

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF November 9, 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
Bob Glaubig, Director
John Longville, Director
David E. Raley, Director
Manuel Aranda, Director
Richard Corneille, Director

BOARD MEMBERS ABSENT:

Melody McDonald, Vice 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

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 October 12, and October 31, 2011.

The minutes of the October 12, and 31, 2011 meetings were reviewed and approved by the following motions:

It was moved by Director Longville and seconded by Director Raley to approve the October 12, 2011 minutes. The motion carried 4-0, with Director Aranda and Director Corneille abstaining, due to their absence from the meeting and Director McDonald noted absent from the vote.

It was moved by Director Corneille and seconded by Director Longville to approve the October 31, 2011 minutes. The motion carried 6-0 with Director McDonald noted absent from the vote.

- Unaudited Financials

The Unaudited Financials were presented by Mr. Cozad under Action item, no. 4A.

4. ACTION ITEMS, NEW BUSINESS

A. ENTERPRISE FINANCIAL REPORTING

Mr. Cozad pointed out Board requested changes implemented in the financials and provided a status to Director Glaubig and Director Raley on their inquiries from the last Board meetings. He reviewed two charts summarizing the budget. The first chart captures the budget and actuals of all four enterprises as totals. He reviewed line items and noted significant entries in revenue and expenses. Several areas will be reclassified to their proper general ledger categories. These show as over budget and appear to have high costs. Others show large budget cost and expenses, but are not implemented, such as the Wash Plan.

The second chart separates the summary of revenue and expenses, budget and actuals and profit and loss in each of the four enterprises. Mr. Cozad noted several areas that should be watched carefully.

Discussion ensued on annual versus YTD budget numbers. Mr. Cozad will include annual budget information in the next revision, in addition to the YTD. Discussion also ensued on

the Board receiving notification of drawing on reserves in advance, on how reserves are being used and our fiduciary responsibility to have separate working capital. Per request of Director Raley, Staff will check to see if LAIF allows an organization to have two accounts. Currently, Mr. Cozad is compiling information that summarizes how cash flow actually works at the District and whether we are gaining or losing in value.

It was moved by Director Longville and seconded by Director Raley to accept the Unaudited Financials. The motion carried 6-0 with Director McDonald noted absent from the vote.

B. POST-EMPLOYMENT BENEFITS LIABILITY

Mr. Cozad explained the data and variables used in the Actuarial Liability Report to satisfy requirements of the Government Accounting Standards Board Statement (GASB-45). Based on the results, Staff is requesting that the District accept the report and allow Staff to book a contribution of \$3,118. The contribution for retirement reserves will be retroactive to June 30, 2011 and will cover future cost of other post-employment benefits (OPEB). \$1,000 per year will be set aside for continued contributions to future OPEB cost.

It was moved by Director Corneille and seconded by Director Raley to start the Retirement Contribution reserves payment in the amount of \$3,118, retroactive to June 30, 2011 and that \$1,000 per year be set aside in a reserve for future OPEB cost. The motion carried 6-0 with Director McDonald noted absent from the vote.

C. COLLABORATIVE AGREEMENT UPDATE

Staff notified the Board that December 6, 2011 is the tentative date for the Special Joint Board meeting with SBVMWD and WMWD. All Directors were available for the meeting. Ms. Griffith will resend the revised Conceptual Agreement, meeting confirmation and agenda to the Board.

D. SAN BERNARDINO ASSOCIATED GOVERNMENT (SANBAG) VISION STATEMENT

Mr. Cozad gave a brief overview of the San Bernardino Associated Governments (SANBAG) Countywide vision. He explained how the SANBAG vision aligns with District strategies and goals and asked the Board to consider support and approval of the vision.

It was moved by Director Raley and seconded by Director Aranda to approve Resolution 473 in support of the SANBAG Countywide Vision.

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

E. ACWA BOARD OF DIRECTORS – REQUEST FOR NOMINATION FOR VACANT SEAT

Staff declined, no action was taken on this item.

F. CalPERS – COST CONTROL RESOLUTION

Staff informed the Board that a resolution is needed to finalize the action adopted on May 18, 2011 requiring District employees to pay 15% of the 7% of *“employees share of retirement contribution (EC)”*, formerly paid by the District. The District will pay 85% of the EC. A resolution must be submitted to CalPERS Contract Dept. to finalize the amendment.

It was moved by Director Raley and seconded by Director Aranda to approve Resolution 472, formalizing the amendment to the PERS Retirement program, approved and adopted on May 18, 2011, effective July 1, 2011.

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

5. INFORMATION ITEMS:

A. General Managers Report and Field Recharge Operations

Mr. Cozad highlighted the following from his GM and Field Operations report.

Water from recent rains going into Mill Creek remain steady at 5-20 CFS, all other basins are dried out. Basins are currently being prioritized and cleaned. State water has been shut off and is not being percolated, as most State water is being used for direct use.

Staff filed the 2010 State Controllers Report on salaries. Staff is continuing to work with the new Auditor and act as a liaison on inquiries to the previous auditor. The schedule for the completed 2010 Audit report has been pushed back from November to likely, early January.

Staff has been working with Frank Vora, Progressive Real Estate on renewing Redlands Plaza leases. A four percent escalation is being added to all leases. With the exception of two, all lease negotiations are complete.

Mr. Cozad and General Counsel also provided a brief overview of a Wash Plan meeting held on November 8, 2011 with mining entities, US Fish and Wildlife (USFWS) and the Bureau of Land Management (BLM). Contingent upon 3 additional field efforts, a threshold meeting with a decision from USFWS is tentatively planned in December. By January, 2012, Mr. Cozad will present the results of the December meeting and make recommendations to the Board on moving forward.

The following issues are being considered during field tours: 1) *evaluation of identified areas of appropriate habitat; and 2) given, the expanded amount of desired habitat, will USFWS be willing to increase the mining footprint elsewhere to ensure a better net number on overall tonnage?* Management expenses are also being considered.

The City of Highland has a zoning change for land east of Greenspot Road, including the Cuttle Weir. The area is being zoned to open space.

Discussion ensued on a field personnel vacancy and redistricting timelines i.e. the deadline is 180 days prior to the 2013 election.

B. ACWA State Legislative Committee Bill Packet

Mr. Cozad gave a brief overview of bills included in the packet.

C. Future Agenda Items and Staff requests from Directors.

There was no report on this item.

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

A. Board approval for Director Selected meetings with travel

Director Aranda presented three overviews from his repertoire of water presentations. He requested that the Board consider classifying his speaking presentations to external organizations as "District requested" meetings. The Board encouraged Director Aranda to *include more introductory slides related to the conservation mission and core business of the District* and to continue to categorize his presentations as "Director selected" meetings. When warranted, exceptions can be brought to the Board for consideration on a case by case basis.

7. UPCOMING MEETINGS

Mr. Cozad discussed scheduling the Christmas holiday potluck lunch for Dec. 14, 2011. Athena will send out the invitation and sign-up list. The Board meeting will start at 10:00 a.m., followed by the Holiday lunch. The Board will be notified of any changes to start time.

Director Corneille announced that the Advisory Committee meeting will be held on Thursday, November 10, 2011 at 7:00 p.m. He noted that agenda items include the agreement with Kern County District on the Water Management Program, the 2012 Regional Management Program, an update on the Santa Ana Sucker and a discussion on the decision by Judge Wanger to consolidate the Delta Smelt.

Director Corneille also announced that Bob Martin, East Valley Water District (EVWD) retired. The new General Manager is John Mura, currently Public Works Director for the City of Chino Hills. Also, Ron Buchwald, District Engineer has left EVWD.

8. CLOSED SESSION

At 3:28 p.m. it was moved by Director Longville and seconded by Director Corneille 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)(e).
3. Under authority of Government Code section 54956.9 (c), the Board may meet in Closed Session to decide whether to initiate litigation.

At 4:15 p.m., the meeting reconvened into Open Session, with no reportable action under Government Code 54957.1.

9. ADJOURN MEETING

It was moved by Director Corneille and seconded by Director Aranda to adjourn to the next scheduled meeting.

At 4:15 p.m., the meeting adjourned to the regular Board meeting scheduled for December 14, 2011, at 10:00 a.m., at 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager