

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
May 13, 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 (1:50 p.m.)
John Longville, Director (1:40 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, Wash Plan Project Manager

GUESTS PRESENT:

Don Lee, Tetra Tech
Jean Carr, Jones & Stokes Associates, Inc.

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

There were no additions/deletions to the agenda.

3. BOARD DISCUSSION ITEMS

Director Tubbs reported that she participated in interviews of potential consultants for the Wash Plan HCP, and met with Mathis Group Consulting. She also attended the Administrative Committee meeting, and participated in a conference call with the ad hoc committee regarding consolidation. She said she would be attending the Association of San Bernardino County Special Districts meeting on Monday, May 18th.

Director Day reported attending the Administrative Committee meeting; the Resources Committee meeting; and a meeting with Mathis Consulting Group.

Director Wright reported attending the Administrative Committee meeting; the Resources Committee meeting; and a meeting with Mathis Consulting Group.

Director Aranda reported participating in a Region 9 conference call and attending the CSDA Legislative Days. He said he would be attending the Upper Santa Ana Water Resources Association (USAWRA) meeting on May 14, and on May 29 he would be meeting with Joe Baca regarding a Water Task Force.

President McDonald reported attending the California Special Districts Association (CSDA) Legislative Days and a meeting with Mathis Consulting Group, and participating in an ad hoc committee meeting regarding consolidation.

4. CONSENT CALENDAR

The minutes from the Board meeting of April 29, 2009 was discussed. Several changes were noted:

Page 3, 2nd paragraph: "...said that 4th quarter FY 08-09 field projects would need to be completed before the end of the fiscal year, and additional projects would be brought before a future Board meeting that would be discussing budget availability."

Page 4A, 1st paragraph: "...based on his stock ownership in Bear Valley Mutual Water Company."

Page 5, 5th paragraph: "...reiterated the letter ~~received from~~ submitted by the City..."

Page 5, 6th paragraph, last line, add: He said he also thought revenues were understated, as data reported to the Watermaster show higher production rates than the Conservation District data; therefore the District should consider re-evaluating the production data before considering a rate increase. Director Tubbs asked for clarification that the producers report different production rates to the Watermaster than they do to the District; Mr. Headrick reported that appears to be the case.

It was moved by Director Aranda and seconded by Director Tubbs to approve the minutes from the meeting of April 29, 2009, as amended. The motion carried unanimously.

It was moved by Director Day and seconded by Director Wright to approve the un-audited Financial Reports for the month of April 2009. The motion carried unanimously.

5. INFORMATION ITEMS

A. Board Committee Reports

Director Tubbs reported on the Administrative Committee meeting of May 6, 2009. She said the committee completed the final review on the salary schedule, which was scheduled as an action item later in the meeting. The committee also reviewed a draft of the Board Policy Manual and made some recommendations to staff; a review of another version would be brought before the committee at a later meeting. Additionally, the committee reviewed the proposed budget for 2009-2010 and provided comments to staff.

Mr. Seal reported on the Resources Committee meeting of May 11, 2009. He said that the committee discussed current expenditures for capital projects for the remainder of FY 2008-2009, as well as capital expenditures and the proposed budget for FY 2009-2010. One consideration discussed was the possibility of assigning projects by quarters rather than by year. He said he anticipated that the discussion would be more comprehensive at the next Resources Committee meeting in approximately two weeks.

B. Wash Plan Update

Mr. Scott updated the Board on the Wash Plan. He noted that the majority of work focusing on the selection of the HCP had been completed. He had been in contact with BLM regarding the status of the EIS; it is still under review in the Washington office. There are still concerns with the land appraisal relative to the land exchange. Continuing discussions were taking place on the best strategy for moving forward in the appraisal.

C. Operations and Maintenance Report

Mr. Seal reported on several items: He noted that water was being spread in basins 10, 11, 12, and 15. Water spreading had been reduced in Mill Creek due to lower flows.

Field personnel were in the process of examining the inlet structure at Mill Creek to get a more detailed estimate of repairs required due to the main channel rebar being exposed through natural water erosion.

D. Santa Ana River Groundwater Recharge Optimization Study Update

Mr. Seal reported that MWH and GEI had issued a draft of the final report for the Santa Ana River Groundwater Recharge Optimization Study (Optimization Study), which was reviewed, and minor changes were recommended. He said that he and Doug Headrick, of the San Bernardino Valley Municipal Water District (SBVMWD), collaborated on a presentation on the Optimization Study at the Advisory Commission on Water Policy meeting on April 30. The presentation included a discussion on the probable costs to improve the District's facilities: to maintain 195 cfs flow would cost \$0.00; increasing to 300 cfs flow would cost approximately \$3.6 million; to improve the lower borrow pit canal would cost approximately \$9.8 million; and to improve the entire system would cost approximately \$18 million. The final report is still anticipated by the end of May 2009.

E. Assistant General Manager's Report

Mr. Seal discussed a meeting held on May 12 between the SBVMWD and the District regarding SBVMWD's comments on the District's Engineering Investigation Report (EI) and the Addendum to the Report. He said that SBVMWD's annual report is issued in August, and their report should agree generally with the Big Bear Watermaster Report and the District's EI report. According to SBVMWD's records, the well production that had been reported to the District has been approximately 20% lower for the last three or four years; the resultant values therefore have been skewed. Mr. Seal said that he would be working with SBVMWD to establish the correct District well production numbers and water level databases, and would be examining the reported data differences versus the actual and production values, to determine whether to reissue groundwater production statements for this year and years past.

Other items Mr. Seal discussed were the completion of the Big Bear Watermaster Report; the meeting with the Resources Committee; and a meeting with t-Write Inc., for updating the District website.

F. General Manager's Report

Mr. Neufeld discussed the meeting that he and Mr. Seal had with SBVMWD regarding the differences in well production numbers, and agreed with the 20% lower number in production discussed earlier. Further research into this matter will be conducted. Director Tubbs suggested rethinking the District's billing procedures and perhaps using watermaster data. Mr. Neufeld also noted that the watermaster uses a calendar year while the District uses a fiscal year; he said General Counsel was looking into the possibility of changing the District's fiscal year. Other options for obtaining more accurate figures, such as including installing meters on the wells or comparing electric bills of the producers against the reported productions, were also discussed.

Regarding the proposed 2009-2010 budget, Mr. Neufeld said that he met with the Administrative Committee and the Resources Committee to discuss the proposed budget and would also be meeting with the Outreach Committee on May 26. He said his intent was to bring the completed proposed budget to the Board for approval at the June 10, 2009 Board meeting.

Mr. Neufeld noted that he attended the Loma Linda Chamber of Commerce Legislative Affairs Committee meeting, where discussion included the current state's fiscal crisis and the proposed suspension of Proposition 1A.

6. ACTION ITEMS, NEW BUSINESS, FYI

- A. Consider Proposal for Wash Plan HCP Contract with ICF, Jones & Stokes; Authorize Execution of Consultant Services Contract Consistent with Same

Mr. Scott, the Project Manager for the Wash Plan, summarized his written report regarding the retention of a consultant for the preparation of the Wash Plan Habitat Conservation Plan (HCP) and the Environmental Assessment (EA). He said a Request for Proposal (RFP) had been sent to three firms; URS, PBS&J, and Jones & Stokes Associates, Inc. A selection committee comprised of Director Cheryl Tubbs, General Counsel David Cosgrove, Assistant General Manager Claud Seal, Marty Derus, representing the mining interests; and himself, conducted the interviews. Following a thorough review of the proposals received from each firm, he said he was recommending Jones & Stokes Associates, Inc., for a proposal of \$164,500. Mr. Scott introduced Jean Carr from Jones & Stokes Associates, Inc. Discussion followed; Ms. Carr and Mr. Scott answered questions from the Board.

It was moved by Director Tubbs and seconded by Director Aranda to approve the proposal by Jones & Stokes Associates, Inc. for the preparation of the Wash Plan Habitat Conservation Plan and the Environmental Assessment for a cost of \$164,500. The motion carried unanimously.

- B. Audit Proposal

Mr. Neufeld said that the audit proposal from Rogers, Anderson, Malody & Scott, LLP for FY 2008-2009 had an incorrect cost of \$18,880. The correct amount was not-to-exceed \$18,000.

It was moved by Director Aranda and seconded by Director Tubbs to approve the audit proposal for FY 2008-2009 from Rogers, Anderson, Malody & Scott, LLP in an amount not-to-exceed \$18,000. The motion carried unanimously.

- C. Approval of Revised Job Descriptions and Salary Schedule

Director Tubbs said that the Administrative Committee had met and discussed the revised job descriptions and salary schedule and were recommending approval to the Board. Discussion ensued. Director Tubbs and Mr. Neufeld answered questions from the Board.

It was moved by Director Aranda and seconded by Director Wright to approve the revised job descriptions and salary schedule. The motion carried unanimously.

D. Information Only - Legislation Alert, Proposed Suspension of Prop 1A

This item was previously discussed during the General Manager's report.

7. UPCOMING EVENTS

This item was not discussed.

8. CLOSED SESSION

There was no Closed Session for this meeting.

9. ADJOURN MEETING

At 3:30 p.m., the meeting adjourned to the Board Meeting scheduled for May 27, 2009, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

R. Robert Neufeld
Secretary of the Board