

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BUDGET WORKSHOP

MINUTES OF April 27, 2022
3:30 P.M.

President McDonald called the Budget Workshop to order at 3:34 p.m.

BOARD MEMBERS PRESENT:

Melody McDonald, President
Richard Corneille, Vice President
David E. Raley, Director
Robert Stewart, Director

BOARD MEMBERS ABSENT:

John Longville, Director

GENERAL COUNSEL PRESENT:

None

STAFF PRESENT:

Betsy Miller, Assistant General Manager
Milan Mitrovich, Land Resources Manager
Athena Lokelani, Administrative Specialist
Angie Quiroga, Administrative Analyst
Katelyn Scholte, Principal Engineer

GUESTS PRESENT:

None

1. PUBLIC PARTICIPATION

There were no public comments.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the posted agenda.

3. DISCUSSION ITEMS

A. DISTRICT AND ENTERPRISE BUDGET FOR FISCAL YEAR 2022-2023

Ms. Miller introduced this item for discussion. She said that the Committees had reviewed elements of the budget. Ms. Quiroga provided a revised handout to the Board with an updated increase/decrease column.

Ms. Miller reviewed the draft District and Enterprise Budget for the fiscal year 2022-2023 included on package page 3. Review of the budget continued as follows:

- 5120 Miscellaneous Professional Services – Ms. Miller indicated that this includes several major items, including the Brownstein Hyatt Farber Schreck costs for the Land Exchange with Bureau of Land Management (BLM). She said that staff is optimistic that the exchange will be concluded in less than the twelve months that are currently budgeted. She indicated that the appraisal and obtaining the right of way are extremely sensitive tasks. Ms. Miller said that this GL also includes limited costs for the state and water permits, including some costs will be reimbursed by the Wash Plan Task Force members. Staff is estimating these existing tasks will be completed by the end of the fiscal year. However, the Corp of Engineers recently provided additional detail to staff on new mitigation requirements that would extend into the upcoming fiscal year, which may cost around \$30,000, but this as well would be partially reimbursed. Staff requested Board feedback on the potential of pursuing a consultant contract with Mr. Cozad's consultant firm, Integrated Planning and Management, to support the Groundwater Council renewal, the SCE divestiture, ongoing litigation related to Seven Oaks Dam, and the Salt and Nutrient Management Plan. Mr. Cozad proposed working no more than 32 hours per month. Ms. Miller asked for Board feedback on increasing this GL. The BLM Land Exchange was discussed. Director Raley spoke in opposition of hiring Integrated Planning and Management except for specific, defined tasks. He believes we should continue to move forward with new management. Vice President Corneille asked for staff to renegotiate the hourly rate for the proposed contract. President McDonald spoke in support of hiring Mr. Cozad for the specific tasks outlined in the Board memo on package page 3, at the standard Integrated Planning and Management consulting rate. Director Raley said that he wants Ms. Miller to be the face of the District. He spoke in support of staff consulting with Mr. Cozad on the specific tasks in Board memo. The Board spoke in support of hiring Integrated Planning and Management for a limited time, preferably no more than a year for the specific tasks discussed. Director Stewart spoke in support of leaving this GL as budgeted.
- 4032 CEMEX – Royalty/Lease Revenue – Director Stewart suggested increasing this item to the current projected annual income of \$796,501.22. He expects that the District will likely exceed this income level in next fiscal year as well due to current development projects.
- 4025 Wash Plan Revenue – Vice President Corneille asked why the anticipated income has decreased significantly. He asked when the miners will contribute to the Wash Plan endowment. Ms. Miller said that the mining companies will pay their Wash Plan endowment costs following completion of the BLM Land Exchange and the Wash Plan state and waters permits. She said that there is a good chance these may occur in next fiscal year. The endowment funds would be held by the Conservation Trust. Ms. Miller said that the income costs have decreased because the District is transitioning from Wash Plan planning to Wash Plan implementation. There were some costs that were allocated to the Conservation Trust. The District is adjusting 4025 Wash Plan Revenue and 4999 Trust Reimbursement Wash Plan so that they will be steady moving forward. The mining companies' share of the Wash Plan endowment is approximately \$8 million. Vice President Corneille said that the District is loaning money the Trust, and once the miners pay their portion of the endowment the District will be reimbursed.
- 5123 Wash Plan Implementation – Ms. Miller said that staff is recommending the Board authorize a loan to the Wash Plan enterprise for the completion of various tasks, outlined on package page 9, of up to \$265,569.
- 6006 Permits – Vice President Corneille asked about the reduction. Ms. Miller indicated the majority of work done to obtain Wash Plan permits was completed in this fiscal year. Staff expects the permitting to be completed by the end of this fiscal year. On-going

permitting work for the Mill Creek Groundwater Recharge Facility, which is a one-time cost, is included in 7151-Mill Creek Permitting.

- Capital Improvement Projects List – Ms. Miller noted its inclusion on package page 17. She said that this has been reorganized to reflect priority and address Board member comments. Director Raley said that he thought the ARTP projects were going to be shown with their own budget. Ms. Miller indicated that the dark blue column is a separate ARTP Enterprise. She indicated that staff is working on identifying a specific project accounting method to better track and report the ARTP revenue and expenses.
- 7126 ARTP ENGR/Prof Services – Vice President Corneille asked if the proposed budget for FY 22-23 of \$3.2 million is based on the consultant's schedule. Ms. Miller said that the District engineering staff reviewed the consultant's schedule and included a contingency buffer. They anticipate the majority of the work to occur in the next fiscal year.
- 6401 Director Expenses – Vice President Corneille recommended increasing the budget by 5%. It was the consensus of the Board to increase the director's expenses (including mileage, lodging, other travel, airfare, etc.) by 10%.
- 6027 Computer Software – Director Stewart asked if this amount is based on a proposal given its exact number. Ms. Miller said that the number is based on the renewal of our GIS software and new computer software that was purchased for the ARTP as well as new legal software.
- 7210 Computer Hardware – This item is related to the IT RFP that was recently released. Ms. Miller said that these costs include upgrades to the District's Wi-Fi, enhancements to Board room, and addressing current issues with the engineering computers.
- 5160 IT Support – Ms. Miller said that this budget has been increased and is in line with the costs from the proposal received in response to our RFP. Staff is evaluating re-posting the RFP in order to solicit additional proposals, since only one was received to date. The RFP includes an overall evaluation of the District's tech system. Director Raley said that is important that the IT issues be addressed to assist staff and support their job. The Board concurred with staff's recommendation to increase this item.
- 4026 Groundwater Sustainability Charge – Vice President Corneille asked for additional information. Ms. Scholte stated that this is the rate for groundwater replenishment via State Water Project water that the District collects in tandem with the Groundwater Charge based on the Equitable Allocation Model. The funds are collected on behalf of the Groundwater Council from producers within our boundaries; this does not include the Groundwater Council members, or Riverside producers. These funds are held until water is available for purchase.

4. ADJOURN MEETING

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

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

At 4:40 p.m., the meeting adjourned.



Daniel B. Cozad, General Manager