

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
December 10, 2010
9:00 A.M.

President Clare Henry Day called the Board Meeting of the Board of Directors to order at 9:00 a.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 (9:53 am)
Arnold Wright, Director
John Longville, Director (9:15 am)
David E. Raley, Director
Manuel Aranda, Director
Richard Corneille, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Eunice Griffith, Administrative Manager

GUESTS PRESENT:

Bruce Cash, United Strategies

1. PUBLIC PARTICIPATION

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

There were no presentations made to the Board by members of the public.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the Agenda

3. CONSENT CALENDAR

Approval of the Board Minutes from November 10, 2010.

Upon a motion by Director Raley and second by Director Aranda, minutes from November 10, 2010 regular Board meeting were approved. The motion carried 6-0. Director Corneille abstained.

Un-audited Financials (based on the original budget) Check Register for November 10, 2010

General Manager, Daniel Cozad indicated that the current distributed Budget vs. Actual Financial Report contains format changes for the Board's review but is based on the initial budget. A new financial report which will be based on the Revised Approved Budget will debut in January. Within the first couple months of 2011 a new report will be presented that follows the Enterprise process with general categories, then each enterprise broken out separately. Mr. Cozad pointed out format changes and noted that the budget changes are not yet in Quickbooks, however the District is operating according to the approved budget.

There was a question/correction on \$19,300 payment to SBVMWD. The payment was for one third of the collaborative process and was paid to SBVMWD who contracted for the services of Tim Moore.

It was moved by Director Corneille and seconded by Director Aranda, to "Approve the Un-audited Financials and Check Register from November 2010, as amended. The motion carried unanimously.

4. INFORMATION ITEMS

A. Board Committee Reports

Resource Committee

Director Corneille reported on a Field Operations update from Randy Carlisle on December 7th. Director Corneille previously requested a one page table showing the monthly water spread, YTD, including state water and water type. Staff will be working on a format for that report in the coming months.

The Resource Committee also discussed Gate Control Actuators. Per request, the staff from Cal Poly, San Luis provided a report with alternatives. Staff was directed by the Committee to obtain information - including cost, as to how a portable device can be used. The gates at the Cuttle Weir and the three gates at Mentone were also mentioned.

The Committee recommended approval of the Facility Maintenance and Operations Aggregate Plan outline and recommended agreement summaries be added and to show how they need to be met. It was noted that a clear distinction is needed between mining and investments. The Mentone Property Plan, was reviewed and both agreed on the need to expedite necessary repairs and rent property.

Administrative Committee

Director McDonald attended the December, 7th meeting and reported the status of the draft Staffing Plan to the Board. She also gave an update on the Personnel Handbook and her meeting with ACWA JPIA. JPIA's review noted many procedures not applicable to an Agency our size, so JPIA is reviewing for simplification.

The Committee also discussed process for office staff replacement, Leasing Agent for Redlands Plaza and the plan for the Mentone property.

B. Wash Plan Update

District Counsel Cosgrove and Wash Project Manager, Randy Scott met with potential Consultants to look at revisions needed for the Wash plan. They prepared the scope of work and solicited information from U.S. Fish and Wildlife Service (USFWS) to identify fatal flaws and recommendations to fix them. USFWS responded with a letter which identified the services position and needs. In summary they are looking for mitigation to be in perpetuity; the draft plan was for 20 years. They requested more specificity on the details of the mitigation plan. USFWS believes substantial revisions will be required on the document. They confirmed that they are interested in partnering with the BLM as Co-Lead Agencies.

Randy Carlisle, Field Supervisor update

The flow rate is 40 cfs in Santa Ana and Mill Creek and 24 cfs in Knoll Street. The water was too dirty to be taken to the treatment plant for East Valley or Redlands. The State water is currently at about 500 acre feet spread of 714 acre feet proposed to be sent to be recharged in the basin. Field Technicians are working on a proposed monthly update sheet including graphics that will capture status in a cost effective way.

Santa Ana Sucker

A copy of the press release issued by USFWS was provided at the meeting along with unofficial maps. The maps did not list anything above Seven Oaks Dam. The Board would like to see actual listing before the article is published in the Federal Register on December 14th. The real question is, what does it mean to have critical habitat listed, beyond the restrictions that are already there?

D. General Manager's Report

Mr. Cozad summarized GM report, and highlighted the following items:

Redlands Plaza has water damage effecting three tenants, the worst damage is in the dental office. The estimated cost of clean-up is \$15 - \$30 thousand. Mrs. Medina and Mr. Cozad are reviewing policy coverage and coordinating insurance through ACWA/JPIA, and including loss wages, billings, etc., as part of the claim. Ms. Medina did a great job and was very professional working with tenants. After several slab leaks, it was recommended that the Board consider re-piping as soon as possible to prevent the recurring problem. Insurance only covers the damage. It was also suggested that the Board check to see if a reroute is more economical. The top priority is to get Dr. Ohana back to work.

Mr. Cozad is working with Lisa Pierce to have her contract extended through LSA, however if this is not possible Mr. Cozad will come to you in January and request an extension for specific tasks. He may provide bridge coverage (under \$5,000 authorization level) between 1st of Jan. and Board Meeting if needed.

Mr. Cozad tracks his hours and reports on hours expended for the District. He reported that this month he is 40 hrs beyond his projected billing retainer. The additional hours are due to District personnel challenges and time critical needs. Mr. Cozad plans to reduce future hours and stay on budget, however, if it becomes clear that it is not possible, he will inform the Board.

E. Future Agenda Items and Staff Tasks from Directors

Staff indicated that in January the Board will review, CEMEX and Robertson's – "Haul Road Expansion" to enlarge minable properties which fit into our Wash Plan discussions. Mr. Cozad indicated to the Board that there was a need to rescind the previous Strategic Plan because the plan has caused undue concern with our partners. He encouraged board members to begin thinking about any changes they may wish as Staff will be proposing a new plan using a "community based approach". The plan will incorporate all SBVWCD's mining, groundwater and community partners to achieve an implementable and fundable plan.

Director John Longville was asked about legislative issues and responded that he was in Sacramento and met with Legislative staff that can make changes that the Board approved to reduce members. The first attempt at the bill will apply to any Water Conservation District, if we run into problems it can be directed to only to our District and not to all Conservation districts.

5. ACTION ITEMS/NEW BUSINESS

A. DRAFT STAFFING PLAN

Mr. Cozad referred to specific pages in the staffing plan and noted that current staff is operating with such a lean crew that any change made effects everyone in the building. A matrix approach was used to draft the plan. Office and field operations were separated and many functions are combined. Current and future organization charts were reviewed.

The Board inquired on justification for hiring a third person in the field. The rationale for hiring is that we currently do not have field staff fully capable of manual labor. The plan is to hire an entry level field person, however in 2011 return to two field technicians. The Senior Field Tech Supervisor could become a consolidated position.

Also 2012 Staffing Plan for the District includes an District Engineer which will reduce engineering assistance. It could assist in succession planning to bring in an Engineer at mid-level, who can do the day to day work and possibly move into the GM position. Mr. Cozad is utilizing the matrix approach of taking everyone's skill set, utilizing those skills, and hiring with the year 2012 as a frame of reference, depending on the District's financial situation.

Directory Raley inquired about the status of the intern support. Mr. Cozad identified two interns; 1) a Junior, Engineering major attending Cal-Poly; and the Second Intern, a Senior at University of Riverside who is an Environmental Science. Mr. Cozad envisions using both interns in future staff planning.

The Board has already approved sufficient hours for the two interns. Both resources will be instrumental in supplementing Staff.

Director Corneille began a discussion on the need for a full time Engineer versus a contract support. It was noted that a Sr. Technician with record keeping and computer savvy may be more important. As the discussion continued some Board members believed there may be a need for a full time General Manager in the longer term.

President Day suggested that we analyze the degree of General Manager's responsibilities and see if it is 50%, 75% or 100% of a full time job. If the General Manager can perform all duties with a 70-75% schedule it would benefit the General Manager and District from a cost perspective. The Board indicated acceptance of the plan and staff will utilize it for management and basis of the budget.

B. CERTIFICATE OF DEPOSIT FOR INVESTMENT OF RESERVES

Discussion ensued as to the reason for specificity is all institutions require Board to list authorized signers. Out of the banks considered, many accept government money. Arrowhead has been taken into receivership, but has good rates.

It was moved by Director Raley and seconded by Director Wright, that the General Manager is authorized to open a deposit account with one or more of the Banks or institutions listed in the Board Letter for the purpose of investing unrestricted reserves and royalty prepayments in Certificate of Deposits (CDs). The motion continued, signers on the Account are to be the President of the Board of Directors, Clare Henry Day and the General Manager/Secretary of the Board, Daniel B. Cozad. The motion carried unanimously.

C. LEASING AGENT FOR REDLANDS PLAZA

Board discussed Leasing Agent for Redlands Plaza and suggested listing two vacancies for a six month period to get spaces filled. Staff received three proposals, one was unresponsive and slow to get info back.

It was moved by Director Corneille and seconded by Director McDonald to authorize the General Manager to utilize Coldwell Banker Commercial Lazar as our leasing agent for Redlands Plaza. The motion was approved 6-1. One opposed, Manuel Aranda, Jr.

D. MENTONE/CANYON PROPERTY

Staff presented the recommendation of the Administrative and Resources Committee to improve the Mentone House property for leasing, with the expenditure not to exceed \$10,000.00 to get house ready to lease. The Committee discussed the options presented by staff and recommended authorizing the General Manager to execute a contract with Escoto Construction for improvements and to procure sanitation facilities for the Mentone house not to exceed signature authority. Upon completion of repairs, the property will be listed for lease.

It was moved by Director McDonald and seconded by Director Wright to remodel the Mentone House property and for the General Manager to execute contract with Escoto Construction for improvements, not to exceed \$10,000. The motion carried unanimously.

The Board also instructed staff to budget for the demolition of the Canyon House to reduce attractive nuisance and safety hazards in 2011-2012 budget, if possible.

E. SURPLUS PROPERTY OUTSIDE WASH PLAN

Staff and District Counsel presented the steps required to the eventual sale of property. After these are done there is a negotiation process with anyone that expresses interest. Mr. Cozad indicated he had met with Bruce Cash, represented in the audience from United Strategies regarding their desire to purchase the Canyon property. First step is to send notices to all government jurisdictions including schools. The list of preferential uses comes from statutes. After this notice and offering and at the end of 60 days all options are available.

Bruce Cash indicated that United Strategies has a Client who is interested in the property for mitigation purposes. The letter will go out next week and the Board is looking to be prepared to sell by March or April, 2011.

It was moved by Director Corneille and seconded by Director McDonald to designate the Canyon property as surplus and give notice to government agencies in the area. The motion was approved unanimously.

F.FACILITY MAINTENANCE/OPERATION AND AGGREGATE MANAGEMENT PLAN OUTLINE

The Board discussed steps, process and guidelines for moving sand and aggregate from our ponds. The Board acknowledged the need for a clear, long term statement that the District provides aggregate management to keep our ponds viable and to dispel any misunderstanding that Robertson's and CMEX mine our ponds. While the District has a fiduciary responsibility for getting value out of the aggregate so it will reduce the cost to maintain field operations, if does not mine on District lands.

6. MONTHLY ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

San Bernardino Valley Advisory Commission meeting: Director Corneille reported on the City of San Bernardino Municipal Water Department (SBMWD) proposal to remove about 31,500 acre feet of treated wastewater discharge to the Santa Ana River for further treatment and groundwater recharge in the San Bernardino basin. This will reduce the amount treated in Colton, at the RIX facility.

The City of Riverside funded a study by Kennedy Jenks on how fertilizer in the past is associated with nitrate and perchlorate groundwater contamination and can be back calculated by groundwater modeling.

The next San Bernardino Valley Advisory Commission meeting is Feb. 10th.

Director Corneille also attended the ACWA Groundwater Committee meeting and shared two important points: 1) The Western Valley Water District (WVWD) is engaged in a Demonstration project for the treatment of percolate and nitrate using a biological process and diligently working on approval for full scale implementation, 2) The groundwater community is in the final stages of Board approval of the ACWA Strategic Framework for sustainable Groundwater management in the State of California. This was developed over a several year period by a Committee to affirm the importance of local versus the state management of groundwater.

Water Management Committee meeting, Director McDonald reported on Urban Stakeholders, the JPIA Conference where she attended two seminars on infrastructure – best practices; 10 ways to avoid being sued, (JPIA trains board members and staff); and helpful HR training of things you can and can't do. Also at the Basic Technical Advisory Committee (BTAC) meeting, Western Municipal Water District Jack Stanton, described the Riverside Corona pipeline and noted that \$27 million has been authorized and needs appropriations.

The Basic Technical Advisory Committee (BTAC) made a recommendation for approval of recharge operations activity for the majority of water up to a maximum of 68,000 acre feet. In the event that the basin fills up, they would say we don't need you to put water in the ground. The District will need to ratchet up our involvement in this effort.

It was reported that several of the Santa Ana Sucker task force members met with Fred Hicks, at the ACWA conference. Doc Hasting, Chair of Natural Resource Committee, noted that we have \$2.6m funds for conservation.

7. UPCOMING MEETINGS:

Upcoming events were reviewed and filed

8. CLOSED SESSION

Conference with Real Property Negotiators related to the East Branch Extension Easement, located in the Santa Ana and Mill Creek Spreading Grounds APN 0168-321-10; 0168-341-04; 0168-342-04, 06, 09; 0168-381-02; 0297-051-01, 02; 0297-011-07, and 0168-311-06. Real Property negotiators are Daniel B. Cozad and David B. Cosgrove for the District and Doug Headrick for SBVMWD. Instructions are related to price and terms of payment.

At approximately 11: 20 am the meeting reconvened into Open Session, Direction of negotiators was provided, with no other reportable action under government code 54957.1.

9. ADJOURN MEETING.

At 11:35 a.m. the meeting adjourned. The regular Board meeting will be on January 12, 2011 at 1:30 p.m., 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager