

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF MARCH 9, 2022
1:30 p.m.

President McDonald called the Board of Directors meeting to order at 1:30 p.m. by in-person, teleconference, and Zoom meeting. Mr. Cosgrove reviewed the procedures in which the hybrid meeting would proceed. All those in attendance stood for the pledge of allegiance led by President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Richard Corneille, Vice President
Robert Stewart, Director
David E. Raley, Director

BOARD MEMBERS ABSENT:

John Longville, Director

GENERAL COUNSEL PRESENT:

David Cosgrove, District Counsel

STAFF PRESENT:

Daniel Cozad, General Manager
Betsy Miller, Land Resources Manager/Assistant General Manager
Milan Mitrovich, Land Resources Manager
Erwin Fogerson, Senior Engineer/Project Manager
Katelyn Scholte, Assistant Engineer
Angie Quiroga, Administrative Analyst
Anna Frey, Intern
Jazmin Serrato, Intern

GUESTS PRESENT:

T. Milford Harrison, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Paul Kielhold, San Bernardino Valley Municipal Water District
Willow Green, Tetra Tech
David E. Smith, East Valley Water District

1. PUBLIC PARTICIPATION

President McDonald announced that any persons present, who so desired, may make an oral presentation to the Board of Directors. There being none, the meeting continued with the posted agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

Ms. Miller introduced staff present and the guests listed above introduced themselves.

4. AD HOC COMMITTEE APPOINTMENTS

President McDonald appointed Vice President Corneille and Director Raley to the Ad Hoc Audit Committee.

5. PUBLIC HEARING RELATED TO REDISTRICTING

Mr. Cosgrove indicated that this is the second public hearing with respect to redistricting. The District has been reviewing the 2020 census, per Election Code section 22001, in order to realign the Districts' division boundaries based on data from the 2020 census. In January and February, the Board reviewed various division scenarios updated to reflect changes in population and provided direction to staff to provide additional scenarios with certain refinements. Today's presentation included scenarios three through seven for public review and comment. The associated Board memo and updated scenarios on package page 7 were reviewed and discussed. Mr. Cosgrove reviewed the criteria defined by the statute that must be considered during the redistricting process. Resolution No. 597 was shown on package page 21 for review and approval to adopt a final scenario. All scenarios and information have been posted on the District website for public review. At this time, staff has not received any public comment for consideration. Staff recommends the Board approve Scenario 7 as the District's realigned boundaries, and open the public hearing and take any comment. If there is no public comment, staff recommends approval of the resolution as presented. Mr. Cosgrove noted that once a scenario is approved, legal descriptions will be submitted to the Registrar of Voters as noted in Section 2 of the resolution.

President McDonald opened the public hearing. She asked if any public wished to comment on the scenarios presented and information provided, and thanked Ms. Frey for her efforts on the redistricting project. Mr. Cosgrove noted that no public comment was received. There being no public comment or testimony, President McDonald closed the public hearing.

Vice President Corneille spoke in regard to the population discrepancy between divisions, and asked staff if it was possible to have more similar population numbers between the scenarios. Ms. Frey indicated that the scenarios reflect that most similar population numbers possible while incorporating the suggestions received from the Board. Mr. Cosgrove noted that the variance is within the legal limits set by the election code. Vice President Corneille prefers Scenario 4, but if it the consensus of the Board he will support Scenario 7. He said that Divisions 1 and 2 are now switched and asked if it would make a difference referring to elections. Mr. Cosgrove discussed the legal criteria for divisions and indicated that Scenario 7 is within the legal parameters. Director Stewart spoke in support of Scenario 7, and thanked Ms. Frey for her efforts.

It was moved by Vice President Corneille and seconded by Director Raley to adopt Scenario 7 and Resolution No. 597. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

6. CONSENT CALENDAR

It was moved by Vice President Corneille and seconded by Director Raley to approve the Consent Calendar: Item A: Special Board Minutes, February 2, 2022; Item B: Board Minutes, February 9, 2022; Item C: Expenditure Report, February 2022; and Item D: Resolution No. 598 Remote Meetings Per AB 361. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

7. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORT, FEBRUARY 2022

Ms. Miller introduced this item for discussion, noting its inclusion on package page 47. She indicated that the interest income continues to be below budget due to market factors and the larger numbers associated with the Wash Plan are for state and waters permitting fees, permitting repayments from Wash Plan Task Force members, and Wash Plan implementation expenses. There are slightly higher expenses for Redlands Plaza due to higher maintenance costs and under General Administration related to onboarding staff. Director Stewart asked if the revenue for GL 4025 Wash Plan Revenue was for the prior budget year or multiple budget years. Mr. Cozad said that the District is advancing funds to the Wash Plan for the completion of permitting, and then the District will receive repayment. This is for internal tracking purposes. Vice President Corneille asked for clarification regarding groundwater revenue allocations. Mr. Cozad indicated that next year this will change and there will only be two revenue allocations for the groundwater revenue. Vice President Corneille asked why the permitting seems to be overbudget. Mr. Cozad said that these are Wash Plan permit preparation and application costs, but the actual annual reoccurring permitting costs are unknown at this time until the permits are actually received. Ms. Miller noted that the Mill Creek permitting costs will be budgeted more closely due to the project being more straightforward than the Wash Plan permits. Director Raley inquired about the negative interest income. Ms. Miller indicated that GL 4010 reflects unrealized losses on investments.

It was moved by Director Raley and seconded by Director Stewart to approve the Unaudited Financial Reports from February 2022. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

B. GROUNDWATER LATE PAYER, NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #57

This item was included on package page 53. Mr. Cozad stated that Lucky Farms needs additional investigation. All the other entities listed are typically late, and thus are expected to pay. It is believed that Lucky Farms may have changed ownership. President McDonald inquired about the process for removing entities from the list if land ownership has changed or the well is not operational. Mr. Cozad indicated that the well owner has to obtain documentation from the County that the well has been abandoned or destroyed and submit it to the District. As long as the well is still there, reporting is required. Mr. Cozad said that the District does not want wells just left behind because they can contaminate groundwater.

It was moved by Director Stewart and seconded by Vice President Corneille to direct staff to continue investigate Lucky Farms. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

C. FINAL 2022 ENGINEERING INVESTIGATION REPORT

Ms. Scholte presented this item for discussion, noting its inclusion beginning package page 55. She indicated that data have been received from three agencies since the draft was reviewed and presented at the February 9 Board meeting. She reviewed the changes to the draft: Task 1: decrease of 93,846 AF; Task 2: decrease of 580,031 AF from 1993; and Task 3: 173,171 AF for Groundwater Production within the Bunker Bill Basin. The basin is 791,171 AF from full as indicated in Task 9. Director Stewart asked what the level of accuracy is today versus ten to twenty years ago. Ms. Scholte indicated that the level of accuracy is expected to be the same because we continue to follow the same methodology for preparing the estimates. Director Raley asked if groundwater usage and recharge has increased. Ms. Scholte stated that it depends on the year: this year production has increased and groundwater recharge has decreased. She said that usage over the last several years may have been affected by mandated drought restrictions.

It was moved by Vice President Corneille and seconded by Director Stewart to approve the Final 2022 Engineering Investigation Report. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes

Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

D. AMENDMENT 2 TO THE MILL CREEK GROUNDWATER RECHARGE FACILITY OPERATIONS & MAINTENANCE PERMITTING PROFESSIONAL SERVICES CONTRACT AWARD

Ms. Miller introduced this item for discussion, noting its inclusion beginning on package page 70. This represents the third review of this item by the Board, including the original contract approved in November 2021 in the amount of \$250,186. At that time, it was understood that significant additional work may be required by the regulatory agencies, and addition of additional tasks would be subject to Board approval. At their February 9 meeting, the Board approved Amendment 1 – Task 3f to conduct a long-term wetland study. AECOM has conducted an in-depth site assessment of the Mill Creek groundwater recharge facility. The findings from this field analysis were discussed in brief. Staff is requesting approval to expend an additional \$68,282.50 to cover Task 1c, Task 1d and Task 11 as listed on package page 71. Task 11 was planned to be completed under a separate contract, but the consultant initially utilized for that project is no longer available; therefore, staff is requesting the Board incorporate this work into the AECOM contract. Mr. Cozad indicated that Task 11 is included on the existing Capital Improvement Project list, and is separate from the diversion. Director Stewart asked the general process if any endangered species are found within the project areas. Ms. Miller said that staff does not anticipate finding significant impacts from our existing operations to those species since the Mill Creek facilities have been in existence for quite some time, and the species have been coexisting there. This study is to identify the extent to which any impacts are possible. It is possible that some indirect effects may occur, but mitigation associated with indirect effects would be expected to be lower than that for direct effects. Vice President Corneille confirmed that this permitting is for existing Mill Creek facilities. He said that the District will be expanding these facilities under the Active Recharge Transfer Projects (ARTP) and asked if it would require additional analysis. Ms. Miller confirmed that additional analysis will be needed for the Mill Creek project under ARTP, and that any permits needed for the work would be obtained by Valley Municipal per the ARTP Partnership Agreement. Vice President Corneille requested that the memos for future contract amendments include the original contract amount and each amendment amount listed separately for clarity.

It was moved by Director Raley and seconded by Vice President Corneille to authorize the General Manager to amend the Mill Creek Groundwater Recharge Facility Operations and Maintenance Permitting Professional Services Contract to include Optional Task 1c, Optional Task 1d and New Task 11, not to exceed \$63,282.50. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

E. MILL, BLEDSOE AND COOK CREEK PRELIMINARY ENGINEERING AND FEASIBILITY STUDY SUPPORT PROFESSIONAL SERVICES AWARD OF CONTRACT

Mr. Fogerson introduced this item for discussion, noting its inclusion on package page 75. The package includes the staff report, the detailed scope of work, project schedule, cost breakdown by task and proposed agreement with Q3 Consulting. He noted that the RFP was not included in the package. Unlike the previous ARTP feasibility study contracts approved by the Board, this item includes preliminary design. Mr. Fogerson said that this study will evaluate the Mill Creek system and will help identify potential improvements. The contract includes work on Mill Creek along with potential work on Bledsoe Creek and Cook Creek. Ms. Scholte said that Bledsoe and Cook Creek are options to replace City Creek listed under ARTP. She said that due to the instability of City Creek and the land being the location included in the Flood Control mitigation strategy it was not an option. Valley Municipal asked that the location of the City Creek ARTP project be removed from the list of projects because the watershed system is very unstable and has flashy debris laden flows which would be very difficult to divert and the land originally considered for the project is part of the Flood Control District's mitigation. Therefore, staff is evaluating other possible locations for recharge. This is not in the MOU with Flood Control, but it will be analyzed using the same parameters. Ms. Scholte said that the contract includes preliminary design and modeling for understanding current function and optimizing future operations of sixty-six basins at Mill Creek. Vice President Corneille asked for additional information on Bledsoe and Cook Creek. Mr. Fogerson said that additional details on these projects will be brought forward to the Operations Committee and ARTP Policy Committee. Vice President Corneille stated that there seems to be flexibility within the contract to allow one or more of these projects to be halted if they prove to be unfeasible following initial investigation. Discussion ensued. Vice President Corneille said that it is a very impressive and detailed scope of work and is supportive of the agreement. Director Stewart asked who would lead maintenance if it is conducted by an entity besides the District. Ms. Scholte said that maintenance related to groundwater recharge will be led by the Conservation District and maintenance related to flood control will be led by Flood Control. The next step is preparation of a water spreading agreement. Mr. Cozad said all of these projects are good for water conservation, flood control and for the community. Director Stewart asked what the goal is. Mr. Fogerson said that the consultant is providing back up data and analysis. The District is doing the feasibility study so that it can decide which sites are actually feasible. Director Stewart asked if a map of the ARTP project proposed sites could be included for reference. He also spoke highly of the scope of work presented. President McDonald thanked the Board and staff.

It was moved by Director Raley and seconded by Director Stewart to find the contract to be categorically exempt from CEQA under Title 14, California Code of Regulations Sections 15306, and statutorily exempt under Section 15262; accept the Q3 proposal; and authorize the General Manager and General Counsel to complete the negotiation of services and fees and execute a professional consultant services agreement not to exceed \$2,190,644. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

F. FOGERSON RETIRED ANNUITANT POSITION

This item was included on package pages 111 to 117. Mr. Cosgrove said that at the February 9 meeting this position was approved for Mr. Fogerson, who will retire on March 31. In connection with that decision,

the required CalPERS resolution and agreement requirements were prepared. Vice President Corneille asked if medical benefits are included. Mr. Cosgrove indicated that they are statutorily not allowed, so they are not included within the agreement and resolution. Vice President Corneille thanked Mr. Fogerson for agreeing to return as a retired annuitant and for his great work thus far. President McDonald said that the Board is very grateful for his expertise and for his continued support of the District.

It was moved by Vice President Corneille and seconded by Director Stewart to approve Resolution No. 600, and the agreement for employment of the Active Recharge Transfer Project engineer, Erwin Fogerson, as retirement annuitant. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

G. ANNUAL REPORT ON THE STATUS OF THE SAN BERNARDINO VALLEY CONSERVATION TRUST

Mr. Cozad introduced this item for discussion, noting its inclusion on package page 118. He presented a PowerPoint slide deck. These materials are an update to the first status report, which was presented last year. The Conservation Trust was developed to hold conservation easements and associated endowments for the Wash Plan and for appropriate non-Wash Plan mitigation. The Conservation Trust has a complete set of current policies including investment, reserve, conflicts of interest, records, endowment spending and amendment of conservation easements. The current Board of Directors for the Conservation Trust are David Raley, John Longville, T. Milford Harrison, and Jim Earsom of IERCD, who recently assumed the role. Mr. Cozad continued his PowerPoint presentation, noting the relationship between the Trust and the District. He reviewed the investment differences and the community mitigation program and participants. The 2020-2021 Audit Statement summary table was shown on package pages 130 to 131. There was an early agreement with Valley Municipal, the District negotiated some acreage to offset impacts for the Enhanced Recharge project to plus up the mitigation for that project. There is \$650,000 worth of conservation easements the District provided through the Wash Plan to Valley Municipal. Vice President Corneille asked for details on donor restrictions. Mr. Cozad indicated that the endowment is essentially a donor restriction. He reviewed the investment policy and net position. US Bank is the depository entity for investments, managed by PFM. Accounts receivable is the miners' portion of the endowment. Their endowment contribution will be paid when they request certificates of inclusion to mine areas permitted by the Wash Plan. The Wash Plan budget was reviewed. This item was received and filed.

It was moved by Director Raley and seconded by Director Stewart to receive and file the Annual Report on the Status of the San Bernardino Valley Conservation Trust. The motion carried 4-0 with all present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

H. LAFCO SPECIAL DISTRICTS SELECTION COMMITTEE REQUESTS FOR SUPPORT

Mr. Cozad introduced this item for discussion, noting its inclusion on package page 136. He said that at the last Board meeting, the Board nominated Director Raley for the alternate seat on the LAFCO Special Districts Selection Committee (Committee). The regular special district member nominees are Steven Farrell and Kelly Gregg. The alternate regular special district member nominees are Craig Dicht, Kevin Kenly, David Raley and James Roberts. President McDonald recommended Kelly Gregg for the position as the regular member.

It was moved by Vice President Corneille and seconded by Director Stewart to submit a vote for Kelly Gregg for LAFCO regular special district member. The motion carried 4-0 with all present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

President McDonald spoke in support of Director David E. Raley indicating that it would be a great benefit to the District if Director Raley was appointed.

It was moved by Vice President Corneille and seconded by President McDonald to submit vote for Director David E. Raley for LAFCO alternate special district member. The motion carried 4-0 with all present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

I. CSDA CALL FOR NOMINATIONS FOR SEAT B, SOUTHERN NETWORK

Mr. Cozad said that this item is for any Board member interested in filling the position. The deadline for submittal is March 31. There were no nominations.

8. INFORMATION ITEMS

A. WASH PLAN IMPLEMENTATION

Ms. Miller provided a verbal update. She said the first Certificate of Inclusion (COI) was submitted by Valley Municipal for the Enhanced Recharge project. District staff has completed its review and it has been deemed to be in compliance with requirements. The COI will be submitted to USFWS for review. Ms. Miller said that Valley Municipal did an excellent job of preparing the COI application in compliance with the Wash Plan requirements. Staff is keeping a close eye on rainfall for spineflower and SBKR to determine when surveys for those species should begin. We do not want to move forward with those projects unless we have appropriate rainfall to ensure the data we collect can be utilized over the long term. The spring 2022 gnatcatcher surveys are being scheduled. The District received the deemed

complete 1600 permit for construction projects on Friday. The agencies have 90 days to issue a draft permit, although they may also request additional information. We have shared concerns with CDFW regarding the application of the regulations to our projects, and are working with their team to develop a reasonable path forward. The District has not received responses from the Regional Board or COE and is discussing next steps with our consultants. Mr. Cosgrove still waiting on the appraisal and reviewing the land exchange title report and exceptions to the title. This item was received and filed.

B. WASH PLAN TRAILS STATUS REPORT

Mr. Cozad introduced this item for discussion, noting its inclusion on page 160. He said that there is a draft MOU with the City of Redlands. In addition, at the request of Redlands, we are preparing a five-party agreement to cover details of implementation between the cities of Highland and Redlands, CEMEX, Robertson's, and the Conservation District. The goal is to open trails during the next fiscal year. This item was received and filed.

C. MENTONE SHOP IMPROVEMENT STATUS REPORT

The written report for this item is included on package page 162. Mr. Fogerson said that staff is moving forward with the contract with the low bidder; a draft Board item will come to the Board next month and will be reviewed by the Operations Committee. President McDonald requested that she be notified of the next Operations Committee. The list of anticipated costs is listed on package page 165. The total projects costs are estimated to be \$400,500. This item was received and filed.

D. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report was included in the Board package on pages 167 through 169. He thanked all those involved in the ARTP tour held on March 3. He indicated that there was great staff and Board member interaction. Mr. Cozad noted that there are woolly star growing in Plunge Creek from the seeding that was done last year as shown in a picture at the bottom of package page 169. The Monthly Recharge Report was included on package page 170. Mr. Cozad noted that there was an ACWA Award for Excellence project submitted by Valley Municipal, included on package page 171. Mr. Cozad said that the 90th celebration and retirement party for Mr. Cozad has been moved to May 11. EVWD is hosting a VIP Sterling Resource Center gathering on May 12. This item was received and filed.

E. FUTURE AGENDA ITEMS AND STAFF TASKS

Director Raley requested a Board workshop before Mr. Cozad retires on strategic planning. Vice President Corneille wants a formal review of the Community Strategic Plan and update. Director Stewart asked for updated maps for the ARTP for the Board room.

9. MONTHLY BOARD MEMBER MEETING REPORTS AND/OR BOARD MEMBER COMMENTS

Director Stewart attended the Bear Valley Mutual Water Company meeting and Bear Valley Mutual Lake Company Board of Directors meeting on February 15. He attended the Valley Municipal Board meeting on February 15 and the Valley Municipal Policy Workshop.

Vice President Corneille attended the Celebration of Life for Gabe Dela Rosa, former president of the Mentone Area Chamber of Commerce (MACA) on February 12, CSDA Governance Training on February 16 and 17, and Water Forum on February 17. He attended the MACA meeting on February

22 and Association of San Bernardino County Special Districts (ASBCSD) dinner on February 28. He attended the ARTP Tour on March 3.

Director Raley attended the CSDA Governance Training on February 16 and 17, Water Forum on February 17 and ASBCSD Dinner on February 28. He attended the Valley Municipal Board meeting on March 1, and Valley Municipal Resources Workshop on March 3.

President McDonald attended the Valley Municipal Engineering Workshop on March 8, Valley Municipal Resources Workshop on March 3 and Valley Municipal Board meeting on March 1. She attended the Valley Municipal Weaver Basin Groundbreaking on February 24, ASBCSD Board meeting on February 21 and ACWA State Legislative Committee on February 18. She attended CSDA Governance Training on February 16-17, the Valley Municipal Board meeting on February 15 and the Valley Municipal Policy Workshop on February 10.

Vice President Corneille's travel request was reviewed for his attendance at the ACWA Spring Conference in Sacramento in May.

It was moved by President McDonald and seconded by Director Stewart to approve Vice President Corneille's ACWA Spring Conference Travel Request for the amount of \$3,171.86. The motion carried 4-0, with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

10. UPCOMING MEETINGS

There were none discussed.

11. CLOSED SESSION

It was moved by Vice President Corneille and seconded by Director Stewart to adjourn to Closed Session. The motion carried 4-0, with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

**President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes**

General Counsel announced that the meeting would adjourn to a closed session to discuss all posted agenda items.

At 4:56 p.m. the meeting reconvened into open session. Mr. Cosgrove noted that there was no reportable action during closed session.

12. ADJOURN MEETING

It was moved by Director Stewart and seconded by Director Raley to adjourn. The motion carried 4-0, with all Directors present voting in the affirmative. Director Longville was noted absent from the vote.

President McDonald: Yes
Vice President Corneille: Yes
Director Longville: Absent
Director Raley: Yes
Director Stewart: Yes

At 4:57 p.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on April 13, 2022, in-person, teleconference, and Zoom meeting.



Daniel B. Cozad
General Manager