

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF May 16, 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
Bob Glaubig, Director
John Longville, Director (1:55 p.m.)
David E. Raley, Director
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

Clare Henry Day, Director

GENERAL COUNSEL PRESENT:

Bill Ihrke, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Medina, Administrative Services Specialist

GUESTS PRESENT:

Charles Roberts, Highland Community News
Don Lee, Tetra Tech
Tom McGill, RBF Consulting

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 or deletions to the agenda.

3. CONSENT CALENDAR

Approval of the Board Minutes from April 30, 2012

It was moved by Director Aranda and seconded by Director McDonald to approve minutes from the April 30, 2012. The motion carried 5-0 with Directors Longville and Day noted absent from the vote.

Approval of Unaudited Financials and Check Register, April 2012

Mr. Cozad noted that CalPERS side loan has been paid off. President Corneille noted that the Board has spent \$69,000 in Director's Expenses and the estimated budget is \$89,000 and that any Directors that are behind in turning in expense reports should turn them in promptly. He said it is incumbent on Director's to meet their budget. He also noted that the revenue is down due to a wet year and that expenses are also down in areas including professional services. Directors Aranda and McDonald feel confident that the Board will come under budget for Director's Expenses. Discussion ensued.

Director Raley perceives our expenses for this year are higher than last year. Mr. Cozad noted that this is due to the basin maintenance that has been performed this year as well as the side loan pay off. Overall cost and revenue are higher this year with the exception of the Groundwater Charge Revenue. A more complete review of the year will be available in July.

It was moved by Director Aranda and seconded by Director McDonald to approve the Unaudited Financials. The motion carried 5-0 with Directors Longville and Day noted absent from the vote.

4. ACTION ITEMS, NEW BUSINESS

A. DISTRICT AND ENTERPRISE BUDGET FOR FISCAL 2012-2013 AND PROJECTED 2013-2014 BUDGET

President Corneille stated that this is the follow up from the Special Board Workshop that was performed in February 2012 and that the Board did not have to approve the budget today unless they feel comfortable doing so. He said the budget could be approved at the June meeting before the start of the next fiscal year,

Mr. Cozad presented a PowerPoint and noted an error in the breakout totals amongst enterprises and presented a handout that updates the information in the Board Packet. He highlighted reduced expense items. There was an overview of expenses and changes made to budget related direction from the February workshop. Director Aranda inquired as to if the new Administrative Services Specialist position was included in the budget and Mr. Cozad confirmed that it is included. Mr. Cozad noted that the District will earn approximately \$10,000 from CalTrust and may need up to \$100,000 in reserve revenue for completing the year. Discussion ensued.

Director Longville noted his appreciation to Mr. Cozad for including monies for security improvements and implementing security measures to prevent additional metal theft in the budget. Director Raley inquired as to what security procedures cost the District money. Mr. Cozad identified concrete incased steel gate posts and the placement of large boulders to block access to roadways which require the use of heavy machinery as examples. Director Raley also asked how much steel has been stolen out in the field. Mr. Cozad stated that field staff estimates it at approximately 10 large truck loads. Director McDonald noted that there have been huge losses due to metal thefts at other agencies and cities. She also stated that legislation is in the works which may help with this issue. Mr. Cozad concluded the budget presentation. Director Raley wished to make additional recommendations for savings and changes.

It was moved by Director Longville and seconded by Director Aranda to table this item until the next regular meeting. The motion carried 6-0 with Director Day noted absent from the vote.

B. WASH PLAN REPORT AND RECOMMENDATIONS

Mr. Cozad handed out the Wash Plan Draft Decision Document for May 2012. He reviewed the history of the Wash Plan including ownership of lands, existing land uses and proposed land uses. Areas on the map were noted for conservation, habitat, land exchange, US Bureau of Land Management (BLM) Area of Critical Environmental Concern (ACEC) designation and mining

development. United States Fish & Wildlife Service (USFWS) presented areas where they would like conservation rather than mining to move forward with the project. The mining partners engaged the District's Consultant Tom McGill from RBF Consulting to develop an alternate approach to allow additional mining and equivalent habitat. Mr. McGill presented his results from working out in the field with USFWS. He will meet with Ken Corey of USFWS on May 22nd at their office and present their results at the June meeting. One of the options that was presented was to potentially transplant the Slender horn Spineflower. However, the District would need to have this item indicated in the request for a "Take Permit" prior to implementing this process. Conservation Banking may be another process that may be built in to the permit as well; where you can use the land for other projects or sell credits that the District does not use. Mr. McGill stated that the map that indicates alternatives to the USFWS map should be ready in approximately 30 days. The HCP will have to be revamped to include the new approach; the HCP will also need an EIS. Mr. Cozad also presented a revised Draft Wash Plan Budget to complete the Plan. This item will be revisited at the next board meeting. There was no action taken.

5. INFORMATION ITEMS:

A. General Manager's Report

Mr. Cozad presented some additions to the written report. He noted that the Seven Oaks Dam Flood Control basin is empty and we are seeing approximately 5-6 cfs in Santa Ana. This year was a dry year but we have spread approximately 11,000 acre ft to date. He also indicated that our new Administrative Services Specialist, Angie Quiroga will begin on May 31st. President Corneille assisted in the final interview and selection process for this position where there were over 175 applicants. Pertaining to the audit he noted that RAMS will be assisting with year-end closeout in preparation of this year's audit which will be conducted by Charles Z. Fedak & Company.

B. Monthly Recharge Report

President Corneille introduced this item and indicated that there is still water in the basins which are percolating. Mr. Cozad noted there will be two reports next month; a revised report for April and the May report.

C. Collaborative Agreement Verbal Update

Mr. Cozad gave a brief verbal update where he indicated that one of the elements being discussed is developing a system to keep track of groundwater charge credits, what they apply to, and how they would be tracked to ensure compliance with state law. This item will be on next month's agenda for discussion as well.

D. Future Agenda Items & Staff Task requests from Directors

President Corneille requested that the July Board meeting be pushed back from July 18th to July 25th , so he could attend and the Board agreed. Also, Mr. Cozad noted that he will be out of the country from June 15-July 6.

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

Director Activity Reports

Director Raley attended the Advisory Committee Meeting at SBVMWD.

Director Aranda attended an ACWA Communications Committee where they discussed why water rates are raised and public relations issues that may arise. He also attended the BTAC meeting where they discussed how to efficiently raise water rates presented by SAWPA.

President Corneille noted the one page handout he distributed to the Board from the American Waterworks Association; which touches on how to explain the value of water. The article noted the rate increases must be incremental and be supported by increased public trust. President Corneille attended the ACWA Groundwater Committee while at the ACWA Spring Conference where they discussed the Groundwater Framework Implementation Plan which he offered to assist with the implementation of the groundwater recharge portion of the Framework. He also attended the Water Management Committee meeting where they discussed the preparation of a Water Management Framework and Salt & Nutrient Plan. He chaired the SBVMWD Advisory Commission Meeting on May 3rd as well and informed the Board that the next meeting of the Advisory Commission will be on August 9th.

Directors Glaubig & Longville made no report.

Director McDonald attended the ACWA Spring Conference as well as a ACWA/JPIA meeting at the beginning of the week. She also attended a Sexual Harassment Workshop and ACWA Pension and Retirements benefits meeting while at the conference.

7. UPCOMING MEETINGS

None discussed.

8. CLOSED SESSION

It was moved by Director Longville and seconded by Director Aranda and at 3:34 p.m. the Board adjourned into Closed Session.

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 4:20 p.m. the Board reconvened into open session and General Counsel reported no reportable action was taken.

9. ADJOURN MEETING

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

At 4:21 p.m. the meeting adjourned to the regular Board meeting scheduled for June 13, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

Daniel B. Cozad
General Manager