

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS

MINUTES OF THE BOARD MEETING OF  
April 28, 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 (1:35 P.M.)  
Manuel Aranda, Director  
Arnold Wright, Director  
Richard Corneille, Director  
John Longville, Director (1:55 P.M.)  
David E. Raley, Director

BOARD MEMBERS ABSENT:

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

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

GUESTS PRESENT:

Kathleen Rollings-McDonald, Local Agency Formation Commission  
Mark Nuaimi, Local Agency Formation Commission  
Robert Martin, East Valley Water District  
Larry Malmberg, East Valley Water District  
Susan Wilson, City of Riverside  
Max Rasouli, City of Riverside  
Steven Copelan, San Bernardino Valley Municipal Water District  
Stacy Aldstadt, City of San Bernardino Municipal Water District  
Greg Gage, City of San Bernardino Municipal Water Department  
Doug Headrick, San Bernardino Valley Municipal Water District

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

Robert Neufeld stated it was staff's recommendation to remove Item 6C, "Adoption of Revised Strategic Plan" from the agenda to allow staff to address issues and concerns received from parties outside the District. The item would be placed on the May 26, 2010 Board meeting agenda.

3. CONSENT CALENDAR

The minutes of the April 14, 2010 minutes were reviewed.

**It was moved by Director Aranda and seconded by Director Wright to approve the Minutes of the April 14, 2010 Board meeting. The motion carried 5-1-0, with Director Corneille abstaining due to his absence from the meeting and Director McDonald noted late.**

4. REPORTS AND INFORMATION ITEMS

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

Director Corneille reported attending the Special Board meeting regarding the strategic plan.

Director Raley reported attending Census training and Redlands Conservancy activities.

Director Aranda reported attending a meeting at the San Bernardino Valley Municipal Water District (SBVMWD) regarding the Santa Ana Sucker; and the WESTCAS conference call for Directors.

Director Wright reported attending a meeting with East Valley Water District (EVWD) regarding the proposed strategic plan and Engineering Investigation (EI) Report, and the Administrative Committee meeting.

Director McDonald summarized discussions from the ACWA State Legislative Committee meeting in Sacramento regarding various legislative bills. She reported attending the Association of the San Bernardino County Special Districts (ASBCSD) monthly dinner meeting; and the meeting with East Valley Water District (EVWD) regarding the proposed strategic plan, and 2010 groundwater charge. She announced the District had received a check in the amount of \$224,740.00, for the Department of

Water Resources' Local Groundwater Assistance AB 303 grant awarded the District. Vice President McDonald extended her appreciation to Shanae Smith for the management and administration of the quarterly reporting and monitoring requirements, which included invoicing for work performed by MWH Americas, Inc. for the Optimization Study. On May 19, 2010, a check in the amount of \$112,370.00, 50% of the total funded amount will be presented to SBVMWD, as joint partners of the Optimization Study to test the District's conveyance works and calculation of recharge rates for the existing spreading basins. She also reported attending the Administrative Committee meeting.

Director Day reported attending the Special Board meeting regarding the Strategic plan and the Administrative Committee meeting.

#### B. Board Committee Reports

Vice President McDonald reported that the Administrative Committee met on April 22, 2010 and the meeting had been continued to May 13, 2010. The committee had been meeting regularly to discuss the 2010-2011 Budget, and a recommendation will come forth at the May 26, 2010 Board meeting. Jim Brulte, of California Strategies was in attendance at the committee meeting and recommended that the District engage in discussions with commissioners of the Local Agency Formation Commission (LAFCO), the San Bernardino County Board of Supervisors and city leaders regarding the implementation of the proposed strategic plan.

#### C. Finance Supervisor's Report

No report was given for this meeting.

#### D. Assistant General Manager's Report

1. The District is now spreading 20 to 40 cfs at Santa River (SAR) and between 20 cfs and nearly 50 cfs at Mill Creek (MC).
2. Year to date, the District has spread 4,299 AF of SAR water, 3,556 AF of MC water, plus 1,115 AF DWR water at SAR and 831 AF in MC.
3. The Seven Oaks Dam (SOD) water level is currently 2,295 ft. Orange County Flood Control District (OCFCD) requested an additional 25 ft. to 2,320 ft. for testing of the rebuilt flood control gates. The United States Army Core of Engineers (USACE) will control discharge in mid to late May, up to 1,500 cfs. The discharge date has not been firmed yet. We will be setting up observation and testing points to learn as much as possible about the high volume run-offs.
4. We have received the first check for aggregate sales from the borrow pit of \$1,655.00. Our cost was zero. We will have more to come just as soon as the Board of Directors has approved the new contracts with two of the aggregate producers.
5. We are currently engaged in the following projects: 1) Enhanced Recharge Facilities Study and Design with San Bernardino Valley Municipal Water District (SBVMWD); 2) City of Highland Greenspot Road Realignment; 3) East Valley Water District (EVWD) Pipeline Extension with Valley District and the Department of Water Resources (DWR); 4) Wash Plan; 5) Long term lease of old USACE Facilities at SOD; and 6) Operations

and Spreading Basins cleaning plan at MC.

#### E. General Manager's Report

Mr. Neufeld reported to the Board on a personal health issue.

#### F. Information Items

Materials were distributed.

#### G. Future Agenda Items and Staff Tasks

Mr. Neufeld indicated this as the time for members of the Board to submit to staff any suggested agenda items for the May 12, 2010 Board meeting. All requests should be submitted by the May 7, 2010 deadline. There were no suggestions from the Board at this time.

### 5. ACTION ITEMS, NEW BUSINESS

Director Wright recused himself from Items A & B, due to a potential conflict of interest based on his stock ownership in Bear Valley Mutual Water Company (BVMWC).

#### A. Adoption of Addendum to 2010 Engineering Investigation (EI)

David Cosgrove stated it was staff's recommendation to combine agenda Items A & B into a single hearing for consideration of the Engineering Investigation (EI) and proposal for the annual groundwater charge levied by the District. The EI report was initially presented at the March 10, 2010 Board Meeting, and at the Board Meeting/Public Meeting on April 14, 2010, in addition to being presented to the Upper Santa Ana Water Resources Association (USAWRA) on April 8, 2010. Comments were received throughout the process. This year, the report has undergone changes due to the public review process. Staff has incorporated changes as part of an addendum, as well as response to requests and additional data received from local producers. In addition, staff worked to try to broaden the database for technical merit regarding the well production data. The July 1 – June 30 water year was changed and will be reviewed during the public hearing, as it has had an impact on the reporting process. Mr. Cosgrove proceeded with the 2010 EI Presentation. After the presentation, he requested that the Board direct staff to prepare a modified Engineering Investigation that will change the water year back to July 1 – June 30, for the necessary findings that are in full compliance of the statute at the time of the final action on the groundwater charge and continue the hearing, reviewing the EI to be presented at the May 12, 2010 regular Board meeting. Final action of setting the groundwater charge will be deferred until that time. A Declaration of Notice was prepared and will be appended to the administrative record of the groundwater charge proceedings. Staff has received written comments from the City of San Bernardino Water Department, and had a subsequent meeting with Stacey Aldstadt, General Manager of the City of San Bernardino concerning the charge. In addition, written protests were received from the City of Loma Linda regarding both the District's proposed strategic plan and the

increase to the groundwater charge. The City of Redlands submitted a written protest regarding the applicability of Proposition 218 and the District's ability to demonstrate costs for services provided, do not exceed revenues expected to be collected, and a letter from the City of Riverside dated April 28, 2010 had also been submitted.

Mr. Neufeld commended Doug Headrick and his staff, particularly Steve Luhn of the SBVMWD, for providing their insight into how to best collaborate the gathering of the data for the EI. Lisa Pierce, the District's GIS Coordinator, received a comprehensive GIS dataset, which included data on 3,284 wells from the SBVMWD staff. Many wells were closed and no longer useful and were purged from the well production database. This included wells that were outside the Bunker Hill Basin, in the Riverside area that did not impact the basin and, have been ultimately excluded from the report. Staff has also discovered a lot of data being reported by the various parties indicating zero production, and had been included in the data for many years. Staff has been working with fifteen local agencies in gathering data to support this year's report. Last year's dataset included a total of 159 wells to include the well elevation values, in comparison to 210 wells included in this year's report, providing a more accurate reflection of what is going on in the basin. In the production values last year, 150 wells were included in the database; the number has been increased to 218. Due to producers reporting late, staff experienced difficulty compiling the necessary reports. Staff is looking at different datasets to determine what is happening to the water production and elevations in the basin, and feel that it is essential to make modifications to the report as the data comes in, as it significantly impacts production going forth in the ensuing water year. Mr. Neufeld welcomed comments from the Board. After considerable discussion regarding the water code statute related to the annual Engineering Investigation. President Day opened the Public Hearing for the Adoption of the 2010 Groundwater Charge. Comments were made by members of the public:

Robert Martin, General Manager of EVWD apologized for not having a written protest letter to submit to the District. He stated that after careful discussions and consideration at their April 27, 2010 Board meeting, the EVWD Board felt it necessary to take action to protest the increase of the groundwater fee and add the protest to the official record of the public hearing proceedings.

Stacey Aldstadt briefly summarized a meeting with Mr. Neufeld and legal counsel regarding the District's assessment and the proposed strategic plan. She stated that SBMWD is undergoing a painful budget process, and pointed out the City's inability to afford an increase to the groundwater charge.

Rosemary Hoerning, Director of Municipal Utilities and Public Works Engineering for the City of Redlands raised the issue that she was unable to locate information on the District's website on the subject of current expenditures and financials in order to evaluate the charge increase. Ms. Hoerning stated that the City typically laid out a ten year capital improvement program to evaluate revenue cash flow scenarios and expected the same from the District. In addition, she expressed concerns regarding the District's proposed strategic plan and requested that the District disseminate additional documentation outlining the plan for review.

T. Jarb Thaipejr, City Manager of the City of Loma Linda presented information on the topic of employee layoffs and cuts in benefits that had been made to balance their budget during the tight financial situation. Mr. Thaipejr stated he too had concerns regarding the proposed strategic plan, as it seems unrealistic in its vision.

Kevin Milligan, City of Riverside/Gage Canal Company stated the City of Riverside's protest was due to the imposition of the groundwater charge. He welcomed the opportunity to meet with staff concerning the City's belief that there were fatal errors in the EI Report.

Chairman Mark Nuaimi of the Local Agency Formation Commission (LAFCO) reserved his comments for another time, as the strategic plan had been pulled from the agenda at the outset of the meeting.

There were no further comments from the public.

Mr. Neufeld emphasized that it had been staff's recommendation not to increase the groundwater charge.

**It was moved by Director Day and seconded by Director Aranda to close the Public Hearing. The motion carried 6-0, with Director Wright abstaining due to a conflict of interest.**

After Board deliberations, the following motion was made:

**It was moved by Director Aranda and seconded by Director Longville to continue the "Adoption of Addendum to 2010 Engineering Investigation (EI), and the "Public Hearing Related to Adoption of Groundwater Charge" to the May 12, 2010 Board meeting with direction to staff to 1) revise the Engineering Investigation changing the water year back to July 1 – June 30; and 2) tally protests and present Resolution No. 458, with respect to action on the charge. The motion carried 6-0, with Director Wright abstaining due to a conflict of interest.**

B. Public Hearing Related to Adoption of Groundwater Charge

This item was taken out of order.

C. Adoption of Revised Strategic plan

This item was deleted from the agenda.

D. Consider Adding Check Register to Board Meeting Packages for Board Review and Approval, As Requested by Director Raley

Director Raley distributed materials for the Board's review. He stated that the District's responsibility to the public is to ensure effective, accurate and transparent management of its finances. Check registers are issued as part of the Board package for the full

Board's review and approval as part of the Consent Calendar, as stated in the water code. President Day said historically, two Board members reviewed and signed monthly expenditures and the check register during the Board meeting. The same could be easily provided for review and approval by the full Board. A discussion ensued regarding the District's past practices regarding the warrant tables and whether the request should be listed as an information item, or the Consent Calendar. After discussion, the following motion was made:

**It was moved by Director Raley and seconded by Director Corneille to Include the Monthly Check Register in the Monthly Board Meeting Package as an Item on the Consent Calendar for Approval by the Full Board. The motion carried unanimously.**

E. Approve Amendment to General Counsel Contract

Mr. Cosgrove stated that due to the economic crisis, he is lowering his hourly rate from \$275.00 to \$250.00 per hour, through the end of the current calendar year, effective May 1, 2010.

**It was moved by Director Aranda and seconded by Director Longville to Authorize the Board President to Execute an Amendment to the General Counsel Contract, Adjusting the Hourly Rate From \$275.00 to \$250.00 Per Hour, Through the End of the Calendar Year. The motion carried unanimously.**

F. Consider Proposed U.S. Forestry Grant Acceptance

Mr. Neufeld stated that staff recommended the Board consider the opportunity to accept participation in additional funding for Ms. Pierce's contract for services through a local grant sponsored by the U.S. Forestry Service. Mr. Seal stated Ms. Pierce needed a sponsoring agency, as the grant had already been awarded. The native plant seeds study regarding alluvial scrub habitat includes an initial study that will identify native plants in the Santa Ana Alluvial Scrub habitat that will best merit consideration for future propagation. In the future, these seeds sources can then be used for habitat mitigation activities in the area, using locally obtained resources. Typically, native plants are often replanted using natives that are not representative of the local genetic sources due to the lack of the availability of good local sources. The Forestry Service is seeking to generate local sources for these seed sources. Some specialized seeds can typically reach up to \$45.00 per pound. A discussion ensued regarding the District's monthly costs for Ms. Pierce's service contract, outreach and reimbursements to the District from the U.S. Forestry Service.

**A motion was made by Director Corneille and seconded by Director McDonald to Authorize the District's Participation Into a \$10,000 U.S. Forestry Service Grant Study to Improve the Use of Local Native Plant Sources for Potential Restoration Opportunities. The motion carried unanimously.**

Discussion continued. Mr. Neufeld stated that sometimes native plant seed are not available to re-populate the plants and a seed bank is a benefit to the District as well as the basin. Ms. Pierce reported Celeste Cantu, General Manager of SAWPA's delight regarding the project, as it is difficult to find local native plants, as the seeds differentiate from place to place. Ms. Pierce said the benefit of the project is to develop a local marketing model of the native plants, and that the grant is helping to identify which plants are viable for seed propagation.

## 6. UPCOMING EVENTS

This item was reviewed and discussed. After discussion, the following motions were made:

**It was moved by Director McDonald and seconded by Director Longville to Authorize Directors Aranda and Raley to Attend the Three Valley's Municipal Water District's Leadership Breakfast. The motion carried unanimously.**

**It was moved by Director McDonald and seconded by Director Wright to Authorize Director Aranda to attend the 2010 WESTCAS Annual Conference. The motion carried unanimously.**

## 7. CLOSED SESSION

**At 3:50 p.m., it was moved by Director Day and seconded by Director Wright to adjourn to Closed Session, Government Code Section 54957(b), to discuss a personnel matter. The motion carried unanimously.**

At 4:51 p.m., the meeting reconvened into Open Session, with no reportable action under Government Code 54957.1.

## 8. ADJOURN MEETING

At 4:51p.m., the meeting adjourned to the Board meeting scheduled for May 12, 2010, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Suite A, Redlands, CA.

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R. Robert Neufeld  
Secretary of the Board