

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF May 18, 2011  
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  
John Longville, Director  
Richard Corneille, Director  
David E. Raley, Director  
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

Joseph Larsen, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Bryan Forgey, Cemex  
Scott Hess, Cemex  
Don Lee, Tetra Tech  
Charles Robert, Highland News  
Michael Bogh

## 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.

Michael Bogh introduced himself, and expressed his interest in the Division 3 vacancy. He apologized for the late notice, but he just found out about the vacancy one hour earlier and immediately faxed a letter of intent to the District. He asked the Board for the opportunity to be considered as a candidate.

## 2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

## 3. CONSENT CALENDAR

- Approval of the Board Minutes from April 27, 2011.

Director Corneille noted two clarifications to the minutes, provided to the Board Secretary.

**It was moved by Director Corneille and seconded by Director Longville that the minutes of the April 27, 2011 Board meeting, be approved as amended. The motion carried 6-0.**

- Unaudited Financials

**It was moved by Director Raley and seconded by Director Longville to approve the April unaudited financials. The motion was unanimously approved.**

- Update on Groundwater Charge Collections

Mr. Cozad reported that all large municipal areas have paid the Groundwater charge. Staff is continuing collection efforts on outstanding charges, if they are unsuccessful, he may request that the Board approve formal collections.

**It was moved by Director Longville and seconded by Director Aranda that the update of the Groundwater Charge Collections be received and filed. The motion carried 6-0.**

## 4. ACTION ITEMS, NEW BUSINESS

### A. DIVISION 3 VACANCY – APPOINTMENT

Mr Cozad stated that based on the Board's direction to notify the Registrar of Voters and post the vacancy, we have received applications from Ron Arnott and Bob Glaubig. Both applicants were interviewed today. It was discovered that Ron Arnott did not reside in the boundaries of Division 3.

The Appointment process allows 60 days - until June 12th to appoint a candidate. The Board deliberated on whether to adhere to the published process or to reopen and extend the deadline.

**It was moved by Director Raley and seconded by Director Aranda to honor the original appointment process and appoint a Director for Division 3.**

Director Aranda commented on the decision to adhere to the process and the Board discussed time constraints if the process were changed given that the deadline to file candidacy for the All Mail Ballot is June 3<sup>rd</sup>.

**The motion carried 4-2 with 2 opposed, Director Corneille and Director McDonald.**

**It was moved by Director Raley and seconded by Director Aranda to appoint Bob Glaubig as Director of Division 3. The motion carried 6-0.**

#### **B. RECOGNITION OF RETIRED BOARD MEMBER ARNOLD "BUD" WRIGHT AND COMMEMORATION OF THE MILLIONTH ACRE FOOT**

Mr. Cozad spoke with former Director Wright last week on his preference for the event and he would like the retirement celebration to be low key. The 40 year retirement will be held at Cuttle Weir to honor 40 years of service and the celebration of the District sinking one million acre-feet of water. The Board supported the idea and tentatively scheduled the date for June 13<sup>th</sup>, pending confirmation from Director Wright.

#### **C. ACWA-HBA / CAL PERS COST CONTROL**

Mr. Cozad provided background on the Administrative Committee's recommendation to reduce District contributions for employee health and retirement benefits. He cited the main two reasons for evaluating employer contributions are: 1) accountability to groundwater customers and other districts/agencies who have lowered their employer contributions and; 2) there has been no change in the last 10 years. After considering several options where the employee shares in paying a percentage of their health and retirement cost, the Administrative Committee recommended the following:

Health Benefits - Scenario 2- Option A - The Employer will pay 100% of the employee's health plan and 75% of the dependent cost. The employee will responsible for paying 25% of their dependent cost resulting in a 25% savings to the District.

For CalPERS retirement, the Administrative Committee recommended Proposal 2 which provides a 15% savings to the District on the employee's share of retirement costs.

Total annual savings to the District for health will be approximately \$11,580 and \$6,490 for PERS retirement.

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**It was moved by Director Longville and seconded by Director Aranda to approve Scenario 2 Option A for health benefits - the District will pay 100% of the employee's health plan and 75% of dependent(s). The employee will be responsible for paying 25% of dependent(s) cost;**

**Proposal 2 for retirement - District will pay 85% of the employees share for CalPERS retirement. The employee will be responsible for paying 15%. All changes will be effective July 1, 2011. The Board also directed Staff to establish a Health Spending Account (HSA) and allow Advantage Plan for Health Care; staff to make recommendations for this year and a Cafeteria plan.**

**The motion carried unanimously.**

#### **D. DISTRICT AND ENTERPRISE BUDGETS FOR FISCAL YEAR 2011-2012**

The Administrative Committee recommended the Board receive and approve the District and Enterprise Budgets for Fiscal year 2011-2012.

**It was moved by Director Aranda and seconded by Director Longville to approve the District and Enterprise Budgets for Fiscal year 2011-2012.**

Discussion ensued and it was recommended that a placeholder for capital improvements be included in the current budget.

**An additional motion was presented that a line item be included for capital improvements in the 2011-2012 District and Enterprise Budgets. The motion carried 6-0.**

#### **5. INFORMATION ITEMS:**

##### **A. Field Operations and Monthly Recharge Report**

Mr. Cozad reported that construction of the 11 South Pond has been all but completed.

Mr. Cozad, presented an updated version of the Monthly Recharge Report and noted the following changes: 1) adjustment from the BTAC (approved last month) to the amount of recharge in Mill Creek and Santa Ana to allow additional recharge in the Mill Creek area. He also pointed out that there is plenty of room in Santa Ana and Mill Creek recharge limits and we will continue to update the BTAC on water quality and recharge. The bar chart gives a status of where we are compared to the maximum recharge levels.

The District is looking for additional capacity to put imported, state project water and looking to augment our basins. We are also working with mining partners to increase our capacity when we have water available.

#### B. SB235

Director Longville reported that the SB235 passed in the Senate 35 – 0 and is scheduled for hearing in the Assembly Local Government Committee on June 25<sup>th</sup>. Again, there does not appear to be any organized opposition. He reviewed the legislative process with the Board, should the bill pass or if it is amended in the Assembly. To be safe, he will travel to the hearing in case there are questions however he is very optimistic that the bill will pass in the State Assembly.

#### C. Santa Ana Sucker Update

Mr. Cozad provided an update on the SAS Task Force meeting held on April 28th and reported they reviewed a detailed process of the next steps. At ACWA, in Sacramento, Western Valley Water District, San Bernardino and others met with the USFWS Regional Director. Early reports back from USFWS regarding the 60 day notice indicate that USFWS would like to work with the SAS Task Force. In accordance with the Joint Prosecution and Cost-Sharing agreement, funding commitments have been received from all Taskforce members, including the District.

#### D. ACWA State Legislative Committee Bill Packet

Director McDonald informed the Board that the May 27<sup>th</sup> Bill Packet #1 has been posted to the website and suggested reviewing AB34.

#### E. General Managers Report

Mr. Cozad reviewed the written GM Report for April 7<sup>th</sup> - May 12<sup>th</sup> and highlighted the following:

42,900 acre-feet of water has been recharged year to date, by year end it may be the third to fourth highest recharge year in District history.

In Admin and Staffing, one of our interns, Matt O'Connell's last day is Thursday. He has been working on the Operations and Aggregate Management Manual. Matt has been accepted to the Bren Graduate School of Environmental Science and Management at UC Santa Barbara.

Tom Lyons, Intern from CSUSB has a background in geology and is studying Library Science. He has been working on putting our history together and organizing historical documents so they can be moved to the Water Resources Institute or the archive center at Redlands Library. The Head of the Archive Dept at CSUSB said the District has some of the most well preserved, coherent, collection of water related historical documents she has ever seen. Mr. Cozad acknowledged Susan Longville at the Water Resource Institute for setting up the internship. This summer old photographs will be converted to a digital record and made available.

Mr. Cozad gave a review of the Wash Plan area and the Haul Road Expansion Field trip with USFWS, CEMEX and Robertson's to discuss Wash Plan efforts and select consultants to complete technical work for the wash plan HCP and EIR updates.

East Branch Extension, we executed a Right of Entry Agreement and have received a fully executed copy of the Right of Entry Agreement. He is expecting notice to confirm that \$146,500 (the minimum appraised value) has been posted to the Escrow account.

The plumbing work has been completed at Hello Sushi. Athena Medina took charge and did a nice job of managing the Contractor and the Tenant.

He reported meeting with all Aggregate Operators (under contracts cleared by previous Staff) to clean out the basin pits. We have a six month close out activity to finalize efforts of current contractors and to adopt a formal process of cleaning out our basins and future contracts.

#### F. Future Agenda Items and Staff Task requests from Directors

Director Corneille requested that a Resource Committee meeting be scheduled to start setting up a CIP and clarify intentions for use of District property. The Meeting is scheduled for May 27<sup>th</sup>. He also suggested that Director Aranda, (alternate) be formally appointed as a Resources Committee member; the Chair made this appointment.

Director Aranda reported that at several meetings during the ACWA Spring Conference, it was conveyed that Governor Brown would like to consolidate and reduce the number of special districts. He also informed the Board of coming legislation, AB912. Discussion ensued on LAIFCO and the importance of making our purpose known and understood at the right time.

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

Director Corneille reported attending the ACWA Committee Day at the Spring Conference and the Groundwater Committee meeting. He distributed handouts, *“ACWA Policy on Groundwater Management, Groundwater- Invisible No More”* and *“Sustainability from the Ground Up – Groundwater Management California-A Framework”*. He reported that ACWA is getting more actively involved, as the state is making a play to regulate groundwater basins. The policy was a rebuff to say that groundwater management is a local issue and statewide districts are doing a great job. He stated that it was an excellent statement of policy and of an upcoming implementation phase to get the word out on why the state should not become involved in local groundwater issues.

He also received a presentation by the Department of Water Resources on the State Water Plan. DWR is now working on an update to the 2009 plan. In the 2013 update of the California Water plan, groundwater will be more of a focus and there will be opportunities for ACWA to get involved.

Director Corneille will attend the San Bernardino Valley Municipal Advisory Committee Meeting May 19<sup>th</sup> and informed the Board that the Regional Urban Water Management Plan and the Santa Ana Sucker are on the agenda.

Director Raley commended Mr. Cozad for “stopping the bleeding” of reserves and for taking a lead in the financial direction of the District.

Director Longville invited the Board to his home to see Susan’s Desert Garden.

Director McDonald attended the conference and reported ACWA/JPIA is word smithing their bylaws. At the fall ACWA conference, JPIA will consider disconnecting from ACWA and there will be discussions of changing the terms of the President and Vice President from a three to a four year term. She reported attending the ACWA luncheon and heard a presentation on the importance of agriculture from Karen Frost, Secretary of Agriculture. She also attended the Water Management Committee meeting and SBVMWD Board Meeting.

Director Corneille will also be out of state June 3<sup>rd</sup> -11<sup>th</sup>. President Day will be out of the country June 15<sup>th</sup> to July 20<sup>th</sup>. The July Board Meeting will continue as scheduled.

## 7. UPCOMING MEETINGS

President Day noted the San Bernardino Valley Water Conservation Demonstration Garden, Ribbon-cutting Ceremony is June 3<sup>rd</sup> at CSUSB and Garden Tours and Workshops at Home Depot, June 4<sup>th</sup>.

## 8. CLOSED SESSION

**At 3:15 p.m., it was moved by Director Raley and seconded by Director McDonald to adjourn to Closed Session on the items in the agenda under the authority of Government Code.**

1. Under authority of government code section 54956.8, the board may recess to a Closed Session for a 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.
2. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b)(3)(b), relating to communications regarding mineral the lease status between the District and Cemex Construction Materials Pacific, LLC.
3. The Board may convene in Closed Session under Government Code section 54956.8, to discuss real property negotiations, relating to a potential new lease on portions of property located in the Santa Ana River Wash, and depicted as "Cemex" in Figure 3.7 of the Final Environmental Impact Report for the Upper Santa Ana Wash Land Management and Habitat Conservation Plan, with Cemex Construction Materials Pacific, LLC. Daniel B. Cozad and David B. Cosgrove are the negotiators for the District. Scott Hess and Christine Jones are the negotiators for Cemex.

**The motion carried 6-0.**

At 4:24 p.m. the meeting reconvened into Open Session. The Board took action to authorize President Day to create a 90 day Tolling Agreement.

**It was moved by Director Aranda and seconded by Director Longville to authorize President Day to create and sign a 90 day Tolling Agreement. The motion carried unanimously.**

#### 9. ADJOURN MEETING

At 4:27 p.m. the meeting adjourned to the next regular Board meeting scheduled for June 8, 2011 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

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Daniel B. Cozad  
General Manager