

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF October 10, 2012
12:30 P.M.

President Corneille called the Board Meeting of the Board of Directors to order at 12:30 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
David E. Raley, Director
Manuel Aranda, Director
Clare Henry Day, Director

BOARD MEMBERS ABSENT:

John Longville, Director

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
Bob Tincher, San Bernardino Valley Municipal Water District

1. CLOSED SESSION

It was moved by Director McDonald and seconded by Director Aranda and at 12:35 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 1:30 p.m. the Board reconvened into open session and General Counsel reported no reportable action was taken in closed session.

2. 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.

3. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the agenda.

4. CONSENT CALENDAR

Approval of the Board Minutes from September 12, 2012

It was moved by Director Aranda and seconded by Director Day to approve the minutes from September 12, 2012 with revisions suggested by President Corneille. The motion carried 6-0 with Director Longville noted absent.

Approval of Unaudited Financials and Check Register for, September 2012.

President Corneille requested the Board of Director's account 6410 for mileage be verified for actual expenses, since 71% of the budget has been reported spent in the first 3 months of the year.

It was moved by Director Day and seconded by Director Aranda to approve the Unaudited Financials and Check Register for September 2012. The motion carried 6-0 with Director Longville noted absent.

5. ACTION ITEMS, NEW BUSINESS

A. ENHANCED RECHARGE PROJECT PRESENTATION-SBVMWD

Bob Tincher with San Bernardino Valley Municipal Water District presented a PowerPoint presentation on the Enhanced Recharge Project. He announced the receipt of the 60% design drawings and specifications documents for this project. Prior to review of where the project is today he presented a brief history of the project and the tasks that led up to its implementation.

In June of 2010 SBVMWD and WMWD received a permit to divert Santa Ana River water from the State Water Resources Control Board and have been diverting water since. Mr. Tincher noted that this project has been in development since 1991 when SBVMWD originally filed to obtain their water rights. He stated that prior to the creation of Seven Oaks Dam (SOD) in 1998 there was no need to create these facilities; after the dam was installed it forever altered the stream flow that comes from the canyon. There is a controlled outlet below the dam which backs the water up behind the dam. The peak design inflow on the Santa Ana River is 82000 cfs which occurred historically within a span of four days. We would like to reduce and control the dam outflow to capture more water. Before the dam the watershed received peaks of 82,000 cfs with most of this amount lost to the ocean, and now that the dam is in place the maximum outflow is 7,000 cfs.

The design criteria for the Enhanced Recharge facilities is 500 cfs using both the District's existing facilities and constructing new facilities on District property. The groundwater models indicate that 80,000 acre feet per year could be put into the expanded Santa Ana River facilities and recharged into the basin at 500 cfs. In 2009, an Optimization Study was performed to verify how District facilities could be used. The current ponds can handle 195 cfs, therefore SBVMWD will need to add additional facilities divert up to 500 cfs. Mr. Tincher continued and reviewed studies that were performed during the development of the Enhanced Recharge Project. The new facilities may be able to capture up to 80% of the water, with the second phase of the Plunge Pool Pipeline it may be able to achieve 98% capture. Mr. Tincher reviewed the schematic in detail and potential schedule for construction. Present Corneille commented that the District is reviewing and commenting on the design of the facilities. He thanked Mr. Tincher for his comprehensive presentation on the project.

There was no action required.

B. COLLABORATIVE AGREEMENT WITH SAN BERNARDINO MUNICIPAL WATER DISTRICT (SBVMWD) AND WESTERN MUNICIPAL WATER DISTRICT (WMWD)

President Corneille introduced this item. He noted that Director McDonald, GM Cozad and he attended a meeting yesterday at SBVMWD to discuss several new concerns with the Agreement that SBVMWD Board members have raised after they approved the agreement. The issues included the yearly LACPI increase and the term of the agreement. The SBVMWD Board has requested that the Agreement term be revised for 25 years with five, five year extensions. It was suggested that the Agreement should be approved today by the District as is, but give Staff direction to participate in negotiations to reduce the term of the agreement from 50 years to a fixed 25 years with five, five year extensions and bring back the final agreement after SBVMWD and WMWD approve any amendments to the District Board for final review and approval.

It was moved by Director Day and seconded by Director McDonald to approve the Collaborative Agreement and to direct Staff to participate in negotiations with the other parties to the agreement changing the term to 25 years with five, five year extensions and bring back an amended agreement for review and approval by the Board. The motion carried 6-0 with Director Longville noted absent from the vote.

C. SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT EASEMENT AGREEMENT

Daniel Cozad, General Manager introduced this item for discussion. He noted that this agreement is to allow the SBCFCD an easement to use the property for cleanout of flood control facilities. The SBCFCD currently has an historic easement for flood control on the property, but not specifically for short term storage and sorting of material from flood control facilities. The City of Highland has asked the SBCFCD to move their operations from their current sites due to potential development of that land. CEMEX is the lessor of the land SBCFCD desires to use. SBCFCD will coordinate with CEMEX to ensure they work without causing undue harm to CEMEX's operations. President Corneille inquired as to if there was a term for which SBCFCD would be able to store materials. Mr. Cozad noted that there is no limit, but the District reserves the right to ask SBCFCD to move if necessary. The SBCFCD typically uses contracts with 18 month periods of performance. The materials stored on District property are excavated materials from nearby flood control basins. Mr. Cozad stated it's an encumbrance on future use of the land but he does not feel that there are any other negatives elements to this agreement.

It was moved by Director McDonald and seconded by Director Raley to approve the San Bernardino County Flood Control District Easement Agreement. The motion carried 6-0 with Director Longville noted absent from the vote.

D. ESTABLISHING BUSINESS CREDIT CARD ACCOUNTS WITH CITIZENS BUSINESS BANK

President Corneille introduced this item for discussion. He asked Mr. Cozad to identify what the current process is for purchasing, specifically for field operations. Mr. Cozad noted that Field Staff does have credit accounts at their disposal for materials at local merchants, but all major purchases are made through the General Manager and Administrative Staff. All purchases are verified by comparing receipts to credit card statements. Mr. Cozad noted that currently Daniel Cozad and Melody McDonald have credit cards. Under the new account only General Manager Cozad and Administrative Services Specialist, Athena Medina would have credit cards. Included in the resolution is that once we obtain a Citizen's Business Bank credit card account, the American Express and Bank of America card accounts will be terminated.

It was moved by Director McDonald and seconded by Director Aranda to approve Resolution No. 482 authorizing Staff to establish a new business credit card account with Citizen's Business Bank and close the existing bank credit card accounts. The motion carried 6-0 with Director Longville noted absent.

E. PLUNGE CREEK CONSERVATION PROJECT APPROVAL

Mr. Cozad reviewed this item with the Board. This project was discussed at the Board Meeting on September 12th. There was a letter submitted to County Flood Control regarding a potential project they may have on the edge of Plunge and Elder Creek and out of those discussions the Plunge Creek Conservation Project was developed. The District and Flood Control have interest in improving habitat for Woolly Star, Kangaroo Rat and other endangered species. Mr. Cozad noted that on package pages 88 & 89 there include maps of the potential project area. This joint project was submitted on October 1, 2012 to SAWPA for OWOW funding.

The Wash Plan has an implementation element to improve habitat in the EIR which includes elements of this project. He stated that this project was developed from the District's Priorities list to partner with other agencies. SBVMWD assisted in developing this project by allowing the District to use preliminary engineering data from their tributary study for additional recharge areas. Staff identified areas next to the active channel which contain nonnative grasses that are unsuitable for Kangaroo Rat habitat and reduce

percolation. Mr. Cozad suggested that removing the nonnative grass and creating water diversions points would create higher quality habitat for the Kangaroo Rats. There would be an improvement from low quality habitat to high quality habitat while creating water and species conservation. Mr. Cozad will meet with USFWS to discuss the project in detail. The District will have to commit local funding for the project to receive grant funding and is currently looking for partners to help support the project. President Corneille noted that this is a request and the success of the grant application is not guaranteed. Mr. Cozad noted that there is only a total of \$16 million dollars available of SAWPA OWOW grant funding in round 2. The funding commitment letter will come out next fiscal year if the project is selected for funding.

It was moved by Director Raley to approve the Plunge Creek Conservation Project and seconded by Director Aranda. The motion carried 6-0 with Director Longville noted absent.

F. DISTRICT PRIORITIES UPDATE

Mr. Cozad reviewed the updated District Priorities table. President Corneille said that he thinks December is optimistic in regards to the Strategic Plan review and revisions. He would prefer to defer to early next year to allow for partner agencies to review as well. There are additional items that we need to accomplish this year that take precedence. Mr. Cozad noted he does have an outline for the Strategic Plan, but agrees with President Corneille.

6. INFORMATION ITEMS:

A. General Manager's Report

Mr. Cozad indicated the written report in the package on page 101 covered significant activities. He noted that the District closed out the year at 9000 AF recharged. He commended the Field Staff on capturing and putting the water into the ground in a dry year. Mr. Cozad recommended selecting an Ad Hoc Audit Committee meeting date; the Committee selected the 17th at 1:30 p.m. District Intern Staff have finished the edits to the Operations and Maintenance Manual; it has been uploaded to the website.

The EBX extension walk is scheduled for some time next week. President Corneille asked that Randy Carlisle be present for that walk if available.

B. Monthly Recharge Report

This item was discussed previously.

C. Wash Plan Status Update

The District has submitted through RBF the proposed habitat conservation strategy map to the US Fish and Wildlife Service and is waiting to hear back next week. It includes more habitat than the prior plan but minimizes the impact on mining areas. There will be an update sent out to the Task Force in the near future.

D. Future Agenda Items & Staff Task requests from Directors

President Corneille noted that there will be an upcoming ACWA\JPIA Sexual Harassment Training session here at the District on November 1st at 9 a.m.

Staff is planning the December 12th Holiday Luncheon offsite.

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

Director Activity Reports

Director Day made no report.

Director Glaubig attended the Highland Trails Committee Meeting where he discussed the use of District property. The Highland Trails Committee had already chosen a route for 2013, but are keeping us in mind for 2014. He also attended the Harmony Project Public Meeting. The new Greenspot Bridge will be four lanes, but only two will be initially usable. The new realignment of Greenspot Road will run into the Harmony community. There are no plans for a Mill Creek bridge. . They are predicting 3300 acre ft. per year of water usage. The Harmony Project is approximately 3300 units which will potentially create congestion in regards to traffic.

Director McDonald attended SBVMWD's workshop and Board meeting. She also attended the SBACC Legislative Breakfast with Senator Bob Dutton.

Director Aranda attended the CSDA Annual Conference in San Diego where he took his Ethics Training. Also, he will present a presentation at SBACC titled Water 101.

Director Raley attended the city managers briefing on repairing the streets in Redlands in which the trash rates will go up to cover these costs.

President Corneille noted that he was gone on vacation during most of the period between meetings and has no report.

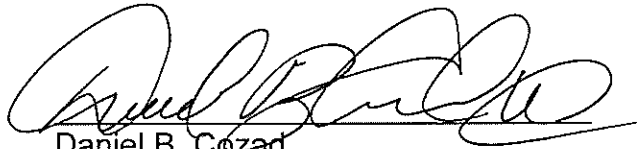
8. UPCOMING MEETINGS

President Corneille noted to add the November 1st Sexual Harassment meeting to the listing of meetings.

9. ADJOURN MEETING

It was moved by Director Day and seconded by Director McDonald to adjourn to the next scheduled meeting. The motion carried 6-0 with Director Longville noted absent.

At 3:40 p.m. the meeting adjourned to the Public Hearing on Redistricting scheduled for October 31, 2012 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager