

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF March 7, 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 (1:44 p.m.)  
David E. Raley, Director  
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

Absent

STAFF PRESENT:

Daniel Cozad, General Manager  
Athena Medina, Administrative Assistant

GUESTS PRESENT:

Alan Dyer, West Valley Water District  
Charles Roberts, Highland Community News  
Chris Brown, Charles Z. Fedak

## 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

Approval of the Board Minutes from February 8, 2012

**It was moved by Director Day and seconded by Director Aranda to approve minutes from the February 8, 2012 meeting. The motion carried 6-0, with Director Longville noted absent from the vote.**

Unaudited Financials

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

Update on Groundwater Charge Collections

Mr. Cozad reviewed the Groundwater Assessment Report with the Board, making notation that Gage Canal and City of Riverside have paid or reported for this assessment period since report was printed for the package. The City of Riverside's production is not indicated in the GWA 37 report that was presented in board packet. Mr. Cozad also noted that the late fees and penalties are being enforced. A discussion ensued. The Board accepted the report.

## 4. ACTION ITEMS, NEW BUSINESS

### A. AUDIT REPORT PRESENTATION FOR FY 2010-2011

President Corneille noted that the Ad Hoc Audit Committee did meet prior to the Board meeting to discuss and note their changes. Chris Brown with Charles Z. Fedak & Company presented the 2010-2011 audit report to the Board. Mr. Brown noted that the

Audit was an unqualified opinion or clean audit. Mr. Brown covered the report in detail and answered questions from the Board. Specifically noted by Director McDonald was the significant decrease in operating expenses at a percentage of 48.8% less than the previous fiscal year.

**It was moved by Director Longville and seconded by Director Aranda to accept the 2010-2011 Audit Report. The motion carried unanimously.**

#### **B. ENGINEERING INVESTIGATION REPORT (EI REPORT)**

Mr. Cozad presented the Engineering Investigation Report (EI Report) to the Basin Technical Advisory Commission (BTAC) on March 5, 2012. He presented the same information being presented to the Board today. He noted that the EI Report is required in order to establish a groundwater charge. The EI Report format used for the current year was based on the 2005 year approach which was widely accepted and used in 2011. The primary individual responsible for preparing the report was the Districts Engineering Intern, Ryan Hejka as well as our GIS Intern, Cristina Maxey with additional help from staff and partner agencies listed in report. Provisional estimates of data are included in the report for the Fontana water agency which were unable to provide us with data at this time. EI Report is based on water levels, production data, and diversion data provided by partner agencies. Mr. Cozad indicated it was a wet year last year and continued with his presentation. Mr. Cozad answered questions and discussion ensued. Director McDonald and President Corneille commended staff on the preparation of the EI Report at a reduced cost to the District and how it was presented to the public and asked the General Manager to commend the staff of their work.

**It was moved by Director Aranda and seconded by Director McDonald to accept and approve the EI Report. The motion carried unanimously.**

#### **C. FY 2012-2013 GROUNDWATER ENTERPRISE BUDGET**

Mr. Cozad presented the Groundwater Enterprise Budget to the Board. The primary revenue source for the Groundwater Enterprise is the production groundwater charges paid by district producers. Director Glaubig inquired as to whether we will be receiving the Wash Plan income as budgeted; Mr. Cozad indicated we were not as the Wash Plan is not yet underway. In the Groundwater Enterprise there were increases in costs due to basin maintenance needed after the wet year and a decrease in field staffing to reduce one position to two thirds. He reviewed revenue sources, expenses and identified that this would create a \$49,000.00 deficit in the Groundwater Enterprise. Mr. Cozad noted in the staff report a range of increases and is recommending an increase in the groundwater assessment charge. It is a decision of the Board as to the percentage of the increase they select for public notice, public meeting and public hearing. Discussion ensued.

Director Raley stated that he believes we have sufficient revenue from other sources at this time to cover the deficit. Director Longville noted that there should be at least an incremental increase for additional costs and to cover the deficit rather than large increases later. Director Glaubig believes that we should take into consideration the Collaborative Agreement monies that the District anticipates it may receive upon signing of the agreement. President Corneille stated that the money from the Collaborative Agreement will be to cover any additional costs in basin maintenance and land lease. Director Glaubig is optimistic in our current financial condition. Director McDonald noted that she has traveled throughout California and our rates are one of the lowest in California. Additional discussion ensued.

**It was moved by Director Raley and seconded by Director Glaubig not to raise the rate of the groundwater assessment charge. The motion failed 2-5 with Directors Raley and Glaubig voting in the affirmative.**

Director McDonald recommended that we notice the potential increase needed to cover the shortfall and allow the public to have the opportunity to speak on this issue. Director Raley posed the question to Director Longville as to if he would propose an increase every year. Director Longville noted that we only propose an increase when the budget deems it necessary as in this budget where a deficit was noted and to avoid larger increased being needed later. Additional discussion ensued.

**It was moved by Director McDonald and seconded by Director Aranda to notice a potential increase in the groundwater charge at a rate not to exceed 15%. The motion carried 5-2, with Director Raley and Director Glaubig in opposition.**

#### D. WASH PLAN SUPPORT FOR CONSERVATION STRATEGY

Mr. Cozad performed a brief overview on the Wash Plan. The District continues to work closely with the United States Fish & Wildlife Service (USFWS) to prepare to implement the Wash Plan studies. The USFWS presented the District with the proposed changes that they would like to see to the Conservation Strategy map which specifies what mining and mitigation will be performed within what boundaries. The work order presented to the Board is for RBF Consulting to work with the mining entities themselves under the supervision of the District to develop new boundaries to present to the USFWS. The mining entities agreed to cover the costs of the work to be performed with the biologist. A cost benefit analysis was presented to the Board as well. The cost of the work to be performed is estimated at an amount not to exceed \$35,000.00. Director Raley noted that there would be zero impact to the District in regards to contract dollar amount. There is a meeting scheduled for later this month.

**It was moved by President Corneille and seconded by Director Aranda to approve the contract and scope of work for RBF Consulting. The motion carried unanimously.**

**E. GENERAL MANAGER – ANNUAL PERFORMANCE REVIEW AND EMPLOYMENT AGREEMENT**

President Corneille presented the recommendation from the Ad Hoc Committee on the Review of the Performance of the General Manager. He noted that the Committee commended Mr. Cozad on the performance of the District over the past year. He briefly reviewed the recommendations of the committee and noted that the contract term was extended by fifteen months. Director Raley identified that the agreement in regards to the amount of PERS contribution should reflect District Policy because employees now pay a portion of the PERS Cost. Mr. Cozad agreed and the oversight will be made prior to signing of agreement and that his benefit contribution will fall in line with the rest of Staffs pursuant to District policy. Discussion ensued.

**It was moved by Director Longville and seconded by Director Raley to accept the committee suggestions and approve the employment agreement for the General Manager with amendments as noted. The motion carried unanimously.**

**F. COLLABORATIVE AGREEMENT VERBAL UPDATE**

Mr. Cozad presented a brief overview of the Collaborative Agreement development on behalf of District Counsel. The agreement is still in negotiations with counsels from all agencies and making good progress. There will be an additional update at the next Board of Directors meeting on March 28<sup>th</sup>. The Board accepted the update.

**5. INFORMATION ITEMS:**

**A. General Managers Report and Field Operations Recharge Update**

The written report was included in the Agenda package. Mr. Cozad noted that the Districts Board Secretary had resigned and that Athena Medina would be taking those responsibilities and that there would office closures on Friday's to accommodate the short staffing.

**B. ACWA State Legislative Committee Bill Packet-Status**

Director McDonald stated that this item has been distributed to the Board via email. Also, that the biggest emphasis is on the Water Bond and a survey is being performed as to ways to cut costs down to \$9 billion. The Colorado River Board may be

consolidated into another board as proposed in the Governor's Budget recommendations.

C. Future Agenda Items & Staff Task requests from Directors

There were no requests from Directors.

D. Form 700-Deadline March 23, 2012, Due April 2<sup>nd</sup>

President Corneille noted that these are due by March 23<sup>rd</sup>. Mr. Cozad thanked those who have turned them in early.

E. LAFCO-Nomination of Regular Special District Member – Deadline March 12, 2012. Nomination via Board Vote

This item was a handout with no direction provided to staff

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

A. Board approval for Director Selected meeting/travel requests

President Corneille opened discussion of the item. He also stressed the importance of our directors not exceeding their approved budget. Director McDonald, President Corneille and Director Aranda requested approval to attend the ACWA Spring Conference and provided a cost proposal to the Board.

**It was moved by Director Day and seconded by Director McDonald to approve the cost proposals as submitted for Director McDonald, President Corneille and Director Aranda to attend the ACWA Spring Conference. The motion carried 6-1 with Director Raley in opposition.**

**Director Raley proposes an amendment to the motion to include that travel days are not to be paid a per diem by the District and that mileage should be paid if lessor than airfare. There was no second and therefore amendment failed.**

**Director Activity Reports**

Director Day had nothing to report at this time.

Director Longville noted that there will be an Ad Hoc Committee meeting on March 22<sup>nd</sup> that he will be attending. He stated there has been no significant activity since the last meeting. Director Glaubig and Director McDonald will attend as well.

Director McDonald attended the BTAC meeting and commended Mr. Cozad on his presentation of the EI Report. She indicated that the Engineering Subcommittee will have a presentation by Kennedy-Jenks on the Urban Water Management Plan. This year's allocation for the State Water Supply had a 10% reduction between last year and this year. She also attended San Bernardino Valley Municipal Water District's Board of Directors meeting yesterday.

Director Aranda attended the ACWA Communications Committee. The primary concern was the Water Bond. He also attended the USAWRA meeting and updated them on legislation. The USAWRA is working on updating their bylaws to be more relevant for the Region.

Director Raley attended the Rise N Shine breakfast at the Redlands Chamber of Commerce (RCC) where they discussed the Americans with Disabilities Act (ADA). Senator Dutton introduced legislation to allow owners to fix the violations prior to suit. He also attended Mentone Chamber of Commerce meeting. There will be an upcoming election with regards to the 3<sup>rd</sup> District Supervisor where Neil Derry is running against James Ramos.

President Corneille attended Ethics training and the SBVMWD Advisory Commission meeting. May 3<sup>rd</sup> is the next Advisory Commission meeting. President Corneille and Mr. Cozad met with the Inland Empire Resource Conservation District (IERCD) staff including Mandy Parkes. IERCD presented the District with suggestions for cost of maintenance of the habitat conservation areas. President Corneille and Mr. Cozad also met with United Conservation District in Santa Paula. He met with Mike Huffstutler and he indicated he is pleased with the District's current operations. President Corneille noted that Bear Valley Mutual has spreading basins by the Redlands Airport where they are primarily operational during the winter.

## 7. UPCOMING MEETINGS

Mr. Cozad noted that there will be an upcoming Water Resources Institute Annual Awards Banquet honoring Bill Steele from the Bureau of Reclamation as well as Robert Martin of East Valley Water District on April 21<sup>st</sup>.

## 8. CLOSED SESSION

**At 4:15 p.m. it was moved by Director McDonald and seconded by Director Longville to adjourn to Closed Session. The motion carried 7-0.**

The General Manager announced the Board would adjourn to closed session on one item. Under the authority of Government Code section 54957 (b)(1) the Board

entered closed session to consider public employee appointment for the position of Administrative Manager.

At 4:40 p.m. the Board reconvened into open session and the General Manager reported the Board took no reportable action in closed session.

9. ADJOURN MEETING

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

At 4:40 p.m. the meeting adjourned to the regular Board meeting scheduled for March 28, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

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Daniel B. Cozad  
General Manager