

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING OF
January 11, 2006
1:30 P.M.

President Cheryl Tubbs called the Regular Meeting of the Board of Directors to order at 1:30 p.m.

Mr. Libeu administered the oath of office for the incoming Directors for the term beginning January 2006 and ending December 2010. They were Cheryl Tubbs, Clare Henry Day, Melody Henriques-McDonald, Glenda Douglas, and Richard Corneille.

All present stood for the pledge of allegiance, led by President Tubbs.

ROLL CALL:

BOARD MEMBERS PRESENT:

Cheryl Tubbs, President
Manuel Aranda, Vice President
Clare Henry Day, Director
Glenda Douglas, Director
Richard Corneille, Director
Melody Henriques-McDonald, Director

BOARD MEMBERS ABSENT:

Arnold Wright, Director

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Esq.

SPECIAL COUNSEL PRESENT:

H. Jess Senecal, Esq.

STAFF PRESENT:

Lawrence M. Libeu, General Manager/Board Secretary
Tom Crowley, Assistant General Manager
Colleen Theuer, Assistant to the General Manager/Recording Secretary
Walter Christensen, Project Manager

GUESTS PRESENT:

James Walker, Tetra Tech

1. PUBLIC PARTICIPATION

President Tubbs 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 proceeded with the published agenda items.

2. BOARD DISCUSSION ITEMS

Director Henriques-McDonald reported that she attended several Chamber functions as well as the ACWA Conference.

President Tubbs reported that she and Mr. Libeu attended meetings with the Mayor of Highland and the Mayor of Redlands. They also met with Supervisor Hansberger and will be meeting with him again on January 24.

Director Aranda reported that he attended the ACWA Conference, the Special Districts meeting, and the LAFCO Committee meeting.

Director Douglas reported that she attended the Highland Chamber breakfast, the Special Districts meeting, and the LAFCO Committee meeting.

3. APPROVAL OF THE MINUTES

It was moved by Director Corneille and seconded by Director Aranda to approve the minutes of the regular meeting of December 9, 2005. The motion carried 6-0, with Director Wright absent.

4. BOARD COMMITTEE REPORTS

There were no committee reports for this meeting. An Administrative Committee meeting was scheduled for January 19, the time to be decided later.

5. GENERAL MANAGER'S REPORT

Mr. Libeu summarized his written report. He noted that the office would be closed on Monday, January 16, in observance of Martin Luther King Jr. Day. He also noted that Mr. Crowley, the District Assistant General Manager, would be leaving the District effective February 3, 2006 for the position of Assistant General Manager for West Valley Water District. He said a going-away event would be scheduled for February 2, and that he would keep the Board apprised of the details.

6. OPERATIONS AND MAINTENANCE REPORT

Mr. Crowley summarized his written report. He said most of his time was spent working on documents concerning the LAFCO issues. Regarding the maintenance activities, he said basins 1, 2, and 3 have been cleared out of the borrow pit with District equipment; a proposal has been submitted from Larry Jacinto Inc. for clean-up of basins 13, 14, and 15, with other proposals expected from other contractors. The only water being recharged in the Santa Ana River is the bare minimal, and about 58 acre-feet a day in state project water. Mr. Crowley continued his discussion on the recharge summary report, and answered questions from the Board.

Mr. Crowley thanked the Board for the opportunity of working with them for the last six years of his tenure at the District.

7. CONSENT CALENDAR

The financial statements were briefly discussed.

It was moved by Director Day and seconded by Director Douglas to approve the Consent Calendar, consisting of the Warrants for December 2005 and the Un-audited Financial Reports for December 2005. The motion carried 6-0, with Director Wright absent.

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

A. Financial Analysis Report, Mr. David Tuttle, Soren McAdam Christenson LLP

Mr. Libeu introduced Mr. Dave Tuttle, consultant from the firm Soren McAdam Christenson, LLP for a report on financial issues for the District. Mr. Tuttle's report entitled "Consultation Report" evaluated the fiscal effects of possible changes in the District's revenues received from groundwater assessments. Mr. Tuttle presented the findings from his report, and a lengthy discussion followed. At the end of the discussion, and as part of the conclusion in the report, Mr. Tuttle recommended instituting a policy of performing an annual groundwater assessment rebate program, with the caveat that such a program would be dependent upon the amount of income received for the year. Further questions and answers ensued. The Board thanked him for his time, effort and thoroughness on the report.

It was moved by Director Day and seconded by Director Henriques-McDonald to receive and file, subject to directed amendments, the Financial Analysis Report from Soren McAdam Christenson, LLP. The motion carried 6-0, with Director Wright absent.

B. Groundwater Statements and Receipts

Mr. Libeu led a lengthy discussion regarding the January 2006 groundwater billing statements, delinquent accounts, and a possible rebate policy. Mr. Libeu indicated that

staff concurred with the conclusion in the Soren McAdam Christenson, LLP report and recommended that the Board approve a rebate for the period of July 1, 2005 to December 31, 2005 billing statements, to be sent later this month. The Board and staff discussed several approaches to issuing a rebate, and it was decided that a minimum 50% rebate would be appropriate for this billing period.

It was moved by Director Corneille and seconded by Director Henriques-McDonald to include with the groundwater billing statements, for the period July 1, 2005 to December 31, 2005, an announcement that while the District expects payment for their assessment, a minimum 50% rebate of that assessment would be provided at the end of the fiscal year. The motion carried 6-0, with Director Wright absent.

The following motion was also made:

It was moved by Director Corneille and seconded by Director Douglas to direct staff to study the District's reserves, considering both the amount of the reserves and the income generated by them, and include the results of the study as part of the budget workshop to be scheduled in March 2006. The motion carried 6-0, with Director Wright absent.

In addition, staff discussed with the Board and legal counsel action to be taken with regard to delinquent accounts (January 1, 2005 through June 30, 2005). It was recommended by the Board that final notices should be prepared and mailed to the delinquent accounts, with proper water code citations, and noting 30 days in which to pay.

It was moved by Director Henriques-McDonald and seconded by Vice President Aranda to send a final notice to the delinquent accounts, with the proper water code citations and giving 30 days in which to pay. The motion carried 6-0, with Director Wright absent.

- C. Seven Oaks Dam Water Quality Impact Study Report
- D. Integrated Regional Groundwater Management Plan Report

Mr. Libeu requested that items C & D be tabled until the next Board meeting, due to time restraints.

It was moved by Vice President Aranda and seconded by Director Day to table items C and D until the next Board meeting on February 1, 2006. The motion carried 6-0, with Director Wright absent.

9. CLOSED SESSION

It was moved by Director Corneille and seconded by Director Day to adjourn to Closed Session, at 4:10 p.m., as provided by the authority of

Government Code Section 54956.9(a) to consider the Application No. 31371 before the State Water Resources Control Board to appropriate waters of the Santa Ana River; and Government Code Section 54956.9, to determine on whether to initiate litigation. The motion carried 6-0, with Director Wright absent.

At 4:55 p.m., it was moved by Director Day and seconded by Director Douglas to reconvene into Open Session. Action taken: the Board authorized staff to join with other Upper Santa River water agencies to intervene in the Audubon Society case, as it relates to Southern California Edison's FERC re-licensing.

10. ADJOURN MEETING

At 4:57 p.m., the meeting adjourned to the Board meeting scheduled for **Wednesday, February 1, 2006** at District Headquarters, 1630 W. Redlands Blvd., Ste. A, Redlands, CA, at 1:30 p.m.

Board Secretary