

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF April 11, 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
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 Services Specialist

GUESTS PRESENT:

Don Lee, Tetra Tech
Charles Roberts, Highland Community News
Steve Johnson, Southern California Edison
Matt Litchfield, San Bernardino Municipal Water Department

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. PUBLIC MEETING RELATED TO ADOPTION OF THE GROUNDWATER CHARGE

President Corneille opened the Public Meeting related to the adoption of the groundwater charge. Daniel Cozad presented the Engineering Investigation Report (EI) required for the District to implement the groundwater charge. He noted that there were no requests or comments received pertaining to EI. Mr. Cozad requested that the Board of Directors approve EI. Steve Johnson of Southern California Edison (SCE) requested a copy of the EI presentation to submit to SCE management.

It was moved by Director Day and seconded by Director McDonald to approve the 2012 Engineering Investigation Report. The motion carried unanimously.

Mr. Cozad continued his presentation into the Groundwater Enterprise budget. He noted significant savings in areas throughout the budget. This enterprise was discussed in detail at the Board's February meeting and projected a deficit; which is the key factor in the District's need to implement a 15% increase in the groundwater charge. Also, identified were additional expenses needed to maintenance facilities due to recent thefts; vandalism and trespassing on District property primarily for theft of metals. Staff presented four potential rates to the Board to consider for a rate increase. Staff was directed to notice a potential increase of 15% because that would alleviate the entire deficit in the Groundwater Enterprise budget. Staff provided letters to all producers in the District and completed all legal advertising in the newspaper.

No formal communications have been received from any producer, however Mr. Cozad reported to the Board that East Valley Water District (EVWD) requested a presentation be made to their Board of Directors and that the EVWD Board of Directors took action to approve and support the noticed rate. There were no Board questions.

Public Meeting Comments:

Steve Johnson of SCE asked when the rate would be implemented. Mr. Cozad stated that they would be effective as of the next reporting period, July 2012-December 2012, but would be payable to the District in January\February 2013.

Matt Litchfield of San Bernardino Municipal Water Department inquired as to when the District would be implementing a two year budget. Mr. Cozad stated that the two year budget gives a forward forecast and that it will be proposed for board consideration to implemented next year. Mr. Litchfield also asked if the District would be implementing an additional increase a year from now if the District were to adopt a two year budget. Mr. Cozad was optimistic that with the 15% increase the District's finances should be stabilized, but is unable to confirm whether or not an increase will be needed for next year. He indicated that if there were to be an increase for next year it would be less than 15%. Director Day noted that the two year budget is not a fixed budget and that it would be reviewed annually. No further public comments were made and President Corneille closed the public meeting noting that the Board would consider the issue at the Public Hearing on April 30, 2012.

4. CONSENT CALENDAR

Approval of the Board Minutes from March 28, 2012

It was moved by Director Aranda and seconded by Director Longville to approve minutes from the March 28, 2012. The motion carried 7-0.

Approval of Unaudited Financials and Check Register, March 2012

Mr. Cozad noted changes that needed to be made pertaining to the groundwater classifications under agricultural and non-agricultural accounts. Discussion ensued.

By general acclamation the unaudited financials were approved, received and filed.

5. ACTION ITEMS, NEW BUSINESS

A. RESOLUTION CONSENTING TO JOIN THE HEALTH BENEFITS PROGRAM OF ACWAJPIA

Staff provided a brief overview of the action and consolidation with ACWA. Director Raley inquired as to what the fiscal impact would be. Director

McDonald noted that the cost will not change and does not affect the service provided. Mr. Cozad noted that the District may see lower costs over time due to reductions in duplicate staff; however currently there is no cost change.

It was moved by Director Longville and seconded by Director McDonald to approve the resolution consenting to join the Health Benefits Program of ACWA\JPIA. The motion carried 7-0.

B. CALIFORNIA SPECIAL DISTRICT ASSOCIATION (CSDA) NOMINATION

Director Aranda spoke on this item. He noted that he is currently the District's representative for CSDA and would like to be the District's representative at a state level by obtaining a position on the CSDA Board of Directors. Director Raley noted the concern over potential increases in director fees and expenses. Directors Longville and McDonald stated that CSDA would pay the cost for expenses related to their board meetings.

It was moved by Director McDonald and seconded by Director Day to support the nomination of Director Aranda to be placed on the ballot for CSDA. The motion carried 6-1 with Director Raley in opposition.

C. LOCAL FORMATION COMMISSION (LAFCO) SPECIAL DISTRICTS SELECTION ELECTION FOR THE REGULAR LAFCO MEMBER

President Corneille introduced this item for discussion. Mr. Cozad pointed to package page 49 which has the summary of candidates. President Corneille asked the Board to identify any known candidates and recommendations. Discussion ensued.

It was moved by Director McDonald and seconded by Director Raley to vote for Steven Farrell as a candidate for the LAFCO Board. The motion carried unanimously.

6. INFORMATION ITEMS:

A. General Manager's Report

This written report was included in the Agenda package. Mr. Cozad stated the United States Army Corp of Engineers (USACOE) will begin their drain back on April 15, 2012 to clean out the plunge pool area. He noted that all water runoff is being used by East Valley Water District, City of Redlands and Bear Valley. The District is capturing as much water as is available and permitted under our

water rights. Mr. Cozad also noted that the Big Bear Watermaster Annual Report has been finalized and distributed.

B. Future Agenda Items & Staff Task requests from Directors

President Corneille suggested that a Resources Committee meeting be coordinated to finalize the Operational Management Manual. He suggested that the SBVMWD Basis of Design Report on Enhanced Recharge Facilities be discussed at that meeting as well. Also, noted was that the Board meeting he was to attend at Inland Empire Resources Conservation District (IERCD) was cancelled. President Corneille has a copy of their annual report and received a proposal from IERCD for public outreach and would like this item reviewed by the Board at a future meeting. Director Raley suggested that the Outreach Committee meet.

C. Collaborative Agreement Verbal Update

David Cosgrove presented this item. He noted there has not been any significant discussion on this item since the last Board meeting. There will be an update provided at next Board meeting.

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

Director Activity Reports

Director Raley attended the Basin Technical Advisory Committee (BTAC). The Cooperative Recharge project was discussed at this meeting. Director Raley handed out the 12 Point Pension Plan from Governor Brown to the Board and Staff for their review. He reviewed the Urban Water Capture Project and expressed that he believes this particular project may be of interest to the District.

Director Aranda attended the BTAC meeting and the USAWRA meeting. He noted that he is in the process of coordinating a meeting with Assemblyman Lara to discuss the rising groundwater rates and any related legislation.

Director McDonald attended BTAC. She noted that there is going to be approximately 14,000 acre feet available for recharge in the Santa Ana River. She discussed in brief the Santa Ana Sucker Task Force. Director McDonald attended the SBVMWD Board of Directors meeting and will be attending the ACWA State Legislative Committee on April 13th.

Director Glaubig attended the Ad Hoc Committee meeting.

Director Longville attended the Ad Hoc Committee meeting as well where they reviewed District maps and discussed the possibility of requesting the reestablishment of a District's sphere of influence. Discussion ensued.

Director Day had nothing to report, but that he would be out of the country and would miss the June meeting.

President Corneille attended the BTAC meeting. He noted that he would like to see the next step in the Redistricting on the next agenda for April 30th.

8. UPCOMING MEETINGS

Mr. Cozad inquired as to whether any directors would like to attend the Santa Ana Watershed Conference. Information will be forwarded to all directors.

9. CLOSED SESSION

At 4:01 p.m. it was moved by Director Day and seconded by Director Aranda to adjourn to Closed Session. The motion carried 7-0.

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

At 4:15 p.m. the Board reconvened into open session and General Counsel reported no reportable action was taken.

10. ADJOURN MEETING

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

At 4:16 p.m. the meeting adjourned to the regular Board meeting scheduled for April 30, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager