

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING OF
October 3, 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:

Bob Tincher, San Bernardino Valley Municipal Water District
Charles Roberts, Highland Community News

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.

2. OATH OF OFFICE

President Melody McDonald administered the Oath of Office to John Longville, for his appointment as Director for Division 4, to fill the remaining term of Glenda Douglas.

3. CONSENT CALENDAR

The minutes for September 5 and September 24 were briefly discussed. Minor changes were noted.

It was moved by Director Day and seconded by Director Corneille to approve the minutes of the regular meeting of September 5, 2007 as amended. The motion carried 6-1, with Director Longville abstaining.

It was moved by Director Day and seconded by Vice President Aranda to approve the minutes of the Special Board meeting of September 24, 2007 as amended. The motion carried 5-2, with Director Longville abstaining, and Director Corneille abstaining due to his absence from the meeting.

It was moved by Director Day and seconded by Director Tubbs to approve the un-audited financial reports through September 30, 2007. The motion carried 6-1, with Director Longville abstaining.

4. INFORMATION ITEMS

A. IRWMP Presentation

Mr. Bob Tincher, Manager of Engineering and Planning for the San Bernardino Valley Municipal Water District (Muni), made a presentation regarding the Integrated Regional Water Management Plan for the Upper Santa Ana River (IRWMP or Plan). Using visual aids, Mr. Tincher discussed the background of the IRWMP and its primary purpose, that of assisting local agencies in their collective efforts to improve management and the use of water resources of the region while protecting the groundwater basins from water quality degradation. The cost for the Plan is approaching \$900,000; Prop 50 has provided about \$500,000. The remaining amount would be paid by the participating agencies, roughly \$30,000 each. Each Board and Council would have the opportunity to consider the Plan beginning in December. The public review period takes place on October 12 - November 9, 2007, with the public meeting scheduled for October 18; the final publication of the Plan to be completed by November 20; and adoption in December 2007. Mr. Tincher discussed further and answered questions from the Board. At the conclusion of the presentation, Mr. Shaw indicated that copies of the Plan were available for review.

B. Board Committee Reports

There were no Board committee reports for this meeting.

C. General Manager's Report

Mr. Shaw discussed the Integrated Management Program Demonstration Project Agreement and indicated that he would bring this item to the Board at the November Board meeting. He discussed several other items, noting that he would be calling for an Administrative Committee meeting for the purpose of revising the Board Policy Manual and for a mid-year budget review, among other items.

Mr. Shaw discussed at length meetings he has had with Muni regarding several items, including the IRWMP, the Wash Plan, and a proposed joint feasibility study that would enable the District to optimize the groundwater recharge facilities and operations. He also briefly discussed the Edison lease and indicated he would be bringing that item back to the Board in November.

D. Operations and Maintenance Report

Mr. Shaw reported that the Seven Oaks Dam, during winter operations (October 15 - April 15), would possibly only be releasing 3 cfs a day. He said that considering the current water situation, any action to limit the Santa Ana River to 3 cfs per day is unacceptable. After discussing with Orange County Flood Control District and San Bernardino County Flood Control District, it appears that the operations of Seven Oaks Dam can be changed. Mr. Shaw said he spoke with Bear Valley Mutual Water Company's General Manager Mike Huffstutler, and indicated that Mr. Huffstutler is taking the lead towards resolving this situation.

Mr. Shaw indicated that he had received a request from the San Bernardino County Flood Control District for permission to enter District property, above Cuttle Weir. They are offering to remove scrub brush and would continue maintenance in that area. This item will be brought back to the Board as action item in December.

E. Wash Plan Update

By conference call, Mr. Cavender updated and discussed with the Board the Wash Plan. He noted that the LSA project manager, Ray Hussey, had indicated that the traffic study for the City of Highland had been updated as of October 1. Regarding the land appraisal, Mr. Cosgrove said there were some differences of opinion between the appraiser and BLM that called into question the review of the appraisal. Another review was scheduled within three weeks. Mr. Cavender continued discussion and answered questions from the Board.

F. San Bernardino Lakes & Streams Ecosystem Restoration Feasibility Study

Mr. Shaw briefed the Board on the USACOE Feasibility Study, which was released to the public in July 2007. The possibility of this project conflicting with the Wash Plan was raised. Director Tubbs noted that it could also conflict with the regional park project that Congressman Lewis was advocating. Mr. Fred Hicks, the District's federal

legislative advocate, is aware of the study, and had indicated that the project was still several years away from being completed. He will continue to monitor the study.

5. ACTION ITEMS, NEW BUSINESS, FYI

A. Proposal - Aerial Photography, Aero Tech Surveys

Ms. Silber discussed the proposal with Aero Tech Surveys for aerial services, in the amount of \$24,020, for the purpose of monitoring the amount of material mined.

It was moved by Director Corneille and seconded by Vice President Aranda to approve and authorize the General Manager to execute a contract with the firm Aero Tech Surveys, in an amount not to exceed \$24,020, for aerial photography of the existing mining areas and future mining areas under the Wash Plan. The motion carried unanimously.

B. Appointment of Marvin S. Shaw to the Big Bear Watermaster

With Mr. Libeu no longer serving as General Manager of the District, Mr. Cosgrove explained the need to make a motion to the court to appoint Marvin Shaw, the District's new General Manager, as the District's Big Bear Watermaster representative.

It was moved by Director Day and seconded by Vice President Aranda to authorize and direct General Counsel to present to the San Bernardino County Superior Court a motion seeking appointment of Marvin S. Shaw as the District's Big Bear Watermaster Representative. The motion carried unanimously.

C. Renewal of Property Management Contract

Ms. Theuer requested that the Board approve the first amendment for property management services with Ascend Commercial Management, extending the contract for one year, until September 30, 2008. The monthly fee of \$850 would remain the same.

It was moved by Director Tubbs and seconded by Director Corneille to authorize the first amendment to the Contract Services Agreement for property management services with Ascend Commercial Management, extending the contract to September 30, 2008, for a monthly fee of \$850. The motion carried unanimously.

D. Contract with Todd Engineers for Annual EI Report

Mr. Shaw briefly discussed and recommended approval of a contract with Todd Engineers for the preparation of the Annual Engineering Investigation of the Bunker Hill Basin for 2007-2008, in an amount not to exceed \$17,310. President McDonald

requested that a presentation of the report to the Upper Santa Ana Water Resources Association be included in the motion.

It was moved by Director Corneille and seconded by Director Aranda to approve and authorize the execution of a contract with Todd Engineers for the preparation of the 2007-2008 Engineering Investigation of the Bunker Hill Basin, in an amount not to exceed \$17,310; and to make a presentation of the report to the Upper Santa Ana Water Resources Association. The motion carried 6-1, with Director Tubbs abstaining due to a possible conflict of interest arising from a contract between Lilburn Corporation and Todd Engineers.

Mr. Cosgrove requested that the Board consider adding two items to the agenda that arrived after the agenda had been posted: (1) Initial analysis from Stonefield Josephson, Inc. of their assessment of the condition of the internal accounting records for Cemex mining records, to determine the type of audit required to perform an effective audit on the amount of mining that has occurred over the two years; and (2) the request from the San Bernardino County Flood Control for a Right of Entry on District property.

It was moved by Vice President Aranda and seconded by Director Longville to approve adding to the agenda the response analysis from Stonefield Josephson, Inc. The motion carried unanimously.

It was moved by Vice President Aranda and seconded by Director Day to approve adding to the agenda the request from the San Bernardino County Flood Control for a Right of Entry on District property. The motion carried unanimously.

E. INITIAL ANALYSIS OF INITIAL PILOT STUDY OF CEMEX RECORDS PERFORMED BY STONEFIELD JOSEPHSON, INC.

Mr. Cosgrove reported that Stonefield Josephson, Inc. had performed an initial pilot study of the CEMEX mining records for 2006 and 2007, and from their assessment they recommended a full scope audit in order to determine the amounts owed the District by both CEMEX and Redlands Aggregates. The cost to complete these services is not to exceed \$17,200.

It was moved by Director Longville and seconded by Vice President Aranda to authorize Stonefield Josephson, Inc. to perform a full scope audit of the CEMEX accounting records for the years 2006 and 2007, in an amount not to exceed \$17,200. The motion carried unanimously.

F. REQUEST FOR RIGHT OF ENTRY TO DISTRICT PROPERTY

Mr. Shaw reported that he had met with Dave Lovell of the San Bernardino County Flood Control, regarding their request for a Right of Entry permit to enter District land

(the Cuttle Weir area) for the purpose of clearing the scrub brush and for continual maintenance of that area. Using visual aids, Mr. Shaw presented photos of the Cuttle Weir area that needed to be cleared. After a brief discussion, the following motion was made:

It was moved by Director Longville and seconded by Director Tubbs to authorize the General Manager to execute a Right of Entry permit to the San Bernardino County Flood Control for entering District land, in the Cuttle Weir area, for the purpose of clearing scrub brush and for continued maintenance of that area. The motion carried unanimously.

6. UPCOMING MEETINGS

The upcoming meetings for the month were briefly discussed.

7. BOARD DISCUSSION ITEMS

Vice President Aranda reported that he attended an ACWA Education Program regarding the water crisis in California. He is in the process of compiling information for a power point presentation on the same subject and plans to make presentations to local organizations.

President McDonald reported that she attended the USAWRA meeting, a Huel Houser Town Hall meeting, and the LAFCO Public Scoping meeting.

8. CLOSED SESSION

It was moved by Vice President Aranda and seconded by Director Longville to adjourn to Closed Session at 4:30 p.m., under Government Code Section 54956.9(c), SBVWCD vs. LAFCO; and Government Code Section 54956.8, to consider real property negotiations re: easement agreement with San Bernardino Valley Municipal Water District/Western Municipal Water District. The motion carried unanimously.

At 5:10 p.m. the meeting reconvened into Open Session. In accordance with Government Code Section 54957.1, there was no reportable action taken.

9. ADJOURN MEETING

At 5:10 p.m., the meeting adjourned to Board meeting scheduled for November 7, 2007 at 1:30 p.m., at District Headquarters, 1630 W Redlands Blvd., Suite A, Redlands, CA.

Recording Secretary of the Board