

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF June 11, 2014
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
David E. Raley, Director
Manuel Aranda, Director
John Longville, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Monge, Administrative Services Specialist
Jeff Beehler, Land Resource Manager

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

It was moved by Vice President McDonald and seconded by Director Aranda to approve Consent Calendar Item A: Board Minutes, May 14, 2014 and Item B: Expenditure Report, May 2014. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

4. ACTION ITEMS

A. BOARD POLICY MANUAL REVISIONS

Vice President McDonald reported on Board Policy Manual changes suggested by the Finance & Administration Committee (Committee). She noted that on package page 20 is where the revisions initially begin. The Committee clarified the increase to ten meetings as set out by Resolution No. 509B. Director Selected meetings shall remain at a limit of three per month. As previously discussed, written Board Member Meeting Reports are not required when all members are in attendance. Pursuant to Water Code, no per diem will be paid for meetings beyond 10 meetings per month; any meetings over ten will only be eligible for expense reimbursement for local expenses (i.e. mileage, meals, and parking). Any travel expenses are subject to prior Board approval. Discussion ensued regarding what expenses were permitted to be paid. President Corneille noted that minor revisions should be made to indicate in Appendix "C" under the heading "Other ACWA/CSDA Activities" be clearly noted as CSDA or ACWA depending on what organization they are relative to. He commended the Committee on its recommendations which were clear and concise. Mr. Cozad handed out an analysis on Board expenses from 2004 to current. The projection for fiscal year 2013-2014 is \$85,589 for Director Expenses; which is a significant decrease compared to 2009-2010. Mr. Cozad elaborated on the graphs within handout. Director Raley stated that when comparing expenses the base year should be 2011 since that is the year that the Board approved reducing from seven to five members. No disagreement with this was presented.

It was moved by Director Raley and seconded by Director Aranda to approve the Board Policy Manual Revisions and Resolution No. 511. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

B. GENERAL MANAGER'S ANNUAL PERFORMANCE REVIEW AND EMPLOYMENT AGREEMENT

President Corneille stated that the Ad Hoc Committee consisting of himself and Vice President McDonald met on May 21, 2014 for the General Manager's review. The minutes from that

Committee meeting are included in the Board package on page 31. The Committee reviewed the General Manager's performance compared to the District priorities list from fiscal year 2013-2014. President Corneille indicated that because all priorities were met and he performed his job duties exceptionally well the Committee recommends a 5.3% increase in salary to \$189, 017 (compromised of 1.8% COLA, 3.5% merit adjustment). President Corneille also said that senior District staff gave positive feedback which contributed to the Committee's decision. The Committee recommended that Mr. Cozad receive the full bonus for completion of priorities and performance as called for in his current contract. This contract allowed up to 5% of his total salary, (\$8,975) may be paid. He said the Committee also recommended that up to 5% of salary bonus also be included in his Fiscal 2014/15 contract.

Director Aranda expressed his appreciation and support of Mr. Cozad's efforts. He continued to say that Mr. Cozad has saved the District significant expenses by utilizing interns and staff to perform work which otherwise may have been performed by consultants. Director Aranda indicated that Mr. Cozad performed a specific job in accordance with what he was hired to do and that he did not believe that this warranted a bonus. President Corneille stated that the performance bonus is consistent with what the Board approved in the agreement with the General Manager (for fiscal year 2013/14) at its April 29, 2013 Board meeting. He reiterated that the Board assigned him specific priorities and Mr. Cozad exceeded the priorities and expectations.

Director Longville also supported the performance bonus indicating that the salary the District pays is not the highest out there and that the bonus was indeed agreed upon last year. Discussion ensued. President Corneille clarified that the performance bonus is for priorities completed for fiscal year 2013-2014. Vice President McDonald thanked Mr. Cozad for his exceptional work performance. She reviewed a list of salaries of General Manager's for water agencies indicating that Mr. Cozad was the second to lowest on the list; his salary being one of the lowest in the industry. Discussion ensued. Director Raley's judgment is that the District pays Mr. Cozad what the District can afford to pay. President Corneille said that the justification for the increase is partially due to how hard the General Manager has to work due to minimal staffing. He indicated in a larger agency you would be able to delegate more work out which is not the case with the District; all Staff has to work harder. The minimal staff the District has allows the Board to keep expenses down.

It was moved by Vice President McDonald and seconded by Director Longville to approve the General Manager's contract and salary including 1) 5% performance bonus of \$8,975 for priorities completed during 2013-2014; 2) 5.3% salary increase effective July 1, 2014; and 3) provisions in his 2014-2015 agreement call for the potential for a performance bonus in an amount not to exceed 5% of his total salary for 2014-2015 related to the level of success in completion of that fiscal year's priorities. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

C. UNAUDITED FINANCIAL REPORTS, MAY 2014

It was moved by Vice President McDonald and seconded by Director Longville to approve the Unaudited Financial Reports for May 2014. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

D. JOINT SOLAR PROCUREMENT SANBAG MOU

Mr. Cozad presented this item for discussion. In 2012 SANBAG initiated a feasibility study for the installation of solar and asked local government agencies to participate. The District participated in the study. The Phase I feasibility report was released in October 2013; a synopsis is included in the Board package. Mr. Cozad indicated that the purpose of the study was to identify a way in which the County of San Bernardino could reduce their carbon footprint. SANBAG was the entity tasked with developing these projects. Mr. Cozad said that the cost to implement solar at Redlands Plaza is \$52,697 to purchase and \$8,518 if the District financed through a power purchase agreement. The return on investment is approximately \$54,473 over the 25 year lifetime. This would offset Redlands Plaza's largest SCE meter fully. The cost to participate in Phase II (which moves us from feasibility study to install) of the project is \$12,775. The cost includes engineering, procurement and construction management of solar installation.

Mr. Cozad indicated that if the Board would like to participate in solar this is probably the most cost efficient way to do so. Director Aranda spoke against solar; stating that the District should have additional discussions and obtain return on investment numbers from those who have participated in solar projects. Director Raley voiced his concern over the potential for additional costs related to the installation. President Corneille indicated that the commitment the Board would make today would be \$12,775 and it could potentially be less. Director Raley said that he is in opposition of spending this amount of money because he thinks there is a potential to obtain solar at a lesser cost. Discussion ensued. Director Longville gave a brief history of SANBAG and indicated his support for participating in the program. He noted that by partnering with SANBAG in this project we ensure the most cost effective and efficient way to obtain solar. Director Longville said that the payback by participating in such a program is worth the risk; in 10-14 years the District would see a positive return on its investment. Brief discussion ensued. Mr. Cozad stated that northern California has seen success with a similar program performed by the same consultant. He indicated there were several water agencies within the county participating in this program.

It was moved by Vice President McDonald and seconded by Director Longville to approve the MOU between the District and SANBAG for Joint Solar Procurement Phase II and pay the capital costs from Redlands Plaza Reserve of up to \$12,775. The motion carried 4-1 with Director Raley in opposition.

President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: No
Director Aranda: Yes

E. CSDA BYLAWS UPDATE

Mr. Cozad said that CSDA has requested the approval of the following changes in bylaws; changing their Board nomination election processes, updating committees, removal of liaison position, and clarification in chapter policies. There were no controversial changes.

It was moved by Director Longville and seconded by Vice President McDonald to approve the CSDA Bylaws Update. The motion carried with all Directors present voting in the affirmative.

President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes

F. CONTINUE MSR/LAFCO CONSULTANT SUPPORT

Mr. Cozad stated that the anticipated date for completion of the MSR is July-August and that the consultant, California Strategies has reduced their fees. The expenditure of \$12,000 should be the final cost to get us to completion.

It was moved by Director Longville and seconded by Vice President McDonald to approve the contract for California Strategies for MSR/LAFCO Consultant Support in an amount of \$12,000 and month to month as needed. The motion carried with all Directors present voting in the affirmative.

President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes

5. INFORMATION ITEMS

A. BOARD COMMITTEE REPORTS-WITHOUT ACTION

There were no reports made.

B. GENERAL MANAGER'S REPORT

Mr. Cozad noted that General Manager's report is included in the Board package. He said that the District was awarded the CSDA Transparency Certificate of Excellence. Mr. Cozad thanked Charles Roberts with Highland Community News and John Rossi of Western Municipal Water District for their support and letter of review and Athena Monge for her compilation/submittal of the required documents which contributed to the successful obtaining of the certificate. Additionally, Ms. Monge has completed and submitted the Districts of Distinction application where it has been moved forward to CSDA Committee for review.

Mr. Cozad indicated that the *Drought and Basin Management Recommendations* letter from the Board was submitted to BTAC and SBVMWD Engineering Committee and was received. The Engineering Committee indicated that a survey is likely the best way to identify the cost relative to the low water levels in the basin. Mr. Cozad is working on developing the survey with the committee. The Board recommendations will be presented at the USAWRA meeting and the Drought Task Force tomorrow. Discussion ensued. The BTAC Conservation Committee has appointed Mr. Cozad as chair of the Landscape Outreach Subcommittee.

The District has received a proposal from Jericho Systems (Shay Lawrey) for consultant work related to the state permit we will need to obtain for Mill Creek and Santa Ana River facilities. The contract amount is \$20,800; which is less than the budgeted amount anticipated (\$50,000) and within the General Managers discretion. Ms. Lawrey is the Biologist who has performed most of the trapping and field work so she is familiar with District facilities. As listed in the report it is also the intention of the General Manager to fund 2014-2015 efforts with IERCD, based on their outreach proposal of \$3,750.

Mr. Cozad thanked the Board for their kind comments related to the performance of the District and will pass along their thanks to Staff during annual reviews later in June.

C. WASH PLAN REPORT AND SPECIAL PRESENTATION

President Corneille commended Mr. Beehler on his presentation at the Wash Plan Task Force meeting and the engagement of all Task Force Members. Mr. Beehler started his PowerPoint presentation by stating that the District has been working on a Habitat Conservation Plan (HCP) which consists of four critical pieces: 1) the biological resources, the Federally listed species being protected; 2) the footprint of the projects covered under the HCP, including construction and day to day maintenance; 3) a detailed description of each specific activity being performed by project proponents, and; 4) an analysis of impacts those projects will have on species. The activity descriptions require extensive description due to the need to properly mitigate unavoidable effects on the HCP covered species. He stated that the project information has been inputted into a geodatabase. The geodatabase is hosted by ICF Jones & Stokes on a website run by ESRI, so that all consultants can access it. Mr. Beehler reviewed maps of the water conservation activities specifically related to enhanced recharge. He reviewed the analysis that is needed to be performed to identify specific activities and impacts. Mr. Beehler said that the slender horned spineflower (spineflower) is the driving species for the HCP and there is little known about the propagation of the species. A small short-term working group has been put together to review the spineflower biology and possible ways to promote its growth

and reproduction. The concept of adaptive management will be the primary area of focus and will be included in the HCP.

Mr. Beehler continued the presentation regarding the mining activities and how they would impact the spineflower. He reviewed the addition of a new species: the cactus wren. By covering it now, we avoid the need to do additional permitting at a later date as it has a high probability for listing. Brief discussion ensued. There are two species covered under both Federal and California Endangered Species regulations: 1) woolly star, and: 2) spineflower. Federal endangered species regulations require that species are not put in "jeopardy", but the State regulations require that negative impacts be "fully mitigated". The District has also been working with CA Fish & Wildlife to determine the best way to cover these species listed under the California Endangered Species Act (CESA). To assist in making sure that the HCP is all encompassing the following options are being explored: 1) Consistency determination-finding process done by CA Fish & Wildlife; or 2) Permit 2081-take authorization under CESA. Mr. Beehler presented the schedule. The consultants have begun working on the Draft HCP which should be completed by July 2014; there is also an addendum that should be done by September 2014. The two larger tasks to be completed are 1) the implementing agreement and 2) land swap. He said the project is currently on schedule for completion in November 2015.

D. MONTHLY RECHARGE REPORT, MAY 2014

The report was included in package. Work is being performed in the field to prepare for recharge when water becomes available.

E. FUTURE AGENDA ITEMS & STAFF REQUESTS FROM DIRECTORS

President Corneille and Vice President McDonald will present to the Highland Chamber of Commerce on the Wash Plan on June 24th. A presentation by Valley District on the status of the Enhanced Recharge project should be made to the Board at a future meeting.

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

Director Longville attended the Community Festival hosted by Generation Now on May 31st at Perris Hill Park in San Bernardino. There were a number of agencies in attendance at the meeting that were asked to describe what their agencies do.

Vice President McDonald attended the EVWD Special Board meeting where they presented on the potential sites for a treatment plant. She attended BTAC and SBVMWD Board meetings; additional reports are included in Board package.

Director Raley attended the Wash Plan Task Force meeting as previously reported on. He also attended the Advisory Commission on Water Policy where a presentation was made on the Enhanced Recharge facilities. He also attended the Redlands Rise N Shine.

Director Aranda will be presenting this Saturday at Campus Hill Church, June 14th and on Friday he will attend the CSDA Education Committee meeting in Sacramento. Director Aranda's written reports are included in the Board package.

President Corneille attended the Wash Plan Task Force meeting. He also attended a meeting called, *Achieving the New Normal in Landscaping* where they discussed the potential development of landscape certification, continuing education and training programs. President Corneille attended the Advisory Commission on Water Policy where they decided the Phase I construction of the Enhanced Recharge facility needs to be expedited. On June 10th, President Corneille attended a meeting at the Redlands Public Library on water conservation presented by IERCD with support by SBVMWD.

7. UPCOMING MEETINGS

President Corneille noted that the Ad Hoc Audit Committee will meet tomorrow at 1:00 p.m. at the District Office and the Outreach Committee has been rescheduled to June 24th at 9:00 a.m.

8. CLOSED SESSION

It was moved by Director Longville and seconded by Vice President McDonald to adjourn to Closed Session. The motion was carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

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

At 4:18 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted while in Closed Session under Government Code section 54957.1 there was no reportable action taken.

9. ADJOURN MEETING

It was moved by Director Longville and seconded by Vice President McDonald to adjourn. The motion carried with all Directors present voting in the affirmative.

**President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Yes
Director Raley: Yes
Director Aranda: Yes**

At 4:20 p.m. the meeting adjourned to the next regular Board Meeting scheduled for July 9, 2014 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.


Daniel B. Cozad
General Manager