

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF MARCH 13, 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 President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Robert Stewart, Vice President
Richard Corneille, Director
David E. Raley, Director
John Longville, Director (Arrival time: 2:03 p.m.)

BOARD MEMBERS ABSENT:

None

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
Angie Quiroga, Senior Administrative Analyst
Athena Laroche, Administrative Specialist
Zach Blum, Intern

GUESTS PRESENT:

Paul Kielhold, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Aaron Jones, 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. 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. AD HOC COMMITTEE APPOINTMENTS

President McDonald appointed Director Corneille and Vice President Stewart to the Ad Hoc General Manager's Evaluation Committee.

4. GUEST RECOGNITIONS/SELF INTRODUCTIONS

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

5. CONSENT CALENDAR

It was moved by Director Corneille and seconded by Vice President Stewart to approve the Consent Calendar: Item A: Board Minutes, February 14, 2024, 2024; Item B: Expenditure Report, February 2024; and Item C: Report of Excused Absence for Director Longville from February 14, 2024 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**

6. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS FOR JANUARY 2024

Ms. Quiroga reviewed expenses discussed in the memo while also noting specific large expenses as shown in the Expenditure Report beginning on package page 16. The expenditure report on package page 16 begins with check number 24707 and ends with 24774. She noted larger expenditures as follows:

- County of San Bernardino, \$24,355 expended from GL 5225 Field Clean Up for vector services
- John Lambie (dba. E-PUR LLC), \$16,792.40 expended from GL 5120 Miscellaneous Professional Services for engineering consulting support
- Geoscience, \$22,487.00 expended from GL 5120 Miscellaneous Professional Services for Santa Ana River Groundwater Recharge Modeling
- Mars Carpets & Flooring, \$2,666.47 expended from GL 6016 Redlands Plaza for the replacement of carpet in Suite I

- Sonsray Machinery LLC., \$7,824.71 expended from GL 5050 Basin Cleaning and GL 5210 Equipment Maintenance
- ThunderWheel Communications, \$10,333.74 expended from GL 6060 Outreach and 6036 Printing for outreach consulting and preparation of the Annual Report
- IERCD, \$14,494 expended from GL 5123 Habitat Management for the Wash Plan
- Tetra Tech, \$35,071.92 expended from GL 7126 PERC Engineering/Professional Services

Director Corneille asked for more information on the payment made to the California Department of Fish & Wildlife Services in the amount of \$739.50. Ms. Miller stated that this is an annual permit fee.

Ms. Quiroga reviewed the graph financials included on package page 29. Revenue increased by \$532,643 for the month. She noted that GL 4026 is higher than budgeted, primarily due to East Valley Water District paying the groundwater charge instead of contributing to the Groundwater Council. The sustainability portion of the groundwater charge will be paid to San Bernardino Valley Municipal Water District on the next check run, reducing GL 4024. A brief discussion ensued on the PERC projects. Director Raley requested a copy of the agreement. Director Corneille stated that the PERC Status Report also includes additional information on the PERC Projects. Ms. Quiroga stated that operating expenses increased by approximately \$300,000. Director Corneille asked if GL 4999 is the reimbursement from the Trust. Ms. Miller said this is a one-time collection of \$1.125 million in Wash Plan preparation/issuance costs, which was not budgeted for FY24. Director Corneille asked if all expenses are included in GL 7126 for PERC projects. Ms. Quiroga noted that these include only expenses from this fiscal year. The other costs have been moved to the capital work-in-progress account. Ms. Scholte pointed out that staff is awaiting billing from main consultants to sub-consultants to be received.

Director Corneille asked if the amount of \$1,477,205 is the total cost of the Mill Creek Diversion Project expended from GL 7150. Ms. Quiroga noted that more costs are included in the work-in-progress account. The amount shown only includes this fiscal year. Ms. Miller asked if this amount includes the security placed with CDFW. Ms. Quiroga stated that it is not included in GL 7150 for this fiscal year. Director Corneille requested to see the total expenses for the Mill Creek Diversion Project. Director Raley asked for more information on memberships. Ms. Quiroga offered to provide a list of memberships for discussion at the Finance & Administration Committee. She noted that GL 6093 Memberships will end the year slightly over budget. Director Raley requested that any item that is over 20% of the budget be reported to the Board with an explanation. Director Corneille noted that reporting for exceeding budgeted amounts should consider the General Manager's approval limit. Ms. Miller offered to bring this item to the Finance & Administration Committee. Ms. Miller noted that the over-budget expenses in GL 7120 Computer Hardware-Capital Purchase and GL 7220 Computer Software were incurred to limit staff inefficiencies related to loss of productivity due to computers freezing and crashing during engineering work. Ms. Miller indicated that GL 7220 is currently \$3,600 over budget. Vice President Stewart requested additional information on the expenses included under GL 5128 GC Non-District Facilities Maintenance in the amount of \$117,000. Ms. Miller noted that these were pass-through payments collected from the Groundwater Council for cleaning of Waterman Basins.

With the cessation of the Groundwater Council, this line will not be included in next year's budget. The cash position as of February is \$4,717,781.

It was moved by Director Corneille and seconded by Vice President Stewart to approve the Unaudited Financial Reports for February 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**

B. GROUNDWATER NON-RESPONDENT, LATE PAYER, AND INVESTIGATION LIST FOR GROUNDWATER ASSESSMENT NO. 61

Ms. Miller introduced this item for discussion, noting its inclusion on package page 34. She stated that eight of forty-seven producers have yet to respond or pay for the groundwater assessment period 61. The estimated outstanding balance is just under \$1,000. Ms. Miller thanked Assistant Engineer Laura Torres for following up with producers. She asked for Board direction and feedback. Mr. Cosgrove stated that, consistent with precedent, the District seeks enforcement, even of smaller amounts due, to promote consistency among ratepayers. President McDonald asked about the process for the District to remove a well from the list. It was noted that if a well is capped or abandoned, the producer must file with the county and forward that paperwork to the District to be removed.

It was moved by Vice President Stewart and seconded by Director Raley to direct staff to follow up and investigate those listed on package page 35. 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 Longville: Yes
Director Raley: Yes**

C. FINAL 2024 ENGINEERING INVESTIGATION REPORT

Ms. Scholte reported that no additional data has been received since the last Engineering Investigation Report (EI Report) presentation at the February meeting. She offered to present the PowerPoint presentation again if a member of the public or Board desired it. No public or Board members requested the presentation.

The Bunker Hill Basin's annual storage increase from last year was 226,806 acre feet (AF). The depth to groundwater in most wells increased by approximately 100 feet. President McDonald said that based on the data presented, there is still a lot of capacity available in the groundwater basin for recharge. Director Corneille recognized Ms. Torres and Ms. Scholte and thanked them for preparing this report.

It was moved by Director Corneille and seconded by Vice President Stewart to receive and file the Final Engineering Investigation Report. 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 Longville: Yes

Director Raley: Yes

D. HAZARD MITIGATION PLAN FOR DISTRICT FACILITIES

Ms. Miller presented this item, noting its inclusion on package page 38. The San Bernardino Valley Municipal Water District (SBVMWD) approached the District with an opportunity to partner in developing a Hazard Mitigation Plan (HMP). The HMP would identify facilities that are at risk for natural disasters and develop and fund projects to address the threats. Ms. Miller noted that having an HMP would allow the District to apply for significant federal funding for projects. The three approaches to developing an HMP for the District are noted on package page 38, including independently developing a plan for approximately \$100,000, preparing a joint HMP for approximately \$50,000, or pursuing grant funding for an independent plan in the future. Vice President Stewart asked if staff has the time to assist with the HMP preparation. Ms. Miller said that this was also considered by SBVMWD and was discussed with a consultant for consideration. Vice President Stewart asked if the Operations and Maintenance Manual for the Enhanced Recharge Project has been completed to assist in the development of the HMP. Ms. Scholte said that it will not be completed until after the Enhanced Recharge Project is constructed and operational. President McDonald asked if an operations plan was required to complete the HMP. Ms. Miller said that it is not required. She said that preparation of the HMP would require two days of our engineering team's time to download our facilities information to the consultant. Staff would also need to assist with the review of the HMP and share data as needed. An HMP is updated every five years, and updates are significantly less expensive than preparing the initial plan. FEMA and Cal OES require a separate risk and resilience assessment and public outreach. Vice President Stewart said he does not believe our facilities are at risk.

Ms. Miller said the consultants would evaluate all the spreading basins, canals, diversions, shops, monitoring wells, and the District Office. President McDonald spoke on the importance of having an HMP in place to help the District qualify for grant funds. Ms. Miller said that if the Board directs staff to prepare an HMP, an agreement for cost-sharing would be brought back to the Board for final approval. Director Corneille spoke about his reservations about proceeding with the HMP

now. However, he said he would be willing to move to the next phase, which would involve discussing cost share and the associated benefits. Director Longville spoke in support of preparing a multi-jurisdictional HMP with SBVMWD. Vice President Stewart does not believe that there is a substantial benefit of pursuing the HMP currently.

It was moved by Director Longville and seconded by President McDonald to direct staff to prepare a multi-jurisdictional HMP with San Bernardino Valley Municipal Water District. The motion failed 2-3, with Director Longville and President McDonald voting in the affirmative. Vice President Stewart, Director Corneille and Raley voted in opposition.

**President McDonald: Yes
Vice President Stewart: No
Director Corneille: No
Director Longville: Yes
Director Raley: No**

E. PROMISSORY NOTE BETWEEN THE SAN BERNARDINO VALLEY CONSERVATION TRUST AND SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Ms. Miller reviewed this item beginning package page 40. She noted that the District extended funds to the San Bernardino Valley Conservation Trust (Trust) in order for it to complete Wash Plan implementation requirements, given that not all of the Participating Entities have paid into the endowment. The Promissory Note (Note) addressing the loan was prepared at the recommendation of the auditors. Mr. Cosgrove provided the purpose of the Note and its objectives. In total, \$1,254,077 in services has been provided to the Trust by the District in support of Wash Plan implementation from July 2020 to January 2024. The staff has prepared a Promissory Note to document what is owed to whom, its purpose, and its term. Ms. Miller stated that at this time, the amount that is owed to the District by the Trust is \$652,341; the District has not invoiced the Trust for this calendar year. Mr. Cosgrove said that the Trust reviewed and approved the draft Promissory Note. The parameters include that it is a no-interest loan, with one-tenth of the outstanding balance due yearly. Prepayments can be paid at any time, with a ten-year balloon payment at the end of the term, which runs from June 30, 2024, to June 30, 2033. The maturity date could be extended with the District's approval for an extension fee of 1.25% of the then-outstanding balance for every three months. In the event of any default, the District could accelerate the debt, and any post-default balances would accrue interest at ten percent per annum. Director Corneille asked what the funds that were received were associated with. Ms. Miller said funds covered by the Note were used to implement the Wash Plan after its adoption in July 2020. The final Promissory Note with dollar amounts will be presented to the Trust in April for final approval.

It was moved by Director Corneille and seconded by Director Longville to approve the terms and conditions and identified value of the attached Promissory Note, and authorize the Board President to

sign same on behalf of the District, and find the action so doing is consistent with the Provision of Services. The motion carried 5-0 with all Board members voting in the affirmative.

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

F. NOMINATION OF SPECIAL DISTRICT MEMBER ON LAFCO

This item is included on package page 49. President McDonald said that this position is for the high desert. There was no action taken.

G. CSDA CALL FOR NOMINATIONS FOR SEAT A, SOUTHERN NETWORK

This item was introduced for discussion, noting its inclusion on package page 54. There was no action taken.

7. INFORMATION ITEMS

A. ENGINEERING UPDATE

Ms. Scholte presented this item, noting its inclusion on package page 63. She reported that the contractor will begin pouring the slab for the Mentone Shop next week. The new building is expected to be delivered in early April. Staff are obtaining bids for the new septic system. They are also monitoring the new septic system that was installed at the Mentone House to ensure that it is able to handle the grease from the kitchen, and are looking at options to address any additional issues if needed.

Ms. Scholte reviewed the Enhanced Recharge Project. The District is recharging in Basins AA through EE. Staff are carefully monitoring areas of high groundwater in Mill Creek and Santa Ana. Vice President Stewart asked if our monitoring reflects the estimates for groundwater levels. Ms. Scholte said that the monitoring is generally in line with the estimates, with changes as the groundwater mound moves toward the pressure zone.

Ms. Scholte said that Mr. Lambie is working with the PERC consultants to understand progress to date. The sediment transport modeling for Plunge and Oak Creek has been received.

B. ENVIRONMENTAL UPDATE

Dr. Mitrovich introduced this item for discussion, noting its inclusion on package page 65. He reviewed the slender-horned spineflower (SHSF) activities and stated that on February 8, District staff counted 2,961 SHSF plants at the out-planting locations.

Dr. Mitrovich reviewed the BLM Fuels Management Grant. Under the grant program, nearly 125 acres of annual grasses have been treated with a grass-specific herbicide, which supports Fuel reduction and the management corridor between Cone Camp and Plunge Creek.

Dr. Mitrovich reviewed the Wash Plan Implementation – Organizational Structure, Planning, and Reporting on page 66. On February 13, staff completed a formal review of the Draft Recovery Plan for the San Bernardino Kangaroo Rat (SBKR) for U.S. Fish and Wildlife Service.

Dr. Mitrovich reviewed the Wash Plan Programmatic Permits staff met with the CDFW management team to discuss 2081 ITP for Wash Plan Covered Activities. Staff organized meetings with CDFW and mining partners to address permits for near-term mining activities.

Dr. Mitrovich reviewed the Mill Creek Programmatic Permits. He said that the second draft of the Safe Harbor Agreement was finalized last week. President McDonald thanked Dr. Mitrovich for his detailed report. This item was received and filed.

Dr. Mitrovich reviewed Partnership Activities, noting that staff participated in the Santa Ana River Science Symposium on February 15 and a field visit on February 16. On February 23, staff attended the Groundwater Resources Association of California meeting in Sacramento.

C. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller indicated that the written General Manager's Report was included on package pages 68 through 73. She stated the District has recharged 35,000 AF to date for this water year. Interns Zach Blum and Caryn Iwanaga will reach their one-year anniversary on March 15. She noted that she and Ms. Quiroga have been working on the budget for FY25. Ms. Miller stated that Ms. Laroche will reschedule the Finance & Administration Committee meeting to be before the Budget Workshop. She noted that the new Mill Creek Diversion is working very well.

Ms. Miller reported that five of the new Enhanced Recharge basins are recharging as of today. She said that she and Director Corneille met with the Redlands City Manager on February 22 to discuss the next steps on the trails project. On March 2, City of Redlands staff reached out for additional information. The Redlands Plaza remediation issues have been completed, and staff is moving forward with negotiating leases. Ms. Miller thanked the Trust for their partnership. The District's monthly successes on package page 70 were reviewed. The outreach efforts were reviewed under Item 20, beginning package page 69. The Monthly Recharge Report was shown on package page 74. This item was received and filed.

D. FUTURE AGENDA ITEMS AND STAFF TASKS

There will be an Earth Day event sponsored by the District held at the San Bernardino County Museum on April 20. Director Corneille noted there will be Earth Day activities held at the Redlands Bowl and throughout Redlands from 9 am to noon, with a celebration following from 12:30 to 2:30 on April 20. Vice President Stewart requested a cost-benefit ratio on operations of the new Mill Creek Diversion Project. Ms. Scholte indicated we may need another year of data in order to prepare an accurate analysis.

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

Vice President Stewart attended the PERC Policy Committee on February 27, signed checks on February 28, and Trust Workshop on February 29. He attended the Bear Valley Board meeting on March 6 and SBVMWD Policy & Administration Workshop on March 7.

Director Corneille attended the Science Symposium on February 15, met with the Redlands City Manager on February 22, and attended the SBVMWD 70th celebration. He attended the Association of San Bernardino County Special Districts (ASBCSD) on February 26 and the Redlands Rise N Shine on March 1. He attended the PERC Policy Committee on February 27.

Director Raley signed expenditures on February 15, attended the Trust Workshop on February 29, and Redlands Rise N Shine on March 1. He attended the SBVMWD 70th celebration on February 22 and ASBCSD on February 26.

Director Longville attended the Trust Workshop on February 29, the SBVMWD Board meeting on March 5, and the meeting with Eloise Reyes on February 22. He also attended the SBVMWD Board meetings on February 20 and February 14 and the Joint Meeting with SBVMWD on February 13.

President McDonald attended the SBVMWD Resources and Engineering Workshop on March 12, lunch with the SBVMWD president on March 11, and the SBVMWD Policy and Administration Workshop on March 7. She also attended the SBVMWD Board meeting on March 5, the ACWA State Legislative Committee on March 1, and the Board agenda review on February 29. She attended the SBVMWD 70th celebration on February 22 and the SBVMWD Board meeting on February 19.

9. UPCOMING MEETINGS

There were none discussed.

10. CLOSED SESSION

It was moved by Director Corneille and a second by Director Longville, adjourned to Closed Session. 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 Longville: Yes
Director Raley: Yes**

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

At 4:26 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 5-0, with all Board members present voting in the affirmative.

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

At 4:27 p.m., the meeting adjourned to the Board meeting/Groundwater Public Meeting scheduled for 1:30 p.m. on April 10, 2024, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager