

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF March 28, 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 (2:00 p.m.)
Clare Henry Day, Director
Bob Glaubig, Director
John Longville, Director (1:37 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
Athena Medina, Administrative Assistant

GUESTS PRESENT:

Michelle Diamond, Tetra Tech
Charles Roberts, 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

Approval of the Board Minutes from March 7, 2012

It was moved by Director Day and seconded by Director Aranda to approve minutes from the March 7, 2012 meeting as amended. The motion carried 5-0, with Director Longville and McDonald noted absent from the vote.

4. ACTION ITEMS, NEW BUSINESS

A. CALPERS SIDE LOAN PAYOFF

Mr. Cozad introduced this item for discussion. As indicated in the audit review, the side loan was shown as an unfunded liability therefore Staff is recommending that we pay off this item in full to avoid the accrual of interest. He noted there would be an approximate \$70,000 savings to the District over the nine year term of the loan. Staff recommended transferring funds from reserves to cover this cost. President Corneille thanked Director Raley for identifying the cost that the District would incur during the audit review.

It was moved by Director Raley and seconded by Director Day to approve the transfer of approximately \$178,152 from reserves to payoff CalPERS loan in full. The motion carried 6-0 with Director McDonald noted absent from the vote.

B. OFFICE STAFFING & REVISED POSITION DESCRIPTION

Mr. Cozad introduced the new position descriptions and salary ranges. The new positions would overlap to have full coverage in the office during normal business hours. Limited salary range reviews were performed to identify the salary ranges which were recommended in the attachment. The management elements were removed from the position descriptions leaving the General Manager responsible for all personnel management. Director Aranda inquired as to the difference between Administrative Services Specialist I and II. Mr. Cozad responded that the skills between the two positions should overlap by 70%-80% but that the Specialist II is a mastery level position. President Corneille asked if the Administrative Committee should review these descriptions and positions, and salary ranges. Director Day, whom sits on the Administrative Committee, stated that he did not feel the necessity to hold such a meeting since all of the information brought forward by Staff was very detailed and the skill sets did not vary by much. Staff noted that the District will be advertising the position and decided to hire directly rather than use a temporary/labor agency, which will have broader distribution and save the District money.

It was moved by Director Raley and seconded by Director Longville to approve the revised position descriptions and salary ranges. The motion carried 6-0 with Director McDonald noted absent from the vote.

C. GREENSPOT ROAD CULVERT AGREEMENT

Mr. Cozad introduced this item. The agreement will allow the City of Highland (City) to reconstruct the culvert underneath Greenspot Road to handle higher flow in our main channel from the Cuttle Weir to the spreading basins. San Bernardino Valley Municipal Water District (SBVMWD) will be covering the cost for this at a \$30,000 increase since it benefits the Enhanced Recharge project as well. He noted that this was a pass through in cost due to the fact that SBVMWD has agreed to cover the cost. Director Day noted that the agreement will now require two eight foot diameter cells instead of the one originally planned for which will allow the increased flow to reach up to 500 cfs or more. President Corneille inquired as to whether there were any risks to the District; Mr. Cosgrove stated that since the City is maintaining and building it and SBVMWD is covering the cost this decreases the liability to the District. Discussion ensued.

It was moved by Director Day and seconded by Director Longville to approve the Utility Agreement with the City of Highland and authorize the General Manager to sign

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

D. BUDGET WORKSHOP

President Corneille opened the Budget Workshop discussion and informed the Board that the Budget will not be adopted today but rather is for review and comment only. Mr. Cozad provided an overview of the budget and identified changes to the presentation. He distributed a revised handout and presentation for the discussion. The Groundwater Enterprise revenue is based on actual charges set by the Board after the Public Hearing. The tentative increase in the groundwater charge is 15%, which was used in the revenue estimate. Mr. Cozad informed the board that he will be presenting the groundwater rate information to East Valley Water District's Board of Directors this evening and will be discussing it with all other major agencies prior the Public Hearing. He has met with City of Riverside to discuss the groundwater rates and is presenting to all those who have questions or concerns pertaining to the potential increase. There was discussion in a previous meeting to possibly adopting a two year budget rather than a one year budget and noted that most agencies that have attempted to adopt a two year budget have reverted back to a one year budget. Director Day said he would consider the two year budget to be a benefit, only if there were a review at the end of the first year. Mr. Cozad continued to summarize the budget revenue, reductions in costs and assumptions that were made in the development of the budget.

President Corneille noted that if the Wash Plan does not continue the revenue would decrease for the Land Resources Enterprise from \$720,000 to \$392,000. Director Raley stated that the reimbursement money received should not be considered as revenue. He also noted that the Wash Plan should be kept separate from all other District accounting; it should have its own project fund. President Corneille noted that there is an evaluation of the Wash Plan being performed by an outside consulting firm once that is performed we can revisit this subject. Staff will review the accounting process used to track the Wash Plan. Legal counsel briefly summarized the status of the Wash Plan. Discussion ensued pertaining to budget.

President Corneille complimented staff on the thoroughness of the budget spreadsheet presentation, and its format and clarity of the information presented.

Director Raley asked if the PERS contributions would be gradually shifted to employees. Director McDonald noted that as the chair of the Administrative Committee that was not the decision of the Administrative Committee. Director Raley recommended reviewing this as an agenda item at an Administrative Committee. Director Glaubig indicated that the shift from employer to employee is not as common as it may seem.

President Corneille thanked the Board of Directors for the decrease in Board Director's fees and expenses over the last couple of years. Director Glaubig asked for clarification pertaining to overhead; Mr. Cozad stated that since not all costs can be directly allocated to each enterprise; there is a 20% overhead rate charged to each enterprise. President Corneille closed the discussion with staff's commitment to bring the budget with any changes appropriate in May for approval.

No Action Required.

E. REDISTRICTING

Mr. Cosgrove presented this item for review and discussion, specifically the legal review of issues of incumbency in connection with potential redistricting. Discussion related to the decision process and timing ensued. Direction to Staff to provide some examples of redistricting alternatives for discussion and to agendize the seven or five member decision at the second meeting in April or May.

No Action Required.

F. COLLABORATIVE AGREEMENT VERBAL UPDATE

Mr. Cosgrove presented a brief overview of the Collaborative Agreement development with SBVMWD and WMWD. The agreement is still in negotiations with counsels from the agencies. He discussed several specific issues that are being worked through. He said the agreement should be ready in the next month or two. The Board accepted the update.

5. INFORMATION ITEMS:

C. Future Agenda Items & Staff Task requests from Directors

President Corneille would like to present a board resolution to Bob Martin previous General Manager of East Valley Water District honoring him for his 25 years of service at the WRI Awards Banquet to be held April 21, 2012. The Resolution should be on the April 11th Agenda.

Director McDonald would like to add the resolution in support of dissolving ACWA Health Benefits Authority (HBA) into ACWA/JPIA to the next agenda.

Director Glaubig asked Mr. Cozad for additional information regarding the budget's overhead breakdown.

B. Form 700-Deadline March 23, 2012, Due April 2nd

All forms have been turned in and will be submitted prior to the deadline.

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

Director Activity Reports

Director Day, Longville and Glaubig had nothing to report at this time.

Director McDonald attended the Upper Santa Ana Water Resources Association (USAWRA), SBVMWD Board of Directors meeting, and Special Districts Dinner. She provided a review of the meetings.

Director Raley attended the Rise N Shine breakfast at the Redlands Chamber of Commerce (RCC).

Director Aranda recommended that directors attend the Basin Technical Advisory Commission meeting as well as the USAWRA meetings.

President Corneille will be attending the Inland Empire Resources Conservation District (IERCD) Board of Directors meeting on April 11, 2012. He is reviewing the Enhanced Recharge Project report. Also, May 3, 2012 will be the next Advisory Commission Meeting at SBVMWD, 7:00 p.m.

7. UPCOMING MEETINGS

No action taken.

8. CLOSED SESSION

At 4:03 p.m. it was moved by Director Day and seconded by Director McDonald to adjourn to Closed Session. The motion carried 7-0.

Legal counsel announced the Board would adjourn to closed session on one item. Under the authority of Government Code section 54956.9 (b)(3)(e) the Board entered closed session to discuss exposure to litigation.

At 4:09 p.m. the Board reconvened into open session and the General Council reported the following action taken in the closed session:

It was moved by Director Day and seconded by Director McDonald to authorize the rejection of the claim from

Sheldon Alechman under Government Code section 54597.1. The motion carried 7-0.

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 4:10 p.m. the meeting adjourned to the regular Board meeting scheduled for April 11, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager