

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
January 28, 2009
1:30 P.M.

President Melody McDonald called the Board 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
Clare Henry Day, Director
Arnold Wright, Director
Richard Corneille, Director (excused at 2:45 p.m.)
John Longville, Director (1:55 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker

STAFF PRESENT:

R. Robert Neufeld, General Manager
Claud Seal, Assistant General Manager/District Engineer
Colleen Theuer, Admin. Mgr/Recording Secretary
Randy Scott, Project Manager, Wash Plan

GUESTS PRESENT:

Ralph Simoni, California Advocates
Greg Gage, San Bernardino Valley Municipal Water District
Erin Gilhuley, CV Strategies

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. ADDITIONS/DELETIONS TO AGENDA

Mr. Neufeld requested that Item 9, Strategic Planning Workshop - Mathis Group be postponed and removed from the agenda.

It was moved by Director Tubbs and seconded by Director Corneille to remove Item 9 from the agenda. The motion carried 6-0, with Director Longville noted absent.

3. SPECIAL PRESENTATION

Mr. Simoni of California Advocates, Inc. presented his annual state legislative report to the Board. He discussed the dismal budget status of the State, noting that there will be a \$14 billion deficit between now and June, with an anticipated \$28 billion for next year. The legislature is looking at tweaking current revenue sources, such as sales tax and vehicle fees, rather than any new taxes. He assured the Board that the legislature does not have the authority to confiscate reserve funds from local governments. He discussed the shutting down of many of the state projects due to the budget crisis. He said that while water is a hugely important subject in Sacramento, the budget comes first; however, the Governor will be pursuing a water bond. He said he has been monitoring all LAFCO bills. Mr. Simoni completed his presentation and answered questions from the Board.

4. BOARD DISCUSSION ITEMS

Director Corneille reported that he attended the City of Redlands Council meeting on January 20. On their agenda was the item of remaining neutral regarding the consolidation efforts by LAFCO and the San Bernardino Valley Municipal Water District (SBVMWD). The City Council ultimately voted to remain neutral. Director Corneille said that he followed up with thank you letters to the members of the council. Regarding the Advisory Committee for Water Policy, he said there would be a meeting on Thursday, January 29, 2009 at 7:00 p.m. at SBVMWD.

Director Tubbs reported attending the Special Districts meeting.

Director Day reported attending the Highland Chamber of Commerce Installation Dinner.

President McDonald also attended the Highland Chamber of Commerce Installation Dinner; the Special Districts meeting; and the Wash Plan Task Force meeting.

Director Aranda also attended the Highland Chamber of Commerce Installation Dinner, and will be attending the Santa Ana One Water One Watershed Conference on January 29, 2009. He said he also would be attending the Loma Linda Chamber of Commerce Installation Dinner on the evening of January 29.

Director Wright reported attending the Highland Chamber of Commerce Installation Dinner.

Director Longville reported that he would be attending the San Bernardino Chamber of Commerce Installation Dinner this date, at 5:30 p.m.

5. INFORMATION ITEMS

A. Board Committee Reports

There were no committee reports for this meeting.

B. Wash Plan Update

Randy Scott reported on the final budget reconciliation with LSA for completion of the DEIR. This item is an action item later in the meeting. In discussions with the District General Manager and the two mining representatives, the three parties agreed that 50% of the requested out of scope amount was reasonable (\$87,500) and would be shared equally between the three parties (\$29,166.67). This was presented to the Task Force at a meeting on January 27, 2009 and they recommended bringing this item to the Board for approval. Mr. Scott discussed the EIS that is being completed by URS, Inc. The Administrative Draft has been received and the review comments have been passed on to URS. Regarding the Habitat Conservation Plan (HCP), the third component of the Wash Plan, Mr. Scott said \$250,000 has been estimated for the cost, for which he is preparing an RFP. The option of using URS for this item will be discussed based on their performance and qualifications; however, he will be recommending to the Board and the Task Force that outside proposals be sought to get a sense of qualifications and pricing on a competitive basis. Ongoing meetings are being held with Fish & Wildlife Service; on February 5 there will be a meeting to discuss activities relative to the data analysis for the HCP preparation. Mr. Scott said the Task Force has the timetable which he will bring to the next Board meeting for distribution.

C. Operations and Maintenance Report

Mr. Seal reported that the installation of two 32" corrugated metal pipe culverts underneath the access road for the model airplane airport on the south side of the borrow pit had been completed. This allows airport users to access the runway area without driving through water that is being moved underneath the culverts on the west end of the borrow pit for spreading. He reported that field personnel had completed smoothing and grading the access road to the Mill Creek spreading basins. Fencing in

the Mill Creek spreading grounds is being continuously patched, due to problems with off-roaders damaging the fencing; new fencing is needed in that area.

D. Optimization Study Update

Mr. Neufeld said that Mr. Seal will be assuming the lead role for the District in the Optimization Study. Mr. Seal said that the next meeting was scheduled for February 11, 2009 at 9:30 a.m. at SBVMWD. He indicated that detailed comments and notes had been sent to MWH regarding the last meeting; there were a number of concept issues that needed to be clarified, such as assumptions that they were nearing the end of the study, which is not correct. There are still two more phases needed in order to provide in-depth analysis. Comments on these concerns were sent to MWH. There was some interruption on the monitoring wells, but they have been reset and are now providing daily readings. As to the depth of the fault, Mr. Seal estimated it was shallower than 400 feet. He continued his discussion and answered questions from the Board.

E. Assistant General Manager's Report

Mr. Seal discussed the upcoming Engineering Investigation Report. He suggested that the District may not use Todd Engineers to assist with the report this year; a local engineering firm may be utilized and more of the report done in-house. While there was a late start in gathering information, he said there should be no problem in delivering the report on time. He also reported that he was compiling a list of capital improvements to bring to the Board at a later time.

F. General Manager's Report

Mr. Neufeld announced that Chris Bahnsen, an independent contractor for the District with regards to land resources coordination services, has resigned, effective February 28, 2009. He also noted that Randy Scott's (Wash Plan Project Manager) contract will be coming up for renewal and will be brought to the Board in February. Mr. Neufeld discussed water quality issues, as well as the Big Bear Watermaster (BBWM) report that is due in March. Director Tubbs inquired as to the cost of printing the BBWM report and asked if this could be done digitally in order to cut the printing costs. Mr. Neufeld indicated that he would check into this possibility. He also reported that he would be meeting with Mr. Van Gelder of SBVMWD and Ms. Rollings-McDonald of LAFCO on February 3, 2009 regarding the financial analysis with respect to the consolidation efforts.

6. ACTION ITEMS, NEW BUSINESS, FYI

A. Discussion and Possible Action - Mid-Year Budget Revisions

Mr. Neufeld recommended approving the proposed budget revisions that had been discussed at the Board workshop on January 22, 2009. A brief discussion ensued. After discussion, the following motion was made:

It was moved by Director Tubbs and seconded by Director Aranda to approve the mid-year budget revisions for the remainder of the fiscal year 2008-2009. The motion carried unanimously.

Director Corneille was excused from the meeting at 2:45 p.m.

B. Completion of LSA Contract for Wash Plan

This item was discussed earlier in the meeting during Mr. Scott's update of the Wash Plan. Mr. Scott asked the Board to consider approval of one-third payment of the final contract payment of \$87,500 to LSA for completion of the Wash Plan EIR. The District cost would be \$29,166.67. A brief discussion ensued.

It was moved by Director Tubbs and seconded by Director Aranda to approve final payment to LSA Inc. in the amount of \$29,166.67 subject to a full mutual waiver with the final payment. The motion carried 6-0, with Director Corneille noted absent.

C. Contract for Limited Phase 2 Due Diligence Investigations - BLM Property Exchange

Mr. Cosgrove summarized his written report. He explained that URS was contracted, as part of the Wash Plan EIS preparation, to conduct a Phase 1 investigation for potential environmental conditions that might require analysis or mitigation measures, to put the property being exchanged from the BLM to the Conservation District to the uses contemplated in the Wash Plan's land use plan. Three potential areas of concern were identified; two were effectively eliminated. The third area is identified as a pond in the southeasterly portion of the area proposed to be exchanged. As there is uncertainty as to what the pond was used for, and it cannot be cleared as being of little concern through Phase 1, URS has proposed work to determine the status of the pond at a cost not to exceed \$10,000. A brief discussion ensued. After discussion, the following motion was made:

It was moved by Director Longville and seconded by Director Wright to approve the contract with URS for Limited Phase 2 Due Diligence Investigations - BLM Property Exchange, in an amount not to exceed \$10,000. The motion carried 6-0, with Director Corneille noted absent.

D. Special Districts Selection Election for Regular LAFCO Member

Mr. Neufeld led a brief discussion on the candidates for Special Districts' representative on the LAFCO Commission.

It was moved by Director Tubbs and seconded by Director Aranda to cast a ballot for James Curatalo of the Cucamonga Valley Water District for a regular Special District member of the Local Agency Formation Commission. The motion carried 6-0, with Director Corneille noted absent.

E. Update on Strategic Planning Contracts

Mr. Neufeld introduced Erin Gilhuley of CV Strategies, a firm that the District retained for assistance in media work. Ms. Gilhuley presented an update on their intent and progress thus far. She said that her firm, Mr. Neufeld, and Mr. Seal met in a series of meetings at the end of last year to establish the working parts of the proposal: (1) a communication strategy review; (2) an analysis of the elements involved in any potential re-positioning strategy that might come from that analysis; and (3) create some organizational branding and identity and then a working manual for the organization and for the staff and for the Board. So far the following has been accomplished: (1) research was completed in preparation for the LAFCO hearing; (2) a meeting was held to assist President McDonald and Mr. Neufeld prepare for the LAFCO meeting; (3) the message was formalized; (4) assistance in reviewing all the data, including reviewing the EIR; (5) assistance in preparing the statement to LAFCO and attendance at the hearing; (6) assistance with the press release and identifying places of distribution; and (7) now in the process of developing that message and distribution follow-up. Director Tubbs asked for clarification on item Phase 1 Scope of their contract regarding the wording "specific initiatives and implementation will not be handled in Phase 1." Ms. Gilhuley replied that the original intention of the proposal was for Phase 1 to include all researching strategies and groundwork, and then a follow-up proposal to the Board that would discuss the implementation and recommendations for moving forward. However, the implementation stage has evolved more rapidly than expected. Discussion continued and Ms. Gilhuley answered questions from the Board; the Board thanked her for the update.

F. JPIA 2009 Executive Committee Election Notice

Mr. Neufeld led a discussion on the upcoming JPIA Executive Committee election to be held at the ACWA Spring Conference on May 18, 2009. President McDonald recommended concurring nominations for all three incumbents.

It was moved by Director Aranda and seconded by Director Longville to approve concurring in the nominations of the three incumbents, Tom Cuquet of South Sutter Water District; E.G. "Jerry" Gladback of Castaic Lake Water Agency; and Lou Reinkens of Tahoe City Public Utility District, for the JPIA Executive Committee for three years. The motion carried 6-0, with Director Corneille noted absent.

7. UPCOMING EVENTS

There was no discussion on this item.

8. CLOSED SESSION

At 3:25 p.m., it was moved by Director Aranda and seconded by Director Day to adjourn to Closed Session, under Government Code Section

54956.8, consider Real Property negotiations with the City of Redlands regarding potential well sites along Orange Avenue; Government Code Section 54956.9(a), confer with legal counsel regarding the renewal of the temporary urgency permit No. 21212, filed with the State Water Resources Control Board; Government Code Section 54956.9(c), consider whether to initiate litigation; and Government Code Section 54956.9(a), confer with legal counsel regarding Case No. SCVSS 147526 San Bernardino Valley Water Conservation District vs. San Bernardino County Local Agency Formation Commission. The motion carried unanimously.

At 4:55 p.m., the meeting reconvened into Open Session. Under Government Code Section 54957.1, there was no reportable action taken.

9. ADJOURN MEETING

At 4:56 p.m., the meeting adjourned to the Board meeting scheduled for February 11, 2009, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

R. Robert Neufeld
Secretary of the Board