

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF AUGUST 13, 2025
1:30 PM

President McDonald called the Board of Directors meeting to order at 1:30 PM with participation in person, via teleconference, and through Teams. 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
Mark E. Falcone, Director

STAFF PRESENT:

Betsy Miller, General Manager
David Cosgrove, General Counsel
Milan Mitrovich, Land Resources Manager
Angie Quiroga, Senior Administrative Analyst
Aaron Rueda, Administrative Analyst
Anna Frey, Assistant Biologist
Aliza Olmos, Assistant Engineer
Allison Zecher, Board Secretary

GUESTS PRESENT:

Cindy Saks, San Bernardino Valley Municipal Water District
Paul Kielhold, San Bernardino Valley Municipal Water District

1. PUBLIC PARTICIPATION

No public comments were made.

2. ADDITIONS/DELETIONS TO AGENDA

No additions or deletions were made to the agenda.

3. INTRODUCTIONS AND GUEST RECOGNITION

The Board, staff, in-person, and Teams attendees introduced themselves.

4. CONSENT CALENDAR

The Board considered the Consent Calendar, which included Board Minutes from July 9, 2025, the July Expenditure Report, and denial of a legal claim. A motion to approve was made by

Director Corneille, with a question then raised regarding the \$10,000 payment to the County Treasurer noted in the expenditure report. Ms. Quiroga clarified that these funds were for the District's annual LAFCO payment. In response to Board inquiry, Mr. Cosgrove provided information on the government tort claim, which involved allegations of a bicycle accident on Orange Street resulting in injury. He explained that the District has no responsibility for the ownership, maintenance, or operation of Orange Street and that the claim appeared to name multiple agencies broadly. He recommended denial to initiate applicable limitations periods.

It was moved by Director Corneille and seconded by Director Longville to approve the Consent Calendar. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

5. COMMITTEE REPORTS/ACTION ITEMS

Action Items

A. UNAUDITED FINANCIAL REPORT FOR JULY 2025

Ms. Quiroga presented the Unaudited Financial Report for July 2025, beginning on page 31 of the agenda packet. She noted this was the first month of the new fiscal year and reviewed the income statement on page 33. Interest income for the month totaled \$71,934, and the District received nearly \$500,000 in groundwater revenue for the January–June 2025 assessment period, with additional payments expected in the coming months. Mining revenue from Cemex and Upland Rock totaled \$80,990, and miscellaneous income included a pass-through payment from the District's California Employers Retirement Benefit Trust to prepay the California Employers Pension Prefunding Trust, which was paid by June 30, 2025, to avoid interest. In addition, the District was reimbursed by the Trust for \$308,932 for mitigation expenses incurred in FY25. Total income for July 2025 was \$1,011,855, representing 18% of the year-to-date budget.

For July 2025, operating expenses were \$245,015, consisting primarily of salaries and benefits, a \$10,000 payment to LAFCO under regional programs, and \$28,010 in outreach expenses related to Thunderwheel Communications' public relations services for April through June 2025, which will be addressed during the audit to apply to FY25. Net income before capital improvement projects was \$766,840. Capital improvement expenditures for the month totaled \$21,562, including plumbing repairs at the District office, PERC feasibility studies, management assistance at the Mentone shop, and annual ArcGIS software fees. Net income after capital expenditures was \$745,279.

During the discussion, Director Falcone requested confirmation that the \$28,010 outreach expense will be adjusted to FY25 during the annual audit, which staff confirmed. Director

Corneille asked for clarification on the difference between the District's annual unfunded accrued liability payment of \$37,451 and a separate \$35,767 transfer between retirement trusts, with staff noting that these will be discussed in detail under a later agenda item.

The District's cash position as of July 31, 2025, was \$3,585,741, as detailed on page 40 of the packet. A summary of enterprise fund balances was also provided. Ms. Quiroga noted that the reported total revenue less expense of \$457,908 did not yet reflect the reimbursement of Wash Plan mitigation expenses received in July, as those funds will be adjusted to FY25 during the audit.

Ms. Quiroga stated that there were no investment purchases or maturities in July, as shown on page 41. Dividend reinvestments continued automatically, with \$17,936 earned in the General Fund and \$14,486 in the PERC account.

Ms. Miller clarified the District's post-employment benefits (OPEB) and pension funding. She explained that the District is well funded in its California Employers Retiree Benefit Trust, and given changes under PEPPRA, post-employment health benefits are expected to be used less going forward, as retirements are likely to occur at age 62 rather than 55. Because the OPEB trust is well-funded, the District collected the eligible amount from the OPEB trust in FY25 and deposited those funds into the CalPERS Pension Prefunding Trust, where liabilities are expected in future years. She emphasized that withdrawals from the OPEB trust cannot exceed the amount of annual OPEB expenditures, and also discussed the Board's long-standing policy to prepay the annual CalPERS unfunded accrued liability to avoid interest costs.

Directors thanked staff for their thorough presentation and the clear presentation of District accounts.

It was moved by Director Falcone and seconded by Vice President Stewart to approve the Unaudited Financial Reports for July 2025 as presented. The motion carried 5-0-0.

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

B. EQUIPMENT LEASE AUTHORIZATION FOR BASIN MAINTENANCE

Ms. Miller presented the request for equipment lease authorization for basin maintenance, referencing page 42 of the agenda packet. She explained that with basins now dry, staff are preparing to implement the annual maintenance plan previously reviewed by the Operations Committee in late 2024. Based on this plan and recent surveys, staff recommends cleaning 23 basins in Mill Creek and 16 in Santa Ana during FY26. Quotes to rent various loader types, depending on project needs, ranged from \$5,000 to \$10,000 per month. Staff requested authorization to expend up to \$60,000 in FY26 for equipment rentals. Ms. Miller shared that staff had also obtained a quote for a long-term lease of a loader; however, at several hundred

thousand dollars, it was not cost-effective given that basin cleaning occurs only three to five months per year.

President McDonald commented on the differences between renting and owning equipment. Ms. Miller shared that rentals have allowed for flexibility in selecting the most efficient equipment for each project, reducing staff time to complete tasks. In response to a question from Director Falcone, Ms. Miller confirmed that field staff are trained to operate heavy equipment and are fully covered under District insurance.

Director Corneille inquired about the budget for basin cleaning. Ms. Miller reported that \$125,000 is budgeted under GL 5050, of which \$60,000 would be committed to equipment rentals. Additional costs may include contracts for basin cleaning and materials hauling that is not appropriate to be completed by District staff. Staff time for basin cleaning is not charged to this line item but is captured separately under salaries (GL 6230) and tracked through staff timecards.

Director Corneille further raised the question of whether the District has a clear picture of the total costs of basin cleaning, including both equipment and labor. Ms. Miller confirmed that time is tracked biweekly through timecards by enterprise. Director Corneille and Vice President Stewart requested details of labor and equipment costs for basin maintenance, and President McDonald recommended that the Operations or Finance and Administration Committee(s) review these comprehensive costs. Vice President Stewart noted that this information may be useful to inform the cleaning cost estimates prepared for the PERC projects.

Ms. Miller shared that all material stockpiled from basin cleaning in FY25 has been removed from the recharge areas to ensure optimal function moving forward. She noted that significant progress has been made toward removing material stockpiled in previous fiscal years, but that additional efforts are needed to complete that task.

Directors noted the importance of including relevant GLs in the fiscal impact section with staff confirming that this is now standard practice.

It was moved by Director Corneille and seconded by Vice President Stewart to authorize the General Manager to expend up to \$60,000 for equipment rentals as needed by the Operations team in FY26. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

C. PROFESSIONAL SERVICES AGREEMENT FOR ON-CALL BIOLOGICAL SERVICES WITH ORIGIN BIOLOGICAL

Dr. Mitrovich presented the recommendation to approve a professional services agreement with Origin Biological for on-call biological services in an amount not to exceed \$113,000, as outlined on page 44 of the agenda packet. He noted that the District's FY26 work plan includes

endangered species surveys and other environmental tasks supporting Wash Plan implementation, work related to the draft Mill Creek Conservation Benefit Agreement, and contracted services supporting SBCTA's SR-210 Mixed Flow Addition project.

