



**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. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The San Bernardino Valley Municipal Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. 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.

**BOARD OF DIRECTORS WORKSHOP - ENGINEERING
TUESDAY, NOVEMBER 9, 2021 – 2:00 P.M.**

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the November 9, 2021, 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: 753 841 573
PASSCODE: 3802020**

<https://sbvmwd.zoom.us/j/753841573>

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, November 8, 2021. All public comments will be provided to the Chair 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. Online participants MUST log in with a Zoom account. The Zoom app is a free download. 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; there is no way to protect your privacy if you elect to call in to the meeting.



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

BOARD OF DIRECTORS WORKSHOP - ENGINEERING

AGENDA

2:00 PM Tuesday, November 9, 2021

CALL TO ORDER

Chairperson: Director Harrison

Vice-Chair: Director Hayes

1) INTRODUCTIONS

2) PUBLIC COMMENT

Any person may address the Board on matters within its jurisdiction.

3) SUMMARY OF PREVIOUS MEETING

3.1 October 12, 2021, Meeting (Page 3)

[Summary Notes BOD Workshop - Engineering 101221](#)

4) PRESENTATION

4.1 Presentation - Update on Improvements to WR-23 and Findings of Riverside North Basin Recharge Modeling (Page 14)

[Staff Memo - Presentation - Update on Improvements to WR-23 and Findings of Riverside North Basin Recharge Modeling](#)

[Locations of WR-23 Turnout and the three Index Wells](#)

[Historic individual and average groundwater levels for the Index Wells](#)

5) DISCUSSION ITEMS

5.1 Consider Continued Participation in the Sites Reservoir Project by Executing the Third Amendment to the 2019 Reservoir Project Agreement (Page 19)

[Staff Memo - Consider Continued Participation in the Sites Reservoir Project by Executing the Third Amendment to the 2019 Reservoir Project Agreement](#)

[Third Amendment to 2019 Reservoir Project Agreement by and among Sites Project](#)

[Authority and the Project Agreement Members Listed Herein, Dated as of January 1, 2022](#)

Sites Project Authority Work Plan from January 2022 through December 2024

- 5.2 Update on Grant Application to the Wildlife Conservation Board's Riparian Habitat Conservation Program (Page 48)
File
[Staff Memo - Update on Grant Application to the Wildlife Conservation Board's Riparian Habitat Conservation Program](#)
- 5.3 Consider Resolution No. 1134 and 1135 Authorizing Staff to Submit Two Grant Applications to the Department of Water Resources Urban and Multi-Benefit Drought Relief Grant Program (Page 50)
[Staff Memo - Consider Resolution No. 1134 and 1135 Authorizing Staff to Submit Two Grant Applications to the Department of Water Resources Urban and Multi-Benefit Drought Relief Grant Program](#)
[Resolution No. 1134](#)
[Resolution No. 1135](#)
- 5.4 Select the District's ACWA Voting Representative to Cast the District's Ballot for the ACWA Election (Page 55)
[Staff Memo - Select the District's ACWA Voting Representative to Cast the District's Ballot for the ACWA Election](#)
[Voter Designation and Information Form](#)
[Consent to Electronic Transmissions](#)
[About the Candidates](#)
[Membership Meeting and Election Procedures](#)

6) **FUTURE BUSINESS**

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.sbvmd.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 Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.



DATE: November 9, 2021

TO: Board of Directors Workshop – Engineering

FROM: Staff

SUBJECT: Summary of October 12, 2021, Board of Directors Workshop – Engineering

The Engineering Workshop convened on October 12, 2021, via Zoom video teleconference. Director Harrison chaired the meeting.

Directors Present: President Kielhold, Vice President Hayes, Director Botello, Director Harrison, and Director Longville.

Staff Present:

Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Wen Huang, PE, MS – Deputy General Manager/Chief Engineer
Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
Cindy Saks, CPA – Deputy General Manager/Chief Financial Officer
Bob Tincher, PE, MS – Deputy General Manager/Chief Water Resources Officer
Melissa Zoba, MBA, MPA – Chief Information Officer

Dan Borrell – Geospatial Services Manager
Michael Esquer – Senior Project Manager
Anthony Flordelis – Business Systems Analyst
Matthew Howard, MS – Water Resources Senior Planner
Aaron Jones, EIT – Associate Engineer
Chris Jones, MESM – Preserve System Program Manager
Adekunle Ojo, MPA – Water Resources Manager
Shavonne Turner, MPA – Water Conservation Program Manager
Scott Heil, Varner Brandt

Members of the Public Present:

Melody McDonald, San Bernardino Valley Water Conservation District
Jennifer Ares, Yucaipa Valley Water District

Lonni Granlund, Yucaipa Valley Water District
Madeline Blua, Yucaipa Valley Water District
Nyles O’Harra, Yucaipa Valley Water District
Fermin Preciado, City of Yucaipa

2. Public Comment

Director Harrison invited public comment. There was none.

3. Summary of Previous Meeting

The meeting notes from the September 14, 2021, Board of Directors Workshop – Engineering were accepted.

4.1 Consider Resolution No. 1130 Authorizing Prequalification of Bidders for Public Works Contracts

Deputy General Manager/Chief Engineer Wen Huang provided background regarding the competitive bidding process. Staff prepares the contractual document, advertises the project and will recommend the lowest responsible bid to the Board, Mr. Huang explained. He requested the Board consider adding a pre-qualification process.

Preferred bidders would be familiar with the Endangered Species Act, migratory birds guidelines and more, Mr. Huang noted. Staff collaborated with legal counsel to develop the process being presented to the Board, he noted. Once adopted by the Board and established, this process can be used for future projects. Mr. Huang detailed the procedure to tailor the prequalification package to individual projects.

Director Harrison indicated support and asked about categories of prequalification. Mr. Huang clarified for Vice President Hayes that whoever meets the minimum requirements will be invited to the competitive bidding process.

Chief Executive Officer / General Manager Heather Dyer further explained the pre-qualification provides a list of all qualified to do the work; in this case, habitat restoration. Once qualified, those on the prequalified list submit bids and the District accepts the lowest bidder, she said.

Director Longville indicated that the prequalification package was well done.

Director Botello noted the process does not award points for local preference and suggested this be addressed. He pointed out there are often transferable skills that do not translate well, such as military experience, and asked how staff would guard against exclusion. He also asked what precipitated the prequalification process. Mr. Huang explained a problem was anticipated with potentially receiving bids for this work from contractors who do only basic mass grading and have no experience with the sensitive nature of the habitat environment. Mr. Huang assured Director Botello that the lowest bidder would be awarded the contract for most engineering and construction projects.

Director Harrison suggested this is a way to save time on technical projects. Ms. Dyer explained this issue arises because of the restoration of four streams with success criteria to be met in perpetuity and the work must be done correctly. She cited grading, compacting, creating sub-strata for fish, and planting as key for a restoration that will survive over time. Consequently, contractors and subcontractors who understand long-term restoration ecology are needed, she concluded.

Senior Project Manager Michael Esquer offered examples of recent work to demonstrate the need for the prequalification process.

Director Botello recommended Valley District ensure minority-owned and local preference businesses are included in the bidding process.

Action Item(s): The Board directed staff to move forward Resolution No. 1130 Authorizing Prequalification of Bidders for Public Works Contracts to the next Board of Directors meeting for consideration.

4.2 Consider Financial Participation in the City of Yucaipa Wilson III Phase 1 Basin to Increase Stormwater Capture in the Yucaipa Basin

Deputy General Manager / Chief Water Resources Officer Bob Tincher reminded the Board that Valley District is requested to consider investment of about \$1.8 million

toward the construction of the Project. The Board had requested during the last workshop presentation of this item to produce a process that is more consistent with the Local Resources Investment Program (LRIP). Counsel Scott Heil helped develop this agreement, he said.

Investing in stormwater capture and utilizing this local resource is one of the goals in the Integrated Regional Urban Water Management Plan (IRUWMP). He listed the District's partnership with San Bernardino County Flood Control District (Flood Control), the San Bernardino Valley Water Conservation District (SBVWCD), and the City of Yucaipa's Wildwood Basins.

The LRIP provides seed money for an agency over the first 20 years, he explained, but the benefits continue beyond 20 years. The payment is the avoided cost of imported State Water Project water, he noted.

The original LRIP agreement was written for recycled water projects, Mr. Tincher explained. District Counsel helped define a performance requirement in terms of the volume of water purchased, he explained, then the participant proves to the Board over time that the volume has been delivered; this would ensure that water was received for the investment. This is a one-time agreement for this project, he maintained.

Mr. Tincher provided detail on the project. Yucaipa basins benefit the City in terms of flood control, he said, but this approach is from the recharge standpoint. As investments are made in these types of projects, an incentive for retailers or cities within the service area to participate is created, thereby increasing stormwater capture.

The Wilson Basins are currently under construction, Mr. Tincher, continued, with the goal to detain stormflows to prevent downstream flooding. The District will assure the basins remain unlined to get the recharge benefit, he stated.

Chair Harrison inquired whether the site is part of the large housing project currently under construction on Oak Glen Road. Mr. Fermin Preciado with the City of Yucaipa

responded that it is part of the Oak Glen Creek Specific Plan which includes the basin, Wilson Creek, and the residential development. Tincher shared an engineering drawing of the project and highlighted the recharge areas.

This project is estimated to capture and recharge about 700 acre-feet (af) of stormwater per year at a total cost of about \$7 million, Mr. Tincher advised. Valley District's requested investment is around \$1.8 million. Under LRIP, the Board is paying the avoided cost of not having to bring in a like amount of State Project Water (SPW) at a current cost of \$179 per af. The total investment of \$1.8 million results in a volume requirement of 10,300 af, but the benefits continue beyond that amount, he explained.

Mr. Tincher described the mechanisms of the agreement and explained the cumulative recharge will continue to climb until it reaches the performance requirement, at which time the City will submit a final confirmation report to the District and the last five percent payment would be made, he stated. He noted five percent is the typical holdback in a construction project. He briefly explained the measuring and monitoring program map.

Mr. Tincher noted the request is for investment of up to \$1.8 million in through the LRIP style one-time agreement and to consider paying a 25 percent share of the monitoring equipment cost not to exceed \$30,000.

In response to Chair Harrison, Mr. Tincher elaborated on the locations of recharge channels, berms, and ponds. Mr. Preciado added that some concrete and rock structures are being proposed for further retention.

Director Botello pointed out that necessary basin maintenance is the City's responsibility; Mr. Preciado confirmed. He indicated support for the investment and commented on the innovative partnership.

Chair Harrison asked where monitoring equipment will be placed. Mr. Tincher and Mr. Preciado responded in detail provided assurance.

Director Longville accepted a cost of 25 percent of the monitoring equipment with a cap of 30 percent.

Mr. Tincher assured Ms. Lonni Granlund that 10,300 af will be reached at some point and the remaining five percent would be paid. The monitoring program is to provide assurance that the investment produced water, he said. Monitoring had not been done before the existence of LRIP, but the Board now wants to see how much water they are buying, Mr. Tincher explained. Mr. Tincher further responded that groundwater well levels can be examined to prove that the water went into the ground.

Ms. Dyer explained that future projects will go through the LRIP program. Previous projects were wastewater projects where recharge could be measured, but this is the first one to incorporate a stormwater capture project into the LRIP program. She noted the importance of establishing the requirement for monitoring. This is a good, innovative, transitional project, Ms. Dyer stressed, which is hoped will be an example for other potential partners to enhance and promote recharge.

Director Longville pointed out extreme weather is predicted to worsen, and stormwater capture performance is important. She cited incidents in which poorly designed projects have been sold to agencies and did not perform. Monitoring is essential, she said.

Chair Harrison stated this is a large, significant project, and invited public comment. There was none.

Action Item(s): The Board directed staff to move this item forward.

4.3 Consider Electrical Design for Central Feeder and East Branch Extension Intertie Project

Associate Engineer Aaron Jones described the location of the Inland Feeder San Bernardino / Opal Intertie in Mentone and the 78" Central Feeder pipeline along San Bernardino Avenue. Staff seeks to make an intertie with the Mentone South Pipeline, the East Branch Extension II Pipeline (EBX), and the Citrus Reservoir. This is planned to be a bi-directional flow facility pumping groundwater from the San Bernardino Basin area from the west to the Citrus Reservoir and farther east, he said. It is also planned to move

State Water Project (SWP) water from the EBX down into the San Bernardino Basin area and would function as part of the Bunker Hill Conjunctive Use Program (BHCUP).

Mr. Jones further detailed the connections on the plan sheet and advised that structural plans are nearly complete. The electrical design must now be completed and the lowest bid of \$40,000 came from EETS, who did the electrical design for the hydro plant at Waterman, he said.

In response to Chair Harrison, the lines were further identified on the map.

Director Longville inquired about capturing design costs through the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP). Ms. Dyer replied it was not possible, but Mr. Huang pointed out that \$750,000 in grant funding was received through the Bureau of Reclamation for this project.

Action Item(s): The Board directed staff to move the proposal from EETS Inc. for \$40,870 to a future regular Board of Directors meeting for consideration of approval.

4.4 Discussion of 2020 Census Results for District Service Area

CEO / General Manager Dyer referenced past practices and advised that District Counsel has been consulted regarding moving forward.

Chief Information Officer Melissa Zoba explained due to COVID-19, the U.S. Census 2020 data was not released in April but in August. She drew attention to the chart of Census statistics compiled by Geospatial Services Manager Dan Borrell and pointed out the deviations between each of the director divisions and past population. Overall, there was an increase of just over 48,000 from the 2010 Census, and total population is now a little over 709,704, she advised, and the target population for each division is now 141,941, she said.

Ms. Zoba noted the largest increase was in Division 3, and the smallest increase was in Division 2, which will determine how recommendations are made moving forward. The target deviation shows where population must be added or decreased per division if redistricting were to move forward, she said, and provided a table illustrating how the divisions might be equalized.

California Elections Code (EC) Section 22000 requires each Special District to adjust division boundaries after each decennial census, Ms. Zoba continued. As far as practical, boundaries are adjusted based on topography, geography, cohesiveness, and communities of interests in the divisions, she explained.

Ms. Zoba stated the recommendation is to get some direction from the Board to Staff regarding redistricting based on the results of the 2020 Census.

If there were to be redistricting, a consultant could be hired or the District's GIS Department would move forward, Ms. Zoba said. There are certain statutory requirements, some case law, and some Federal citations to be considered when making a decision on moving forward, she cautioned.

Counsel Scott Heil confirmed redistricting per EC 22000 is required under the Municipal Water District Act. The goal, as far as is practicable, is to make each division equal in population, he explained. However, he added, the legislature and the courts have allowed for certain other factors to be considered in deciding whether to re-balance. The Board could also determine the current balancing is sufficient, or meets the requirements under the EC, he said.

Some technical difficulties arose at 3:16 p.m. and the Board recessed before commencing online at 3:22 p.m.

Mr. Heil provided a brief overview of related court cases and explained a popular rule-of-thumb is that if there is less than a ten percent variation between the lowest and highest divisions there is no need to justify the differential between divisions; the fact that divisions are not mathematically balanced becomes irrelevant. He advised the Board that rule-of-thumb overstates the situation. Although mathematical precision is not necessary, there are factors to be considered in deciding whether there is a violation of the requirement for redistricting, he advised.

The Board should be trying to balance population as far as is practicable, Mr. Heil stated. Ideally there would be zero variation with exactly 1/5 of the District's population in each

division. However, there are various factors that can be considered that would allow some variation, but the closer it is, the more defensible it will be, he concluded.

In response to Chair Harrison, Mr. Heil clarified that the current percentage deviation between lowest and highest to be considered by the Board is about 12 percent.

Director Longville pointed out some geographic areas within the Southern California Association of Governments (SCAG) region were undercounted due to COVID or staffing issues. She agreed adjustments should be made, and she would support engagement of a consultant but opined the changes are small and would not require a lot of deep analysis.

Vice President Hayes noted her division is closest to its goal number and suggested the biggest problem is that Division IV is so low. Given the 12 percent deviation, she said it is important that redistricting be done, but opined that it would not be simple, as all divisions would be affected. She said that although staff could do the work, there would be less tension among Board members if a consultant were hired.

Mr. Heil advised most districts hire consultants to ensure the other factors are considered, so as not to invite a future challenge, he stated, and advised careful consideration.

Director Botello said he agreed with legal counsel and opined that hiring a consultant would allow an objective and thorough process.

Director Longville pointed out this is both a data question and a question of governance. A consultant does not know the communities and the Board must stay engaged, she stated. Director Harrison agreed.

Vice President Hayes pointed out a recent example of West Valley Water District undergoing re-districting and agreed there must be Board involvement. She noted that their consultant advised that they must be certain not to override the will of the people who elected the Board members, and lines were drawn to assure that elected Board members remained in their divisions. She suggested a consultant be hired and that the Board look at their recommendations and remain engaged by sharing Board concerns with them.

Chair Harrison was not opposed to a consultant, Director Longville suggested discussion of communities of interest and providing the consultant direction in advance. President

Kielhold supported hiring a consultant and highlighted one of the advantages to a consultant is the element of objectivity. Director Botello agreed with the concepts of consultant objectivity and expertise, and with the proposal to advise them of Board expectations.

Ms. Dyer commented she views the process as a scientific exercise about data and a mathematical exercise to get as close to the standard as possible. She expressed concern about the defensibility of the outcome and said a consultant would be helpful. She suggested focus on objectivity, defensibility, and the best product.

Director Longville pointed to the factors listed in the EC and stated the process is a blend of both mathematical and social sciences. Board members were elected by those communities to use their judgment to serve the public, she said.

Counsel Heil clarified that balancing population is the overriding goal, but is not the only goal, as Director Longville pointed out. There are multiple ways to achieve the 142,000 within boundary lines, but there is more of an art to balancing and preserving identifiable communities of interest and other factors, he said. He referenced a 2015 Supreme Court case which made clear that the population is the Constitutional mandate but there are still other factors.

What a quality consultant will avoid, Mr. Heil said, is inadvertently carving up a community of interest. A consultant will gather input from the District and all five directors regarding their views on logical boundaries having to do with communities and population centers, and take that into account, he advised.

Vice President Hayes suggested two options and proposed that the Board be proactive rather than being reactive. She said staff could help the consultant prepare some stimulus questions to garner input from each Board member. The consultant can produce a plan that the Board will then dissect, she offered.

Chair Harrison requested that CEO / General Manager Dyer research and make a recommendation. Mr. Heil indicated willingness to work with staff as desired.

Director Botello requested Ms. Dyer introduce her recommended consultant to the Board at a workshop before Board members provide their input.

Vice President Hayes reminded the Board that the deadline for Board approval of the division boundary maps is April 17.

In response to President Kielhold's inquiry, Ms. Dyer stated the usual procedure is to issue a request for proposals or to find trusted entities to ask for multiple proposals, interview them and make a recommendation to the Board.

Action Item(s):

The Board directed staff to move forward with Ms. Dyer's recommended procedure.

5. Future Business

None added.

6. Adjournment.

Staff Recommendation

Receive and File



DATE: November 9, 2021

TO: Board of Directors' Workshop - Engineering

FROM: Wen Huang, Deputy General Manager/Chief Engineer

SUBJECT: Presentation - Update on Improvements to WR-23 and Findings of Riverside North Basin Recharge Modeling

In response to the average groundwater levels in the three index wells in Colton and Riverside North Basins falling below the Western- San Bernardino Judgment's threshold of 822.04 feet amsl (above mean sea level), at the meeting on June 16, 2020, the Board of Directors approved the purchase of State Water Project (SWP) Turnout WR-23 and a scope of services by Geoscience for groundwater modeling and recharge testing in the Santa Ana River using SWP water from WR-23. Since then, staff has been making progress on both fronts. At the workshop, a joint presentation will be given by staff and Geoscience for an update on the improvements to WR-23 and the groundwater modeling efforts.

Background:

As required by the terms of the 1969 Western Judgment, Valley District Staff working in collaboration with Western Municipal Water District (WMWD) Staff, among other things, monitor the groundwater levels in the three index wells in the Colton and Riverside Basins. Due to extended drought and somewhat increased groundwater production, the average groundwater levels in the index wells have been declining over the last 15 years. The recent annual monitoring events revealed that the average water levels in the index wells were 10.88 feet below the Judgment threshold of 822.04 feet above mean sea level (amsl) in 2018, 5.94 feet below in 2019, and 6.98 feet below in 2020, respectively, which were the lowest levels recorded since the Judgment was signed in 1969. The three index wells consist of Johnson No. 1, Flume No. 2, and

Flume No. 5. The locations of the wells are shown on the attached map. Additionally, the historic individual and average groundwater levels of the wells are attached.

When the average water level falls below the threshold, a provision in the Judgment allows extractions by the Riverside entities from the Colton Basin and North Riverside Basins to be transferred to the San Bernardino Basin Area (SBBA) but only to the extent necessary to restore the water level. Valley District is required to replenish the SBBA in the amount equal to any extractions that are transferred.

Additionally, Staff have been investigating options of recharging water in the index well area, which is along the Santa Ana River in south Colton, to maintain the water level. The most feasible source of recharge water is SWP water from a turnout, WR-23, off the Santa Ana Valley Pipeline, of which Valley District owns 25 cubic feet per second (cfs) capacity. Following Board's approval on June 16, 2020 to purchase WR-23 from WMWD and MWDSC, Staff has been working with California Department of Water Resources on improvements to and reactivation of this turnout and the San Bernardino County Flood Control District on obtaining an easement to accommodate the facilities.

Furthermore, in anticipation of using WR-23 as the discharge location of SWP water into the Santa Ana River for recharge, Staff also proposed to conduct a series of groundwater modeling exercises using the newly calibrated Santa Ana River Integrated Model to identify optimal flow rates and anticipated responses in the index wells in advance of conducting actual recharge tests. Following the Board of Director's approval of the service agreement, Geoscience has since completed the modeling exercises and will present the findings at the Workshop. The modeling was developed and conducted collaboratively with staff of Riverside Entities.

It is currently projected that the improvements to WR-23 will be completed in July 2022. Subject to SWP availability, Staff proposes to conduct associated recharge tests based on the findings of the modeling following the completion of the improvements.

Fiscal Impact:

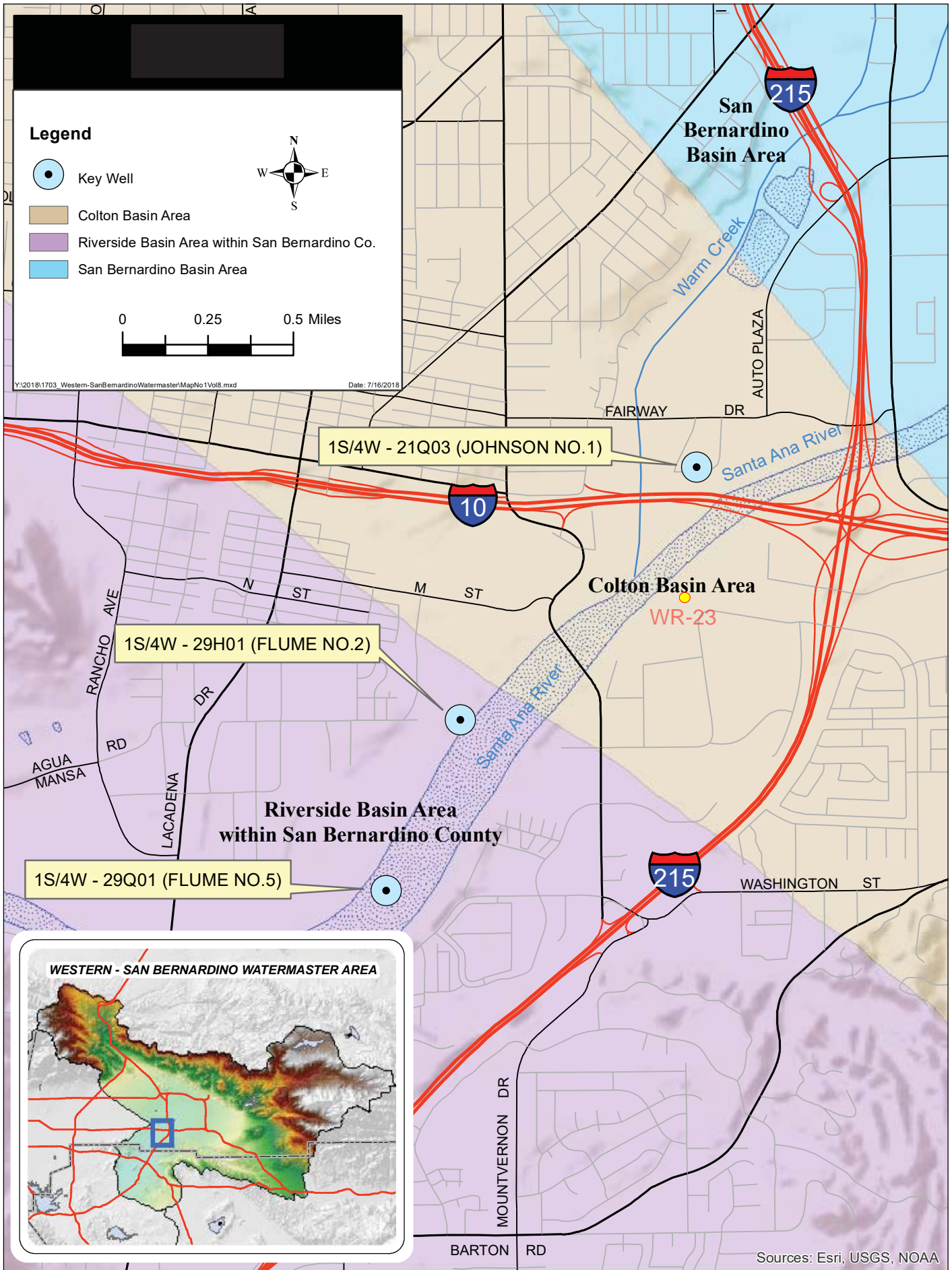
The actual fiscal impact will be depending on the quantity of SWP releases for the testing from WR-23 once all improvements are complete and approved by DWR.

Staff Recommendation:

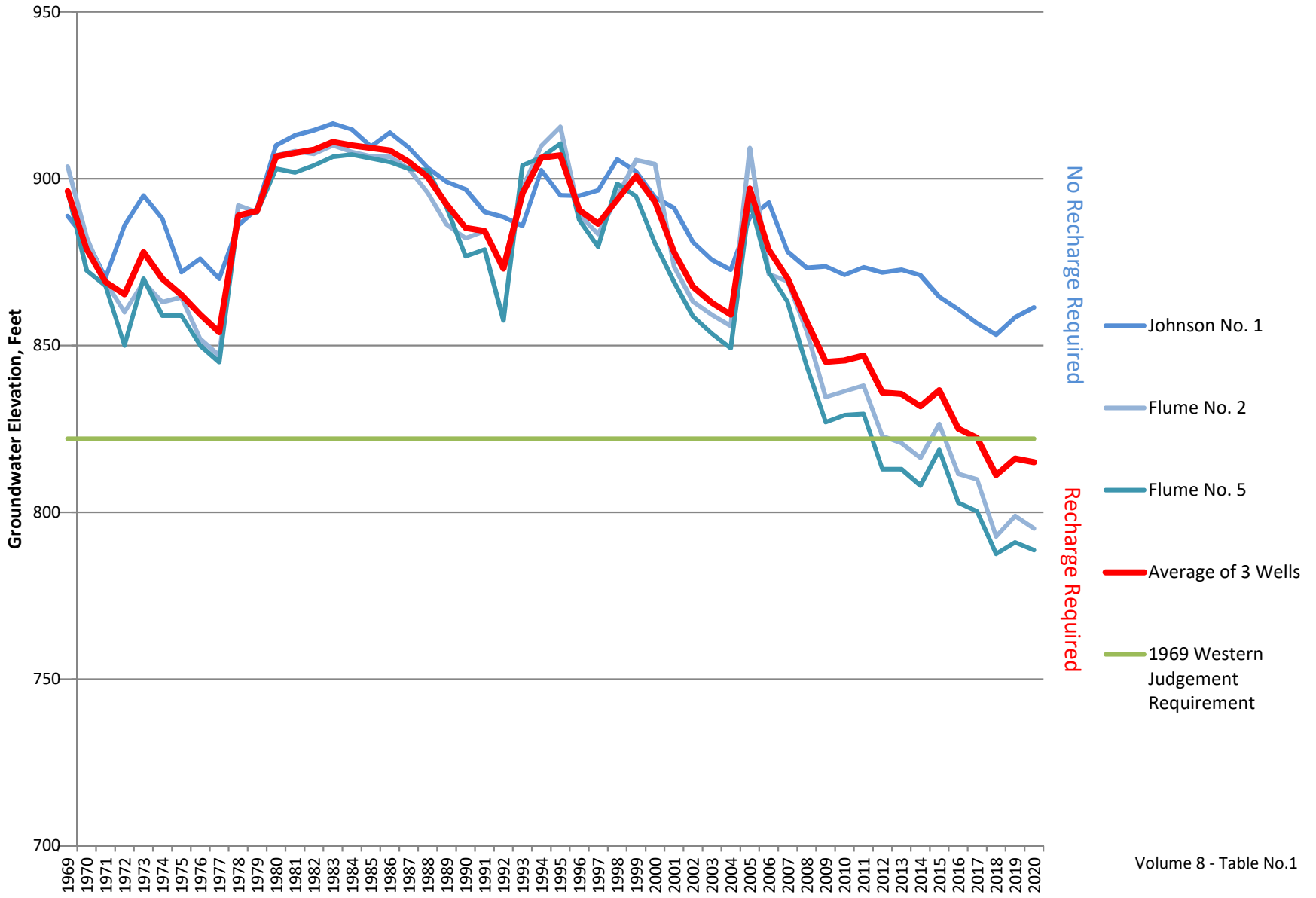
Receive and File.

Attachments:

1. Locations of WR-23 Turnout and the three Index Wells
2. Historic individual and average groundwater levels for the Index Wells



Colton and Riverside Basin Areas: San Bernardino Entities



Volume 8 - Table No.1



DATE: November 9, 2021

TO: Board of Directors Workshop - Engineering

FROM: Bob Tincher, Chief Water Resources Officer/Deputy General Manager

SUBJECT: Consider Continued Participation in the Sites Reservoir Project by Executing the Third Amendment to the 2019 Reservoir Project Agreement

Staff is recommending continued participation in the Sites Reservoir Project (Sites) at a participation level of 21,400 acre-feet per year and 133,408 acre-feet of “upstream” storage by approving the Third Amendment to the 2019 Sites Reservoir Project Agreement (Amendment) which covers work from January 1, 2022 to December 31, 2024 and will generally complete the planning and permitting for the project at a total cost of \$8,560,000 to Valley District. The Amendment also lists Valley District’s Primary Representative (Bob Tincher) and Alternate Representative (Heather Dyer), which were previously designated by the Board. Once constructed, Sites is estimated to restore an average of 12,000 to 16,000 acre-feet of the imported water previously lost to Valley District due to environmental constraints on the State Water Project. Valley District special legal counsel, Downey Brand, has reviewed this amendment and approved it as to form.

Background:

As a result of a series of flow restrictions intended to protect endangered species in the Sacramento - San Joaquin Delta, the average water delivery for the State Water Project has been reduced by approximately 20% (20,000 acre-feet 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) and Sites Reservoir Project. These two projects are estimated to provide Valley District with enough supply to essentially restore the water lost due to environmental restrictions. Not only will these supplies benefit the Valley District service area but they will also provide supply to the Santa Ana River

Conservation and Conjunctive Use Project (SARCCUP). In addition, the storage and water supply helps Valley District mitigate any potential risks of further cutbacks on the State Water Project and other uncertainties, like climate change.

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 originally envisioned as an off-stream reservoir with 1.3 to 1.8 million acre-feet of storage capacity that would be filled from diversions off the Sacramento River.

The Valley District Board initially decided to participate in Phase 1 of the Project for 30,000 acre-feet with 15,000 AF for Valley District and the remaining 15,000 AF being provided for Santa Ana River Watershed (Watershed) projects like the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP). Subsequently, the SARCCUP agencies informally chose not to participate in the remaining 15,000 AF so the Board reduced Valley District's total participation amount to its Sites "Class 1" water amount, or 21,400 acre-feet per year.

A value planning study evaluated the size of the reservoir based upon the number of participants and the need for certain project features. This resulted in a "right sized" project at 1.5 million acre-feet which is currently estimated to cost about \$3.93 billion. Valley District's portion of the total construction cost is about \$374 million (assuming cash financing). The current estimated cost per acre foot from the Project is about \$625 delivered north of the Delta. After considering Delta losses and power costs to deliver to Valley District, the total, cost could be between \$800 and \$1,000. This cost is considered very reasonable for a new water supply in the State of California. What makes the Sites water cost reasonable is that it utilizes Valley District's previous investment in SWP facilities to deliver the water. To the State Water Contractor participants, the Sites Reservoir project is an extension of the SWP. It is also worth noting that the Sites Reservoir Project complements the Delta Conveyance Project (Delta Conveyance) by providing more water in dry and critically dry years while Delta Conveyance provides more water in wet years. If the Sites Reservoir was in place this year, Valley District would have received between 30,000 and 42,000 acre-feet of water, enough to meet our direct delivery needs and provide water for recharge.

Fiscal Impact:

The costs under this agreement would be billed in three installments: \$2,140,000 in May 2022, \$2,996,000 in January 2023 and \$3,424,000 in January 2024. The first installment due in May 2022 was included in the 2021-22 State Water Project budget.

Staff Recommendation:

Forward this item to a regular Board of Directors meeting for consideration.

Attachments:

1. Third Amendment to 2019 Reservoir Project Agreement by and among Sites Project Authority and the Project Agreement Members Listed Herein, Dated as of January 1, 2022
2. Sites Project Authority Work Plan from January 2022 through December 2024

THIRD AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of January 1, 2022

THIS THIRD AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT (this “Third Amendment”), dated as of January 1, 2022, 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”) 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 by the Second Amendment to 2019 Reservoir Project Agreement dated as of July 1, 2020 (the “Second Amendment” and, together with the Original Agreement, the First Amendment and the Second Amendment, 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 3 Work Plan and to extend the term of the Agreement to December 31, 2024; 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, except as provided below in Section 2.07 below, 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 Third 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 Third Amendment;

NOW, THEREFORE, THIS THIRD 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 January 1, 2022, Exhibit A to the Agreement titled “Project Agreement Members” shall be removed and replaced with Exhibit A to this Third Amendment titled “Project Agreement Members.”

Section 2.02. Work Plan.

(a) Effective January 1, 2022, the Amendment 2 Work Plan attached as Exhibit B to the Second Agreement shall be supplemented by the Work Plan attached hereto as Exhibit B (the “Amendment 3 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 Amendment 3 Work Plan in accordance with Section 5 of this Project Agreement. The contribution with respect to the pro-rata budgeted sums reflected in the Amendment 3 Work Plan shall be payable by each Project Agreement Member in three installments. The first installment shall be in an amount equal to \$100 per acre-foot and shall be payable by no later than May 1, 2022. The second installment shall be in an amount equal to up to \$140 per acre-foot and shall be payable by no later than January 1, 2023. The third installment shall be in an amount equal to up to \$160 per acre-foot and shall be payable by no later than January 1, 2024. The obligation of the Project Agreement Members to make the second installment and third installment shall be conditioned upon the Authority and the Committee reapproving the Amendment 3 Work Plan or approving an amendment thereto by (i) an affirmative vote of at least 75% of the total number of Directors of the Authority Board and (ii) an affirmative vote of at least 75% of the total weighted vote as provided at Subsection 3(g) of the then-current Committee members, prior to January 1, 2023 or January 1, 2024, as applicable.”

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

The Agreement is hereby amended to add the below Sections 6(c), 6(d) and 6(e):

“(c) On or prior to March 31, 2022, each Project Agreement Member shall provide the Authority with a completed Project Agreement Member Project Payment Annex in the form attached hereto as Exhibit C. The Project Agreement Members, upon written request of the Authority, will meet with Authority staff from time to time, but not more often than once per calendar quarter, at which meeting, Authority staff will provide such Project Agreement Members with information regarding the then-current financing options being considered by the Authority and the expected terms of such financing options and the Project Agreement Member will provide updates regarding the status of the items identified in the Project Agreement Member Project Payment Annex.

(d) On or prior to June 30, 2023, each Project Agreement Member shall provide the Authority with a written update (the “Project Agreement Member Update”) with respect to the progress in the implementation of such repayment option, the remaining actions to be taken and the estimated completion dates.

For those Project Agreement Members that identified special benefit assessments or land based charges imposed in an improvement district as a source of repayment for an Authority

financing in its Project Agreement Member Payment Annex, the Project Agreement Member Update will also include a confirmation that such Project Agreement Member has the legal or contractual authority to discontinue water service to a water user that is delinquent in the payment of such special benefit assessment or land based charge, as applicable.

The Project Agreement Member Update will also include a confirmation that the Project Agreement Member has adopted a debt management policy that is compliant with California Government Code Section 8555(i), or, if such Project Agreement Member has not adopted such a debt management policy, the Project Agreement Member Update will include a statement that such Project Agreement Member expects to adopt such a debt management policy or an opinion from the general counsel to such Project Agreement Member to the effect that such a debt management policy is not required to be adopted by the Project Agreement Member to finance its share of the Project.

The Project Agreement Member Update shall also identify any change in the proposed source of repayment from the source identified in the Project Agreement Member Payment Annex previously submitted to the Authority.

(e) The Project Agreement Members that identified the repayment options of either special benefit assessments or land based charges imposed in an improvement district in their respective Project Agreement Member Payment Annexes agree to use best efforts to complete the necessary procedures to comply with the applicable requirements of Proposition 218 by no later than June 30, 2023.”

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, 2024. In the event that this Third Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Agreement by March 31, 2022, the Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this Third Amendment shall become effective.”

Section 2.06. Admission of New Project Agreement Members. The Agreement is hereby amended to add the following sentence to end of the paragraph included under Section 10 of the Agreement:

“The Authority shall have the right to charge Project Agreement Members executing the Agreement after a date determined by the Board a fee, which such fee shall be established by the Board, to compensate Project Agreement Members who executed the Agreement prior to a date determined by the Board, for providing funding for the initial phases of the Project.”

Section 2.07. California Environmental Quality Act. The Agreement is hereby amended to add the following Section 18:

“Section 18 California Environmental Quality Act

Notwithstanding any provision of this Agreement, the Authority and the Project Agreement Members fully reserve all of their respective rights, powers, authority and discretion with respect to

the proposed Project pursuant to the agencies' respective obligations and responsibilities under the California Environmental Quality Act ("CEQA"). This includes: (A) the power and discretion of the Authority as the lead agency, upon the completion of its CEQA review, to adopt feasible mitigation measures or a feasible project alternative, to approve the proposed Project based on the requisite CEQA findings, or to disapprove the proposed Project; and (B) the powers and discretion of the Project Agreement Members concerning the specific matters within their respective jurisdiction and authority acting as responsible agencies under CEQA. Any future decisions on whether to issue an approval of the proposed Project, and if so, how to issue such approval, will not be made until the agency making the decision has first completed its CEQA review of the proposed Project."

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 storage amount in the Sites Reservoir Project on the signature page to this Third 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 Third 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 Third 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 Third 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. Laws Governing Third Amendment. The effect and meaning of this Third 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:

Dated: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
 Name:
 Title:

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT REPRESENTATIVES

The primary and alternate representatives of the San Bernardino Valley Municipal Water District are identified below.

Primary Representative: Bob Tincher

Alternate Representative: Heather Dyer

ELECTION OF PARTICIPATION AMOUNT

San Bernardino Valley Municipal Water District hereby elects to participate in the Sites Reservoir Project in the below amount.

a) Annualized Acre-Foot (acre-feet of releases)	21,400
b) Storage Allocation (acre-feet of storage) <i>Box "a" * 6.234</i>	133,408
c) Total Budget Authorization <i>Box "a" * \$400 per acre-foot</i>	\$8,560,000

*****PARTICIPATION LEVELS ARE PRELIMINARY AND MAY BE ADJUSTED FOLLOWING REBALANCING*****

EXHIBIT A

PROJECT AGREEMENT MEMBERS

Participant	Third Amendment Participation		Percent
	Annualized Acre-Foot (Box "a")	Storage Allocation (Box "b")	
American Canyon, City of	4,000	24,936	2.4%
Antelope Valley-East Kern Water Agency	500	3,117	0.3
Carter Mutual Water Company #	300	1,870	0.2
Coachella Valley Water District	10,000	62,340	6.0
Colusa County	10,000	62,340	6.0
Colusa County Water District	10,073	62,795	6.0
Cortina Water District	450	2,805	0.3
Davis Water District	2,000	12,468	1.2
Desert Water Agency	6,500	40,521	3.9
Dunnigan Water District	2,972	18,527	1.8
Glenn-Colusa Irrigation District	5,000	31,170	3.0
Irvine Ranch Water District	1,000	6,234	0.6
LaGrande Water District	1,000	6,234	0.6
Metropolitan Water District of S. CA	50,000	311,700	29.8
Reclamation District 108	4,000	24,936	2.4
Rosedale-Rio Bravo Water Storage District	500	3,117	0.3
San Bernardino Valley Municipal Water District	21,400	133,408	12.8
San Geronio Pass Water Agency	14,000	87,276	8.4
Santa Clara Valley Water District	500	3,117	0.3
Santa Clarita Valley Water Agency	5,000	31,170	3.0
Westside Water District	5,375	33,508	3.2
Wheeler Ridge-Maricopa Water Storage District	3,050	19,014	1.8
Zone 7 Water Agency	10,000	62,340	6.0
Total:	167,620	1,044,943	100.0

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 3 WORK PLAN

Exhibit B
Reservoir Committee
2022, 2023 and 2024 Work Plan

Reservoir Committee and Authority Board Annual Budget for FY 2022, FY 2023 and FY 2024 (\$000)

Work Plan	Subject Area	2022	2023	2024	Total
Revenue	Participation Revenue	\$16,762	\$23,467	\$26,819	\$67,048
	Authority Board Seats	\$505	\$505	\$505	\$1,515
	Federal Revenue	\$10,000	\$20,000	\$20,000	\$50,000
	State Revenue	\$18,300	\$0	\$0	\$18,300
	Carry-over Funds	\$6,000	\$0	\$0	\$6,000
Revenue Total		\$51,567	\$43,972	\$47,324	\$142,863
Expenses	Communications	(\$477)	(\$477)	(\$495)	(\$1,449)
	Engineering	(\$18,715)	(\$30,516)	(\$20,485)	(\$69,716)
	External Affairs	(\$273)	(\$273)	(\$282)	(\$828)
	General Project Activities	(\$620)	(\$545)	(\$565)	(\$1,730)
	Permitting	(\$7,503)	(\$4,731)	(\$2595)	(\$14,829)
	Planning	(\$5,092)	(\$1,212)	(\$278)	(\$6,582)
	Program Operations	(\$8,594)	(\$7,440)	(\$5690)	(\$21,724)
	Real Estate	(\$902)	(\$903)	(\$935)	(\$2,740)
Expenses Total		(\$42,176)	(\$46,097)	(\$31,325)	(\$119,598)
Grand Total		\$9,391	(\$2,125)	\$15,999	\$23,265

EXHIBIT C

FORM OF PROJECT AGREEMENT MEMBER
PROJECT PAYMENT ANNEX

Project Agreement Member:

Date:

Expected Source(s) of Repayment For Authority Financing (Check Each Box That Applies):	<input type="checkbox"/> Amounts Collected Through Department of Water Resources State Water Project Annual Statement of Charges	<input type="checkbox"/> Water Rates and Charges (Proposition 218 Compliance Required)	<input type="checkbox"/> Water Rates and Charges (Proposition 218 Compliance Not Required)	<input type="checkbox"/> Special Benefit Assessment-Districtwide	<input type="checkbox"/> Special Benefit Assessment Levied by District on Certain Lands	<input type="checkbox"/> Land-Based Charges Imposed Within an Improvement District
If An Improvement District, Has It Been Formed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If no, is it anticipated to be formed by June 30, 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If A Special Benefit Assessment, Has the Special Benefit Been Approved In An Amount To Pay Debt Service On The Authority Financing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If no, is it anticipated to be presented for landowner approval by June 30, 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Does the District Have A Debt Management Policy Compliant With Section 8855(i) of the California Government Code?	<input type="checkbox"/> Yes	<input type="checkbox"/> No				



Sites Project Authority Work Plan from January 2022 through December 2024

September 22, 2021

Page Intentionally Blank

Contents

1. Introduction	4
1.1 Background	4
1.2 Overview	4
2. Work Plan Goals and Schedule Targets	5
2.1 Work Plan Goals	5
2.2 Project Schedule Targets	7
3. Deliverables	8
4. Revenue Budget	9
5. Expense Budget	11
6. Work Plan Cash Flow	13

Tables

Table 1. Work Plan Key Deliverables	8
Table 2. Federal Funding by Category	9
Table 3. Forecast Revenue by Source	10
Table 4. Budgets by Subject Area	11

Figures

Figure 1. Work Plan Schedule Targets	7
Figure 2. Budget Percent by Subject Area	12
Figure 3. Budget by Management Type vs. Deliverables	12
Figure 4. Amendment 3 Cash Flow Graph	13

Attachments

Attachment A – Amendment 3 Budget by Subject Area and Firm

1. Introduction

1.1 Background

The Sites Reservoir Project (Project) currently follows a work plan (Amendment 2) that identifies Project activities and funding sources through December 31, 2021. The Reservoir Committee's current participation agreement will be amended to extend the period of performance to December 31, 2024; therefore, a new work plan (Amendment 3) is needed to continue advancing the Sites Project.

1.2 Overview

This document outlines the work to be performed between January 1, 2022, and December 31, 2024, to meet Project goals and objectives that were developed with input from the Authority Board and Reservoir Committee (Board) in early 2021. The work plan provides key deliverables, schedules, and operational budgets needed to meet Project goals and objectives, including but not limited to obtaining key permits, obtaining a water right, and securing Project financing. It also includes an estimated split of the Authority Board's and Reservoir Committee's revenues and expenses. Activities outlined in this work plan are required for the Sites Project to complete the planning phase (Phase 2). This work plan will be superseded by a new participation agreement and work plan in January 2025 or with the initiation of a new agreement that includes financing provisions, whichever comes first.

If approved by the Authority Board and Reservoir Committee, a summary budget will be included as an exhibit to the Third Amendment to the 2019 Reservoir Project Agreement (Amendment 3). The budget is presented at the subject-area level. Task orders will be developed following the approval of this work plan. Subject-area budgets and key deliverables outlined in this document will be the basis for task order development. Task order budgets will be established for a 36-month period; however, commitments will be determined and executed on an annual basis coinciding with work plan cash call check-in periods. Task orders will be considered for Reservoir Committee and Authority Board approval in November 2021.

While Sites staff have made efforts to incorporate into this work plan any known current Project impacts due to the COVID-19 pandemic, the work plan has not accounted for unknown future changes due to the COVID-19 pandemic, including, without limitation, additional restrictions by government agencies or others (such as the availability of sites for access or the availability of client or consultant staff or others, the timing of revenue, etc.), to the extent they delay or otherwise impact the Project. In that event, Sites staff will notify the Reservoir Committee and Authority Board of the issue and make adjustments to stay within budget and schedule while still meeting deadlines.

2. Work Plan Goals and Schedule Targets

Work plan goals and objectives are based on activities required to complete the Project planning phase and achieve Project financing as determined by the Reservoir Committee and Authority Board. Goals and objectives are evaluated to determine deliverables, required revenue and expenses, and a cash flow for the duration of the work plan.

2.1 Work Plan Goals

Work plan goals and objectives form the basis of the work plan by providing high-level outcomes and required timing. The Project goals for this work plan are outlined below according to the Strategic Plan Goal Areas:

1. **Affordability** – Securing commitments for Project funding provides the resources needed to execute design, construction, and operational phases of the Project in a manner affordable to participants. Key affordability objectives include:
 - Secure a final funding agreement with California Water Commission for the remainder of the MCED.
 - Execute final operations agreements with facility partners, federal and state agencies.
 - Secure federal funding from the WIIN Act and other sources. Receive final federal commitments for project construction and execute Water Storage and Supply Services Contract with Reclamation.
 - Complete loan applications including WIFIA, USDA Loan, and bank financing and related activities to immediately initiate bank financing at the start of the next phase.
 - Complete and execute Water Supply and Storage Services Contracts (now referred to as “Benefits and Obligations Contracts”) with each Local Agency participating in the Project.
 - Continue to refine affordability analysis based on updated capital and operating cost estimate, cost of capital, cost allocation and benefits analysis, and conduct value engineering studies, independent review boards, and design engineering constructability reviews as necessary.
2. **Permittability** – Securing the agreements and permits necessary to build and operate a multi-benefit reservoir. Key permittability objectives include:
 - Complete Final EIR/EIS, Authority approves the Project, certifies the Final EIR, adopts the MMRP and issues the Notice of Determination, and Reclamation executes the Record of Decision.
 - Complete and obtain all key environmental permits for WSIP final award and initiate secondary permits for construction and operations.
 - Receive water right Order and Permit from the SWRCB.
 - Develop draft and/or final all plans, as appropriate, identified in the EIR/EIS (such as the recreation management plan, traffic management plan, land management plan, operations plan, etc).
 - Complete and obtain local agency agreements and permits along with any required city or county actions necessary to support long lead activities necessary for the next Phase.
 - Complete and execute benefit contracts with DWR (flood control and recreation benefits) and CDFW (environmental benefits) for public benefits.
 - Develop a mitigation acquisition master plan and approach for mitigating the Project effects. Begin biological and cultural resources surveys to refine impacts and mitigation obligations on properties where willing land access can be obtained.

- Initiate application for approval of permit to construct from DSOD for all jurisdictional facilities (dams) within the Project.
 - Continue evaluation of operations parameters and support development of final operating agreements.
3. **Buildability** – Completing facilities designs that efficiently manage risk and achieve affordability criteria. Key buildability objectives include:
- Complete engineering design to 30% level and provide updated construction and operations cost estimates. Complete further facility designs as needed to get key permits and approvals required for WSIP funding.
 - Evaluate alternative project delivery methods, determine risks for project variances and recommended risk management strategies, finalize construction bid packages, and determine overall Project schedule.
 - Develop land acquisition master plan and rights of way manual. Conduct preliminary landowner negotiations with willing sellers for potential acquisition of key parcels via options or fee title.
 - Perform geotechnical evaluations of all “willing seller” properties related to long-lead Project facilities (including permitting and monitoring).
 - Continue coordination with local community organizations and agencies to address Project effects during construction and operations.
4. **Effectiveness** – Strengthening the Sites organization as owner of a multibillion-dollar Project. Key effectiveness objectives include:
- Develop and define the organizational culture, values and management approaches.
 - Prepare Project controls and processes to ensure continued transparency and efficient operations through detailed design and construction.
 - Determine the organization structure, insurance and organizational risk management approaches for the remainder of the Project and create the basic infrastructure to effectuate these changes at the start of the next work period.

2.2 Project Schedule Targets

The Project master schedule through December 31, 2024, is based on work plan goals and objectives and schedule targets to support key deliverables. The schedule is cost-loaded and provides the basis for revenue and expense budgets discussed in later sections. The following schedule targets are key milestones critical to closing out Phase 2 and securing Project financing during this work plan period. Project schedule targets provided below are based on a full 36-month work plan. Should bank financing occur in mid-2023, a revised work plan and agreements will be developed to reflect an accelerated pace.

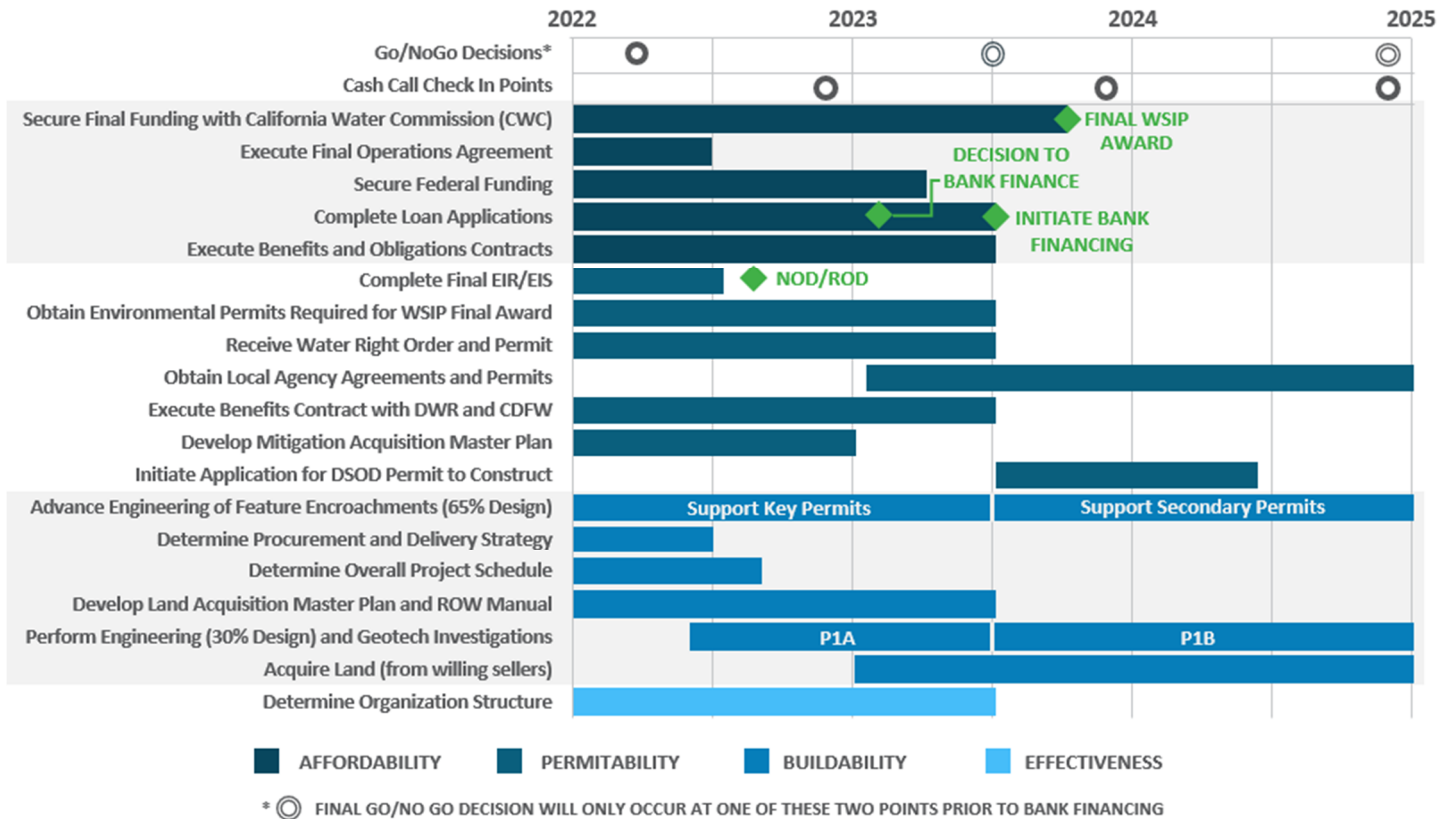


FIGURE 1. WORK PLAN SCHEDULE TARGETS

Participant funding go / no go decisions are predefined milestones where an adjustment to participation levels can be made (also referred to as rebalancing). Participant funding go / no go decisions will be required:

- 1. Prior to entering Amendment 3:** Target date for all signed participation agreements is March 31, 2022 with cash call invoices going out April 1, 2022 payable in 30 days.
- 2. Prior to entering a new or amended agreement:** Expected at the end of the Amendment 3 agreement (Dec 31, 2024), at which point, a new agreement would be needed. If this agreement needs to be modified to include financing terms, then a new or amended agreement would be developed and a go / no go decision would take place. The earliest anticipated availability of bank financing is at 18 months into the work plan.

Cash call check-ins and budget adjustments will occur annually and per the terms of the participation agreement. The intent of cash call check-ins is to recalibrate goals and objectives, key deliverable progress, expense and revenue assumptions, subject area budgets, cash flow projections, and cash call amounts. Cash call check-in periods will occur approximately in October of 2022 and 2023 to define the Project needs for the following calendar year. An update to the Amendment 3 Work Plan will be prepared by Sites staff and presented to the Reservoir Committee and Authority Board for approval.

3. Deliverables

To meet goals, objectives, and schedule targets while providing measurable progress, a list of key deliverables has been developed, as shown in Table 1. This list is not exhaustive but provides the key deliverables, grouped by subject area, that will be used to report progress throughout the work plan. The target status for each deliverable follows an approximate 12-month (January 1, 2023), 18-month (June 1, 2023), or 36-month (December 31, 2024) timeline based on priority, availability, and impact on other deliverables.

Table 1. Work Plan Key Deliverables				
Key Deliverable by Subject Area*	Target completion in			Notes
	12 Months	18 Months	36 Months	
Engineering				
Initiate Application for Permit to Construct from DSOD		✓		
Advance Engineering of Project Feature Encroachments to 65% Design Level in Support of Permitting		✓	✓	Key permit support in first 18 months
Determine Procurement and Delivery Strategy	✓			
Determine Overall Project Schedule	✓			
Preliminary Engineering (30% design level) and P1A/P1B Geotechnical Investigations		✓	✓	Complete P1A in first 18 months
Program Ops				
Execute Benefits Contracts with DWR and CDFW		✓		
Secure Final Funding with CWC			✓	
Execute Final Operations Agreement with Facility Partners, and Federal and State Agencies	✓			
Secure Federal Funding		✓		
Complete Loan Applications		✓	✓	Dependent on bank financing decision
Determine Organization Structure		✓		
Execute Benefits and Obligations Contracts		✓	✓	Dependent on bank financing decision
Permitting				
Obtain Environmental Permits Required for WSIP Final Award		✓		
Develop Mitigation Acquisition Master Plan	✓			
Receive Water Right Order and Permit		✓		
Obtain Local Agency Agreements and Permits			✓	
Planning				
Complete Final EIR/EIS	✓			NOD & ROD in August 2022
Real Estate				
Develop Land Acquisition Master Plan and ROW Manual		✓		
Acquire Land (from willing sellers)			✓	

*Communications, External Affairs, and General Project Activities subject areas serve a support function to the key deliverables provided in Table 1.

4. Revenue Budget

Revenue to be generated during the Amendment 3 Work Plan period is estimated at approximately \$142.9M, of which \$51.6M is anticipated to be generated in the first 12 months. This revenue will be generated from the following sources:

- **Amendment 2 carryover funds:** This revenue represents projected cash on hand as of January 1, 2022 and is available to advance the Project. Approximately \$3M in planned carry-over funds were built into the Amendment 2 cash flow analysis. An additional \$2.5M was identified during the Amendment 2 Work Plan Update as additional revenue over plan.
- **Local Funding (Reservoir Committee cash calls):** These are individual agency cash call invoices based on member agencies' level of water supply participation in terms of dollars per acre foot (\$/AF) of participation. This work plan assumes a total cash call revenue of up to \$400/AF at full participation of 167,620 acre-feet (up to ~\$67M total). Reservoir Committee cash calls will be broken into three cash call invoices based on cash flow projections as outlined in Section 6 and depending on actual annual budgets approved by the RC/AB.
- **Authority Board annual seat dues:** Each Authority Board member pays membership dues annually. The work period includes the estimated membership dues for 2022, 2023, and 2024 at an annual rate of \$55,000 per Authority Board Member and \$5,000 per Associate Authority Board Member. It is assumed that Authority Board annual seat dues will not increase from annual membership dues paid in 2021.
- **State funding:** California provides revenue in the form of reimbursement through Prop 1 (WSIP) early funding. This funding is subject to the terms of the existing Early Funding Agreement (EFA) and is currently capped at \$40.8M. The State reimburses 50 percent of eligible activities in arrears. The current EFA is set to expire prior to the Amendment 3 Work Plan period, and an EFA Extension Amendment is expected to be adopted prior to the start of the work plan. EFA funding is expected to reach its ceiling amount of \$40.8M and thus be exhausted within the first year of the Amendment 3 Work Plan. Prop 1 WSIP EFA funds forecasted in the Amendment 3 Work Plan are contracted amounts and carry a high certainty of being actualized, assuming the local cost share is achieved.
- **Federal funding:** Federal participation is assumed to continue through the Water Infrastructure Improvements for the Nation (WIIN) Act. Projected federal funding is currently in several stages of allocation. Federal funding allocations fall into one of three categories:
 - **Recommended by Reclamation:** Bureau of Reclamation (Reclamation) staff have provided funding recommendations to U.S. Congress.
 - **Appropriated by Congress:** U.S. Congress has appropriated federal funding to allow Reclamation to pursue contract agreements with identified projects.
 - **Contracted with Reclamation:** Reclamation enters agreements with the Authority for specific work to be performed.

The following table outlines the status of projected future federal funding as of the report date:

FAA Category	Funding
Recommended by Reclamation	\$80.0M
Appropriated by U.S. Congress	\$13.7M
Contracted with Reclamation*	\$0
Total Federal Funding Possible	\$93.7M

*The current contracted funding under the existing Financial Assistance Agreement (FAA) is set to be exhausted prior to December 31, 2021.

Future federal funding discussions are still in process; therefore, an estimate was used to capture this funding source. This work plan assumes \$50M will be realized and paid in arrears over the 36-month work plan. Any additional funds received will be addressed during the October 2022 cash call check-in period and will include an analysis of future cash call amounts.

Table 3. Forecasted Revenue by Source				
Work Plan Funding Source	2022	2023	2024	Amendment 3 Total
Carry-over Funds (Projected 1/1/2022)	\$6,000,000	--	--	\$6,000,000
Reservoir Committee Cash Calls	\$16,762,000	\$23,467,000	\$26,819,000	\$67,048,000
Authority Board Seats	\$505,000	\$505,000	\$505,000	\$1,515,000
Federal (WIIN Act) Funding	\$10,000,000	\$20,000,000	\$20,000,000	\$50,000,000
State (Prop 1 [WSIP])	\$18,300,000	--	--	\$18,300,000
Total Revenue	\$51,567,000	\$43,972,000	\$47,324,000	\$142,863,000

Forecasted revenue provided in Table 3 represents estimated funds based on the best available data. In the event of a discrepancy between revenue budgets provided in Table 3 and annual revenue budgets, the annual revenue budgets will govern over work plan estimates.

5. Expense Budget

Estimated costs for a 36-month work plan period were developed by Sites staff and loaded into the Project master schedule. Preliminary costs, rolled up to the subject-area level, are shown in Table 4 and on Figure 2. Figure 3 shows expense budgets by management type. The attached table, Attachment A, includes information on Authority Board and Reservoir Committee share of expenses.

Table 4. Budgets by Subject Area				
Subject Area	2022	2023	2024	Amendment 3 Total
Communications	\$477,000	\$477,000	\$495,000	\$1,449,000
Engineering	\$18,715,000	\$30,516,000	\$20,485,000	\$69,716,000
External Affairs	\$273,000	\$273,000	\$282,000	\$828,000
General Project Activities	\$620,000	\$545,000	\$565,000	\$1,730,000
Permitting	\$7,503,000	\$4,731,000	\$2,595,000	\$14,829,000
Planning	\$5,092,000	\$1,212,000	\$278,000	\$6,582,000
Program Operations (Ops)	\$8,594,000	\$7,440,000	\$5,690,000	\$21,724,000
Real Estate	\$902,000	\$903,000	\$935,000	\$2,740,000
Total	\$42,176,000	\$46,097,000	\$31,325,000	\$119,598,000

Budgets provided in Table 4 represent an estimated distribution of expenses based on the best available data. In the event of a discrepancy between expense budgets provided in Table 4 and annual expense budgets outlined in consultant task orders, the annual expense budgets will govern.

A summary of work plan expenses will be included, at the same level of detail as Table 4, as an exhibit in the Amendment 3 Successor Agreement. Consultant task order budgets will be finalized and presented for approval at the November 2021 Board meetings.

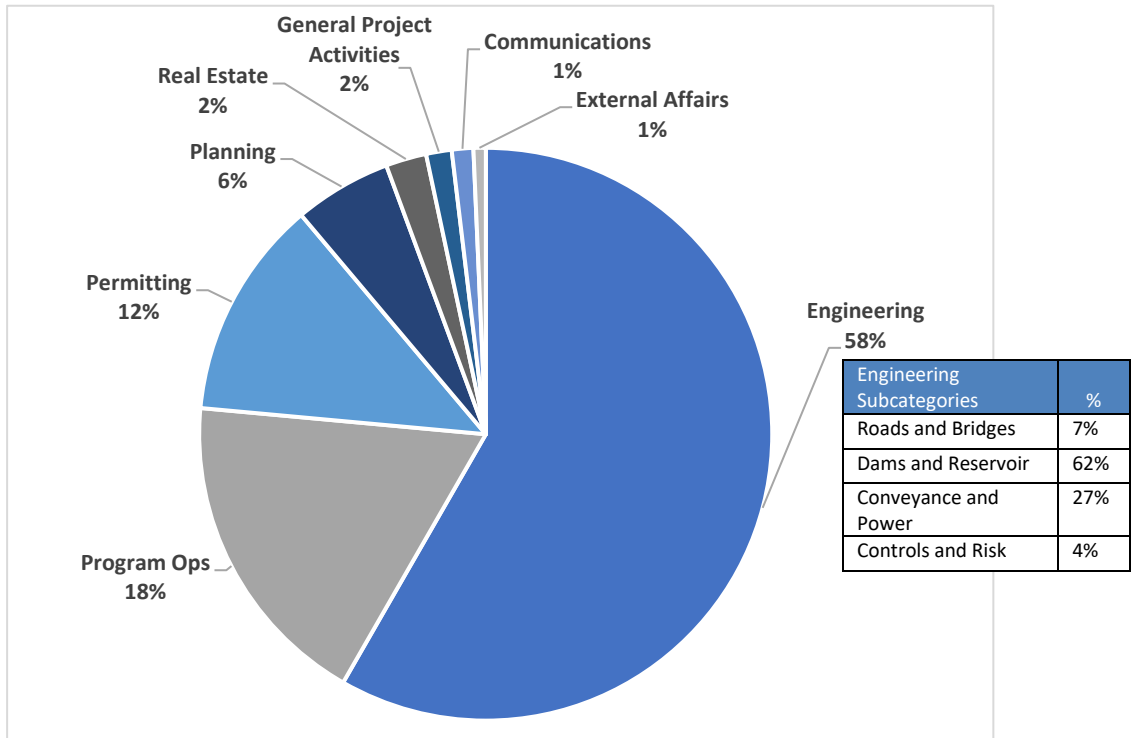


FIGURE 2. BUDGET PERCENT BY SUBJECT AREA

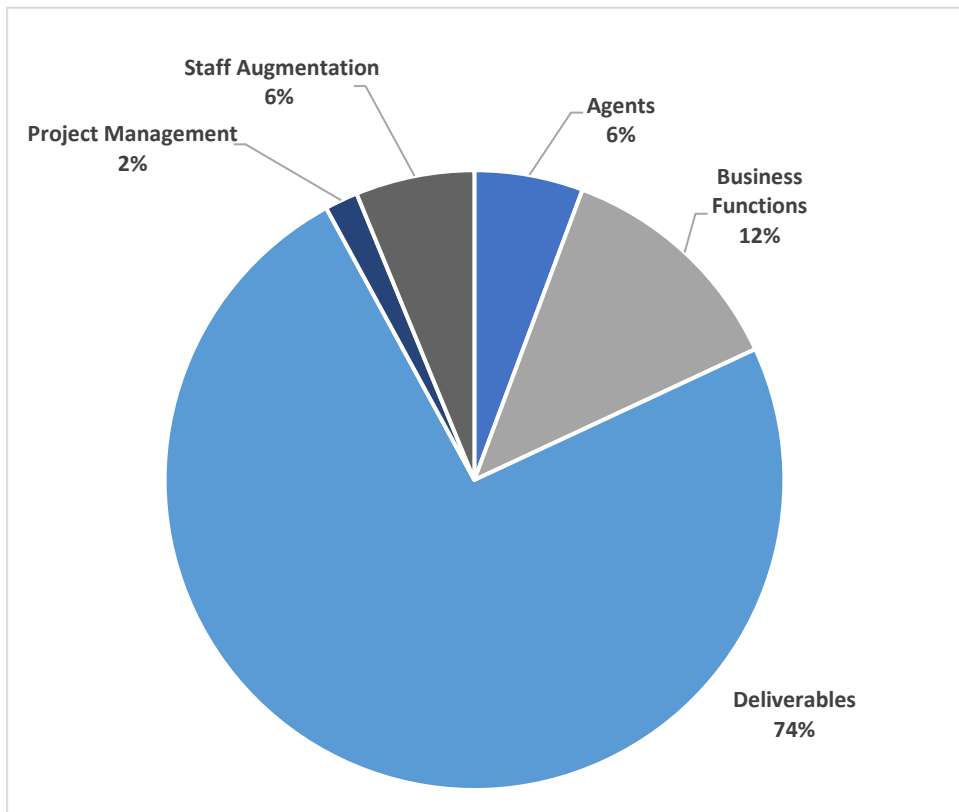


FIGURE 3. BUDGET BY MANAGEMENT TYPE VS. DELIVERABLES

6. Work Plan Cash Flow

The schedule was used to create a cash flow and determine the required timing of cash calls from the Reservoir Committee. A preliminary cash call schedule has been developed to maintain a cash-positive position and avoid Project delays. Cash call invoices totaling up to \$400/ AF will occur as follows:

- \$100/AF, invoiced April 1, 2022
- Up to \$140/AF, invoiced January 1, 2023
- Up to \$160/AF, invoiced January 1, 2024

The second and third cash call amounts are estimated based on the Project schedule, revenue estimates, and anticipated effort. During cash call check-ins, the Sites team will assess actual work plan progress against forecasted progress and determine the next cash call required to maintain progress in achieving the work plan goals and objectives. An initial work plan cash flow graph is included on Figure 4.

To minimize impacts to the projected cash flow should unforeseen expenses or events arise, the Sites Reservoir Project has established reserve funds. Reserve funds are incorporated in the cash flow curve below. There are two categories of reserves:

- **Restricted Reserves:** Funds intended to cover approximately three months of operations and functions needed to fulfill project obligations. Restricted reserves are a function of cash on hand and are not a dedicated sum of money. Project activities included in determining restricted reserve amounts are estimated to require approximately \$1.25M in monthly expenses. To maintain three months of restricted reserves, the Project must maintain a minimum of \$3.75M cash on hand. Approval by the Reservoir Committee and Authority Board is required to use any amount of restricted reserves.
- **Unrestricted Reserves:** Funds intended to cover unanticipated project expenses, including additional scope of work. Unrestricted reserves are unallocated expenses assigned to each subject area for use according to the Budget Policy, as approved at the July 2021 Reservoir Committee and Authority Board meetings.

Unused reserve funds will be evaluated during work plan cash call check-ins. Excess funds will be considered when determining the upcoming cash call amount.

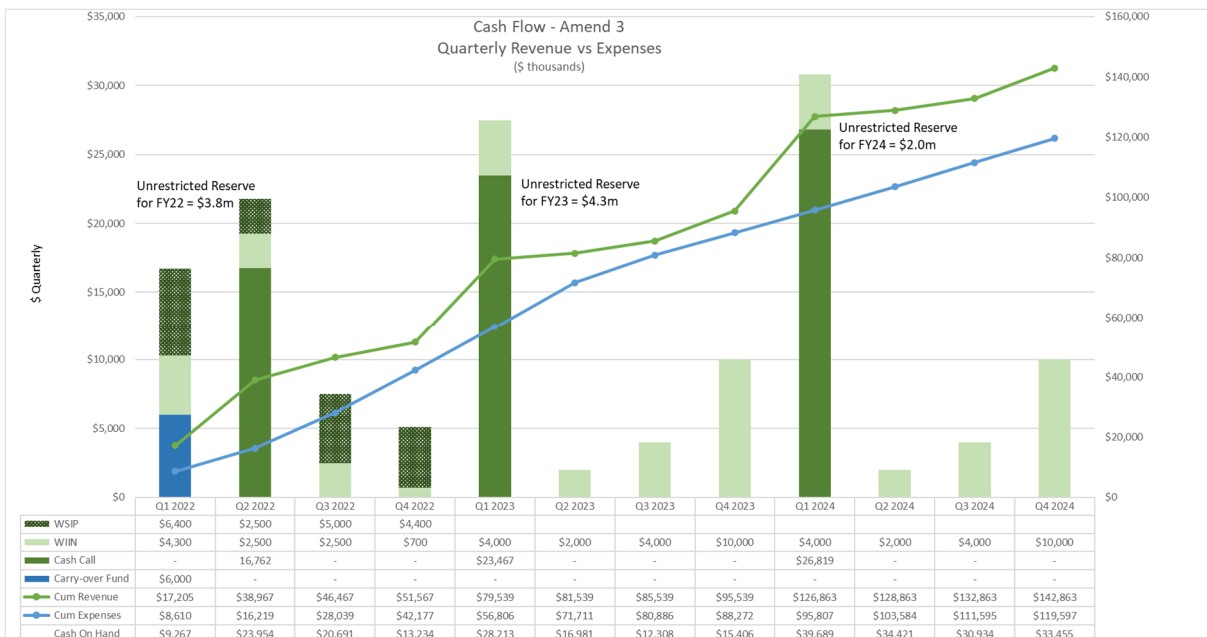


FIGURE 4. AMENDMENT 3 CASH FLOW GRAPH, REVENUE VS EXPENSES

Attachment A - Amendment 3 Budget by Subject Area and Firm

Subject Area / Firm	Authority Board	Reservoir Committee	Work Plan Budget
Communications	\$166,500	\$1,282,500	\$1,449,000
Katz & Associates	\$162,000	\$1,134,000	\$1,296,000
Other	\$4,500	\$4,500	\$9,000
Unrestricted Reserves		\$144,000	\$144,000
Engineering		\$69,715,520	\$69,715,520
AECOM		\$16,026,250	\$16,026,250
Brown & Caldwell		\$14,580	\$14,580
CH2M (Conveyance)		\$11,535,750	\$11,535,750
Fugro		\$25,200,000	\$25,200,000
HDR		\$1,817,388	\$1,817,388
Other		\$8,900,000	\$8,900,000
Unrestricted Reserves		\$6,221,552	\$6,221,552
External Affairs	\$414,000	\$414,000	\$828,000
Dunn	\$144,000	\$144,000	\$288,000
The Ferguson Group	\$270,000	\$270,000	\$540,000
General Project Activities	\$394,560	\$1,335,360	\$1,729,920
ACWA	\$79,200		\$79,200
Board Clerk	\$45,360	\$181,440	\$226,800
HDR		\$724,428	\$724,428
Other		\$51,000	\$51,000
Unrestricted Reserves		\$108,492	\$108,492
Young Wooldridge	\$270,000	\$270,000	\$540,000
Permitting		\$14,829,108	\$14,829,108
AECOM		\$98,344	\$98,344
CH2M (Conveyance)		\$98,344	\$98,344
CH2M (Operations)		\$655,560	\$655,560
Fugro		\$40,500	\$40,500
HDR		\$1,863,285	\$1,863,285
ICF Permitting		\$7,089,417	\$7,089,417
MBK Engineers		\$720,000	\$720,000
Other		\$1,089,720	\$1,089,720
Perkins Coie		\$675,000	\$675,000
Unrestricted Reserves		\$1,373,939	\$1,373,939
Water Rights Attorney		\$1,125,000	\$1,125,000
Planning		\$6,581,694	\$6,581,694
AECOM		\$112,500	\$112,500
CH2M (Conveyance)		\$112,500	\$112,500
CH2M (Operations)		\$2,597,022	\$2,597,022
HDR		\$1,201,153	\$1,201,153
ICF Permitting		\$1,441,350	\$1,441,350
MBK Engineers		\$90,000	\$90,000
Perkins Coie		\$369,000	\$369,000
Unrestricted Reserves		\$658,169	\$658,169
Program Ops	\$274,050	\$21,450,230	\$21,724,280
Auditor		\$30,000	\$30,000
Authority Agents		\$6,205,360	\$6,205,360
Brown & Caldwell		\$9,568,404	\$9,568,404
HDR		\$2,221,524	\$2,221,524
K-Coe Isom	\$37,800	\$151,200	\$189,000
Montague DeRose & Assoc		\$787,500	\$787,500
Other		\$200,000	\$200,000
Stradling, Yocca, Carlson & Rauth		\$540,000	\$540,000

Subject Area / Firm	Authority Board	Reservoir Committee	Work Plan Budget
The Ferguson Group	\$11,250	\$11,250	\$22,500
Unrestricted Reserves		\$1,509,992	\$1,509,992
Young Wooldridge	\$225,000	\$225,000	\$450,000
Real Estate	\$262,990	\$2,476,510	\$2,739,500
HDR		\$1,555,200	\$1,555,200
Other	\$262,990	\$748,510	\$1,011,500
Unallocated		\$172,800	\$172,800
Grand Total	\$1,512,100	\$118,084,922	\$119,597,022



DATE: November 9, 2021

TO: Board of Directors Workshop - Engineering

FROM: Joanna Gibson, Executive Director Upper SAR HCP Program

SUBJECT: Update on Grant Application to the Wildlife Conservation Board Riparian Habitat Conservation Program

In July 2021 the Board approved Resolution No. 1122 authorizing staff to submit a grant application to the Wildlife Conservation Board (WCB) Riparian Habitat Conservation Program (Riparian Program). The Resolution authorized Valley District, on behalf of the Louis Robidoux Parkland and Pecan Grove (LRPPG) Consortium and the Upper Santa Ana River Habitat Conservation Plan (HCP) funding partners, to apply for grant funding from the WCB and commit matching funds, should Valley District be selected to receive grant funds.

Our grant application identified stream restoration goals within and adjacent to Sunnyslope Creek, a tributary to the Santa Ana River, that would support the WCB's Riparian Habitat Conservation Program, and benefit the HCP conservation strategy. The application requested grant funds of \$392,500, which represents approximately 30% of the total estimated cost of this planning effort.

On October 6, 2021, staff were informed that our application was successful: the WCB's selection committee recommended the Project for funding, and the Project will proceed to a future WCB board meeting in early 2022. The performance period of the grant, identified in our application, was April 1, 2021 through August 31, 2024, consequently, matching funds can be claimed retroactively from this start date.

Staff Recommendation:

Receive and file.



DATE: November 9, 2021

TO: Board of Directors Workshop - Engineering

FROM: Joanna Gibson, Executive Director Upper SAR HCP Program

SUBJECT: Consider Resolution No. 1134 and 1135 Authorizing Staff to Submit Two Grant Applications to the Department of Water Resources Urban and Multi-Benefit Drought Relief Grant Program

Staff is requesting the Board consider approval of Resolution No. 1134 and No. 1135 authorizing staff to prepare and submit two grant applications to the Department of Water Resources (DWR) Urban and Multi-Benefit Drought Relief Grant Program. If approved, the Resolutions will authorize Valley District to apply for grant funding from DWR. Additional information on the grant program and proposed applications are provided below.

Background

DWR's Urban and Multi-Benefit Drought Relief Program provides up to \$200 million in funding for multi-benefit or urban drought projects for immediate drought relief planning and implementation. This is a new grant with a short window of opportunity to submit applications. Staff anticipate that funds will be awarded quickly. A variety of projects are eligible under the program, but projects need to be completed, with funding expended by March 2026. The grant program has no matching fund obligation. Projects that can be implemented quickly are likely to be most competitive.

Proposal

Staff are proposing to prepare and submit two grant applications under this program. The two applications are:

1. **Regional Recycled Water System Phase 1.** Staff are proposing to pursue up to \$10 million in grant funding to help defray costs associated with this groundwater recharge project. The project includes the construction of the Weaver Basins and installation of the Regional Recycled Water Pipeline, which will supply treated wastewater to the Weaver Basins for recharge. Staff believe this project will be competitive because all environmental documentation is complete and permitting will be finalized within the next several months which enables timely construction. Additionally, the project provides a reliable source of drought-proof water to our groundwater basin which is a high priority for this grant.
2. **Santa Ana River Sustainable Parks and Tributaries Water Reuse Project.** Staff are proposing to pursue up to \$5 million in grant funding to help defray planning and construction costs associated with this project. The project will supply recycled water to the Upper Santa Ana River Habitat Conservation Plan's Hidden Valley Creek, Hidden Valley Wetlands, and Lower Hole Creek restoration sites. The grant proposal would include project planning, including CEQA and permitting, and a proportion of construction costs. This project has been in planning phases in cooperation with Riverside Public Utilities and our HCP partners.

A requirement of each grant application is a Resolution, approved by the Board of Directors. A template resolution was supplied by DWR and is currently under review by Varner Brandt (attachments 1 and 2). Staff is proposing that the templates be developed into Resolution No. 1134, for the Regional Recycled Water System Phase 1 Project, and Resolution No. 1135 for the Santa Ana Sustainable Parks and Tributaries Water Reuse Project. The resolutions would commit Valley District to the following:

1. Authorize the CEO/General Manager to prepare and submit an application for grant funding with the DWR;

2. Authorize the CEO/General Manager to accept and execute an agreement with DWR, should the application be successful; and
3. Authorize the CEO/General Manager to submit required documents, invoices, and reports required to obtain grant funding.

Benefits to Valley District

If successful, the grant funding would help offset financial costs associated with each of these projects. Valley District is funding the Regional Recycled Water System Phase 1 Project. The Santa Ana Sustainable Parks and Tributaries Water Reuse Project is an HCP project and will be subject to the 60% cost share by the HCP Partners.

Grant Application Timeline

DWR is accepting applications on an on-going basis, until funds are fully awarded. Consequently, Staff believe it is prudent to submit applications as soon as possible. Staff are striving to submit the Regional Recycled Water System Phase 1 Project grant application by November 19, and the Santa Ana Sustainable Parks and Tributaries Water Reuse Project as soon as possible thereafter.

Fiscal Impact

The fiscal impact from preparation of two grant applications by our contracted grant writer, Kennedy Jenks, is \$11,770 per application (\$23,540 total). There is no matching fund obligation associated with this grant, consequently any funding awarded would provide financial offsets to Valley District and to the HCP Partners.

Staff Recommendation:

Staff recommends the Board direct staff to place Resolution No. 1134 and No. 1135 on the next Board of Directors regular meeting agenda for consideration.

Attachments:

1. Resolution No. 1134
2. Resolution No. 1135

RESOLUTION NO. 1134

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AUTHORIZING THE DISTRICT'S GRANT APPLICATION, ACCEPTANCE, AND EXECUTION OF AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR THE REGIONAL RECYCLED WATER SYSTEM PHASE I

WHEREAS, the San Bernardino Valley Municipal Water District ("Valley District") is organized and operates pursuant to the Municipal Water District Act of 1911 commencing with Section 71000 of the California Water Code; and

WHEREAS, Valley District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, Valley District seeks to match local funds with state funds to provide drought relief to Valley District, its customers, and to protect fish and wildlife resources; and

WHEREAS, Valley District proposes to implement the Regional Recycled Water System Phase I; and

WHEREAS, Valley District intends to apply for grant funding from the California Department of Water Resources for the Regional Recycled Water System Phase I;

NOW, THEREFORE, be it resolved by the Board of Directors of Valley District as follows:

Section 1 That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 240, § 80), the Valley District General Manager, or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions necessary or appropriate to obtain grant funding.

Section 2 The Valley District General Manager or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.

Section 3 The Valley District General Manager or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

ADOPTED this 16th day of November 2021.

Paul R Kielhold
President

Heather P. Dyer
CEO/General Manager

RESOLUTION NO. 1135

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AUTHORIZING THE DISTRICT'S GRANT APPLICATION, ACCEPTANCE, AND EXECUTION OF AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR THE SANTA ANA RIVER SUSTAINABLE PARKS AND TRIBUTARIES WATER REUSE PROJECT

WHEREAS, the San Bernardino Valley Municipal Water District ("Valley District") is organized and operates pursuant to the Municipal Water District Act of 1911 commencing with Section 71000 of the California Water Code; and

WHEREAS, Valley District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, Valley District seeks to match local funds with state funds to provide drought relief to Valley District, its customers, and to protect fish and wildlife resources; and

WHEREAS, Valley District proposes to implement the Santa Ana River Sustainable Parks and Tributaries Water Reuse Project; and

WHEREAS, Valley District intends to apply for grant funding from the California Department of Water Resources for the Santa Ana River Sustainable Parks and Tributaries Water Reuse Project;

NOW, THEREFORE, be it resolved by the Board of Directors of Valley District as follows:

Section 1 That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 240, § 80), the Valley District General Manager, or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions necessary or appropriate to obtain grant funding.

Section 2 The Valley District General Manager or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.

Section 3 The Valley District General Manager or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

ADOPTED this 16th day of November 2021.

Paul R Kielhold
President

Heather P. Dyer
CEO/General Manager



DATE: November 9, 2021

TO: Board of Directors Workshop – Engineering

FROM: Kristeen Farlow, Strategic Communications Manager

SUBJECT: Select the District’s ACWA Voting Representative to Cast the District’s Ballot for the ACWA Election

Background

Every two years, the Association of California Water Agencies (ACWA) holds an election at their Fall conference to formally nominate and elect a President and Vice-President for the upcoming two-year term. This year’s election will occur at the 2021 Fall Conference on December 1, 2021, at the Pasadena Convention Center. Due to COVID, the ACWA conference is being offered both in-person and virtually this year, so members can vote in the election either in-person or virtually.

Consistent with ACWA’s Bylaws, Valley District is entitled to one vote in the ACWA election that our representative will cast on December 1. The District is required to select a voting representative and an alternate and list them on the Voter Designation & Information Form (attached), due to to ACWA by November 24, 2021. (If the District’s representative will be voting virtually, there is a second form – Consent to Electronic Transmission, Meetings & Voting Form – that must be completed and submitted to ACWA.) Once the District selects its voting representative, they will check in at the ACWA General Session Desk at the Conference on December 1, 2021.

The ACWA Nominating Committee announced a 2022-2023 recommended slate of current Vice President Pamela Tobin for ACWA President and current Region 10 Vice Chair Cathy Green for ACWA Vice President. (Background information about both candidates can be found on the attachment titled “About the Candidates.”) This slate will be presented for the ACWA membership’s consideration at the annual meeting on December 1, 2021.

The Directors are asked to discuss the recommended slate of officers for the ACWA election and either concur with the slate or recommend alternatives for ACWA President and Vice President. If the Board recommends alternatives, a Resolution must be passed by the Board and submitted to ACWA by November 24, 2021. This would also necessitate a floor nomination at the Conference.

Fiscal Impact

There is no fiscal impact related to this item.

Recommended Action

The Board of Directors is asked to:

- Select a voting representative and an alternate.
- Direct staff to complete the required forms for the District to vote in the ACWA election on December 1, 2021, at the ACWA Conference.
- Concur with the recommended slate of officers and direct the District’s voting representative to cast the ballot in the ACWA election at the ACWA Conference on December 1, 2021.

Attachments

Voter Designation & Information Form
Consent to Electronic Transmission
About the Candidates
Membership Meeting and Election Procedures

To: Donna Pangborn, Clerk of the Board

Email: donnap@acwa.com

Fax: 916-669-2425

The person designated below will be attending the ACWA General Session Membership Meeting(s) on Wednesday, December 1, 2021 (and December 2, 2021 if necessary) as our voting delegate. Please designate an alternate voting delegate to facilitate any change to your voting representation at the meeting. To change your alternate, however, you must notify Donna Pangborn of the change no later than COB Monday, November 29, 2021.

Member Agency's Name _____ Agency's Phone No. _____

Print Member Agency's Authorized Signatory Name _____ Authorized Signatory Signature _____

I have signed and returned the Consent to Electronic Transmission, Meetings & Voting Form.

Voting Delegate's Name	How Will Delegate Attend? <input type="checkbox"/> Will attend the meeting in person in Pasadena. <input type="checkbox"/> Will attend the meeting virtually.
Voting Delegate's Email	Voting Delegates' Phone No.
Alternate Voting Delegate's Name	How Will Alternate Delegate Attend? <input type="checkbox"/> Will attend the meeting in person in Pasadena. <input type="checkbox"/> Will attend the meeting virtually.
Alternate Voting Delegate's Email	Alternate Voting Delegates' Phone No.
Voting Delegate's Affiliation <i>(if different from assigning agency)*</i>	Date

*If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above.

DEADLINE FOR RETURNING FORM(S): 11/24/2021

In accordance with California Corporations Code Sections 20, 21, 5079 and subsections (a) and (f) of Section 7510, and Article 9 of the Bylaws of the Association of California Water Agencies, a California nonprofit mutual benefit corporation ("ACWA"), the undersigned member of ACWA (the "Member") hereby consents and agrees as follows:

1. ACWA may send meeting notices, annual reports, and all other materials to the Member by (a) electronic transmission to the Member's facsimile number or email address; (b) posting on an electronic message board or network which ACWA has designated for those communications, together with separate notice to the Member of the posting; or (c) other means of electronic communication. The Member's initial facsimile number and email address for receiving such notices, annual reports and other materials are listed below.
2. ACWA may conduct meetings of the members by electronic transmission or electronic video screen communication; provided, however, that if fewer than all members of ACWA consent to conduct such meetings by electronic transmission or electronic video screen communication, then such meetings shall be held at a physical location, and the authorized representative(s) of any member that has so consented (and not withdrawn its consent) may participate in such meetings by electronic transmission or electronic video screen communication, be deemed present in person and vote at such meetings.
3. ACWA may rely on communications sent by the Member to ACWA by (a) electronic transmission from the Member's facsimile number or email address; (b) posting on an electronic message board or network which ACWA has designated for those communications; or (c) other means of electronic communication. ACWA may reasonably conclude that the Member is the sender of any electronic transmission that (i) is received from such facsimile number or email address or (ii) is submitted by an authorized representative of the Member with valid registration/login credentials.
4. ACWA may rely on electronic votes (including votes to approve or reject actions) submitted by an authorized representative of the Member to ACWA during meetings conducted in whole or in part by electronic transmission or electronic video screen communication. ACWA may reasonably conclude that the authorized representative of the Member is the sender of any electronic votes submitted pursuant to such authorized representative's meeting participant ID. The Member's initial authorized representative(s) is listed below.

ACWA shall maintain paper records of all communications sent by ACWA to the members and all votes or actions taken at any member meeting. The Member may (i) access such records at ACWA's headquarters during normal business hours or (ii) request in writing for ACWA to send copies of such records to the Member via U.S. Mail or email.

This consent shall remain in full force and effect until the Member revokes it in writing and so notifies ACWA.

San Bernardino Valley Municipal Water District	Heather Dyer
Print Member Name	Print Representative Name
CEO/General Manager	
Representative Title	Representative Signature
	Date

Please provide the facsimile number and email address to which the Member authorizes ACWA to send the electronic communications described above. The Member may change its designated facsimile number and email address at any time by written notice to ACWA.

909-387

 Facsimile Number

heatherd@sbsvmwd.com

 Email

Please provide the name of the Member's initial authorized representative(s) who will participate in and vote in connection with member meetings. The Member may change its authorized representative(s) at any time by written notice to ACWA.

 Authorized Representative No. 1

 Authorized Representative No. 2

ABOUT THE CANDIDATES

Pamela Tobin has been a member of the San Juan Water District (SJWD) Board of Directors since 2004, including three terms as Board President. She also has served multiple terms as Chair of both the Sacramento Regional Water Authority (RWA) and the Sacramento Groundwater Authority and was the recipient of RWA's 2018 Distinguished Service Award.

She was elected Vice President of ACWA in 2019 after serving as Chair of the Region 4 Board in 2018-'19. Tobin chairs the Leadership to Leadership initiative, a virtual meeting series designed especially for member agency leadership to discuss emerging local issues with ACWA's leadership. She is actively involved in ACWA's regions and committees and currently serves as a member of ACWA JPIA's Executive Committee.

Beyond her water industry involvement, Tobin works as a realtor and property developer with more than 30 years of experience as a business owner.

Cathy Green was elected to the Orange County Water District (OCWD) Board of Directors in November 2010 and was re-elected in 2012, 2016 and 2020. She was selected by the board to serve as its 2015 and 2016 President. She currently serves as 1st Vice President, a position she previously held in 2013, 2014 and 2020.

Green has been actively involved in ACWA's Region 10 and various committee activities for the past nine years. She has served on ACWA's Board of Directors as the Chair or Vice Chair of the Region 10 Board since 2016 and ACWA's Executive Committee since 2020. Green also currently serves on ACWA's Water Quality and Energy Committees.

Beyond her water industry involvement, Green is a registered nurse and holds a degree in law. She has been active in civic leadership as the City of Huntington Beach Mayor in 2003 and 2009 and a Councilwoman in 2002-2010. Green is also the recipient of many local, statewide, and national awards.

The following information is provided to inform the ACWA member agency voting delegates of the meeting and election procedures to be used in the upcoming General Session Membership Meeting scheduled for December 1, 2021 at 12:00 p.m. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2022-2023 term. The in-person meeting will be held in Ballroom D-H of the Pasadena Convention Center. Virtual voting delegates will participate via Zoom. Staff will provide the Zoom access information to the virtual voting delegates upon receipt of the Voter Designation & Information Form and the member agency's Consent to Electronic Transmissions, Meetings & Voting Form. Members who wish to attend the membership meeting virtually as a non-voting participant can obtain the registration link by contacting Clerk of the Board Donna Pangborn at donnap@acwa.com or 916-441-4545 to confirm their member agency has submitted the requisite Consent to Electronic Transmissions, Meetings & Voting Form.

ELECTION / VOTING PROCESS

ACWA will be using a voting system called Live-Tally, which will allow voters to vote either in person using a handheld keypad OR virtually through an online keypad (which uses any modern web browser on a computer, tablet or smart phone). **Voters must be present at the membership meeting, either in person or virtually, to vote.**

Consistent with ACWA's Bylaws, Article 9, Section 5, "each member of the Association shall be entitled to one vote that shall be cast by its authorized representative."

- Member agencies must indicate their voting representative and alternate on the Voter Designation & Information Form.
- Member agencies must indicate if their voting representative/alternate is attending in person or virtually as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

Members who desire to participate in the membership meeting virtually and vote electronically are required to sign and return the Consent to Electronic Transmissions, Meetings & Voting Form by November 24, 2021, consistent with the California Corporations Code.

VIRTUAL ATTENDEES

Virtual attendees need to take the following steps after the member agency has completed and returned the Voter Designation & Information Form and requisite Consent to Electronic Transmissions, Meetings & Voting Form.

1. Voting delegates need to **save the Zoom access/login information** ACWA staff will provide to you. Save the information for the day of the meeting. **Use that information to login to the virtual meeting**, which is how ACWA will identify you as a participant.
2. Voting delegates need to **save the Live-Tally Participant ID information** ACWA staff will provide to you, which is how Live-Tally will identify you as the member agency voter.

IN-PERSON ATTENDEES

In-person attendees need to take the following steps after completing and returning the Voter Designation & Information Form:

1. Check in at the ACWA General Session Desk, located in the Ballroom Lobby of the Pasadena Convention Center, on **Wednesday, December 1**, between **10:30 and 11:45 a.m.** to pick up handheld keypads.
2. Voting delegates **must be present to vote** and **MUST** have the handheld keypad prior to the start of the membership meeting.

DEADLINE & CHANGES

The deadline for submitting the **Voter Designation & Information Form** is Wednesday, **November 24, 2021**. If there is any change of your agency's voting delegate with its designated alternate, you must contact ACWA's Clerk of the Board Donna Pangborn at donnap@acwa.com or 916-441-4545 no later than Monday, November 29, 2021. Staff will provide the alternate voter with the Zoom and Live-Tally access/participant information if the voter is participating virtually.

1. The General Session Membership Meeting will be called to order at 12:00 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.
2. An overview of the Zoom platform will be provided, including demonstration of how the virtual meeting participants can interact throughout the meeting.
3. An overview of the Live-Tally voting system will be provided and a test vote will be conducted.
4. Legal Affairs Committee Chair Jennifer Buckman will provide an overview of the agenda and election procedures.
5. Nominating Committee Chair Brent Hasteley will present the Committee's report and announce the candidate for ACWA President.
6. President Steven LaMar will call for floor nominations for ACWA President.
7. If there are no floor nominations for ACWA President, the election will proceed. President LaMar will close the nominations and delegates will vote following motion/second to elect the Nominating Committee's recommendation using Live-Tally.
8. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating that floor nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.
 - a. **Resolutions to facilitate floor nominations must be submitted to the Clerk of the Board Donna Pangborn at donna@acwa.com by COB Wednesday, November 24, 2021.**
 - b. Candidates will be given three minutes to address the membership.
 - c. Staff will create a ballot in the Live-Tally system and then display for the voters' action.
 - d. Voting delegates will vote on one (1) candidate of the candidate options displayed on the screen using the handheld OR online keypad in the Live-Tally voting system. Results will be displayed in real time.
 - e. President LaMar will announce the results of the vote.
9. Nominating Committee Chair Brent Hasteley will announce the candidate for ACWA Vice President.
10. President Steven LaMar will call for floor nominations for ACWA Vice President.
11. If there are no floor nominations for ACWA Vice President, the election will proceed. President LaMar will close the nominations and delegates will vote following motion/second to elect the Nominating Committee's recommendation using Live-Tally.
12. If there are floor nominations for ACWA Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.e.
13. The ACWA Board of Directors appointed LAC Chair Jennifer Buckman to serve as an election inspector to resolve any challenges or questions in connection with the election consistent with California Corporations Code 7614.

California Corporations Code requires ACWA to maintain a voting record of its membership meetings.

When the members are ready to vote, the President will announce that it is time to vote (instructions will appear on the projection screen).

- **How do I submit my vote?** Press 1, 2, or 3 to cast your vote; then press SEND.
- **What happens if I make a mistake?** Re-submit your vote by pressing 1, 2, or 3 and send before the voting window ends.
- **What if I arrive late?** Your vote will be cast from the time you arrive at the meeting; prior to that your vote will register as "absent."
- **What happens if I am out of the room or have to leave early?** Your vote will be recorded as "absent" for that vote.



Test voting will be conducted at the beginning of the Membership Meeting.



VIRTUAL VOTING

Each voting delegate will be provided access to voting through Live-Tally's voting system. If you are attending the meeting virtually, follow the instructions listed below.

1. Use any modern web browser on a computer, tablet or smart phone to navigate to <https://MyBallot.app>
2. Enter the meeting ID "ACWA" and click the "Connect" button.
3. When prompted, enter the specific voting participant ID that was provided to you.
4. Voting questions will appear on this "virtual keypad" as they are presented.
 - Simply click the numbered button that corresponds to your choice.
 - **To change your vote**, make a different selection before the voting window ends.
5. Hit refresh if your browser or virtual keypad goes to "sleep."



IN-PERSON VOTING

If you are attending the meeting in person, you will be given a handheld keypad. Each handheld keypad is numbered on the back, and that number will be assigned to you as you check in at the ACWA General Session Desk on **Wednesday, December 1 between 10:30 and 11:45 a.m.**

- **Check your device to make sure that it is working properly.** Press any button and it will light up. All devices were tested prior to the meeting.
- **If it does not light up.** Take it back to the ACWA General Session Desk and ask for another keypad and make sure that they make a note of the numeric change.



Return your keypad to the ACWA General Session Desk.