



**FENNER VALLEY
WATER AUTHORITY**

**AGENDA
FENNER VALLEY WATER AUTHORITY
BOARD OF DIRECTORS'
SPECIAL BOARD MEETING**

**SANTA MARGARITA WATER DISTRICT BOARD ROOM
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688**

June 17, 2019

8:30 a.m.

Upon Request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Kelly Radvansky, at (949) 459-6642 at least 48 hours before the meeting if possible.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688, during regular business hours. All documents available for public review are on file with the Authority's Secretary located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688.

1. **CALL MEETING TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ORAL COMMUNICATIONS**

Persons wishing address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request to be Heard" forms are available at the entrance to the Board Room. Comments are limited to three minutes, unless further time is granted by the Presiding Officer. Please submit the form to the Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any items listed on the Agenda should submit a "request to be Heard" form to the Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

4. ACTION ITEMS

- 4.1 Consideration and Action to Extend the Accounting Services Contract with Plante Moran for the Fiscal Year 2020.

Recommendation: Approve extending the contract with Plante Moran for FY 2020 to conduct accounting services for the Authority.

- 4.2 Consideration and Action on Resolution No. 19-06-01; Resolution of the Board of Directors of Fenner Valley Water Authority Approving and Adopting an Addendum to the 2012 Environmental Impact Report for the Cadiz Valley Water Conservation, Recovery and Storage Project (SCH#2011031002) and Approving the Proposed Modifications to the Project.

Recommendation: Adopt Resolution No. 19-06-01.

5. INFORMATION ITEMS

- 5.1 Cadiz Valley Water Conservation, Recovery and Storage Project Update.
- 5.2 Executive Director Report (verbal or written reports may be provided and shall be included in the record/minutes).
- 5.3 Directors' Reports of Outside or Other Meeting/Events (verbal or written reports may be provided and shall be included in the record/minutes).

6. ATTORNEY'S REPORT

7. ADJOURNMENT

The Regular Board of Directors' meeting scheduled for June 27, 2019 is anticipated to be cancelled. The next Regular Board of Directors' meeting is scheduled for July 25, 2019 at the Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, California.



MEMORANDUM

TO: Board of Directors **DATE:** June 17, 2019

FROM: Robert Grantham, Treasurer

SUBJECT: **Consideration and Action to Extend the Accounting Services Contract with Plante Moran for the Fiscal Year 2020**

SUMMARY

Issue: In 2017, the Authority authorized Santa Margarita Water District (District) staff to develop a scope and conduct interviews for accounting services. The Authority proposed, and the Board approved, retaining Plante Moran to provide these accounting services for FY 2018, with the option to extend the contract for two subsequent years. The current contract extension expires June 30, 2019 and staff is seeking an extension for a third year, as approved in 2017.

Recommendation: Approve extending the contract with Plante Moran for FY 2020 to conduct accounting services for the Authority.

Previously Related Action: On October 27, 2017, the Board approved the contract with Plante Moran for FY 2018. On July 26, 2018, the Board approved an extension to the contract for one additional year.

Fiscal Impact:

The Board of Directors approved the Fiscal Year 2020 Budget, which includes \$50,000 for Accounting Services.

DISCUSSION

On behalf of the Authority, the Santa Margarita Water District (District) developed and released a Request for Proposals (RFP) for Accounting Services in September 2017. These services include general ledger accounting, accounts payable, accounts receivable, cash receipts, year-end work, report preparation and Board meeting presentations.

Based on the solicitation process, Plante Moran was selected to provide outside accounting services to the Authority. Plante Moran is registered to do business in the State of California and received a pass with no comments or findings on its last peer review. Furthermore, the firm's last Public Company Accounting Oversight Board (PCAOB) report on internal quality controls was

clean with no comments or deficiencies, which was an important consideration in the selection process.

Plante Moran is currently assisting the Authority with the yearend close. Plante Moran's activities are budgeted at \$50,000 in FY 2020 and will be billed on a time and materials basis. The Authority is requesting approval to extend the Plante Moran contract for FY 2020.



FENNER VALLEY WATER AUTHORITY

MEMORANDUM

TO: Board of Directors **DATE:** June 17, 2019

FROM: Daniel R. Ferons, Executive Director

SUBJECT: Consideration and Action on Resolution No. 19-06-01; Resolution of the Board of Directors of Fenner Valley Water Authority Approving and Adopting an Addendum to the 2012 Environmental Impact Report for the Cadiz Valley Water Conservation, Recovery and Storage Project (SCH#2011031002) and Approving the Proposed Modifications to the Project

SUMMARY

Issue: The Authority is responsible for review and approval of the design, permitting and construction of the Project Facilities, and under the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the Authority is the Lead Agency for future actions related to the implementation of the Project. Since the certification of the 2012 Environmental Impact Report (2012 EIR), the Project pipeline alignment has been redesigned slightly and a groundwater treatment facility has been proposed (the Project Modifications). The Addendum has been prepared to evaluate the potential for any new significant impactors or a substantial increase in the severity of previously identified significant impact to occur as a result of the Project Modifications.

Recommendation: Adopt Resolution No. 19-06-01.

Fiscal Impact: Adoption of Resolution No. 19-06-01 does not have any fiscal impact other than payment of fees associated with filing with the appropriate County Clerks' offices. The Project Modifications will impact the construction cost of the project through the addition of the treatment facilities.

DISCUSSION

As described in the EIR, the proposed project would construct a wellfield and manifold system and a 43-mile water conveyance pipeline between the Cadiz Property and the Colorado River Aqueduct (CRA), within an existing railroad right-of-way. Since the certification of the 2012 EIR, the water conveyance alignment has been slightly modified by adding approximately 2 miles of pipeline to the 43-mile original alignment evaluated in the EIR. The modified alignment would

connect the wellfield manifold system with the railroad right-of-way alignment at a different location than originally identified as illustrated in Figure 2 and Figure 3 of the Addendum. At mile 41 along the original alignment, the modified pipeline alignment would turn west for approximately 2 miles, then north for approximately 2 miles. The construction right-of-way for the pipeline modification would be 200 feet wide, the same width as the original alignment. A new 30-foot wide access road approximately 2 miles in length would be established for future maintenance along the modified alignment where no road currently exists. A small portion, approximately 41 linear feet, of the modified alignment would be installed within Bureau of Land Management (BLM) lands designated as National Conservation Lands. The Authority would obtain an easement from BLM for construction and operation of the pipeline on approximately 4,200 square feet of BLM managed lands (Figure 3). As the managing federal agency, BLM would either grant or deny the easement for the 41-feet of pipeline upon completion of its National Environmental Protection Act process.

Since the adoption of the 2012 EIR and subsequent discussions with Metropolitan Water District of Southern California regarding implementation of the Project, the Authority is developing a water treatment plant, storage, and booster pumping station to treat pump-in water if required to meet requirements for specific naturally occurring minerals.

The treatment facilities would be constructed near the Cadiz agricultural operations within the surveyed pipeline alignment (Figure 4 and Figure 5 of the Addendum). The treatment facilities would be designed to reduce iron, manganese, arsenic, nitrate, chromium, and hexavalent chromium levels to the treatment goals listed in Table 1 of the Addendum. The treatment facilities will ensure that maximum allowable levels are not exceeded for any constituent.

State CEQA Guidelines section 15164 requires lead agencies to prepare an addendum to a previously certified EIR if some changes or additions to a project are necessary, but none of the conditions requiring preparation of a subsequent EIR are present. The Authority independently reviewed previously certified 2012 EIR and the draft 2019 Addendum to determine the potential environmental impacts associated with the Project Modifications in compliance with CEQA and the State CEQA Guidelines.

Based on the substantial evidence in the 2012 EIR and the 2019 Addendum, including the independent referenced reports, the recommendation is that the Authority find that an addendum is the appropriate document for disclosing the changes to the Project, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- The Project Modifications do not constitute a substantial change that would require major revisions of the 2012 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- There is not a substantial change with respect to the circumstances under which the Project Modifications will be constructed that would require major revisions of the 2012 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.

- New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2012 EIR was certified, showing the Project Modifications would not have one or more significant effects or be substantially more severe than discussed in the earlier environmental documentation.
- No information has been presented that indicates the mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Authority declines to adopt such measures; or that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Authority declines to adopt.

The attached draft resolution approving and adopting the Addendum is recommended for approval by the Board of Directors. The Addendum can be found on the Authority's website, FVWA.org, directly below the Board package link as "Meeting Attachment", and upon approval will also be available on the Resources page of the Authority's website. A hard copy of the Addendum is on file and available for public review at 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688. The custodian of these records is the Executive Director of the Authority.

FENNER VALLEY WATER AUTHORITY

RESOLUTION NO. 19-06-01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
FENNER VALLEY WATER AUTHORITY APPROVING
AND ADOPTING AN ADDENDUM TO THE 2012
ENVIRONMENTAL IMPACT REPORT FOR THE CADIZ
VALLEY WATER CONSERVATION, RECOVERY AND
STORAGE PROJECT (SCH#2011031002) AND
APPROVING THE PROPOSED MODIFICATIONS TO THE
PROJECT**

WHEREAS, the Cadiz Valley Water Conservation, Recovery and Storage Project (“Project”) is designed to actively manage the groundwater basin underlying a portion of the Cadiz and Fenner Valleys located in the eastern Mojave Desert portion of San Bernardino County, California; and

WHEREAS, the Santa Margarita Water District (“SMWD”) was lead agency for the Project, and certified an Environmental Impact Report (SCH No. 2011031002) for the Project in July 2012 (“2012 EIR”); and

WHEREAS, the Project is currently in the pre-construction phase and includes construction of an array of groundwater extraction wells and pumps, a wellfield manifold piping system, a 43-mile water conveyance pipeline, monitoring features, other appurtenances and fire suppression mechanisms; and

WHEREAS, since certification of the 2012 EIR, (1) the Project pipeline alignment has been redesigned slightly, and (2) a groundwater treatment facility has been proposed (together “Project Modifications”); and

WHEREAS, pursuant to the Joint Exercise of Powers Agreement (“JPA”) for the Fenner Valley Water Authority (“Authority”), the Authority is responsible for review and approval of the design, permitting and construction of the Project facilities, and the agency with the power to obtain the rights, permits and other authorizations necessary for the Project and its facilities; and

WHEREAS, pursuant to the California Environmental Quality Act (Pub. Resources Code, §§ 21000 et seq.) (“CEQA”) and the State CEQA Guidelines (Cal. Code Regs., §§ 15000 et seq.), the Authority is the Lead Agency for future actions related to the implementation of the Project; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has already been certified, the Lead Agency is prohibited from requiring a subsequent or supplemental EIR or negative declaration unless at

least one of the circumstances identified in Public Resources Code section 21166 or State CEQA Guidelines section 15162 are present; and

WHEREAS, pursuant to State CEQA Guidelines section 15164, the Authority has overseen the preparation of an Addendum to the 2012 EIR (“2019 Addendum”) to evaluate the potential for any new significant impacts or a substantial increase in the severity of previously identified significant impacts to occur as a result of the Project Modifications; and

WHEREAS, the 2019 Addendum has determined that none of the circumstances described in Public Resources Code section 21166 or State CEQA Guidelines section 15162 have occurred, and thus a supplemental or subsequent EIR or negative declaration is not required; and

WHEREAS, the Authority has reviewed the 2019 Addendum, along with all information in the previously certified 2012 EIR, all oral and written testimony submitted to the Authority in relation to the Project Modifications, and all other information in the administrative record, prior to taking any action on the Project Modifications; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Board of Directors of the Authority does hereby find, determine, and order as follows:

Section 1. The above recitals are true and correct and incorporated herein by reference.

Section 2. State CEQA Guidelines section 15164 requires lead agencies to prepare an addendum to a previously certified EIR if some changes or additions to a project are necessary, but none of the conditions requiring preparation of a subsequent EIR are present. The Authority has reviewed and considered the previously certified 2012 EIR and the 2019 Addendum, and finds that these documents, taken together, contain a complete and accurate reporting of all of the potential environmental impacts associated with the Project Modifications. The Authority further finds that the 2019 Addendum has been completed in compliance with CEQA and the State CEQA Guidelines. The Authority further finds and determines that the 2019 Addendum reflects the Authority’s independent judgment.

Section 3. Based on the substantial evidence set forth in the record, including but not limited to the certified 2012 EIR, the 2019 Addendum, and all oral and written testimony submitted to the Authority in relation to the Project Modifications, the Authority finds that an addendum is the appropriate document for disclosing the changes to the Project, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

(a) The Project Modifications do not constitute a substantial change that would require major revisions of the 2012 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

(b) There is not a substantial change with respect to the circumstances under which the Project Modifications will be constructed that would require major revisions of the 2012 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.

(c) New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2012 EIR was certified, showing any of the following:

(i) That the Project Modifications would have one or more significant effects not discussed in the earlier environmental documentation;

(ii) That significant effects previously examined would be substantially more severe than shown in the 2012 EIR;

(iii) That mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Authority declines to adopt such measures; or

(iv) That mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Authority declines to adopt.

Section 4. The Authority hereby approves and adopts the 2019 Addendum. The Addendum is provided on the Authority's website, www.FVWA.org, directly below the Board package link as "Meeting Attachment" and on the Resources page, and on file with the custodian of records.

Section 5. The Authority hereby approves and adopts the Project Modifications.

Section 6. The Board directs Authority to prepare, execute and file a CEQA Notice of Determination with the appropriate County Clerks' offices within five working days of the Authority's approval of the Project Modifications.

Section 7. The 2012 EIR, the 2019 Addendum, and all other documents and materials that constitute the record of proceedings upon which these findings have been based are on file and available for public review at 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688. The custodian of these records is the Executive Director of the Authority.

PASSED AND ADOPTED by the Board of Directors of Fenner Valley Water Authority
this 17th day of June 2019.

Betty H. Olson, Ph.D.
Board of Directors, Chair
Fenner Valley Water Authority

ATTEST

Kelly Radvansky
Secretary to the Board of Directors
Fenner Valley Water Authority

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Kelly Radvansky, Secretary of the Board of Directors of the Fenner Valley Water Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a special meeting held on the 17th day of June 2019 and that it was so adopted by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS:

Kelly Radvansky
Secretary to the Board of Directors
Fenner Valley Water Authority

I, Kelly Radvansky, Secretary of the Board of Directors of the Fenner Valley Water Authority, do hereby certify that the above and forgoing is a full, true, and correct copy of Resolution No. 19-06-01 of said Board, and that the same has not been amended or repealed.

DATED: June 17, 2019

Kelly Radvansky
Secretary to the Board of Directors
Fenner Valley Water Authority