

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF June 13, 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: 40 p.m.)  
David E. Raley, Director  
Manuel Aranda, Director

BOARD MEMBERS ABSENT:

Clare Henry Day, Director

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Athena Medina, Administrative Services Specialist  
Randy Carlisle, Field Operations Supervisor

GUESTS PRESENT:

Charles Roberts, Highland Community News  
Michelle Diamond, Tetra Tech  
Randy Scott, Wash Plan Project Manager

# 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 May 16, 2012

**It was moved by Director McDonald and seconded by Director Aranda to approve minutes from the May 16, 2012. The motion carried 5-0 with Directors Longville and Day noted absent from the vote.**

Approval of Unaudited Financials and Check Register for, May 2012

**It was moved by Director McDonald and seconded by Director Aranda 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. RESOLUTION FOR RETIREMENT OF RANDY CARLISLE

President Corneille introduced this item for discussion and approval. The resolution was read aloud to the Board by President Corneille. Field Operation Supervisor, Randy Carlisle will be retiring as of June 30, 2012 where he will have been with the District for 29 years. President Corneille noted that Mr. Carlisle will be available temporarily to answer any questions the District may have as a retired annuitant. Director McDonald and Aranda thanked Mr. Carlisle for his years of service.

**It was moved by Director McDonald and seconded by Director Aranda to approve Resolution 478. The motion carried 5-0 with Director Longville and Day noted absent from the vote.**

## B. DISTRICT AND ENTERPRISE BUDGET FOR FISCAL 2012-2013 AND PROJECT 2013-2014 BUDGET

President Corneille introduced this item for discussion. Mr. Cozad stated that he and Director Raley reviewed the budget in detail. Included in the package are the three versions; Attachment A which has no Collaborative Revenue included, Attachment B which has Collaborative Revenue included and Attachment C which is for fiscal year 2013-2014. Based on Mr. Cozad's belief that the Collaborative Agreement will be completed he recommended Attachment B for discussion and consideration of adoption. If Attachment B is approved and the revenue does not come in the District may have to utilize reserves to cover expenses. Mr. Cosgrove discussed in brief the status of the Collaborative Agreement and the issues still concerning all parties involved; primarily the groundwater credit tracking system. President Corneille asked when we will have a document the Board can review. Mr. Cozad stated that Tim Moore is writing up a portion of the agreement which should be ready in the latter part of July.

Director Raley inquired as to the impact on expenses. Mr. Cozad noted that there is no significant change in the expenses only in the revenue. He added expenses for reporting and coordination as well as legal expenses. Director Raley recommended the Board approve as its budget the approach in Attachment B. President Corneille noted that director's fees have not increased in the budget for next year. He also noted that this particular line item current spending is close to the maximum budget in the current budget. He asked that all directors submit and keep up to date their expense reports. He also asked that this item be reviewed at the mid-year point. Director McDonald noted that director's fees have come down considerably and to review mid-year would be beneficial. Discussion ensued.

**It was moved by Director Raley to approve the District Budget shown in Attachment B and seconded by Director Longville. The motion carried 6-0 with Day noted absent from the vote.**

## C. DISTRICT POLICY APPROACH TO CALPERS CONTRIBUTIONS FOR EMPLOYEES

Mr. Cozad stated that the Administrative Committee met and reviewed the CalPERS contributions at the request of the Board. Director Raley and McDonald had several policy areas for Staff to review and identify. Mr. Cozad reviewed the policy statements shown in the board package. He identified the table which identifies the savings to the District and the cost to District employees. He noted there was not a significant cost savings to the District in the first year; the cost savings is seen over time. He also stated that several

agencies have employees pay the employee share and few pay for all of the employee contribution. Director McDonald, chair of Administrative Committee (Committee) discussed in brief the Committee's recommendation. She also noted that she did not support the Committee's recommendation to move costs to the employees. Director Raley supports the recommendation of the Committee and believes it is a policy decision that needs to be made. He stated the pension costs are a large impact on budgets and CalPERS was designed for 7% to be covered by the employee. He also stated that he does not believe this will adversely affect the employees. Director Longville concurred with Director Raley. It was noted that the increase of the employee shared contribution will have to be revisited each year and a resolution for CalPERS will have to be revised as changes are being made to how contributions are being paid.

**It was moved by Director Raley to approve the policy statements listed in the staff memo, Resolution 477 and increase the employee share paid by employees to 1.5%. The rate would be set by resolution annually and targeted to a one half (.5) percent per year increase up to 3.5%. The motion was seconded by Director Longville. The motion carried 5-1 with Director Day noted absent from the vote and Director McDonald voting in opposition.**

#### D. WASH PLAN REPORT AND RECOMMENDATION

Mr. Cozad introduced this item stating Staff's recommendation is to receive and file report and approve moving forward in authorizing the project in accordance with the recommendation in the memo. The items for which Staff is seeking approval on based upon the phase table included in Wash Plan Decision Document. Mr. Cozad presented several maps which included additional areas of conservation. Randy Scott, Wash Plan Project Manager described the Rough Step process to the Board. The Rough Step approach is terminology used by United States Fish & Wildlife Services (USFWS); it involves disturbance or impacting activities for endangered species to stay in step with the amount of conservation or mitigation to offset the impact on the species. The rough step approach is used to assess project compliance particularly phased projects. Mr. Cozad went on to state that this process does not commit the District to any conservation or mining activities rather allows the Board to approve specific tasks by phase. The benefits of the Wash Plan are outlined on package page 58.

Mr. Cozad outlined the costs and risks. President Corneille inquired as to the additional risks and the conservation easements and how they will impact the District. David Cosgrove, legal counsel stated that conservation easements will restrict certain areas for specific activities. Director Raley feels that there

should be a separate bank account and all income and expenses should be kept separate. Mr. Cozad indicated they will look at the options with District CPA and bring recommendations. Mr. Cozad also noted that staff is discussing placing a conservation easement over areas near spreading basins that are not in direct use by the District. The mining partners agreed to pay the Districts' portion of the Wash Plan cash contribution, to be recouped from future royalties, if successful. Discussion ensued.

Included within the document is a cost budget and risks statement as well as a pros and cons table to assist with the Boards' decision. The reason for the phases is due to the fact that some of the items need to be concluded before the District can make a financial decision to move to completion. The most significant costs to the District are legal, project management, outreach and Staff costs. Mr. Cozad recommended moving forward with the Wash Plan. Director Raley stated he is not prepared to move forward with the Wash Plan unless the mining partners cover the District cost. He asked how much the District is going to contribute. Mr. Cozad stated the estimated costs for Phase I is approximately \$30,000. Discussion ensued.

**It was moved by Director McDonald to approve the Wash Plan Budget and authorize Phase I activities, advance approximately \$30,000 in funding for staff, contract and legal counsel to the Wash Plan, and direct Staff to take the approach and budget to the Task Force. The motion was seconded by Director Aranda. The motion carried 6-0 with Director Day noted absent from the vote.**

#### E. PLUNGE AND ELDER CREEK COMMENTS

Mr. Cozad presented this item for discussion. Included in the package was a map of the project and comment letter for approval. The potential project area is partially on lands previously used as a shooting range which contain lead that can potentially contaminate the river.

**It was moved by Director McDonald to approve comment letter and seconded by Director Aranda. The motion carried 6-0 with Director Day noted absent from the vote.**

#### F. DISTRICT PRIORITIES UPDATE

Mr. Cozad performed the update. There was no action taken.

#### G. STATEMENT OF INVESTMENT POLICY REVIEW AND BANKING INSTITUTION CHANGE

Mr. Cozad presented the revised Statement of Investment Policy for review and approval. Also, he requested authorization to change banking institutions; presented in detail were a schedule of fees and detailed information.

**It was moved by Director Raley to approve Statement of Investment Policy, Resolution No. 479 and authorize Staff to take all actions to change banking institutions to Citizen's Business Bank and seconded by Director Longville. The motion carried 6-0 with Director Day noted absent from the vote.**

#### 5. INFORMATION ITEMS:

##### A. General Manager's Report

A construction firm has requested that the District assist them in finding an alternative haul route for construction materials. Staff has asked United States Fish & Wildlife Services if the contractor can use existing roads and easements with restoration and rehabilitation on the Borrow Pit area. There will be additional meetings to discuss the particulars of this project; today was strictly for introductory purposes. No detailed information available at this time.

##### B. Monthly Recharge Report

Mr. Cozad noted there are two reports included in the board packet.

##### C. Collaborative Agreement Verbal Update

Presented previously.

##### D. Future Agenda Items & Staff Task requests from Directors

President Corneille noted that the July meeting will be July 25<sup>th</sup>.

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

**Director Activity Reports**

Director Raley attended the San Bernardino Valley Municipal Water District's (SBVMWD) Budget Workshop. They included the \$400,000 for the Collaborative Agreement as an expense item in their budget. Also, they have \$100,000 budget item for maintenance and replacement costs if any basins are damaged in Mill Creek; a letter of agreement is still being developed.

Director Aranda and Glaubig made no report.

Director Longville attended the Community Garden Dedication on Friday where SBVMWD and other entities were in attendance. He also attended a dedication of a freeway by SANBAG.

Director McDonald attended the BTAC meeting where SBVMWD discussed the possibility of revisiting the Pilot Dewatering Program Project the District was involved in some time ago. They may also be sending out reports monthly for this project. There was also discussion on State Water Project water allocations. There will be upcoming Santa Ana Sucker court hearings in September. She also attended the Joint Board Meeting at SBVMWD with San Geronio Pass Water Agency.

President Corneille noted that he will be performing technical editing for the Operations Management Manual and commended Staff and Interns on the amount of detailed information that has been added to the updated report. This morning he attended the Inland Empire Resource Conservation District (IERCD) meeting and presented information on the District, Wash Plan and the potential of being a partner pertaining to public outreach. IERCD submitted a proposal to the District for outreach programs which cost \$100 per session. The next Advisory Commission meeting will be August 9th.

7. UPCOMING MEETINGS

None discussed.

8. CLOSED SESSION

**It was moved by Director McDonald and seconded by Director Aranda and at 4:13 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 4:30 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 Longville and seconded by Director Aranda to adjourn to the next scheduled meeting. The motion carried unanimously.**

At 4:31 p.m. the meeting adjourned to the regular Board meeting scheduled for July 25, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

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Daniel B. Cozad  
General Manager