President McDonald confirmed that budget line items for the contract had been identified and noted the cost-effectiveness of the agreement compared to similar firms. Ms. Miller confirmed that Origin Biological remains the most competitive option, and is also based in Redlands.

In response to Vice President Stewart's questions, Dr. Mitrovich confirmed that similar work in the prior fiscal year was completed on budget and on time, with no significant change orders. He also clarified that while nest monitoring is included in this contract under California gnatcatcher survey work, cowbird-related tasks are managed by the Santa Ana Watershed Authority under a separate contract.

It was moved by Director Corneille and seconded by Director Longville to approve a Contract Services Agreement for Professional Services with Origin Biological for on-call biological services in an amount not-to-exceed \$113,000. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

D. RATIFICATION OF THE ANNUAL LUMP SUM PREPAYMENT FOR THE CALPERS UNFUNDED LIABILITY FOR CLASSIC PLAN MEMBERS IN THE AMOUNT OF \$35,767

Mr. Cosgrove presented the item regarding ratification of the annual lump sum prepayment for the CalPERS unfunded liability for Classic Plan members, as outlined on page 55 of the agenda packet. The original amount listed was \$35,767. Ms. Quiroga provided an update, clarifying that the amount paid was \$37,451.

He explained that the payment was made consistent with the Board's long-standing practice of prepaying this obligation annually to avoid interest charges and reduce costs to ratepayers. Because this year's amount exceeded the General Manager's \$30,000 signature authority, he recommended that the matter be referred to the Finance and Administration Committee to review the General Manager's resolution and consider defining specific expenditures that may be pre-approved, even if they exceed the signature threshold, to support day-to-day operational needs. Director Falcone requested that the Finance and Administration Committee also review the District's procurement policy, which currently lists the General Manager's limit at \$25,000, to ensure consistency between policy and practice.

It was moved by Director Falcone and seconded by Director Longville to ratify the annual lump sum prepayment for the CalPERS unfunded liability for Classic Plan members in the amount of \$37,451, and direct staff to review alternatives to

delegate authority to the General Manager for budgeted operational expenditures such as CalPERS liabilities, insurance premiums, etc. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

E. ACWA COMMITTEE APPOINTMENT NOMINATION FOR 2026-2027 TERM

Ms. Miller presented the item regarding ACWA's solicitation of nominations for its thirteen standing committees for the 2026–2027 term, which runs from January 1, 2026, through December 31, 2027, as outlined on page 59 of the agenda packet. She noted that nominations are due in September. President McDonald currently serves on the State Legislative Committee, and Director Corneille currently serves on the Groundwater Committee. Staff requested Board direction on which Directors to nominate for the upcoming term, if any.

President McDonald expressed her interest in continuing on the State Legislative Committee, and Director Corneille requested to continue serving on the Groundwater Committee. No other Directors requested nomination.

It was moved by Director Falcone and seconded by Vice President Stewart to direct staff to submit ACWA Committee Consideration Forms for President McDonald to serve on the State Legislative Committee and Director Corneille to serve on the Groundwater Committee for the upcoming term of January 1, 2026, through December 31, 2027, by September 19, 2025. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

6. INFORMATION ITEMS

ENVIRONMENTAL UPDATE

Dr. Mitrovich presented the monthly environmental update. He shared updates from staff and consultant tasks completed in July, including California gnatcatcher surveys by Origin Biological.

On July 23, staff met with the San Bernardino County Flood Control District to discuss establishment of a Memorandum of Understanding and associated endowment with the San Bernardino Valley Conservation Trust for District and/or Trust management of the County's

conservation lands within the Wash Plan Preserve, covering approximately 336.6 acres. He also shared a meeting in July with the Director of the Western Riverside County Regional Conservation Authority to explore opportunities for collaboration on species recovery efforts that overlap between the Wash Plan and the Western Riverside MSHCP.

Vice President Stewart asked about long-term seed storage for the District's collected native seeds. Dr. Mitrovich confirmed that seeds will be stored at the California Botanic Garden, one of the state's recognized seed banks, which provides climate-controlled, secure storage. Director Corneille also raised questions about the Board's role in required annual reporting for environmental permits. Ms. Miller shared that annual reports are submitted to regulatory agencies without Board review, with Board review and input of environmental work planned for the biannual Environmental Workshop. The next workshop is scheduled for fall 2025, with a follow-up field visit planned in spring 2026.

Directors Falcone and Corneille expressed appreciation for the updates, emphasized the importance of sharing tangible results of habitat management and restoration efforts, and supported expanded opportunities to review major reports and data at future workshops.

ENGINEERING UPDATE

Ms. Miller presented the Engineering Update, sharing that the August 7th meeting with Southern California Edison regarding the Mentone Shop went well. The District has completed its review of the SCE plans and upgraded electrical service is anticipated within the next few months.

Progress was also noted on the PERC feasibility studies. The Oak and Plunge Creek, and Waterman, Twin, and Lynwood sections of the Feasibility Study have been completed and presented to the Operations Committee on July 30, 2025, and the PERC Policy Committee on August 12, 2025. Staff have requested any additional comments from the PERC Policy Committee and regional partners within the next month, although significant changes are not expected given that revisions were made previously based on input received throughout the process. In addition, Ms. Miller received notice that the first draft of the Mill Creek feasibility study will be completed and submitted to the District for review on Monday, August 18. A special meeting of the PERC Policy Committee is scheduled for October 1 to review the final two volumes currently in preparation.

Ms. Miller further reported that on August 1, Mr. Crowley completed a walkthrough with the architect regarding the District office expansion. Next steps for design and planning have been identified, and staff will share preliminary plans with the Board once available. Director Corneille and Vice President Stewart discussed whether the draft design for the office expansion should be presented first to the Operations Committee or directly to the full Board. Consensus was to provide the information to the Operations Committee before the full Board for early review.

GENERAL MANAGER'S REPORT

Ms. Miller presented the General Manager's Report, referencing the 2025 recharge summary for June on page 63 of the agenda packet. She noted limited water supplies at this time, making basin maintenance a priority. However, the District is continuing to coordinate closely with Valley District regarding potential State Project water deliveries.

Recruitment efforts continue. A new Field Specialist I has been selected and will begin on August 25. Interviews for senior and principal engineering positions were held August 5–6, with second interviews scheduled. Staff anniversaries were recognized for Mr. Cosgrove and Mr. Guizar.

Administrative updates included ongoing preparation for the fiscal year closeout and audit, progress on the District's website redesign with a draft structure to be reviewed by the Finance and Administration Committee and later the Outreach Committee, and exploration of a pilot project using AI technology to improve document organization.

She presented updates on grants, including completion of required submittals for the cybersecurity grant, a letter of support for the Trust's for Public Land application, and planned field visits for the BLM fuels management grant. The District is evaluating upcoming opportunities for a U.S. Bureau of Reclamation Small Storage Grant and a \$3.2 million Google water offset grant for the PERC projects. Director Falcone commended staff's proactive and innovative grant work.

Director Corneille gave an update regarding the PERC projects from the Operations Committee on July 30. The first two feasibility study volumes were presented to committees and were well-received for clarity and quality. Drafts of the Mill Creek and summary volumes are expected soon, with a special PERC Policy Committee meeting set for October 1, 2025. Vice President Stewart emphasized maintaining momentum so that projects move from planning to construction.

Ms. Miller also reported that the District's 2025 annual Clean Water Act Section 401 certification report was submitted on schedule by Ms. Frey, and provided an update on the waterwise demonstration garden planned in coordination with the San Bernardino County Museum.

Directors Falcone and Corneille requested continued updates on the website redesign and recruitment efforts. The Board thanked staff for the quality of the PERC feasibility studies and their work to pursue grant funding.

FUTURE AGENDA ITEMS AND STAFF TASKS

Director Corneille requested a future discussion on Board member involvement in statewide organizations, particularly ACWA and CSDA. He noted that while several Directors are active with ACWA, the District has limited statewide participation in CSDA and encouraged broader involvement on committees to maximize the value of conference attendance.

