

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF MAY 15, 2024
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
John Longville, Director

BOARD MEMBERS ABSENT:

David E. Raley, Director

STAFF PRESENT:

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

GUESTS PRESENT:

David E. Smith, East Valley Water District
Michael Moore East Valley Water District
Paul Kielhold, San Bernardino Valley Municipal Water District
Cindy Saks, San Bernardino Valley Municipal Water District
Willow Green, Tetra Tech

1. PUBLIC PARTICIPATION

President McDonald announced that any persons present, who so desired, may make an oral presentation to the Board of Directors. Director Smith of East Valley Water District (EVWD) spoke about the opening of Sterling Natural Resource Center (SNRC), which SNRC provides approximately 6 million gallons of recycled water for recharge per day. He introduced Michael Moore, General Manager of

EVWD. Mr. Moore spoke affirmatively of services provided by the Conservation District, noting that eighty percent of the water supplied by EVWD is from the groundwater basin. Mr. Moore thanked the Conservation District for their efforts, and presented the Board with a pennant commemorating the Turning of the Valve ceremony held by EVWD to celebrate opening SNRC. He provided an overview of the SNRC and offered a tour for the Board and staff who are interested. President McDonald commended EVWD on their SNRC project and the award they received from ACWA for the project, and thanked EVWD for their partnership in supporting regional water supply reliability.

2. ADDITIONS/DELETIONS TO AGENDA

Mr. Cosgrove requested that Item F: Settlement Agreement in Endangered Habitats League Litigation be deleted from the agenda. Staff intend to bring this item to the Board in June.

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, April 24, 2024; Item B: Budget Workshop Minutes, April 24, 2024; Item C: Expenditure Report, April 2024; and Item D: Report of Excused Absences for Director Longville for his absence from the Board of Directors Meeting and Budget Workshop, April 24, 2024, and Director Raley for today's Board meeting absence. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. FINANCE & ADMINISTRATION COMMITTEE VERBAL UPDATE

Ms. Quiroga noted that the Finance & Administration Committee met on April 16. They reviewed the third quarter unaudited financial reports, current District memberships, planned expansion of the District Office, draft FY25 budget, and considered policy for reporting over budget line items. The Committee also reviewed the basin cleaning budget amendment for FY24.

B. OPERATIONS COMMITTEE VERBAL UPDATE

Director Corneille provided a verbal update on the Operations Committee meeting that was held on April 17. He said that the Committee received an update on the Mentone Shop; at that time, Ms. Scholte stated that the building was expected to be delivered in three weeks. Ms. Torres reported that the building is now expected to arrive on June 14. The Committee received an update on the Enhanced Recharge construction project, including details on the additional basins that are now in operation. The Committee reviewed the prioritized maintenance list, and a field tour was convened after the conclusion of the meeting. Additionally, the Committee reviewed the vector control contract and discussed the Zanja restoration and grant application for the Program for the Expansion of Recharge Capacity (PERC) project.

C. AD HOC GM EVALUATION COMMITTEE VERBAL UPDATE

Vice President Stewart noted that the Ad Hoc GM Evaluation Committee met on April 30. The Committee reviewed the District with the General Manager successes and priority projects over the last year. Additional information will be discussed in closed session.

D. UNAUDITED FINANCIAL REPORTS FOR APRIL 2024

Ms. Quiroga reviewed this item, noting its inclusion beginning on package page 26. She said there was an increase in GL 4025 Wash Plan Revenue of \$231,924; \$160,626 will be moved to GL 4999 Trust Reimbursement-WP. GL 4041 Reimbursed Expenses includes \$65,945 for the Suite I insurance claim. GL 5100 Professional Services increased by approximately \$94,000 for contracted natural resources tasks. GL 5215 Property Maintenance increased by an estimated \$12,000 for contracted weed abatement services. GL 6320 General Liability Insurance was adjusted by -\$7,747 for annual accruals, with additional accruals made at the end of the fiscal year.

Ms. Quiroga reviewed package page 27, noting that total revenue was \$6,877, 882 and expenses were \$3,190,111. She reviewed the enterprises to date and graph financials shown on package page 28. She noted that the cash position increased by \$11,920. There will be a payment made to San Bernardino Valley Municipal Water District (SBVMWD) of \$131,930 from GL 4026 Groundwater Sustainability/Replenishment this month. President McDonald requested confirmation that GL 6401 Directors' Fees are within budget. Ms. Quiroga spoke in the affirmative.

It was moved by Vice President Stewart and seconded by Director Longville to approve the Unaudited Financial Reports for April 2024 as presented. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

E. THIRD QUARTER UNAUDITED FINANCIALS FOR FY24

Ms. Quiroga introduced this item at the beginning of package page 33. The Finance & Administration Committee reviewed the third quarter unaudited financials at their April 16 meeting and recommended Board approval of this item as presented. She reviewed the rolled-up version of the quarterly financials beginning on package page 35, which includes totals through March 31. The total revenue received through the end of the quarter is \$6,661,231, and total expenses are \$2,877,234. She reviewed the capital budget on package page 36, noting that capital expenses were \$2,531,220 through the quarter. It is expected that capital budget expenditures will be approximately \$4 million by year-end.

Ms. Quiroga reviewed the Quarterly Investment Report beginning on package page 37. This quarter, the net change is \$974,575, including an unrealized gain of \$314,739. The cash equivalent for this quarter was \$52,268. Ms. Quiroga noted that package page 38 shows the breakdown of our UBS investment accounts for the General Fund Enterprise, with the market value of \$5,568,830 as of March 31. The total interest withdrawals for the third quarter were \$90,047 for the General Fund. She reviewed the UBS investments for the PERC on package page 39. The market value as of March 31 is shown as \$28,215,518. The total interest withdrawals for PERD for the third quarter were \$312,528.

It was moved by Vice President Stewart and seconded by Director Longville to approve the Third Quarter Unaudited Financials for FY24 as presented. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

F. SETTLEMENT AGREEMENT IN ENDANGERED HABITATS LEAGUE LITIGATION

This item was deleted from the agenda, and is expected to be considered at the June 12 Board meeting.

Mr. Cosgrove asked if any public present would like to comment on this item. There was no public comment received.

G. CONTRACT WITH THE COUNTY OF SAN BERNARDINO DEPARTMENT OF PUBLIC HEALTH FOR VECTOR CONTROL SERVICES

Ms. Miller introduced this item for discussion, noting its inclusion on package page 72. She provided a brief history of the vector control services contract, which was originally entered into in 2019. Staff and the Operations Committee recommend a five-year contract extension; the contract is included on package pages 74 to 80. The total contract is \$266,370, to be expended over a five-year term.

It was moved by Director Longville and seconded by Director Corneille to approve a five-year Contract with the County of San Bernardino Department of Public Health for vector control services in an amount not to exceed \$266,370. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

H. AMENDMENT TO AGREEMENT FOR CONSULTING ENGINEERING SERVICES WITH E-PUR LLC

This item is included beginning package page 81. Ms. Miller reviewed this item, noting that Mr. Lambie has contributed to the PERC and groundwater modeling projects. Staff proposes an extension to Mr. Lambie's contract dba E-PUR LLC for up to six months in an amount not to exceed \$118,646. The agreement is included on package pages 83 to 84.

It was moved by Director Longville and seconded by Director Corneille to authorize the Amendment to the Agreement for Consulting Engineering Services with E-PUR LLC to support PERC and other District engineering needs in an amount not to exceed \$118,646. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

I. AWARD OF CONTRACT SERVICES FOR SANTA ANA SPREADING BASIN MAINTENANCE

Ms. Miller introduced this item, noting its inclusion on package page 85. This item was reviewed and recommended for approval by the Operations Committee and Finance & Administration Committee. She reviewed previous maintenance performed and the need to clean Basin 10 and 18 (D Dike) due to sediment and algae buildup within the basins following a record recharge year. Staff proposes that the work be conducted at the same time as basins are dried to allow for Enhanced Recharge project construction, to limit the time that basins will be out of service. Ms. Miller said that the proposed agreement with Larry Jacinto Construction for spreading basin maintenance is for an amount not to exceed \$320,603. She indicated that the proposed work would be funded through the Groundwater Recharge Enterprise Reserve. Mr. Cosgrove noted that a revised version of Exhibit A was provided to the Board as a handout. Director Corneille spoke in support of the approval of this item, noting it is an appropriate use of reserves. President McDonald thanked staff for bringing this item forward to

the Board. Ms. Miller thanked Ms. Torres for her efforts on this task, including work to obtain quotes and coordinate with contractors.

It was moved by Director Longville and seconded by Director Corneille to authorize the General Manager to enter into a contract services agreement with Larry Jacinto Construction for spreading basin maintenance for a not to exceed amount of \$320,603.75, in the form attached, subject to revisions to amounts as may be negotiated by the General Manager and minor revisions as approved by General Counsel; amend the FY24 budget to increase GL 5050 Basin Maintenance by \$320,603.75 from the Groundwater Recharge Enterprise Reserve; find the project to be exempt from CEQA review under title 14 CCR section 15301, relating to maintenance of existing facilities; and direct staff to file a Notice of Exemption accordingly with the revised Exhibit A provided as a handout. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

J. MENTONE SHOP IMPROVEMENTS CONSTRUCTION BUDGET AND CONTRACT AMENDMENT

Ms. Miller introduced this item for discussion. She thanked Ms. Torres for managing the Mentone Shop construction, which began on March 26. Ms. Miller stated that additional items required by the permit, which were not included in the original contract, will result in additional costs. Staff proposes an amendment to the CS-NK Construction contract from \$313,373 to \$480,966 to address these new items required by the permit as detailed on package page 100. Staff requests that the contingency fund, not included in the agreement, be added in the amount of \$43,816 for the construction phase. The fiscal impact discussed on package page 100 incorrectly indicates that approval of this item would result in an expenditure of \$61,171 instead of the \$161,171, for a total project cost of \$586,671. Director Corneille asked for details on the cost increases from \$313,373 to \$480,966, noting the significant increase in the contract amount. Ms. Torres stated that project permits required more excavation than anticipated for the foundation, as well as construction of a sidewalk around the new building. Additional costs include the addition of drive-up aprons, the price of septic, and material costs that have increased due to inflation. Ms. Torres said that the bid was obtained two years ago and that costs have increased due to material and permitting delays. Director Corneille asked for additional information on the schedule. Ms. Torres said she is working with the contractor to obtain an updated schedule prior to the concrete pour. Vice President Stewart said that he does not believe a ten percent contingency is warranted at this stage in construction.

It was moved by Director Longville and seconded by Director Corneille to approve an amendment to CS-NK Construction contract from \$313,373.40 to \$480,966.21; amend a contingency fund, not included in the agreement, to

\$10,000 for the construction phase for building contract contingency and \$7,000 for design phase contingency; authorize the General Manager to approve the expenditure of the contract and contingency funds, if needed, and order any necessary changes or additions in work performed under the contract with CS-NK Construction; authorize the General Manager to spend up to \$98,000 to obtain permits, additional fencing, general cabinetry and shelving, fuel and pesticide storage; and perform field testing; and accept the quote from CS-NK Construction Services in the amount of \$34,740 for the septic tank installation and permitting at the Mentone Shop. The motion carried 4-0, with all Board members present voting the affirmative. Director Raley was absent from the vote.

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

K. U.S. BUREAU OF RECLAMATION WATERSMART PLANNING AND PROJECT DESIGN GRANT APPLICATION AND MATCHING FUNDS

Ms. Miller introduced this item for discussion, which is included on package page 105. Staff is currently preparing an application for the U.S. Bureau of Reclamation WaterSmart Planning and Project Design Grant. If awarded, the grant could cover up to \$359,322 in reimbursable expenses for FY24, FY25, and FY26 for the Mill Creek Program of Expansion of Recharge Capacity project.

It was moved by Director Longville and seconded by Director Corneille to adopt Resolution No. 623 and authorize the use of \$359,322 in contract costs in FY24, FY25, and FY26 under Capital GL 7126, PERC Engineering/Professional Services as matching funds for the U.S. Bureau of Reclamation WaterSmart Planning and Design Grant. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

L. DISTRICT ENTERPRISE BUDGET APPROVAL FOR FISCAL YEAR 2024-2025

Ms. Miller introduced this item for discussion, beginning package page 109. The revisions to the budget are listed in the Board memo on pages 109 to 110. Ms. Miller noted that the total costs for the Mill Creek Diversion Project completed in FY24 are \$2,226,847, which is \$92,437 under budget.

She discussed Resolution No. 624, which outlines the allocation of expenses incurred by the District for Brownstein Hyatt. Mr. Cosgrove indicated minor revisions to the resolution.

It was moved by Director Longville and seconded by Director Corneille to approve the FY25 District Enterprise Budget as presented with incorporated changes from the Budget Workshop held on April 24, 2024, and adopt Resolution No. 624 with minor revisions noted to authorize a prior period adjustment for the Upper Santa Ana River Wash Habitat Conservation Plan to remove certain administrative expenses from those costs reimbursed to the District through issuance or other reimbursable costs and assign those costs to the District. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

6. INFORMATION ITEMS

A. ENVIRONMENTAL UPDATE

Dr. Mitrovich reviewed the written report included on package pages 123 to 125. He provided an update on the SBKR monitoring program, which was initiated on March 19. Staff have surveyed 129 plots out of 146 to date.

Dr. Mitrovich reviewed the California Gnatcatcher monitoring program, stating that the first round of surveys had been conducted. Staff will perform vegetation mapping tomorrow in the field. Mikael Romich completed surveys at the Mill Creek facilities in support of the draft Safe Harbor Agreement (SHA) with USFWS. Director Corneille asked for more information on the SHA. Dr. Mitrovich stated that the SHA allows the District to obtain federal permit coverage for endangered species at its Mill Creek facilities while supporting the expansion of the SBKR population on our lands. Mr. Cosgrove and Ms. Miller discussed the benefits of the SHA.

Dr. Mitrovich discussed the Slender-horned Spineflower (SHSF) Restoration Program. He indicated that the fifth month of monitoring at the out-planting sites will be conducted the week of May 20. Staff has implemented the second year of bulking. He noted that the USFWS toured the Wash Plan preserve on April 16 to discuss Wash Plan covered activities.

Dr. Mitrovich reviewed the Partnership Activities as shown on package page 125. He and Manuel Colunga, Field Supervisor, participated in the annual yucca harvest that takes place under the District's MOU with San Manuel on April 19.

B. ENGINEERING UPDATE

Ms. Torres provided the Engineering Update, noting its inclusion on package page 126. She reviewed the construction of the Mentone Shop improvements that began on March 26, indicating compaction, foundation, and site prep are complete. Once we have the schedule, the concrete pour will begin. Staff obtained three quotes for the septic system. The shop building is scheduled to arrive on June 14.

Ms. Torres reviewed the Enhanced Recharge project construction. She stated that Basins AA through EE, G, and H are operational. Staff began drying Basin 10 and D Dike to address both construction and maintenance needs. She said that construction is moving quickly and system testing occurred on April 22.

Mr. Lambie reviewed the PERC projects status included on package page 126. He has completed a full review of the projects. He said he met with Michael Fam of the San Bernardino County Flood Control District (FCD); FCD has indicated that they prefer to review projects individually. Mr. Lambie will review the hydraulic model framework with FCD and consultants. He discussed the flood analysis completed on the Plunge and Oak Creek projects. He reviewed the average annual storm event analysis and asked the consultant to try an alternative approach. Staff indicated that Oak Creek may be able to move forward expeditiously, pending hydrology analysis. Mr. Lambie reviewed the Mill, Bledsoe, and Cook Creek projects. The infiltration work has been done, and staff is awaiting the report. Cook has been eliminated, and Bledsoe is likely to be eliminated. Vice President Stewart requested that Cook Creek be removed from the report. Director Corneille said that the removal of Cook Creek should be voted on by the Policy Committee at their next meeting. Mr. Lambie will report next month on the groundwater model update.

C. 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 129 through 131. She said there has been 46,599 AF of water recharged in the current water year, with 7,683 AF recharged in April. Ms. Quiroga will reach her twelve-year anniversary as a District employee on May 31. Ms. Miller attended the Biennial Symposium on Managed Aquifer Recharge from April 4-5. President McDonald, Mr. Cosgrove, and Ms. Miller attended the ACWA Spring Conference in Sacramento from May 7-9. Ms. Miller thanked Ms. Quiroga for her completion of the FY25 budget. Ms. Miller thanked Ms. Torres for her work on Item 12: Shop Facilities for Field Staff. In relation to Item 14: Wildland Trails, she noted that the City of Redlands may bring the MOU to their June City Council meeting. In regards to Item 15: Wash Plan, she noted that staff is eighty-eight percent complete with the SBKR surveys with 129 plots surveyed to date. Ms. Miller reviewed Item 20: Public Outreach and Legislative. District successes are noted on package page 131. The Monthly Recharge Report is included on package page 140. This item was received and filed.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

Vice President Stewart requested that staff bring back information on how much water was not captured this year. He asked for a modeling review of the Borrow Pit and how it affects Basin 10. Ms. Miller noted that the District is working with partners to discuss calibrations to the model. Director Corneille asked if the target reserve level review had been performed. Ms. Miller indicated that it will be done and reviewed by the Finance & Administration Committee and also brought to the Board.

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

Vice President Stewart attended the Association of San Bernardino County Special Districts Dinner (ASBCSD) dinner on April 15, the Finance & Administration Committee on April 16, and the Operations Committee on April 17. He attended the Groundwater Public Hearing and Budget Workshop on April 24, the Ad Hoc GM Evaluation Committee on April 30, and the East Valley Water District's (EVWD) Turning of the Valve Celebration on May 3.

Director Corneille attended the Operations Committee on April 17, the Groundwater Public Hearing and Budget Workshop on April 24, and the Ad Hoc GM Evaluation Committee on April 30.

Director Longville attended the Finance & Administration Committee on April 16 and the SBVMWD Resources and Engineering Workshop on May 14.

President McDonald attended the SBVMWD Resources and Engineering Workshop on May 14, the ASBCSD Board meeting on May 13, and the ACWA Spring Conference from May 7 to 9. She attended the EVWD Turning of the Valve Celebration on May 3, the SBVMWD Policy & Administration Workshop on May 2, and the ASBCSD Board Meeting on April 8. She attended the SBVMWD Summit on April 25 and 26.

A. BOARD MEMBER TRAVEL REQUEST

It was moved by Director Corneille and seconded by Vice President Stewart to approve the Travel Request for President McDonald for the Toward Sustainable Groundwater in Agriculture 3rd Annual Conference in the amount of \$3,231. The motion carried 4-0, with all Board members present voting in the affirmative. Director Raley was absent from the vote.

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

8. UPCOMING MEETINGS

There were none discussed.

9. CLOSED SESSION

It was moved by Director Corneille and a seconded by Vice President Stewart to adjourn to Closed Session on Closed Session Items 3 and 4 only. The motion carried 4-0, with all Directors present voting in the affirmative. Director Raley was absent from the vote.

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

General Counsel announced that the meeting would adjourn to a closed session to discuss Items 3 and 4 on the posted agenda.

At 4:25 p.m., the meeting reconvened into an open session. Mr. Cosgrove noted that under Government Code Section 54957.1 (a) (1) (B), the Board authorized the District Counsel and the General Manager to enter into an agreement with CEMEX. CEMEX will have to approve the final agreement. He noted that CEMEX will continue pumping the sites that are experiencing high groundwater, and the District will have the actual and reasonable costs offset against the minimum annual guaranteed rent for three months. The parties will engage in mutual waivers and releases of conduct to date. The finalized agreement will be made available to anyone as a public record.

Mr. Cosgrove reported that the Board held the General Manager's performance review, and District Counsel will write a review. Any adjustment to the General Manager's compensation package will be considered in open session at the June Board meeting. There was no other reportable action during the closed session.

10. ADJOURN MEETING

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

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

At 4:27 p.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on June 12, 2024, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager