

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD MEETING

MINUTES OF FEBRUARY 13, 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 (3:30 p.m. departure)
Bob Glaubig, Director
David E. Raley, Director
Manuel Aranda, Director
Clare Henry Day, Director
John Longville, Director (1:41 p.m. arrival)

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
Don Lee, 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

There were no additions or deletions.

3. CONSENT CALENDAR

Approval of the Board Minutes from January 9, 2013

It was moved by Director Day and seconded by Director McDonald to approve the minutes from January 9, 2013. The motion carried 6-0. Director Longville was noted absent from the vote.

Approval of Unaudited Financials and Check Register, January 2013

Mr. Cozad noted that a handout of the revised financials was provided at today's meetings to replace package pages 16-30. Director McDonald provided a report from the Administrative Committee (Committee) quarterly review of the financials from their meeting on January 14, 2013. She noted that the Committee requested the total budget for the year, amount spent, and forecast for the remaining year. The District is currently on budget. Additionally, a policy outlining what it would entail to maintain a healthy reserve level for the Groundwater Enterprise was requested by the Committee. Mr. Cozad stated that the Committee recommended utilizing the current budget format and will bring back what we spent, what we think we will spend, and whether we are over or under budget at the end of the year. Neither the Committee nor Staff recommended any budget changes at this time. Staff indicated that due to consolidated agreements with SBVMWD, fiscal year 2012-2013 will end at higher revenue than previous years. The only revenue not received as of January was Wash Plan Revenue and the Easement Agreement with Department of Water Resources. Discussion ensued related to timing and status.

It was moved by Director Aranda and seconded by Director McDonald to approve the Unaudited Financials and Check Register for January 2013. The motion

carried 6-0 with Director Longville noted absent from the vote.

Groundwater Assessment Report, GWA #39

Mr. Cozad reviewed package pages 59-68 noting that to date we have not received the City of Redlands payment this period. However, the District has received payments from most of the larger producers, and assessments seem to be on schedule.

This item was received and filed.

4. ACTION ITEMS, NEW BUSINESS

A. 2013 ENGINEERING INVESTIGATION DRAFT

Mr. Cozad presented a PowerPoint presentation summarizing the Engineering Investigation (EI). President Corneille and the Board expressed their appreciation towards Staff for the substantial amount of work that was performed in completing the 2013 EI. He summarized the purpose of the EI report which was implemented in 1993. The EI Plan was approved in 12/2012. Mr. Cozad also noted the data was returned promptly. The report was prepared by Ryan Hejka, and Craig Brudin; in collaboration with Steve Mains and production by Athena Medina. Mr. Cozad noted there are 200 wells that provide the District with data. Director Aranda confirmed the most northerly point of Bunker Hill Basin is Cajon Pass, most southerly is Colton by freeway interchange, and most westerly is Lytle Creek. Mr. Cozad indicated last year's increase was 7,700; production estimated based on weather in Figure 10. He noted that rates are considered on past two year's production. Director Raley inquired if San Bernardino Valley Municipal Water District (SBVMWD) was in charge of the basin. Mr. Cozad stated the SBVMWD is the Watermaster for the Bunker Hill Basin. Basin Technical Advisory Committee (BTAC) identifies and sets the target recharge maximum; there is no minimum. In response to a question from Director Raley, Mr. Cozad stated there is no specific trigger level believed to be set by BTAC to go out and purchase water; agencies participate in the cooperative recharge program. He also indicated that Bob Tincher of SBVMWD reports on the condition of the basin including water levels and associated data at the BTAC meetings. Director Raley expressed his concern over potentially overdrawing the basin. Director McDonald stated the BTAC has carry-over from last year and reviewed various conditions of basin and BTAC's response to issues. Discussion ensued. Mr. Cozad continued with the presentation stating that for the ensuing water year it is assumed production will be average. President Corneille stated in dry years, production is higher than in wet years which have more surface water available for treatment and spreading. Mr. Cozad reviewed estimates and forecast for next year. He also stated the EI report is available on the District website. The Board commended

Staff on their efficiency and commented on the cost savings due to performing this task in house.

This item was received and filed.

B. PRELIMINARY BUDGET FOR GROUNDWATER

Mr. Cozad reviewed the handout of the Preliminary Budget. In response to a question he indicated where money has been included to potentially purchase a new vehicle. He reviewed the Groundwater Enterprise budget handout in detail. The SBVMWD lease has been adjusted related to the agreement and allocated to Revenue General Ledger (GL) 4055 in the Groundwater and Land Resources Enterprise. District Staff proposes no groundwater increase for 2013-2014. Mr. Cozad created a new inter-district general ledger account to keep track of cooperative or collaborative efforts and expenses performed with outside agencies. For GL 7050, regular maintenance is budgeted each year and additional funding for a wet year every 3rd year. There is an estimated \$861,000 in expenses for the Groundwater Enterprise which leaves the District with a balanced budget. Mr. Cozad stated the District does not have final numbers on some costs, but will bring these back to the Board in a final budget.

President Corneille asked what the District's reserve amount is estimated to be. Mr. Cozad stated that he is currently working on updating the reserve policy and amount. The Groundwater Enterprise may potentially have a profit this fiscal year which would go to reserves. Director McDonald stated that the reserve policy was discussed at the Administrative Committee. Director Aranda asked what reserves would be utilized for and what is the purpose of having one. President Corneille stated that it is similar to a savings account for each enterprise. He did clarify that the \$5 million from Robertson's is not a reserve; it is a prepayment of mining royalties. Mr. Cozad stated that the purpose of reserves is to cover the District in case of extraordinary events or catastrophic damage and help stabilize rates for groundwater. Discussion ensued. Mr. Cozad stated security is still an issue with surveillance equipment becoming an additional item that is being stolen. Field Staff is working with 7W, Redlands Police Department, San Bernardino County Sheriff, and the Bureau of Land Management Ranger to contain this issue. Director McDonald indicated that Emerson Metal Theft Bill is also being developed to potentially help with this issue. The Board deferred this item to Administrative Committee.

The Board accepted the draft budget for the Groundwater Enterprise for notice purposes.

C. ADOPTION OF SAWPA OWOW INTEGRATED REGIONAL WATER MANAGEMENT PLAN

Mr. Cozad reviewed the OWOW plan and what it entails. President Corneille requested a copy of the OWOW plan and a presentation to the Resources Committee.

It was moved by Director McDonald to approve the adoption of the OWOW Integrated Regional Water Management Plan. Director Day seconded motion. The motion carried unanimously.

D. 2012-2013 PRELIMINARY DRAFT COMMUNITY STRATEGIC PLAN

President Corneille requested pictures be added to the Community Strategic Plan. There were minor revisions recommended to Staff by the Board and General Counsel.

It was moved by Director McDonald for Staff to incorporate feedback received by the Board and coordinate with partners and communities to receive feedback. Director Aranda seconded motion. The motion carried unanimously.

E. SPHERE OF INFLUENCE RESOLUTION

President Corneille stated the District is requesting formal letters of support from partner agencies; there will be a presentation tonight by Mr. Cozad to the Board at EVWD. Mr. Cozad specifically highlighted the indemnity clause and a map that will be attached to the resolution. Mr. Cosgrove identified the difference between an EIR and environmental review done by LAFCO. Mr. Cozad noted that Tom Dodson, the environmental consultant for LAFCO, will likely review the application, and the District will be responsible for potentially \$8,000 in fees. He also stated the application and MSR would likely be done simultaneously and the District may wish to request a level of service that supports simultaneous actions. Discussion ensued.

It was moved by Director Day and seconded by Director Aranda to approve Resolution No. 488 and authorize the filing of the LAFCO application to reinstate the SOI. The motion carried unanimously.

F. AUTHORIZE MAINTENANCE ACTIVITIES FOR SECURITY AND CLEANING

Mr. Cozad reviewed this item and specified that on package page 95 there is a map that identifies areas of security breach and boundaries where the District would like to place boulders to prevent access. The District proposes to file a CEQA exemption for the field maintenance work to be performed to reduce

illegal access. Additionally, there may be specific access permits or agreements that will be brought back if needed for basin maintenance for Santa Ana River area. It would potentially be for basins 10, 11, and 12 to remove large sediment. Director Glaubig asked if the timing was right to perform these tasks. Mr. Cozad stated it will be a couple months out after any potential rains have ceased. Director Day asked if we need a surveyor to identify boundaries for rock placement. Mr. Cozad stated most of the areas are pretty well marked. He stated that if a boundary is in question the District will request a survey; but on those areas clearly identified, it is not necessary. Also, Field Staff has indicated \$500 worth of locks and fencing has been stolen to date. President Corneille stated there is concurrence to bring back additional information to the Board on the sale of aggregate as well as maintenance activities.

It was moved by Director McDonald and seconded by Director Aranda to authorize Staff to file the CEQA exemption pertaining to prevention of illegal access. The motion carried unanimously.

G. BOARD POLICY MANUAL REVISIONS FOR 2013

Director McDonald reviewed the Committee's recommendation. Mr. Cosgrove reviewed minor technical changes to the Board Policy Manual. He identified the FPPC requirement for the District to file Form 806 and the addition of the sexual harassment policy. President Corneille clarified that Form 806 is required only if you receive compensation from a board outside of the District. Mr. Cosgrove stated this is simply a disclosure form that does not require the Board Member to file it, but the District itself. Brief discussion ensued related to the new requirement.

Director McDonald reviewed the Administrative Committee changes to Policy 4025, Director Expense policy and related Appendix "C". She reviewed the Committee's recommended changes in Appendix C which included two categories, Category 1 and 2. This change would allow for both primary and alternate to attend as a pre-approved District Requested meeting where both parties could receive compensation upon attending. Additional Board members could also attend, but would be required to claim as Director Selected if requesting reimbursement for such attendance. The current policy states that only the primary will receive compensation unless the alternate claims the meeting as a Director Selected. Mr. Cosgrove stated the Board will need to decide as to whether the eight committee or groups in question merit attendance by both primary and alternate. Day stated they are also supposed to report, the actions which should be sufficient. President Corneille asked for any objections to this change. Director Day indicated that there is an issue with too many directors attending a meeting at once. Discussion ensued. Director Day stated it would be an increased cost. Director Raley said that there is some validity to the potential changes to Appendix C; however, it has deficiencies. He stated that a director may feel compelled or required to attend.