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

Director Falcone attended the following meetings since the last Board meeting:

- July 9 – East Valley Water District Board Meeting
- July 15 – SBVMWD Board Meeting
- July 15 – Redlands City Council Meeting
- July 16 – Bi-monthly meeting with General Manager, Betsy Miller
- July 16 – SBV Conservation Trust Meeting
- July 17 – SBVMWD Debt Service Workshop
- July 21 – ASBCSD Dinner

- July 22 – Highland Chamber of Commerce Monthly Luncheon
- July 23 – ACWA’s Virtual Town Hall
- July 23 – East Valley Water District Board Meeting
- July 30 – SBVWCD Operations Committee Meeting
- August 5 – ACWA JPIA Defensive Driver Training
- August 5 – SBVMWD Board Meeting
- August 7 – SBVMWD Policy and Administration Meeting
- August 12 – PERC Policy Committee Meeting
- August 12 – SBVMWD Resource and Engineering Meeting
- August 12 – City Council Meeting for City of Highland
- August 13 – SBVWCD Board Meeting

Director Longville attended the following meetings since the last Board meeting:

- July 16 – SBV Conservation Trust Meeting
- August 12 – SBVMWD Resource and Engineering Meeting
- August 13 – SBVWCD Board Meeting

Director Corneille attended the following meetings since the last Board meeting:

- July 16 – SBV Conservation Trust Meeting
- July 30 – SBVWCD Operations Committee Meeting
- August 1 – Redlands Chamber of Commerce Rise & Shine
- August 12 – PERC Policy Committee Meeting
- August 13 – SBVWCD Board Meeting

Vice President Stewart attended the following meetings since the last Board meeting:

- July 16 – SBV Conservation Trust
- July 30 – SBVWCD Operations Committee Meeting
- August 7 – SBVMWD Policy and Administration Meeting
- August 12 – PERC Policy Committee Meeting
- August 13 – SBVWCD Board Meeting

President McDonald attended the following meetings since the last Board meeting:

- July 11 – ACWA State Legislative Committee Meeting
- July 14 – ASBCSD Dinner
- July 17 – SBVMWD Debt Service Workshop
- July 21 – ASBCSD Dinner
- July 22 – Highland Chamber of Commerce Monthly Luncheon
- August 5 – SBVMWD Board Meeting
- August 7 – SBVMWD Policy and Administration Meeting
- August 11 – ASBCSD Board Meeting
- August 12 – SBVMWD Resource and Engineering Meeting
- August 13 – SBVWCD Board Meeting

Travel Requests

Directors Corneille, Longville, and Falcone requested approval to attend ACWA's 2025 Fall Conference and Expo, scheduled for December 2-4. Ms. Miller explained that early approval would allow staff to secure hotel accommodations within the conference block, which is highly competitive.

Director Corneille discussed travel details, including arrival dates for committee meetings and JPIA trainings. President McDonald confirmed her attendance beginning Sunday to participate in JPIA sessions, and Directors Corneille, Longville, and Falcone confirmed their respective schedules. Questions were raised regarding the designation of a JPIA alternate with staff tasked to review the current status and provide an update.

It was moved by Director Falcone and seconded by Vice President Stewart to approve the travel requests for Directors Corneille, Longville, and Falcone to attend the ACWA 2025 Fall Conference & Expo, scheduled for December 2-4. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

8. CLOSED SESSION

Ms. Miller stated that staff wished to discuss the items listed under Closed Session with the Board at 3:30 p.m.

It was moved by Vice President Stewart and seconded by Director Falcone to adjourn to Closed Session. The motion carried 5-0-0, with all Board members present voting in the affirmative.

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

At 4:35 p.m., the meeting was reconvened to an open session. Under Government Code Section 54957.1, there was no other reportable action during Closed Session.

9. ADJOURN MEETING

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

President McDonald: Yes

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

At 4:40 p.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on September 10, 2025, in-person, teleconference, and Teams meeting.



Betsy Miller
General Manager