

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING OF
July 6, 2005
1:30 P.M.

President Cheryl Tubbs called the Regular Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the pledge of allegiance, led by President Tubbs.

ROLL CALL:

BOARD MEMBERS PRESENT:

Cheryl Tubbs, President
Clare Henry Day, Vice President
Manuel Aranda, Jr., Director
Melody Henriques-McDonald, Director
Glenda Douglas, Director
Richard Corneille, Director

BOARD MEMBERS ABSENT:

Arnold Wright, Director

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Esq.

STAFF PRESENT:

Lawrence M. Libeu, General Manager/Board Secretary
Tom Crowley, Assistant General Manager
Colleen Theuer, Assistant to the General Manager/Recording Secretary

GUESTS PRESENT:

D. McAlister, Tetrattech Company

1. PUBLIC PARTICIPATION

President Tubbs 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 proceeded with the published agenda items.

2. BOARD DISCUSSION ITEMS

Director Aranda reported on discussions he had with George Aguilar, a Director of the San Bernardino Valley Municipal Water District; and reported on the Legislative Meeting he attended in Sacramento on July 1. Director Corneille reported on the WESTCAS meeting and the Redlands City Council meeting of July 5 that he attended. Director Henriques-McDonald reported on several Chamber meetings she attended during the month. President Tubbs reported that Executive Officer Kathleen Rollings-McDonald, of the Local Agency Formation Commission (LAFCO), regarding the District's Municipal Service Review, asked the Upper Santa Ana Water Resources Association members at their meeting on June 9 for their written position as to four possibilities: consolidation of the District with the County Flood Control District; consolidation of the District with the San Bernardino Valley Municipal Water District (Muni); expanding the District's sphere of influence; or for the District to remain status quo. She requested that these written positions be at the LAFCO office by August 1.

3. APPROVAL OF THE MINUTES

It was moved by Director Corneille and seconded by Director Aranda to approve the minutes from the June 15, 2005 Board meeting. The motion carried 6-0, with Director Wright absent.

It was moved by Director Henriques-McDonald and seconded by Director Douglas to approve the minutes from the June 1, 2005 Board meeting. The motion carried 5-1-0, with Director Corneille abstaining due to his absence from the meeting, and Director Wright absent.

4. BOARD COMMITTEE REPORTS

There were no committee reports for this meeting.

5. GENERAL MANAGER'S REPORT

Mr. Libeu summarized his General Manager's report, noting the focus on LAFCO issues, and briefly discussed the ending fiscal year's financial reports.

6. OPERATIONS AND MAINTENANCE REPORT

Mr. Crowley summarized the Operations and Maintenance Report. He discussed the damage done to the Edison system because of the recent earthquake, and answered questions from the Board. He noted that the water quality is still turbid, although not bad for recharge. President Tubbs asked about trespassers on District land, and Mr. Crowley said that there was a problem with individuals entering the District's Mill Creek property and swimming in the recharge basins. The District is planning to enlist the City of Redlands and the Sheriff's Department for help in curbing the problem. Mr. Crowley noted that the District has recharged nearly 50,000 acre-feet for the water year. President Tubbs asked if there was a cap on the total amount to be recharged. Mr. Libeu replied there was a cap of 40,000 acre-feet; Mr. Crowley indicated that the Integrated Management Group would be meeting on July 14, directly following the Upper Santa Ana Water Resources Association meeting, to look at the thresholds, plan for the upcoming water year, and renew the agreement. President Tubbs asked if everyone was cognizant that the District was spreading over the threshold; Mr. Crowley replied yes. He said the signatories for renewing the agreement would be attending the meeting.

7. WASH PLAN UPDATE

Mr. Libeu asked that this item be deferred until the August Board meeting.

It was moved by Vice President Day and seconded by Director Douglas to defer this item to the August 3, 2005 meeting. The motion carried 6-0, with Director Wright absent.

Director Corneille requested that Mr. Christensen, Project Manager of the Wash Plan, be available to give him Wash Plan information before the August meeting.

8. CONSENT CALENDAR

There was a brief discussion on the financial reports for June 2005.

It was moved by Director Corneille and seconded by Vice President Day to approve the Consent Calendar, consisting of the Expenditures for the month of June 2005, and the un-audited financial reports for June 2005. The motion carried 6-0, with Director Wright absent.

9. BOARD LETTERS, ACTION ITEMS, NEW BUSINESS, FYI

- A. Approve and Authorize Execution of Contract with Eadie & Payne, LLP, for Annual Audit

Mr. Libeu indicated that the District had retained Eadie & Payne, LLP, for the last three years to perform the annual audit. The current practice in the market place is to retain audit firms for a period of three years. Staff, however, requested retaining Eadie & Payne one more year, due to the new GASB 34 requirements, which were implemented

last year, thus assuring continued compliance by the District as well as further development of staff's role in addressing GASB 34 guidelines.

It was moved by Director Henriques-McDonald and seconded by Director Aranda to approve and authorize the execution of a contract with Eadie & Payne, LLP, for the annual audit for FY 2004-2005. The motion carried 6-0, with Director Wright absent.

- B. Adopt Resolution No. 410, Nomination of Manuel Aranda Jr. for ACWA Region 9 Board

Mr. Libeu advised the Board that ACWA Region 9 was calling for nominations for candidates for Region Officer and Board Member positions for the 2006-2007 term, and recommended that Director Aranda be nominated for a Board member position. After a short discussion, and a slight change in the language of the Resolution, a motion was made:

It was moved by Director Henriques-McDonald and seconded by Director Douglas to adopt Resolution No. 410, nominating Director Manuel Aranda Jr. for Board Member of the ACWA Region 9 Board, as amended. A roll call vote was taken:

President Tubbs, Aye

Vice President Day, Aye

Director Aranda, Aye

Director Henriques-McDonald, Aye

Director Douglas, Aye

Director Corneille, Aye

The motion carried 6-0, with Director Wright absent.

- C. Consider Adjustment of General Manager's Salary and Direct Preparation of Revised Contract

Mr. Cosgrove led a discussion regarding the consideration of an adjustment to the General Manager's salary. He indicated that a review of Mr. Libeu's performance for the past year had been performed in Closed Session at the June 15 Board meeting, the results being very positive. Mr. Libeu was requesting a 15% increase in salary to bring him more in line with his peers, having surveyed several agencies within the Bunker Hill Basin area. He also requested that the increase be received as a lump sum amount, as was done last year. A lengthy discussion ensued. Director Corneille expressed his concerns for an increase at this point in time. President Tubbs and Vice President Day also expressed their concerns. Discussion continued. The general consensus was that an increase of 7.5% (a 2.5% COLA and a 5% merit increase) would be reasonable, retroactive to May 2005 (anniversary date), to be received as a monthly increase as opposed to a lump sum, and retention of the established auto allowance.

It was moved by Vice President Day and seconded by Director Douglas to increase the General Manager's salary by 7.5%, to be allotted monthly, retain the established auto allowance, and direct General Counsel to prepare and the Board President to execute an amendment to the General Manager's Contract, incorporating the new salary rate.

Discussion continued.

The motion carried 5-1-0, with Director Corneille opposed and Director Wright absent.

D. FYI - Upcoming November Election of Directors

The upcoming November election was discussed. Directors Cheryl Tubbs, Clare Henry Day, Melody Henriques-McDonald, and Glenda Douglas will be up for re-election. Additionally, Director Corneille will also need to run in the election, as according to Government Code Section 1780, the person appointed to a vacancy shall hold the office "until the next District general election that is scheduled 130 or more days after the effective date of the vacancy..." Since the November 8, 2005 election date is more than 130 days, Director Corneille will need to run for the unfinished term of Division 1, term expiring December 2007. Discussion ensued regarding payment by the District for a Candidate's Statement. President Tubbs said this should not be a District-paid item, and directed staff to research further any past occurrences of the District paying these costs.

E. General Discussion

Mr. Libeu led a discussion regarding Local Agency Formation Commission (LAFCO) 2919, in connection with their recent proposals for possible consolidation of the District with the County Flood Control; or consolidation with the San Bernardino Valley Municipal Water District; or expanding the District's Sphere of Influence; or for the District to remain status quo. He said several agencies have indicated they would support the status quo option, and he encouraged Board members to attend these agencies' Board meetings to garner their support. A meeting with the City of Redlands Public Works was scheduled for July 11, 2005 at 4:00 p.m. Discussion continued, with Mr. Cosgrove explaining the legalities involved with the different options.

10. CLOSED SESSION

It was moved by Vice President Day and seconded by Director Henriques-McDonald to adjourn to Closed Session, at 3:45 p.m., as provided by the authority of Government Code Section 54956.9(a), relating to Application 31371, presently pending before the State Water Resources Board. The motion carried 6-0, with Director Wright absent.

At 4:45 p.m., the Board reconvened in Open Session. In accordance with Government Code Section 54957.1, there was no reportable action taken.

11. ADJOURN MEETING

At 4:45 p.m., the meeting adjourned to the Board meeting scheduled for August 3, 2005, at District Headquarters, 1630 W. Redlands Blvd., Ste. A, Redlands, CA, at 1:30 p.m.

Board Secretary