

MINUTES OF A BOARD WORKSHOP

December 13, 2011 at 4:00 P.M.

Directors Present:

Bruce Granlund, Vice President
Ian Cuthbertson, Director
Lonni Granlund, Director
Hank Wochholz, Director

Staff Present:

Joseph Zoba, General Manager
Vicky Elisalda, Controller
Jennifer Ares, Resource Sustainability Manager
John Hull, Public Works Manager
Brent Anton, Engineering Project Integrator
Matt Harward, Deputy Manger of Water Resources
Kevin King, Operations Manager

Directors Absent:

Jay Bogh, President

Consulting Staff Present:

David Wysocki, Legal Counsel

Registered Guests and Others Present:

Bill Dickson, San Gorgonio Pass Water Agency
Ray Morris, San Gorgonio Pass Water Agency
Dick Siegmund, Customer
Rob Coleman, Customer

The items listed below were presented for discussion.

- I. Call to Order - 4:00 p.m.
- II. Public Comments - General Manager Joseph Zoba recognized the members of the public in attendance. No public comments were provided.
- III. Staff Comments - General Manager Joseph Zoba provided a brief overview of the property owned by the District throughout the service area.
- IV. Discussion Items
 - A. Adoption of Resolution No. 21-2011 - A Resolution of Necessity Authorizing an Action of Eminent Domain for Approximately 2.0 Acres for Reservoir R-16.2 and Associated Easement (Portions of Assessor's Parcel Numbers 0321-101-20 and 0321-101-02) [Workshop Memorandum No. 11-180 - Page 3 of 152] - General Manager Joseph Zoba and Legal Counsel David Wysocki provided information to the Board that the subject property was secured and a grant deed and easement deed recorded on Monday, December 12, 2011. Therefore there was no need to adopt Resolution No. 21-2011 as originally recommended.
- V. Presentations
 - A. Review of the Draft 7th and 8th Annual Reports of the Beaumont Basin Watermaster [Workshop Memorandum No. 11-181] - General Manager Joseph Zoba provided a summary of the 7th and 8th annual reports of the Beaumont Basin Watermaster.
 - B. Overview of Commercial Sewer Rate Structure [Workshop Memorandum No. 11-182 - Page 71 of 152] - General Manager Joseph Zoba provided an overview of the proposed changes to the commercial sewer rates. Based on public input and comments from the Board Members, additional information and a further analysis

of the rate schedule will be provided at the Board Workshop on January 10, 2012.

- VI. Capital Improvement Projects
 - A. Status Report on the Construction of the Crow Street Pipeline Facilities [Workshop Memorandum No. 11-183] - Engineering Project Integrator Brent Anton provided an overview of the Crow Street Pipeline Project.
 - B. Status Report on the Construction of the Yucaipa Valley Regional Brineline [Workshop Memorandum No. 11-184] - Engineering Project Integrator Brent Anton provided an overview of the Yucaipa Valley Regional Brineline Project.
 - C. Status Report on the Construction of the R-10 Reservoir Complex [Workshop Memorandum No. 11-185] - Engineering Project Integrator Brent Anton provided an overview of the R-10 Reservoir Project.
 - D. Status Report on the Construction of the Wochholz Improved Salinity Effluent (WISE) Project [Workshop Memorandum No. 11-186] - Operations Manager Kevin King provided an overview of the WISE project at the Wochholz Regional Water Recycling Facility.
- VII. Development Issues
 - A. Sewer Mainline Reimbursement for Commercial Development Located on 5th Street, Calimesa (APN 411-180-025) - Bill Dickinson [Workshop Memorandum No. 11-187] - General Manager Joseph Zoba provided an overview of the proposed development agreement for the commercial project on 5th Street.
 - B. Overview of Proposed Sewer Service Connection for Commercial Development at Yucaipa Boulevard and 15th Street [Workshop Memorandum No. 11-188] - General Manager Joseph Zoba provided an overview of the proposed development agreement for the commercial project on 15th Street.
- VIII. Administrative Issues
 - A. Unaudited Financial Report for November 2011 [Workshop Memorandum No. 11-189] - Controller Vicky Elisalda provided an overview of the unaudited financial report for November 2011.
- IX. Director Comments - Director Ian Cuthbertson commented on the commercial sewer rate structure proposal.
- X. Closed Session
 - A. Conference with Real Property negotiator(s) (Government Code 54956.8)
Property: Assessor's Parcel Number: 301-201-29
Agency Negotiator: Joseph Zoba, General Manager
Negotiating Parties: Palmer General Corporation
Under Negotiation: Terms of Payment and Price
 - B. Conference with Labor Negotiator (Government Code 54957.6)
District Negotiator: Joseph Zoba, General Manager
Employee Organization: Exempt Employee Bargaining Unit
Director Bruce Granlund, Director Ian Cuthbertson, Director Lonni Granlund, and Director Hank Wochholz were present in closed session along with Legal Counsel David Wysocki and General Manager Joseph Zoba.

The Board Members reconvened out of closed session into open session and Legal Counsel David Wysocki reported that direction was provided to the General Manager but no reportable action was taken in closed session.

XI. Adjournment - The meeting was adjourned at 6:10 p.m.

Respectfully submitted,

Joseph B. Zoba, Secretary

(SEAL)