

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF August 8, 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 (1:35 p.m.)
David E. Raley, Director
Manuel Aranda, Director
Clare Henry Day, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, 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

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 July 25, 2012

This item was tabled until the next meeting of the full Board.

Approval of Unaudited Financials for June 2012 and Check Register for July 2012

It was moved by Director Day and seconded by Director Longville to approve the Unaudited Financials for June 2012 and the Check Register for July 2012. The motion carried 7-0.

Groundwater Assessment Report, GWA #38

The Board reviewed and held brief discussion regarding report. There was no action taken.

4. ACTION ITEMS, NEW BUSINESS

A. FY 2011-2012 YEAR-END UNAUDITED FINANCIALS

Mr. Cozad presented this item for discussion. He noted that the previous contracted accountant is no longer employed by the District as of the beginning of June and that all accounting functions are transitioning over to the Administrative Services Specialists. He also indicated the possibility of continuing to utilize our previous auditor Rogers, Anderson, Malody & Scott (RAMS) to oversee some of the monthly accounting functions. On Board package page 21 and 22, there were end of year audit related entries noted. Mr. Cozad explained the accounting functions to the Board. The District manages on a modified accrual system and changes from cash to accrual at the end of the fiscal year for auditing purposes.

The interest expense shown in the highlighted account pertains to the interest paid on the CalPERS side loan, which the District was charged for approximately 9 ½ months of interest amounting to approximately \$11,741, and was paid off at the same time as loan. He also reviewed the depreciation expense account where he explained that all of the District's capital expenditures are depreciated each year; this includes such items as Redlands Plaza, vehicles etc. The District is not a taxable entity therefore we do not receive a tax credit for depreciation, but are required to depreciate capital assets under accounting standards. Discussion ensued.

Director Raley inquired as to where the breakdowns of financials for the Wash Plan were. Mr. Cozad stated that RAMS is working on a "Due-To, Due-From" schedule which is still in review. He stated the Wash Plan may need its own enterprise to clearly identify its costs. This schedule will be presented at September 12th meeting.

This item was received and filed.

B. CONFLICT OF INTEREST CODE

The District reviews, updates to meet current California Code of Regulations Section 18730, and approves its Conflict of Interest Code every 2 years. No significant issues were changed from the most recently approved code.

It was moved by Director McDonald to approve the Resolution No. 480, the 2012 Update of the Conflict of Interest Code seconded by Director Aranda. The motion carried unanimously.

C. IERCD OUTREACH PROGRAM

Director Aranda presented this item and recommended the Board accept the Outreach Committee's recommendation including the proposal received from Inland Empire Resources Conservation District (IERCD). He also stated that the project manager from IERCD attended the Outreach Committee (Committee) meeting on August 1st to discuss the project and answer any questions for the Committee. The District's role in the project is to oversee and fund the presentations; which include information pertaining to the District's functions as well as water efficiency and conservation.

IERCD has their own staff that will perform these presentations to particular schools. The proposal brought to the Board is for 10 programs at \$100 per program. Director Day asked whether IERCD would report back to the District for recordkeeping purposes, and staff indicated they would. President Corneille stated that he would like to see information on the District's role and activities in water conservation incorporated into the presentations. Director Glaubig inquired as to whether the District has requests from public for

presentations. Mr. Cozad stated that Director Aranda continues to make presentations to the public on a regular basis and staff responds to requests as well. Director Glaubig indicated support of the program and requested the District receive information on a regular basis pertaining to presentations.

President Corneille noted that he met with the IERCD Board of Directors in June and is interested in other opportunities to work cooperatively on efforts with them. Director Longville stated that he is pleased to partner with IERCD and values the relationship with their district. President Corneille noted there will be additional opportunities to partner with IERCD, particularly related to habitat conservation.

It was moved by Director Raley that the District allocate up to \$1000 to the IERCD Outreach Program for up to 10 programs. The motion was seconded by Director Longville. The motion carried 7-0.

D. UNITED STRATEGIES (USI) UPDATE ON POTENTIAL SALE OF 21 ACRES

It was moved by Director Longville and seconded by Director McDonald to accept and file the report received from Bruce Cash of United Strategies. The motion carried 7-0.

5. INFORMATION ITEMS:

A. General Manager's Report

Mr. Cozad noted that the Collaborative Agreement revisions have been reviewed by staff and legal counsel and an update will be presented by District counsel later in the meeting. There has been considerable amount of work performed regarding the Wash Plan conservation strategy. Mr. Cozad stated that he met with the San Bernardino County Flood Control (Flood Control) pertaining to the Plunge Creek Project that the District may be able to assist as they are a Wash Plan partner. There are elements of the project in the Wash Plan included in this project and a map handed out for discussion. Mr. Cozad noted that one of the items learned last week was that the land in the corner of our property previously identified as belonging to Bureau of Land Management is actually owned by the District according to the title report. This project was reviewed with Flood Control and they are interested in the project. Discussion ensued.

B. Monthly Recharge Report

Mr. Cozad reviewed briefly and stated that it continues to be a dry year. There is a small portion of water being released from Seven Oaks Dam which is being used for surface diversion. The District is receiving approximately 6 cfs in Santa Ana River.

C. Collaborative Agreement Verbal Update

Mr. Cosgrove stated that the facilitator has put together a memo of direction from the general managers meeting. He has incorporated these items into the draft agreement and sent a draft back to staff for review. The groundwater credit concept is still being developed. There is an upcoming meeting on August 13th for all general managers, legal counsels, and facilitator to finalize these concepts.

Director Raley asked if it has been defined in the agreement that parties will not sell water outside of the basin. Mr. Cosgrove stated that all parties agreed that the recharge of the basin is priority in the agreement. Director Raley asked if the basin has been defined. Mr. Cosgrove stated that there has been no geographical area indicated in the agreement, but presumes the same geographical area as the San Bernardino Basin Area (SBBA). Mr. Cozad noted that the first priority for all parties' water rights is pledged to recharging the basin and provided that they have done that they can move water outside of the basin.

Mr. Cosgrove stated that ultimately all groundwater management plans are being made at the Basin Technical Advisory Committee (BTAC). Mr. Cosgrove noted that what this agreement has is a general statement that all parties agree that direct delivery is first priority, recharge is second priority and any exports are last. Director Raley stated that at the BTAC meeting there was discussion about exporting 5500 acre feet of water. He is concerned about the amount of water that is being exported outside of the basin. Discussion ensued. Director McDonald stated that the 5500 acre feet is carry over water from the state.

D. Future Agenda Items & Staff Task requests from Directors

President Corneille introduced this item for discussion. Mr. Cozad presented a handout with redistricting schedule. President Corneille suggested a Special Board Workshop specifically on redistricting. The meeting was set for August 29th at 1:30 pm. The schedule is designed based on the mail ballot. Mr. Cozad stated that additional information requested by Board will be sent out prior to meeting.

President Corneille stated that SBVMWD will be present at the September 12th meeting to discuss the Enhanced Recharge Project.

Director Glaubig asked when the District will decide whether to move forward with the Wash Plan. Mr. Cozad stated that there will potentially be a meeting in October with the Task Force to discuss. This item will be brought back to the Board once staff receives additional information and direction from the Task Force.

Director Glaubig also inquired regarding the project for SBVMWD and the use of excess excavated material for Borrow Pit partial restoration.. Mr. Cozad stated that the USCOE may require a temporary bridge to be constructed for this project. Director Glaubig noted his interest in the progress of this project and would like more information as it progresses.

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

Director Activity Reports

Director McDonald attended BTAC and SBVMWD Board meeting. She noted the joint project with Yucaipa Water District that was entered into with SBVMWD.

Director Raley attended BTAC.

Director Aranda reported previously on the Outreach Committee meeting. He also made a presentation at the San Bernardino Area Chamber of Commerce on District activities.

Director Day, Glaubig and Longville made no report.

President Corneille noted that the SBVMWD Advisory Commission on Water Policy meeting that he chairs will be August 9th. He will also be attending the San Bernardino County Water Conference on August 10th.

7. UPCOMING MEETINGS

Director McDonald asked for Board approval to attend the ACWA 2012 Fall Conference. President Corneille stated that estimated expenses should be presented to the Board at the September 12th meeting for approval.

8. CLOSED SESSION

There was no 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 unanimously.

At 2:44 p.m. the meeting adjourned to the Special Board of Directors Workshop on August 29, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager