

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
June 4, 2008
1:30 p.m.

President Melody McDonald 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 McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Manuel Aranda, Vice President
Cheryl Tubbs, Director
Clare Henry Day, Director
Arnold Wright, Director
Richard Corneille, Director
John Longville, Director (arrived 1:45 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David B. Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

R. Robert Neufeld, General Manager
Colleen Theuer, Admin. Services Mgr./Recording Secretary
Jackie Silber, IT/GIS Administrator

GUESTS PRESENT:

Chris Diggs, City of Redlands
David McAlister, TetraTech

1. PUBLIC PARTICIPATION

President McDonald 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. PUBLIC HEARING RELATED TO ADOPTION OF GROUNDWATER CHARGE

Director Wright was excused due to a potential conflict of interest.

Mr. Cosgrove explained that a Public Hearing would be held to review the annual groundwater charge, proposed to remain at the same rate, \$1.85 per acre-foot for agricultural use and \$6.65 per acre-foot for non-agricultural use for the fiscal year 2008-2009. He said the District presented the EI report previously at the March 2008 Board meeting and again at the Upper Santa Ana Water Resources Association meeting on April 10, 2008. No oral or written comments were received regarding the EI report. Mr. Cosgrove offered to present the EI report, but was deemed not necessary by the public present and the Board.

At 1:40 p.m. President McDonald asked for a motion to open the Public Hearing:

It was moved by Director Tubbs and seconded by Director Aranda to open the Public Hearing at 1:40 p.m. The motion carried 5-0, with Director Wright excused due to a potential conflict of interest, and Director Longville absent.

As there were no comments from the public, the Public Hearing was closed:

It was moved by Director Corneille and seconded by Director Aranda to close the Public Hearing at 1:41 p.m. The motion carried 5-0, with Director Wright excused due to a potential conflict of interest, and Director Longville absent.

3. ADOPT RESOLUTION NO. 438 ESTABLISHING 2008-2009 GROUNDWATER CHARGE

It was moved by Director Tubbs and seconded by Director Day to adopt Resolution No. 438, establishing the groundwater charge for FY 2008-2009 at \$6.65 per acre-foot for non-agricultural use and \$1.85 per acre-foot for agricultural use. The motion carried 5-0, with Director Wright excused due to a potential conflict of interest, and Director Longville absent.

Director Wright returned to the meeting.

4. BOARD DISCUSSION ITEMS

Director Longville arrived at the Board meeting at 1:45 p.m.

Director Tubbs reported that she attended the ACWA Spring Conference in Monterey, and attended the Special Districts meeting.

Director Day reported that he attended the Special Districts meeting and the East Valley Water District tour.

President McDonald reported that she attended the ACWA Spring Conference; the Upper Santa Ana Water Resources Association (USAWRA) meeting; attended various meetings in Washington D.C. with Mr. Neufeld and Mr. Cosgrove; and attended a joint luncheon meeting with SBVMWD and Western Municipal Water District.

Director Aranda congratulated Director Corneille on the award he received for his company. Director Aranda attended the Riverside County Water Symposium; the ACWA Spring Conference; the USAWRA meeting; the City of Loma Linda inauguration of their arsenic removal station; and the East Valley Water District tour.

Director Longville reported that he attended the SBVMWD/Western luncheon meeting.

5. CONSENT CALENDAR

Mr. Cosgrove requested a change in the minutes from the Board meeting of April 30, 2008: Page 2, No. 2 Public Hearing Related to Adoption of Groundwater Charge, line 9, change from "...notices, and in order to comply with Proposition 218" to "...notices, and in order to eliminate any question regarding compliance with procedures under Proposition 218."

It was moved by Director Longville and seconded by Director Aranda to approve the minutes of April 30, 2008, as amended. The motion carried 6-1, with Director Corneille abstaining due to his absence from the meeting.

The financial reports ending May 31, 2008, were briefly discussed.

It was moved by Director Aranda and seconded by Director Corneille to approve the un-audited financial reports for May 31, 2008. The motion carried unanimously.

6. INFORMATION ITEMS

A. Wash Plan Update

Mr. Cosgrove reported that the Draft EIR Comment Period closed on Friday, May 23, 2008. He said a number of comments were received. A meeting was scheduled for Monday, June 9 to review the comments. Correspondence continues with BLM with

respect to the appraisal issue on the land exchange. A tentative meeting for July 16 has been set with BLM and Fish & Wildlife Service to discuss the EIS, and to discuss whether to continue the project with the consultant LSA. Discussion ensued. Director Tubbs requested that a list of alternative consultants receive an RFP for the EIS within 45 days. Mr. Cosgrove indicated that the Wash Committee would need to meet to consider alternative consultants and then bring the matter to the Board.

B. Board Committee Reports

There were none to report for this meeting.

C. Operations and Maintenance Report

Jackie Silber summarized the written Operations and Maintenance report and answered questions from the Board.

D. General Manager's Report

Mr. Neufeld summarized his written report, noting that the strategic planning efforts included enhancing the District's value to the Basin and the community, and possible ways the District might improve the level of service.

E. Optimization Report

Jackie Silber summarized the written Optimization Study report. She also reported that the District had been awarded a \$250,000 grant for the study, from the Department of Water Resources Local Government Assistance Grants fund (AB 303).

7. ACTION ITEMS

Item A, Approve and Adopt FY 2008-2009 Operating and Capital Budgets, was deferred to the end of the action items.

B. Audit Proposal

It was moved by Director Corneille and seconded by Director Tubbs to approve and authorize the execution of a contract with Rogers, Anderson, Malody & Scott, LLP, for the FY 2007-2008 annual audit, at a cost not to exceed \$18,800. The motion carried unanimously.

C. Authorize General Manager to Execute Contract with Mathis Consulting Group

Mr. Neufeld explained the need to hire an outside consultant, in order to enhance the District's goals for strategic planning and to also meet the General Manager's contractual requirements. He discussed a proposal from the Mathis Consulting Group and summarized their background, recommending hiring their firm at an amount not to

exceed \$25,000. Discussion ensued. During discussion, Mr. Cosgrove suggested referring this item to the Administrative Committee.

It was moved by Director Longville and seconded by Director Day to refer the item of executing the contract with Mathis Consulting Group to the Administrative Committee.

Mr. Neufeld discussed the importance of not delaying this item, and Director Longville withdrew his motion. Discussion continued. Director Tubbs suggested getting two additional proposals and bringing back to the Board to review at a special Board meeting.

It was moved by Director Tubbs and seconded by Director Longville to set a Special Board meeting for Monday, June 9, at 4:00 p.m., to review additional proposals for the hiring of an outside consultant in order to enhance the District's strategic planning and to meet contractual obligations of the General Manager. The motion carried unanimously.

D. Approve Contract Amendment - Consultant Chris Bahnsen

It was moved by Director Corneille and seconded by Director Longville to approve an amendment to renew the contract services agreement for Land Resources Coordination Services with Chris Bahnsen, beginning July 1, 2008 to June 30, 2009. The motion carried unanimously.

E. Approve Contract Amendment - Hicks-Richardson Associates

Mr. Neufeld discussed rescinding the notification letter of April 10, 2008 of non-renewal of the Hicks-Richardson Associates contract. After discussion, the following motion was made:

It was moved by Director Day and seconded by Director Tubbs to approve Contract Amendment No. 8 to the Hicks-Richardson Associates contract for Legislative Advocacy Services, from July 1, 2008 to June 30, 2009, terminative with 30 days notice from either party. The motion carried unanimously.

F. Approve Contract Amendment - California Advocates, Inc.

Mr. Neufeld discussed rescinding the notification letter of April 10, 2008 of non-renewal of the California Advocates, Inc. contract. He said he would prefer to table this item until he has had an opportunity to have a series of meetings with Mr. Simoni of California Advocates, Inc. Director Corneille requested that the clause in the amendment to the contract, indicating a charge of an additional \$250/hour for any time expended over 16 hours of work, be deleted.

It was moved by Director Longville and seconded by Director Day to table this item, Approve Contract Amendment - California Advocates, Inc., until the July 2, 2008 Board meeting. The motion carried unanimously.

- G. Appointment of R. Robert Neufeld to the Big Bear Watermaster

It was moved by Director Longville and seconded by Director Tubbs to authorize and direct General Counsel to present to the San Bernardino County Superior Court a motion seeking appointment of R. Robert Neufeld as the District's Big Bear Watermaster representative, replacing Marvin Shaw, the former District General Manager. The motion carried unanimously.

- H. Consider Co-Hosting or Sponsorship for the 2008 San Bernardino County Water Conference

It was moved by Director Longville and seconded by Director Corneille to co-host the 2008 San Bernardino County Water Conference, and to buy a table of ten for \$1,250.00. The motion carried unanimously.

- A. Approve and Adopt FY 2008-2009 Operating and Capital Budgets

The FY 2008-2009 Operating and Capital Budgets were discussed. Ms. Theuer distributed the budgets showing current changes; discussion ensued. Account No. 6400, Board of Directors Expenses, would remain the same as FY 2007-2008, other than Directors Fees, which was reduced to \$57,000. Account No. 6500, Administrative/Staff Expenses, would also remain the same as the FY 2007-2008 year.

It was moved by Director Longville and seconded by Director Day to approve the FY 2008-2009 Operating and Capital Budgets as amended. The motion carried unanimously.

8. UPCOMING MEETINGS

There was no discussion on the upcoming meetings.

9. CLOSED SESSION

At 3:40 p.m., the meeting adjourned into Closed Session, under Government Code Section 54956.9(a), confer with legal counsel regarding Case No. SCVSS 147526 San Bernardino Valley Water Conservation District vs. San Bernardino County Local Agency Formation Commission; and Government Code Section 54956.8, consider lease and/or Real Property negotiations with CEMEX, USA.

Director Tubbs was excused from discussion regarding Government Code Section 54956.8, due to a possible conflict of interest.

At 4:40 p.m. the meeting reconvened into Open Session. Under Government Code Section 54957.1, action was taken authorizing the pursuit of an appeal and stay regarding Case No. SCVSS 147526 San Bernardino Valley Water Conservation District vs. San Bernardino County Local Agency Formation Commission.

10. ADJOURN MEETING

At 4:45 p.m., the meeting adjourned to the Special Board Meeting scheduled for June 9, 2008 at 4:00 p.m., at District Headquarters, 1630 W Redlands Blvd., Suite A, Redlands, CA.

Secretary of the Board