President Corneille and Director Raley recommended referring this item back to the Administrative Committee and bringing back to the Board at the March 13th meeting.

It was moved by Director Raley to refer to Administrative Committee Policy Item 4025 and Appendix C and bring back to the Board in March. Director Day seconded motion. The motion carried unanimously.

5. INFORMATION ITEMS:

A. General Manager's Report

Mr. Cozad stated that currently the District has expensed an estimated \$3,000 on engineering services for Plunge Creek. Additionally, up to \$8,000 will be spent on the economic assessments required by DWR. The majority of the work has been performed by Staff, primarily Angie Quiroga, Administrative Services Specialist.

Mr. Cozad stated that the owner of Hello Sushi is selling the business to the existing manager and he is interested in renegotiating the lease utilizing the District Standard lease that District Counsel has reviewed. Suites I and J are still vacant. Mr. Cozad stated that new signage has been discussed to potentially attract a new tenant and better advertise for existing tenants. However, this would be a CAM fee cost that all tenants would need to agree upon.

There have been 7,473 acre feet diverted under the District license and 1557 acre feet under SBVMWD license statement to be filed with the State upon Muni concurrence. There is \$60, 000 budgeted for an aerial survey to be performed to estimate the amount and location of aggregate on District property. Mr. Cozad stated that SBCFCD is going to be performing LiDAR within the same area and suggested that the District collaborate with them to get this performed. This may require an agreement with SBCFCD. CEMEX will be contributing half of the cost. Mr. Cozad estimated the cost to be around \$15,000 for the District's share. This item will be brought back to the Board for final approval if an agreement is required.

SANBAG has an analysis program to evaluate solar energy for public entities. The analysis is \$970 which may potentially lead to grant funding. Director Longville stated that the cost is small compared to the potential savings in long run. President Corneille said that solar may be used in additional areas on District property. Mr. Cozad was unable to give them information for environmental clearance pertaining to exact parcel numbers except for on Redlands Plaza. Director Day stated some issues exist with solar energy: they

have to be swiveled toward the sun, a maintenance policy is required for dust cleaning, and they're easily breakable.

B. Monthly Recharge Report

Mr. Cozad stated it is still dry except for a small amount of additional water being received by treatment plants. Seven Oaks Dam may release additional water within a couple of months.

C. Future Agenda Items & Staff task Requests from Directors

President Corneille appointed an Ad Hoc Committee, to meet in March, for General Manager's performance review and contract negotiation consisting of Director Raley, Director Day and himself. The agreement and salary determination should be no later than June.

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

Directors Day and Longville made no report.

Director Glaubig attended the Ad Hoc Sphere of Influence Committee.

Director Raley attended the SBVMWD Board of Directors meeting on February 5, 2013. They approved adding Plunge Creek to IRWMP. Also, discussed was the potential addition of generators to their facilities. He requested the State Water Committee Report. Additionally, SBVMWD and City of Redlands are discussing a water storage agreement.

Director Aranda will be attending Desalination Conference and attended a conference call for the ACWA Communications Committee. He also attended Loma Linda Chamber Installation Banquet and SBACC Installation Banquet.

President Corneille attended the Advisory Commission meeting, BTAC, HACC Installation, and Regional Water Resources Alliance. He requested approval to attend the ACWA Groundwater Committee in Sacramento at a cost of \$449.

It was moved by Director Raley to approve President Corneille's request for authorization to attend the ACWA Groundwater Committee meeting in Sacramento. Director Aranda seconded motion. The motion carried 6-0 with Director McDonald noted absent from the vote.

Director Longville requested to go to ACWA State Legislative Symposium.

Director Raley requested clarification as to the benefit of attendance. Director Longville stated there is legislation regarding property tax, presentation on CEQA reform and Water Bond. The cost was estimated to be similar to that of Director Corneille to attend the Groundwater Meeting.

It was moved by Director Aranda to approve Director Longville's request for authorization to attend the ACWA State Legislative Symposium in Sacramento. Director Day seconded motion. The motion carried 6-0 with Director McDonald noted absent from the vote.

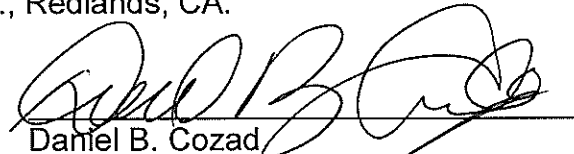
7. UPCOMING MEETINGS

None discussed.

8. ADJOURN MEETING

It was moved by Director Day and seconded by Director Longville to adjourn to the next scheduled meeting. The motion carried 6-0 with Director McDonald noted absent from the vote.

There was no Closed Session. At 4:21 p.m. the meeting adjourned to the Regular Board of Directors Meeting on March 13, 2013 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.


Daniel B. Cozad
General Manager