

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF AUGUST 14, 2024
1:30 p.m.

President McDonald called the Board of Directors meeting to order at 1:30 p.m. with participation in person, via teleconference, and through Zoom. All those in attendance stood for the pledge of allegiance led by President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Richard Corneille, Director
John Longville, Director
Hillary Jenkins, Director
Robert Stewart, Vice President

BOARD MEMBERS ABSENT:

None

STAFF PRESENT:

Betsy Miller, General Manager
David Cosgrove, District Counsel
Milan Mitrovich, Land Resources Manager
Ms. Quiroga, Senior Administrative Analyst
Laura Torres, Assistant Engineer
Anna Frey, Assistant Biologist
John Lambie, Consulting Chief Engineer and Geohydrologist
Zach Blum, Intern
Randy Do, IT Contractor
Ashima Thomas, Executive Assistant (contractor)

GUESTS PRESENT:

Paul Kielhold, San Bernardino Valley Municipal Water District
David E. Smith, East Valley Water District
John Harris, City of Redlands
Joseph Aguirre, Tetra Tech
Mark Falcone, Highland Resident

1. PUBLIC PARTICIPATION

No public participation.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the posted agenda.

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

The Board, staff, in-person attendees and Zoom attendees made self-introductions.

4. DISTRICT COMMITTEE APPOINTMENTS

President McDonald introduced this item for discussion noting its inclusion on Package Page 8 and made several committee appointments. Director Longville was appointed Chair of the Finance & Administration Committee while Vice President Stewart was moved to a permanent member of the Committee. There are no changes to the membership of the Operations Committee or the Outreach and Communications Committee

Director Longville was appointed as primary on the Wash Plan Task Force while Director Corneille was appointed as alternate. Vice President Stewart was appointed as the primary on the Big Bear Water Master Committee. Director Corneille was moved to alternate on the Big Bear Water Master Committee.

President McDonald deferred further Committee appointments to the Board of Directors meeting scheduled for December 11. She requested that Directors provide her with feedback if they are interested in being appointed to any committees or other meetings listed within Appendix B or C.

5. CONSENT CALENDAR

It was moved by Director Corneille and seconded by Director Longville to approve the Consent Calendar: Item A: Approval of Board Minutes, July 10, 2024; Item B: Approval of Board Minutes, July 24, 2024; and Item C: Approval of Expenditure Report, July 2024. The motion carried 5-0, with all Board members present voting in the affirmative.

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

6. COMMITTEE REPORTS/ACTION ITEMS

A. AD HOC AUDIT COMMITTEE VERBAL UPDATE

Director Corneille reported that he and Director Longville met with the auditor, Ms. Quiroga, and General Manager Miller on July 23rd to initiate the audit process. All board members should have received a letter with questions from the auditors. The Directors requested that the auditors review the PERC accounts for best practices related to Capital projects.

Ms. Quiroga informed the Board that the final audit reports are expected by the October board meeting. Discussion ensued regarding planned Director absences, and it was agreed that the audit should be presented to the Board in November.

B. FINANCE & ADMINISTRATION COMMITTEE VERBAL UPDATE

General Manager Miller reported that at the July 24th meeting, the committee discussed the fourth quarter and audited financials, which are on today's agenda. They also reviewed recent mining revenue and discussed effects of high groundwater levels and the current agreement with Cemex.

C. OPERATIONS COMMITTEE VERBAL UPDATE

Director Corneille reported on the August 6th meeting. The meeting opened with a field operations report by Mr. Manuel Colunga, Field Supervisor, and it was noted that Mr. Guizar passed his drone pilot license exam, enabling aerial inspections of facilities.

The Mentor Shop contractor has indicated that he does not anticipate being able to complete the project. Staff are reviewing next steps.

Director Corneille reported that the Enhanced Recharge project construction is progressing well and extended the District's appreciation to Valley for their efforts and close coordination to maximize recharge throughout construction.

Director Corneille shared that Mr. Lambie provided a report on the PERC projects. A PERC Policy Council meeting is scheduled for September 3. As requested by Vice President Stewart, John provided detailed evaluation criteria for prioritizing the various PERC projects.

Ms. Torres gave a comprehensive report on facility maintenance, including the draft multi-year maintenance plan and ranking criteria. The Committee appreciated the detail of the plan and the maps of the spreading facilities showing the planned maintenance activities.

The Committee reviewed groundwater levels and hydrographs from monitoring wells, noting significant fluctuations based on wet and dry years. Ms. Torres also reported on Santa Ana River flows and river recharge beyond the District boundary during wet years. Vice President Stewart noted that storm flows, which often carry debris, are challenging to recharge and should be considered in future project cost-benefit analyses.

D. UNAUDITED FINANCIAL REPORTS FOR JULY 2024

Ms. Quiroga presented the financial reports for July 2024, as shown on Package Page 37. Significant payments from the January to June 2024 groundwater assessment period have been received, totaling \$335,335 for groundwater charges and \$76,794 for sustainability. The sustainability funds, which will not be collected in future assessments due to the cessation of the Groundwater Council, will be used to purchase water from Valley. The Land Resources Enterprise revenue shows \$0 for July as mining revenue is typically received in August. PERC revenue from investments is \$195,920 for the fiscal year.

Key expenditures highlighted include:

- Package Page 40 - GL 5123: \$14,494 for Habitat Management (third quarterly payment to IERCD).
- Package Page 41 - GL 6060: \$8,450 payment for Outreach, including sponsorships to the National HCP Coalition and Santa Ana Watershed displays.
- Package Page 42 – GL7140: \$22,985 payment for Mentone property shop construction (CS-NK Construction).
- Package Page 42 - GL 7220: \$5,000 payment for GIS software (ESRI).

It was moved by Director Corneille and seconded by Vice President Stewart to approve unaudited Financial Reports for July 2024. The motion carried 5-0, with all Board members present voting in the affirmative.

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

E. 4th QUARTER UNAUDITED FINANCIAL REPORTS FOR FY 2023-2024

Ms. Quiroga presented the fourth quarter unaudited financials for FY 2023 – 2024 found on Package Page 44. Overall revenue exceeded budget expectations, with interest revenue at \$2.1 million. Mining revenue was also over budget, while groundwater revenue was slightly under budget. Adjustments will be made for the high groundwater temporary agreement with Cemex for the three-month minimum royalty payments. Total income (including reimbursements) was \$8.3 million. Less the reimbursements, total income is approximately \$6.7 million and expenses just over \$4.4 million. Ms. Quiroga noted the following items:

- GL5120: Professional Services came in under budget, partly due to the additional time required for several projects, including the GeoScience groundwater model update.
- GL5123: Habitat Management Wash Plan remained under budget.
- GL6000: General Administration remained under budget.
- GL6170: Pers Retirement came in over budget due to former employee benefits contributions:
- GL6200: Salaries were under budget by approximately \$60,000.
- GL6400: Director Expenses came in under budget but will end slightly higher than presented (estimated at \$93,000) with final expenditures still being entered.
- GL6500: Administrative expenses were slightly over budget due to additional costs for conferences and travel. Capital budget project costs are expected to be approximately \$3 million as final invoices are received.

Ms. Quiroga discussed the Investment Report and Performance shown on Package Page 48. Interest income exceeded expectations at \$358,591, with an overall net change of \$113,355. The Citizens Business Bank cash account has decreased by \$265,209 since the beginning of the fiscal year.

It was moved by Vice President Stewart and seconded by Director Jenkins to approve the 4th Quarter Unaudited Financial Reports for FY2023-2024. The motion carried 5-0, with all Board members present voting in the affirmative.

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

F. MOU with San Bernardino County Museum for Water-Wise Garden

General Manager Miller shared a status update on an opportunity to expand the District's outreach education for water conservation through a water-wise garden at the San Bernardino County Museum. The Memorandum of Understanding (MOU) presented to the Board outlines a partnership between the two agencies where the District will design and install the garden while the County will maintain it. This agreement involves in-kind services only, with no payments required from either party.

The approved FY25 budget includes \$35,000 for garden design and, possibly, initial installation. Directors Corneille and Jenkins requested information on the total cost of the project prior to proceeding. Director Corneille expressed concerns about the deadline for the project to be installed by December 2025.

Directors Jenkins and Corneille expressed their support for the project and its potential to reach a wide audience.

General Manager Miller noted that she is unable to obtain a final bid for the project without the MOU in place, but she will seek estimates from qualified contractors for presentation to the Outreach Committee.

It was moved by Director Corneille and seconded by Director Longville to table the item to a future meeting and provide directions to staff to request a longer term within which to design and install the garden in the MOU and to seek detailed quotes on design and installation, while noting the Board's support for the item.

The motion carried 5-0, with all Board members present voting in the affirmative.

President McDonald: Yes

Vice President Stewart: Yes
Director Corneille: Yes
Director Jenkins: Yes
Director Longville: Yes

G. License Agreement with Upland Rock to Process and Remove Sediment from the Mill Creek Spreading Grounds

General Manager Miller reported that the District is currently contracting with Upland Rock to process sand, gravel, and rock stockpiled at our Santa Ana facilities as part of routine maintenance of our recharge basins. This contract generates revenue from the sale of these materials, which would otherwise cost approximately \$20 per cubic yard to haul away at current market rates. Recently, a market was identified for stockpiled materials at Mill Creek, leading to a thorough field assessment by the Operations and Natural Resources teams to evaluate appropriate work locations, schedules, and potential concerns. If approved, the license will run from August 14, 2024, through December 2025, with a similar royalty structure, legal provisions, and protections as the Santa Ana agreement. District Counsel Cosgrove addressed CEQA considerations, requesting that the Board find this project exempt from CEQA review under Regulation Section 15301, which applies to maintenance of existing facilities. To protect sensitive environmental habitats, the license includes five special conditions detailed on Packet Page 96, numbers 3.5 through 3.10. Operations will be limited to 6 AM to 6 PM, work is scheduled to occur in fall and winter to avoid the bird nesting season, and all activities will take place at the bottom of existing recharge basins to avoid impacts to habitat. A resident complaint procedure is also included.

Director Stewart requested information on the exclusion of Mill Creek Basin 1 from the agreement. Dr. Mitrovich clarified that the current market is for boulders, rather than sand which is found near Basin 1. Director Stewart also requested details on compliance with NPDES and Stormwater Pollution Prevention requirements. District Counsel Cosgrove noted that general compliance with all required permits is covered under Section 2.3.3 on Package Page 87. Director Stewart requested that work under the license be completed at one location at a time, and asked for details on how tonnage is measured.

It was moved by Director Longville and seconded by Vice President Stewart to approve the Mill Creek Basin Facility Maintenance Material Processing License with Upland Rock with the three amendments, including addition of a requirement to comply with NPDES under Section 2.3.3, addition of a provision to Section 2.6.8 that the District reserves the right to instruct the licensee on the appropriate areas and timing for operations, and additional of clear language throughout the license as needed to ensure that all risk transfers and insurance requirements apply to subcontractors and third-party vendors involved in the project. The motion carried 5-0, with all Board members present voting in the affirmative.

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

Director Jenkins: Yes
Director Longville: Yes

H. Contract with Origin Biological for Biological Services in FY25

Dr. Mitrovich discussed the request to approve a Contract Services Agreement with Origin Biological for on-call biological services, not to exceed \$112,000, beginning on Package Page 100. The proposed agreement includes endangered species surveys completed by qualified biologists holding permits from the U.S. Fish and Wildlife Service and California Department of Fish and Game to support the Wash Plan implementation, the draft Mill Creek Conservation Benefit Agreement, and work related to SBCTA's State Route 210 Mixed Flow Addition Project. Details of the specific tasks are shown on Package Page 101. In addition to surveys for San Bernardino kangaroo rat and California gnatcatcher, the scope of work includes participation in coordination meetings, quality assurance of collected data, and preparation of reports. Eleven percent of the contract (\$12,655) is reserved for as-needed tasks that may arise during the fiscal year for other District programs. Dr. Mitrovich provided details of rate comparisons to the Board, noting that the proposed consultant charges the lowest rate reviewed, has the most biological experience in the Wash, and is located in Redlands.

It was moved by Director Corneille and seconded by Director Longville to approve the Contract Services Agreement for Professional Services (Agreement) with Origin Biological (Consultant) for biological services at an amount not-to-exceed \$112,000. The motion carried 5-0, with all Board members present voting in the affirmative.

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

I. Update Bank Signatories to Include David Cosgrove as a Check Signer

It was moved by Director Corneille and seconded by Director Longville to approve Resolution No. 625 to add David Cosgrove, District Counsel, as a check signatory. The motion carried 5-0, with all Board members present voting in the affirmative.

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

7. INFORMATION ITEMS

A. ENVIRONMENTAL UPDATE

Dr. Mitrovich reviewed the written report highlighting the following under the Wash Plan Implementation:

- On Package Page 114, under the SPKR Monitoring section, an addendum to the approved comprehensive SPKR monitoring protocol report, completed by the USGS in 2023, was delivered to the Preserve Management Committee on August 2nd. The data from 2023, collected last fall, is now ready for analysis, allowing us to observe trends in occupancy, density, and abundance over a three-year period. This milestone marks a significant advancement in our monitoring efforts, and the Preserve Management Committee has expressed their appreciation for this progress.
- Dr. Mitrovich reported that District intern Karen Iwanaga presented her analysis of SBKR habitat conditions data collected within the Wash Plan Preserve during 2022 and 2023 on July 30th as part of the District's first-ever Lunch and Learn session with the Land Resources team and marked Ms. Iwanaga's last day with the District. Ms. Iwanaga will begin her doctoral studies in biology at the University of Oregon this fall. The District appreciates Ms. Iwanaga's contributions and wishes her the best in her future academic endeavors.
- District staff and Dudek collected all available seeds from the slender-horned spineflower (SHSF) bulking site between July 16th and July 22nd. It is anticipated that seed production will exceed the previous year's total of over a quarter of a million seeds. A second round of planting activities using a subset of these seeds is scheduled for this fall.
- At the San Bernardino Valley Conservation Trust meeting held on July 17th, District Director Longville was named President of the Trust, and District Director Corneille was appointed Vice President of the Trust Board.
- Under partnership activities, Dr. Mitrovich reported that on July 24th and 25th, eight members of the district staff and two staff members from the San Manuel Band of Mission Indians, participated in a wilderness first aid training offered by the District. This two-day course was designed to address the specific local field conditions encountered by District team members during their fieldwork on District lands.

President McDonald expressed appreciation for the work presented and invited questions or comments. Director Longville remarked on the professionalism of the District team and expressed appreciation for details provided regarding the Conservation Benefit Agreement (CBA).

B. ENGINEERING UPDATE

Ms. Torres provided the Engineering Update, noting its inclusion on Package Page 119.

- Mentone Shop: Septic work for the Mentone shop took place from July 7 to July 18, 2024. However, construction has been halted after the contractor notified us that they do not expect to be able to complete the project. District staff are now pursuing the next steps outlined in the contract to ensure project completion.
- Enhanced Recharge Phase 1B: Ms. Torres directed the Board to Package Page 123 for an update on the Enhanced Recharge Project. To date, ten different new basins have recharged water.

General Manager Miller noted the excellent coordination between inter-agency teams on this project. Director Jenkins expressed support for the project and commended the team.

Mr. Lambie and Ms. Torres reviewed the PERC project map. Mr. Lambie provided an update on the ongoing analysis of historical flow data at the Plunge Creek and Oak Basins, and the progress with defining flow requirements, maintenance, and capacity at the Mill Creek site.

General Manager Miller reported that on July 10th, the Board approved the Second Amendment to the PERC Agreement, and Valley Districts also approved it. As a result, BTAC was invited to join the Policy Committee in place of the Groundwater Council, and Ryan Shaw from Western was appointed to represent BTAC at the BTAC meeting held on August 5th.

Mr. Lambie provided an updated on the groundwater modeling project, and discussed a related calibration project that the District is working on in collaboration with Valley District and the City of San Bernardino.

President McDonald emphasized the importance of reviewing flood history relevant to the PERC projects, such as the historic floods in the 40th Street area.

C. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

General Manager Miller indicated that the written General Manager's Report is included in the Board package on pages 119 through 123. She highlighted the following items:

- Recharge Update: The District has is on track for our fourth highest recharge year since 1912 with 67,000 acre-feet recharged to-date.
- Administrative Updates: Mr. Guizar will celebrate his five-year anniversary with the district on August 19th. Ashima Thomas, a fractional executive assistant, has joined us through a company that offers support to multiple clients. General Manager Miller invited the Board and other attendees to enjoy cake in honor of Mr. Cosgrove's birthday, which was yesterday.
- Financial Updates: The meeting was directed to the top of Package Page 120. The actuarial valuation for our Other Post-Employment Benefit (OPEB) program indicates that our trust is well-funded, eliminating the need for a contribution this year. We will continue to review this annually. With the OPEB liability funded, extra funds may be allocated to the trust that supports CalPERS liability.
- Grants and Agreements: We have received and approved the draft agreement for a U.S. Bureau of Reclamation grant for knowledge systems development through integrated Santa Ana River model enhancements. The draft general warranty and patent for the BLM land exchange were received on August 2nd.
- Consistency Determination: We received a formal response regarding our consistency determination request for wash plan projects, which we will share with partners.
- Outreach and Internships: The District provided financial support for a senior project at Cal Poly Pomona focused on PERC projects. Mr. Lambie and General Manager Miller will attend their class to discuss the District's work. We are discussing collaboration with

Jennifer Alford from CSU San Bernardino to support a program for professional readiness in the water field, including a presentation from Dr. Alford to the Board.

- Contract Updates: We are preparing a website update and expect to bring a contract for PR consulting to the Outreach Committee.
- Wash Plan Trails MOU Status: The City of Redlands plans to present the Wash Plan Trails MOU to their Council on September 17th.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

General Manager Miller reported that she completed the review of the Outreach Plan. The team is scheduled to review the findings and will reconvene in a week. This item will be ready for presentation at the next Outreach Committee or Board Meeting, as desired by the Board.

The board consensus was to bring the Outreach Plan to the Board directly to limit delays, with an Outreach Committee meeting scheduled in advance.

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

Vice President Stewart attended the following meetings:

- PERC Policy meeting and check signing on July 16
- SBV Conservation Trust on July 17
- SBVWCD Finance and Administrative Meeting on July 24
- SBVWCD Special Board Meeting on July 24
- Bear Valley Mutual Water Company Meeting on July 23
- Check Signing on July 22
- BTAC on August 5
- Operations Committee on August 8

Director Corneille attended the following meetings:

- Completed Ethics Training on July 12th
- PERC Policy meeting on July 16th
- San Bernadino Valley Conservation Trust on July 17th
- Audit Ad Hoc Committee on July 23rd
- Special Board Meeting on July 24th
- Met with Bear Valley General Manager George Hanson on August 5th
- Attended Redlands Chamber Rise and Shine Meeting on August 2nd
- Southern California Water Conference on August 9th
- Operations Committee Meeting on August 6th

Director Longville attended the following meetings:

- SBVWCD Board meeting on July 10th
- SBVMWD Board of Directors Meeting on July 16th
- San Bernadino Valley Conservation Trust on July 17th
- Audit Ad Hoc Committee meeting on July 23rd
- Special Board Meeting on July 24th
- SBVMWD Resources Engineering Meeting on August 13th

Director Jenkins attending the following meetings:

- Swearing in of Director Jenkins on August 2nd

President McDonald attended the following meetings:

- Special Districts Board of Directors July 8th
- SBVMWD Engineering July 9th
- SBVMWD Policy Administrative Committee Meeting on July 11th
- SBVMWD Board of Directors' Meeting on July 16th
- Highland Chamber of Commerce on July 23rd
- SBVWCD Special Board Meeting on July 24th
- SBVMWD Policy Administrative Meeting on August 1st
- BTAC Meeting on August 5th
- ACWA State Legislative Committee on August 9th
- SBVMWD Resources Engineering Meeting on August 13th

A. Travel Request for Director Longville

A travel request for Director Longville was discussed, referring to the details found on Package Page 128.

It was moved by President McDonald and seconded by Director Corneille to approve the Travel Request for Director Longville to attend the H2O Women's Conference in Santa Barbara. The motion carried 5-0, with all Board members present voting in the affirmative.

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

9. UPCOMING MEETINGS

The upcoming Fall ACWA Conference was briefly discussed, with registration details to be provided to the Board soon. The National Habitat Conservation Planning Conference, typically in West Virginia, will be in Palm Springs this year.

3. CLOSED SESSION

It was moved by Director Longville and seconded by Director Corneille to adjourn to Closed Session on Item 3. The motion carried 5-0, with all Board members present voting in the affirmative.

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

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

At 4:07 p.m., the meeting reconvened to an open session. Under Government Code Section 54957.1, there was no other reportable action during Closed Session.

4. ADJOURN MEETING

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

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

At 4:07 p.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on September 11, 2024, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager