

**CHINO BASIN WATER CONSERVATION DISTRICT  
REGULAR MEETING**

**District Office  
4594 San Bernardino Street  
Montclair, CA 91763**

**MONDAY; February 8, 2010**

**MINUTES**

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**INVOCATION** – President Parker gave the invocation.

**FLAG SALUTE** – President Parker led the audience in the flag salute.

**CALL TO ORDER** – The meeting was called to order at 11:05 a.m. by President Parker.

**ROLL CALL**

Board Members Present: Aldaco, De Haan, Jr., King, Parker, Reddick, Vanden Heuvel  
Board Members Absent: Hofer  
Staff and Visitors Present: General Manager (GM) Ulloa; Conservation Specialist II Schroeder; Conservation Specialist II Ficoni; Administrative Assistant Macy; Legal Counsel Brunick with Brunick, McElhaney & Beckett; Robert Wagner with Wagner and Bonsignore; Carl Welty, Jeff Veenema, and Erin Ezell with Claremont Environmental Design Group (CEDG); Albert Giacomazzi and Tony Traverso with AMG and Associates (AMG); and Ryan Shaw and Lisa Morgan-Perales with Inland Empire Utilities Agency (IEUA).

**CONSENT CALENDAR**

1. **Minutes – January 11, 2010 – Regular Meeting**  
**Minutes – January 27, 2010 – Facilities Committee Meeting**  
**Minutes – January 29, 2010 – Finance Committee Meeting**
2. **Financial Reports – January 2009.** Receive and file.
3. **AB1234 - Director and Staff Travel, Training and Meeting Report.** Receive and file CBWCD's Director and Staff Travel Training and Meeting Report reflecting business-related expenses incurred by the District.
4. **Inland Empire Utilities Agency Supplemental and Storm Water Recharge data sheets and 2009/2010 total well production chart.** Monthly data collection information for January 2010 and 2009/2010 total well production chart. Receive and file.
5. **Association of the San Bernardino County Special District membership meeting.** Authorize interested Board members and staff to attend ASBCSD's meeting on Monday, February 22, 2010 at 6:00 p.m. at El Rancho Verde Golf Club in Rialto, CA.
6. **Pacific Institute Conference.** Authorize interested Board members and staff to attend the Pacific Institute Conference from March 12-14, 2010 in Seattle Washington.

**Moved by Director Aldaco, seconded by President Parker, and carried on a 6-0-1 vote to approve Consent Calendar items 1 through 6.**

**AYES:** Aldaco, De Haan, Jr., King, Parker, Reddick, Vanden Heuvel  
**NOES:** None  
**ABSENT:** Hofer

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**ADDITIONS TO THE AGENDA** - None

**PUBLIC HEARINGS** - None

**PUBLIC COMMUNICATIONS** – None

**UNFINISHED BUSINESS** – None

**GENERAL INFORMATION – ORAL REPORTS**

The Board had requested information from Lisa Morgan-Perales, with IEUA, regarding the availability of recycled water. Ryan Shaw, an Associate Engineer with IEUA, attended the meeting to answer questions. He stated that IEUA's recycled water program, in terms of recharge, is approximately 10,000 acre feet projected to 24,000 acre feet in a 20/30 time frame. These projections will be included in the RMP. Another question was asked regarding the limit and amount of water that IEUA could take. He stated that there is no limit; that there is a pricing structure instead: Tier 1 and Tier 2. At this time IEUA can take about 60,000 acre feet at the Tier 1 price and any water taken afterwards would fall into the Tier 2 price range. Right now, the prices are approximate \$500 to \$600 per acre foot. Metropolitan Water District (MWD) is planning on raising these rates over the next few years.

Counsel Brunick asked, assuming that there is 70% project reliability and MWD allows IEUA to take 60,000 acre feet, does IEUA have a place to put the water? Mr. Shaw responded that 60,000 acre feet is usually delivered to IEUA. In terms of looking for replenishment for recharge purposes, right now, there is none available from MWD. It would be a Watermaster decision to purchase any water at the Tier 1 or Tier 2 rates and the water can be used for replenishment purposes. Counsel Brunick asked how much direct delivery water IEUA takes and Mr. Shaw responded that approximately 65,000 acre feet is received by direct delivery to treatment facilities, adding that no water has been received for recharge since 2007.

Director Reddick asked if the third year will be the "dry year yield" call. Mr. Shaw stated, "Most likely." Once the dry year reserve account is zeroed out and the obligation to MWD is met, there will be no remaining allocation. Right now, we are in the first year of the drought allocation and if, in the next few months, another dry year is called it will probably be at Tier 2. IEUA's allocation would then be approximately 68,000 acre feet.

Counsel Brunick asked if IEUA has customers for the 10,000 acre feet of recycled water at the present time and if anyone takes delivery of that water for landscaping. Mr. Shaw responded that IEUA does have customers for this water and that the water will be available specifically for recharge purposes. Counsel Brunick asked Mr. Shaw if he projected that the total will go up by 20/30 to 24,000 acre feet. Mr. Shaw stated that only the recharge portion of the water would increase and in terms of irrigation and customers it could go up to 90,000 acre feet depending on how much waste water IEUA receives.

Counsel Brunick asked at what ratio the 24,000 acre feet would be mixed. Mr. Shaw stated that IEUA has a permit from the Regional Board which allows them to put more recycled water into the ground and that it depends on how much storm water is gathered. The permit states that they now have a 10 year period, during which, the blending can occur. Mr. Shaw estimated the blending to be from 2:1 to 3:1 ratio but added that this would depend on the quality of the water.

Director Vanden Heuvel asked how much direct use of recycled water is being used right now, in addition to the 10,000 acre feet. Mr. Shaw replied, "13,000 acre feet." Actual usage is approximately 23,000 acre feet. There is approximately 32,000 acre feet of connected demand at this time if every potential customer takes all their water at the same time. Director Vanden Heuvel asked where IEUA is physically putting the 10,000 acre feet of recycled recharge water. Mr. Shaw stated that he would find out and provide that information later.

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**NEW BUSINESS**

(Item 8 & 9 were taken out of order before item 7)

8. **Facilities Improvement Program, Phase 2, Pre-Construction Funding.**

GM Ulloa gave the staff report. District staff has researched and interviewed several firms to assist in pre-construction services to ensure the District receives the best possible results from the bid process. AMG & Associates, Inc. (AMG) is staff's preferred consultant for pre-construction services and is also qualified to further assist in construction management after award of bid.

District staff and CEDG met with the Facilities Committee on January 27, 2010 to review Phase 2 and the changes requested by the City of Montclair during plan check and the Planning Commission hearing. The Facilities Committee unanimously supported proceeding with Phase 2 and with employing the services of AMG for the pre-construction services. The Committee also supported employing the services of AMG for construction management.

On January 29, 2010, District staff met with the Finance Committee to review the same information shared with the Facilities Committee on February 27, 2010 plus review all associated costs. The Finance Committee approved proceeding with final plan check through the city of Montclair and approved funding the pre-construction services with AMG. The Committee also agreed that once the process is complete, a recommendation for awarding the contract will be brought back to the Board for approval with the remaining consulting fees for the actual construction phase.

To continue with Phase 2, CEDG will finalize their efforts related to the Edison connection and resubmit the Phase 2 plans through the city of Montclair for final approval and AMG will begin their pre-construction efforts. Once final approval is received, the bid packages will be distributed. AMG will then review all submittals. The recommended bid and appropriately adjusted associated consultant fees will then be brought to the Board for approval. Once approved, construction will proceed.

Mr. Giacomazzi, from AMG, gave a presentation detailing AMG's services and answered questions. Counsel Brunick recommended a modification to the AMG Phase 2 pre-construction service agreement, striking paragraph 14.3 which deals with liability issues and adding additional insurance. The Board concurred with this change.

**Moved by Director Vanden Heuvel, seconded by Treasurer De Haan, Jr., and carried on a 6-0-1 vote to approve 1) funding CEDG to complete the engineering on the Edison Connection for \$3,500; 2) funding AMG for pre-construction services, including the modifications to the agreement, and bidding (reimbursable) costs for not-to-exceed \$20,000; 3) funding the plan check and permit fees associated with Phase 2 for an estimated not-to-exceed \$27,000; 4) transfer \$50,500 from unallocated reserves to the Capital Clearing Account 58000; and 5) authorize the General Manager to sign all necessary documents.**

**AYES: Aldaco, De Haan, Jr., King, Parker, Reddick, Vanden Heuvel**  
**NOES: None**  
**ABSENT: Hofer**

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9. **Facilities Improvement Program, Phase 3, Pre-Construction Funding**

GM Ulloa, gave the staff report. District staff and CEDG met with the Facilities Committee on January 27, 2010 to review the efforts to date involving the draft design of the Administration Building, the overall Phase 3 plan, and the projected associated budget.

The Facilities Committee unanimously supported the following:

- Proceed with the Phase 3 plan and present to the Board on February 8, 2010 for validation.
- Upon validation by the Board on February 8, 2010, CEDG will finalize the plans for the Administration Building, draft the plans for the Education Building, Lath House and Green House, understanding that the parking lot design will follow later. The balance of CEDG's requested funding will be brought back to the March Board meeting.
- Utilize AMG for preconstruction services to work with CEDG on the building designs and, later, proceeding with the bidding procedures.

District staff met with the Finance Committee on January 29, 2010 and reviewed the same information shared with the Facilities Committee on February 27, 2010 plus reviewed all associated costs.

For Phase 3, the Finance Committee supported the overall draft plan and the immediate funding of the preconstruction agreement services needed for finalizing the administration building remodel and expansion plans. The Committee recommended that the draft overview be brought to the Board for their approval. The Committee also approved proceeding with draft plans for the remaining buildings and associated CEDG funding along with preconstruction services funding. These funding items will be brought to a future Board meeting.

Mr. Veenema, from CEDG, gave a brief overview of the masterplan including the different phases of the Facilities Improvement Project. Mr. Veenema moved on to describe, in detail, the draft design of the Phase 3 Administrative Building. His associate, Ms. Ezell, then joined him to present an interactive media "walk-thru" of the Administration Building. CEDG also brought a mockup model of the building for the Board to view. The presentation was followed by Board discussion.

Director King noted that Board meetings are not densely visited and that possibly the Board room design could be smaller. He then stated that his vote, on this item, would be a "nay" vote. Conservation Specialist Figoni pointed out that the Board room will also serve as an adult education classroom for a variety of conservation oriented classes while the separate Education Building will serve only youth ranging from kindergarten thru the 12<sup>th</sup> grade. She gave a brief description of the program and of the numerous education buildings she has visited at other agencies. A dedicated area just for youth education is necessary to protect displays, materials, as well as protect children from unauthorized adult interaction.

Director Vanden Heuvel asked if there was a cost estimate for the interior work. He also expressed the importance that the District be able to fit its ongoing program expenses, regarding staffing, into the District's annual revenue stream with minimal reliance on investment revenue.

Director Aldaco expressed that it has taken a great deal of thought and processing to get the facilities program to this point. He believes that the District is on the right track with what has been determined thus far, pointing out that the direction the District is moving does not rule out necessary changes.

Director Vanden Heuvel stated that he did not like the draft design of the Board room. He would like the room redesigned so that the Board seating area is practical and includes minimal pomp and circumstance. Treasurer De Haan, Jr., President Parker, and Director Reddick concurred. Director King seconded Director Vanden Heuvel's concerns and added that he would like a design that allows Board and audience to view the same video screen at the same time. Mr. Veenema pointed out that the draft is not final and recommended that a workshop be organized to discuss a variety of interior design issues.

**Upon Phase 3 validation, moved by Director Vanden Heuvel, seconded by Treasurer De Haan, Jr., and carried on a 5-1-1 vote to approve 1) funding AMG for pre-construction services for \$22,533, 2) transfer \$22,533 from unallocated reserves to the Capital Clearing Account 58000, and 3) authorize the General Manager to sign all necessary documents.**

**AYES: Aldaco, De Haan, Jr., King, Parker, Reddick, Vanden Heuvel**  
**NOES: King**  
**ABSENT: Hofer**

***NOTE: The Board recessed from 12:56 p.m. until 1:05 p.m. to eat lunch.***

7. **Engineering Consultant Funding Increase.** Review of Recharge Master Plan efforts to date, projections and related budget issues.

Finance Committee Chair De Haan, Jr., GM Ulloa, and Robert Wagner gave the staff report. Mr. Wagner and Mr. Mark Wildermuth met on the afternoon of January 11, 2010 and again on January 28, 2010 to discuss future efforts regarding the RMP in order to ensure its successful completion for presentation to the court in July 2010. Following these meetings, Mr. Wagner compiled cost data and a work plan for the discussed efforts, as well as additional projects specific to the District and provided the information to District staff for presentation to the Finance Committee on January 29, 2010.

Upon review of Mr. Wagner's cover memo and projected costs through June 30, 2010, the Finance Committee unanimously supported forwarding the request to the February 8, 2010 Board meeting for approval.

**Moved by Director Vanden Heuvel, seconded by Director Aldaco, and carried on a 6-0-1 vote to approve 1) increasing the funding for engineering consulting by \$216,245 to cover the Recharge Master Plan effort through June 2010 and other District projects as needed, 2) transfer \$216,245 from unappropriated reserves to the Consulting account number 51300, and 3) authorize the General Manager to sign all necessary documents.**

**AYES: Aldaco, De Haan, Jr., King, Parker, Reddick, Vanden Heuvel**  
**NOES: None**  
**ABSENT: Hofer**

**CLOSED SESSION**

**The Board of Directors recessed to Closed Session at 1:50 p.m.**

CONFERENCE WITH LEGAL COUNCIL – EXISTING LITIGATION: Pursuant to Government Code Subdivision (a) of Section 54956.9; San Bernardino County Superior Court Case No. 164327; Chino Basin Municipal Water District v. City of Chino, et al. now Designated No. RCV 51010.

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CONFERENCE WITH REAL PROPERTY NEGOTIATORS: GC 54956.8  
Property: That portion of Lot 43 of Claremont Orange Tract, M.B. 17 / 87  
Agency Negotiator: Legal Council Brunick; Negotiating Parties: Unknown at this time  
Under Negotiation: Price and terms of payments

**NOTE: Director Reddick recused himself from the Real Property item and left the meeting at 2:08 p.m.**

**NOTE: Director Aldaco left the meeting at 2:11 p.m.**

**NOTE: Director Reddick was called back to the closed session meeting at 2:16 p.m.**

The meeting reconvened at 2:18 p.m.

Counsel Brunick reported that the Board met in closed session. Two items were discussed. No action was taken regarding the CBMWD v. City of Chino closed session item.

The Board met in closed session, regarding the Real Property item and moved to convey a sliver parcel of Lot 43 of the Claremont Tract to Monte Vista Water District for no consideration.

10. **Safe, Clean and Reliable Drinking Water Supply Act of 2010.**

Director Vanden Heuvel and GM Ulloa gave the staff report. The Board discussed the proposed water bond and took a position of support for the Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

**Moved by Director Vanden Heuvel, seconded by President Parker, and carried on a 6-0-1 vote to approve support of the 1) Safe, Clean, and Reliable Drinking Water Supply Act of 2010 and 2) authorize the General Manager to sign all necessary documents.**

**AYES: De Haan, Jr., King, Parker, Reddick, Vanden Heuvel**  
**NOES: None**  
**ABSENT: Hofer, Aldaco**

11. **FY2009/2010 Mid-Year Financial Review.**

Administrative Assistant Macy gave the staff report.

**Moved by Director Vanden Heuvel, seconded by President Parker, and carried on a 6-0-1 vote to approve the following staff recommendations to the FY09-10 Budget accounts:**

1. Interest Income account #41000 – Decrease by \$120,000 to bring account into alignment with current estimated interest income for FY 09-10.
2. Legal Notice Account #51230 – Transfer \$500 to unappropriated reserves.
3. Consulting Account #51300 – Transfer \$6,500 to Capital Clearing Expense Account #58000.
4. Education Grant Account #56320 – Transfer \$15,000 to unappropriated reserves.
5. Capital Clearing Account #58000 – Transfer \$21,200 to unappropriated reserves.

**AYES: De Haan, Jr., King, Parker, Reddick, Vanden Heuvel**  
**NOES: None**  
**ABSENT: Hofer, Aldaco**

12. **Revision to Investment Policy 19 – Portfolio Management Policies and Procedures.**  
Approve revised policy 19, effective February 8, 2010.

Administrative Assistant Macy gave the staff report.

**Moved by Director Vanden Heuvel, seconded by Treasurer De Haan, Jr., and carried on a 6-0-2 vote to approve the revisions to Investment Policy #19, reflecting current legal requirements, effective February 8, 2010.**

**AYES: De Haan, Jr., King, Parker, Reddick, Vanden Heuvel**  
**NOES: None**  
**ABSENT: Hofer, Aldaco**

### **DIRECTOR ORAL REPORTS**

#### President Parker

- President Parker met with Kathy Tiegs and Randy Reed this month.

#### Director Aldaco - Absent

#### Director Vanden Heuvel - None

#### Treasurer De Haan, Jr. - None

#### Vice President Hofer - Absent

#### Director King - None

#### Director Reddick

- Director Reddick announced that he will be retiring from Monte Vista Water District in March 2010.

### **STAFF ORAL REPORTS**

#### General Manager/Secretary's Report - None

#### Conservation Specialist III Zamora's Report - Absent

#### Conservation Specialist II Schroeder's Report - Absent

#### Conservation Specialist II Figoni's Report

- Diana Sholley from the Inland Valley Daily Bulletin will be at the District on Tuesday, February 9<sup>th</sup>, with a photographer to take photos of the District demonstration garden. She will be writing a story on the District's water wise landscape workshops.

#### Administrative Assistant's Report

- Please return the annual 700 form to Admin. Macy by March 31, 2010.

#### Attorney Bill Brunick – None

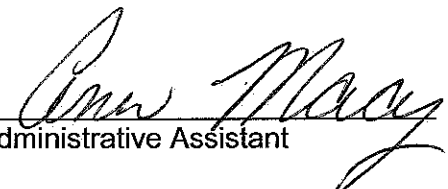
**ADJOURN**

**At 2:24 p.m. President Parker adjourned the meeting to the next Regular Meeting of the Chino Basin Water Conservation District to be held on Monday, March 8, 2010 at 11:00 a.m. at the District Headquarters.**

APPROVED AND ADOPTED THIS 8<sup>th</sup> DAY OF MARCH, 2010.

  
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Eunice M. Ulloa, General Manager/Secretary

ATTEST:

  
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Ann Macy, Administrative Assistant