

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

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

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

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

STAFF PRESENT:

Betsy Miller, General Manager
David Cosgrove, District Counsel
Milan Mitrovich, Land Resources Manager
John Lambie, Consulting Chief Engineer and Geohydrologist
Katelyn Scholte, Principal Engineer
Athena Laroche, Administrative Specialist
Laura Torres, Assistant Engineer
Zach Blum, Intern

GUESTS PRESENT:

Charlie Wilson, Southern California Water Coalition
Paul Kielhold, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Michael Moore, East Valley Water District
David E. Smith, East Valley 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. 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 RECOGNITIONS/SELF INTRODUCTIONS

The Board and staff made self-introductions. President McDonald introduced online attendees.

4. SOUTHERN CALIFORNIA WATER COALITION PRESENTATION

Ms. Miller introduced this item for discussion. Charlie Wilson of Southern California Water Coalition (SCWC) provided a detailed PowerPoint. Founded in 1984, SCWC is a nonprofit, nonpartisan organization that advocates for reliable and resilient water supplies in Southern California. The approximately 200 members include water agencies, counties, cities, and businesses. Mr. Wilson reviewed the various task forces: Stormwater, Water Energy Efficiency, Water Quality, Water Recycling, Colorado River, Equity, Access and Affordability, Delta Issues, Infrastructure Finance, and Legislative Policy. He stated SCWC operates its own podcast and YouTube channel. He reviewed the four quarterly board meetings and annual event held each year, noting that there are approximately 250 attendees. The next annual event will be held at Wilson Creek in Temecula in April. There are three tiers of sponsors, Premier, Patron, and Advisory, as well as general membership. The Board thanked Mr. Wilson for his presentation.

5. CONSENT CALENDAR

Director Corneille requested that Item D: Groundwater Assessment Report for July 1, 2023-December 31, 2023, be pulled from the consent calendar for discussion.

It was moved by Director Corneille and seconded by Director Stewart to approve the Consent Calendar: Item A: Board Minutes, January 10, 2024; Item B: Expenditure Report, January 2024; Item E: District Board Priorities for 2024 and Board Policy Manual Revisions (Appendix C), Resolution No. 621. 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**

Director Corneille asked if the East Valley Water District (EVWD) is in the Groundwater Council (GC). Ms. Miller stated that EVWD elected not to renew the one-year extension of

the GC. Director Corneille asked if Arrowhead Country Club has reported for this assessment period. Ms. Torres responded in the affirmative.

It was moved by Director Corneille and seconded by Director Stewart to approve the Consent Calendar: Item D: Groundwater Assessment Report for July 1, 2023-December 31, 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**

6. COMMITTEE REPORTS/ACTION ITEMS

A. OPERATIONS COMMITTEE VERBAL REPORT

Director Corneille provided a verbal report on the Operations Committee meeting held on February 6. The Committee received an update on the Mentone Shop that will be discussed later on this agenda under the Engineering Update and reviewed the Draft PERC Status Report No. 17. Director Corneille said that the Committee received draft project construction cost estimates prepared in late 2023 that will be reviewed by the new Consulting Chief Engineer. Mr. Lambie will also review the project schedule to evaluate opportunities to expedite projects. Ms. Torres presented the Draft Engineering Investigation report to the Committee. Director Corneille noted that staff reported on the Enhanced Recharge Project, noting that two basins are currently operational. Field staff is performing basin maintenance, and the Zanja project will be discussed later on the agenda. The Committee reviewed the Capital Improvement Projects (CIP) for FY25. Director Corneille discussed the Santa Ana Canyon House and Shop, noting a study was performed on a facility on the north side of the Santa Ana River for O&M on potential PERC projects and stated discussion will continue on alternatives for this site.

B. FINANCE & ADMINISTRATION COMMITTEE VERBAL REPORT

Ms. Miller provided a verbal update on the meeting held on January 24. She stated that the Committee reviewed and recommended the Second Quarter Annual Unaudited Financial Reports be brought to the Board, as well as the Groundwater Budget for FY25 with an advertised increase of five percent. The Committee discussed the promissory note for the Trust, which will be reviewed by the Trust at its next meeting. The Committee recommended continued ownership of the Mentone House after review of its current value. Staff continues to review options for investment firms.

