

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF April 27, 2011
1:30 P.M.

President Clare Henry Day called the Board Meeting of the Board of Directors to order at 1:33 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
John Longville, Director
Richard Corneille, Director
David E. Raley, Director
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

Arnold Wright, Director

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Bruce Cash, United Strategies
Matt Le Vesque, East Valley Water District

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 continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

3. PUBLIC HEARING RELATED TO APPROVAL OF GROUNDWATER CHARGE

The Public Hearing was opened by President Day.

Mr. Cozad provided a quick review of the EI presentation and again stated that the EI investigation report was the foundation used for the groundwater rate setting process. The Board approved the addendum to the EI on April 13, 2011.

Mr. Cozad stated that the Engineering Investigation report was presented to the Board on March 09, 2011, at the regular Board Meeting/Public Meeting on April 13, 2011 and was also presented to the Upper Santa Ana Water Resources Association Meeting on March 10, 2010 and to Basic Technical Advisory Committee (BTAC) on April 4, 2011. Notice of the District's proposal to establish the 25% increase of the groundwater charge at the rates of \$2.73 for water produced for agricultural purposes and \$9.81 for non-agricultural purposes was distributed to all reporting groundwater producers, as well as a notice published on March 12, March 19 and March 26, 2011 in the San Bernardino Sun Newspaper. Mr. Cozad continued with his presentation, showing groundwater budget, the estimated amount of revenue expected from the groundwater charge and the projected shortfall for the 2011-2012 fiscal year. He also said that he received support from East Valley Water District, Matt Le Vesque (in attendance), the City of San Bernardino and the City of Riverside. He reported that the City of Redlands had no comments, but understood the increase. He directed the Board to Resolution No. 468.

General Counsel, Cosgrove noted that no formal written correspondence had been received.

There were no public comments or testimonies.

It was moved by Director Corneille and seconded by Director McDonald to close the Public Hearing. The motion carried unanimously.

The Board expressed appreciation to the Staff for the commendable way the Groundwater process had been handled. Director Raley suggested lowering the groundwater increase from 25% to 15%. However, due to the need for capital

improvements, an unapproved budget and lack of reserves, the Board voiced support of the 25% increase.

This item was taken out of order.

It was moved by Director McDonald and seconded by Director Longville to approve and adopt Resolution 468, establishing a Groundwater charge for the 2011-2012 Water Year. The motion carried 5-1, with one opposed, Director Raley.

4. CONSENT CALENDAR

- Approval of the Board Minutes from April 13, 2011.

Director Corneille and Director McDonald noted clarifications to the April 13, 2011 Minutes.

It was moved by Director Corneille and seconded by Director Raley that the minutes of the April 13, 2011 Board meeting, be approved as amended. The motion carried 6-0.

5. ACTION ITEMS, NEW BUSINESS

- A. RESOLUTION 468 GROUNDWATER CHARGE FOR GRA 36 AND 37 WATER YR 2011-2012.

This item was taken out of order.

- B. RESOLUTION RECOGNITION RETIRED BOARD MEMBER ARNOLD "BUD" WRIGHT

Staff recommends the Board adopt Resolution 470 for the retirement of Director Arnold "Bud" Wright.

It was moved by Director Raley and seconded by Director Corneille to approve Resolution 470 for the retirement of Arnold "Bud" Wright. The motion carried 6-0.

The Board inquired about a retirement presentation to honor Bud Wright. Mr. Cozad confirmed that Bud had agreed to attend, when the retirement event is planned. Mr

Cozad suggested possibly having the event at Cuttle Weir in conjunction with a celebration of the millionth acre-foot spread by the District. President Day will be out of the country after June 15th – and requested that the event be scheduled before his travels, if possible.

C. STATUS – DIVISION 3 APPOINTMENT

President Day read an email to the Board from Ron Arnott voicing his interest in filling the Division 3 vacancy. Mr. Cozad has requested that Ron Arnott submit a resume to the Board for consideration. The Board has not received any additional letters of interest at this time. The deadline to submit a statement of intent is May 2nd.

The Board discussed the selection process to fill the position and the importance of clarifying any conflict of interest and/or ownership or business derivatives from any SBVWCD affiliates by Mr. Arnott or any prospective applicant. The Board adopted the following selection process for Division 3.

It was moved by Director Longville and seconded by Director McDonald that General Counsel, Cosgrove:

- 1) Follow-up with Mr. Arnott on any potential conflicts of interest or ownership;**
- 2) Report status of additional applicants (received by May 2nd) at the May 18th Board meeting;**
- 3) Schedule interviews with applicants on the agenda of the May 18th Board meeting, for Board to interview. (a morning meeting, if required).**

The motion carried unanimously.

D. ALL MAIL BALLOT

Ms. Griffith, Administrative Manager reviewed general information on the All Mail Ballot Election and a FPPC Filing Schedule for San Bernardino County. The election will take place August 30, 2011. Deadlines to declare candidacy is June 2, 2011. She noted that in order to proceed with the election process and issue candidate filing paperwork, Mr. Cozad will have to take an oath of office, today. The notice of election will be posted in the District and newspaper on May 2, 2011.

