

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

RESOURCES COMMITTEE  
AGENDA

**January 7, 2010**  
**8:00 a.m.**

Location--1630 West Redlands Boulevard, Suite A, Redlands, California

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District offices and are available for public review during normal District business hours.

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CALL TO ORDER / PLEDGE OF ALLEGIANCE

ROLL CALL

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**1. PUBLIC PARTICIPATION**

*Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.*

Directors present: Chairman Clare Day, Bud Wright, Dick Corneille.

Staff present: GM Neufeld, AGM & Engineer Seal, Financial Director Brown.

Guests present: Director David Raley, Environmental Consultant Randy Scott.

At 8:08, Director Dick Corneille assumed committee Chairman position.

At 8:18 am, Counselor Dave Cosgrove joined the meeting.

**2. ADDITIONS/DELETIONS TO AGENDA**

*Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.*

Added Item 10: Discuss Financial Implications of recent Budget upgrade. Moved by Director Day, seconded by Director Wright. Approved 3 X 0.

Added Item 11: Discuss future of Wash Plan.

**3. MEETING MINUTES OF October 26, 2009; READING AND APPROVAL**

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It is the intention of the San Bernardino Valley Water Conservation District to comply with the American With Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Ms. Samantha Brown (793-2503) at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

Comment on Item No. 4: Item (upgrades to DFR and spreading activities) was more fully explained by GM Neufeld and AGM Seal in response to Director Day's questions. Mr. Corneille requested a list of customers that the DFR is distributed to. Mr. Seal will provide the distribution list at the next Resources Committee Meeting. Moved for approval by Director Day, seconded by Director Wright. Approved 3 X 0.

**4. REVIEW PROPOSED CHANGES IN CHARGING FOR AGGREGATE AND MINERAL RESOURCES**

General discussion was held about changing the approach of charging for aggregates and rock products that were removed from the District's properties. GM Neufeld and AGM Seal explained that the current and past District practice has been to allow a private contractor to clean out one or more spreading basins and then process and/or sell the rock products for reimbursement for cleaning out the basins. GM Neufeld and AGM Seal feel the District is losing revenue by continuing this practice. The recommendation is to let the contractor charge the District for cleaning the basins, and then the contractor will pay \$1 per ton, or the prevailing market rate, to the District for all aggregate products the contractor removes from the property. Mr. Cosgrove cautioned about considering the operation as a "mining" activity in Mill Creek, since the sole purpose for the District's property ownership is for water spreading. Also noted by Mr. Cosgrove was that there is no existing reclamation plan for the Mill Creek Spreading Grounds and that none of the current or past contractors had provided a District approved liability and insurance release. Director Day recommended sending the item to the next BOD meeting for discussion and approval. Director Wright seconded. Voted 3 X 0 motion approval.

**5. REVIEW PROPOSED CHANGE IN RESUMING MINING OF AGGREGATES IN THE BORROW PIT**

GM Neufeld explained the District has been approached by two aggregate contractors/suppliers who wish to remove rock and sand materials from the Borrow Pit area, process the materials in marketable aggregate sizes, and sell the materials to specialty markets (i.e.: landscape, sand blasting, etc.). The Plummer & Associates consulting engineers for the initial Wetlands Design that is proposed to be constructed in the Borrow Pit, have stated that lowering the general slope of the Borrow Pit from 4 ½ or 5% slopes to slopes of 1 to 1 ½% would enhance the design final wetlands and reduce the construction and operational costs. Director Day questioned the projected savings of \$1.8 million by reducing the excavation and pit preparation costs from \$5 million to \$3.2 million. A general discussion followed. Director Day recommended sending the item to the next BOD meeting for discussion and approval. Director Wright seconded. Voted 3 X 0 motion approval.

**6. REVIEW PROPOSED GREEN SPOT ROAD REALIGNMENT AND VEHICULAR ACCESS BY TRUCKS AND CARS FROM BORROW PIT AREA. CONSIDER VARIABLES.**

City of Highland will be funding and constructing the realigned road. We have written a letter to them requesting inclusion of an access controlled intersection to allow haul trucks and other traffic to enter and leave the new Green Spot road safely. In a phone conversation just prior to Christmas, Dennis Barton acknowledged the intersection problem, and will set up a meeting with his City Engineering staff and us to discuss the problem.

After the new Green Spot road has been constructed, the old section that has been bypassed will be abandoned for auto and truck traffic usage. It will be turned into a hiking and biking trail. We suggested that the abandoned road section could be the start of the long sought after trail system around the SAR basin, and that we would like to help start the process for developing the trail. Dennis Barton agreed that the subject had been discussed, but there have been no actions taken. Our help would be appreciated.

Director Wright noted the existing access to the Green Spot Road is near the north end of the Santa Ana River bridge. All Directors agreed that with a new alignment of the road, increased liability and safety problems would be created by not having a traffic controlled intersection to Greenspot Road from the District's property. Also presented by GM Neufeld was the concept of utilizing the older abandoned portion of Greenspot Road and the existing bridge to be the beginning of an area trail system that would stretch to the north side of District's Borrow Pit area as well as to the south of the pit. Mr. Cosgrove noted that the Wash Plan allows for trails in the tentative agreement. District will work with EVWD, City Of Highland and other political entities to begin planning on a new road access and recreational trails. Director Day recommended sending the item to the next BOD meeting for discussion and approval. Director Wright seconded. Voted 3 X 0 motion approval.

## **7. REVIEW PROPOSED OPERATIONAL AREA IMPROVEMENTS FOR CALENDAR YEAR 2010.**

AGM Seal comments: This year we can concentrate on planning for this calendar year now instead of waiting for the EI Report to be developed and reported. We will have an earlier start. SAR bypass pipeline upstream of BVMWD inlets to SCE's PP#3. Recommend placing Metal cladding over Cuttle Weir concrete top surface to protect from high flows overtopping weir and damaging the unprotected concrete. Investigate installation of valves and meters at key locations, and adding telemetry and SCADA monitoring and reporting systems. Proposed engineering analysis of basin underground water flows and supplies. Will be working with Muni on the spreading facilities and distribution system improvements. Will develop recommended SBVWCD contributions.

No action was necessary as above items were informational.

Added item of Wash Plan disposition was discussed. Mrs. Brown passed out copies of the P & L Statement. Problem: District has bills owed primarily from consultant, URS, over a disputed bill and the resolution amount is uncertain and from new property

appraisal activities and completion costs. Bottom line is there are \$ owed and the District has experienced a large decrease of income, primarily from mining. The recently recapped P & L of the Wash Plan shows a loss of \$415,820 that the District has no incoming revenues from the Wash Plan partners. Director Corneille asked what the partners of the Plan agreement had agreed to pay and what has been paid? Discussion ensued. Mr. Cosgrove noted the District cannot continue to pay all future costs to complete the study. GM Neufeld note it was "time to stop the bleeding." Options recommended by Mr. Cosgrove and GM Neufeld were:

1. Explain to Plan participants that a new participant assessment is needed to share unpaid current and new costs.
2. Delay the Plan process until new revenues are received (cold storage).
3. District could finance remaining estimated costs using the currently held \$5 million as collateral. Or just use a portion of the \$5 million and pay it back later. (Not likely to pursue).
4. Stop the project totally. This does not appear to be a viable alternative.

General discussion followed that we were only discussing the WCD's side of the issues. We need to present the problem to the Plan participants and get their input and recommendations. Director Corneille asked about the estimated cost to complete the project? Mrs. Brown answered about \$100,000. GM Neufeld stated he was concerned about the loss of potential income due to having the property tied up in the Wash Plan and not being available for other more profitable purposes. Randy Scott noted projected contract costs, as agreed up currently, include variable costs added to the professional costs, or about 40% of \$57,000 that we are actually liable for (from Jones & Stokes). Could be added costs from BLM. Total projected completion costs about \$100,000. Randy also pointed out there will be an annual maintenance cost of about \$250,000 (22% for two mining companies, 10% for each of Highland, Redlands, Flood Control District, rest for us. Add legal, Randy Scott, professional costs, etc. GM Neufeld noted from a meeting with Redlands that the City feels the property real value is enough to pay its remaining share of the costs and they will not pay any more cash.

Director Day questioned the consequences if we stop the Wash Plan? Legal or contractual problems?

GM Neufeld noted SCD will lose future income from the mining property. Director Day noted there appears to be no value in continuing the Plan, no long term plan benefit. Mr. Cosgrove stated the WCD needs cash flow analysis of the mining business plan to analyze future benefits in order to make a decision. Director Day noted with no apparent benefit to us, but only to the mining companies, we need to approach CEMEX and RedAgg that they need to take it over, or do more. Mr. Cosgrove commented that the long term analysis should show the highest benefit of land usage compared to water quality issues.

Director Day pointed out that the summery of the problem was the contracted mining fees were not high enough to pay costs to offset to put water into the basins and groundwater charges were also not high enough. He questioned the benefit to mining only, and not us. Miners obviously do not want to stop the WashPlan.

After further extensive discussion, GM Neufeld recommended put Wash Plan on hold until we have had time to do a complete cost analysis and meet with the Wash Plan participants.

Director Corneille said the issue needed to be discussed at the next BOD meeting. Staff needs to develop the projected cost to complete the Wash Plan, calculate the long term costs, cost to benefit analysis, and cash flow analysis. We need examine the project from a global view and from past events. Director Day made the motion and Director Wright seconded the motion. Motion carried 3 X 0.

**8. REVIEW MODIFICATIONS TO 2009-2010 ENGINEERING REPORT FORMAT AND ADDED SECTIONS.**

AGM Seal requested modifying the 2009-10 Engineering Investigation Report format to include additional explanatory sections. Director Day motioned to send the item to the next BOD meeting for BOD approval. Director Wright seconded. Vote carried 3 X 0.

**9. GENERAL OPEN FORUM, NEW IDEAS, DISCUSSION & RECOMMENDATIONS FOR FUTURE ACTIVITIES FROM THE DIRECTORS AND STAFF.**

GM Neufeld reported he was working on an agreement with Western and Valley to allow the WCD to become the only spreading authority in the basin. This potential agreement contains multiple opportunities for the District's future.

**10. ADJOURN** Motion to adjourn was made by Director Day, seconded by Director Wright, approved 3X 0. Adjourned at 10:15 am.

Committee Members:  
Clare Henry Day, Chair  
Arnold Wright  
Richard Corneille

Alternate:  
Manuel Aranda