

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE REGULAR BOARD MEETING OF
August 3, 2005
9:00 A.M.

President Cheryl Tubbs called the Regular Meeting of the Board of Directors to order at 9:00 a.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
Arnold Wright, Director

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Esq.

STAFF PRESENT:

Lawrence M. Libeu, General Manager/Board Secretary
Colleen Theuer, Assistant to the General Manager/Recording Secretary
Walter Christensen, Project Manager

GUESTS PRESENT:

A guest was present, but did not sign in

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 Douglas reported on attending several area water districts meetings, as did President Tubbs and Directors Wright, Corneille, and Aranda, with regards to the LAFCO issue. Director Wright reported on the Bear Valley Board meeting, in which they voted for consolidation of the District with the San Bernardino Valley Municipal Water District (Muni). Director Aranda reported on the July 20th Muni Board meeting and of several meetings he had with Muni Directors Kilgore and Aguilar.

3. APPROVAL OF THE MINUTES

The minutes of the Board meeting of July 6 were discussed. Minor changes were noted.

It was moved by Director Corneille and seconded by Director Douglas approve the minutes of the regular meeting of July 6, 2005, as amended. The motion carried unanimously.

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 reiterating the need to continue negotiations with Muni/Western on the water rights.

6. OPERATIONS AND MAINTENANCE REPORT

Mr. Libeu reported on the Operations and Maintenance of the District, as Mr. Crowley was on vacation. He said that as of July 25, the District had spread 27,562 acre feet of water in the Santa Ana River area, and 28,624 acre feet in Mill Creek. On July 25, the District ceased spreading as these amounts exceeded the limits of the Integrated Management Program Demonstration Project Agreement (IMPDPDA). However, the City of Redlands contacted the IMPDPDA team and requested that the District be allowed a diversion on Mill Creek so that the flow at Alabama Street could be reduced, preventing the new bridge project from flooding. The diversion for the Alabama Street construction

protection is scheduled to end August 10. An IMPDPA meeting is scheduled for August 4 to discuss possible action with regard to adjusting the demonstration project recharge targets. Kate White of Todd Engineers would be attending the meeting as well. Mr. Cosgrove said that the agreement calls for thresholds, not fixed limits. The agreement also said that in the event any party wanted to change the target limits, all parties would have to meet and confer in good faith regarding these thresholds. At the Upper Santa Ana Water Resources Association meetings, Assistant General Manager Tom Crowley gave regular reports on how much water the District was spreading. At these meetings, it was noted by Stacy Aldatadt, General Manager of the City of San Bernardino Municipal Water Department, that the Conservation District had exceeded their target thresholds, and asked what action was to be taken by the IMPDPA team. The consensus was that a meeting would need to be held to assess the matter. Mr. Libeu attempted several times to contact Mr. Reiter, Muni General Manager to set a meeting; however a meeting never materialized. Discussion continued and Mr. Libeu indicated that the August 4th meeting should result in a clear-cut direction as to how to address these problems.

7. CONSENT CALENDAR

Director Corneille asked for discussion on item 7C, Approval of Contract Renewals.

It was moved by Director Aranda and seconded by Director Corneille to set aside Item 7C for discussion. The motion carried unanimously.

It was moved by Vice President Day and seconded by Director Henriques-McDonald to approve the Expenditures for July 2005, and the Un-audited Financial Reports for July 2005. The motion carried unanimously.

Discussion ensued on Item 7C, Approval of Contract Renewals, with an emphasis on the contracts for Hicks-Richardson and California Advocates, the District's federal and state lobbyists. President Tubbs clarified their positions and their roles and relationship with the District.

It was moved by Director Henriques-McDonald and seconded by Director Wright to approve Amendment No. 4 to the Contract Service Agreement for Water Resources Consulting Services with Todd Engineers, and Amendment No. 2 to the Contract Service Agreement for Maintenance Work within the Santa Ana River and Mill Creek Spreading Grounds with Larry Jacinto Construction. The motion carried unanimously.

It was moved by Director Wright and seconded by Director Douglas to approve Amendment No. 5 to Professional Services for Legislative Advocacy Services with Hicks-Richardson Associates, and Amendment No. 8 to Professional Services Agreement for Legislative Advocacy Services with California Advocates, Inc. The motion carried 6-1, with Director Corneille opposed.

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

A. Wash Plan Update

Mr. Christensen, Project Manager for the Wash Plan, updated the Board on the current status of the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan (Wash Plan). He noted that the project has existed in some form for more than ten years, and is now nearing implementation. LSA, Inc., the consultant hired by the District to write the EIR/EIS necessary for the project, has asked for an augment of \$79,333 to their original budget of \$823,258. The augment includes \$15,500 already approved by the Task Force. Staff has reviewed the request and finds it to be reasonable due to the changes required of LSA by the Task Force. The District's share of the augment would be approximately \$18,400, and in anticipation of this request, was included in the FY 2005-2006 budget. Additionally, Mr. Christensen said that the land exchange with the Bureau of Land Management (BLM), which would allow for the consolidation of the mining into one central location, is of utmost importance to the project. The District would be required to reimburse BLM for the costs involved for the land transfer due to recent changes in federal government policy. The cost estimate would be \$90,000, which had been anticipated and included in the District's FY 2005-2006 budget. In addition, staff has received early indications of pending federal grant money available to cover this cost. Mr. Christensen continued the discussion and answered questions from the Board.

It was moved by Director Corneille and seconded by Director Wright to approve and authorize the District representative to the Task Force to vote in favor of the budget augment and authorize the expenditure of the District's share of approximately \$18,400; and to approve and authorize the expenditure in the amount of approximately \$90,000 to complete the Land Exchange for the Wash Plan. The motion carried unanimously.

B. ACWA Election

Mr. Libeu reported that Mr. Glen Peterson, of the Las Virgenes Municipal Water District, had requested that the District support his nomination, by Resolution, for Vice President of ACWA. Staff had prepared Resolution No. 411, concurring in this nomination. A brief discussion ensued.

It was moved by Director Henriques-McDonald and seconded by Director Aranda to approve and adopt Resolution No. 411, Concurring in the Nomination of Glen D. Peterson of the Las Virgenes Municipal Water District for the office of ACWA Vice President. A roll call vote was taken:

President Tubbs:	Aye
Vice President Day:	Aye
Director Wright:	Aye
Director Henriques-McDonald:	Aye

Director Aranda: Aye
Director Douglas: Aye
Director Corneille: Aye

The motion carried unanimously.

C. Discussion of LAFCO Municipal Services Review and Communications Made in Connection with Same

Mr. Libeu led a discussion on the current status of LAFCO issues and recent communications with LAFCO and other local agencies. The issues included the potential elimination of the District's groundwater charge and the District's ability to reach settlement with the San Bernardino Valley Municipal Water District (Muni) over water rights issues. As this item was placed on the agenda at the request of President Tubbs, the discussion was turned over to President Tubbs for further comment. She indicated that as a result of many conversations with citizens of the community, she would like the Board to seriously consider eliminating its current practice of assessing the groundwater charge. She further stated that it was essential that the District settle the long-standing water rights dispute with Muni, and reach accord. Additionally, President Tubbs reinforced the importance of the Wash Plan as it relates to the development and management of the resources within the Basin. Due to a prior commitment, President Tubbs excused herself from the discussion and turned the meeting over to Vice President Day. The issues that President Tubbs raised were discussed at great length. All Board members gave their input as well as legal counsel. It was decided that the appropriate action to take at this time was to instruct staff to obtain the services of an outside financial consultant to evaluate the impacts of the possible elimination of the groundwater charge. The remaining Board members also agreed that we settle the water rights issue and reach agreement with Muni as expeditiously as possible. After discussion, a motion was made by Director Corneille and seconded by Director Wright to direct staff to perform a financial evaluation and look at opportunities to reduce expenses. Director Henriques-McDonald suggested having an outside consultant perform the evaluation. Several amendments were made to the motion. General counsel Mr. Cosgrove clarified all the amendments and offered the following motion for action:

It was moved by Director Corneille and seconded by Director Wright to direct staff to (1) assess the District's finances and look for opportunities to reduce expenses; (2) to undertake a study on mining revenues for this year and in the future; and (3) to assess how both of these items relate to the District's current and prospective groundwater charges. The motion carried 5-0-1, as amended, with President Tubbs absent and Vice President Day opposed.

Staff was directed to bring proposals for the financial study to the Board at the September 7, 2005 meeting.

As the Board closed discussion on this item, staff requested direction with regard to sending out the Groundwater Statements for the period of January 1, 2005 - June 30, 2005. Several options were discussed.

It was moved by Director Henriques-McDonald and seconded by Director Corneille to send out the Groundwater Statements for the period January 1, 2005 - June 30, 2005, with an accompanying statement indicating that the District would be undertaking a study to evaluate the groundwater charge. The motion carried 5-0-1, with President Tubbs absent and Vice President Day opposed.

Mr. Cosgrove briefly discussed the presentation that he and Mr. Libeu would be making at the LAFCO meeting on August 17, 2005. A special board meeting was scheduled for August 12, 2005 at 11:00 a.m. to further discuss the presentation.

9. CLOSED SESSION

It was moved by Director Henriques-McDonald and seconded by Director Douglas to adjourn to Closed Session, at 11:40 a.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 President Tubbs absent.

At 12:00 p.m., the Board reconvened in Open Session. In accordance with Government Code Section 54957.1, there was no reportable action taken.

10. ADJOURN MEETING

At 12:01 p.m., the meeting adjourned to the Board meeting scheduled for August 12, 2005, at District Headquarters, 1630 W. Redlands Blvd., Ste. A, Redlands, CA, at 11:00 a.m.

Board Secretary