

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD MEETING

MINUTES OF November 14, 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
David E. Raley, Director
Manuel Aranda, Director
Clare Henry Day, Director
John Longville, Director (1:55 p.m.)

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
Kip Sturgeon, East Valley Water District
Don Lee, Tetra Tech
Bob Martin, Public
Elaine Martin, Public

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. PRESENTATION

President Corneille introduced the guest of honor, Bob Martin, previously General Manager of East Valley Water District and his wife, Elaine. President Corneille read out loud and presented to Mr. Martin Board Resolution No. 483 which thanks Mr. Martin for his 27 years of service to the water industry and his support of the District's groundwater spreading mission. Mr. Martin thanked the Board and Staff for their support and services it provides to the basin as well as the resolution.

4. CONSENT CALENDAR

Approval of the Board Minutes from October 31, 2012

It was moved by Director Day and seconded by Director Aranda to approve the minutes from October 31, 2012. The motion carried 6-0. Director Longville was noted absent.

Approval of Unaudited Financials and Check Register, October 2012

Mr. Cozad stated there were revisions made to the financials that were handed out at the meeting compared to those in the package. He noted that LAIF interest was included in the revised materials. Discussion ensued. President Corneille requested that the Board receive the Balance Sheet quarterly rather than monthly; Director Raley concurred.

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

5. ACTION ITEMS, NEW BUSINESS

A. 2012 AUDIT REPORT

President Corneille introduced this item and noted that the Draft Audit and Management Reports are included in the Board package. Mr. Cozad made a brief summary; he stated that the amended page to the audit was located on package page 60 of 92 pertaining to the second line item cash paid to employees for salaries and wages was previously listed at \$595,525 which included a number of items that were not included in the prior year. The difference was \$156,409; the corrected amount is \$439,116. The auditor's recommendation is to use the amounts from the Form 941's rather than including some of the benefit costs. The end total of expenses did not change; but moved to the third line item. Director Glaubig concurred with the revised numbers. Director Raley suggested that next year's audit report include a separate line item for total compensation in the summary page so that the total cost for employees is clearly stated.

It was moved by Director Longville to approve the clarifying revision to the Audit Report for Fiscal Year 2011-2012 as presented, finalizing the Audit Approval; the motion was seconded by Director Aranda. The motion carried 7-0.

B. CONTINUE MSR\LAFCO CONSULTANT SUPPORT

Director Longville indicated support of the contract renewal for support services provided by California Strategies. Director Glaubig inquired about the status of our LAFCO Municipal Service Review (MSR). Mr. Cozad stated that he has made a presentation at BTAC and has an inquiry in with LAFCO as to what their schedule is pertaining to the completion of the MSR. There is no updated information. Mr. Cozad believes six months should be all the support from California Strategies we will need for the time being. Director Aranda inquired as to the responses received pertaining to Mr. Cozad's BTAC presentation. Mr. Cozad stated that they required additional information before they could make a decision. Discussion ensued.

President Corneille asked for an update on the sphere of influence application. Mr. Cozad said that Staff is currently working with all partners seeking to explain the need and gain their support. Director McDonald asked for clarification pertaining to the MSR. Mr. Cosgrove stated that the MSR is

needed whether or not the District was to reestablish the sphere. He stated that the MSR is a periodic review required by LAFCO which occurs every five years. This is a legislative tool to ensure LAFCO is monitoring special districts.

It was moved by Director Longville to approve the renewal of the contract for California Strategies for support services pertaining to the MSR and Sphere of Influence; the motion was seconded by Director McDonald. The motion carried 7-0.

C. ELECTION OF 2012-13 ASBCSD BOARD OF DIRECTORS

President Corneille introduced this item for discussion and requested confirmation that Director Aranda wanted to serve on the ASBCSD Board. Director Aranda stated that he did. Director Day asked if Director Aranda would be added to the list of candidates included in the Board packet. Director Aranda stated yes. Director McDonald stated that the ASBCSD Board only meets once a month for approximately an hour before the monthly dinners which are already regularly attended.

It was moved by Director McDonald to approve the letter of recommendation in support of the nomination of Director Aranda for a seat on the ASBCSD Board of Directors. Director Longville seconded motion. The motion carried 7-0.

D. COMMUNITY STRATEGIC PLAN UPDATE

Mr. Cozad handed out and presented a PowerPoint presentation to provide background and current status of this item. Mr. Cozad indicated this is a review of the current Strategic Plan goals and strategies to see what the District has accomplished to date, and provide Board direction and concurrence on the next steps in preparing a Community Strategic Plan revision. He stated that the District is documenting the current strategies being used to implement many of the efforts laid out in the current Strategic Plan. Several short term items were noted as complete including: establish reliability of groundwater charges, balance the budget, clarify District water rights and aggregate royalties. These should be considered accomplishments of the past year. He continued the presentation.

Other items in the Strategic Plan are long term efforts. Securing the organizational foundation is the first of the longer term goals; which specifies a

renewed financially viable District with a secure foundation to better serve the community. Mr. Cozad marked this as nearly completed and asked the Board to clarify what the phrase "*better serve the community*" meant to the Board. He stated that there are several areas such as recreational that he would like clarified. Board members indicated they wanted to be responsive to community needs such as recreation within the Districts mission and lands.

Other long term items including Water Resource Conservation & Management as well as Environmental Conservation & Sustainability have been initiated. Water use conservation item was discussed in detail. Director Day stated that part of that item was educating the public on how to landscape their yards using native plants which do not require a significant amount of water. The District would like to focus on "non-retail water users" who would not receive mailers on water conservation from cities or other districts, but may be pumping groundwater. President Corneille said that he believed an element that may pertain to this item would be local storm water recharge of the groundwater basin and other sources of ground water recharge.

Director Longville believes that an effective step the District could take to conserve water is to educate or develop a program to incentivize the use of water conservation for small commercial landscapers who tend to significantly overwater areas they maintain. President Corneille stated that he has seen some emphasis on this through the American Water Works Association (AWWA) for golf courses, hotels, and planned large developments, but he has not seen any programs or real emphasis placed on small businesses. Director Aranda inquired as to the progress of the IERCD programs we are collaborating with them on. Mr. Cozad stated that an update schedule will be prepared by IERCD in the near future. President Corneille stated that the irrigation and drought tolerant planting issues are being addressed by others such as SBVMWD, but he believes very few people are looking at new ways to recharge water and the District should continue to seek opportunities for additional ground water recharge.

The Community Recreation Resources item has been initiated. The District was looking at a possible opportunity to host the Highland Trail Day, but will not be able to do so for next year. USFWS will not permit the use of District lands for active recreations such as equestrian, softball field, etc. until the HCP is completed. Recreations beyond trails were placed on hold due to budget constraints and authority.

President Corneille stated that the Wetlands Project and Canyon Field Office should be off the table. Director Raley, McDonald, and Day do not think that the District should abandon the Wetlands Project, if it shows promise in the future. President Corneille stated that the District at least needs to move it down on the priority list. Director Raley believes the Wetlands Project may be a viable concept at some point in time. President Corneille noted it could be if and when the Harmony Development project moves forward. Mr. Cozad stated that

if the District decides to move forward with the project in the future they will begin the analysis of benefits and costs.

The items that the Board placed on hold for the time being are the Wetlands Project and the Recycled Water Treatment Plant. Director Raley would like a long term plan to be developed for the aggregate area mining pits as their use is concluded and to project how the District intends to manage the land afterward. Mr. Cosgrove stated there is a reclamation plan for miners to re-vegetate the slopes of the pits. Discussion ensued.

The Board agreed for another Strategic Plan update session confirming the basic goals of the plan to be brought back again for review in January of 2013.

It was moved by Director Longville and seconded by Director Aranda to accept and file the update on the Strategic Plan and bring this item back at the January 9, 2013 meeting for review. The motion carried 7-0.

6. INFORMATION ITEMS:

A. General Manager's Report

There was no discussion or questions on the GM's written report.

B. Monthly Recharge Report

Mr. Cozad stated that there has been little water spread this past month. The District has spread some State Water, picked up a small amount of Mill Creek water and Santa Ana. Field Staff has rebuilt the river pick up in Mill Creek with only district staff and equipment.

C. Santa Ana Sucker Update

There was no discussion on this item.

D. Future Agenda Items & Staff Task requests from Directors

President Corneille noted that he would like to see an agenda item on District Priorities after the Board reviews the Strategic Plan. Also, he would like to have the Administrative Committee meet within the next few months to review and potentially update the Board Policy Manual. He noted the last formal update was in 2009 and with approval of a 5 person Board several policies need to be updated.

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

Directors Day, Glaubig, Raley and Longville made no report.

Director McDonald attended the BTAC meeting; where Mr. Cozad made an excellent presentation on the MSR. Bob Tincher made a report where 125,000 acre ft. be made available for recharge for entire basin. Mr. Cozad said the maximum for SAR recharge would 54,375 acre ft. She also attended SBVMWD's Board Meeting and Board Workshop.

Director Aranda attended the Redlands and San Bernardino Area Chamber of Commerce meetings. He also attended the USAWRA meeting. In addition, he stated he will be making two presentations with the topic being *A Thirsty World*.

President Corneille gave an update on the October 18, 2012 Advisory Commission he and Director Raley attended where SAWPA presented a project called *Forest First*. He noted the next meeting of the Advisory Commission which will be on January 17, 2013.

8. UPCOMING MEETINGS

None discussed.

9. CLOSED SESSION

It was moved by Director Longville to adjourn to Closed Session; it was seconded by Director McDonald. The motion carried 7-0.


General Counsel announced that the meeting will adjourn to closed session under all of the items listed on the posted agenda.

At 3:39 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted while in Closed Session under Government Code section 54957.1 that the San Bernardino Valley Water Conservation District has received authorization from the Board to join in the appeal on the Santa Ana Sucker Litigation in conjunction with San Bernardino Valley Municipal District and Western Municipal Water District without commitment of financial support.

10. ADJOURN MEETING

It was moved by Director McDonald and seconded by Director Day to adjourn to the next scheduled meeting. The motion carried 7-0.

At 3:40 p.m. the meeting adjourned to the Regular Board of Directors Meeting on December 12, 2012 at 10:00 a.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.



Daniel B. Cozad
General Manager