

**CHINO BASIN WATER CONSERVATION DISTRICT
REGULAR MEETING**

District Office
4594 San Bernardino Street
Montclair, CA 91763

MONDAY; June 14, 2010

MINUTES

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 11:07 a.m. by President Parker.

ROLL CALL

Board Members Present: Aldaco, De Haan, Jr., Hofer, King, Parker, Vanden Heuvel
Board Members Absent: Reddick
Staff and Visitors Present: General Manager (GM) Ulloa; Conservation Specialist III Zamora;
Conservation Specialist II Schroeder; Conservation Specialist II Figoni;
Administrative Assistant Macy; Legal Counsel Brunick with Brunick,
McElhaney & Beckett; Lisa Perales with Inland Empire Utilities Agency
(IEUA); Jeffrey Veenema with CEDG; Albert Giacomazzi with AMG and
Associates; and Robert Wagner and Emily MacDonald with Wagner &
Bonsignore, Consulting Civil Engineers, Inc..

ADDITION TO THE AGENDA

Council Brunick requested that an item be added to the Closed Session portion of the agenda. This item came up after the agenda was published. In his opinion, there is potential litigation that could be filed by or against the District in the bid process of the multi-purpose building project.

Moved by Director Aldaco, seconded by Director Vanden Heuvel, and carried on a 6-0-1 vote to add the following to the Closed Session:
CONFERENCE WITH LEGAL COUNCIL – Pursuant to Government Code 54956.9; regarding potential litigation in the bid process.

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

CONSENT CALENDAR

1. **Minutes – May 5, 2010 – Education Committee Meeting**
Minutes – June 3, 2010 – Finance Committee Meeting
Minutes for the June 14, 2010 regular meeting were not complete at the time of Agenda preparation and will be provided at the July 2010 Board meeting for approval.
2. **Financial Reports – May 2010.** 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 May 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, June 21, 2010 at 6:00 p.m. at Silverlake Restaurant and Lounge in Helendale, CA.

GM Ulloa noted a correction to consent item #4. FY2009/2010 total well production is not available at this time and will be provided at a future date.

Moved by Director Aldaco, seconded by Director Vanden Heuvel, and carried on a 6-0-1 vote to approve Consent Calendar items 1 through 5.

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

The follow agenda item was moved with respect to time and schedules.

GENERAL INFORMATION – ORAL REPORTS

Lisa Perales, of IEUA, gave a brief update of her agency's water conservation activities and programs.

ADDITIONS TO THE AGENDA – See Above

PUBLIC HEARINGS - None

PUBLIC COMMUNICATIONS – None

UNFINISHED BUSINESS – None

NEW BUSINESS

6. **Fiscal Year 2009/2010 Budget Adjustments.** Amendment of FY 2009/2010 CBWCD Budget to more accurately reflect current and anticipated income and expenses.

Administrative Assistant Macy gave the staff report and answered questions. The Finance Committee met on June 3, 2010 and recommended the proposed FY 2009/2010 Budget adjustments.

Moved by Treasurer De Haan, Jr., seconded by Vice President Hofer, and carried on a 6-0-1 vote to approve the proposed Fiscal Year 2009/2010 Budget adjustments as follows:

Income Accounts:

- 1) **Property Tax accounts #40000 – No change in totals. Readjust sub accounts to bring into alignment with current estimated property tax revenue for FY 09-10.**
- 2) **Interest Income account #41000 - Decrease by \$25,500.00 to bring account into alignment with current estimated interest income for FY 09-10.**
- 3) **Grant Income account #44000 – Increase by \$58,849.18 to bring account into alignment with current estimated grant income for FY 09-10.**
- 4) **Miscellaneous Income account #49000 – Increase by \$5,877.87 to bring account into alignment with current estimated miscellaneous income for FY 09-10.**

Expense Accounts:

- 1) **Payroll Expense Accounts #50000 - Transfer \$239,625.00 to unappropriated reserves. FY 09-10 Budget included estimates for two interns that were not hired, an employee that resigned. Overall actual expenses were lower than originally anticipated.**

- 2) **Administration Expense Accounts #51000 – net impact reflects a decrease of \$220,717.24.**
 - **Accounting Fees #51100 - Carry forward \$7,200.00 to FY10-11. Transfer \$600 to unappropriated reserves.**
 - **Banking Fees #51150 – Transfer \$25.00 from unappropriated reserves.**
 - **Board Expense #51200 - Transfer \$16,366.74 to unappropriated reserves. Director activities were less than anticipated.**
 - **Consulting Expense #51300 - Carry forward \$34,000.00 to FY10-11. Transfer \$93,245.00 to unappropriated reserves.**
 - **Dues, Fees, Subscriptions #51400 – Transfer \$4,396.00 to unappropriated reserves.**
 - **Engineering Fees #51500 - Carry forward \$2,000.00 to FY10-11. Transfer \$4,156.50 to unappropriated reserves.**
 - **Legal Fees #51600 - Transfer \$24,000.00 to unappropriated reserves.**
 - **Office Expense #51700 - Transfer \$17,440.00 to unappropriated reserves.**
 - **Meeting Refreshment Expense #51800 – Transfer \$2,600.00 to unappropriated reserves.**
 - **Staff Expense #51900 – Transfer \$14,738.00 to unappropriated reserves.**
- 3) **Depreciation Expense #52000 - Transfer \$941.62 to unappropriated reserves.**
- 4) **Insurance Expense #53000 - Transfer \$9,564.56 to unappropriated reserves. Workman’s Compensation rates were lower than anticipated.**
- 5) **Operation Expense Accounts #54000 – net impact reflects a decrease of \$111,995.00. Transfer \$59,295.00 to unappropriated reserves. The following items were carried forward:**
 - **Fence #54200 - Carry forward \$41,000.00 to FY10-11.**
 - **Hardscape #54250 - Carry forward \$2,700.00 to FY10-11.**
 - **Irrigation Expense #54300 - Carry forward \$4,500.00 to FY10-11.**
 - **Landscape Maintenance #54350 - Carry forward \$4,500.00 to FY10-11.**
- 6) **Permits and Fees #55000 - Transfer \$50.00 to unappropriated reserves.**
- 7) **Public Education/Relations #56000 – net impact reflects a decrease of \$103,086.30.**
 - **Public Education/Relations #56000 – Transfer \$15,487.00 to unappropriated reserves. Advertising, critter expenses, Earth Day festival, and public education workshop costs were lower than anticipated.**
 - **Youth Education #56390 - Carry forward \$5,000.00 to FY10-11.**
 - **Community Events/Sponsorships #56400 - Transfer \$8,850.00 to unappropriated reserves.**
 - **Informational Materials #56500 – Carry forward \$1,600.00 to FY10-11. Transfer \$5,221.72 to unappropriated reserves.**
 - **Recycled Water Conversion Incentive #56550 - Transfer \$66,927.58 to unappropriated reserves.**
- 8) **Capital Clearing Account #58000 – net impact reflects a decrease of \$270,334.58**
 - **Carry forward \$280,182.11 to FY10-11 to account for open Purchase Orders and awarded contracts.**
 - **Transfer \$9,847.53 from unappropriated reserves to cover blueprint costs that were not previously budgeted and previously awarded contracts that were not carried forward from FY08-09 to FY10-11.**

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

The net impact to Income Accounts reflects an increase of \$39,227.05. The net impact to Expense Accounts reflects a decrease of \$956,314.30. The net impact of adjustments to the

overall FY09-10 Budget is an increase of \$995,541.35 to unappropriated reserves. All changes to the above major account categories will be spread to the appropriate sub accounts where necessary.

7. **Fiscal Year 2009/2010 Designated Funds Adjustments.** Amendment of FY 2009/2010 CBWCD Designated Funds to more accurately reflect current and anticipated areas of operation.

Item pulled.

8. **Fiscal Year 2010/2011 Budget.**

Treasurer De Haan, Finance Committee Chairman, and General Manager Ulloa gave a brief overview of the Finance Committee meeting on June 3, 2010.

Moved by Treasurer De Haan, Jr., seconded by Director Aldaco, and carried on a 6-0-1 vote to approve the proposed Fiscal Year 2010/2011 Budget.

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

9. **Selection of FY 2010/2011 Education Grant Award Recipients.**

President Parker, Education Committee Chair, gave an overview of the Education Committee's meetings on May 14th and 28th where all nine applicants were interviewed. Eight interviewees qualified for the Education Grant. The Committee recommended that all eight students receive an Education Grant for FY 2010/2011 for various amounts.

Moved by Education Committee Chair Parker, seconded by Director Vanden Heuvel, and carried on a 6-0-1 vote to award 1) an Education Grant of \$5,000 to Katherine Cabrera; 2) an Education Grant of \$2,500 to Daniela Martinez and Briana Romero; 3) an Education Grant of \$1,000 to Rodrigo Chipres, Joe Jackson, and John Hinshaw; and 4) an Education Grant of \$500 to Thomas Mac and Marcus Delgado.

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

10. **Consulting Agreement for Engineering Services.**

General Manager Ulloa gave the staff report. The RMP update has several required deliverables prior to final submittal in July 2010. The District, utilizing Mr. Wagner's expertise has taken responsibility for the creation of several sections within the RMP Update. That effort has continued through FY 2009/2010. The efforts of Mr. Wagner, to date, have chiefly been focused on storm water capture issues within the Recharge Master Plan Update process. Now that the RMP Update process is nearly complete, there is an opportunity to concentrate on other special projects such as, improvements to District's recharge system and a potential project along the San Antonio Creek Channel, as well as possible implementation projects related to the RMP Update effort.

Mr. Wagner gave a brief review of his proposed Consulting Services Agreement and what projects it will cover.

Director Vanden Heuvel requested that, when Mr. Wagner's work is finished on the RMP, a workshop or regular meeting be dedicated where Mr. Wagner will give the Board a full analysis of Mark Wildermuth's modeling work. Director Vanden Heuvel recapped the modeling process in the Chino Basin. It has been a concern of his that the entities governing the Chino Basin have been heavily dependent on the work of one firm to model the entire Basin. The modeling is a huge complicated piece of work and another set of specially trained, qualified eyes, is important. The District has asked Mr. Wagner to take and analyze the modeling work, using his professional skills,

and give his opinion on its accuracy so the Board can be comfortable that Mr. Wildermuth's work is in the right neighborhood, as is expected. Decisions that will impact generations to come will be made based on this modeling work. Director Vanden Heuvel concluded by reviewing the history and purpose of the RMP effort.

Moved by Director Aldaco, seconded by Vice President Hofer, and carried on a 6-0-1 vote to approve 1) a Consulting Services Agreement with the firm of Wagner & Bonsignore for FY 2010/2011 for \$210,000 and 2) authorize the General Manager to sign all necessary documents.

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

11. **City of Upland Request for Right of Way and Fencing Setbacks at College Heights East Basin.**

Conservation Specialist Schroeder gave the staff report. Representatives from the City of Upland met with District staff and expressed their desire to acquire a right-of-way along the District's property at College Heights East Basin on the north side of Arrow Route. The right-of-way is needed for planned street, sidewalk construction, and other improvements. The Board discussed possible issues that may need to be addressed as the project moves ahead. Vice President Hofer stated that the letter of good faith specifically call out the District's concerns about the engineering of the road between the two basins and directed staff to have Council Brunick review the letter before it is signed and sent.

Moved by Director Aldaco, seconded by Vice President Hofer, and carried on a 6-0-1 vote to approve "in good faith" to support, in concept, dedicating the requested right of way at College Heights East Basin to the City of Upland provided that they prepare all the required legal documentation and provide adequate detailed information and engineering drawings to satisfy the District's required fencing needs.

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

NOTE: The Board recessed at 12:12 p.m. for a lunch break and reconvened at 12:19 p.m.

DIRECTOR ORAL REPORTS

Director Aldaco

- Thanked staff for the Birthday card and wishes.

Director Vanden Heuvel

- Thanked staff for the Birthday card and wishes.

President Parker - none

Treasurer De Haan, Jr.

- Thanked GM Ulloa and Administrative Assistant Macy for their diligent work on the FY 2009/2010 and the FY 2010/2011 Budgets.

Vice President Hofer

- Put an exclamation on the points Director Vanden Heuvel made in agenda item #10.

Director King

- Wished Director Aldaco and Director Vanden Heuvel Happy Birthday

Director Reddick - Absent

STAFF ORAL REPORTS

General Manager/Secretary's Report

- GM Ulloa praised staff for their hard work to finish the agenda, prepare for the Board meeting, and making sure that the District ran smoothly while she was on vacation.

Conservation Specialist III Zamora's Report

- LEAP Activities:
 - The LEAP team has completed 283 landscape audits to date with a potential water savings of 1508 AFY.
 - There are currently six sites to be scheduled for audits and two sites pending audits.
- Professional Landscape Classes:
 - CBWCD began teaching the CA Friendly Landscape Training Classes for Professionals in English this month with 25 students in attendance.

The Board entered into a discussion regarding the Landscape Training Classes provided by the District. Ms. Perales, from IEUA, updated the Board on the status of the Metropolitan Water District (MWD) sponsored classes. GM Ulloa noted that the District funds its own landscape classes and that the status of MWD's sponsorship funding will have no effect on CBWCD's landscape class programs. Conservation Specialist Zamora will be teaching the CA Friendly Landscape Training Classes for Professionals from this point forward. Conservation Specialist's Figoni, Schroeder, and Zamora are teaching the Residential Water Wise Landscape Workshops at this time. President Parker encouraged staff to keep in communication with other local agencies regarding their landscape training programs.

Director Vanden Heuvel brought up his concern about heavily grassed and overwater public spaces. He suggested that staff develop a strategy for approaching cities to deal with their existing water guzzling landscapes. The Board discussed this issue and possible solutions. Director Vanden Heuvel asked that, before the District approaches local cities, staff identify the types of common areas the District would target and then make a list of landscape alternatives, including the cost of the conversion and the operational savings of each alternative. He would like this information to be presented to the Board for further discussion and possible allocation of monies to offer cities as an incentive to make such changes. Vice President Hofer stated that he has some experience in this area and would commit some time to help staff with this project.

Conservation Specialist II Schroeder's Report – Absent: Leading a garden tour.

Conservation Specialist II Figoni's Report

- Press Releases for "Dog Day in the Park" were published in the Chino Champion and Daily Bulletin.
- Other Outreach
 - Conservation Specialist Figoni wrote an article about the District for the front page of WEWAC's website. It will be showcased through the month of June.
 - Work on the new District website continues.
- A Dog Day in the Park was a success. About 200 people attended the event.
- Landscape Workshops:
 - Conservation Specialists Figoni and Schroeder taught the Residential Landscape Workshop titled "Preparation and Design" on June 5, 2010. The class had the maximum attendance.
 - Conservation Specialist Figoni will be teaching the July 17, 2010 Composting Workshop.

NOTE: Director Vanden Heuvel left the meeting at 12:50 p.m. and returned at 12:52 p.m.

Administrative Assistant's Report

- The Annual Audit of District financial record is scheduled for August 5-6, 2010.

Attorney Bill Brunick – None

CLOSED SESSION

The Board of Directors recessed to Closed Session at 12:55 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.

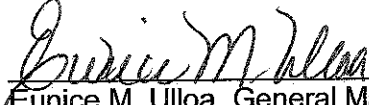
CONFERENCE WITH LEGAL COUNCIL – Pursuant to Government Code 54956.9; regarding potential litigation in the bid process.

The meeting reconvened at 1:24 p.m. Counsel Brunick reported that the Board met in closed session and voted unanimously to reject all bids on the multi-purpose building project, to rebid the project, appropriate an additional \$10,000 for support of the consultants, and to eliminate the pre qualification process for contractors.

ADJOURN

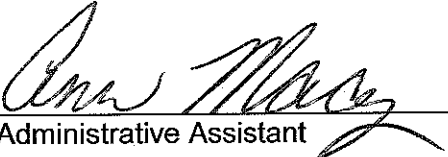
At 1:26 p.m. President Parker adjourned the meeting to the next Regular Meeting of the Chino Basin Water Conservation District to be held on Monday, July 12, 2010 at 11:00 a.m. at the District Headquarters.

APPROVED AND ADOPTED THIS 12th DAY OF JULY, 2010.



Eunice M. Ulloa, General Manager/Secretary

ATTEST:



Ann Macy, Administrative Assistant