

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
January 12, 2011
1:30 P.M.

President Clare Henry Day called the Board Meeting of the Board of Directors to order at 1:32 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
Richard Corneille, Director
David E. Raley, Director
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Eunice L. Griffith, Administrative Manager

GUESTS PRESENT:

Bob Tincher, San Bernardino Valley Municipal Water District
Chris Diggs, City of Redlands
Don Lee, Tetra Tech
Charles Roberts, Highland News

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. There were no presentations made at the meeting by members of the public.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions/deletions to the agenda.

3. CONSENT CALENDAR

Approval of the Board Minutes from December 10, 2010.

General Counsel and Director Corneille noted revisions to the December 10, 2010 meeting minutes.

It was moved by Director Corneille and seconded by Director Aranda that the Minutes, from the December 10, 2010 regular Board meeting, be approved with revisions noted by Legal Counsel, Dave Cosgrove and Director Corneille. The motion carried unanimously.

Un-audited Financials (based on the 2010-11 Revised Budget) and Check Register for December 2010.

Daniel Cozad, General Manager summarized the unaudited financials and noted the following key points. He made reference to pg.13 of 65 of the General Fund Profit & Loss Budget vs. Actuals (GL) and noted that the second half (Jul-Dec 2010) of the budget shows the reporting structure. He also pointed out one entry in the Miscellaneous Income category of the GL, line 4040 in the amount of \$173,578.16, of which the District had budgeted \$12,000 dollars and stated that the majority of the difference was for the unfunded mandate claims submitted one year ago which has been paid by the state. Mr. Cozad noted that the Easement agreement and Exchange plan have not been billed. The Redlands Plaza budget appears to be \$30,000 dollars over budget, however it was paid by ACWA-JPIA for pipe/property damage to Dr. Ohana. The District only paid \$1,000 dollars deductible. Most other items are within budget. Essentially the District is on budget and currently \$100,000 dollars under cost due to the budget being created on a half year versus a continual basis.

Director Corneille suggested that it would be helpful to add a footnote that says six months on the table at the top of the budget.

It was moved by Director Raley and seconded by Director McDonald that the Un-audited Financials (based on the 2010-11 Revised Budget) and Check Register be approved. The Financial Reports were unanimously approved.

4. INFORMATION ITEMS

A. Special Information Item

Mr. Cozad introduced Bob Tinch of San Bernardino Valley Municipal Water District who presented findings of the 2011 Regional Water Management Plan conducted by the Basin Technical Advisory Committee (BTAC). The presentation was a result of a twelve month study. The objective of the study was to identify where water should be recharged from a technical perspective. The process for developing the Plan was to gather data and choose water spreading and extraction targets. The Management tools were a living document and data was gathered from 2009-2010.

Mr. Cozad stated that it would be good to see how the process was developed and how to properly manage the Basin. He also stated that it is important for the District to be more involved with the Study next year.

B. Board Committee Reports

Resources Committee Meeting

Director Corneille gave a brief report as the results of the Resources Committee meeting were printed on the Board Agenda. The Committee met January 6, 2011 and discussed the Mill Creek repair options and received information of the temporary storage of materials from the Highland flood area on District property.

Administrative Committee Meeting

There was no report.

C. Wash Plan Update

Legal Counsel Cosgrove reported that he received the proposal from Lilburn for the work we believe will be required to revise the Wash Plan and make changes that may be essential to meet the Environmental Impact Statement (EIS). The next steps are to

review the proposals and make sure they are refined and responsible estimates and then call a Task Force meeting. The purpose of the meeting will be to lay out where we are with US Fish and Wildlife Service (USFWS) and get direction from the Task force on what the next steps are in terms of whether and how they would like us to proceed and engage USFWS.

D. Other Reports from Staff

Field Update Randy Carlisle

Randy Carlisle, Field Supervisor reported that they have been limited in what they can do in the field as a result of the flood waters, as the water is either behind the dam or running down the river. He informed the Board that he has been engaged in assessing flood damage and considering the best way to repair the Mill Creek Spreading grounds. Mill Creek repairs are scheduled to start tomorrow morning. Mr. Carlisle has been working with Daniel to get a permit for Ranch Rock to authorize the storage of materials out of Highland, including a clause that states the arrangement is temporary. He also stated that he has been working with Manuel Colunga, Field Technician doing reports on Santa Ana property and pruning around the Mentone property.

Mr. Cozad passed pictures around of SBVMWD and informed the Board that the Army Corps of Engineers (ACOE) is aiming at an early release in February. Monday afternoon they reached the required water level (2336) to do the release. They have the water needed. 125 cfs is flowing into the dam. ACOE will be accumulating water and SBVMWD will work with Riverside, San Bernardino and others as we prepare for the release, possibly mid February. He noted that it requires a lot of coordination and work to execute the release and that he hopes to have our third Field hand on before the release, as it is a 24 hour activity.

Santa Ana Sucker

The Santa Ana Sucker Task force was attended by Director McDonald and Director Aranda, and both provided a status of the meeting. Director McDonald reported that only \$80,000 dollars remain in the budget. The decision has a six year statute of limitations to appeal/oppose. Director McDonald stated that it will take another meeting before the actual direction is determined.

Director Aranda added that USFWS has decided the endangered species critical habitat extends up to Seven Oaks Dam (SOD). Discussion continued on how the decision might affect the core mission of the District. It was noted that the Sucker Task force (Task force) is already considering the expense, has done a preliminary study, and is currently taking the actual footprint, including loss of total water and other possible affects. Legal Counsel, Cosgrove commented on the extension that potential USFWS jurisdiction may have over areas where the species do not occur. Both sides are pointing to the extremes, USFWS is saying nothing will change, however the other

aspect is, if you look at the definitions of what impacts there could be to critical habitat, the USFWS jurisdiction could have an influence over everything we do.

Mr. Cozad believes it is in the District's interest to continue to participate and there is value in having a large group, even if all cannot be at full cost level. The District will continue to be supportive within the existing approved budget.

No action is required at this time. Director McDonald encouraged Board members to attend the Task force meetings.

E. General Manager Report

A written General Manager's Report was distributed to the Board and summarized by Mr. Cozad, following is a few of the key points that were highlighted and not included in other Agenda topics:

- 1) An Ad Hoc Committee will be held January 28th to evaluate General Manager performance.
- 2) Resumes are being evaluated for the Field Technician position
- 3) Ryan Hejka, new Board Intern did a great job introducing the District's Big Bear Water Master Report at their meeting held on January 10, 2011 and our second Intern, Matt O'Carroll will start on January 14, 2011.
- 4) Mr. Cozad will start gathering data for the 2012 budget this month. He stated that the early start is due to the input that is required from partners. He informed the Board that the enterprise approach will be incorporated into the 2012 budget, reserve policies including Redlands plaza.
- 5) Tim Moore and Mr. Cozad met with SBVMWD and WMWD to continue discussion on the Collaborative process, a report on terms should be available for Board presentation shortly.
- 6) Mr. Cozad met with Kathleen Rollings-McDonald at LAFCO.

F. Future Agenda Items & Staff Tasks from Directors

Director McDonald informed the Board of the upcoming 2011 Executive Committee Election and noted that the topic will appear on the February 9, 2011 Board meeting agenda.

5. ACTION ITEMS, NEW BUSINESS

A. MILL CREEK STORM REPAIRS

This item was taken out of order

Staff recommends the Board authorize the General Manager to enter into or utilize existing agreements for repairs at Mill Creek.

It was moved by Director McDonald and seconded by Director Corneille to authorize repair to the Mill Creek Spreading grounds intake by Larry Jacinto Construction, Inc. not to exceed \$11,000 dollars. The motion carried unanimously.

B. Update Redlands plaza

The Staff recommends the Board to authorize the General Manager to enter into contracts for repairs of plumbing and roofing at Redlands Plaza.

It was moved by Director McDonald and seconded by Director Longville for the General Manager to enter into contracts as the Property Manager for Redlands Plaza, not to exceed \$15,000 dollars for the repair of plumbing and roofing. The motion carried unanimously.

C. STRATEGIC PLAN AND PLANNING PROCESS

Mr. Cozad clarified the reasons to rescind the strategic plan. He stated that he would like to get input from the community partners, those we serve and work with on their position and to help with prioritizing what SBVWCD will work on. He also reinforced the need for a financial feasibility study to enable discussion of how each portion will be funded. The Board wanted clarification and questioned repercussions of rescinding the plan completely, if a grant came up, would the Board be prepared since the plan would not be approved? It was agreed that it would be to the Board's benefit to have buy-in from District partners. The Board proposed criteria for revising the plan, a Staff led effort for community input, completed within a six month period.

It was moved by Director Corneille and seconded for the purpose of discussion by Director Longville.

After the motion, discussion continued on a community based planning project to be completed in July, at which time it will replace the existing plan. Legal Counsel suggested suspending implementation until July 1, 2011 based on the process and clarified that Mr. Cozad has received some feedback that indicates a lack of buy-in of the existing plan. He noted that reworking the Strategic plan will give a signal to those with concerns to provide information to the District in the six month timeframe.

Director Raley amended and clarified that the motion on the table to rework the strategic plan will include identifying funding sources. Legal Counsel summarized the motion on the table as follows: The Board will agree to suspend implementation of the District's Strategic Plan until July 1, 2011 with specific direction: Staff will open a community based planning process to review the Strategic Plan and to include analysis and investigation of potential funding programs for future projects.

The motion carried unanimously.

D. CITY OF REDLANDS ROADWAY EASEMENT ALABAMA REALIGNMENT

This item was taken out of order

Staff recommends the Board approve the roadway easement and purchase agreement in favor of the City of Redlands for the realignment of Alabama and Redlands Boulevard and that the General Manager is authorized to execute agreements and related paperwork.

It was moved by Director Corneille and seconded by Director McDonald to approve the roadway easement and purchase agreement in favor of the City of Redlands for the realignment of Alabama and Redlands Boulevard including the movement District appurtenances and to authorize the General Manager to execute agreements and related paperwork.

The motion carried unanimously

E. CONTRACT LEGAL SERVICES

General Counsel recommends that the Board consider and approve contract extension at the reduced rate offered. This rate is within the approved revised budget

It was moved by Director Corneille and seconded by Director McDonald to approve extending the contract for legal services with Rutan and Tucker at the reduced rate offered, within the approved revised budget. The motion was unanimously approved.

The Board graciously acknowledged and thanked Legal Counsel for his consideration and proactive offer to adjust his legal rate given the District's difficult financial condition.

F. GIS SUPPORT CONTRACT

Mr. Cozad provided a revised recommendation with updated cost for GIS Support Services.

It was moved by Director McDonald and seconded by the Staff to execute an agreement to continue GIS Support Services for the Engineering Investigation and Groundwater Database in an amount not to exceed \$6,000 dollars.

6. Monthly Activity Reports, AND/OR Comments by Board Members

There was no discussion on monthly activity reports.

7. UPCOMING EVENTS

Upcoming events were received and filed.

There was no further open session business. At 3:30 p.m., the Board took a five minute break before going into Closed Session.

8. CLOSED SESSION

1. At 3:25 p.m., it was moved by Director Longville and seconded by McDonald to adjourn to Closed Session, under the authority of Government Code Section 54956.9(c), the Board may recess to Closed Session to consider whether to initiate litigation;

and/or

Under the authority of Government Code Section 54956.9(b)(3)(a), and Section 54956.9(c), and Section 54956.9(b)(1), the Board may recess to Closed Session to confer with legal counsel regarding significant exposure to litigation in one case.

2. 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 4:20 p.m. the meeting reconvened into Open Session, with no reportable action taken under Government Code 54957.1.

9. ADJOURN MEETING

At 4:20 p.m. the meeting adjourned to the next regular Board meeting scheduled for March 9, 2011 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager