

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF August 7, 2013
1:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
Bob Glaubig, Director
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director
Clare Henry Day, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Services Specialist

GUESTS PRESENT:

Charles Roberts, Highland Community News
Tom Field, Tetra Tech

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

Director Longville requested that the Board add, "United Strategies Contract Termination and Refund" to the agenda as Action Item G. Daniel Cozad received an offer from Bruce Cash of United Strategies the morning of the meeting which required immediate action from the Board prior to termination of the contract which would occur before the District's September meeting.

It was moved by Director Longville and seconded by Vice President McDonald to add "United Strategies Contract Termination and Refund" to the agenda as Action Item G. The motion carried 7-0.

3. CONSENT CALENDAR

- A. Approval of the Board Minutes from July 10, 2013
- B. Approval of Check Register, July 2013

It was moved by Director Aranda and seconded by Vice President McDonald to approve the Consent Calendar, Items A & B. The motion carried 7-0.

- C. Groundwater Assessment Report, GWA #40

President Corneille requested that this item be pulled for discussion. He indicated that the report included in the package list paid producers, but does not include the producers that are unpaid. President Corneille requested a complete report that lists both paid and past due producers. Daniel Cozad reviewed the billing process and explained that the City of Riverside is processing their payment this week and we should be receiving payment soon. He also indicated that past due notices will be sent out at the end of the week. An updated report will be presented at the September 11th Board of Directors meeting.

It was moved by Director Longville and seconded by Vice President McDonald to approve the Consent Calendar, Item C. The motion carried 7-0.

4. ACTION ITEMS

- A. UNAUDITED FINANCIALS, JULY 2013

Mr. Cozad reviewed this item noting that all of the accruals entered into QuickBooks to support the Annual Audit have been reversed; so the numbers included in the package are on a cash basis. He stated there are a few issues that were identified through the preparations for the audit such as allocation of overhead, expenditure processing, and reserve policy implementation; which the Administrative Committee will be reviewing at their next meeting. President Corneille indicated that the costs included in the budget for the election will not be used and a budget amendment will be needed to remove them from the budget. Mr. Cozad stated there will be a budget amendment once Staff verifies additional amendment items that may need to be made. Vice President McDonald asked where this money would be allocated. Mr. Cozad indicated it would be allocated to General Fund reserves, if a specific use is not identified.

It was moved by Director Aranda and seconded by Vice President McDonald to approve the Unaudited Financials for July 2013. The motion carried unanimously.

B. PHONE SYSTEM SERVICE CHANGES

Athena Medina presented this item for discussion indicating Staff's desire to change services currently being provided by Verizon. The change requested will increase efficiency and cut costs. The existing phone system is a VoIP system with DSL; which costs the District an estimated \$16,000 annually. Ms. Medina reviewed the options with current IT Consultant, Josh Zeitz and Independent Contractor, Ken Summers prior to bringing these options to the Board. Mr. Cozad reviewed the options in greater detail. Staff is recommending Option 3; which indicates a potential annual cost savings to the District of approximately \$10,000.

It was moved by Vice President McDonald and seconded by Director Aranda to approve the change from DSL to FiOS for both District Office and Mentone location. The motion was carried 7-0.

C. UNITED STRATEGIES (USI) UPDATE ON POTENTIAL SALE OF 22 ACRES

Mr. Cozad received a verbal report which he transcribed and handed out to the Board. He stated that Bruce Cash, of United Strategies, met with several entities, but has been unable to find a buyer. There was no action requested for this item.

D. WASH PLAN TASK FORCE AGREEMENT AMENDMENT AND BUDGET APPROVAL

Mr. Cozad presented this item noting that the Wash Plan Task Force Minutes from July 16th are included in the Board packet for reference. He provided a map to the Board of the Habitat Management Activities and Covered Activities. Mr. Cozad noted that one addition to the map is the Mill Creek Spreading Basins operated by the District. He stated that he and Jeff Beehler will be meeting with every Wash Plan partner to obtain feedback and finalize Covered Activities. One issue discussed at the Task Force meeting was sequestration; reduction of Staff at US Fish & Wildlife Service (USFWS). He indicated that an option that the Task Force may look into is developing an alternate source of funding primarily from the partners whose projects are first in line for construction. The funds would be used to cover the cost for USFWS staff that is needed to assist in the implementation of the Wash Plan. This would help avoid a delay in implementation.

The Task Force requested that partners take the following items to their full board for approval: 1) Draft Budget approved by Task Force and 2) Contract Amendment to add San Bernardino Valley Municipal Water District (SBVMWD) as a member agency. Mr. Cozad reviewed the Budget with the Board, which is a total of \$787,500 and a District share of \$87,348. He noted that the debt owed to the District for the Wash Plan of approximately \$180,000 will be retired due to obtaining additional funds from SBVMWD related to the Enhanced Recharge Project. Director Raley inquired as to why the District would need mitigation credits for activities that we have been performing for quite some time. David Cosgrove and Mr. Cozad indicated that even if the District's activities are grandfathered in there is some benefit to having them permitted under the Wash Plan. Discussion ensued.

It was moved by Director Longville and seconded by Director Aranda to approve the Wash Plan Budget total of \$787,500 including the Districts share of \$87,348. The motion was carried 7-0.

Discussion on this item was covered previously.

It was moved by Vice President McDonald and seconded by Director Raley to approve the Wash Plan Task Force Agreement Amendment adding SBVMWD as a regular member of the Task Force. The motion was carried 7-0.

E. GREENSPOT ROAD AND SANTA ANA BRIDGE PIPELINE CELL

Mr. Cozad stated that the City of Highland (City) was informed of the Board's decision from the July 10th Board meeting to move forward with Option 2A listed in package. The City recommended another option to pay for the cell costs of \$24,500. This would allow federal grant funds to cover a portion of the construction cost and the District to pay the difference if and when the cell is used. Vice President McDonald asked how the District would memorialize the agreement. Mr. Cosgrove stated that once funding is completed the District may request a formal agreement.

It was moved by Vice President McDonald and seconded by Director Aranda to approve Option 2A allowing the City of Highland to cover the additional pipe cell construction cost and reimburse at a later date. . The motion was carried 7-0.

F. ACWA REGION 9 BOARD ELECTION FOR 2014-2015

The ballot was reviewed by the Board for ACWA Region 9 Board election for fiscal year 2014-2015. President Corneille recommended that the Board choose from the individual Board member nominees. There was consensus amongst the Board to select individuals from within the District's boundaries. Brief discussion ensued regarding candidates.

It was moved by Director Raley and seconded by Director Aranda to nominate the following: Harvey Ryan, Craig Ewing, Joe Kuebler, Mary Ann Melleby, James Morales, Ed Pack, and Jim Ventura for the ACWA Region 9 Board. The motion carried 7-0.

G. UNITED STRATEGIES CONTRACT TERMINATION AND REFUND

This item was taken out of order.

Mr. Cozad indicated that through a telephone conversation with Mr. Cash this morning before the Board meeting that he has been unsuccessful in selling the property. Mr. Cash offered the District three different options which Mr. Cozad reviewed in detail with the Board. One of the options suggested by United Strategies was for them to return the District's retainer of \$5,000 due to lack of performance prior to the existing contract term end date, which is August 17,

2013. Another option discussed in depth was to keep the property in concurrent escrow which would tie-up the property with United Strategies for several years.

Mr. Cozad recommended letting the contract run until its termination date. Directors Day and Aranda indicated that they are in favor of obtaining a refund. Director Raley stated that Mr. Cash has advertised the space and that for his efforts the District should only accept a partial refund. Vice President McDonald is not in support of obtaining a refund due to the amount of work already performed and having satisfied his contract. Discussion ensued.

It was moved by Director Longville and seconded by Director Aranda to terminate the existing contract and accept the offered refund of \$5,000 from United Strategies. The motion was carried 6-1, with Vice President McDonald in opposition.

5. INFORMATION ITEMS

A. GENERAL MANAGER'S REPORT

The written General Manager's Report, prepared by Mr. Cozad, is included in the package. Mr. Cozad handed out and reviewed the response letter attachment to a request received from LAFCO. This item referred to disadvantaged unincorporated communities. It is related to the District's filing for reinstatement of its Sphere of Influence. Mr. Cozad stated that this is a new requirement that is being implemented by LAFCO. Brief discussion ensued. Mr. Cozad stated that since LAFCO will be reviewing all Water Conservation Services Municipal Service Reviews (MSRs) at the same time this may delay the District's application for the Sphere of Influence and MSR.

B. MONTHLY RECHARGE REPORT

The written report is included in the package. Mr. Cozad stated that it continues to be dry. The COE may pull stop logs in the near future to empty the Seven Oaks Dam debris pool. If and when that happens the District will not be able to take any of that water due to silt.

C. FUTURE AGENDA ITEMS & STAFF TASK REQUEST FROM DIRECTORS

ACWA Fall Conference registration will be open soon and those who desire to attend will need to submit their travels costs to the Board for approval at the September 11th meeting.

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

A. California Special District's Association Annual Conference meeting attendance request for approval

Director Aranda is requesting approval to attend the CSDA Conference in Monterey to be held September 16th-19th. His estimated costs for registration, lodging, mileage, per diem and meals are \$2,316.97. Director Raley stated that the costs are too high for one person to attend a conference. Director Aranda stated that the purpose of his attendance is to obtain information for his outreach activities. President Corneille stated that a travel day is not considered a

meeting therefore the District should not cover that cost. Discussion ensued. President Corneille requested that Director Aranda provide materials from the CSDA Conference to the Board. Director Raley requested that the District pay the cheaper of the two travel costs, air fare versus mileage.

It was moved by Vice President McDonald and seconded by Director Glaubig to approve Director Aranda's request to attend the CSDA Conference with the amendment that he will not be reimbursed for a travel day and he will be reimbursed for the least expensive travel cost. The motion carried 6-1 with Director Raley in opposition.

B. Expense Reimbursement Approval for Check Signing

Mr. Cozad spoke in regards to this request. He stated that reimbursement for check signing is not included in the Board Policy Manual. On this occasion Vice President McDonald was out of town and requested by Staff to come into the District and sign checks in the absence of President Corneille. Vice President McDonald stated that this is a District Requested function and requests a per diem for this occurrence due to the extenuating circumstance where she was required to drive from San Clemente to Redlands to sign checks. She does not typically request per diem for this function. President Corneille is opposed to paying a per diem for check signing, but states that the District should pay the mileage due to the circumstance. Vice President McDonald stated that historically the District has always had two signatories onsite, as of now that is not the case. This issue will be addressed at the upcoming Administrative Committee meeting. Director Raley spoke against the motion on the floor. Director Glaubig questioned General Counsel if this type of expense reimbursement was within Board Policy; David Cosgrove stated it was an acceptable reimbursement. Brief discussion ensued. Mr. Cozad stated that Staff will suggest to the Committee ways to alleviate some of the difficulties found in processing expenditures because of the second signatory requirement.

It was moved by Director Longville and seconded by Director Aranda to approve reimbursement of mileage to Vice President McDonald from San Clemente to the District Office for check signing. The motion carried 5-1-1 with Director Raley in opposition and Vice President McDonald abstaining from vote.

The Board discussed their monthly Board Member activities as follows:

Director Day completed Ethics Training.

Director Longville attended the Ad Hoc Committee on the Sphere of Influence.

Director Glaubig attended the Ad Hoc Committees for the Audit and Sphere of Influence.

Vice President McDonald attended the BTAC Committee, SBVMWD Board of Directors Workshop, and Advisory Commission meeting.

Director Raley attended two workshops at the SBVMWD. He also attended the Ad Hoc Audit Committee meeting and commended Staff on the Audit. In addition, he attended the Wash Plan Task Force meeting.

Director Aranda attended the SBVMWD Board Meeting, USAWRA, and will be attending the ACWA Regulatory Summit on August 14th and the SBC Water Conference on August 23rd.

President Corneille chaired the Advisory Commission meeting. He also attended the Wash Plan Task Force meeting, Ad Hoc Audit Committee, Countywide Vision Element meeting, and SBVMWD Board of Directors Workshop. Additionally, he will be attending the August 13th ACWA Groundwater Committee meeting, ACWA Regulatory Summit and SBC Water Conference.

7. UPCOMING MEETINGS

President Corneille noted that the next Advisory Commission Meeting is October 3rd. He also requested scheduling a Resource Committee Meeting to discuss the Enhanced Recharge project Final Design.

8. ADJOURN MEETING

It was moved by Director Day and seconded by Director Longville to adjourn to the next scheduled meeting. The motion carried unanimously.

At 3:38 p.m. the meeting adjourned to the next regular Board Meeting scheduled for September 11, 2013 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager