

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF July 13, 2011  
1:30 P.M.

Vice President Melody McDonald 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 Vice President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, Vice President  
Richard Corneille, Director  
Bob Glaubig, Director  
John Longville, Director 1:33 p.m.  
David E. Raley, Director  
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

Clare Henry Day, President

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Don Lee, Tetra Tech  
Charles Robert, Highland News  
Frank Vora, Progressive Real Estate  
Gigi Hanna, Water Resources Institute

1. PUBLIC PARTICIPATION

Vice President Melody McDonald 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/deletions to the agenda. Mr. Cozad announced that he had prepared a letter to Governor Brown, on behalf of the District in support of SB-235.

3. CONSENT CALENDAR

- Approval of the Board Minutes from June 8, 2011.

Director Corneille noted a correction and asked for clarification on the Monthly Recharge Report referenced in the June 8, 2011 minutes.

**It was moved by Director Aranda and seconded by Director Raley to approve minutes from the June 8, 2011 meeting as amended. The motion carried 5-0 with Director Day noted absent from the vote, Director Corneille abstained due to his absence from the meeting.**

- Unaudited Financials

**It was moved by Director Corneille and seconded by Director Raley to approve the June Unaudited Financials. The motion carried 6-0 with Director Day noted absent from the vote.**

- Update on Groundwater Charge Collections

Mr. Cozad reported that most of the first half billing has been recovered. The second half Groundwater bills were mailed before June 30<sup>th</sup> and we are beginning to receive returns.

4. CLOSED SESSION

**At 1:37 p.m. it was moved by Director Corneille and seconded by Director Raley to adjourn to Closed Session for each item listed on the posted**

**agenda. The motion carried 6-0 with Director Day noted absent from the vote.**

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 the mineral 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.
4. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b)(3)(b), relating to a flood control claim in Loma Linda by So. Cal. Self Storage-Plaza Mini Storage, LP.
5. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b)(3)(e).

At 2:50 p.m., the meeting reconvened into Open Session.

Pursuant to Government Code Section 54957.1 (a)(4), the following action was reported from Closed Session: The Board rejected the Claim of So. Cal Self Storage Plaza Mini Storage, LP dated June 22, 2011 by a 6-0 vote with Director Day noted absent from the vote.

5. ACTION ITEMS, NEW BUSINESS

A. REDLANDS PLAZA ROOFING REPAIRS

**It was moved by Director Corneille and seconded by Director Raley to approve roof repairs not to exceed \$6,000.00 for Redlands Plaza and to authorize the General Manager to execute agreements for services and to contract for annual roof maintenance within the existing budget. The motion carried 6-0 with Director Day noted absent from the vote.**

**B. LEASING AGENT FOR DISTRICT REAL PROPERTY**

The Administrative Committee recommended discussion and approval of the leasing agent for Redlands Plaza units.

**It was moved by Director Corneille and seconded by Director Raley to approve the Leasing Agent Agreement from Progressive Realty for District Real Property. The motion carried 6-0 with Director Day noted absent from the vote.**

District Counsel voiced a concern about the Progressive Realty Brokers Agreement, specifically Roman number IV (IV) under the Lease Documentation paragraph and requested striking item (IV) from the agreement.

**The motion was amended to include striking Roman numeral (IV) from the Lease Documentation paragraph of the Progressive Realty Exclusive Listing Agreement/Lease.**

Mr. Cozad introduced Frank Vora, Leasing Agent, to the Board.

**The motion carried 6-0 with Director Day noted absent from the vote.**

**C. AUDIT FIRM SELECTION**

Based on the recommendation from the Ad Hoc Audit Selection Committee, the Board considered Charles Fedak and Company for the District Auditor for fiscal year 2011-2012.

**It was moved by Director Corneille and seconded by Director Raley to select Charles Fedak and Company as the District Auditor for 2011-12 and to authorize the Vice President to enter into a contract not to exceed \$15,250. The motion carried 6-0 with Director Day noted absent from the vote.**

Mr. Cozad introduced Charles Fedak and mentioned the great references he received from other agencies. Mr. Fedak stated that his firm is a specialist in the government special district sector, assured the Board that they will not be disappointed and expressed appreciation for the opportunity to provide independent auditor services to the District.

#### D. ACCESS PERMIT FOR SANTA ANA CANYON ROAD PROTECTION

Staff recommends the Board approve the Access Permit for the armoring of Santa Ana Canyon Road.

**It was moved by Director Corneille and seconded by Director Raley to approve and authorize the General Manager to execute the Access Permit negotiated with San Bernardino County Flood Control District to access and armor the embankment of Santa Ana Canyon Road opposite Cuttle Weir. The motion carried 6-0 with Director Day noted absent from the vote.**

#### E. STATEMENT OF INVESTMENT POLICY

The Board reviewed the Statement of Investment Policy recommended by the Administrative Committee and considered proposed changes that would allow additional investment opportunities.

**It was moved by Director Raley and seconded by Director Aranda to approve the revised statement of investment policy and the addition of CalTRUST, as an investment option and to approve Resolution No 471 authorizing participation in the investment contingent upon Counsel's review of the CalTrust Joint Policy Agreement.**

Director Raley stated that upon review of the CalTrust Investment program he believes it is an excellent fit for the District and should provide higher returns without increasing risks. Mr. Cozad commented on the various types of investments included in the program and noted that the investments added were the most conservative allowed by California statute for a public entity.

**The motion carried 6-0 with Director Day noted absent from the vote.**

#### F. WATER RESOURCES INSTITUTE (WRI) CSUSB

At the announcement of this item Director Longville citing a potential conflict of interest (as his wife is the Executive Director of WRI), recused himself and left the Board room. Director Longville did not participate in the following Agenda item.

Mr. Cozad informed the Board that the current budget does not include a contribution to the WRI. He recognized the academic partnership and mutual benefits shared by the District as evidenced by the CSUSB Intern working 10 hrs per week through WRI via a grant from the US Bureau of Reclamation. He recommended continuing our contribution pledge of \$5,000, when revenue arrives in excess of our budget.

Mr. Cozad introduced Associate Director, Gigi Hanna of WRI (attending on behalf of Susan Longville) who encouraged the District to continue funding and to consider their contribution as an investment in water conservation education.

**It was moved by Director Raley and seconded by Director Corneille to continue the District contribution pledge of \$5,000, when revenue arrives in excess of budget, before the end of the fiscal year. The motion carried 5-0; Director Longville and Director Day noted absent from the vote.**

Director Longville rejoined the meeting after the conclusion of the item.

**G. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA 2011 BOARD ELECTIONS)**

The Board reviewed the candidate statements for the CSDA Board Elections.

**It was moved by Director Raley and seconded by Director Longville to re-elect Jim Acosta to the CSDA Board of Directors to represent Seat C, Region Five. The motion carried 6-0, with Director Day noted absent from the vote.**

**H. CSDA PROPOSED BY-LAWS AMENDMENTS**

The Board considered recommended changes to the CSDA Bylaws.

**It was moved by Director Raley and seconded by Director Corneille to support the amendment of Article VIII-Local Chapters in the CSDA Bylaws. The motion carried 6-0, with Director Day noted absent from the vote.**

**5. INFORMATION ITEMS:**

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

Mr. Cozad, noted a total of 51,961 acre feet of water recharged YTD, including 3,286 of in-river channel recharge water. This makes 2011 one of the third highest years of water recharged in District history, along with the years of 1927 and 1978.

**B. SB-235**

This item was taken out of order.

Director Longville informed the Board that the final vote in the Senate was 39-1. Mr. Cozad will be sending a letter from the District in support of the bill to Governor Brown today. Vice President McDonald thanked Director Longville for his dedication and work in getting the bill passed.

**C. Santa Ana Sucker (SAS) Update**

This item was taken out of order.

Mr. Cozad informed the Board that on July 11, 2011 on Capitol Hill, SAS Taskforce and San Gabriel Valley Water Association sponsored a briefing on the *Status of the Santa Ana Sucker Critical Habitat Issue*. Bob Martin, EVWD spoke on behalf of the Taskforce and Carol Williams, gave the presentation for San Gabriel Valley. The presentation to the Legislative staff was picked up by KPPC Radio. A decision will be made at the August meeting on whether to file litigation. He reported that the District has been invited to participate in a Collaborative Process with USFWS to reach a resolution outside of the lawsuit.

D. ACWA State Legislative Committee Bill Packet

There was no report on this item.

E. General Managers Report

This item was taken out of order.

Mr. Cozad reviewed the GM report (June 4<sup>th</sup> -July 8<sup>th</sup>) and highlighted the following items:

District has been selected by the University of Redlands to participate in their Off-Campus Work-Study Program. The program compensates employers \$4.35 of a minimum program wage of \$8.75 paid to participating students. The District would be responsible for the hourly balance and is free to set higher rates. General Counsel will review the Letter of Agreement.

He reported a LWT injury to field technician, D. Ford due to an infection resulting from a bee sting.

Staff has been working to complete back-billing of Exchange Plan for 2009-2010. The 2010-2011 bills will go out in the October timeframe.

Held a closeout meeting and resolved a request for \$85K with URS. The Settlement concluded under the contract for approximately \$34,400. URS has signed a mutual release agreement and the District has received all deliverables.

He attended a meeting/ field tour with USFWS on June 15, 2011 to identify a conservation strategy as we move toward the Wash Plan.

Staff is looking at a new IT support provider that fits our budget.

F. Future Agenda Items and Staff Task requests from Directors

There were no requests from directors.

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

A. Board approval for Director Selected meetings with travel

There were no requests on this item.

B. Review edits to Board Policy

Staff reported back on the Board approved revisions to the Board Policy Manual Section 4025.1 and Appendix "C".

Director Corneille and Director Raley both reported serving on the Ad Hoc Audit Selection Committee.

Director Glaubig attended the Highland Chamber of Commerce Luncheon.

Director McDonald attended the State Legislative Committee meeting, (minutes are forthcoming); the Assembly Committee on Accountability and Administrative Review and reported the current Administration is focusing on consolidation. In LAFCO the language is changing from "to encourage and facilitate" to "more power to mandate consolidation". Discussion ensued on consolidation. Director McDonald also attended SBVMWD's meeting and the Administrative Committee meeting.

7. UPCOMING MEETINGS

The Advisory Commission meeting has been rescheduled to Sept. 8, 2011, 7:00 p.m., at SBVMWD.

The Resources Committee meeting is confirmed for August 12, 2011 at 2:15 p.m.

8. ADJOURN MEETING

**It was moved by Director Corneille and seconded by Director Raley to adjourn to the next scheduled meeting. The motion carried 6-0, with Director Day noted absent from the vote.**

At 3:43 p.m. the meeting adjourned to the regular Board meeting scheduled for August 10, 2011 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

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Daniel B. Cozad  
General Manager