E. SBVWCD SALES OF PROPERTY

Per Mr. Cozad, the Administrative Committee has discussed and considered the sale of the 22 acres of land above Cuttle Weir and Redlands Plaza.

Cuttle Weir - In compliance with California Government Code §54222, notices were sent to agencies, districts and schools in the area to inform government entities that the 22 acres of land is available for surplus. No notices of interest were received. Staff is requesting a decision from the Board on how to proceed: solicit offers, hire a broker, or advertise the sale. The purpose for the sale of the property would be to generate revenue for reserves. The Board asked if it would be practical to use the land for mitigation.

It was moved by Director McDonald and seconded by Director Aranda to solicit offers/proposals for purchase of the 22 acres of land at Cuttle Weir. The motion carried 6-0.

Redlands Plaza – The Administrative Committee discussed the pros and cons of selling Redlands Plaza. Mr. Cozad was seeking direction from the Board. The Board decided against pursuing the sale of Redlands Plaza. No action is required on Redlands Plaza at this time.

F. EMPLOYEE HANDBOOK FINAL REVISIONS

The Administrative Committee reviewed the Employee Handbook and made recommendations. Mr. Cozad gave a page by page summary of the policy changes. He pointed out that the action today was for the Board to provide feedback on the changes made to date in the Employee Handbook. The next step is to seek feedback from General Counsel Cosgrove and a Labor Lawyer.

The Board recommended two changes 1) include information on pay periods and 2) change “doctor” appointment to “medical” appointment on page 56.

It was moved by Director McDonald and seconded by Director Aranda to approve revisions to the draft Employee Handbook and forward revised handbook to General Counsel for his review and to incorporate changes requested by Legal Counsel. The motion carried.

6. INFORMATION ITEMS:

A. Field Operations update and Monthly Recharge Report

Monthly Recharge Report

Mr. Cozad reviewed the Monthly Recharge Report (MAR) and requested feedback from the Board. He stated that the MAR is a green document. It was suggested that he add YTD to the Recharge heading on the Report. The document will be useful to keep the Board/Staff informed and in getting feedback from BTAC. Also, the District is beginning to track Santa Ana River in-river channel, as a follow up to work done by the City of Riverside last year.

Staff is tracking the amount of water that passes the Cuttle Weir, subtracting water that

passes Alabama street and using it as a gauge to measure the amount of water being recharged. The purpose is to provide feedback to the USACOE and County of Orange Flood Control. Year to date as of 4/27, 34,122 acre-feet of water has been recharged in Santa Ana and Mill Creek, about 50% of the BTAC maximum.

Other Field Update

Mr. Cozad reported that Staff is working to see if we can regain use of our percolation pond, now being used as a mining pit by CEMEX. We have approximately 100 CFS of water flowing pass and the pit could be used to recharge 50 CFS. If the pit is not available, Staff will work with Robertson's. 11 South Pond Construction will start next week. He reported that our ponds are full.

B. SB235

Director Longville reported that there were no changes to SB235.

C. Santa Ana Sucker Update

Mr. Cozad reported that there is a Santa Ana Sucker Meeting tomorrow, April 28, 2011. The Board will sign the Joint Prosecution and Cost-Sharing agreement today in accordance with previous direction and submit the agreement at the meeting tomorrow.

D. Future Agenda Items and Staff Task requests from Directors

There were no items to report.

E. ACWA/JPIA State Legislative Committee Bill Packet

Staff reported that the May 6 Bill Packet has been posted to the website.

7. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND /OR COMMENTS BY BOARD MEMBERS

Director McDonald attended the Upper Santa Ana Water Resources Association (USAWRA) meeting and was impressed with the City of San Bernardino's Water Dept. and stated that they are doing a great job. She also stated that Bob Tincher reported that SBVMWD sold Bear Valley stocks (approximately 200 shares) to the City of Redlands and ESRI/Dangermond.

The Administrative Committee Meeting is tentatively scheduled for Thursday, May 5, 2011 at 8:30 a.m.

The Resources Committee Meeting is scheduled for Friday, May 6, 2011 at 8:00 a.m.

8. UPCOMING MEETINGS

April 29, 2011 SBACC Legislative Breakfast at Shandin Hills Golf Club, 7:30 a.m. is postponed.

May 12, 2011 Upper Santa Ana Water Resources Association, 9:30 a.m. is rescheduled to May 19th – due to the ACWA Spring Conference.

9. CLOSED SESSION

At 3:17 p.m., it was moved by Director McDonald and seconded by Director Corneille to adjourn to Closed Session, under the authority of Government Code.

1. 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.
2. Under the authority of Government Code Section 54956.9(c), the Board may recess to Closed Session to consider whether to initiate litigation;
The motion carried 6-0.

At 4:13 p.m. the meeting reconvened into Open Session. General Counsel reported that while in Closed Session, the Board unanimously directed staff to communicate that the District did not accept the request from Cemex to recognize the late exercise of the option to extend the lease, and that Board President Day appointed an Ad Hoc Committee to coordinate with staff in its communications with Cemex.

10. ADJOURN MEETING

At 4:13 p.m. the meeting adjourned to the next regular Board meeting scheduled for May 18, 2011 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager