

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE PUBLIC MEETING AND THE
REGULAR BOARD MEETING OF
April 7, 2004

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

ROLL CALL:

BOARD MEMBERS PRESENT:

Cheryl Tubbs, President
Clare Henry Day, Vice President
Sterling Woodbury, Director
Arnold L. Wright, Director (3:30 p.m.)
Manuel Aranda, Jr., Director
Melody Henriques, Director

BOARD MEMBERS ABSENT:

Burt Marcum Jr., Director

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Esquire

STAFF PRESENT:

Lawrence M. Libeu, General Manager/Board Secretary
Tom Crowley, Assistant General Manager
Colleen Theuer, Administrative Services Manager/Recording Secretary

GUESTS PRESENT:

Christine Jones, CEMEX, Inc.
Douglas Headrick, City of Redlands

1. PUBLIC PARTICIPATION

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

2. PUBLIC MEETING RELATED TO ADOPTION OF GROUNDWATER CHARGE

President Tubbs opened the Public Meeting, stating that under Article 1, Section 75560 of the California Water Code, a Water Conservation District proposing to levy a groundwater charge "shall annually cause to be made an engineering investigation and report upon groundwater conditions of the District." She said the San Bernardino Valley Water Conservation District (District) proposed to increase the current groundwater charge from \$1.50 per acre-foot to \$3.11 per acre-foot for agricultural purposes, and from \$5.50 per acre-foot to \$11.94 per acre-foot for non-agricultural purposes. The purpose of the groundwater charge would be to fund the District's continuing groundwater replenishment efforts, establish a reserve for potential future purchases of water for replenishment, reimbursement of previously purchased water for alleviation of present low groundwater conditions, and various of the District's groundwater recharge and protection activities. She then asked Mr. Crowley to present the Engineering Report.

Mr. Crowley stated that no written comments had been received regarding the proposed increase in groundwater rates. Using visual aids, he presented the Engineering Report, followed with a presentation of the Groundwater Replenishment Program for 2004-2005 (GRP). He explained that the GRP was a plan developed by the District to recover money already spent for the purchase of state project water, as well as for future purchases. The plan calls for raising the groundwater rates in order to accomplish this goal. After the presentation, discussion ensued. Comments were received from Ms. Christine Jones, of CEMEX, Inc., and Mr. Douglas Headrick, Water Resources Chief for the City of Redlands. Mr. Headrick said that while he appreciated the District stepping in to buy water during this time of drought, it was his understanding that the District was subsidizing the purchased water, and had he known the District would be raising the rates in order to recover those costs, he would not have agreed to the original plan. He said the City of Redlands opposes the proposed increase in rates. Discussion continued. President Tubbs said the District would take into consideration the comments from the public, and that the District would be hearing further comments on the proposed rates at the Upper Santa Ana Water Resources Association meeting the next day, April 8, 2004.

3. DISCUSSION, MONTHLY ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

Director Aranda reported that he attended several meetings during the month, including the Water Education Foundation meeting, two ACWA State Legislative Committee meetings, and the 2004 Legislative Symposium. He said that at the symposium, the District's state lobbyist, Ralph Simoni, was by far the best speaker and the most informed. At the legislative meetings, the subject of SB 1272 (Ortiz), regarding corruption at water districts, was discussed. The bill proposes to mandate ethics training for board members; establish control of fees paid to board members; and limit

monthly meetings attended by board members. He said he would be testifying against this bill as an ACWA member.

Director Henriques reported that she attended several meetings during the month, including a Region 9 meeting in Coachella; a Cal-State WRI Forum on flood and fire; and ACWA/JPIA meetings in Sacramento.

President Tubbs reported that she was planning to attend the WESTCAS meeting in May, and possibly the WESTCAS Conference in San Diego in June. She said she will also be out of the country from April 16 - 24, 2004.

At 3:05 p.m., a short recess was taken.

At 3:10 p.m., the meeting reconvened.

4. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MARCH 3, 2004.

There was a brief discussion on the minutes for the regular meeting of March 3, 2004. Minor corrections were noted.

It was moved by Vice President Day and seconded by Director Aranda to approve the minutes of the regular meeting of March 3, 2004, as amended. The motion carried 5-0, with Directors Wright and Marcum absent.

5. COMMITTEE REPORTS

There were no committee reports for this meeting.

6. GENERAL MANAGER'S REPORT

Mr. Libeu highlighted some of the items from the General Manager's report. He reported on the NWRA and ACWA meetings he attended in Washington DC during the month. He noted that the upcoming ACWA Conference would be held in Monterey on May 4-7, and the WESTCAS Conference would be held June 24. Activities of the District included participation in the Highland Harvest Citrus Festival, and hosting the Special Districts Dinner on May 17; however, he and President Tubbs will be in Washington DC that day, and Director Aranda will be having surgery that day also. He encouraged the rest of the Board to attend the dinner to represent the District.

Mr. Crowley presented the Operations and Maintenance Report for the month. He said staff had been repairing fencing and access gates in the Mill Creek Spreading Grounds, utilizing fencing material on hand. However, additional fencing material would be needed, and is being evaluated for next year's budget. He utilized visual aids to show new gate structures recently built by the field staff.

Mr. Cosgrove said that on April 7, the District was contacted by LAFCO regarding nominations for the voting members of the Independent Special Districts Selection Committee for a meeting to be held on April 8. President Tubbs will attend as the voting member for the District.

7. CONSENT CALENDER

Using visual aids, Ms. Theuer presented the monthly financial reports.

It was moved by Director Aranda and seconded by Director Henriques to approve the Consent Calendar, consisting of the Expenditures for March 2004 and the un-audited Financial Reports for March 2004. The motion carried 5-0, with Directors Wright and Marcum absent.

8. BOARD LETTERS, ACTION ITEMS, NEW BUSINESS, FYI

A. Approval of General Manager's Revised Contract

Mr. Cosgrove requested that this item be continued until the April 28 Board meeting.

It was moved by Vice President Day and seconded by Director Henriques to continue item A., Approval of General Manager's revised contract, to the Board meeting of April 28, 2004. The motion carried 5-0, with Directors Wright and Marcum absent.

B. Approve Resolution No. 399, Nomination of Lawrence M. Libeu, for a California Caucus position on the National Water Resources Association Board (NWRA), as a representative for the State of California through ACWA

It was moved by Director Henriques and seconded by Director Aranda to approve Resolution No. 399, nominating General Manager Lawrence M. Libue for a California Caucus position on the NWRA as a representative for the State of California through ACWA. The motion carried 5-0, with Directors Wright and Marcum absent.

(Minute Order 04/004/04)

9. CLOSED SESSION

It was moved by Director Day and seconded by Director Henriques to adjourn to Closed Session, at 3:30 p.m., as provided by the authority of Government Code Section 54956.9, with respect to Application 31371; and Government Code Section 54956.8, lease negotiations with CEMEX. The motion carried 5-0, with Directors Wright and Marcum absent.

At this time Director Wright arrived, but was excused from a portion of the Closed Session due to a potential economic conflict of interest arising out of his Mutual Water Company stock.

At 4:05 p.m., President Tubbs was excused from the Closed Session due to a possible conflict of interest, and Director Wright entered the session.

At 4:15 p.m., the Board reconvened in Open Session. In accordance with Government Code Section 54957.1, there was no reportable action taken.

9. ADJOURN MEETING

There being no further business, the meeting adjourned at 4:15 p.m.

Board Secretary