

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF JANUARY 11, 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
David E. Raley, Director (Arrival 1:55 P.M.)
Robert Stewart, Vice President
John Longville, Director (Arrival 2:11 P.M.)
Richard Corneille, Director

BOARD MEMBERS ABSENT:

None

STAFF PRESENT:

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

GUESTS PRESENT:

June Hayes, San Bernardino Valley Municipal Water District
T. Milford Harrison, San Bernardino Valley Municipal Water District
Willow Green, Tetra Tech

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 and Board members made self-introductions. All those attending via Zoom made self-introductions.

4. DISTRICT STANDING COMMITTEE APPOINTMENTS

President McDonald opened this item for discussion. She requested comments from Board members following review of Appendix B: Standing Committees, shown on package page 6. There were no changes suggested to Appendix B, therefore all existing appointments will remain in effect until next year.

President McDonald requested feedback from the Board on Appendix C: Roster of Organizations and Committees with Assigned Representatives as shown on package page 7. Ms. Miller noted that there is one revision to Appendix C, not related to Board member appointments: Ms. Scholte was appointed by the court as the representative for the Big Bear Watermaster Committee on December 6, replacing Daniel Cozad. No additional changes were recommended. President McDonald stated that any member of the Board that desires to attend ACWA/JPIA training may do so at the conferences.

5. CONSENT CALENDAR

It was moved by Vice President Stewart and seconded by Director Corneille to approve the Consent Calendar: Item A: Board Minutes, December 14, 2022; and Item B: Expenditure Report, December 2022. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Raley were noted absent from the vote.

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

6. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORT, DECEMBER 2022

Ms. Quiroga introduced this item for discussion, beginning on package page 28. She noted that GL-4010: Interest Income is above budget due to funds being reallocated to higher yield investment accounts; the District has received \$41,825 in interest payments from UBS. Groundwater revenue remains the same with no additional late payments received. The groundwater statements for July 1, 2022 to December 31, 2022 were sent out with payments expected within the next month, and that payments of approximately \$100,000 into GL-4050: Property Tax Income have been received to date. She said that GL-4030: Mining Income was approximately \$143,000 over budget. Ms. Quiroga noted that revenue increased by approximately \$125,000 from November to December. She said that all other revenue sources are as expected, and that expenses were not substantial. Ms. Quiroga reviewed GL-6093: Memberships which is currently overbudget. She said that this GL will be adjusted slightly due to funds that are a prepayment for next year. Ms. Miller reviewed the request by Director Raley to discuss District memberships. She primarily discussed the membership for the California Special Districts Association (CSDA), which provides a variety of benefits, including legislative advocacy, trainings and conferences. Ms. Miller said that the most frequently utilized benefit is training offered to Board and Staff. However, she noted that non-members may attend training and events at an increased cost of approximately 50%. Director Stewart asked if GL-6060: Outreach is where expenses for ThunderWheel Communications would be allocated. Ms. Quiroga responded in the affirmative.

It was moved by Director Corneille and seconded by Vice President Stewart to approve the Unaudited Financial Reports for December 2022. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Raley were noted absent from the vote.

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

B. DISTRICT BOARD PRIORITIES FOR 2023

Ms. Miller presented the 2022 Board Priorities on package page 37 and Draft 2023 Board Priorities on package page 38. She summarized District's progress on the 2022 Board Priorities to date. Directors provided the following feedback on the Draft 2023 Board Priorities:

- Item 8: Mill Creek Operations Permitting – Vice President Stewart indicated that this item is necessary to complete Item 1: Existing Groundwater Recharge Operations. He would like to see this item completed prior to December 2023 due to its critical nature. Ms. Miller said that early discussions with certain resource agencies indicated that they may decline to regulate the facility due to applicable exemptions, etc., which would support an expedited review process.
- Item 2: Active Recharge Transfer Projects Feasibility Studies – Director Corneille requested staff to try to begin final design on one or more of the projects prior to the end of the year and requested details on opportunities to expedite this process. Ms. Miller said that certain feasibility studies will be completed prior to others, and staff are reviewing all opportunities to expedite at least one project. Mr. Fogerson indicated that he is confident that by mid-year staff will be able to identify at least one project that it can move forward with.
- Item 13: Wash Plan Trails MOU – Director Corneille said that he would like to see at least one trail opened. He expressed disappointment at this project missing its projected completion dates in last year's Priorities.
- Director Corneille recommended adding the Groundwater Council Renewal as a priority.
- Director Corneille requested that staff actively seek grants that support groundwater recharge projects such as the Active Recharge Transfer Projects (ARTP). Ms. Miller spoke in support of adding this item as a priority. She indicated that Ms. Scholte is currently working on materials to support a grant application that would retroactively fund a portion of the on-going ARTP feasibility studies. Director Raley stated that obtaining a grant should be the priority rather than just applying for a grant. Director Corneille noted that grants for ARTP should be the priority. President McDonald asked for clarification on the types of grant funding available. Ms. Miller reviewed the state and federal grant funding opportunities and the potential need to hire a grant consultant. Director Stewart said that there should be data collection to identify project completion dates. He indicated that it is important to explain the length of time it takes, the amount of effort and what it fully entails to see a project to completion.

Ms. Miller will update the Draft document and bring the final District Board Priorities to the Board for approval in February.

It was moved by Director Longville and seconded by Vice President Stewart to approve the 2023 District Board Priorities with the addition of 1) Groundwater Council Renewal and 2) Grants for Capital Improvement Projects. 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. STATEMENT OF INVESTMENT POLICY 2023

Ms. Miller introduced this item for discussion, noting its inclusion beginning package page 39. The Finance & Administration Committee met on November 16, and recommended approval of this item as presented. Ms. Miller noted that there are minor revisions shown in redline throughout the document. She said that PFM will review the Statement of Investment Policy in Q1. If PFM recommends changes as part of their review, these updates will be presented to the Board for review and approval.

It was moved by Director Corneille and seconded by Vice President Stewart to approve the Statement of Investment Policy for 2023 as presented. 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

D. UPLAND ROCK MATERIAL PROCESSING LICENSE UPDATE

Mr. Cosgrove introduced this item for discussion, and indicated its inclusion on package page 51. The District has contracted with Upland Rock for several years for the processing of sand, gravel and rock generated by basin maintenance activities, or imported onto District property. Staff is recommending that the District renew the material processing license extension with Upland Rock for 1 year. Mr. Cosgrove stated that the license royalty component for sand has been removed, because there is no market for sand at this time. If the Board chooses not to extend the agreement, it can pursue alternative means of attempting to remove stockpiled materials on District property through separate procurement. Director Stewart asked about the Stormwater Pollution Prevention Plan, and Mr. Cosgrove responded that this plan, and all permitting requirements, were the responsibility of the Licensee under the license. He asked if the District has the ability to provide sand to a customer, apart from any royalty or obligation under the license, should they request it. Mr. Cosgrove indicated that the District license is not exclusive, and if the District needs sand removed it can do so, but under present market conditions the operator does not have a fiscal incentive to remove it. Director Stewart asked if other entities choose to stockpile materials in the Borrow Pit, does it then become the property of Upland Rock. Mr. Cosgrove said that the property right of Upland Rock comes from their processing of material, not just its presence on the site, so their rights extend only to material that they have processed. Mr. Cosgrove also highlighted that the recommended action included a CEQA exemption finding, as detailed in the staff report.

It was moved by Director Stewart and seconded by Director Raley to approve the attached 2023 Mineral Processing License Extension to provide an additional year of material stockpile processing by Upland Rock. 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. SETTLEMENT AGREEMENT AND RELEASE REGARDING D.R. HORTON TRESPASS