C. SECOND QUARTER UNAUDITED FINANCIAL REPORTS FOR FY24

Ms. Miller introduced this item for discussion, noting its inclusion on package page 43. GL's 4012-17 Interest Income is higher than budgeted, which reflects the increase in federal interest rates. She reviewed the Investment Report on package pages 47 and 48, noting the time range over which the investments will come due. Ms. Miller said that staff will ensure the FY25 budgeted amount for investments is closer to actuals. She noted that GL's 4021-26 Groundwater will be adjusted at the end of the year for funds received for the previous fiscal year, and that groundwater revenue is lower than budgeted due to it being a wet year. GL 4050 Property Tax revenues are as expected. GL 5120 Professional Services is currently lower than budgeted with several expenses expected to be incurred by the end of the fiscal year. Ms. Miller noted that the District received reimbursement of \$1,125,000 for GL 4999 Trust Reimbursement-Wash Plan.

It was moved by Vice President Stewart and seconded by Director Raley to approve the Second Quarter Unaudited Financial Reports for FY24. 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**

D. UNAUDITED FINANCIAL REPORTS FOR JANUARY 2024

Ms. Miller combined the Second Quarter Unaudited Financial Report for FY24 with the Unaudited Financial Reports for January 2024. The expenditure report on package page 16 begins with check number 24633 and ends with check number 24706. She noted that all revenue has been received for GL 4024 Groundwater Council Revenue and the cash position increased by \$1,627,235. Vice President Stewart expressed concern over the reimbursement from the Trust to the District not having been included in the budget and requested such items be included in future budgets.

Ms. Miller reviewed the Profit & Loss to Date vs. Annual Budget on package page 52. GL 4010 Interest Income increased by \$208,000, GL 4022 Groundwater Charge increased by \$87,000, and GL 4026 GW Sustainability/Replenishment increased by \$15,767. She noted a lag related to GL 4032 CEMEX-Royalty/Lease payments with the current amount reflecting only five months' worth of payments with additional payments anticipated to be received soon. GL 7126 PERC Engineering/Professional Services expenses increased by \$74,000, and GL 7150 Mill Creek Diversion increased by \$88,000.

It was moved by Director Raley and seconded by Vice President Stewart to approve the Unaudited Financial Reports for January

2024. 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. PARTICIPATION IN EVALUATION OF HISTORIC ZANJA RESTORATION

Ms. Miller introduced this item for discussion, noting its inclusion on package page 56. This item was reviewed and discussed with the Operations Committee on February 6. The District received an invitation to participate in a group discussing restoration of the nine-mile Zanja. There may be benefits for restorative, recreational, cultural, historical, flood control, and groundwater recharge. The next step in the process is to engage with the City of Redlands, the Redlands Conservancy, the University of Redlands, and the San Manuel Band of Mission Indians to understand their views on the proposed project. If all parties are in support, the next step would be to complete a feasibility study. There may be an opportunity to obtain private funding or grant funding for the study. Director Corneille asked if any portion of the Zanja is on District property. Ms. Scholte and Mr. Cosgrove indicated that it appears to run south of District lands on privately owned property. Ms. Miller indicated that the feasibility study would identify specific property owners and associated rights. President McDonald discussed the history of the Zanja and the potential opportunity to partner with various groups. Vice President Stewart noted that there are trails along the historic Zanja right of way in Loma Linda which connect into the larger community trail system, and spoke in support of the further study of the concept. Discussion ensued regarding trails. Director Corneille spoke in support of the study, noting that the channel could serve flood control purposes and spoke of a potential partnership with ESRI as it runs along their property. Director Raley asked if there would be potential for groundwater recharge. Ms. Miller said the preliminary numbers indicate that there may be potential for additional recharge of 300 AF annually.

