

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF September 14, 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, 1:44
David E. Raley, Director

BOARD MEMBERS ABSENT:

Manuel Aranda, Director

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 Roberts, Highland News

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 31, 2011.

It was moved by Director Corneille and seconded by Director McDonald to approve minutes from the August 31, 2011 meeting. The motion carried. 5-0 with Director Aranda and Director Longville noted absent from the vote.

- Unaudited Financials

Mr. Cozad informed the Board that the first version of the unaudited financials based on the enterprise budget will be presented at the next Board meeting.

It was moved by Director Day and seconded by Director McDonald to approve the Unaudited financials. The motion carried 5-0 with Director Aranda and Director Longville noted as absent.

Director Raley inquired on the status of CalTRUST Investment Trust of California. General Counsel has approved the JPA agreement and the registration program is complete. Board signatures will be executed today.

- Update on Groundwater Charge Collections

Mr. Cozad reviewed the list of unpaid well producers - from the last two groundwater collections. He informed the Board that the wells may not currently be in use or the property/wells may have transferred ownership. He reviewed the general collection process according to Water code, Section 75610-75624.

The next step is to confirm usage followed by an investigation. Steve Mains can assist and our Engineering intern can visit the site(s) and evaluate the facilities underground. If we believe the facility is being used and a groundwater charge is due, Staff would estimate the maximum production at the pump (unless there is a meter), and send a demand letter. A bill will be sent to the producer with terms and 30 days to pay. The

entire process will need to be reviewed by the Board and General Counsel for approval. Mr. Cozad will present the process at the next board Meeting.

4. ACTION ITEMS, NEW BUSINESS

A. REDISTRICTING-OVERALL APPROACH AND CONSTRAINTS

Mr. Cozad reviewed prospective redistricting approaches and asked the Board for direction. Discussion ensued. The Board requested that the following direction and factors be included when Staff prepares redistricting options in 30-60 days: 1) work closely with General Counsel for review of Voter rights issues; 2) show census tracks; 3) try to adhere to city boundaries and zip codes and; 4) achieve a 1 percent rather than a 3 percent deviation.

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

Directors Aranda, Corneille and McDonald submitted request to be considered for nomination to ACWA's Standing Committees. The Board discussed fiscal impact and approved the following nominations:

It was moved by Director Raley and seconded by Director McDonald to nominate the following Directors for consideration of the 2012-2013 ACWA Standing Committee term:

**Director Aranda, Communications and Local Government Committees
Director Corneille, Groundwater and Water Management Committees
Director McDonald, State Legislative and Water Management Committees**

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

5. INFORMATION ITEMS:

A. General Manager Report and Field Operations/Monthly Recharge Report

Field Operations/Monthly Recharge Report

Mr. Cozad shared a chart of the Santa Ana Basin Native Water Recharge for Water Year 2010. In the previous 3 years, the District was usually out of water by July 1, however as of July 1 this year, the basin had 35-40 CFS.

The August recharge report showed in total 57,344 acre feet in the ground, including Mill Creek and allocated in-river channel recharge.

General Managers Report

Mr. Cozad highlighted the following:

General Counsel has completed reviewing the Employee Handbook. Revisions to the handbook will be reviewed at the next Administrative Committee meeting.

Annual employee reviews were completed in August.

Staff is interviewing interns from U of R for two Document Imaging Assistant positions.

Mr. Cozad noted that Staff has also been working on an update to the Maintenance Aggregate Operations plan. The plan will be discussed in detail at the Resources Committee meeting and revisited at the October Board meeting.

Staff has also been working with Progressive Real Estate and tenants on Redlands Plaza lease renewals.

Mr. Cozad also provided a brief update on the meeting with USFWLS.

B. Collaborative Principles - Update

Mr. Cozad reported that the Board at SBVMWD discussed the Collaborative principles at their workshop and scheduled a closed session discussion at their meeting scheduled for Tuesday, Sept. 20th. After all internal discussions are complete, Western Municipal and SBVMWD will coordinate and schedule the joint meeting.

C. Audit Update

Director Corneille reported that on September 2, 2011, the Audit Ad Hoc Committee met with Chris Brown, Sr. Manager from Charles Fedak and answered required questions. Director Raley stated that the Auditor was cooperative and professional. Due to time constraints, the audit will not be completed until the November timeframe.

D. ACWA State Legislative Committee Bill Packet

There was no current Bill packet, the next packet will be available for viewing in October.

E. Future Agenda Items and Staff Task requests from Directors

Director Longville informed the Board that he will gather additional information on redistricting.

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

Director Corneille reported attending the Resources Committee meeting on August 12, 2011 where Doug Headrick presented an update on the Enhanced Recharge Project. He cited that Block and Welsh is doing the design and the project includes a \$23m investment to improve and expand our facilities. An environmental document will be completed on the project. The design will be finalized toward the end of the year. The project will be proposed and approval is expected in Spring, 2012. As Field Staff will be responsible for operations, he emphasized the importance of Field Staff giving constructive input on the design. Bids for the project will go out in the summer of 2012.

The Resources Committee also reviewed the preliminary draft of the Maintenance and Aggregate Operations Manual.

Director Corneille will be on vacation Oct. 12 - 25, 2011.

Director Raley attended the Advisory Commission meeting.

Director McDonald attended SBVMWD's meeting. AT BTAC, an Engineering Subcommittee is pursuing a UPA grant for a Groundwater EPA for the basin. She noted that the 2012 Annual Plan draft will be ready in October and there will be no change in State water project allocation supply. During the meeting, a presentation was given by the Vice Chair of the local Emergency Response Network of the Inland Empire. Director McDonald requested that Staff get information on becoming an Associate member. She also attended the Baseline Feeder meeting.

Director Glaubig attended the Highland Chamber of Commerce meeting.

A. Board approval for Director Selected meetings with travel

Director Corneille and Director Aranda requested approval to attend the ACWA Fall Conference in Anaheim.

Director McDonald requested approval to attend the ACWA Regions 8, 9, & 10 Fall Event at the Doubletree Resort, San Diego, CA. All requests included cost proposals.

It was moved by Director McDonald and seconded by Director Longville for Director Corneille and Director Aranda to attend the ACWA Fall Conference. Approval includes registration and up to 2 days hotel.

The motion included approval for Director McDonald to attend the ACWA Regions 8, 9, & 10 Fall Event at the Doubletree Resort in San Diego, CA.

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

5. UPCOMING MEETINGS

There was no report on this item.

6. CLOSED SESSION

At 3:10 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 on the posted 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 3:48 p.m., the meeting reconvened into Open Session with no reportable action under Government Code 54957.1.

7. ADJOURN MEETING

It was moved by Director Longville and seconded by Director McDonald to adjourn to the next scheduled meeting. The motion carried 6-0 with Director Aranda noted absent from the vote.

At 3:48 p.m. the meeting adjourned to the regular Board meeting scheduled for October 12, 2011 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager