

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF APRIL 12, 2023
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. All those in attendance stood for the pledge of allegiance led by President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

John Longville, Director

GENERAL COUNSEL PRESENT:

David Cosgrove, District Counsel

STAFF PRESENT:

Betsy Miller, General Manager
Milan Mitrovich, Land Resources Manager
Katelyn Scholte, Principal Engineer
Erwin Fogerson, ARTP Engineer
Athena Laroche, Administrative Specialist

GUESTS PRESENT:

T. Milford Harrison, San Bernardino Valley Regional Water Agency
June Hayes, San Bernardino Valley Regional Water Agency
Paul Kielhold, San Bernardino Valley Regional Water Agency
Trevor Slazas
Shane Sibbet, Elsinore Valley Municipal 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 no additions and deletions to the posted agenda.

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

Ms. Miller introduced staff present, President McDonald introduced guests present via Zoom and in-person. Board members made self-introductions.

4. PUBLIC MEETING RELATED TO ADOPTION OF THE GROUNDWATER CHARGE

Mr. Cosgrove provided a verbal overview of the groundwater rate selection process, as detailed in the memo on package page 6. The draft groundwater resolution is shown on package page 21. He indicated that the proposed increase to the groundwater charge is 11%, to a total unitary amount of \$16.95 per acre-foot. In addition, the sustainability component is recommended to increase from \$7.35 to \$12.00 per acre-foot, representing a step increase following the approved phase-in approach. Mr. Cosgrove noted that the Draft Engineering Investigation report was presented to the Board on February 8, and the final was approved on March 8. The groundwater budget has been presented to the Groundwater Council (GC). He noted that the Engineering Investigation Report presentation is available for presentation today if requested. No Board member or member of the public requested the presentation. The notices for today's public meeting and the April 26 public hearing have been published in the Redlands Daily Facts and the San Bernardino Sun. Mr. Cosgrove noted that mailed notices have been sent out to groundwater producers. He indicated that a detailed budgetary review of the groundwater enterprise was presented to the Board on February 8, and that those documents are included in today's package.

President McDonald opened the public meeting. No public comments, written or verbal, have been received on the groundwater charge to date. She asked if any public wished to comment on the groundwater charge or Engineering Investigation Report. Director Stewart proposed clarifying language to state that the groundwater increase of 11% will result in a total rate of \$16.95 per acre-foot, not an increase of \$16.95 per acre-foot. He asked for additional information regarding the sustainability rate. Ms. Scholte reviewed the sustainability charge calculation, which is based on the Equitable Allocation Model. This amount is recalculated each year based on the five-year rolling average of production, and the value fluctuates from year to year. The current calculation has the sustainability rate at \$25 per acre-foot, pending GC approval.

It was moved by Director Raley and seconded by Vice President Stewart to continue this matter to the April 26 Groundwater Public Hearing with minor revisions to Resolution No. 610. 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent**

Director Raley: Yes

President McDonald closed the Public Meeting.

5. CONSENT CALENDAR

It was moved by Director Corneille and seconded by Vice President Stewart to approve the Consent Calendar: Item A: Board Minutes, March 8, 2023; Item B: Expenditure Report, March 2023; and Item C: Absence Excusal for Board Member, March 8, 2023. 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent
Director Raley: Yes**

6. COMMITTEE REPORTS/ACTION ITEMS

A. FINANCE & ADMINISTRATION COMMITTEE VERBAL UPDATE

Director Raley provided a verbal update on this item. He stated that the Finance & Administration Committee met on March 22. They discussed the 3rd Quarter Unaudited Financial Report through March 14 since the Committee met before the quarter ended, and the Quarterly Investment Report was provided through February 28. The Committee reviewed a preliminary draft of the District budget for Fiscal Year 2023-2024. Staff requested a new field vehicle to replace the 2014 F-150, and the Committee supported this request. The funds to purchase the new truck will come from the capital budget for field equipment and vehicles. Director Corneille asked for a budget projection on how we will end the year. Ms. Miller said that it was discussed in general; a complete analysis was prepared through the end of the fiscal year. She indicated that overall, the District budget is coming in as projected. She noted that GL-4012-15: Interest Income is higher than budgeted, and there were increased costs in basin maintenance and field vehicle maintenance. The costs and progress of the Mentone Shop project were also discussed. The groundwater enterprise and groundwater charge were reviewed. Director Corneille requested more information on the bottom line to be presented. President McDonald thanked Director Raley for his report.

B. OPERATIONS COMMITTEE VERBAL UPDATE

Director Corneille provided a verbal update on this item. The Operations Committee met on March 28. He said that the Field Supervisor provided a PowerPoint presentation on field operations. He said that the soft plugs were replaced in Mill Creek three times due to higher-than-average precipitation, and the recharge basins are full. Ms. Scholte said that a small amount of overflow is going to the Judson Brown property and from D dike towards Plunge Creek. The Committee discussed the Mentone Shop, Mill Creek

Diversion Project, and the Program for Expansion of Recharge Capacity (PERC) projects which will be discussed later on the agenda. They reviewed the Wash Plan Trails next steps which are currently waiting on the City of Redlands, City of Highland, CEMEX, and Robertson's to review and approve the five-party funding agreement before we can move forward. Public access on the trails will also be affected by construction on the Enhanced Recharge Project.

C. 3RD QUARTER UNAUDITED FINANCIALS FOR 2022-2023

Ms. Miller reviewed this item, beginning on package page 58. She said the GL-4012-15: Interest Income is above budget due to higher interest rates. There have been no changes to date to LAIF or CERBT. There has been an increase of approximately \$14,000 in CalTrust and a slight decrease in funds invested with UBS. GL-4040: Miscellaneous Income is higher than budgeted due to funds received from the D.R. Horton Settlement Agreement. GL-5052-53: Field Operations are higher than anticipated, partially due to an unbudgeted pass-through payment the District made on behalf of the GC. These funds were held in reserve on behalf of the GC, so there is no overall budget impact, and the item will be adjusted at year-end. There has been an increase in GL-5310: Vehicle Maintenance due to inflation and an increase in the amount of maintenance needed this year. Ms. Miller indicated that, as discussed with the Finance & Administration Committee, staff will budget for purchase of a replacement vehicle for the 2014 F-150 in FY24. There is an increase in GL-6001: General Admin-Other related to preparing currently vacant Suite K (Vacant) to be advertised and leased, and a water leak in Suite I. Most of the costs for the water leak are anticipated to be covered by the tenant's insurance and/or ACWA JPIA. Ms. Miller said that the Mentone Shop purchase is expected to be expended to GL-7140: Mentone Property (Shop) prior to the end of the fiscal year. The Committee reviewed the 3rd Quarter Unaudited Financial Reports and Quarterly Investment Report and recommended both for Board approval. Ms. Miller noted that a US Treasury Bill matured on March 16, and the District invested those funds in a Federal Housing Bill that is paying 6% and is callable monthly.

It was moved by Director Corneille and seconded by Director Raley to approve the 3rd Quarter Unaudited Financials for 2022-2023, including the Quarterly Investment Report. 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent
Director Raley: Yes**

D. UNAUDITED FINANCIAL REPORT, MARCH 2023

Ms. Miller introduced this item for discussion, noting its inclusion on package page 64. She indicated that the interest income remains above budget due to market factors. She said that the District has received lower payments from miners and Upland Rock over the past two months and has budgeted accordingly for FY24. Groundwater revenue is below budget due to it being a wet year. Director Raley asked if the

reduction in mining income was due to the rain. Ms. Miller indicated that the reason for lower mining income had not been identified. Director Stewart asked what other income falls under GL-4040: Miscellaneous Income. Ms. Miller said that the funds from D.R. Horton Settlement Agreement, funds received on the Trust's behalf as a pass-through payment, and other non-recurring items are included.

It was moved by Vice President Stewart and seconded by Director Corneille to approve the Unaudited Financial Reports from March 2023. 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent
Director Raley: Yes**

E. ACWA 2023 BOARD OFFICERS' ELECTION VOTING DELEGATE

It was moved by Director Corneille and seconded by Vice President Stewart to appoint President McDonald as the voting delegate for the ACWA 2023 Board Officers' Election Voting Delegate. 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent
Director Raley: Yes**

7. INFORMATION ITEMS

A. ENVIRONMENTAL UPDATE

Mr. Mitrovich provided an update on this item, noting its inclusion on package pages 74 to 77. He reviewed the Slender-horned Spineflower (SHSF) Monitoring Program, noting that staff is performing phenology checks. A phenology check is where staff looks at the growth stage of individual SHSF plants. This will help staff schedule surveys to ensure that the population is monitored at its peak, and allow appropriate time for seed collection. Mr. Mitrovich noted that a reserve-wide survey for SHSF will be implemented this year. He reviewed the SHSF Restoration Program. President McDonald expressed her interest and support regarding genetic work being done to help identify the diversity of the SHSF. Mr. Mitrovich said that staff are working with California Botanic Garden on the seed bulking program, and to provide tissue from the SHSF for them to perform genetic work on the species. Director Stewart asked if staff is using data they collect to identify preferred soil types for the species. Mr. Mitrovich stated that

soil seems critical to where they may or may not be successful, and noted that the soil collected for the San Bernardino Area Kangaroo Rat (SBKR) analysis would also support this effort. The recently completed vegetation map of the wash will also support where new populations could be started based on soil characteristics. President McDonald praised staff for their efforts.

Mr. Mitrovich reviewed the Mill Creek Programmatic Permits, noting that the District received its approved jurisdictional delineation recognizing the waters at the Mill Creek facilities as isolated and non-jurisdictional on March 17; therefore, the facilities do not need a 404 permit.

Mr. Mitrovich reviewed the Community Mitigation Program. On April 4, the District received letters from CDFW of approval for the Trust to serve as the land manager, and the District to serve as the conservation easement grantee for the San Bernardino County Transportation Authority (SBCTA) 210 Freeway project. This determination clears the path for successful movement through the escrow process. Mr. Cosgrove said that the District transfers the easement to SBCTA, which will be held by the Trust, with land management conducted by the District. President McDonald expressed her appreciation for the partnerships the District and Trust are establishing as we move through this process. Director Stewart asked if staff keeps track of the acreage and its location. Mr. Cosgrove stated that the easements are recorded with legals, and Mr. Mitrovich confirmed that staff track all easement locations. 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 78. Staff have not received feedback from the City of Redlands or the mining partners on the five-party agreement but will continue to follow up. She indicated that several planned trail alignments are within or adjacent to the Enhanced Recharge Project construction area. When reviewing what trails we can open after approval of the agreement, the District will identify locations that are safe to open during construction. This item was received and filed.

C. ENGINEERING UPDATE

Ms. Scholte introduced this item for discussion, noting its inclusion on package page 79. She reviewed the Mentone Shop, stating that the architect is working on comments received on the permit applications from San Bernardino County (County), and that a deposit has been paid for the building. Ms. Scholte said that the County indicated that sprinklers would not be required. The nearest hydrant is 400 to 500 feet from the Mentone Shop. Staff is also working on obtaining quotes for installing a new septic system and moving the fence. The Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) for the U.S. Army Corps of Engineers 408 permit were signed on March 30. Staff is working on the 404 permit now that the EA is complete and has reapplied for the CDFW 1600 permit.

The 5x17 gate has been delivered for Mill Creek Diversion. The construction contract special provisions have been completed, and quantities are being verified as the bid package is being prepped.

Ms. Scholte provided an update on the Enhanced Recharge Project, noting that a preconstruction meeting was held at San Bernardino Valley Regional on March 29. Field staff are working to dry the Borrow Pit (Pit) to ensure areas are available for construction staging.

Ms. Scholte noted that staff has been working on the average annual flood analysis for the PERC projects. Mr. Fogerson stated that he and Ms. Scholte met with SBCFCD staff to discuss the collaborative nature of these projects. The seismic refraction study for Cook Creek is complete, and the geotechnical work at Plunge and Oak Creek has been completed.

D. PERC STATUS REPORT NO. 13

Mr. Fogerson reviewed the PERC Status Report No. 13 on package page 80. He reviewed the planned activity as noted on package page 83. He said that for the Mill Creek PERC site, consultants are working on hydraulics and modeling the proposed improvements. Staff is overseeing consultants who are developing the average annual rainfall for Plunge Creek, Bledsoe, Waterman, and Twin Creek, and preparing the hydraulic models. SBCFCD has approved the one-hundred-year model. Discussion ensued on modeling. Ms. Miller expressed her appreciation for the engineering team, and thanked them for their in-depth review of the reports received from consultants and for consultant management. Director Corneille thanked the engineering team for their efforts on behalf of the Operations Committee and PERC Policy Committee.

E. BOARD PRESIDENT MONTHLY VERBAL UPDATE

President McDonald passed on this item.

F. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller indicated that the written General Manager's Report was included in the Board package on pages 85 through 87. The Santa Ana River Recharge is currently 27,514 AF, Mill Creek Recharge is 6,140 AF, Plunge Creek is 2,095 AF; this includes 1,135 AF received of SWP water. Ms. Miller said that President McDonald and herself attended the ACWA Region 9 Tour of the Salton Sea on March 27. On March 7, District staff provided a full-day tour of the Wash to Orange County (OC) Public Works team, who oversee mitigation activities for the OC Flood Control District. The tour covered groundwater recharge facilities, Seven Oaks Dam, and the natural resource areas in the Wash with focus on the Plunge Creek Conservation Project. On March 15, The District met with staff from the San Bernardino County Museum of Natural History to discuss a joint water-wise demonstration garden. On March 20, Milan presented "Monitoring and Managing for Endangered and Threatened Species at the Wildlife Urban Interface: A Percent Area Occupied (PAO) Approach" at the International Association for Landscape Ecology - North American Annual Meeting, held March 19-23 at the Riverside Convention Center.

She noted that a letter of support for SB23 was submitted by the District and is included on package page 88. Director Corneille recommended sending a copy of the support letter to Senator Rosilie Ochoa Bogh. The District has partnered with IERCD and the San Bernardino County Museum of Natural History to host a community project for Redlands Earth Day on April 22, 2023, suggested by Director Corneille who is helping to organize Earth Day activities for the voluntary climate action group called Accelerate Neighborhood Climate Action. More details on the event, titled "Water You Waiting for? Landscaping with Water-Conscious Native Plants", can be found online at redlandsearthday.org. The Ad Hoc GM Evaluation Committee met on April 10 to review the general manager's performance, and this item will be brought to the May 17 Board meeting for consideration. Because of the excused absences of Vice President Stewart and Director Corneille from the Board/Groundwater Public Hearing on April 26, the Board postponed the Budget Workshop to May 17 immediately following the Board meeting, and will approve the District Enterprise Budget in June. Discussion ensued regarding recharge in the basin. Director Raley requested an update on the Groundwater Council (GC). Ms. Miller provided a brief overview and stated that because of the GC, 44,000 AF of water has been purchased of SWP water this year and will be recharged into the basin. The Monthly Recharge Report is included on package page 90. This item was received and filed.

G. STRATEGIC PLANNING VERBAL UPDATE

Ms. Miller noted that a survey has been emailed to the Board and staff for completion. Ellen Cross from Strategy Driver will contact Board members for a phone interview and requests that surveys be submitted by April 20.

H. FUTURE AGENDA ITEMS AND STAFF TASKS

President McDonald asked for an update on well levels. Vice President Stewart asked for the appropriate cap to be set for reserve levels. Staff will bring the reserve levels forward for Board review and consideration at the Budget Workshop on May 17.

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

Vice President Stewart attended the Big Bear Watermaster Committee on March 21, Finance & Administration Committee on March 22, and Operations Committee on March 28. He attended the Basin Technical Advisory Committee (BTAC) on April 3, Loma Linda Chamber of Commerce Breakfast on April 5, and the Dawn of a New Generation Celebration hosted by Valley Regional on April 5. He attended the Valley Regional Policy/Administration Workshop on April 6. He requested to be excused from the April 26 meeting because of his travel plans.

President McDonald attended the Valley Regional Board meeting on March 11, the Dawn of a New Generation Celebration hosted by Valley Regional on April 5, and the Valley Regional Policy/Administration Workshop on April 6. She attended the Association of San Bernardino County Special Districts Board (ASBCSD) meeting on April 10, ACWA Region 9 Tour of the Salton Sea on March

27, the ACWA State Legislative Committee on March 24, and ACWA Legislative Symposium on March 23. She attended the Valley Municipal Board meeting on March 21, the Retirement of Patricia Slaven from ACWA/JPIA on March 15, and the Groundwater Council meeting and ASBCSD Board meeting on March 13. She attended the Special meeting of the ACWA State Legislative Committee on March 8.

Director Corneille attended the Redlands Chamber of Commerce (RCC) Legislative Forum on March 17, Operations Committee on March 28, and the University of Redlands Climate Change Forum on March 29. He attended the Dawn of a New Generation Celebration hosted by Valley Regional on April 5, Rise N Shine on April 7, and the Ad Hoc GM Evaluation Committee on April 10. He requested to be excused from the April 26 meeting because of his travel plans.

Director Raley attended the Rise N Shine on April 7, Legislative Breakfast on March 23, and RCC Legislative Forum on March 17. He attended the Finance & Administration Committee on March 22.

9. UPCOMING MEETINGS

The Budget Workshop has been moved from April 26 to May 17, immediately following the Board meeting.

10. CLOSED SESSION

It was moved by Vice President Stewart and seconded by Director Corneille 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent
Director Raley: Yes**

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

At 3:58 p.m. the meeting reconvened into open session. Mr. Cosgrove noted that there was no reportable action during the closed session.

11. ADJOURN MEETING

It was moved by Vice President Stewart and seconded by Director Corneille 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 Stewart: Yes
Director Corneille: Yes
Director Longville: Absent
Director Raley: Yes

At 3:58 p.m. the meeting adjourned to the Board meeting/Groundwater Public Hearing scheduled for 1:30 p.m. on April 26, 2023, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager