

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF JUNE 12, 2024
1:30 p.m.

President McDonald called the Board of Directors meeting to order at 1:35 p.m. by in-person, teleconference, and Zoom meeting. All those in attendance stood for the pledge of allegiance led by President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Richard Corneille, Director
John Longville, Director

BOARD MEMBERS ABSENT:

Robert Stewart, Vice President

STAFF PRESENT:

Betsy Miller, General Manager
David Cosgrove, District Counsel
Milan Mitrovich, Land Resources Manager
Angie Quiroga, Senior Administrative Analyst
Athena Laroche, Administrative Specialist
Laura Torres, Assistant Engineer
Anna Frey, Assistant Biologist
John Lambie, Consulting Chief Engineer and Geohydrologist

GUESTS PRESENT:

David E. Smith, East Valley Water District
Paul Kielhold, San Bernardino Valley Municipal Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District
Cindy Saks, San Bernardino Valley Municipal Water District
Christine Jones, CEMEX
Tommy Schultz, CEMEX
Tom Holcomb
Willow Green, Tetra Tech
Michael and Patricia Raley

1. PUBLIC PARTICIPATION

President McDonald announced that any persons present, who so desired, may make an oral presentation to the Board of Directors.

2. ADDITIONS/DELETIONS TO AGENDA

Ms. Miller stated that there are no additions or deletions to the posted agenda.

Mr. Cosgrove requested that the Board move Item D: CEMEX Temporary Agreement to Harmonize Groundwater Recharge and Mining Operations and Item F: Acknowledgment of Service of David E. Raley and Direction to Staff Under Government Code Section 1780 to be considered first in the interest of time.

A. COMMITTEE REPORTS/ACTION ITEMS

D. CEMEX TEMPORARY AGREEMENT TO HARMONIZE GROUNDWATER RECHARGE AND MINING OPERATIONS

Mr. Cosgrove introduced this item for discussion, noting its inclusion beginning on package page 60. He stated that as the Board is aware that we have had two historically high precipitation years resulting in increases in groundwater levels. Although this is positive for the District and our region, there are concerns that it may impede mining operations. Beginning this spring, CEMEX reported rising groundwater in its mining pits. Our lease agreement with CEMEX, signed in 2021, anticipated this possibility and reserved the District's water spreading rights over the leased property. Under the lease, if high groundwater affects mining, the District has the legal right to continue spreading; however, the District must review options to redirect water within our recharge operations until high groundwater conditions have been abated or these efforts are shown to be ineffective. The lease also states that the Minimum Annual Guarantee paid by CEMEX to the District is suspended if high groundwater conditions render the last available permitted mining areas unusable.

In order to preserve its operations, CEMEX began pumping water out of the pit near their processing site in early 2024. Following multiple meetings with CEMEX, staff developed and recommends approval of the draft agreement found on package pages 62 to 67. Mr. Cosgrove noted that the agreement, which extends from April through June 2024, will offset pumping costs incurred by CEMEX to keep the processing site dry. He suggested an amendment to extend the term for an additional three months through September 2024. Ms. Miller noted that approval of the recommended action could result in a loss of up to \$149,085 in revenue; however, cessation of mining due to groundwater levels would result in a loss of nearly \$300,000 based on current mining royalties. President McDonald supported extending the temporary agreement for an additional three months. Director Corneille asked CEMEX what the actual cost of pumping is. Mr. Schultz said that the pump rental, which does not include fuel costs, is approximately \$35,000 per month. He noted that CEMEX is evaluating options to procure larger pumps. The District reviewed a map of groundwater recharge and mining Locations via Zoom. Ms. Jones said that CEMEX has been monitoring the groundwater levels and reviewed the map in further detail. She noted that CEMEX has been pumping water out of its mining operations since the end of March. Ms. Jones stated that groundwater levels are lower than previous months based on recent well readings, but water continues to surface in the quarry. President McDonald asked how much water is in the quarry. Mr. Schultz said that there is approximately forty feet of water currently in the quarry. Director Corneille suggested using regional groundwater models to support increased compatibility with mining operations. President McDonald noted approval of this agreement supports the District's goal of continued partnership with CEMEX.

It was moved by Director Corneille and seconded by Director Longville to approve the Temporary Agreement to Harmonize Mining and Groundwater Recharge Operations with revisions to the term to extend through the end of September 2024. The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent from the vote.

President McDonald: Yes

Vice President Stewart: Absent

Director Corneille: Yes

Director Longville: Yes

F. ACKNOWLEDGMENT OF SERVICE OF DAVID E. RALEY AND DIRECTION TO STAFF UNDER GOVERNMENT CODE SECTION 1780

Mr. Cosgrove introduced this item for discussion, noting its inclusion on package page 72. He stated that on June 4, the District received the devastating news that our esteemed and well-liked Director Raley had passed away. He noted that his son, Michael Raley, and daughter-in-law, Patricia Raley, are joining us today. Mr. Cosgrove paid tribute to Director Raley and his fourteen years of service on the Board. He stated that Director Raley had provided exemplary service to this Board throughout his tenure, exhibiting a keen focus on fiscal responsibility in public agencies. Mr. Cosgrove opened the floor for comments.

Mr. Raley thanked the District for the opportunity to speak and for the kind words shared by Staff. He noted that it was meaningful to hear about his father's influence and creativity in this business environment. Mr. Raley shared Director Raley's enjoyment in his work with the District, and noted that he had learned much about groundwater and the District from his father. He commented on the importance of the District's function. On behalf of his father, he thanked the District. Ms. Raley spoke about Director Raley's work with the District and his personal endeavors. President McDonald discussed how Director Raley came to be on the Board of the District. She expressed her gratitude for his service. President McDonald said that Director Raley will be missed tremendously. Director Corneille spoke on the friendship he has developed with Director Raley, and shared his instrumental contributions to return the District to sound financial status following a financial crisis. Director Corneille spoke of Director Raley's military background. Director Longville stated that he had worked with Director Raley for nearly 50 years and said that he will be greatly missed. Ms. Miller said that she enjoyed working for Director Raley, and his support and encouragement meant so much to her. Mr. Cosgrove noted that the District adopted a resolution for Director Raley's 90th birthday in January that is available for members of the public interested. Staff expressed their condolences to the Raley family. There will be a memorial on June 29.

Mr. Cosgrove stated that Government Code Section 1780 provides for two options to fill the vacancy: The District may appoint to the vacant seat within sixty days or call for an election on November 5. If the District chooses to appoint, the new Director will be required to run for the seat in the November 5 election because the vacancy occurred within the first half of Director Raley's term. President

McDonald spoke in support of appointment to limit the amount of time the seat is vacant. Director Corneille requested information on the outcome if the District were to take no action. Mr. Cosgrove noted that the San Bernardino County Clerk of the Board of Supervisors (COB) would appoint to fill the vacancy if the District does not take action for 90 days.

It was moved by Director Corneille and seconded by Director Longville to determine to fill the Board vacancy by appointment per Government Code section 1780 and direct staff to establish a process to solicit qualifications and statements of interest from candidates, and set up a schedule for Board review and interviews of interested parties by the July 10 Board meeting. The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent from the vote.

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

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

The Board and staff made self-introductions. President McDonald introduced Zoom attendees.

4. CONSENT CALENDAR

It was moved by Director Corneille and seconded by Director Longville to approve the Consent Calendar: Item A: Board Minutes, May 15, 2024; Item B: Approval of Expenditure Report, May 2024; and Item C: Report of Excused Absences for Vice President Stewart for his absence from the Board of Directors Meeting, June 12, 2024. The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent from the vote.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. OPERATIONS COMMITTEE VERBAL UPDATE

Director Corneille provided a verbal update on the Operations Committee meeting held on May 21. He said that the primary focus of the meeting was review of the Program for Expansion of Recharge Capacity (PERC) projects. The Committee also received an update on the Mentone Shop construction.

B. UNAUDITED FINANCIAL REPORTS FOR MAY 2024

Ms. Quiroga reviewed this item, noting its inclusion beginning on package page 26. She said that interest income increased by \$230,279. GL 4032 Cemex-Royalty/Lease mining revenue is expected to end the year over budget with three remaining payments due, with any adjustments needed based on approval of the Harmonizing Agreement with Cemex. She said that the District received a payment of \$53,659 for GL 4050 Property Tax, which is over budget. GL 4030 Mining Income increased by \$182,582, and total revenue increased by \$509,939. GL 6200 Salaries increased by \$166,000, and total expenses for the month increased by \$340,055.

Ms. Quiroga reviewed package page 28, noting that the total net revenue through the end of May was \$4,089,614. She reviewed the enterprises to date along with a graph of financials shown on package page 28. She said that the District's cash position increased by \$19,591.51 during the reporting period. Ms. Quiroga reviewed the Profit & Loss to date beginning on package page 29.

It was moved by Director Longville and seconded by Director Corneille to approve the Unaudited Financial Reports for May 2024 as presented. The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent.

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

C. SETTLEMENT AGREEMENT FOR ENDANGERED HABITATS LEAGUE LITIGATION

Mr. Cosgrove reviewed this item, noting its inclusion on package page 32. The litigation, which began in December 2016, concerns the implementation of the U.S. Army Corps of Engineers (COE) mitigation obligations under the biological opinion for Seven Oaks Dam (SOD). The District and San Bernardino Valley Municipal Water District intervened in August 2017 to ensure that our interests were incorporated into any settlement that affected our lands on the Upper Santa Ana River Wash as well as continue our long-standing working relationship with the dam operators to optimize SOD releases for recharge where possible.

The settlement agreement is based on mediation that began in January 2022. The three primary provisions to this agreement are highlighted in the written staff report on package page 32. First, the local sponsors agreed to commit to restore 400 acres of habitat, using inundation as the preferred technique. The agreement also forms a technical committee to provide recommendations to the Woolly Star Preserve Area (WSPA) Steering Committee. Finally, the local sponsors committed to dam releases below 500 CFS unless otherwise required for flood control purposes. Exhibit A and B have been provided as a handout.

Director Longville commented on this as an example of the District's many accomplishments and partnerships, noting the key role the District has taken in environmental leadership in our region. Director Corneille complimented Mr. Cosgrove on his presentation. He asked which species benefit

from the restoration actions. Mr. Mitrovich said that San Bernardino kangaroo rat, Santa Ana River woolly-star, and slender-horned spineflower would benefit from the restoration. Director Corneille asked if Santa Ana sucker would benefit. Mr. Mitrovich indicated that there may be ancillary benefits for the Santa Ana sucker, but it is not a focus species for this restoration. Director Corneille inquired about the 400-acre management area and its relation to the WSPA. Mr. Cosgrove said that the exact location of the management area is not yet defined, and that it may occur within the 700-acre WSPA or on other nearby property with landowner approval. Director Corneille asked about any possible effects on this agreement given the WSPA's Multi-species Habitat Management Plan is not yet final. Mr. Cosgrove said that there are provisions within the agreement to protect the benefits it offers. President McDonald spoke in support of our partnerships with the NGO's, and said she is grateful to see the final version of this agreement. Ms. Miller thanked Mr. Cosgrove and Dr. Mitrovich for their efforts on this item. Mr. Cosgrove thanked Meredith Nikkel, attorney for San Bernardino Valley Municipal Water District, who was instrumental in developing the settlement agreement. The Board thanked SBVMWD for their partnership and efforts on this item.

It was moved by Director Longville and seconded by Director Corneille to approve the Settlement Agreement as presented authorizing the Board President to execute on behalf of the District. The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent.

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

D. CEMEX TEMPORARY AGREEMENT TO HARMONIZE GROUNDWATER RECHARGE AND MINING OPERATIONS

This item was taken out of order.

E. GENERAL MANAGER BONUS AND SALARY ADJUSTMENT

Mr. Cosgrove introduced this item for discussion, noting its inclusion on package page 68. The General Manager's review will be completed in closed session. Following review of the General Manager's evaluation by the Ad Hoc GM Evaluation Committee, the General Manager's performance was found to be very favorable. The Committee recommends the General Manager receive the 3.6% cost of living increase she is entitled to per her contract, a 5% merit increase of base salary, and a merit performance bonus of \$15,000. Director Corneille said that the Committee is very pleased with the General Manager's performance, and that this is appropriate compensation. He expressed his appreciation for Ms. Miller's management and meeting the Board's goals. President McDonald thanked Ms. Miller for the extraordinary job that she is doing, noting the many contributions of the District's team to achieve these results.

It was moved by Director Corneille and seconded by Director Longville to approve an increase of Nine Thousand Five Hundred Fifty-Seven dollars

and Sixty-Eight cents (\$9,557.68) as a cost-of-living increase and an increase of Thirteen Thousand Two Hundred Seventy-Four dollars and Fifty-Six cents (\$13,274.56) as a merit increase. In total, the General Manager's new base salary will be Two Hundred Eighty-Eight Thousand Three Hundred Twenty-Three dollars and Forty-Four cents (\$288,323.44). In addition, approve a merit performance bonus for the General Manager of Fifteen Thousand dollars (\$15,000.00). The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent.

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

F. ACKNOWLEDGMENT OF SERVICE OF DAVID E. RALEY AND DIRECTION TO STAFF UNDER GOVERNMENT CODE SECTION 1780

This item was taken out of order.

6. INFORMATION ITEMS

A. ENVIRONMENTAL UPDATE

Dr. Mitrovich reviewed the written report included on package pages 74 to 76. He discussed the San Bernardino kangaroo rat (SBKR) monitoring program, noting that habitat surveys were completed at all 146 plots by May 30. He thanked staff for their support and said that staff is working with USGS to process the first three years of data collected through this monitoring program.

Dr. Mitrovich discussed the Slender-horned Spineflower (SHSF) Restoration Program. Staff has completed annual monitoring of known patches, and are working with California Botanical Garden (CalBG) to collect SHSF tissue to document genetic diversity. The fifth of five monthly surveys conducted at the out-planting locations is scheduled to be completed soon. President McDonald expressed her appreciation of staff's successful efforts on this program.

Dr. Mitrovich reviewed the Partnership Activities as shown on package page 76. He and Laura Torres participated in the tour of the State Water Project and the Sacramento and San Joaquin Delta sponsored by Metropolitan Water District and hosted by SBVMWD. Director Corneille requested that Dr. Mitrovich report on the financial status of Wash Plan related grants at a future meeting.

B. ENGINEERING UPDATE

Ms. Torres provided the Engineering Update, noting its inclusion on package page 77. She reviewed the construction of the Mentone Shop that began on March 26. She stated that the concrete pour began on May 28 after staff obtained the contractor's schedule. Excavation for the septic has been delayed one week. The shop building is scheduled to arrive on June 27.

Ms. Torres reviewed the construction of the Enhanced Recharge project. She stated that Basins C, D, and E are operational, and are accepting 20 CFS in the Santa Ana River. Basins J through R are being rough graded. SBVMWD is clearing and grubbing a cutthroat from Basin 13 to 14 that is expected to be completed within the month. Director Corneille requested that Director's be notified when building construction erection is scheduled to begin.

Mr. Lambie reviewed the PERC projects status included on package page 77. He met with staff from San Bernardino County Flood Control District (FCD) on June 6. He noted that FCD and the District both address significant sediment management issues in their work. The Waterman Basin design will take into account plans by the San Manuel Band of Mission Indians (San Manuel) to expand housing at the Arrowhead Spring Hotel, which requires infrastructure improvements of an access road near the basins.

Mr. Lambie discussed the Plunge and Oak Creek PERC projects. He noted that the District needs a project hydrology study to identify the amount of water available for recharge.

Mr. Lambie reviewed the Mill Creek PERC project. He stated that a grant application for \$400,000 was submitted on May 21. Director Corneille thanked Mr. Lambie for his detailed update on the PERC projects.

Mr. Lambie discussed progress on the Upper SAR Integrated Model project, stating that nearly all necessary data has been compiled and forwarded to the consultant. The District has been collaborating with SBVMWD and the City of San Bernardino to aligned tasks on this project moving forward. Director Corneille is interested in the District engineers using this or other existing models to predict groundwater mounding near the District's basins and, if possible, to develop alternatives. Mr. Lambie said a specialized, local model would be needed to adequately address that question. Ms. Miller said this item will be brought forward to the Operations Committee for further discussion. Ms. Torres said that field staff conduct weekly readings of water depth via the District's monitoring wells to assess mounding and its associated effects. The Operations and Engineering teams closely monitor groundwater mounding and have shared details with SBVMWD for incorporation into their models. Ms. Miller said that these data will be shared with the Operations Committee.

C. PERC POLICY COMMITTEE STATUS REPORT NO. 18

This item was discussed under Engineering Report, and is included on package pages 79 to 89.

D. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller indicated that the written General Manager's Report is included in the Board package on pages 90 through 93. She said there has been 52,251 AF of water recharged in the current water year. She said that the District is limited at the SAR intake due to Enhanced Recharge project construction as well as preparations for basin cleaning. She stated that our staff learned a great deal on the State Water Project tour and thanked SBVMWD for hosting it. Ms. Miller stated that the work plan for FIRO at SOD was published yesterday. She noted that the District led a tour of Plunge Creek for attendees of the California Society for Ecological Restoration's annual conference on May 8. Ms. Miller said that IERCD led thirty-one water conservation classes on nine campuses that were attended by 785 students through their FY24 contract with the District. The District also funded two field trips to the San Bernardino County Museum through IERCD in FY24. Ms. Miller noted that a family member of a

recently deceased individual who had experienced homelessness on District property and been assisted by the District in finding permanent housing reached out to thank Mike Guizar for the District's support that ensured their family member lived in a home during the last months of their life. Ms. Miller noted that a grant application for reimbursement of \$400,000 of costs associated with the Mill Creek PERC Feasibility Study has been submitted. She directed the Board to the District successes listed on package page 92 and the Monthly Recharge Report on package page 94. This item was received and filed.

E. FUTURE AGENDA ITEMS AND STAFF TASKS

Director Corneille requested a discussion on groundwater modeling to address mounding issues.

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

7. MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS

Director Corneille attended the Operations Committee on May 21, the PERC Policy Committee on June 4, and Redlands Rise N Shine on June 7.

Director Longville attended the SBVMWD Board of Directors meeting on June 7 and met with Supervisor Joe Baca on May 13.

President McDonald attended the State Legislative Committee Review on May 16 and May 30 and the State Legislative Committee meeting on May 17 and June 5. She also attended the SBVMWD Board of Directors meeting on May 21 and June 4 and the Highland Chamber Luncheon on May 28. She attended the Basin Technical Advisory Commission on June 3 and the SBVMWD Policy & Administration Workshop on June 6.

8. UPCOMING MEETINGS

There were none discussed.

9. CLOSED SESSION

It was moved by Director Corneille and seconded by Director Longville to adjourn to Closed Session on Item 3. The motion carried 3-0, with all Board members present voting in the affirmative. Vice President Stewart was absent.

President McDonald: Yes

Vice President Stewart: Absent

Director Corneille: Yes

Director Longville: Yes

General Counsel announced that the meeting would adjourn to a closed session to discuss Item 3 on the posted agenda.

At 4:55 p.m., the meeting reconvened to an open session. Mr. Cosgrove noted that the Board reviewed and finalized the General Manager's annual performance review under Item 3 as listed in the posted agenda in Closed Session.

Under Government Code Section 54957.1, there was no other reportable action during Closed Session.

10. ADJOURN MEETING

It was moved by Director Longville and seconded by Director Corneille to adjourn. The motion carried 3-0, with all Directors present voting in the affirmative. Vice President Stewart was absent.

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

At 4:57 p.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on July 10, 2024, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager