

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF SEPTEMBER 14, 2022
1:30 p.m.

President McDonald called the Board of Directors meeting to order at 1:31 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, Vice President
David E. Raley, Director
Robert Stewart, Director
John Longville, Director (Arrival 1:52 p.m./Departure 3:33 p.m.)

BOARD MEMBERS ABSENT:

None

STAFF PRESENT:

Betsy Miller, General Manager
Milan Mitrovich, Land Resources Manager
Katelyn Scholte, Principal Engineer
Laura Torres, Assistant Engineer
Athena Laroche, Administrative Specialist
Angie Quiroga, Senior Administrative Analyst
David Cosgrove, District Counsel

GUESTS PRESENT:

Mark Norton, Santa Ana Watershed Authority
Garret Cammans, North American Weather Consultants
David E. Smith, East Valley Water District
Willow Green, Tetra Tech
June Hayes, San Bernardino Valley Municipal Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District
Paul Kielhold, San Bernardino Valley Municipal Water District

1. PUBLIC PARTICIPATION

President McDonald announced that any person 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 no additions or deletions to the posted agenda.

3. GUEST RECOGNITION/SELF INTRODUCTION

Ms. Miller introduced staff present and Board members made self-introductions. Guests present in-person and via Zoom performed self-introductions.

4. PRESENTATION BY THE Santa Ana Watershed Project Authority (SAWPA) ON CLOUD SEEDING

Mr. Norton presented a PowerPoint on SAWPA's cloud seeding project, which is scheduled to begin November 15. They reviewed the chemical processes for cloud seeding, including use of silver iodide to form ice crystals. The project will utilize ground-based seeding methods known as Cloud Nuclei Generators (CNG's) and Automated High Output Ground Seeding Systems (AHOGS). The project is based on a feasibility study completed by SAWPA with the assistance of North American Weather Consultants (NAWC). Mr. Norton reviewed the feasibility study results, noting that the total projected increase of precipitation using ground-only seeding would be an average of 8%, with an additional 3% if aerial support is included. Cloud seeding will be done from mid-November to mid-April during appropriate climate conditions throughout the four-year pilot program. In particular, increasing precipitation during smaller storms is the goal, with specific suspension criteria in place to avoid seeding during larger precipitation events.

Mr. Norton reviewed results of the 2020 feasibility study. There are fifteen other cloud seeding programs in California and over fifty throughout the Western United States. SAWPA conducted a CEQA analysis with mitigation where necessary, such as biological surveys and archaeological surveys in appropriate areas. The liability policy is carried by NAWC and covers SAWPA and local agencies participating in the program. Vice President Corneille asked about any risks associated with use of silver iodide and how the CNG's and AHOGS are monitored. Mr. Norton indicated that these will be manually operated. The units are placed in safe, secure facilities equipped with cameras and include flame-retardant containers. President McDonald asked if the AHOGS are also installed at higher elevations, and if they can be operated remotely. Mr. Norton stated that the AHOGS are typically kept at the base of the mountain where winds carry silver iodide up into the clouds. He reviewed the history of the program and why the current program is safe, effective, and reliable.

Mr. Cammans continued the PowerPoint presentation. Mr. Cosgrove asked about the amount of silver iodide stored in the AHOGS. Mr. Cammans indicated that each tank contains approximately 2.5 gallons of silver iodide. He said that numerous safety studies have been conducted, and that PPE is not required to handle silver iodide. Silver iodide is dissolved in acetone, which breaks down quickly if spilled on the ground. Mr. Cosgrove asked if any negative impact is anticipated to endangered species. Mr. Cammans indicated that potential issues related to species impacts were analyzed during the CEQA process and mitigation required where needed. President McDonald asked what types of disruption may occur during or after unit installation. Mr. Cammans said that NAWC expects no disruptions and reviewed the installation process along with the program schedule. He indicated that they plan to have equipment installed in October with operation to begin on November 15. A biologist will inspect each site prior to installation. A licensed contractor will install the propane tanks and NAWC will train Conservation District staff to operate the units on District property. Lease terms were reviewed along with details of operations and maintenance. The Board thanked NAWC and SAWPA for their detailed presentation. There was no board action required at this time.

5. CONSENT CALENDAR

It was moved by Vice President Corneille and seconded by Director Longville to approve the Consent Calendar: Item A: Board Minutes, August 10, 2022; Item B: Special Board Minutes, August 24, 2022; and Item C: Expenditure Report, August 2022. The motion carried 5-0, with all Board members present voting in the affirmative.

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

6. COMMITTEE REPORTS/ACTION ITEMS

A. 4TH QUARTER UNAUDITED FINANCIAL REPORTS FOR FY 2021-2022

The written report is included on package page 27. The Finance & Administration Committee met on August 3 and recommended approval of the 4th Quarter Unaudited Financial Reports for FY22 without changes. The Quarterly Investment Report was reviewed as shown on package page 30. Ms. Quiroga indicated that revenue came in above budget, and operating expenses came in lower than budgeted. GL 5120-Professional Services came in above budgeted due to Brownstein Hyatt Farber Schreck expenses which will be offset by future permitted mining revenue. Ms. Quiroga indicated that investment rates are improving.

It was moved by Director Raley and seconded by Vice President Corneille to approve the 4th Quarter Unaudited Financial Reports for FY 2021-2022. The motion carried 5-0, with all Board members present voting in the affirmative.

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

B. UNAUDITED FINANCIAL REPORT, AUGUST 2022

Ms. Quiroga introduced this item for discussion, beginning on package page 33, and noted that eleven of the twelve Groundwater Council members had paid their cost share. She said invested funds have been moved from LAIF into laddered, higher-yield investments that meet the District's Investment Policy. The policy was reviewed by our current investment manager at PFM and no changes were recommended at this time. Vice President Corneille asked if investment changes were reviewed with the Finance & Administration Committee. Ms. Miller indicated that the current changes were made under the authority of the General Manager with detailed reporting provided at the next meeting scheduled for November 16. Vice President Corneille thanked staff for being proactive with our investments.

It was moved by Vice President Corneille and seconded by Director Longville to approve the Unaudited Financial Reports for August 2022. The motion carried 5-0, with all Board members present voting in the affirmative.

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

C. GROUNDWATER LATE PAYER, NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #58

Ms. Quiroga reviewed the past due groundwater producers list on package page 40. Staff has contacted all late payers. AHD Limited and Tennessee Water Company have reported zero production since this list was published. Arrowhead Country Club indicated that they are interested in a payment plan, and Ms. Quiroga is working with them to develop an appropriate approach to pay off their balance. President McDonald noted that the country club is under new management. Ms. Torres will be assuming responsibility for the groundwater database. Out of 106 total wells, 23 have not reported their use for this assessment period. Ms. Quiroga noted that Lucky Farms has not indicated any use during this period; Ms. Scholte said no well was seen during a site investigation and it appears that the parcel may be planned for development. No Board action was needed for this item.

D. BINDING EXCHANGE PLAN AGREEMENT FOR THE WASH PLAN LAND EXCHANGE

Ms. Miller introduced this item for discussion, noting its inclusion on package page 41. Mr. Cosgrove provided an overview and an updated handout of the agreement. He reviewed the map of the parcels to be exchanged and indicated that the District team continues to work with the Bureau of Land Management (BLM) to ensure the legal description is accurate. BLM requires this agreement to hold the appraised value of the land. Mr. Cosgrove discussed minor revisions as included in redline version handed out to the Board, and requested that this version be approved.

It was moved by Vice President Corneille and seconded by Director Stewart to approve the Binding Exchange Agreement and authorize the Board President to sign the agreement on behalf of the District, subject to any non-substantive clarifications in language approved by both the District's General Manager and District Counsel. The motion carried 5-0, with all Board members present voting in the affirmative.

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

E. CONFLICT OF INTEREST CODE 2022

Mr. Cosgrove introduced this item, included on package page 49, as a biennial review, and noted no material changes were made to the applicable state code. He suggested designating positions of Principal Engineer and ARTP Engineer as subject to full disclosure. Updates include increases in the gift limit to \$520 from a single source during a calendar year, as well as removal of gender specific pronouns. Staff has prepared Resolution No. 602 to adopt these changes as required by State Law.

It was moved by Director Longville and seconded by Vice President Corneille to approve the Conflict of Interest Code for 2022, as implemented via Resolution No. 602. The motion carried 5-0, with all Board members present voting in the affirmative.

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

F. STAFF APPOINTMENTS TO THE UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY

Ms. Miller introduced this item for discussion, noting its inclusion on package page 54. She provided background for this item, referencing Resolution No. 590 that adopted District membership on the Upper Santa Ana River Watershed Infrastructure Financing Authority (WIFA) as well as associated staff appointments. She recommended that the following District employees be appointed to serve the Authority in these roles: 1) Betsy Miller to the WIFA Board; 2) Katelyn Scholte to the WIFA Board as an alternate member; 3) Katelyn Scholte to the WIFA Technical Advisory Committee; 4) Milan Mitrovich to the WIFA Technical Advisory Committee as an alternate member; 5) Milan Mitrovich to the WIFA Environmental Subcommittee; 6) Betsy Miller to the WIFA Environmental Subcommittee as an alternate member; 7) Angie Quiroga to the WIFA Finance Subcommittee; and 8) Betsy Miller to the WIFA Finance Subcommittee as an alternate member. There is no financial liability associated with these appointments, or with the District's membership on the Authority at this time.

It was moved by Director Longville and seconded by Vice President Corneille to appoint District staff to the following positions on the Upper Santa Ana River Watershed Infrastructure Financing Authority following recent hirings, promotions and retirements: 1) Betsy Miller to the WIFA Board; 2) Katelyn Scholte to the WIFA Board as an alternate member; 3) Katelyn Scholte to the WIFA Technical Advisory Committee; 4) Milan Mitrovich to the WIFA Technical Advisory Committee as an alternate member; 5) Milan Mitrovich to the WIFA Environmental Subcommittee; 6) Betsy Miller to the WIFA Environmental Subcommittee as an alternate member; 7) Angie Quiroga to the WIFA Finance Subcommittee; and 8) Betsy Miller to the WIFA Finance Subcommittee as an alternate member. The motion carried 5-0, with all Board members present voting in the affirmative.

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

G. ASSOCIATION OF THE SAN BERNARDINO COUNTY SPECIAL DISTRICTS DINNER MEETING FOR 2023

President McDonald introduced this item for discussion; it included on package page 56. She noted that while the District sponsored a dinner for the association in June 2022 because it had a topic for presentation, the District does not typically host a dinner annually due to minimal staffing. President McDonald recommended that the District defer a commitment to host a future dinner meeting at this time. The full Board concurred with her recommendation.

It was moved by Director Longville and seconded by Vice President Corneille to direct staff to notify the Association of the San Bernardino County Special Districts that the District is deferring a commitment to host a dinner meeting for 2023 at this time. The motion carried 5-0, with all Board members present voting in the affirmative.

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

7. INFORMATION ITEMS

A. ENVIRONMENTAL UPDATE

Mr. Mitrovich provided an update on this item, noting its inclusion on package page 58. He reviewed the monitoring activities for the Wash Plan Implementation. AECOM has submitted a draft vegetation classification report and initiated vegetation mapping, which they anticipate completing this fall. Ms. Miller said that once this project is complete, we will have a standardized vegetation map to clearly depict restoration completed under the Wash Plan. Director Stewart inquired about including fire overlays in the mapping classification. Ms. Miller confirmed that this data was provided to the team preparing the maps. Mr. Mitrovich reviewed the second year of the SBKR monitoring program, noting that Origin Biological is planning to begin surveys this week. The team will continue to collect repeat data at 90 sentinel sites with an additional ten, randomly selected sites surveyed each year.

Mr. Mitrovich reviewed the Wash Plan implementation and management activities. Staff is preparing a 2081(a) permit for the Slender-horned Spineflower Restoration Program. The Preserve Management Committee meeting has been set for October 13 at 10:30 a.m. at the District. Vice President Corneille inquired regarding Orange County Flood Control Districts' involvement in the committee. Mr. Mitrovich indicated that, as managers of the WSPA, they are an important partner in Wash Plan management. This item was received and filed.

B. WASH PLAN TRAILS STATUS REPORT

Ms. Miller introduced this item for discussion, noting its inclusion on package page 61. She said that we have reached out to and received responses from both the Cities of Redlands and Highland, indicating their intent to provide comments on the five-party agreement by this month. Staff will continue to follow up with our contacts at both cities.

C. ENGINEERING UPDATE

This item is included on package page 62. Ms. Scholte said that the deposit for the Mentone Shop building has been paid. She indicated that staff met with COE to discuss the original construction of the Mill Creek Diversion. The 401 permit approval was received yesterday. Ms. Scholte reviewed the ARTP projects as noted on package page 62. A site visit was performed for Waterman, Twin Creek and Lynwood Basins with engineering staff and interns; the interns will be acting as biological monitors for field testing. Ms. Scholte indicated that Oak Creek would likely be completed separately due to Plunge Creek being located within the parcels included in the land exchange in order to maintain project efficiency. Staff will be meeting with consultants on Mill, Bledsoe, and Cook Creeks tomorrow to determine if recharge is possible in this area. Field surveys and aerial topography for Mill Creek have been completed. Mr. Fogerson said that the lag time analysis report is currently 2600 pages long. The hydrologic model for Mill Creek is presently taking six days to run, although we believe this may be shortened as the project proceeds.

D. GROUNDWATER COUNCIL RENEWAL VERBAL UPDATE

Ms. Scholte provided a verbal update on the Groundwater Council (GC) renewal. She indicated that the GC Renewal Committee has met four times, including a meeting dedicated to in-depth review of the updated Equitable Allocation Model (EAM). The two major updates are based on changes to the gap calculation, which was previously averaged on base period use and the current period use included in the Western-San Bernardino Watermaster Report. She indicated that the GC is considering the current period usage as the sole base for the updated EAM. The other major change is related to credits that came out of local surface water recharge: the one-to-one credit was previously counted as water that was new to the basin. The GC members have been given the updated EAM for review and consideration. Vice President Corneille asked when the GC agreement expires. It was confirmed that it will expire next year. Ms. Miller indicated that GC members appear to be on track for the renewal timeline. Each agency was asked to review the original agreement with their legal counsel and provide feedback to the GC.

E. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller reviewed this item starting on package page 63. She said that Administrative Assistant interviews were performed on September 7, and a candidate will be selected soon. The District has received ten applicants for the Assistant Biologist position, and our team is reviewing resumes to select and schedule candidates for interviews. Intern Jazmin Serrato has been hired by the City of Redlands Planning Department; we are grateful for her contributions to the District and proud to see her move on to this next chapter in her career. The audit is nearing completion. Ms. Miller thanked the Board for placing the District on strong financial footing through fully funding retirement liabilities and proactively creating trusts to support future retirement costs. She noted that Valley Municipal will be holding a press conference with the Secretary of Natural Resources on September 19 and that another staff member will represent the District as she is unable to attend. She invited the Board to attend. Ms. Miller read an email from a member of the public in Louisiana praising President McDonald's recent article in Realtor Magazine. Ms. Miller met with a reporter from the Redlands Community News in September for an article on regional sustainability during drought. She continues to meet with her counterparts at other local agencies. Staff continues to work on amendments to the Exchange Plan. Mr. Cosgrove reviewed, in brief, the draft agreement; the City of Redlands has declined to sign the agreement.

The remaining member agencies are taking the draft document to their legal counsel for review and will provide feedback to the District. The materials for the Board room technology upgrade have been purchased, with the final price approximately \$10,000 lower than the list price quote and inclusive of WiFi upgrades. Ms. Miller thanked Ms. Scholte for her efforts in updating the EAM. The monthly recharge report is included on package page 61. Ms. Miller said that an updated CDFW 1600 permit for maintenance was received but unfortunately a few items need to be discussed and revised prior to signing.

F. FUTURE AGENDA ITEMS & STAFF TASKS

Director Raley requested that the Investment Policy be reviewed with the Finance & Administrative Committee at its next meeting scheduled for November 16. President McDonald noted that she, Director Longville, and Director Raley ran unopposed and will be required to take the Oath of Office in December. Vice President Corneille noted the scheduled Strategic Plan update in FY23.

8. MONTHLY BOARD MEMBER MEETING REPORTS

Director Stewart made no report.

Vice President Corneille attended the Southern California Water Conference on August 12, Association of San Bernardino County Special District (ASBCSD) on August 15 and the SCE Conference on Green Power on August 30. He attended the Redlands Rise N Shine on September 2 and Exchange Plan Committee meeting on September 7. He provided a flyer to the Board on the Accelerate Committee Climate Action upcoming Save Water Workshop to be held on September 21, at 6:00 p.m. at the Redlands Community Senior Center.

Director Raley attended the Southern California Water Conference on August 12, signed expenditures on August 16 and attended the ASBCSD dinner on August 15. He attended the Redlands Rise N Shine on September 2.

President McDonald attended the Valley Municipal Engineering Workshop on September 13, ASBCSD Board meeting on September 12, and Valley Municipal Policy Workshop on September 8. She attended the Valley Municipal Board meeting on September 6 and August 16, Valley Municipal Resources Workshop on September 1 and ASBCSD dinner on August 15. She attended the Valley Municipal Policy Workshop August 11.

9. UPCOMING MEETINGS

The Conservation Trust meeting will be held on October 19 at 2:00 p.m. and the first Preserve Management Committee will be held at the District Office on October 13 at 10:30 a.m.

10. CLOSED SESSION

It was moved by Vice President Corneille and seconded by Director Raley to enter into 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

Mr. Cosgrove announced that the meeting would adjourn to a closed session to discuss posted agenda items 1 through 3.

At 4:54 p.m. the meeting reconvened into open session. Mr. Cosgrove noted reported that while in Closed Session, the Board made no reportable action.

11. ADJOURN MEETING

It was moved by Vice President Corneille and seconded by Director Stewart 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 4:55 p.m., the meeting adjourned to the regular Board meeting scheduled for 1:30 p.m. on October 12, 2022, via Zoom and in-person.



Betsy Miller
General Manager