

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF February 8, 2012
1:30 P.M.

President Corneille 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 Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
Clare Henry Day, Director
Bob Glaubig, Director
John Longville, Director, 1:45 p.m.
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:

Don Lee, Tetra Tech
Anne Viricel, Highland Community News

1. PUBLIC PARTICIPATION

President Corneille 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

The minutes from January 12, 2012 meeting were approved as follows:

It was moved by Director Day and seconded by Director Aranda to approve the SBVWCD regular Board Meeting minutes from January 12, 2012. The motion carried 6-0 with Director Longville noted absent from the vote.

- Unaudited Financials

The Unaudited Financials for December 2011 were presented by Mr. Cozad. Director Raley asked several questions, brief discussion ensued.

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

4. ACTION ITEMS, NEW BUSINESS

A. BUDGET DRAFT FOR GROUNDWATER ENTERPRISE

Mr. Cozad noted the 2012 Groundwater Enterprise Budget was based on groundwater production estimates, the zero based budget from 2011 and the estimates from groundwater producers. The budget is accompanied by a Groundwater Enterprise Report which identifies the revenue received, costs paid and accomplishments for the Enterprise. He stated, "We want the public to see what they are paying for and what we did with their money."

His presentation reviewed the following:

- Water Recharged for 2011
- Maintenance and Cleaning performed for the Groundwater recharge basins in the Santa Ana and Mill Creek systems.
- Basins with annual and triennial cleaning goals, depending on use

- Before and after photos of basins and facilities

The Board discussion of the groundwater budget evolved to include Action item 4C, the Collaborative agreement status, see Action item 4C below.

Discussion returned to the Groundwater budget. Mr. Cozad reviewed details of the 2012-2013 preliminary draft budget. He reviewed revenue, costs, the 2011 amended budget and gave a detailed analysis of expected adjustments in what was spent last year and budgeted to be spent in 2012-2013. Significant items included the need for additional security and professional services, funds budgeted for rate studies in the 2013-2014 budget, which was recommended by the Groundwater charge payers. Total expenses are preliminarily budgeted to be approximately \$800,000, which exceeds revenue by about \$125,000. Mr. Cozad was seeking Board feedback. Discussion ensued on direct charges, payroll processing, the breakdown of covered cost and how costs were allocated. Director Raley suggested a different approach for overhead charges. He proposed that overhead charges be based on identified direct charges currently the preliminary budget basis is overhead on labor cost. Mr. Cozad will review the overhead budget based on direct costs and enterprise revenue.

President Corneille asked the Board for consensus for the General Manager to proceed with the assumptions and Board suggestions and receive and file the Preliminary Draft Groundwater Enterprise budget.

It was moved by Director Day and seconded by Director McDonald to receive and file the Preliminary Groundwater Draft budget and for Mr. Cozad to continue. The motion carried unanimously.

President Corneille called for a motion to provide feedback on the draft budget

It was moved by Director Longville and seconded by Director McDonald to continue the Redistricting discussion at the next Board Meeting. The motion carried 7-0.

B. PROPERTY SALE – 22 ACRES

Mr. Cozad distributed a report provided by Bruce Cash, of USI on the status of the 22 acre sale. Discussion ensued. The Board agreed that a quarterly versus a monthly report would be acceptable.

C. COLLABORATIVE AGREEMENT

This item was taken out of order.

Legal Counsel, Mr. Cosgrove and Mr. Cozad noted that the first outlined draft of the Collaborative Agreement is in hand. Deadlines for redlined versions are to be turned in on February 21, 2012 and a Conference call is scheduled at that time. They informed the

Board that a workable draft should be ready in 30 – 60 days and assured the Board that all parties are aware of the deadline. Legal Counsel stated that the Attorneys from all three Boards are making every effort to prevent over processing details, becoming inundated with contingencies and to strike a reasonable balance that will enable moving forward in the designated timeframe.

5. INFORMATION ITEMS:

A. General Managers Report and Field Recharge Operations

Mr. Cozad attended the County Vision meeting on water. The outcome of the meeting was that the water entities in the County should come together and meet periodically. The County will facilitate coordinating the first meeting. The products that are expected from that meeting are: 1) A map of assets showing water levels; 2) Coming up with a more accurate mission statement which represents their vision; and 3) Discussion with SANBAG and the County on whether water districts should be represented on SANDBAG, as they are in Riverside and other counties. Bob Page is staffing this for the County. Director Longville acknowledged SANBAG as the joint defining Agency for San Bernardino County and all the cities within the County. He suggested that it would be groundbreaking and extraordinarily helpful if water districts had an opportunity to be members of SANBAG Board.

Director McDonald informed the Board that the Bill Packet is published on the District website.

President Corneille selected the following individuals to serve on an Ad Hoc Committee for the General Manager's review. Director Day and Director Glaubig both accepted the appointment. The Ad Hoc GM Review Committee will meet before the next regularly scheduled Board Meeting.

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/travel cost proposals

Board members interested in attending ACWA Spring Conference were encouraged to bring price proposals to the next meeting.

Director McDonald called the Board's attention to AB1345, and the State imposed repercussions if ninety days late in filing audits. She noted that there are two vacancies

on the State Water Board, (Attorney and Engineering positions are still open). She briefed the Board that the California LAFCO Legislative proposal is coming up for the Sphere of Influence for the County. Director McDonald stated that JPIA is thinking about taking over all insurance, including the HBA. She attended the BTAC and stated that the Engineering Sub-Committee has put out a "Conjunctive Use Guideline". Lastly, she attended the SBVMWD meeting on February 7, 2012 where it was noted that the Seven Oaks Dam Conservation Study is progressing. The target date for designation is 2015.

Director Raley attended the Redlands Rise and Shine Chamber of Commerce meeting.

Director Aranda attended the Redlands and the San Bernardino Area Chamber of Commerce (SBACC) meetings. He also attended the annual SBACC Installation Banquet.

Director Aranda noted a discussion on the overlapping concerns of BTAC and USAWRA and whether there is relevance. Director Aranda spoke to Senator Dutton, Mike Morrell and Josie Gonzales and all would be willing to come to the USAWRA to speak. Mr. Cozad stated that it has been proposed to have the meetings every other month. It was noted that the USAWRA is the only Regional meeting held at the District and is a place for Directors to focus on political meetings. Mr. Cozad invited the Board to attend the USAWRA meeting tomorrow at 9:00 a.m.

President Corneille announced that the next SBVMWD Advisory Committee meeting is February 9, 2012 at 7:00 p.m. There will be three major topics discussed at the meeting, ACWA Groundwater Policy, the 2012 Regional Management Plan and an update of water quality at the SOD.

President Corneille reported that he and Mr. Cozad will be meeting with Mandy Parks of the Inland Empire Resources Conservation District to explore opportunities to partner. Also, on Friday, February 17, 2012, President Corneille and Mr. Cozad have a trip planned to the United Water Conservation District in Ventura County.

President Corneille and Vice President McDonald attended ethics and Brown Act training put on by JPIA on February 2nd in Rancho Cucamonga, and turned in their certificates for Ethics Training.

Legal Counsel offered to do a Brown Act Briefing. The Board welcomed the opportunity for training will be scheduled at a later date. Director Aranda said that Legal Counsel Cosgrove is a brilliant lecturer.

7. UPCOMING MEETINGS

There was no discussion on this item.

8. CLOSED SESSION

At 3:30 p.m. it was moved by Director Day and seconded by Director Corneille to adjourn to Closed Session. The motion carried 7-0.

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.

Mr. Cozad called the Board's attention to the updated the priorities schedule in the packet.

9. ADJOURN MEETING

It was moved by Director McDonald 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 March 7, 2012, at 1:30 p.m., at 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager