

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
August 12, 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
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

R. Robert Neufeld, General Manager
Claud Seal, Assistant General Manager/District Engineer
Colleen Theuer, Admin. Mgr/Recording Secretary

GUESTS PRESENT:

Bob Martin, East Valley Water District
Don Lee, Tetra Tech

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 Corneille reported attending the Resources Committee meeting, and noted that the next San Bernardino Valley Municipal Water District (SBVMWD) Advisory Commission meeting would be held at SBVMWD on August 20, 2009. He also announced that he would be out of the country from August 17 through September 1. He reported on a discussion he had with Rosemary Hoerning, Municipal Utilities and Engineering Director for the City of Redlands, regarding future plans for the Mill Creek spreading grounds.

Director Day reported attending the Resources Committee meeting.

Director Aranda reported attending the San Bernardino Chamber State of the State meeting. He discussed the legislative committee at the City of Loma Linda (City). He was made aware of a \$1,000,000 grant available through the Southern California Gas Company and said he would provide the necessary paperwork to staff.

Director Wright reported attending the Resources Committee meeting.

Director Longville reported attending the San Bernardino Chamber State of the State meeting.

President McDonald expressed her thanks to District staff and General Counsel for their support in the consolidation issue; she noted that flowers had been sent to staff and General Counsel in appreciation. She attended the San Bernardino State of the State meeting; the Highland Chamber meeting, and the BTAC meeting. She discussed the possibility of purchasing water for spreading from the SBVMWD, an action item to be considered later in the meeting.

4. CONSENT CALENDAR

Director Tubbs requested that the minutes from the meetings of July 9, July 13, and July 22, 2009 be tabled until the next Board meeting on August 26, 2009.

It was moved by Director Tubbs and seconded by Director Aranda to table the minutes from the meetings of July 9, July 13, and July 22, 2009 until the next Board meeting on August 26, 2009. The motion carried unanimously.

There was a brief report on the financial reports for the month of July, 2009.

It was moved by Director Aranda and seconded by Director Tubbs to approve the un-audited financial statements for the month of July, 2009. The motion carried unanimously.

5. INFORMATION ITEMS

A. Board Committee Reports

Director Day reported on the Resources Committee meeting of August 6, 2009, noting that the discussion at the meeting included water spreading activities and the revision of the flow report. Also discussed was a revised contract for the repair work at the Mill Creek structure, an action item later in the meeting.

B. Wash Plan Update

Mr. Cosgrove reported that the Draft Environmental Impact Statement (EIS) for the Wash Plan was approved by the Bureau of Land Management (BLM) and the notice of the Draft EIS was published in the Federal Register. Mr. Cosgrove discussed at length the appraisal for the land exchange, and said it was anticipated that the land exchange would take place in March 2010. Regarding the Habitat Conservation Plan (HCP), he said a meeting had taken place between Jones & Stokes, M. J. Klinefelter, Randy Scott (Project Manager), Fish & Wildlife Services, and himself to discuss the plan; he discussed in detail. After discussion, Mr. Cosgrove answered questions from the Board.

6. C. This item was taken out of order.

It was moved by Director Corneille and seconded by Director Tubbs to take Item 6C, *Consider Purchase of 2,000 AF of DWR Water for \$60/AF*, out of order. The motion carried unanimously.

Mr. Neufeld discussed the possibility of purchasing 2,000 AF of DWR water from SBVMWD. The Department of Water Resources (DWR) had notified SBVMWD that additional water was available beyond the amount requested by their agency. SBVMWD determined that there would be approximately 13,000 AF of additional water available and have given its customers the option of purchasing this water at a discounted rate of \$60/AF. All of the 13,000 AF of water was requested by four area water purveyors and this District; deliveries of this water could begin as soon as August 21st. Bob Martin, General Manager of the East Valley Water District (EVWD), said that he had been attending the BTAC meetings and spreading meetings, where SBVMWD was encouraged to take all the available water offered. He said that the EVWD Board, on August 11, 2009 approved \$100,000 towards the purchase of a portion of this water. He encouraged the District to approve the purchase of the 2,000 acre feet of water. Mr. Cosgrove discussed the implication of the spreading targets as it related to the Integrated Regional Water Management Plan (IRWMP), and the need to assure that

any surplus water purchased for spreading would not be in excess of spreading targets under the IRWMP, or that such targets could be amended if need be, prior to spreading. Staff indicated that it would look into this possibility.

It was moved by Director Longville and seconded by Director Corneille to approve the purchase of up to 2,000 AF of DWR water from the San Bernardino Valley Municipal Water District at \$60/AF, contingent on the assurance that the spreading of the water would not exceed the amount agreed upon according to the IRWMP agreement. The motion carried unanimously.

Mr. Martin noted that there was a Director's position open on his Board, as Director Don Goodin had resigned; they are an at-large agency.

The meeting continued with the scheduled agenda.

5. C. Operations and Maintenance Report

Mr. Seal reported that water spreading had ceased in Mill Creek due to the available minimal flows being taken by upstream users. A proposed contract from Larry Jacinto Construction for repairs of the Mill Creek entrance structure had been received and discussed by the Resources Committee. He noted that the contract was an action item later in the meeting.

D. Santa Ana River Groundwater Recharge Optimization Study Update

Mr. Seal said that MWH and GEI have issued the final Optimization Report. He said that DWR has notified the District of being placed on the list to receive the \$250,000 grant money for the project, which had been delayed due to the state's budget crisis.

Mr. Seal reported that the project for improving the Santa Ana River distribution and spreading system was at the top of the list that BTAC was going to submit to SAWPA, for submittal to the State for Prop 1E and 84 funding.

E. Assistant General Manager's Report

Mr. Seal reported on the progress of a number of items, including the continuation of analyzing the Daily Flow Reports, as well as other types of District reports, to make improvements for readability and understanding. He said that there would be a meeting with County Flood Control, Mr. Neufeld, and himself on August 14, 2009 to discuss usage of the flood control property or jurisdictional areas, for water capture and spreading.

F. General Manager's Report

Mr. Neufeld reported that the Administrative Manager would be retiring effective October 30, 2009. He said that at the upcoming Administrative Committee meeting on

August 18, 2009 he would be discussing his plans for replacing this position. He noted several other upcoming meetings, including an Ad Hoc Committee meeting regarding consolidation scheduled for Tuesday, August 18, 2009. This Ad Hoc Committee would remain in place until LAFCO's meeting on September 16, 2009, where they would present a resolution that would finalize their decision denying consolidation of the District with SBVMWD.

6. ACTION ITEMS, NEW BUSINESS, FYI

A. Consider Easement for Flood Control Use on I-210 Property (Highland)

Mr. Seal reported that the City of Highland would like for the Flood Control District (Flood Control) to relocate its stockpiling activities from their current site on the northeast corner of Greenspot Road and the 210 freeway. The City of Highland would like to develop this site for commercial purposes. Flood Control is willing to work with them to achieve this goal. Flood Control has asked the District to consider an easement at the mining pit in the area southeast of the I-210 freeway and Orange Road, realizing that the District currently has a lease agreement with CEMEX. However, Flood Control has stated that they are working with CEMEX and have reached tentative agreements with them on sharing this location with them. Discussion ensued. Concerns were raised regarding the types of material that would be stored at the site. After further discussion, Mr. Seal said that a set of conditions would need to be approved by General Counsel before going forward with an easement.

It was moved by Director Tubbs and seconded by Director Aranda to direct staff to continue to work with Flood Control for an easement that is acceptable to the District, and bring this item back to the Board for approval within 30 days. The motion carried unanimously.

B. Consider Approval of Mill Creek Inlet Channel Repair Contract

Mr. Seal discussed the contract with Larry Jacinto Construction for the repair of the Mill Creek Inlet Channel. He noted that there were several wording errors and typos in the contract that would need to be corrected, including the contract amount of \$24,722, which was resubmitted as \$15,133. The suggestion was made to modify the contract amount to "not to exceed \$20,000." Director Tubbs also noted several typographical errors that would need to be corrected before approval. After continued discussion, the following motion was made:

It was moved by Director Day and seconded by Director Aranda to approve the contract with Larry Jacinto Construction, subject to wording corrections, typographical corrections, and the modification of the contract sum to read "not to exceed \$20,000." The motion carried unanimously.

C. Consider Purchase of 2,000 AF of DWR Water for \$60/AF

This item was covered earlier in the meeting.

D. Discussion and Possible Action to Select and Approve Planning Facilitator (List will be Submitted during Meeting)

Mr. Neufeld distributed a list of possible facilitators for the purpose of strategic planning. He discussed the names on the list and suggested that interviews should be conducted with each facilitator on the list. Discussion ensued. President McDonald formed a new Ad Hoc Committee for the purpose of conducting interviews, and appointed Director Tubbs, Director Day, and Director Aranda to the committee. The Ad Hoc committee will meet first with Will McMullan on Monday, August 17, 2009 at 9:00 a.m. at the District office.

Director Longville was excused from the meeting at 3:10 p.m.

E. Discuss and Consider Amendments in Policy Handbook for the Conduct of Business of the Board

President McDonald led a discussion concerning the newly revised Board Policy Handbook (Handbook). She discussed the possibility of further revision on several of the policies within the Handbook. After further discussion, it was decided to bring this item back to the Administrative Committee for their review before bringing back to the full Board.

It was moved by Director Tubbs and seconded by Director Aranda to refer this item, *Discuss and Consider Amendments in Policy Handbook for the Conduct of Business of the Board*, to the Administrative Committee. The motion carried 6-0, with Director Longville noted absent.

Director Corneille requested that the Ordinance regarding an automatic annual 5% increase in Directors' fees be brought to the Board for review and possible action. As this automatic increase takes place every year in March, this item would need to be brought before the Board at some point before March 2010.

F. Discussion and Possible Action Regarding Redlands Plaza Property Management

Mr. Neufeld led a discussion regarding Redlands Plaza. At issue were three items:

- (1) Suite F, Dr. Ojano: to continue the current lease rate for six months, due to the current economic climate and a reduction in patient appointments, and then reconsider increasing the lease rate according to Dr. Ojano's contract;
- (2) Suite J, Alliant Consulting: tenant has moved out of Suite J, breaking the lease agreement; recommendation is to release them from their contract after payment of \$3,000 for replacement carpet and general cleanup; and
- (3) Property Manager contract renewal: consider making major revisions to current contract with Ascend Commercial Management, or hire a new property manager.

Discussion ensued. Mr. Neufeld recommended approval of the first two items, and regarding the third item, recommended that the District not renew the contract with Ascend Commercial Management and hire a new property manager.

It was moved by Director Corneille and seconded by Director Tubbs to approve the recommendation by Staff regarding Redlands Plaza. The motion carried 6-0, with Director Longville noted absent.

7. UPCOMING EVENTS

There was no discussion on this item.

8. CLOSED SESSION

Director Wright was excused from Closed Session due to a possible conflict of interest regarding Director's Wright holding Bear Valley stock.

At 4:00 p.m., it was moved by Director Day and seconded by Director Corneille 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), renewal of the Temporary Urgency Permit No. 31732, filed with the State Water Resources Control Board; 54956.9(c), consider whether to initiate litigation; and Government Code Section 54956.9(b)(3)(a), Section 54956.9(c), and Section 54956.9(b)(1), confer with legal counsel regarding significant exposure to litigation in one case. The motion carried unanimously.

At 4:30 p.m., the meeting reconvened into Open Session. Under Government Code Section 54957.1, there was no reportable action taken.

9. ADJOURN MEETING

At 4:30 p.m., the meeting adjourned to the regular Board Meeting scheduled for August 26, 2009, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

R. Robert Neufeld
Secretary of the Board