

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
September 8, 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
Arnold Wright, Director
John Longville, Director (1:35 p.m.)
Richard Corneille, Director
David E. Raley, Director
Manuel Aranda, Director (2:35 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Shanae Smith, Executive Assistant II
Lisa Pierce, GIS and Land and Water Management Coordinator

GUESTS PRESENT:

Ted Craddock, Department of Water Resources
Charles Roberts, Highland Community News
Don Lee, TetraTech
Douglas Headrick, San Bernardino Valley Municipal Water District

1. PUBLIC PARTICIPATION

President Clare Day announced this as the time for any persons present, who so desire, to make an oral presentation to the Board of Directors.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions/deletions to the agenda.

3. SPECIAL PRESENTATION

Presentation of the Department of Water Resources (DWR) Regarding the East Branch Extension Phase II Project (EBXII)

Ted Craddock of the Department of Water Resources (DWR) gave a PowerPoint presentation regarding the East Branch Extension Phase II Project (EBXII). Mr. Craddock briefed the Board on the key points of the project, consisting of the pipe alignment; the design with provisions to ensure no restrictions on groundwater recharge activities; the provisions for the hydrologic year; providing replacement water if Mill Creek Diversions are reduced during construction; and developed implementation plan for coordination. After the presentation, Mr. Craddock answered questions from the Board. A discussion ensued regarding the implementation plan and joint use agreement that would support the project timing and constructions.

4. CONSENT CALENDAR

There was a brief discussion on the minutes from August 25, 2010 and minor revisions were noted.

It was moved by Director McDonald and seconded by Director Longville to approve the minutes from the August 25, 2010 meeting. The motion carried 6-0, with Director Aranda noted absent from the vote.

5. INFORMATION ITEMS:

A. Board Committee Reports

Resources Committee

Director Corneille reported the Resources Committee met on August 30th. Claud Seal gave the Committee a detailed status update on the various ongoing District activities, including a report on the Seven Oaks Dam (SOD) release tests and performance of the

District's intake structure. Discussions also included the pros and cons of the proposed plan to relocate the District's headquarters to the United States Army Corp of Engineers (USACE) SOD facilities. The Committee also discussed the potential for moving the District's shop facilities to a building currently owned by the District. The existing building would require upgrading, at a cost of approximately \$6,500, and require Board approval. The move would potentially free up the Mentone property for leasing opportunities. Director Corneille stated the Committee also discussed the potential for entering into an on-call consulting agreement with Mr. Seal on an as-needed basis, solely at the Board's discretion, at a rate of \$80.00 per hour. Director Corneille said the agreement would be beneficial to the new General Manager relative to the technical review and follow-through of ongoing District activities and projects. Director Longville suggested staff review current PERS laws to ensure the District is in compliance with regard to rehiring retired employees. A discussion ensued.

Administrative Committee

Director McDonald reported the Administrative Committee met on August 31st. The Committee reviewed job titles and duties currently performed by existing staff resulting from the recent turnover in core personnel. The Committee also reviewed a proposed 2010-2011 Redlands Plaza budget. Staff was directed to bring back the Redlands Plaza Profit and Loss vs. Actual report to the next scheduled Committee meeting. A recommendation will be brought back to the Board at the regular Board meeting scheduled on October 13th.

B. Wash Plan Update

David Cosgrove stated that he and Wash Plan Project Manager, Randy Scott met with a representative of the Local Agency Formation Commission (LAFCO) relative to the Wash Plan Habitat Conservation Plan (HCP). Discussion included the strategic plan; establishing mitigation banks; and concerns with regard to activating latent powers. Mr. Cosgrove stated he believed the meeting to be constructive and the initiative to discuss the issues were well received. He said that mitigation resource type conservation activities are of greater concern for LAFCO staff than the Wash Plan. The discussion also included the potential joint powers authority with Inland Empire Resources Conservation District (IERCD).

C. Other Reports from Staff

President Day reported on a telephone conference call with both legal counsel and former General Manager, Robert Neufeld. Mr. Neufeld discussed the status of the principles of collaboration and meetings with John Rossi of Western Municipal Water District (WMWD) and Douglas Headrick of the San Bernardino Valley Water District (SBVMWD). Mr. Neufeld will present a report to the Board on whether to formulate an action item.

Lisa Pierce briefed the Board on status of the SAWPA grant for \$100,000 and the District's project ranking.

D. Future Agenda Items

- Add Contract services agreement for engineering consulting services with Claud Seal as an action item on the September 22, 2010 agenda.
- Coordinate Administrative and Resources Committee meetings.
- Provide a list of current operators on District property and maps associated.

6. ACTION ITEMS/NEW BUSINESS

A. FY 2009-2010 Audit

Staff distributed a revised draft management response letter for the 2009-2010 Audit Report for the Board's review. A brief discussion ensued regarding format and content included in the revision and the need to adopt an accounting procedures manual for the District's day to day accounting functions.

It was moved by Director Corneille and seconded by Director McDonald to approve, "2009-2010 Audit Report for Financial Statements Ended June 30, 2010, Including Adjusting Journal Entries and Revised Management Response to Statement of Auditing Standards (SAS) No. 115 letter." The motion carried unanimously.

B. Consider Proposal for Computer Network Maintenance and Support Services

The Board reviewed three network maintenance and support services proposals. Director Day stated that the Administrative Committee reviewed the options, one of which was being recommended. Executive Assistant II, Shanae Smith stated that each company had been asked to conduct a detailed analysis of the District's current network environment and possible solutions to run more efficiently. It was determined that the District is operating on a non-secured environment and that additional space and off-site back-up is needed to facilitate the District's growing data serving needs. Ms. Smith stated that replacing the existing computer network maintenance and support services would give the District a cost savings of \$23,750 to the FY 2010-2011 budget. A discussion ensued regarding the District's ability to store and access historical data catalogued on the server.

It was moved by Director McDonald and seconded by Director Raley to, "Approve and Authorize Proposal for Computer Network maintenance and Support Contract Services Agreement with Expert Networks, Inc., in an amount not to exceed \$6,520.00 for 50 block hours." The motion carried unanimously.

C. Material Processing License and Excavation and Maintenance Agreement for Materials Contracts with Terra Cal Materials

David Cosgrove summarized the proposed revisions to the terms of the Materials Processing License for JDM Excavators, which was previously approved by the Board. Mr. Cosgrove stated the need for the revisions to the agreement is due to the fact that the contractor has changed the name of the business from JDM Excavation to Terra Cal Materials and expressed concerns with respect to the terms of the original contract. In addition, the Excavation and Maintenance Agreement is not included in the packet for discussion, as the exhibits indicated in the agreement have not been produced or reviewed by legal counsel. A discussion ensued.

It was moved by Director McDonald and seconded by Director Aranda to approve, "Materials Processing License with Terra Cal Materials, Inc. and direct staff to file CEQA Exemption for the same; and defer the Excavation and Maintenance Agreement with Terra Cal Materials until reviewed by the Resources Committee. The motion carried unanimously.

After the motion, staff was also directed to provide a list of the current operators on District property and maps indicating their locations to the Resources Committee for review.

7. Monthly Activity Reports and/or Comments by Board Members

Director Corneille reported attending a Resources Committee meeting and reminded the Board of the upcoming Advisory Commission on Water Policy meeting scheduled on September 23.

Director Wright reported attending the Resources and Administrative Committee meetings.

Director McDonald reported attending an Administrative Committee meeting reported on earlier in the meeting.

8. UPCOMING EVENTS

There was no discussion on the upcoming events.

9. CLOSED SESSION

At 3:00 p.m., it was moved by Director Corneille and seconded by Director McDonald to adjourn to Closed Session, under the authority of Government Code Section 54957(b), regarding a personnel matter; under Government Code Section 54956.9(c), consider whether to initiate litigation; under Government Code Section 54956.9(b)(3)(a), and 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 4:08 p.m., the meeting reconvened into Open Session, with no reportable action under Government Code 54957.

10. ADJOURN MEETING

At 4:08 p.m., the meeting adjourned to the regular Board meeting scheduled for September 22, 2010, at 1:30 p.m., at 1630 W. Redlands Blvd., Redlands, CA.

Clare Henry Day
Board President