

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING OF
September 5, 2007
1:30 P.M.

President Melody McDonald 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 McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Marvin Shaw, General Manager
Colleen Theuer, Assistant to the General Manager/Recording Secretary

GUESTS PRESENT:

Susan Lien Longville, Director, WRI
Matthew Litchfield, Director, San Bernardino City Water Utility

1. PUBLIC PARTICIPATION

President McDonald 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.

It was moved by Director Tubbs and seconded by Vice President Aranda to take Item No. 3 out of order. The motion carried unanimously.

3. CITY OF SAN BERNARDINO PRESENTATION

Matthew Litchfield, Director of the City of San Bernardino Water Utility, made a presentation regarding the Bunker Hill Regional Water Supply Project. Using visual aids, he explained that the project involved a series of new groundwater wells in and around the Newmark Plume in north San Bernardino, and included one or more treatment plants and transmission pipelines to deliver the water to agency owners. The goals of the project are to meet increasing water demands, speed up the cleanup of the Newmark plume, and lower costs from cooperative projects. Several local agencies have committed to financially participating in this project, and asked if the Board would also be willing to participate. Mr. Litchfield discussed further and answered questions from the Board. President McDonald advised Mr. Litchfield that the question of the District's participation would be considered later in the meeting.

2. WRI PRESENTATION

Susan Lien Longville, Director of the Water Resources Institute (WRI), made a presentation on the WRI. Using visual aids, she detailed how the WRI became established as a regional center for education, research, and public policy analysis of water resource issues. She said the WRI has had to depend on contributions to close the gap between state funding, grants, and contracts, and stressed the importance of five-year pledges from participants in order to support their most critical services. She discussed further and answered questions from the Board. President McDonald advised Ms. Longville that the question of the District's participation would be considered later in the meeting.

4 APPROVAL OF THE MINUTES

It was moved by Director Corneille and seconded by Director Tubbs to approve the minutes of the regular meeting of August 1, 2007 and the minutes of the special meeting of August 15, 2007. The motion carried unanimously.

5. BOARD COMMITTEE REPORTS

There were no Board committee reports for this meeting.

6. OPERATIONS AND MAINTENANCE REPORT

There were no comments on the written Operations & Maintenance Report.

7. WASH PLAN UPDATE

Mr. Cosgrove said that the Task Force met on August 14 to consider approval of a request from LSA Associates for additional funding for the completion of the EIR and EIS, as well as for an additional study for completion of the HCP. Final confirmation had been received from the U.S. Fish & Wildlife Service that they will not be preparing the HCP; therefore the Task Force approved funding for a consultant to finish the HCP, but with instructions to both LSA and the District (as project manager) to have that consultant work with the U.S. Fish & Wildlife and the Dept of Fish & Game in the preparation of the HCP. The special legislation required for the land exchange has been drafted and is being reviewed informally by BLM. The land appraisal is in the process of being completed; and LSA has delivered copies of a revised Administrative Draft EIR for review. After discussion, Mr. Cosgrove answered questions from the Board.

8. CONSENT CALENDAR

It was moved by Director Corneille and seconded by Vice President Aranda to approve the consent calendar, consisting of the un-audited financial reports through August 31, 2007. The motion carried unanimously.

9. ACTION ITEMS, NEW BUSINESS, FYI

- A. Consider WRI Annual Contribution for Five Years; Consider 60-hour Internship for Graduate Students

The Board discussed the presentation by Susan Lien Longville and the request for an annual contribution to WRI.

It was moved by Director Tubbs and seconded by Vice President Aranda to approve a contribution of \$6,000 annually for five years to the Water Resources Institute. The motion carried unanimously.

- B. Consider Cost Sharing for the Bunker Hill Basin Regional Water Supply Project

The Board discussed the presentation by Matthew Litchfield and the request for participation in the BHBRWSP. After discussion, the following motion was made:

It was moved by Director Corneille and seconded by Director Day to make a contribution of \$10,000 towards the Bunker Hill Basin Regional Water Supply Project. The motion carried unanimously.

C. Consider Budget Augment for LSA Associates, Inc. for the Santa Ana River Wash Plan Environmental Documentation

Mr. Cosgrove led a discussion on the budget augments requested by LSA Associates, Inc. He said that the Task Force had approved the three budget augments and was requesting that the Board “echo” what the Task Force has approved. After discussion, the following motion was made:

It was moved by Director Day and seconded by Director Wright to approve the augment for \$2,000, for providing additional traffic count data to the City of Highland to support the City’s Pavement Impact Analysis (District share \$463.04); approve the augment for \$143,450 for the completion of the EIR and EIS (District share \$33,211.54); and to approve the augment amount not to exceed \$235,000 to complete the HCP and Environmental Analysis required for the issuance of take permits under the Endangered Species Act, with directions to the consultant and the project manager that the consultant work with U.S. Fish & Wildlife and the Dept. of Fish & Game to the extent possible to have the methodology that the consultant would pursue in preparing the HCP for conceptual approval from the U.S. Fish & Wildlife and the Department of Fish & Game; and if after that process it appears that the estimate of \$235,000 is not sufficient because of additional costs, then to reconvene and bring back to the Board to consider additional budget approvals (District share \$54,407.20).

Discussion continued.

It was moved by Director Day and seconded by Director Wright to amend the motion to approve item #1, augment of \$2,000; approve item #3, augment of \$235,000; and defer item #2, augment of \$143,450, subject to a report from General Counsel regarding the status of the Administrative Draft of the Wash Plan EIR. The motion carried unanimously.

D. LAFCO Annual Payment

Mr. Cosgrove said that he had consulted with Special Counsel regarding the LAFCO annual payment, and they have indicated that the District should pay the annual fee. After a brief discussion, the following motion was made:

It was moved by Director Tubbs and seconded by Director Aranda to approve payment to LAFCO in the amount of \$9,666.18, based on Special Counsel’s advice. The motion carried unanimously.

E. Consider Retention of Auditor for Audit of CEMEX Royalties and Redlands Aggregates, Inc.

Mr. Cosgrove briefly discussed the lease requirements of CEMEX and Redlands Aggregates, Inc. regarding the mining royalties. At the Board’s direction, staff contacted

the firm of Stonefield Josephson, Inc. for the purpose of conducting an audit of the accounting records for CEMEX and Redlands Aggregates. Stonefield Josephson proposed an initial study in the amount of \$5,000 in order to assess the condition of their accounting records, for the preparation of a findings memo, and presentation at a Board meeting.

It was moved by Director Corneille and seconded by Director Tubbs to retain the services of Stonefield Josephson, Inc., in the amount of \$5,000, for the purpose of conducting an initial pilot study of the accounting records of CEMEX and Redlands Aggregates. The motion carried unanimously.

- F. Discuss Potential Procedures for Replacement of Board Vacancy, Division 4, Including Candidates for Potential Appointment to Board

Mr. Cosgrove led a discussion regarding the vacant seat for Division 4, and the options available for filling that seat: (1) by Board appointment; (2) special election; (3) appointment by County Board of Supervisors. If the vacancy is filled by Board appointment, this must be done within sixty days of the date of vacancy, in this case September 28, 2007.

It was moved by Director Corneille and seconded by Director Aranda to fill the seat for Division 4 by Board appointment. The motion carried unanimously.

Staff was directed to follow the necessary procedures for providing notice of the vacancy for recruiting candidates for the Division 4 vacancy.

A special Board meeting was scheduled for September 24, 2007 at 9:00 a.m. for the purpose of interviewing candidates for the Division 4 seat, and for receiving a report from General Counsel regarding LSA Associates budget augment discussed earlier in the meeting.

- G. Consider Differential Rate for Groundwater Charge for Cemeteries and Golf Courses

A brief discussion ensued regarding establishing a subcategory of non-agricultural water production for irrigation of cemeteries and golf courses, and providing the groundwater charge rate at the same amount as the agricultural rate, \$1.85 per acre foot.

It was moved by Director Tubbs and seconded by Director Corneille to approve Resolution No. 434, Establishing a Subcategory of Non-Agricultural Groundwater Charge on the Production of Groundwater within District Boundaries for Irrigation of Cemeteries and Golf Courses. The motion carried unanimously.

- H. Consider Adopting Resolution No. 433 in Support of the Governor's Comprehensive Water Package

It was moved by Director Tubbs and seconded by Vice President Aranda to adopt Resolution No. 433, in support of Governor Schwarzenegger's comprehensive water package that includes storage, a Delta solution, and water use efficiency. The motion carried unanimously.

- I. ACWA Federal Affairs and Local Government Committees Considerations

The ACWA Federal Affairs and Local Government committee appointments were discussed. Staff was directed to submit the following nominations by the due date of September 28, 2007:

State Legislative Committee	Manuel Aranda
Water Mgmt Committee	Melody McDonald
Local Government Committee	Manuel Aranda
Groundwater Committee	Richard Corneille
Federal Affairs Committee	Marvin Shaw

- J. ACWA Region 9 Election for 2008-2009 Term

The Board discussed the Region 9 Nominating Committee's recommended slate for 2008-2009.

It was moved by Director Tubbs and seconded by Vice President Aranda to cast a ballot for Steve Robbins for Chair, Manuel Aranda for Vice Chair, and Manuel Aranda, Joseph Kuebler, Richard Larsen, and John Rossi for Board members for the Region 9 Board for the 2008-2009 term. The motion carried unanimously.

- K. CSDA Board of Directors Election 2007

It was moved by Director Tubbs and seconded by Vice President Aranda to take no action on the CSDA Board of Directors Election for 2007.

- L. FYI and Possible Action - ACWA State Legislative Committee Meeting of October 19, 2007

Vice President Aranda led a discussion regarding the ACWA State Legislative Committee meeting taking place on October 19, in which they would be preparing for the second year of the 2007-2008 California Legislative Session. The committee will consider legislative proposals submitted by ACWA member agencies, and proposals would have to be submitted no later than Friday, September 14, 2007. After discussion, the Board opted to not participate at this time.

10. UPCOMING MEETINGS

The upcoming meetings for the month were briefly discussed.

11. BOARD DISCUSSION ITEMS

Vice President Aranda reported that he attended the San Bernardino Water Conference, the Urban Water Conference, and the Groundwater Committee meeting. He discussed the water crisis in California and ACWA's efforts to educate the public.

Director Corneille discussed and distributed information regarding the Integrated Regional Water Management Plan. He noted that the next Advisory Commission on Water Policy meeting would be held on October 18 at 7:00 p.m.

President McDonald reported that she had met with Bob Martin of East Valley Water District, and that she would be taking a tour of Bear Valley facilities on September 20.

12. CLOSED SESSION

There was no Closed Session for this meeting.

13. ADJOURN MEETING

At 5:30 p.m., the meeting adjourned to a Special Board meeting scheduled for September 24, 2007 at 9:00 a.m., at District Headquarters, 1630 W Redlands Blvd., Suite A, Redlands, CA.

Recording Secretary of the Board