

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING OF
February 7, 2007
1:30 P.M.

President Cheryl Tubbs called the 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
Manuel Aranda, Vice President
Richard Corneille, Director
Clare Henry Day, Director
Glenda Douglas, Director
Melody McDonald, Director
Arnold Wright, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Esq., Rutan & Tucker, LLP

STAFF PRESENT:

Lawrence M. Libeu, General Manager/Board Secretary
Colleen Theuer, Assistant to the General Manager/Recording Secretary

GUESTS PRESENT:

Jim Ciampa, Lagerlof, Senecal, et al, LLP

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

Mr. Libeu introduced Jackie Silber as the new temporary GIS/IT person.

Director Corneille reported on the Advisory Commission meeting on January 11, noting that the next meeting would be on March 22. He reported that he attended the Special Districts dinner meeting and the Loma Linda Chamber Installation Dinner, where Vice-President Aranda was installed as their new president.

Director McDonald reported attending the Highland Chamber meeting; the LAFCO hearing; the Highland Chamber luncheon, and the San Bernardino Chamber Installation Dinner at the new sports arena.

President Tubbs reported attending the LAFCO hearing and the Special Districts dinner meeting. She said she gave a presentation to the California Public Schools Employees and Retirees Unit, discussing the District and the issues the District is currently facing.

Vice-President Aranda reported that he attended the San Bernardino Chamber Installation Dinner at the sports center; the LAFCO hearing; and other chamber meetings.

Director Wright reported attending the Loma Linda Chamber Installation Dinner.

Director Douglas reported attending the LAFCO hearing; the Highland Chamber meeting; and the Loma Linda Chamber Installation Dinner.

3. APPROVAL OF THE MINUTES

It was moved by Director Day and seconded by Director Douglas to approve the minutes of the regular meeting of January 10, 2007. The motion carried unanimously.

4. BOARD COMMITTEE REPORTS

There were no committee reports for this meeting.

5. GENERAL MANAGER'S REPORT

Mr. Libeu summarized his written report. He discussed interviewing the candidates for the positions of Assistant General Manager and Director of Land and Water Resources. He indicated there were two candidates who could perform the functions of both positions, and recommended consolidating the positions for the present time. Director Corneille concurred. Discussion ensued, and President Tubbs suggested that the Administrative Committee interview the finalists during the week of February 12. Staff was directed to set up interviews with the finalists for Thursday, 2/15, or Friday, 2/16.

President Tubbs inquired as to the status of the Army Corps of Engineers (Corps) Seven Oaks Water Quality Study. Mr. Libeu indicated that the Corps was about to complete the first major milestone in their process of determining the magnitude of the problem. He further stated that although it would appear that there are delays, the process takes time. The local agencies have just recently submitted their economic data to the Corps and that there had been several meetings between the Corps and the agencies. President Tubbs asked about the status of the District's efforts to secure funds from the Corps for building new spreading basins in the "Borrow Pit" area. Mr. Libeu replied that at the present time the District was not actively seeking funding, for most of the potential solutions to the Seven Oaks Water Quality project involved constructing new basins in the "Borrow Pit." He indicated that a probable project would be the construction of a combination of basins, some made of concrete and others made of native materials, and the construction of a pumping plant for delivery of the water. The diverted flows would flow thru the series of basins and be naturally cleaned, and then be pumped to the two local agencies, East Valley Water District and the City of Redlands, for final treatment at their water treatment facilities. Mr. Libeu further opined that the ultimate solution would be the construction of a regional water treatment facility. This alternative would be the most costly to construct and could possibly be off line for large portions of the year due to lack of flows.

President Tubbs inquired as to the status of the FY 2007-2008 budget and the Annual Engineering Investigation Report (EI). Mr. Libeu said that staff had begun working on the EI and they would make every effort to deliver it to the Board at the March 7, 2007 meeting. Mr. Libeu said that the budget was in its initial stages and he was planning on scheduling a Board budget workshop in March. President Tubbs stated that staff in the past had broken the budget into sections, which corresponded with the Board's three committees, and that each committee had an opportunity to review their particular section(s) prior to having the entire Board meet and discuss, and suggested following this procedure. Mr. Libeu said he appreciated the suggestion and would incorporate it into this year's budget development process.

6. OPERATIONS AND MAINTENANCE REPORT

Mr. Libeu summarized the O&M report and responded to questions from the Board. He reported that San Bernardino Valley Municipal Water District (Muni) had indicated they would like to begin spreading State Project Water in the Santa Ana River spreading basins. Mr. Libeu noted that he was going to meet Sam Fuller from Muni on February 8, 2007, following the Upper Santa Ana River Water Resources Association meeting, to discuss this issue. President Tubbs suggested that since the District had budgeted for two projects in the Capital Improvement Budget, which were the modification of the Greenspot Culvert Inlet/Outlet Channels and the construction of a new delivery pipeline along the north Pit levee road, work should begin on them as soon as possible. Mr. Libeu said he would put together a schedule of work and keep the Board informed as to the status of each project. He noted that the pipeline design was in progress, but was temporarily on hold due to higher priority projects.

7. WASH PLAN UPDATE

Mr. Cosgrove updated and discussed with the Board the current status on the Wash Plan. He said LSA, Inc. was in the process of undertaking additional traffic studies as requested by Cal-trans, and work was being done on the draft review for the EIR. No date yet on the release of the draft EIR, they were trying to give as many of the major stakeholders as possible a chance to review. He said he would keep the Board apprised as they progressed.

8. CONSENT CALENDAR

The financial statements were briefly discussed.

It was moved by Director Day and seconded by Vice-President Aranda to approve the Consent Calendar, consisting of the un-audited financial reports for January 2007. The motion carried unanimously.

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

A. Management Partners Contract

Mr. Libeu discussed the proposal of a contract with Management Partners, Inc., for a financial analysis of the proposed "Plan of Service" submitted by Muni to LAFCO as part of their application to consolidate the District. Tom Gardner, of Management Partners, Inc., had performed a financial analysis for the District previously and did an outstanding job. He said Mr. Gardner has the expertise to analyze the "Plan of Service," and Counsel and Special Counsel both agreed that it would be in the District's best interest to have this analysis done. The contract would be through Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP, and would not exceed \$25,000.

It was moved by Director Corneille and seconded by Director McDonald to direct the District's Special Counsel, Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP, to contract with Management Partners, Inc. to perform a financial analysis of the "Plan of Service" submitted by Muni to LAFCO as part of their application to consolidate the District, not to exceed \$25,000. The motion carried unanimously.

B. Adopt Resolution No. 426, Nominating Board Member Melody McDonald to ACWA/JPIA Executive Committee

It was moved by Director Douglas and seconded by Director Aranda to adopt Resolution No. 426, nominating Board member Melody McDonald to the ACWA/JPIA Executive Committee. The motion carried unanimously.

- C. Adopt Resolution No. 427, Concurring in Nomination of Joan Finnegan to Office of Vice President of ACWA/JPIA

A brief discussion ensued regarding the nomination of Joan Finnegan, of the Municipal Water District of Orange County, for the office of Vice President of ACWA/JPIA. After discussion, the following motion was made:

It was moved by Director McDonald and seconded by Director Douglas to adopt Resolution No. 427, concurring in the nomination of Joan Finnegan for the office of Vice President of ACWA/JPIA. The motion carried unanimously.

- D. Review Committee Membership

Staff presented the current Board Committee memberships to the Directors and asked for any changes they would like to make. As this item was being presented, the topic of attendance at events was brought up. President Tubbs suggested that the Board limit its attendance at certain events to two or three members, particularly when the information can be shared with the rest of the Board, and that some of the events Board members attend should be limited to their Divisions. Additionally, the Board should decide in advance who would be attending events, such as the ACWA Washington DC Legislative Conference, the ACWA Spring and Fall Conferences, and WESTCAS conferences, and limit attendance to two Board members and the General Manager, in keeping within the budget. Director Aranda suggested an Outreach Committee meeting to discuss further. Director Corneille noted that the criticism he has heard concerns the District's membership in national committees that have little or nothing to do with the District, which questions the benefits for the District's constituents; he also supported the idea of limiting attendance. Discussion continued. Discussion followed, and a meeting for the Outreach Committee was set for February 26, at 10:00 a.m. to further discuss and bring this item back to the Board at their regular meeting in March.

It was moved by Director Day and seconded by Director Wright to continue this item to the next Board meeting on March 7, 2007. The motion carried unanimously.

10. CLOSED SESSION

At 3:10 p.m. the meeting adjourned to Closed Session, as provided by the authority of Government Code Section 54956.9a, to consider Application No. 31371 before the State Water Resources Control Board to appropriate waters of the Santa Ana River; and Government Code Section 54956.9(a), to existing litigation, entitled San Bernardino Valley Water Conservation District v. San Bernardino Valley Municipal Water District, SBCSC Case No. SCVSS 145224; and Government Code Section 54956.9(a), to existing litigation, entitled Center for Biological Diversity v. San Bernardino County LAFCO, SBCSC Case No. SCVSS 136990 (CEQA); Government Code

Section 54956.9(c), to determine on whether to initiate litigation. The motion carried unanimously.

At 3:55 p.m., the meeting reconvened into Open Session. During Closed Session, the Board took action to file litigation.

11. ADJOURN MEETING

At 3:55 p.m., the meeting adjourned to the Board meeting scheduled for Wednesday, March 7, 2007 at District Headquarters, 1630 W Redlands Blvd., Suite A, Redlands, CA at 1:30 p.m.

Board Secretary