

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING

June 9, 2010

1:30 P.M.

President Clare Henry Day 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 Day.

ROLL CALL:

BOARD MEMBERS PRESENT:

Clare Henry Day, President  
Melody McDonald, Vice President  
Manuel Aranda, Director  
Arnold Wright, Director  
Richard Corneille, Director  
John Longville, Director (1:39 p.m.)  
David E. Raley, 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  
Samantha Brown, Finance Supervisor  
Shanae Smith, Executive Assistant II

GUESTS PRESENT:

Steve Copeland, San Bernardino Valley Municipal Water District  
Don Lee, Tetra Tech  
Charles Roberts, Highland Community News  
Tim Horn, Rogers, Anderson, Malody & Scott, LLP

## 1. PUBLIC PARTICIPATION

President Clare Henry Day 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.

## 4. REPORTS AND INFORMATION ITEMS

### A. Monthly Activity Reports, and/or Comments by Board Members

This item was taken out of order.

Director Raley reported attending the Redlands Chamber of Commerce (RCC) Rise 'n Shine meeting; the Three Valleys Municipal Water District breakfast meeting; and a District facility tour with field personnel to learn the District's spreading operations. He also reported attending the San Bernardino Area Chamber of Commerce (SBACC) Business After Hours meeting, where a local contractor reported that new constructions are required to retain urban runoff on-site, to prevent discharge of water in streams.

Director Aranda reported attending the Santa Ana Sucker Task Force meeting; the Three Valleys Municipal Water District breakfast meeting where the former Executive Ron Casaloma, Chief Executive Officer of the Metropolitan Water District (MWD) presented on the topic of the California water bond issue. He also reported attending the RCC Rise 'n Shine breakfast meeting. Director Aranda expanded on his report later in the meeting. He reported attending the SBACC, where he received a request to make a presentation to the Rotary Club regarding the valuable water resource in the basin.

Director McDonald reported attending the Association of California Water Agencies (ACWA) State Legislative Committee meeting on June 4, 2010. She stated the Governor has appropriated \$1.8 billion from the California water bond that has yet to pass. Director McDonald also reported attending the Basin Technical Advisory Committee (BTAC) meeting and the San Bernardino Valley Municipal Water District's (SBVMWD) meeting. She said the SBVMWD Board approved an agreement with Tim Moore, who will facilitate the development of the principals of the ongoing collaborative process of the general managers among the District, SBVMWD and Western Municipal Water District (WMWD).

Director Longville reported attending a groundbreaking ceremony at Cal State San Bernardino for the San Bernardino Valley Water Conservation Garden, coordinated by his wife, Susan Lien-Longville.

### 3. CONSENT CALENDAR

The minutes of the May 26, 2010 minutes were reviewed and discussed. Minor revisions were noted.

**It was moved by Director Corneille and seconded by Director McDonald to approve the minutes from May 26, 2010 meeting, as amended. The motion carried unanimously.**

### 4. REPORTS AND INFORMATION ITEMS:

#### A. Board Committee Reports

This item was deferred, as the Administrative Committee report yielded the items for action on the agenda.

#### B. Monthly Activity Reports, and/or Comments by Board Members

This item was covered previously in the meeting.

#### C. Finance Supervisor's Report

There was no discussion on the Finance Supervisor's Report.

#### D. Assistant General Manager's Report

Claud Seal reported the following:

1. An applicant has been selected for part time employment in the Operations Department. He is scheduled to report for work this coming Monday, or Tuesday. Randy Carlisle will return to work on June 15, 2010.
2. The Seven Oaks Dam (SOD) gates and flow testing has been rescheduled for July 12, 2010. The earlier proposed schedule of flows ramping up to and down from 2,500 cfs for 4 to 5 days will be adhered to. The issue with the downstream Santa Ana Sucker fish spawning beds has been mitigated. In anticipation of the higher test flows, we have begun diverting river flows into Dike D to the west of our currently used spreading basins. We still have some field work to do in clearing the channels and re-establishing the flow line and slope.
3. In the Santa Ana River (SAR), we are taking about 20 to 25 cfs of incoming 60 to 65 cfs while Mill Creek is taking up to 45 cfs of daily inflows up to 65 cfs. SAR spreading is up to 6,500 acre feet and Mill Creek is up to 7,284 acre feet through yesterday.
4. During the Upper Santa Ana Water Resources Association (USAWRA) meeting last month, a representative of the Southern California Water Committee gave a presentation, as reported by members of the Board. Brochures are available upon request.

5. The following items were noted from BTAC meeting last Monday:

- a. The DWR allocation has been increased to 45%, giving the valley 46,000 acre feet of water. Coupled with 15,000 acre feet carry over, 1,500,000 acre feet from the Yuba Accord, and 3,300,000 acre feet dry year water bank, less 10,000 acre feet carry over, gives the Valley customers 55,800 acre feet of water availability.
- b. There will be additional water available to purchase for banking. The cities of San Bernardino, Riverside, Redlands, East Valley Water District (EVWD), WVWD, and others have either committed to purchasing water or will take the recommendation to purchase water to their respective Boards of Directors. The District did not offer to purchase water. The cost to purchasers is \$75.00 per acre foot (SBVMWD's net cost = \$125 per acre foot).
- c. A detailed presentation was given by Dr. Jeff Beehler of SAWPA regarding the One Water One Watershed ("OWOW"), Proposition 84 (Round 2) \$114 million that will be available to SAWPA, and its members, for usage in "shovel ready" projects. Deadline submittal date is June 30<sup>th</sup>, this month. The District has 3 or 4 projects that we are considering submitting that will involve other entities in the Valley as well. 1) Borrow Pit Wetlands; 2) ongoing well and groundwater data base; 3) Mill Creek Spreading Grounds clean-up mitigation; and the 4) Santa Ana River Trail System. Staff has a meeting scheduled with Dr. Beehler for this coming Friday, June 11, 2010.

Mr. Seal answered questions from the Board regarding the District's infrastructure and its ability to handle the 2,500 cfs of water anticipated for the SOD high flow tests scheduled for July. Mr. Seal stated that based on the Optimization Study completed in June 2009, the District's facilities will only be able to handle up to 300 cfs. A discussion ensued.

#### E. General Manager's Report

Mr. Neufeld clarified that he had not received a copy of the report presented to the SBVMWD Board of Directors regarding the proposed agreement with Tim Moore, as previously reported by Director McDonald. Mr. Neufeld reported that the collaborative process is continuing among the general managers of the District, SBVMWD and WMWD. Mr. Moore has been selected as the facilitator to work with the managers in developing the principals of an agreement to bring back to their respective boards. Mr. Neufeld went on to summarize the principals outlined in the proposed agreement:

- 1) The San Bernardino Water Conservation District needs certainty that it will play a vital role in the spreading of water in the East San Bernardino Valley and perhaps beyond, and that their future as a District will not be questioned; and
- 2) The San Bernardino Valley Municipal Water District and Western Municipal Water District need certainty that the facilities that are needed for Seven Oaks

Dam water, which was recently permitted to use, can be built and operated to the benefit of all constituents; and

- 3) San Bernardino Valley Water Conservation District needs certainty that the financial resources necessary to carry out their groundwater recharge mission is secure as possible; and
- 4) The SBVWCD and WMWD need certainty that their investments in water rights are not jeopardized.

Mr. Neufeld answered questions from the Board relative to costs associated with the facilitator agreement, and the process that will include members from each Board of Directors of all three agencies.

Mr. Neufeld reported that at the May 26, 2010 regular Board meeting, Bruce Cash of United Strategies, Inc., made a presentation regarding the proposed environmental mitigation banking opportunity. Mr. Neufeld made reference to a map identifying approximately twenty one acres of District owned land that is neither within the boundaries of the Wash Plan, nor the boundaries of the Mill Creek spreading basins, possibly suitable for habitat conservation with regard to the proposal. Mr. Neufeld stated there is \$1.5 million in potential revenue to fund the District's Capital projects, and advised the Board of his intent to continue discussions with Mr. Cash.

Mr. Neufeld also reported that the Big Bear Watermaster Committee (Committee) submitted a comment letter regarding the Draft Recirculated EIR for the Moon Camp proposed project development in Big Bear. The Committee agreed that there is a need to address the concern relative to developments proposed in the Big Bear Lake area that will impact the water supply.

#### F. Wash Plan

There was no discussion on the Wash Plan.

#### G. Information Items

##### Mentone Property Update

Mr. Neufeld reported staff is continuing their efforts to solicit contractors to upgrade the Mentone property. Samantha Brown said a list of guidelines has been provided by ACWA/JPIA and will be used as the scope of work once a contractor is hired. A discussion ensued regarding whether the District is responsible for bringing the property up to code for tenant usage.

#### H. Future Agenda Items and Staff Tasks

The Board identified the following list of tasks for future agenda items and staff tasks:

- Revisit Resolution No.461, "Defining the Responsibilities and Authority of the General Manager," at the July 14, 2010 regular Board meeting
- Provide copy of approved Strategic Plan to the Board of Directors
- DWR SBX7 6 Groundwater Monitoring Program

- Provide an analysis relative to the US Army Corps of Engineers' (USACE) Water Quality Study and impacts to the District's spreading operations
- Request a special presentation from Robert Tincher regarding the Enhanced Recharge Project at the Santa Ana River Recharge Basins

#### I. Revenue Producing Activities

There was no discussion on revenue producing activities.

### 5. ACTION ITEMS, NEW BUSINESS

#### A. Consider Adoption of Proposed Fiscal Year 2010-2011 Budget

The FY 2010-2011 proposed budget was discussed. Mr. Neufeld recapped three budget options proposed by staff and presented to the Administrative Committee during a series of meetings: 1) A fully funded budget with no cuts that will utilize all unrestricted reserves and more, for an amount totaling up to \$3.7 million; 2) a mid-range budget that prioritized Capital Projects for the upcoming year, with recommendations to try to match revenues to corresponding expenses, dipping into \$1.3 million of unrestricted reserves; and 3) a balanced budget maximizing revenues with expenses. With the balanced budget alternative, the bottom line will be approximately \$42,000 used of unrestricted reserves. Mr. Neufeld said staff's third option will require significant cuts to staff salaries and expense categories. Director McDonald, Chair of the Administrative Committee led a discussion summarizing the Committee's decision to recommend staff's third proposed budget option to the Board. An in-depth discussion of the proposed budget continued.

**It was moved by Director Raley and seconded by Director Corneille to adopt the proposed fiscal year 2010-2011 budget, as recommended by the Administrative Committee. The motion carried unanimously.**

#### B. Consider Approval of Audit Proposal for Fiscal Year Ending June 30, 2010

**It was moved by Director Raley and seconded by Director Longville to approve the Audit Proposal for Fiscal Year ending June 30, 2010.**

After the motion, legal counsel requested that the Board approve the expenditure, subject to a reworked agreement that will be subject to approval of the general manager and legal counsel. Both the maker of the motion and the second agreed to that modification. Mr. Neufeld introduced Tim Horn, Supervising Auditor for Rogers, Anderson, Malody and Scott, LLP (RAMS) to present the 2009-2010 audit proposal to the Board. Mr. Horn said the language in the boiler plate is standard for contractual agreements and that he did not anticipate a problem with modifying the language per legal counsel's request. Director McDonald requested that Mr. Horn describe the audit process in detail. A discussion ensued regarding RAMS' responsibilities under the proposed agreement, which will focus primarily on the auditing of the District's financial statements, in addition to items specific to the District, relative to aggregate mining and easement agreements. After discussion, the motion carried unanimously.

C. Consider Participation in Santa Ana Sucker Task Force

Mr. Neufeld recommended this item be tabled to the June 23, 2010 regular Board meeting. David Cosgrove said the scope of services is missing from the agreement, with regard to the level of funding required for each participant. A discussion ensued.

**It was moved by Director McDonald and seconded by Director Wright to table, item c, "Consider Participation in Santa Ana Sucker Task Force," to the June 23, 2010 regular Board meeting. The motion carried unanimously.**

D. Consider Approval of Modified Job Description for Existing Field Personnel

Samantha Brown stated that Randy Carlisle is scheduled to return to work on June 15, 2010, at a modified capacity. Mr. Neufeld explained that the revised job description will allow Mr. Carlisle to act in a supervisor capacity and facilitate continued recovery. Director Corneille requested that the modified job description classify the staff person as having the ability to drive a vehicle, operate field equipment, meter reading, and the supervision of aggregate mining and other consultants on District property. Director Corneille also requested that the same is indicated as, "Essential Duties," in the modified job description.

**It was moved by Director Aranda and seconded by Director McDonald to approve the modified job description, Field Operations Supervisor, for Randy Carlisle, with amendments. The motion carried 6-1, with Director Raley opposed.**

E. Consider Approval of Materials Contracts

**It was moved by Director McDonald and seconded by Director Longville to approve the materials contracts with JDM Excavators and Ranch Rock for aggregate mining on District property.**

Director Raley asked whether the consultants were currently contracted and working on District property. Director Corneille said, "Exhibit C, Costs for Scope of Services," need to be included, as indicated in the contracts. A discussion ensued.

After discussion, the motion was amended as follows:

**It was moved by Director McDonald and seconded by Director Longville to approve the materials contracts with JDM Excavators and Ranch Rock for aggregate mining, with the specification that, "Exhibit C," be included, indicating both the general manager and assistant general manager as contracting officers. The motion carried unanimously.**

6. UPCOMING MEETINGS:

There was no discussion on the upcoming meetings.

Director McDonald announced she will not be attending the ACWA State Legislative Committee meeting scheduled for June 25, 2010, and directed staff to coordinate travel arrangements for Director Aranda's attendance in her stead.

Mr. Neufeld announced his invitation to the 2010 WESTCAS Conference scheduled for Friday, June 18, 2010, to make a joint presentation with Tim Noack of Alan Plummer Associates regarding the proposed Constructed Wetlands Project. Director McDonald requested that Mr. Neufeld make the presentation to the Board at an upcoming Board meeting.

Mr. Seal requested a Resources Committee meeting scheduled for June 14, 2010.

7. CLOSED SESSION

**At 3:50 p.m., it was moved by Director Aranda and seconded by Director Wright to adjourn to Closed Session, Government Code Section 54957(b), to discuss a personnel matter. The motion carried unanimously.**

At 5:45 p.m., the meeting reconvened into Open Session, with no reportable action under Government Code 54957.1.

8. ADJOURN MEETING

At 5:45 p.m., the meeting adjourned to the Board meeting scheduled for June 23, 2010, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Suite A, Redlands, CA.

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R. Robert Neufeld  
Secretary of the Board