously extended pursuant to the First Amendment, to June 30, 2020, and the expenditure of funds collected under the Agreement with respect to the 2019 Work Plan on and prior to June 30, 2020.

Section 4.04. Laws Governing Second Amendment. The effect and meaning of this Second Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.
IN WITNESS WHEREOF, the Authority and Project Agreement Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing bodies, have caused their names to be affixed by their proper and respective officers on the date shown below:

Dated: _________________

SITES PROJECT AUTHORITY

By: ______________________________
Name: ____________________________
Title: _____________________________

[PROJECT AGREEMENT MEMBER]

Dated: _________________

(Authority & Project Agreement Member)

By: ______________________________
Name: ____________________________
Title: _____________________________

PARTICIPATION AMOUNT

[PROJECT AGREEMENT MEMBER] hereby elects to participate in the Sites Reservoir Project in the amount and at the cost identified below.

Participation
(Second Amendment Annualized Acre-Foot):

Second Amendment Cost:
Not to Exceed $100 per Acre-Foot
EXHIBIT A
PROJECT AGREEMENT MEMBERS

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<tr>
<th>Participant</th>
<th>Preliminary</th>
<th>Percent</th>
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<tr>
<td>American Canyon, City of</td>
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<tr>
<td>Antelope Valley-East Kern Water Agency</td>
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<tr>
<td>Carter Mutual Water Company #</td>
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<tr>
<td>Coachella Valley Water District</td>
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<tr>
<td>Colusa County</td>
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<td>Colusa County Water District</td>
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<td>Cortina Water District</td>
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<td>Davis Water District</td>
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<td>Desert Water Agency</td>
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<td>Dunnigan Water District</td>
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<td>Glenn-Colusa Irrigation District</td>
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<td>LaGrande Water District</td>
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<td>Metropolitan Water District of S. CA</td>
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<td>Reclamation District 108</td>
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<td>San Bernardino Valley Municipal Water District</td>
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<td>San Gorgonio Pass Water Agency</td>
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<td>Santa Clara Valley Water District</td>
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<td>Santa Clarita Valley Water Agency</td>
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<td>Westside Water District</td>
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<td>Wheeler Ridge-Maricopa Water Storage District</td>
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<td>Zone 7 Water Agency</td>
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<tr>
<td>Potential new participants</td>
<td></td>
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**Total:**

Participation Percentages exclude State of California and United States Bureau of Reclamation share of the Project.

# Denotes a non-public agency. Refer to California Corporations Code Section 14300 et. seq. with additional requirements provided in both the Public Utilities Code and Water Code.
EXHIBIT B

AMENDMENT 2 WORK PLAN
### Exhibit B
Reservoir Committee
2020 and 2021 Work Plan

Reservoir Committee Annual Budget for FY 2020 and FY 2021 ($000)

<table>
<thead>
<tr>
<th>Subject Area</th>
<th>2020</th>
<th>2021</th>
<th>Total</th>
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<tbody>
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<tr>
<td>Beginning Balance</td>
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<td>$6,847</td>
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<tr>
<td>Federal Revenue</td>
<td>$0</td>
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<tr>
<td>State Revenue</td>
<td>$5,134</td>
<td>$5,502</td>
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<td><strong>Revenue Total</strong></td>
<td>$23,501</td>
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<td><strong>Expenses</strong></td>
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<tr>
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Annual expense budgets are based on the projected spend rate for the Amendment 1B and Amendment 2 work plans combined (Pg 2 and 3).
## Amendment 1B Budget by Month ($000s)

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<th>Mar 20</th>
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*Adjusted from value published in work plan based on 2019 close-out
# Amendment 2 Budget by Month ($000s)

## Reservoir Committee Work Plan Summary

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Page 3 of 3
DATE: July 7, 2020

TO: Board of Directors

FROM: Kristeen Farlow, Manager of Water Use Efficiency/External Affairs

SUBJECT: Discuss CSDA Board of Directors Ballot – Southern Network Seat C Term 2021-2023 and direct the General Manager to cast the Ballot

The Board of Directors is asked to discuss the candidates running for the California Special Districts Association Southern Network Seat C for the 2021-2023 Term and direct the General Manager to cast the ballot based on the recommendation of the Board.

Background

The California Special Districts Association (CSDA) was formed in 1969 as a not-for-profit association with the goals of promoting good governance and improved core local services through professional development and advocacy for California special districts. The CSDA Board of Directors is responsible for policy decisions related to CSDA’s member services, legislative advocacy, education, and resources. CSDA is divided into six Networks based on region, and Board Members represent the interests of the special districts within their Network. Within each network, there are three delegates – Seats A, B and C. Valley District is a member of the Southern Network.

The Southern Network is currently represented by Ms. Arlene Schafer of Costa Mesa Sanitary District, Mr. Don Bartz of Phelan Piñon Hills Community Services District, and Ms. Jo MacKenzie of Vista Irrigation District. Ms. Schafer’s term expires at the end of 2020, making her seat open for election. The four candidates for Seat C of the Southern Network are:

- Arlene Schafer (incumbent) – Costa Mesa Sanitary District
The District received an electronic ballot and candidate information which includes Candidate Information Sheets and Candidate Statements.

Fiscal Impact

There is no fiscal impact related to acting on this item.

Recommendation

It is recommended that the Board of Directors discuss this item and recommend a candidate selection to staff. It is further recommended that the Board of Directors direct staff to cast the ballot for the recommended candidate before the July 10, 2020, deadline.

Attachments

CSDA Candidate Information Sheets and Statements

Endorsement Letter for Candidate Greg Mills
2021-2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Arlene Schafer

District/Company: Costa Mesa Sanitary District

Title: Board Secretary

Elected/Appointed/Staff: Elected

Length of Service with District: 20

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):
   Current CSDA Board member, Legislation Committee member, Professional Development Committee member, Alliance Executive Council Committee member, Member Services Committee, Finance Committee member.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):
   League, California Association Sanitation Agencies (CASA)

3. List local government involvement (such as LAFCo, Association of Governments, etc.):
   Orange County LAFCO Chair, Orange County Council of Governments, Independent Special Districts Orange County

4. List civic organization involvement:
   Harbor Mesa Lions, Costa Mesa Chamber of Commerce Government Association Committee

**Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after March 26, 2020 will not be included with the ballot.
Elect Arlene Schafer
California Special Districts Association
Southern Network, Seat C

Arlene Schafer — Secretary
Costa Mesa Sanitary District

It has been an honor to serve as your Southern Network, Seat C representative for the past 12 years. I believe my 28 years of experience as a local government leader that includes 20 years serving special districts in a variety of different capacities makes me the best candidate. I believe it is important for CSDA to continue serving as an advocate for California special districts by informing the legislature and the public of the important and essential services we provide to our communities. Furthermore, I believe it’s important for special districts to demonstrate good governance that will help earn the public’s trust.

Currently, I am serving on the Board of Directors for the Costa Mesa Sanitary District (CMSD) where I have been a Board member for 20 years. CMSD provides solid waste and wastewater collection services to over 116,000 residents residing in the City of Costa Mesa and portions of Newport Beach and the unincorporated Orange County. I am proud to be part of an organization that has been a District of Distinction since 2009, earned the Transparency Certificate of Excellence and CMSD is one of few special districts in California that received Platinum Recognition in Special District Governance.

If re-elected, I will continue to collaborate with CSDA committees to ensure you have educational opportunities to enhance special district governance and help elevate public awareness of the role we play as the form of government closest and most directly accountable to our constituents. I believe my experience, knowledge, dedication and commitment to special districts will enable me to represent you well and I am asking for your vote and support. Please vote for Arlene Schafer by July 10, 2020.
2021-2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Greg Mills

District/Company: Serrano Water District

Title: Vice President/Director

Elected/Appointed/Staff: 

Length of Service with District: 4 years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

   Actively attends conference.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

   ACWA-JPIA Board member - 2 years.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

   Orange County Sanitation District (Director 2 years); Orange County Vector Control (Director 3 years); Villa Park City Councilman & Mayor (4 years).

4. List civic organization involvement:

   Villa Park Rotary (22 years); Indian Princess (7 years); Elks Club (8 years).

**Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after March 26, 2020 will not be included with the ballot.
Greg Mills
Seat C CSDA
Candidate Statement

BUSINESS
- Small business owner – sixteen years
- Analytical Chemist – six years
- Process Engineer – six years
- Technical Marketing Manager – three years
- Marketing Director – three years
- Marketing Executive – five years

COMMUNITY INVOLVEMENT
- Board Member (Vice President) - Serrano Water District three years
- Villa Park City Councilman – four years; One term Mayor and one term Mayor Pro-Tem (one year each)
- Orange County Sanitation District - Director two years
- Orange County Vector Control District - Director three years
- ACWA-JPIA - Representative Serrano Water District
- Villa Park Family Picnic – five years
  o Chair – three years
- Eagle Scout; Camp Counselor
- Villa Park Rotary - Board member twenty-two years
  o Club President; Paul Harris Fellow; Speaker Chair
- Indian Princess YMCA - seven years
- Orange Elks Lodge – seven years

PROFESSIONAL
- American Chemical Society – thirty years
- CS Mantech – eleven years
- PDA (Parenteral Drug Association)– five years
- ISPE (International Society of Pharmaceutical Engineering – eight years
- SEMI (Semiconductor Equipment and Manufacturer Institute – nine years
- Optical Society of America – four years
- MEPTEC
- AVS (American Vacuum Society)
  o ICMCTF

EDUCATION
- B.A., Chemistry – Illinois College
  o Phi Alpha President/Vice President
- M.S., Engineering Management – Santa Clara University

PERSONAL
- Married – 25 years. Wife: Journalist and active member of the community. One daughter currently at university.
2021-2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Daniel K. Jaggers

District/Company: Beaumont-Cherry Valley Water District

Title: General Manager

Elected/Appointed/Staff: Staff

Length of Service with District: Eight (8) years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

None

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

No

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

No

4. List civic organization involvement:

None

**Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after March 26, 2020 will not be included with the ballot.
Promoted to the position of General Manager of Beaumont-Cherry Valley Water District in October 2017, Dan Jaggers brings more than 25 years of professional experience to the District. Prior to this appointment, Mr. Jaggers served BCVWD for more than five years as Director of Engineering, overseeing long-range planning, capital improvements, and project design on local and regional levels.

As General Manager, Mr. Jaggers directs the activities of the District, moving the District toward its goals while maintaining consistency with the District’s mission and vision. Mr. Jaggers provides leadership based on the direction set by a five-member elected Board of Directors, manages operations, strategic planning, and policy implementation.

Mr. Jaggers’ experience as Director of Engineering for BCVWD garnered him the internal knowledge and proficiency to guide and manage the District. He directed and participated in Engineering Department goals and operating policies, provided direction to managers and coordinated all issues needing Board approval or policy direction from the Board of Directors.

A resident of the inland empire for more than 26 years, Dan brings local knowledge and experience to the District. He served as a Senior Engineer at Desert Water Agency, and spent 18 years in the private sector as a Senior Engineering Consultant with Krieger & Stewart, Inc. where he focused on all aspects of public facilities planning, design and construction service including full support services for small to large public infrastructure projects for water, recycled water, wastewater, storm water, site development, and street improvements. From planning, design and construction project management, Mr. Jaggers’ experience is high level and varied.

Dan’s combination of public and private experience make him an asset to BCVWD.

Mr. Jaggers graduated from Ohio State University with a Bachelor of Science in Civil Engineering. He is a Registered Civil Engineer in the State of California and has developed a reputation for trustworthiness, positivity, passion and professionalism.
2021-2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information MUST accompany your nomination form and Resolution/minute order:

Name: Ronald L. Coats

District/Company: East Valley Water District

Title: Governing Board Member

Elected/Appointed/Staff: Elected

Length of Service with District: Six Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):
   * Please see attached

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):
   * Please see attached

3. List local government involvement (such as LAFCo, Association of Governments, etc.):
   * Please see attached

4. List civic organization involvement:
   * Please see attached

**Candidate Statement – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. Any statements received in the CSDA office after March 26, 2020 will not be included with the ballot.**
Ronald L. Coats – 2020 CSDA Board Candidate Information Sheet

1) Involvement with CSDA
   • Currently serving on the Member Services Committee and the Professional Development Committee.
   • Received the Recognition in Special District Governance.
   • Received my Certificate of Completion in the Special District Leadership Academy Advanced Coursework.
   • Attended several workshops, webinars and conferences through CSDA.

2) State-wide Associations
   1. Member of the California State Sheriff’s Association (Over 30 Years)

3) Local government involvement
   1. Currently serving as a Director, previously served as Vice Chair and Chairman of the Board for East Valley Water District (5 Years)
   2. Currently serving as Vice Chair for the Advisory Committee on Water Policy for the San Bernardino Valley Municipal Water District (2 Years)
   3. Served on the Citizens Advisory Committee for the Review of the General Plan for the City of San Bernardino (2 Years)
   4. Served as a member, Vice Chair and Chairman of the Citizens Oversight Committee for the San Bernardino City Unified School District (12 Years)
   5. Served as a member and Chairman of the Citizens Oversight Committee for the San Bernardino Community College District (3 Years)
   6. Currently serving as a Board President for the Association of San Bernardino County Special Districts (2 Years)

4) Civic involvement
   1. Donated over 36 gallons of Blood to Life Stream Blood Bank in San Bernardino and Riverside Counties
   2. Member of the American Legion Post 421 in Highland, CA. (Over 35 Years)
   3. Conducted “mock” job interviews to seniors at Redlands Unified School District schools (3 Years)
   4. Served on the Planning and Allocations and Community Impact Cabinet committees for the Arrowhead United Way (15 Years)
   5. Served in the United States Army from August of 1966 until August of 1970, attaining the rank of Staff Sergeant. Served in the United States and The Federal Republic of Germany (4 Years)
   6. Served as a member and Chairman of the Ambassadors for the San Bernardino Area Chamber of Commerce (15 Years)
Dear Fellow CSDA Member:

Since joining the East Valley Water District Board in 2014, I have had the pleasure of being part of a world class organization. I firmly believe in the importance of transparent government and public service. With these foundational principles, I look forward to representing this region in a professional manner, as the Southern Network, Seat B, Board of Directors representative for the California Special Districts Association (CSDA).

I am a proud member of the California Special District's Association and currently sit on the Member Services Committee and the Professional Development Committee. I am committed to active civic engagement, where I was also an ambassador for the San Bernardino Area Chamber of Commerce; Chairman of the Citizens Oversight Committee for San Bernardino Community College District; Vice Chairman of Advisory Commission on Water Policy Board for San Bernardino Valley Municipal Water District; Budget Review Committee member for the San Bernardino City Unified School District; along with being a 36 gallon plus donor to Life Stream Blood Bank; served in the United Stated Army; and member of many other civic organizations.

I have had the opportunity to work with a number of organizations through my involvement with CSDA, and truly believe in the importance of sharing knowledge, experiences, and lessons learned. As a lifetime member of the CSDA Leadership Foundation, I have experienced the benefits of a strong peer network firsthand. With East Valley Water District recently receiving its Gold District of Distinction Accreditation, we look forward to continuing to be an active member in the valuable organization.

As a CSDA Director, I will bring that passion for good governance and public service. I look forward to conveying local issues for discussion on a broader level and working through the challenges and opportunities facing special districts in California.

Whether it is serving in the military, participation in local organization, or representing the residents East Valley Water District, I have taken great pride in being an active member of my community. I look forward to your consideration for allowing me the opportunity to serve on the board of our special district community.

Sincerely,

Ronald L. Coats
East Valley Water District Board Member
DATE: July 7, 2020

TO: Board of Directors

FROM: Heather Dyer, General Manager

SUBJECT: Assignment of Committee Duties by the Board President

The formation of several key committees was discussed at the May 14, 2020 Policy Workshop. In an effort to facilitate District negotiation on key issues, staff proposed the establishment or reestablishment of specific Committees to address upcoming topics of interest to the District. An Ad-Hoc Committee is different from a Standing Committee in that it only exists for a specific purpose and once that purpose or objective has been achieved, the Ad-Hoc Committee is dissolved.

Based on feedback from the Directors at the May Workshop, staff proposes the establishment of following Committees. The appropriate structure of the Legislative Committee(s) is still being considered at this time.

- **Ad-hoc Committee for the San Gorgonio Pass Water Agency and Yucaipa Valley Water District Cooperative Agreement.** In the past several months, Staff has been working with the General Managers of the Pass Agency and Yucaipa Valley Water District to resolve various issues related to long term water supply reliability and cost in that region. This ad-hoc committee would facilitate Board-level discussion amongst the agencies in order to come to agreement on how best to collaborate in the future.
• **Standing Committee - Forest Headwaters Resiliency Partnership.** This Committee would work with staff to facilitate conversations with the San Bernardino National Forest leadership in order to identify opportunities for Valley District to partner on forest management activities that protect and enhance the headwaters of our watershed.

**Fiscal Impact**
There is no fiscal impact related to the establishment of the Committees.

**Recommended Action**
Staff recommends the Board President appoint members to the two committees listed above.
DATE: July 7, 2020
TO: Board of Directors
FROM: Staff
SUBJECT: Summary of June 9, 2020 Board of Directors’ Workshop - Engineering

The Board of Directors held a Workshop on June 9, 2020. Director Kielhold chaired the meeting via video-conference and Directors Harrison, Navarro, Longville, and Hayes participated in the Workshop supported by Heather Dyer, Bob Tincher, Wen Huang, Cindy Saks, Melissa Zoba, Kristeen Farlow, Lillian Hernandez, and Mike Esquer of staff. The following agenda items were discussed:

3.1 Summary of Previous Meeting on May 12, 2020. The summary notes of the May 12, 2020, meeting were accepted.

4.1 Overview of Valley District’s Emergency Preparedness Planning. At a recent Board of Directors meeting, Director Navarro requested a presentation on the District’s emergency preparedness planning. At this workshop, staff provided an overview of Valley District’s emergency preparedness program and provided an update on its COVID-19 response.

Action Items: Director Navarro requested a list of the National Incident Management System (NIMS) courses that are recommended, but not required, for Board members and a hardcopy of the Valley District Emergency Operations Plan. Director Harrison requested that the PowerPoint be emailed to him and Director Navarro requested a hardcopy of the PowerPoint be sent to him by U.S. Mail.
Consider Purchase of State Water Project Turnout WR-23 to Use to Recharge the Colton and Riverside North Groundwater Basins. At a Board of Directors Workshop on October 9, 2018, staff outlined the options available to increase the groundwater level in the Colton and Riverside North Basins which fell below the 1969 Western-San Bernardino Judgment (Judgment) threshold for the first time in 2018. Due to the continuing dry conditions and somewhat increased groundwater production in these basins, the groundwater level remains below the threshold.

Valley District Staff have been working with the other member of the Watermaster, Western Municipal Water District (WMWD), to develop an action plan to restore groundwater levels. One of the actions on this plan is to utilize WMWD’s Turnout WR-23 (WR-23) to recharge State Water Project (SWP) water into the Colton and Riverside North basins. Staff recommended that the Board consider purchasing WR-23 from WMWD and Metropolitan Water District of Southern California (MWDSC) at a total estimated cost of about $553,000, including costs to integrate the turnout into the Valley District and Department of Water Resources systems. This transaction also requires a joint agreement with the Department of Water Resources (DWR) and MWDSC to formally notify DWR that ownership of the turnout has changed to Valley District and to outline the procedure for MWDSC to use the turnout in the future. Those board members in attendance asked that this item be forwarded to an upcoming Board meeting for consideration.

Action Item: Forward to the Board for consideration.

5.1 Consider Santa Ana River Recharge Modeling and Testing with Geoscience. Subsequent to the favorable consideration by the Board of Directors on the previous item for purchase of a State Water Project (SWP) Turnout, WR-23, Staff presented a proposed scope of services for groundwater modeling and recharge testing in the Santa Ana River using SWP water from WR-23. This scope is an initial step in response to the average groundwater levels in the three index wells in Colton and Riverside North Basins falling below the threshold of 822.04 feet amsl (above mean sea level). This compliance point was established in the 1969 Western Judgment to protect downstream agencies from deleterious impacts of the settlement. The annual monitoring of the index wells conducted in November 2018 and November 2019, respectively, revealed that the average water levels were below the threshold for two years in a row, which requires action on the part of Valley District.
At the conclusion of the discussion, the Board of Directors asked that this item be forwarded to the full Board for consideration.

**Action Item(s):** Forward this item to the full Board for consideration.

### 5.2 Consider Lease Agreement for AT&T Cellular to Construct and Operate a Cellular Communications Tower.

Staff provided background information for a proposed telecommunications site lease agreement with New Cingular Wireless PCS, LLC, (AT&T Mobility Corporation) for the installation, operation and maintenance of a cellular communication tower located on Valley District’s properties (Assessor’s Parcel Numbers 0168-351-10 & 0168-351-11) in Redlands, California at the Tate Pump Station site. The Telecommunications Site Lease Agreement drafted by District House Counsel and accepted by the attorney for AT&T was presented for consideration by the Board of Directors. Among other things, the initial term of the lease is five (5) years with a lease amount of $2,500 per month. The lease may be automatically renewed every five years, up to four (4) times, with a 15% rate increase to the monthly lease.

At the conclusion of the discussion, the Board of Directors asked that this item be forwarded to the full Board for consideration.

**Action Item(s):** Forward this item to the full Board for consideration.

### 5.3 Consider Fourth Joint Facilities Agreement with San Gorgonio Pass Water Agency.

Staff provided a brief history of pipeline capacity rights agreements with the San Gorgonio Pass Water Agency (SGPWA) and presented the proposed Fourth Joint Facilities Agreement with the purchase price and terms of capacity in certain facilities that were contemplated in the Third Joint Facilities Agreement. A few key deal points include the SGPWA purchasing a 32 cubic feet per second in the Foothill Pipeline and the District purchasing back SGPWA’s unused capacity in other local facilities in anticipation of the Enhanced Recharge and the Bunker Hill Conjunctive Use Projects.

At the conclusion of the discussion, the Board of Directors asked that this item be forwarded to the full Board for consideration.
Action Item(s): Forward this item to the full Board for consideration.

6. Director Requests for Consideration:

The Board of Directors asked a proclamation be drafted and presented at the next Board of Directors’ meeting in recognition and appreciation of the service of Jeff Davis, General Manager of the San Gorgonio Pass Water Agency, who plans to retire at the end of June 2020.

Staff Recommendation

Receive and File
DATE: July 7, 2020

TO: Board of Directors

FROM: Staff

SUBJECT: Summary of June 11, 2020 Board of Directors Workshop - Policy

The Policy Workshop convened on June 11, 2020, via Zoom teleconference. Director Longville chaired the meeting; President Harrison and Directors Hayes, Kielhold, and Navarro participated in the Workshop. Heather Dyer, Cindy Saks, Bob Tincher, Kristeen Farlow, and Melissa Zoba, of staff, participated in the workshop; Richard Babbe from PFM Management was on the call for a presentation; Rachel McGuire with RMG Communications was on the call for a presentation.

3. Summary of Previous Meeting

The meeting notes from the May 4, 2020, Board of Directors Workshop – Policy were reviewed. Director Longville inquired about the status of the press release related to Ms. Dyers drought presentation. Staff advised that this press release was in the works, and the presentation is currently available on the District website. There were no additions or changes to the meeting minutes.

4.1 PFM Asset Management Market Update

Staff introduced the District’s financial advisor Richard Babbe from PFM Asset Management who reviewed the quarterly investment portfolio activity. Richard reported on current interest rates, earnings and trends, current diversity of the District’s portfolio and trades made during the quarter. The report was informational only.

Action Item(s): None
5.1 Consider Continuing On-Call Grant Support Services

Staff recommended continuing the on-call services contract with Kennedy Jenks Consultants for another $100,000. Those Board members in attendance asked that this item be placed on an upcoming Board of Directors agenda for consideration.

**Action Item(s):** Staff will place this item on an upcoming Board of Directors agenda for consideration

5.2 Consider Agreement Terms for the City of Yucaipa Stormwater Recharge Basins

Staff provided the Board of Directors with a presentation that outlined the proposed funding approach for the City of Yucaipa Fremont Low Water Crossing and Wilson III Phase I basins projects. The presentation included the background of recent project activity, proposed funding approach on stormwater projects that would be eligible under the Local Resource Investment Program, and the proposed funding approach for the Wilson III Phase I basin project. Those Board members in attendance requested staff work with in-house counsel to draft agreements with the City of Yucaipa for these projects and that the draft agreements be placed on an upcoming Board of Directors agenda for consideration.

**Action Item(s):** Staff will work with in-house counsel to draft legal agreements and place this item on an upcoming Board of Directors agenda for consideration.

5.3 Discuss Legislative Program Update

Staff presented the Board of Directors with a State and Federal Legislative Update.

**Action Item(s):** None

5.4 Discuss Water Use Efficiency and Education Update

Staff presented the Board of Directors with an update on the District’s Water Use Efficiency and Education Program. There have not been any changes in the water use efficiency reimbursement program since last month. Staff anticipates receiving all end-of-year requests for reimbursement in time for the July Policy Workshop and will provide a more robust update at that time.

**Action Item(s):** None

5.5 Update on the Social Media Program

Staff and the social media consultant, Rachel McGuire from RMG Communications, presented the Board of Directors with an update on the District’s social media program. Over the last 12 months, RMG Communications has been posting on Facebook and Twitter
2-3 times per week on the District’s behalf. This has led to an overall increase in likes, views, followers, and impressions. Of particular on Twitter is Valley District being “mentioned” by other entities, including the State Water Contractors, Western Municipal Water District, and the Delta Stewardship Council. Since July 2019, the District has increased our Facebook page likes to 267; we have 213 total posts equaling 108,040 impressions. On Twitter we have 189 total Tweets over the last 12 months, with 86,447 post impressions and 44 mentions.

**Action Item(s): None**

### 5.6 Presentation of “Schools and Communities First” Initiative

Staff presented the Board of Directors with information on the Schools and Communities First Initiative that will be on the ballot in November 2020. Staff provided historical data on Prop 13, impacts of the Schools and Communities First Initiative also known as the Split Roll and fiscal impacts to Valley District. The presentation was informational only.

**Action Item(s): None**

### 6.1 Directors Request(s) for Consideration

Director Hayes requested the board consider staff time to prepare a presentation to review the District’s ad valorem tax and water rate policies.

**Action Item(s):** Staff was directed to prepare a presentation for discussion at a future workshop.

### 7. Adjournment

**Staff Recommendation**

Receive and file.
DATE: July 7, 2020

TO: Board of Directors

SUBJECT: List of Announcements

A. July 9, 2020 - Board of Directors’ Workshop – Policy, 2:00 p.m. by teleconference
B. July 14, 2020 - Board of Directors’ Workshop – Engineering, 2:00 p.m. by teleconference
C. July 16, 2020, Advisory Commission on Water Policy, 6:30 p.m. by teleconference
D. July 21, 2020 – SAWPA Commission Meeting, 9:30 a.m. by teleconference
E. July 21, 2020 – Regular Board Meeting, 2:00 p.m. by teleconference
F. July 22, 2020 – Board of Directors’ Workshop – Debt Service Fund Budget, 2:00 p.m. by teleconference