

**CHINO BASIN WATER CONSERVATION DISTRICT
REGULAR MEETING**

District Office
4594 San Bernardino Street
Montclair, CA 91763

MONDAY; February 14, 2011

MINUTES

INVOCATION – Director Vanden Heuvel 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., Hofer, King, Parker, Reddick, Vanden Heuvel

Board Members Absent: None

Staff and Visitors Present: General Manager (GM) Ulloa; Conservation Specialist III Zamora; Conservation Specialist II Schroeder; Conservation Specialist II Figoni; Administrative Assistant Macy; Legal Council Brunick with Brunick, McElhaney & Beckett; Lisa Morgan-Perales with Inland Empire Utilities Agency (IEUA); Jeff Veenema with Claremont Environmental Design Group (CEDG); and Tony Traverso and Rohit Prashir with AMG and Associates, Inc. (AMG).

The following agenda item was taken out of order to accommodate Ms. Perales' schedule.

GENERAL INFORMATION – ORAL REPORTS

Lisa Perales, IEUA Water Resources Analyst

- Ms. Perales announced that the free nozzle rebate program, www.freesprinklernozzles.com, will be implemented on March 1, 2011 and will extend into the first or second week of May 2011.
- Ms. Perales stated that the Turner Basin / Guasti Park project is moving along. IEUA is working on three grant applications at this time.

PRESENTATIONS

Education Committee Chair Parker presented the award to the winner of the District's annual "Art/Poster Contest" 7-12th Grade Category for FY 2010/2011. Rachel Luttig was awarded \$250 for her winning entry. Her instructor Ms. Rowe received a certificate for \$1,000 for classroom instructional supplies from the District. Photos were taken in the Board room and in the demonstration garden.

- 7-12th Grade Category – Chaffey High School (Chaffey High SD)
 - Student – 12th Grade: Rachel Luttig
 - Instructor: Jean Rowe

The Board recessed briefly from 11:19 a.m. to 11:24 a.m. to take pictures with the students in the demonstration garden.

President Parker presented Administrative Assistant Macy with a Certificate of Completion of ACWA-JPIA's four year Professional Human Resources Development Program.

CONSENT CALENDAR

1. **Minutes – January 10, 2011 – Regular Meeting**
Minutes – February 2, 2011 – Finance Committee Meeting
2. **Financial Reports – January 2011.** 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. **Urban Water Institute's Spring Conference.** Authorize interested Board members and staff to attend the conference on April 19-20, 2011 at the Irvine Marriott Hotel in Irvine, CA.

Moved by Vice President Hofer, seconded by Director Reddick, and carried on a 7-0-0 vote to approve Consent Calendar items 1 through 4.

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

GENERAL INFORMATION – ORAL REPORTS (continued)

Anthony Traverso and Rohit Prashir: Construction management staff from AMG & Associates, Inc.

- Mr. Traverso gave a brief update of the Mixed-Use Building Project. The project is running nine days ahead of schedule and under budget. There are no major issues to contend with at this time.

Director Vanden Heuvel left the meeting at 11:35 a.m. and returned at 11:37 a.m.

ADDITIONS TO THE AGENDA

Conservation Specialist Zamora requested that one item be added to the agenda due to the fact that it needs to be addressed before the next Board of Directors meeting: Item 12 - Future Contractual Agreements for Waterwise Classes.

Moved by Vice President Hofer, seconded by Director De Haan Jr., and carried on a 7-0-0 vote to add requested item 12 to the agenda.

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

PUBLIC HEARINGS – None

PUBLIC COMMUNICATIONS – None

UNFINISHED BUSINESS – None

NEW BUSINESS

5. **Chino Basin Water Conservation District's FY 2009-2010 Annual Financial Statements and Auditor's Report.**

The Finance Committee met on February 2, 2011 to review the financial reports with auditor Chris Brown from Charles Fedak and Co., Inc. and to review the auditors recommendations. Due to the expansion of the District's facilities, auditor Chris Brown recommended that the District begin recording fixed assets in Creative Solution's Fixed Asset Program. The Committee recommended approval of the Fiscal Year 2009-2010 Financial Statements and auditor's report, and the purchase and implementation of Creative Solution's Fixed Asset Program.

Director Vanden Heuvel left the meeting at 12:01 p.m. and returned at 12:03 p.m.

Moved by Treasurer De Haan, Jr., seconded by Vice President Hofer, and carried on a 7-0-0 vote to approve 1) the District's Annual Financial Statements covering Fiscal Year 2009-2010 and accept the auditor's report as complete, 2) the purchase of CS Professional Suite's Fixed Asset program as recommended by the District's auditors, and 3) transfer \$1,600 from unallocated reserves to Computer/Technical Support Account #51765 for the purchase of the asset program.

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

6. **Revision to Investment Policy #19 – Portfolio Management Policies and Procedures.**

Approve revised policy 19, effective February 14, 2011.

Administrative Assistant Macy gave the staff report. District Council McElhaney reviewed the District's Investment Policy #19 and suggested changes to provide greater clarity and to more closely track the statutory requirements. Other changes were made to correctly cite California Government Codes in section D.

Moved by Vice President Hofer, seconded by Director De Haan, Jr., and carried on a 7-0-0 vote to approve the revision to Investment Policy #19, reflecting current legal requirements, effective February 14, 2011.

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

7. **Mid-Year FY 2010-2011 Financial Review.**

Administrative Assistant Macy gave the staff report. While reviewing the midyear FY10-11 Budget, staff identified several budgeted items that were out of alignment.

Moved by President Parker, seconded by Director De Haan, Jr., and carried on a 7-0-0 vote to approve the following staff recommendations to the FY10-11 Budget Accounts.

- 1) Elections Account #51220 – Transfer \$90,000 to unappropriated reserves.
- 2) Legal Notice Account #51230 – Transfer \$500 to unappropriated reserves.
- 3) Bonding Account #53100 – Transfer \$475 from unappropriated reserves.
- 4) Hardscape Account #54250 – Transfer \$2,700 to unappropriated reserves.
- 5) Youth Education Account #56390 – Transfer \$5,000 to unappropriated reserves.

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

8. **State of the Santa Ana River Watershed Conference.**

General Manager Ulloa gave the staff report. In December of 2009 the District participated in this event at the Silver Sponsorship level. This level of sponsorship provides for a table of ten attendees, advertisements, and exhibit space. The Board discussed sponsorship opportunities. The Board decided to sponsor the event at the Garnet level for \$1,000 which provides recognition on electric and static signage, exhibit space for a 10' x10' booth, and four event tickets.

Moved by Director Vanden Heuvel, seconded by Director De Haan, Jr., and carried on a 7-0-0 vote to approve a Garnet level sponsorship for the amount of \$1,000 and 2) authorize the General Manager to submit the appropriate forms with the corresponding payment.

9. **Funding for Mixed-Use Building Change Orders (Request #2)**

Conservation Specialist Figoni gave the staff report. Mr. Traverso, of AMG, reviewed five additional change orders for the Mixed-Use Building project.

Moved by Director Vanden Heuvel, seconded by Director De Haan, Jr., and carried on a 7-0-0 vote to approve 1) funding Sea West Enterprises, Inc. for change orders in the amount of \$20,899 and 2) authorize the General Manager to sign all necessary documents.

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

10. **Parcel Merger or Lot Line Adjustment Required for Renovation and Expansion of Administration Building**

Conservation Specialist Figoni gave the staff report. The District property currently consists of two parcels. The proposed expanded Administration Building will straddle an existing property line that separates the two parcels, which the City of Montclair will not allow. The Board discussed the merits of implementing either a parcel merger or lot line adjustment to the property located at 4594 San Bernardino Street in Montclair, California, required in order to renovate and expand the Administration Building.

Moved by Director Vanden Heuvel, seconded by Vice President Hofer and carried on a 6-1-0 vote to approve 1) funding of fees for a lot line adjustment as directed by the Board of Directors, not to exceed \$8,000, 2) transfer \$8,000 from unallocated reserves to the Capital Clearing Account 58000, 3) send a letter to the City of Montclair that outlines the amount of investment the District is making in Montclair, asking them to wave their fees (~\$950), and 4) authorize the General Manager to sign all necessary documents.

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

11. **Cost Estimate Review for the Administration and Education Buildings**

Conservation Specialist Figoni and Tony Traverso, with AMG, gave the staff report. The Board reviewed the cost estimates for the upcoming Administration and Education Building projects. During discussion of the upcoming facilities projects and upgrades the Board decided that further information was necessary and directed staff to organize a Board workshop dedicated to the upcoming facilities projects.

Staff was directed to contact the San Bernardino County Assessor's office and request a property tax income projection, two to three years ahead. CEDG is also performing a cost benefit analysis, for this geographical area, of each water saving recommendation that the new facilities will demonstrate.

12. **Future Contractual Agreements for Waterwise Classes.** Board ratification of Education Committee recommendation.

Conservation Specialist Zamora gave the staff report. CBWCD is being recruited to teach Waterwise classes for a fee. The Education Committee met on February 11, 2011 and is recommending approval of contractual agreements for Waterwise classes.

Moved by Director Vanden Heuvel, seconded by Vice President Hofer and carried on a 7-0-0 vote to approve 1) the Education Committee's recommendation to provide contracted teaching services and 2) authorize the General Manager to sign all necessary documents.

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

The Board recessed from 12:56 p.m. until 1:03 p.m. for lunch.

DIRECTOR ORAL REPORTS

Director Aldaco - None

Director Vanden Heuvel

- Attended the Southern California Water Committee quarterly meeting on January 20, 2011.
- Attended the recognition dinner for Robert DeLoach on January 21, 2011 and presented him with a commendation from the District. It was a delightful and well organized event.
- Attended the Recharge Dilemmas for Water Managers Conference: Water Resources Issues in Southern California: by AGWA on February 7, 2011. This conference was mostly geared toward engineers and professionals.

Director Vanden Heuvel left the meeting at 1:14 p.m. and returned at 1:19 p.m.

Director Aldaco left the meeting at 1:17 p.m.

President Parker

- Attended the Association of San Bernardino County Special Districts (ASBCSD) monthly meeting on January 17, 2011. The District and its education programs were mentioned numerous times by the speaker. President Parker congratulated Conservation Specialist Figoni on a job well done.
- President Parker did not attend the recognition dinner for Robert DeLoach on January 21, 2011.

Treasurer De Haan, Jr. - None

Vice President Hofer

- The Center for Biological Diversity (Center) has repeatedly engaged in litigation to compel the U.S. Fish and Wildlife Service to designate habitat areas for the Santa Ana Sucker Fish. After the most recent lawsuit was settled in 2007, the Center decided that the settlement was not accurate and sued again about a year and a half ago. The Basin's legal representatives attempted to sooth concerns stating that this lawsuit would come to nothing, that it had no validity, and that it had been settled. Nothing could be further from the truth. The U.S. Fish and Wildlife Service

has decided that the Center's viewpoint is valid and is therefore reopening the lawsuit. Most recently the Center has stated that the Santa Ana Sucker Fish has been maligned and mistreated by the occupants of the Chino Basin. This could immediately impact anything that touches the Santa Ana river physically including, bridges, aqueducts, and Seven Oaks Dam. This lawsuit has the ability to impact the whole Chino Basin. This will be an enormous legal fight. Council Brunick stated that the U.S. Fish and Wildlife Service and Center for Biological Diversity would most likely be the ones fighting on behalf of the Santa Ana Sucker Fish. These groups will probably be opposed by the Department of Water and Resources and Orange County. Vice President Hofer stated that any elected official who has an interest in water needs acknowledge this as a critical issue and become involved. A great deal of money and work is at risk. He suggested that the Directors monitor this issue. Vice President Hofer strongly believes that this lawsuit is a frivolous action that does nothing but waste money that has already been invested and will impact the future of the Chino Basin for a long time to come.

Director King

- Director King asked staff to research the requirements for filing of the District's salary and compensation information to the State Controller and make sure it is done.

Director Reddick - None

STAFF ORAL REPORTS

General Manager/Secretary's Report

- Attended the ASBCSD monthly meeting on January 17, 2011
- A status report from Robert Wagner has been distributed to the Directors. A potential project has been identified and will be brought before the Board in closed session at the Regular Board meeting on March 14, 2011.
- Watermaster has requested that Mr. Wagner become involved again in the Recharge Master Plan update as far as MZ3 is concerned with projects that he had identified and that could be updated to capture more rainwater.

Conservation Specialist III Zamora's Report

- The LEAP team has completed 67 audits under the new program with a potential water savings of 47 acre foot per year (AFY).
 - Within the District's service area: 41
 - Outside the District's service area: 26
 - Single Family Audits: 40
 - CII Audits: 27 were completed within the District's service area and 26 were completed outside the service area.
- Two one day Professional Landscape Classes are planned for April 21, 2011 and May 19, 2011. These will be held at the City of Upland under the new agreement with IEUA.

Conservation Specialist II Schroeder's Report - None

Conservation Specialist II Figoni's Report

- Press Releases / Articles
 - January 2011 – Press release on the District's Preparation and Design Workshop was run in the Daily Bulletin and Chino Champion.
- Other Outreach
 - Gave a presentation for the Upland Heritage Home group on February 6, 2011.
 - CBWCD has partnered with San Bernardino Valley Municipal Water District, California State University San Bernardino, Inland Empire Utilities Agency, Rancho Santa Ana Botanic

Garden, Western Municipal Water District, Eastern Municipal Water District, and Home Depot.

- The goal of this multi-agency partnership is to promote drought tolerant plants to residents in the Inland Empire in an effort to conserve water.
- The District will hold an event at the CBWCD garden teaching workshops and supporting special parking lot sales located in our District.
- Our District cities/agencies appreciate this event.
- We are the go to agency for water-wise Workshops
- The outreach materials will advertise our garden closing event which will be on May 14, 2011
- Promotions for 2011 workshops are ongoing. At the March 19, 2011 Vegetable Gardening Workshop there will also be a mulch giveaway.
- CBWCD's Facebook site now has 118 friends (up 48 from last month). On the site's additional page 41 people "like" the District.
- The new website is coming along and should be finished soon.
- Landscape Workshops outreach
 - Preparation Design & Irrigation Workshop was held on January 22, 2011. Turn out was excellent.
 - A few classes are already lined up for the new IEUA contract.
 - Staff members have been asked to teach classes in other cities.
- Construction Update
 - Construction on the Mixed Use Building is moving along quickly and smoothly.
 - The District is interviewing interior design and exhibit design firms for the Administration Building.
 - Half a dozen estimates have been gathered for the move to the Mixed Use building.
- Other
 - President Parker presented a giant ceremonial check at Monte Vista Water District Board Meeting on Wednesday, January 12, 2011, for the Recycled Water Retrofit Program.
 - This year's Earth Day Festival will be smaller, but just as good.

Administrative Assistant Macy's Report

- Directors were reminded to update their insurance reimbursement paperwork annually.
- A backflow device was stolen from the south side of the Administration Building. Staff has filed a police report and a claim with ACWA-JPIA.

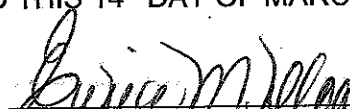
Attorney Bill Brunick - None

CLOSED SESSION - None

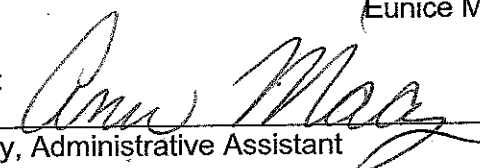
ADJOURN

President Parker adjourned the meeting at 1:45 p.m. to the next regular meeting of the Chino Basin Water Conservation District scheduled for Monday, March 14, 2011, 11:00 a.m. at the District Headquarters.

APPROVED AND ADOPTED THIS 14th DAY OF MARCH, 2011.


Eunice M. Ullba, General Manager/Secretary

ATTEST:


Ann Macy, Administrative Assistant