

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF August 31, 2011  
1:30 P.M.

President 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  
Richard Corneille, Director  
Bob Glaubig, Director  
John Longville, 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:

None

1. PUBLIC PARTICIPATION

President 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/deletions to the agenda.

## 3. CONSENT CALENDAR

- Approval of the Board Minutes from August 10, 2011.

The minutes of the August 10, 2011 meeting were reviewed and discussed. Minor revisions were noted.

**It was moved by Director Corneille and seconded by Director McDonald to approve minutes from the August 10, 2011 meeting as amended. The motion carried.**

- Unaudited Financials – See Action Item 5A
- Update on Groundwater Charge Collections

Mr. Cozad reviewed a Groundwater chart illustrating the amount of water that has been pumped in dollars annually from fiscal year 2002 thru 2011. Data for the first half of the year was doubled to represent the full year. The amount of water pumped this year was down a little with the exception of the City of Riverside. Gage Canal system was down due to a shift in where they are producing. The City of San Bernardino was also lower because not all of their wells are located in our basins. Overall there was a small decrease in pumping as numbers were down from fiscal year 2007-2008. However proportionately, the majority of producers are pumping about the same amount of water and paying their groundwater charges on time.

## 4. CLOSED SESSION

**At 1:37 p.m. it was moved by Director Corneille and seconded by Director McDonald to adjourn to Closed Session.**

General Counsel announced that the meeting will adjourn to closed session under all of the items listed in number four of the agenda.

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.
4. The Board may convene in Closed Session to discuss exposure to litigation, under Government Code section 54956.9(b)(3)(e)
5. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.

At 2:45 p.m., the meeting reconvened into Open Session.

Pursuant to Government Code Section 54957.1 the following action was reported from Closed Session:

It was moved by Director Raley and seconded by Director Aranda to extend the Tolling Agreement with Cemex 60 additional days to process the proposed Lease for approval. The motion carried unanimously.

## 5. ACTION ITEMS, NEW BUSINESS

### A. DETAILED REVIEW OF FISCAL YEAR 2010-UNAUDITED FINANCIALS

Mr. Cozad provided the Board a thorough explanation of the Unaudited Financial results for 2010-11. He highlighted and reviewed items that were over budget in both revenue and expenses. In revenue, the District was over budget in ag and non-ag groundwater

assessments and miscellaneous income. A significant contribution was a payment received from the state for LAFCO costs, which was not budgeted. Expenses were under budget by \$177,000. The District budgeted to use \$688,000 in reserves and actually only used \$246,000, a savings of about \$441,000. The District also experienced cost savings in professional, engineering and legal services.

Mr. Cozad noted that fuel, vehicle maintenance and utilities were higher than budgeted. Overall the District ended the year at \$168,000 under budget in expenses. As a whole, the District operated at a deficit and should continue to manage the 2011-2012 budget carefully, however significant progress was made in laying a secure financial foundation.

Mr. Cozad informed the Board that staff is evaluating and removing unused and duplicate general ledger numbers and selecting numbers for use in each enterprise area. This will lead to more accurate reporting and accounting in fiscal year 2011-2012.

#### B. STATUS UPDATE ON COLLABORATIVE PRINCIPLES AND POTENTIALLY SCHEDULE COLLABORATIVE JOINT MEETING WITH SBVMWD AND WMWD.

Per Board direction, Mr. Cozad reported back on seven specific areas which needed clarification or expressly stating in the draft Joint agreement with SBVMWD and WMWD. SBVMWD will have their Board workshop on September 7, 2011. Tentative dates will be presented in the future for the Joint meeting to be scheduled in late September or early October.

#### C. ACWA STANDING COMMITTEE APPOINTMENT NOMINATIONS FOR THE 2012-2013 TERM

ACWA is calling for candidates for nominations to serve during the 2012-2013 term. Any Board member interested in being nominated as a candidate to serve on an ACWA Standing Committee was encouraged to submit the name(s) of the committee to the Board Secretary. The Committee candidate nominations will be discussed and approved at the September 14, 2011 meeting. The Board Secretary will send an email reminder.

### 5. INFORMATION ITEMS:

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

Mr. Cozad reported that we are beginning to run out of surface water. Our flows are at 8-15 CFS. Staff is working on Phase II of the actuator gates. Ryan is working on the next generation of the Field Operations Plan, the plan is near completion.

After drying up the ponds, all the flow from SOD is going into ponds 15 and 17, now 26 CFS of State Project water is going into ponds 15 and 17. Mill Creek is down to about 8-

10 CFS. Staff is currently working on plans for the most economical clean up of several basins.

#### B. Santa Ana Sucker

Mr. Cozad gave a brief report on the status of the SAS. The Board approved participation in the filing of the lawsuit. The first of the Collaborative meetings with USFWLS and the litigants was held. Meetings will be held from 6 weeks to 2 months instead of the monthly meetings. Mr. Cozad suggested that the SAS be placed on the agenda on an as-needed basis.

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

Director McDonald encouraged the Board to review the bill packet posted on the website. The Legislative Committee meeting scheduled for Friday, September 2, 2011 has been cancelled.

#### D. General Managers Report

Mr. Cozad congratulated Director Glaubig on his victory as the newly elected Director of Division 3 pending completion of the final count of the mail in ballot election today. The official vote will be certified on September 9, 2011.

Mr. Cozad has been working on CEMEX Lease issues and understanding the LAFCO issues.

Mr. Cozad also reported a second meeting with Lewis Operating Group (LOP) on their Harmony or Greenspot Road Development or Sunrise Ranch project, the latest name is Harmony. They have filed a plan with the City of Highland for 3,600 residences. They discussed issues including potentially taking storm water that has been run through a wastewater plant, desalted and will qualify as water that can be discharged. LOP has a contract with the County of Orange to entitle the property. He informed the Board of the importance of discussions being mutually beneficial.

Mr. Cozad also shared the advertising brochure for Redlands Plaza prepared by Progressive Real Estate.

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

Director Glaubig inquired about SB-235, specifically the approach for redistricting. Director Longville suggested that a first step would be for Staff to write an approach memo to Board members summarizing what the new legislation allows and timing constraints.

Both the Administrative and Resources Committee meetings will be scheduled via email.

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

A. Board approval for Director Selected meetings with travel

Director McDonald requested approval to attend the ACWA Fall Conference and provided a cost proposal to the Board.

**It was moved by Director Longville and seconded by Director Corneille to approve 2 day registration fees for Director McDonald to attend the ACWA Fall Conference. The motion carried 7-0.**

Director McDonald also asked for mileage reimbursement for attending the memorial service of Warren Buckner's, wife (when serving as President of JPIA, Mr. Buckner appointed Director McDonald). Mr. Buckner served a total of 25 years on the Executive Committee.

**It was moved by Director Longville and seconded by Director Aranda to approve mileage reimbursement to Director McDonald for attending the Memorial Service of Mrs. Buckner. The motion carried 7-0.**

7. UPCOMING MEETINGS

Director McDonald noted that the BTAC meeting scheduled for September 5<sup>th</sup> has been changed to Sept. 12, 2011. Also, the new location of Highland Chamber of Commerce is the Springlake Clubhouse located at 6892 Cloverhill Rd., Highland, CA.

Director Corneille noted that he will not be able to attend the Advisory Commission meeting scheduled for September 8<sup>th</sup> at 7:00 p.m. His alternate, Director Raley will attend in his place.

8. ADJOURN MEETING

**It was moved by Director Longville and seconded by Director Aranda to adjourn to the next scheduled meeting. The motion carried.**

At 4:10 p.m. the meeting adjourned to the regular Board meeting scheduled for September 14, 2011 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

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Daniel B. Cozad  
General Manager