

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
November 12, 2008
1:30 p.m.

Vice President Manuel Aranda 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 Vice President Aranda.

ROLL CALL:

BOARD MEMBERS PRESENT:

Manuel Aranda, Vice President
Cheryl Tubbs, Director
Arnold Wright, Director
Richard Corneille, Director
John Longville, Director

BOARD MEMBERS ABSENT:

Melody McDonald, President
Clare Henry Day, Director

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker
Glen Worthington, Rutan & Tucker

STAFF PRESENT:

R. Robert Neufeld, General Manager
Colleen Theuer, Admin. Mgr/Recording Secretary
Shanae Smith, Executive Assistant

GUESTS PRESENT:

John Jaquess, City of Highland
Don Lee, TetraTech
Scott Hess, CEMEX

Christine Jones, CEMEX
Marty Derus, Lilburn Corporation
Lynn Calvert-Hayes, LSA Associates

1. PUBLIC PARTICIPATION

Vice President Aranda 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.

Mr. Neufeld asked that the Board consider continuing Item 5C, "Consider Change to PERS Contract, from 2.5%@55 to 3%@60," in order to gather further information to be presented to the Board at a later date.

2. BOARD DISCUSSION ITEMS

Director Tubbs reported that she attended several meetings during the month: a meeting with Assemblyman Bill Emmerson and Mr. Neufeld; an ad hoc committee meeting to review results from the Optimization Study; both community leaders' breakfasts; a follow-up meeting with Dr. Mathis for ongoing strategic planning; and the Task Force meeting for consideration of the Final EIR for the Wash Plan.

Director Corneille reported attending the Ad Hoc Committee meeting regarding the Optimization Study; both community leaders' breakfasts; the Advisory Committee meeting; and a meeting with Dr. Mathis.

Director Longville reported that he attended the community leaders' breakfasts and the San Bernardino Valley Municipal Water District Open House at their new facility.

Director Wright reported that he attended the Resources Committee meeting; the community leaders' breakfasts; and a meeting with Dr. Mathis.

Vice President Aranda reported that he and Mr. Neufeld met with Supervisor Dennis Hansberger. He and Mr. Neufeld also spoke with Elena Kennedy regarding public outreach and a program for water conservation; Ms. Kennedy has been retained by Western Municipal Water District. She will be making a proposal to the District in the near future.

3. CONSENT CALENDAR

The minutes for the Board meeting of October 8, 2008 were reviewed. Minor changes were noted.

It was moved by Director Corneille and seconded by Director Longville to approve the minutes of October 8, 2008 as amended. The motion carried 5-0, with Directors McDonald and Day noted absent.

The minutes for the Board meeting of October 22, 2008 were reviewed. Minor changes were noted.

It was moved by Director Tubbs and seconded by Director Wright to approved the minutes of October 22, 2008 as amended. The motion carried 4-1-0, with Director Corneille abstaining due to his absence from the meeting, and with Directors McDonald and Day noted absent.

The financial reports were briefly discussed. A mid-year budget review would be scheduled for January, 2009.

It was moved by Director Corneille and seconded by Director Tubbs to approve the un-audited financial reports for the month of October, 2008. The motion carried 5-0, with Directors McDonald and Day noted absent.

4. INFORMATION ITEMS

A. Board Committee Reports

There were no Board committee reports for this meeting.

B. Wash Plan Update

This item was scheduled as an action item later in the meeting.

C. Operations and Maintenance Report

Mr. Neufeld reported briefly on the written report that had been distributed earlier, noting that the gate in Basin 10N had been finished and maintenance work at the north end of Basin 12 had been completed by field personnel.

C. Optimization Study Update

Mr. Neufeld reported that the last meeting for the Optimization Study had been conducted at the District office, and that the meetings would be rotating between the District and the San Bernardino Valley Municipal Water District. He briefed the Board on the progress of the study, noting that the problem with the usage of the borrow pit was being addressed; he would bring more information to the Board at a later date.

D. General Manager's Report

Mr. Neufeld distributed a resume of the District's new Assistant General Manager/District Engineer, Mr. Claud Seal, to the Board. Mr. Seal is scheduled to begin work at the District on December 1, 2008.

Mr. Neufeld briefly discussed the LAFCO Board and the upcoming vacancies on their Board.

5. ACTION ITEMS, NEW BUSINESS, FYI

- A. Approve and Adopt Resolution No. 443, Certifying the Final Environmental Impact Report for the Upper Santa Ana Wash Land Management and Habitat Conservation Plan (Wash Plan)

Using visual aids, Mr. Randy Scott, Project Manager for the Wash Plan, presented the Final EIR (FEIR) for certification for the Wash Plan. He said that the Wash Plan Task Force met on November 5, 2008 to review the FEIR and Wash Plan Document, and unanimously voted to recommend that the SBVWCD Board of Directors certify the FEIR and approve the Wash Plan Document. He noted that the FEIR included minor corrections and changes resulting from comments received on the Draft EIR during the public review period. The FEIR also contained three new appendices: Appendix K, Response to Comments; Appendix L, Mitigation Monitoring and Reporting Plan; and Appendix M, Biological Technical Report. Discussion ensued. Several questions were raised by the Board and other minor changes to the FEIR were noted. Director Corneille congratulated Mr. Scott on an excellent document. Mr. Scott thanked LSA Associates for their contribution. Mr. Neufeld thanked Mr. Scott, Mr. Cosgrove, LSA Associates, and the Task Force for the hard work, dedication and contributions that were made to ensure the completion of the FEIR.

It was moved by Director Corneille and seconded by Director Longville to approve and adopt Resolution No. 443, certifying the Final Environmental Impact Report for the Upper Santa Ana Wash Land Management and Habitat Conservation Plan (Wash Plan), as amended, and Resolution No. 444 (Item 5B), adopting the Upper Santa Ana Wash Land Management and Habitat Conservation Plan (Wash Plan). The motion carried 5-0, with Directors McDonald and Day noted absent.

- B. Approve and Adopt Resolution No. 444, Adopting the Upper Santa Ana Wash Land Management and Habitat Conservation Plan (Wash Plan)

This Resolution No. 444 was approved in combination with Resolution No. 443, Item 5A.

- C. Consider Change to PERS Contract, from 2.5%@55 to 3%@60

This item was continued until more information could be gathered, and will be brought back to the Board at a later date.

- D. Authorize General Manager to Execute Proposed Contract for Assistant General Manager

Mr. Neufeld discussed briefly the proposed contract (included with the written report) and the hiring of Claud Seal as the new Assistant General Manager/District Engineer.

It was moved by Director Corneille and seconded by Director Tubbs to authorize the General Manager to execute a contract for the position of Assistant General Manager/District Engineer. The motion carried 5-0, with Directors McDonald and Day noted absent.

- E. Consider Approval of Royalty Payment Agreement with CEMEX and Redlands Aggregate

Director Tubbs was excused from this item due to a potential conflict of interest.

Mr. Cosgrove discussed the Royalty Payment Agreement between CEMEX, Redlands Aggregate, and the District. An audit had been performed by Stonefield-Josephson to verify the amount of royalty payments due to the District for the period January 2006 through June 2007. It was found that the District was owed \$748,036.34, not including three months disputed by CEMEX (February 2006, March 2006, and April 2006). The Royalty Payment Agreement states that the District, Redlands Aggregate, and CEMEX will meet and confer to resolve the remaining royalty payment for the disputed months, and if those efforts were not successful, the issue would go before arbitration. Mr. Cosgrove discussed further and answered questions from the Board.

It was moved by Director Longville and seconded by Director Wright to approve the Royalty Payment Agreement with CEMEX and Redlands Aggregate. The motion carried 5-0, with Directors McDonald and Day noted absent.

6. Upcoming Events

No discussion.

7. CLOSED SESSION

There was no Closed Session for this meeting.

8. ADJOURN MEETING

At 3:15 p.m. it was moved by Director Longville and seconded by Director Tubbs to adjourn the meeting to the Board meeting scheduled for December 12, 2008, at 10:30 a.m., at District headquarters, 1630 W Redlands Blvd., Ste. A, Redlands, CA. followed by the District Holiday Luncheon at the Ayers Hotel, Redlands, CA.

R. Robert Neufeld
Secretary of the Board