It was moved by Director Corneille and seconded by Director Raley to direct staff to participate in the evaluation of the feasibility of restoration of the historic Zanja. 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**

F. DRAFT ENGINEERING INVESTIGATION REPORT FOR 2024

Ms. Scholte presented a PowerPoint presentation on the Draft 2024 Engineering Investigation (EI). This item is included in the package beginning on page 58. Ms. Scholte said that the majority of data needed to prepare the report has been received with the exception of wells in the Devore area. Director Corneille asked if more wells have been added to the analysis in this year's report. Ms. Scholte said that there are no new wells, but that the number of wells analyzed each year can vary due to missing data.

The annual change in storage for the Bunker Hill Basin increased by 226,806 acre feet (AF) from last year. The accumulated change in storage in the Bunker Hill Basin was a decrease of 424,456 AF below 1993 levels when the basin was considered to be full. A comparison of groundwater elevations from 2022 and 2023 was included. The estimated groundwater production for the previous water year (2022-2023) is 139,296 AF, and the estimated annual change in storage for the current water year (2023-2024) is an increase of 108,401 AF based on precipitation of 34.55 inches. The estimated average annual change in storage for the upcoming water year (2023-2024) is a decrease of 3,007 AF. The estimated production for the upcoming water year (2024-2025) is 197,179 AF. The average change in storage over the last ten years is a decrease of 1,238 AF. The estimated surface diversion for the basin is 73,935 AF and within the District's boundary at 52,127 AF. The estimated replenishment required for constant storage for the ensuing water year is 126,251 AF for the basin and 102,129 AF for the District's boundary. The replenishment needed to bring the basin back to full, based on 1993 data, is 442,307 AF. The Board thanked Ms. Scholte and Ms. Torres for their presentation and work to develop the report.

It was moved by Director Corneille and seconded by Vice President Stewart to receive and file the Draft EI Report as presented, with the presentation of the Final EI Report planned for the March Board meeting. 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**

G. BUDGET PLANNING FOR GROUNDWATER ENTERPRISE FOR FY25: ADVERTISED GROUNDWATER CHARGE

Ms. Miller introduced this item for discussion, noting its inclusion on package page 60. The draft groundwater budget is shown on package pages 63 to 65. She noted that this item was reviewed at the Finance & Administration Committee on January 24, which recommended that it be forwarded to the Board for approval as presented. Ms. Miller stated that GL 4024

Groundwater Council Revenue and GL 4026 Groundwater Sustainability/Replenishment charge are not anticipated to be brought forward to the Budget Workshop due to the expiration of the one-year extension of the Groundwater Council in June 2024. At this time, it does not appear that there will be an additional extension prior to June. The Groundwater Council (GC) revenue was calculated based on the groundwater charge and equitable allocation model; therefore, the cessation of the GC does not represent a change in revenue for the District, but will increase the annual variability in receipt of revenue due to changes in pumping between wet and dry years. Mr. Cosgrove spoke on the discontinuation of the GC and the associated changes to the groundwater charge collection and the sustainability and replenishment component.

President McDonald asked what happens to any excess State Water Project water available for purchase in the absence of the Groundwater Council, and suggested identification of a mechanism to purchasing and recharge such water in the local aquifer. She said it is essential for the health of the groundwater basin that as much water as possible is recharged. Director Corneille asked why the GC will not be renewed. Mr. Cosgrove indicated that members may have had structural issues with procedures, budgeting and invoicing. Director Corneille supported President McDonald's comments and asked if there would be a way to retain the sustainability and replenishment component of the groundwater charge to purchase excess water in the absence of the GC. Mr. Cosgrove said that the GC was a voluntary mechanism, and believes that additional study would be needed for the Conservation District to collect the sustainability and replenishment component without the GC. Collection of the groundwater charge is based on statute and Prop 218. Director Corneille expressed his concern over not having an alternative to the GC in place to purchase additional water. President McDonald said that it is important to recharge imported water for basin sustainability, noting that there is significant storage capacity available in the basin. Director Raley spoke on the importance of using any excess imported water to benefit the Bunker Hill basin and asked about purchasing water. Ms. Miller said that carryover State Water Project water is currently being delivered for recharge, and there was no discussion of sale of imported water to users outside our basin at the recent Basin Technical Advisory Committee meeting. She said she will review alternatives, if any, for reserves to purchase water.

Vice President Stewart asked for clarification on the groundwater budget. Ms. Miller said that GL 4024 and 4026 were left in for discussion purposes but will be combined into GL 4022 if GC ceases to exist. The final groundwater budget will be adopted after the Budget Workshop in April. Mr. Cosgrove reviewed the groundwater budgeting and noticing process. Ms. Miller reviewed the groundwater budget on package page 64, noting that proposed GL 5050 Basin Cleaning expenses are \$250,000 for the second year for maintenance needs due to very high rainfall in the preceding year, which is proposed for funding through reserves. Staff may adjust the budgeted amount following completion of the prioritized list of maintenance objectives expected to be completed in March, and will bring any additional information to the Board at the Budget Workshop in April. President McDonald said that the District now has more basins to operate and maintain. Ms. Miller discussed the need for a part-time or entry-level Field Operations Specialist for FY25 to support operations of Enhanced Recharge. President McDonald asked if it is possible to adjust the advertised rate. Mr. Cosgrove said the

annual rate cannot be adjusted following the groundwater hearing. Director Corneille asked how much is in the Rate Stabilization Fund. Ms. Miller will bring this information back to the Board at the Budget Workshop. Director Corneille indicated the Board's interest in reviewing reserves as part of the FY25 budget process. Ms. Miller said that the proposed budget includes the use of \$68,113 from the Rate Stabilization Fund.

It was moved by Director Corneille and seconded by Vice President Stewart to direct staff to advertise a 5% increase in the Groundwater Charge and approve the budget plan as shown herein. 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. ENGINEERING UPDATE

Ms. Scholte presented this item, noting its inclusion on package page 67. She reported that staff has received the permit for the Mentone Shop. The District is awaiting delivery of the building for the Mentone Shop improvements.

Ms. Scholte reviewed the Enhanced Recharge Project. Two of the twenty basins are completed and in use, and we continue to coordinate with the San Bernardino Valley Municipal Water District engineering team regarding a potential change to drop structure one.

Ms. Scholte said that the primary focus of the PERC projects is on 2D hydraulic and sediment transport modeling for all three contracts.

B. ENVIRONMENTAL UPDATE

Dr. Mitrovich introduced this item for discussion, noting its inclusion on package page 69. He reviewed the San Bernardino kangaroo rat (SBKR) monitoring program, noting that staff has held meetings with USGS and members of the Preserve Management Committee (PMC) to focus on monitoring methods and implications of results for monitoring and management. The PMC was held on January 25. On February 1, staff participated in a meeting hosted by USFWS to review the results of all SBKR efforts across the region; District staff presented results from the first two years of SBKR monitoring.

Dr. Mitrovich reviewed the slender-horned spineflower (SHSF) activities. He stated that newly planted locations have germinated, which is the first time that new population areas have

been created for this species. He discussed bulking and outplanting in brief. He said that as of February 8, 2,900 seedlings were growing in these plots.

Vice President Stewart asked how large the populations need to become before they are considered successful. Dr. Mitrovich referred to the requirements of the Wash Plan, which includes establishing six new population areas. Vice President Stewart congratulated staff on the ability to collect the seed last year and begin to meet and exceed the goals of the Wash Plan. President McDonald asked if SHSF could be delisted. Mr. Cosgrove indicated that delisting is possible. Ms. Miller said that the entire natural population within the Wash Plan Preserve was 1,700 in 2022 and 800 in 2023.

Dr. Mitrovich reviewed the BLM Fuels Management Grant. To date, nearly 125 acres of annual grasses have been treated with a grass-specific herbicide under the grant program. Discussion ensued on the potential listing of the spadefoot toad as a threatened species.

Dr. Mitrovich reviewed the Wash Plan Programmatic Permits on page 70. Staff met with the CDFW management team to discuss the 2081 permit, and with Robertson's Ready Mix to discuss enhancement activities planned for Plunge Creek to support translocation of SBKR. The potential translocation could include upward of 50 individuals out of the proposed mining area.

