

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF
April 14, 2010
1:30 P.M.

President Clare Henry Day 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 Day.

ROLL CALL:

BOARD MEMBERS PRESENT:

Clare Henry Day, President
Melody McDonald, Vice President
Manuel Aranda, Director
Arnold Wright, Director
John Longville, Director (1:47 P.M.)
David E. Raley, Director

BOARD MEMBERS ABSENT:

Richard Corneille, Director

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

R. Robert Neufeld, General Manager
Claud Seal, Assistant General Manager/District Engineer
Samantha Brown, Finance Supervisor
Lisa Pierce, GIS Coordinator
Shanae Smith, Executive Assistant II

GUESTS PRESENT:

Steve Copeland
Max Rosouli, Riverside Municipal Utilities Department
Greg Gage, City of San Bernardino Municipal Water Department
Christine Goeyvarts, Robertson's Ready Mix
Tim Gosney, Lagerloff, Senecal and Gosney

Robert Tincher, San Bernardino Valley Municipal Water District
Charles Roberts, Highland Community News
Stacy Aldstadt, City of San Bernardino Municipal Water District
Matthew Litchfield, City of San Bernardino Municipal Water District
Don Lee, Tetrattech

1. PUBLIC PARTICIPATION

President Clare Henry Day 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. ADDITIONS/DELETIONS TO AGENDA

There were no additions/deletions to the agenda.

3. PUBLIC MEETING RELATED TO ADOPTION OF THE GROUNDWATER CHARGE

President Day opened the Public Meeting related to the adoption of the groundwater charge. Robert Neufeld said that staff would present the annual Bunker Hill Basin Engineering Investigation Report and review the Groundwater Replenishment Program annual budget. Mr. Neufeld stated that staff is recommending to the Board to raise the current amount of the groundwater charge of \$2.18 per acre-foot for agricultural purposes to \$2.51, and raise the current amount of \$7.85 per acre-foot for groundwater production for non-agricultural purposes to \$9.05, for the ensuing water year (July 1, 2010 – June 30, 2011). He introduced Assistant General Manager/District Engineer, Claud Seal who presented the Engineering Investigation. After the presentation, Mr. Neufeld reported that the District had received one written letter of protest from the City of San Bernardino Municipal Water Department (SBMWD) dated April 6, 2010. David Cosgrove noted the letter would become part of the proceedings for this year's groundwater charge. Vice President McDonald acknowledged a verbal objection to the groundwater charge increase from Kevin Milligan from the City of Riverside. Stacey Aldstadt, General Manager of SBMWD, clarified that the purpose of SBMWD's continued protests, is regarding the relationship between the costs of services provided by the District and revenues of the charge. Ms. Aldstadt said SBMWD does not oppose the District's current mission, as it provides a valuable service to the valley. Mr. Cosgrove stated SBMWD is raising appeal objections regarding the requirements of the Proposition 218 to the proceedings. The letter states the District met all applicable requirements of Proposition 218, but feels however, revenues of the charge exceed the cost of groundwater services on a cumulative basis and that overhead charges are excessive, and urges that the District keep the charge at a steady rate. A discussion ensued regarding the distinctions between the District's charge, and the charge detailed in the Parajo Valley Water Management Agency v. Amrhein case. Mr. Neufeld stated the Board will consider at the April 28, 2010 Public Hearing, adoption of the groundwater charge. President Day asked if there were any other comments from the audience. Hearing none, President Day made a motion to close the Public Meeting.

It was moved by Director Day and seconded by Director Longville to Close the Public Meeting Related to the Adoption of the Groundwater Charge. The motion carried 5-1-0, with Director Wright abstaining due to a possible conflict of interest and Director Corneille noted absent from the meeting.

4. CONSENT CALENDAR

The minutes of the March 24, 2010 minutes were reviewed.

It was moved by Director Wright and seconded by Director Raley to approve the Minutes of the March 24, 2010 Board meeting. The motion carried 5-1-0, with Director McDonald abstaining due to her absence from the meeting and Director Corneille noted absent.

5. REPORTS AND INFORMATION ITEMS

A. Monthly Activity Reports, and/or Comments by Board Members

Director Raley reported attending the Redlands Chamber of Commerce (RCC) meeting; the Special Board meeting regarding the Strategic Plan and the Administrative Committee meeting.

Director Aranda reported attending a WESTCAS conference call; the RCC Candidate Forum Rise 'n Shine; Special Board meeting regarding the Strategic Plan and the Upper Santa Ana Water Resources Association (USAWRA) where he presented a legislative report.

Director Longville reported attending the District's Sexual Harassment Workshop. He reported the completion of his yard which uses a very low amount of water, a 1/3 reduction to his water bill and that it is first lawn in the City of San Bernardino permitted to do so.

Director Wright reported attending the Special Board meeting regarding the Strategic Plan; and the Administrative Committee meeting and Sexual Harassment Workshop.

Director McDonald reported attending the Administrative Committee meeting; and the Special Board meeting regarding the Strategic Plan and the USAWRA meeting.

Director Day reported attending the Special Board meeting regarding the Strategic Plan; Administrative Committee meeting and Sexual Harassment Workshop.

B. Board Committee Reports

This item was covered earlier in the meeting.

C. Financial Supervisor's Report

There was nothing report for this meeting.

D. Assistant General Manager's Report

Mr. Seal announced that the amount of water flowing from the Seven Oaks Dam (SOD) for the Santa Ana River (SAR) was less than 70 cfs, and 35 cfs from Mill Creek(MC). On May 4, 2010, a high flow test will be performed to test the newly repaired gates, releasing 1,500 to 2,000 cfs of water to establish the effect of high water flows on the District's system. Southern California Edison (SCE) had to discontinue water flow to their pipeline as a result of the recent earthquake. Flows have resumed to Power Plant No. 3, giving the District, East Valley Water District (EVWD), Bear Valley Mutual Water Company (BVMWC) and the City of Redlands an opportunity to obtain clean water that will not sit behind the dam. Director Raley requested information regarding the Bunker Hill Dike as it relates to the District's boundary. Ms. Aldstadt said that it is located at the 10 FWY and 215 FWY interchange near the fault. In addition, Director Raley requested clarification regarding the basin safe yield-average. Robert Tincher stated that the basin has been overproduced since 1983. A discussion ensued regarding the depletion of basin resources.

E. General Manager's Report

Mr. Neufeld reported that at the April 12, 2010 Administrative Committee meeting, staff was directed to bring back a balanced budget to the April 22, 2010 Administrative Committee meeting. He reported that within the first six months of the year, through the period ending in December, savings in excess of a half million dollars to the District's budget, as we are now conducting budget reviews on a regular basis and looking to balancing the budget 2010-2011 budget.

Mr. Neufeld reported that at the April 7, 2010 Special Board Meeting, the Strategic Plan was presented by himself and Will McMullan of W. McMullan and Associates. Based on the comments from the public and Board of Directors, the plan was revised and mailed to a list of recipients on April 13, 2010. Mr. Neufeld invited guests to attend the Public Hearing on April 28, 2010, where the Board of Directors will consider adoption of the strategic plan.

F. Information Items

Information items for this meeting were reviewed and filed.

G. Future Agenda Items and Staff tasks

Vice President McDonald requested that staff add an item to the agenda regarding revenue producing activity, as discussed at the April 12, 2010 Administrative Committee meeting. Director Raley requested the check register of the District's expenditures to be added as an item on the April 28, 2010 Board meeting agenda.

A. ACTION ITEMS, NEW BUSINESS

A. Discuss and Consider Adoption of Ordinance 2010-1, an Amendment to Ordinance 95-1

Mr. Cosgrove stated there were two actions before the Board regarding Ordinance 2010-1, enacting the requested revisions to the Board of Directors compensation. If adopted, it would be appropriate to consider Resolution No. 457, reducing the number of authorized meetings from 10 to 9, and forgo the automatic 5% annual increase. Vice President McDonald inquired about the cost associated with publishing the notice in the local newspaper. A Discussion ensued regarding the cost of publishing the notice compared to the costs incurred for the additional meeting and the 5% annual increase, as opposed to the possible savings associated with the adoption of the ordinance. Of note, Mr. Neufeld acknowledged a correspondence on behalf of Director Corneille regarding his support of the adoption of Ordinance 2010-1 and Resolution No. 457. After a lengthy discussion, the following motion was made:

It was moved by Director Raley and seconded by Director Longville to Adopt Ordinance 2010-1, an Amendment to Ordinance 95-1. By roll call vote, the motion carried 5-1-0, with Directors McDonald and Aranda voting no, and Director Corneille noted absent from the vote.

B. Discuss and Consider Adoption of Resolution No. 457

It was moved by Director Longville and seconded by Director Raley to Adopt Resolution No. 457, Implementing Various Policies Set by Ordinance 2010-1 Relating to Compensation to District Directors For Services on Behalf of the District. The motion carried 6-0, by roll call vote, with Director Corneille noted absent from the meeting.

C. Discuss and Consider Sponsoring Loma Linda Chamber of Commerce and Adding To the 2010-2011 Budget

Mr. Neufeld said staff had no recommendation for this item, as there had been no specific requests or direction from the Board to participate in the sponsorship. Director Aranda said he would obtain additional information from the LLCC and bring back to the Board for review. A discussion ensued regarding the District's participation in various chamber of commerce events and sponsorships.

It was moved by Director Aranda and seconded Director Longville to Table the Action for the Proposal until Additional Information is Brought Forth. The motion carried 6-0, with Director Corneille noted absent from the meeting.

D. Discuss and Consider Official Vote for the Regular Special Districts Member and the Alternate Special Districts Member of the Local Agency Formation Commission (LAFCO)

It was moved by Director Longville and seconded by Director McDonald to Cast a Vote for James Curatalo for the Position of the Regular Special District Member of the Local Agency Formation Commission (LAFCO). By roll call vote, the motion carried 6-0, with Director Corneille noted absent from the meeting.

It was moved by Director McDonald and seconded by Director Aranda to Cast a Vote for Robert Smith for the Position of the Alternate Special District Member of the Local Agency Formation Commission (LAFCO). By roll call vote, the motion carried 6-0, with Director Corneille noted absent from the meeting.

E. Discuss and Consider an Amendment to W. McMullan and Associates Contract

Mr. Neufeld stated that staff has provided three options for additional services performed by the strategic planning facilitator that may be necessary to complete the plan for the Board's consideration. Samantha Brown stated that Mr. McMullan prepared an amendment that entailed facilitating an additional meeting to prepare possible revisions to the plan for the April 28, 2010 Board meeting, and possible subsequent meetings. A discussion ensued regarding the additional costs associated with the amendment.

A motion was made by Director Raley and seconded by Director Longville to Prohibit Authorization of an Additional Amendment to the W. McMullan and Associates Contract. The motion carried 5-1-0, with Director McDonald opposed and Director Corneille noted absent from the meeting.

F. Consider Approval of the Forms for Contracts for Aggregate Mining

Mr. Neufeld said staff had taken a closer look at companies currently operating on the District's facilities for the purpose of cleaning the spreading basins, removing and stockpiling materials at no cost to the District. Staff assessed the possibility of developing a new revenue stream for the District. Mr. Cosgrove said staff is looking for Board approval of the new forms of the contracts and direction to begin contract negotiations to bring back to the Board for approval. Mr. Neufeld estimated that an additional \$100,000 a year in revenue would be realized by the District. A Discussion ensued regarding the ACWA/JPIA contract template currently utilized by the District, and the differences between aggregate mining and mining currently performed by CEMEX and Robertson's Ready Mix.

It was moved by Director Longville and seconded by Director Wright to Approve the Forms for Contracts for Aggregate Mining. The motion carried 6-0, with Director Corneille noted absent from the meeting.

7. UPCOMING EVENTS

There was no discussion on this item.

8. CLOSED SESSION

At 4:00 p.m., it was moved by Director Day and seconded by Director Aranda to adjourn to Closed Session, Government Code Section 54957(b), to discuss a personnel matter, and Government Code Section 54956.9(b)(3)(a), and Section 54956.0(c), and Section 54956.0(b)(1), confer with legal counsel regarding significant exposure to litigation in one case. The motion carried 6-0, with Director Corneille noted absent from the meeting.

The Closed Session adjourned at 6:45 p.m., and the regular meeting reconvened, with no reportable action under Government Code 54957.1.

9. ADJOURN MEETING

At 6:45 p.m., the meeting adjourned to the Regular Board meeting scheduled for April 28, 2010, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Suite A, Redlands, CA.

R. Robert Neufeld
Secretary of the Board