Mr. Cosgrove introduced this item for discussion, indicating its inclusion on package page 75. D.R. Horton's contractor trespassed onto District property and disturbed habitat during the summer of 2021. The District has negotiated the restoration of these acres. D.R. Horton provided the District with a deposit of \$48,025 to fund District staff time to evaluate remediation alternatives. Staff has been working with the resource agencies to ensure that the restoration plan is acceptable. Mr. Cosgrove recommends that the Board approve the settlement agreement and release regarding the D.R. Horton trespass. The parties agreed to a sum of an additional \$200,617.71 to cover both the anticipated costs of remediation and associated future District's staff time and overhead costs. Director Stewart spoke in support of the District handling the restoration of habitat since we are the experts in this area. He expressed concern over potential trespass and dumping issues that may occur in the disturbed area and asked if boulders can be placed there to block access. President McDonald spoke in support in the District using boulders to block of access. Mr. Fogerson indicated that placement of the boulders needs to be done carefully. Director Raley asked if the District is comfortable that these funds will cover the full restoration. Mr. Cosgrove indicated that staff has included a contingency. Mr. Mitrovich said that the resource agencies have recognized that the District is best suited to complete the necessary remediation. Ms. Miller thanked Mr. Cosgrove for his efforts on this item.

It was moved by Director Longville and seconded by Director Corneille to approve the Settlement Agreement and Release with D.R. Horton resolving issues regarding damage to 0.41 acres of District property (APN 029701107) next to the Vista Verde at Mediterra development 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 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**

F. CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE ENDANGERED SPECIES CONSERVATION AND RECOVERY GRANT PROGRAM APPLICATION

Mr. Mitrovich reviewed this item beginning on package page 28. Staff recommends the Board authorize use of expenditures for the San Bernardino kangaroo rat (SBKR) monitoring program planned for the Wash Plan Preserve from 2024-2026 as matching funds for the California Department of Fish & Wildlife's Service (CDFW) Endangered Species Conservation and Recovery Grant Program in an amount not to exceed \$235,000, and authorize the General Manager to prepare and sign a letter of commitment for these matching funds for submittal with the range-wide SBKR monitoring proposal prepared for the Program's Proposal Solicitation. Mr. Mitrovich provided detailed history on the project and its association with the Wash Plan. There is a minimum non-federal match of 25% of the total project costs that must be provided by project applicants. Director Corneille asked about benefits to the District for participating in the proposed project. Mr. Mitrovich indicated that the project provides exceptional partnership opportunities and will significantly increase knowledge of SBKR across the region which will inform Wash Plan management. He indicated that the grant is due next week and will take six months to award.

It was moved by Director Longville and seconded by Vice President Stewart to authorize use of expenditures for the San Bernardino kangaroo rat

monitoring program planned for the Wash Plan Preserve and/or other District owned property from 2024-2026 as matching funds for the California Department of Fish and Wildlife's Endangered Species Conservation and Recovery Grant Program in an amount not to exceed \$235,000, and authorize the General Manager to prepare and sign a letter of commitment for these matching funds for submittal with the range-wide SBKR monitoring proposal prepared for the Program's Proposal Solicitation. The motion carried 5-0, with all Board members present voting in the affirmative.

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

G. ASSOCIATION OF SAN BERNARDINO COUNTY SPECIAL DISTRICT BOARD NOMINATIONS

Ms. Miller introduced this item for discussion, noting its inclusion on package page 85. She stated that the Association of San Bernardino County Special Districts (ASBCSD) will be holding Board elections in February, and they are requesting a letter of support from the District. Director Corneille nominated President McDonald continue to serve on the ASBCSD Board.

It was moved by Director Corneille and seconded by Director Longville to nominate President McDonald for election to the Association of the San Bernardino County Special Districts Board and authorize the Vice President of the Board of Directors to submit a letter of recommendation. 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 pages 86 to 88. He reviewed the Wash Plan Implementation – Organization Structure & Planning. He noted that there is a meeting scheduled with the United States Fish & Wildlife Service (USFWS) for February 28 to visit the Wash Plan Preserve and Mill Creek. Mr. Mitrovich noted that on December 15 the District held a Wash Plan Task Force meeting where it approved the contract amendment for AECOM to complete work on the remaining Wash Plan State and waters permits. He reviewed the Community Mitigation Program and provided an update on California Department of Fish and Wildlife's approval of the San Bernardino County Transportation Authority's 4.2 acres of offsite mitigation under this program. Director Corneille asked if the MOU with San Bernardino County included part of the Woolly Star Preserve Area (WSPA). Mr. Mitrovich indicated that the conservation easement is not within the WSPA. President McDonald asked how many Streambed Alteration Agreements the District has completed. Ms. Miller stated that we have completed these permits for Plunge Creek, Mill Creek and the Wash Plan Covered Activities; Ms. Scholte said that one has also been completed for the ARTP's Waterman, Twin and Lynwood geotechnical work. 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 89. She said that the City of Highland has reviewed the five party agreement with plans to present it to their Council next month pending comments from the mining companies. The District is expecting to receive comments from the City of Redlands in February or March. Director Corneille asked what permits are required and what steps need to be taken to be able to open up a trail. Ms. Miller indicated that the Wash Plan Certificate of Inclusion could move in parallel to obtaining the remaining Wash Plan permits and approvals from the cities. Staff are reviewing trail segments to see if there are options entirely within the City of Highland which might proceed without additional approvals. Director Longville asked when staff believes the public will be able to utilize a trail. Ms. Miller indicated that there may be a possibility of opening one by the end of year, depending on MOU approval and associated jurisdiction. President McDonald stated that the City of Highland has always been supportive of having trails.

C. ENGINEERING UPDATE

This item is included on package page 90. Mr. Fogerson stated that the Mentone Shop is moving forward: Staff has provided comments on the building plans prepared by the manufacturer and structural foundation plans are expected soon. Staff spoke with the Corp of Engineers (COE) today to discuss the 408 permit for Mill Creek, and are hopeful it will be issued next month. Mr. Fogerson reviewed the ARTP projects as noted within the written report. Ms. Scholte shared the model of Mill Creek via Zoom.

D. BOARD PRESIDENT MONTHLY VERBAL UPDATE

President McDonald provided an update on recent activities. She received her elections fees back due to running unopposed.

E. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller introduced this item for discussion, noting its inclusion on package page 91 to 92. The monthly recharge report is included on package page 93. Ms. Miller indicated that the final land inspection for the Santa Ana River Wash Plan Land Exchange Act Implementation was delayed due to rain. She has met with strategic plan consultants in preparation for the update for this year. This item was received and filed.

F. FUTURE AGENDA ITEMS & STAFF TASKS

Director Raley requested additional information on the Groundwater Council and the pending renewal. Director Corneille requested an update on the Exchange Plan.

8. MONTHLY BOARD MEMBER MEETING REPORTS

Director Stewart attended the Loma Linda Chamber of Commerce on December 15 and the Valley Municipal Engineering Workshop on January 10.

Director Raley attended the Redlands Rise N Shine on January 8.

Director Corneille attended the ACWA Fall Conference, Groundwater Management Committee and Water Management Committee meetings from November 29 to December 1. He attended the Ad Hoc Audit Committee December 2, Redlands Rise N Shine on December 6 and Valley Municipal Engineering Workshop on January 10.

Director Longville attended the Valley Municipal Board Meeting on January 3 and December 20. He attended the Valley Municipal Resources Workshop on December 15.

President McDonald attended the Valley Municipal Engineering Workshop on January 10, and Valley Municipal Resources Workshop on December 15 and January 5. She attended the Valley Municipal Board Meeting on January 3.

9. UPCOMING MEETINGS

No meetings were discussed.

10. CLOSED SESSION

It was moved by Vice President Stewart and seconded by Director Longville to enter into Closed Session. The motion carried 5-0, with all Directors present voting in the affirmative.

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

Mr. Cosgrove announced that the meeting would adjourn to a closed session to discuss all items on the posted agenda, except for Item 4.

At 4:54 p.m. the meeting reconvened into open session. Mr. Cosgrove reported that while in closed session the Board by unanimous vote authorized District Counsel to enter into a collection agreement in unlawful detainer as in posted agenda.

11. ADJOURN MEETING

It was moved by Director Longville and seconded by Director Stewart to adjourn. The motion carried 5-0, with all Directors present voting in the affirmative.

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

At 4:55 p.m., the meeting adjourned to the regular Board meeting scheduled for 1:30 p.m. on February 8, 2023, via Zoom and in-person.



Betsy Miller
General Manager