Dr. Mitrovich reviewed the Mill Creek Programmatic Permits. He said that the final draft of the Safe Harbor Agreement has been prepared. President McDonald thanked Dr. Mitrovich for his detailed report. This item was received and filed.

C. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller indicated that the written General Manager's Report was included on package pages 72 through 76. She stated the District has recharged 28,954 AF for this water year as of this morning; 15,496 of that is State Water Project (SWP) water. Manuel Colunga, Field Supervisor, reached his 23-year anniversary as a District employee on February 5, Tommy Purvis reached his eight-year anniversary on February 8, and Milan Mitrovich will reach his two-year anniversary on February 16. John Lambie joined the District as our Consulting Chief Engineer and Geohydrologist on January 16.

Ms. Miller reported that two of the new Enhanced Recharge basins began recharging on January 7. Ms. Miller said that she and Director Corneille have a meeting scheduled with the Redlands City Manager on February 22 to discuss the trails MOU. Suite 1's restoration is nearing completion. Ms. Miller reviewed the Public Outreach and Legislative items noted under Item 19 on package page 73. The District's monthly successes on package page 74 were reviewed. The Monthly Recharge Report was shown on package page 77. The Board was provided with a handout of the final Strategic Plan. This item was received and filed.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

President McDonald noted that Form 700's are due to the District on March 15. Vice President Stewart requested that the groundwater budget for FY25 be updated, and to understand if there is revenue for the District to purchase SWP water. He would also like to see the reserves and

requested a field tour at the next Operations Committee meeting to tour the Mill Creek Diversion and Enhanced Recharge Project basins. He asked for further information on the clean-up of the old shooting range to be added to the Operations Committee agenda.

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

Director Raley signed expenditures for the District on December 11. He attended the Finance & Administration Committee on January 24, and Redlands Rise N Shine on February 2. He attended the Association of the San Bernardino County Special District (ASBCSD) Dinner on January 22.

Director Corneille attended the ASBCSD Dinner on January 22, the Southern California Water Coalition meeting on January 26, and the Redlands Chamber Installation Dinner on January 27. He attended the Redlands Rise N Shine on February 2, the Operations Committee on February 6, and the Southern California Groundwater Conference and met with the General Manager and District Counsel to discuss the upcoming meeting with the Redlands City Manager on trails on February 7.

Vice President Stewart attended the Big Bear Watermaster Committee meeting on January 16, SBVMWD Policy & Administration Workshop on February 1, and the Operations Committee on February 6. He attended the Loma Linda Chamber of Commerce meeting on February 7, the Finance & Administration Committee on January 24, and the Basin Technical Advisory Commission (BTAC) on February 5.

President McDonald attended the Joint Meeting at SBVMWD on February 13, the ACWA State Legislative Committee Meeting on February 9, and the SBVMWD Board meeting on February 6. She attended the BTAC on February 5, the SBVMWD Policy & Administration Workshop on February 1, and the Southern California Water Coalition meeting on January 26. She attended the Highland Area Chamber of Commerce lunch on January 23, the ASBCSD Board meeting on January 15, and the ACWA State Legislative Committee on January 16. She attended the ASBCSD Dinner on January 22.

It was moved by Director Corneille and seconded by Vice President Stewart to approve the travel request for President McDonald to attend the H2O Women Conference in the amount of \$2,466.36. 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**

9. UPCOMING MEETINGS

There were none discussed.

10. CLOSED SESSION

It was moved by Vice President Stewart and a second by Director Corneille, adjourned to Closed Session. 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**

Mr. Cosgrove announced that the meeting would adjourn to Closed Session to discuss all posted agenda items.

At 3:58 p.m., the meeting reconvened into an open session. Mr. Cosgrove noted that there was no reportable action during the closed session under Government Code section 54957.1.

11. ADJOURN MEETING

It was moved by Director Corneille and a second by Vice President Stewart to adjourn. 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**

At 3:59 p.m., the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on March 13, 2024, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager