

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF DECEMBER 11, 2024
9:00 AM

President McDonald called the Board of Directors meeting to order at 9:00 AM 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
Robert Stewart, Vice President
John Longville, Director
Richard Corneille, Director
Mark Falcone, Director

STAFF PRESENT:

Betsy Miller, General Manager
Milan Mitrovich, Land Resources Manager
Angie Quiroga, Senior Administrative Analyst
Allison Zecher, Board Secretary
Anna Frey, Assistant Biologist
John Lambie, Consulting Chief Engineer and Geohydrologist
Zach Blum, Intern
Yesenia Yangin, Intern
Alan Salcedo, Intern

GUESTS PRESENT:

Susan Longville, San Bernardino Valley Municipal Water District
Ron Coats, East Valley Water District
Jodie Scott, City of Highland
Bill Taylor, Robertsons Ready Mix
Joseph Aguirre, Tetra Tech
Laura Arizu, RAMS
Imat Tarmash, Highland Resident
Fred Yoger, Highland Resident
Debra Wright, Highland Resident
Chery Perez, Highland Resident

1. PUBLIC PARTICIPATION

There was no public participation.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the posted agenda.

3. DISTRICT COMMITTEE APPOINTMENTS

President McDonald reviewed, confirmed and/or updated committee assignments for 2024, as outlined in Appendix B of the Board of Directors Policy Manual:

Finance and Administration Committee

- Chair: Robert Stewart
- Member: John Longville
- Alternate: Mark E. Falcone
- Note: Director Falcone was asked to attend the Finance and Administration Committee meeting to get up to speed on ongoing matters.

Operations Committee

- Chair: Richard Corneille
- Member: Robert Stewart
- Alternate: Melody McDonald
- Note: Director Falcone was asked to attend the Operations Committee meetings to get up to speed on ongoing matters.

Outreach and Communications Committee

- Chair: John Longville
- Member: Mark E. Falcone
- Alternate: Robert Stewart

President McDonald reviewed, confirmed and/or updated committee assignments for 2024, as outlined in Appendix C of the Board of Directors Policy Manual:

- Basin Technical Advisory Committee: Stewart/Falcone
- Upper SAR Water Forum: Corneille/Falcone
- SBVMWD Board Meetings: McDonald/Falcone
 - 9A. Resources & Engineering Workshop: McDonald/Corneille
 - 9B. Policy & Administration Workshop: Longville/Stewart
- East Valley Water District Board Meetings: Falcone/McDonald
- Wash Plan Task Force: Longville/Falcone
- Big Bear Watermaster Committee (Court Appointed Attendee - Scholte): Stewart/Falcone
- Program for the Expansion of Recharge Capacity (PERC) Policy Committee: Corneille/McDonald

President McDonald noted the benefits of Director Falcone's appointments to committees and external meetings in order to get up to speed on ongoing matters.

4. OATH OF OFFICE

Ms. Miller administered the Oath of Office to Vice President Stewart, Director Corneille, and Director Falcone.

Director Falcone addressed the Board and attendees, expressing gratitude for the opportunity to serve Division 2 and highlighting the significance of public service. He emphasized his commitment to preparation, engagement, and professionalism in representing the District. Director Falcone spoke highly of District staff, commending their expertise, professionalism, and dedication to their roles. Director Falcone expressed his desire to work collaboratively with his fellow Board members, emphasizing the importance of unity, collective leadership, and a shared vision for achieving the District's goals.

The Board and attendees welcomed Director Falcone to his new role and expressed their support for his future contributions.

5. ELECTION OF BOARD OFFICERS

President McDonald opened nominations for President for a two-year term through December 2026. Director Corneille nominated President McDonald to continue in her role serving as President.

It was moved by Director Corneille to nominate President McDonald for President and seconded by Vice President Stewart. There being no other nominations, President McDonald closed the nominations without objection and called for voting on the office of President. 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**

President McDonald opened nominations for Vice President. Director Corneille nominated Director Stewart for the position of Vice President.

It was moved by Director Corneille to nominate Director Stewart for Vice President and seconded by President McDonald. There being no other nominations, President McDonald closed the nominations without objection and called for voting on the office of Vice President. 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. INTRODUCTIONS AND GUEST RECOGNITION

The Board, staff, and Zoom attendees introduced themselves.

7. CONSENT CALENDAR

It was moved by Director Longville and seconded by Vice President Stewart to approve the Consent Calendar: Item A, Board Minutes, November 13, 2024; and Item B: Expenditure Report, November 2024. 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. COMMITTEE REPORTS/ACTION ITEMS

There were no committee reports.

Action Items

A. UNAUDITED FINANCIAL REPORTS FOR NOVEMBER 2024

Ms. Quiroga directed attention to the unaudited financial reports for November 2024, beginning on Package Page 37, highlighting key updates and observations. Significant revenue was received during November from San Bernardino Valley Municipal Water District as part of the annual Spreading Agreement for Enhanced Recharge as well as from property tax revenue collections (GL 4050).

During this time, expenses in Professional Services (GL 5100) increased by \$153,563 in November due to payments to contractors for basin cleaning and work completed on the groundwater modeling project. Insurance expenses totaled \$66,000 (GL 6300), covering auto and general liability insurance from October through September; an adjustment will reflect the prepayment portion for FY25. Total expenses increased by \$475,155 for November.

Total capital expenses for November increased by \$80,000, bringing the year-to-date total to \$331,413. This includes payments to consultants CASC Engineering, Q3 Consulting, and Tetra Tech for PERC feasibility studies (GL 7126).

The net revenue for November 2024 was \$271,016, while the cash position decreased slightly by \$138,000 due to expenditures. Ms. Quiroga further elaborated on details found on Package Pages 38-41, summarizing that total revenue as of November 30, 2024, stood at \$2,113,140.

Ms. Quiroga discussed the increase in insurance expenses, resulting in expenditures exceeding the budget and the variance in Wash Plan revenue timing caused by seasonal biological constraints in response to questions by Vice President Stewart.

President McDonald and the Board expressed gratitude to Angie for her diligent financial reporting.

It was moved by Director Corneille and seconded by Director Longville to approve Unaudited Financial Reports for November 2024. 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**

B. APPROVE FISCAL YEAR 2024 AUDIT

Ms. Miller presented the final FY 2024 audit to the Board, highlighting the extensive effort involved in preparing the document. She commended the dedication of staff members and consultants for their significant contributions.

The FY 2024 audit was previously presented to the Ad Hoc Audit Committee on October 31, 2024, where the committee recommended forwarding it to the Board for review and approval. The recommendation included a deeper discussion of the notable change in the district's net position, detailed on Package Page 63 and discussed in the staff report on Package Page 42.

Ms. Miller discussed these highlights of the audit:

- **Unmodified Opinion:** The district received an unmodified opinion from the auditors, signifying no material issues, as found on Package Page 71.
- **Internal Controls:** The auditors did not identify any compliance or internal control issues, as noted on Package Page 38.
- **Assets Due from Other Entities:** On Package Page 85, a decrease of \$1.125 million reflects the repayment by the San Bernardino Valley Conservation Trust of funds previously loaned to complete the Wash Plan.
- **OPEB and Pension:** Information on Package Pages 85–86 and 105–119 shows the district is in a strong position regarding Other Post-Employment Benefits (OPEB) due to the trust that was previously established to cover these costs. The district also remains fully funded under CalPERS for pension obligations.
- **Net Position Change:**
 - Package Page 87 (Non-Operating Revenues and Expenses) details a \$2+ million decrease in the district's net position. This reflects the disposal of approximately \$3 million in PERC feasibility study expenses previously held in Work in Progress.
 - These adjustments align with GASB Code Section 1400.143, which specifies that feasibility studies are not capitalized.

- This decision, reached after thorough discussions with auditors, does not indicate increased expenditures.

One Management Recommendation was received from the auditors regarding a single instance of a credit card exceeding its limit by \$200. Staff will review internal controls and credit card processes to prevent recurrence.

Directors expressed gratitude to staff for their efforts, acknowledging the challenges of audit preparation and the excellence of the audit results. President McDonald echoed appreciation for the entire team's diligence and commitment, noting the positive impact of hiring an Administrative Analyst to support future efforts.

It was moved by Director Corneille and seconded by Director Falcone to Approve Fiscal Year 2024 Audit as presented. 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. TEMPORARY RESTRICTIVE COVENANT AND EQUITABLE SERVITUDE FOR SPECIES CONSERVATION FOR WASH PLAN COVERED ACTIVITY CRM.01 AGGREGATE MINING

Ms. Miller provided a brief background on the Upper Santa Ana River Wash Habitat Conservation Plan (Wash Plan), which was approved by the Board in 2020. Following a vote by the Wash Plan Task Force to request the District to apply for state permits under the California Endangered Species Act (CESA) for Wash Plan Covered Activities, the district submitted initial and revised permit applications to the California Department of Fish and Wildlife (CDFW) in December 2020, October 2021, and December 2021. Unfortunately, despite continued engagement with regional and Sacramento officials, a comprehensive permit has yet to be issued.

In the interim, Robertson's Ready Mix seeks to continue and expand mining operations as their current sites near exhaustion, risking potential layoffs. To address immediate needs, Robertson's submitted a permit for a portion of their Wash Plan-permitted mining to CDFW, receiving draft permits in January and May 2024. (The Board supported this effort by amending the 2003 agreement with Robertson's to incorporate advanced transfer premises under the 1992 lease through an action at their January 2024 meeting.) In order to expedite mining under the draft May 2024 permit, CDFW and Robertson's requested the district record a Temporary Restrictive Covenant and Equitable Servitude for Species Conservation on Wash Plan Preserve lands to allow Robertson's to meet the CESA permit requirements without posting an approximately \$8 million bond.

If approved by the Board, the temporary covenant would be recorded as soon as possible, with the covenant subsequently vacated upon approval by CDFW of the location of the permanent conservation easement. As this land is already designated for conservation under the Wash Plan, the proposal does not negatively affect the District's use of the land and allows the Wash Plan

entities to stack mitigation by using the same acreage to satisfy both federal and state permit requirements—avoiding duplicative obligations. The proposed approach supports our local economy by limiting delays for continued mining, allows Robertson's to pay their approximately \$4 million portion of the Wash Plan Endowment, and releases \$5 million in mining royalties previously secured under the 1992 lease.

While securing a comprehensive permit remains a top priority, the temporary restrictive covenant offers a practical interim solution. The District will continue collaborating with stakeholders to ensure compliance and sustained progress on this critical project.

Board members discussed the agreement's title and the innovative nature of the proposal. Staff emphasized the importance of maintaining flexibility for future conservation efforts while safeguarding the BLM land exchange process. Director Falcone noted that the proposed approach demonstrates the District's strong working relationships with regulatory agencies. Mr. Taylor affirmed the urgency of this solution to sustain operations and fulfill funding obligations tied to conservation efforts.

It was moved by Director Longville and seconded by Director Corneille to approve the temporary Restrictive Covenant and Equitable Servitude for Species Conservation, and authorize the General Manager and General Counsel to 1) append as Exhibit A thereto an appropriate legal description suitable to the District and the California Department of Fish and Wildlife (CDFW) for recording with the County Recorder, and 2) prepare a final Attachment C, Termination and Release of Restrictive Covenant and Equitable Servitude for Species Conservation, following the enclosed template acceptable to the District and CDFW. 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. PLAN TO PREPARE THE 2025 ENGINEERING INVESTIGATION REPORT

Ms. Miller presented the 2025 Engineering Investigation (EI) Plan, which will develop the EI that serves as the technical basis for setting and collecting the District's groundwater charge. Under California law, the District is required to prepare an annual Engineering Investigation to assess groundwater conditions, analyze supply and demand, and evaluate cost considerations. The plan, starting on package page 174, outlines the work needed to complete this investigation and is presented to the Board annually for approval before staff begins the process.

Since its initial development, this plan has undergone extensive review by the Basin Technical Advisory Committee and other regional stakeholders. It has remained consistent over the years, providing a well-vetted and effective approach that aligns with the region's needs and expectations.

During the presentation, staff recognized the significant contributions of Ms. Scholte, who has been instrumental in preparing past Engineering Investigations. Although Ms. Scholte has transitioned out of her position, the District has engaged her as a consultant to train newly hired staff to prepare the 2024 EI. Director Corneille requested that Ms. Scholte perform a review of the draft document for quality control.

The Board expressed concerns about the staffing and schedule for completing the 2025 Engineering Investigation. Staff discussed the current and planned staffing plans to ensure the project is completed on time.

It was moved by Director Corneille and seconded by Director Longville to approve the review of the Plan to Prepare the 2025 Engineering Investigation Report. 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. ADOPTION OF THE 2025 PER DIEM RESOLUTION

Ms. Miller discussed the adoption of the 2025 Per Diem rate, which was discussed at the Board of Directors meeting on November 13, 2024, and the Finance and Administration Committee on October 31, 2024. After review of increases ranging from 2% and 2.5%, consistent with the annual Consumer Price Index (CPI), the Board voted to adjust the per diem rate by \$7.00, setting it at \$277.00 for Calendar Year 2025, at their November meeting. Based on that vote, staff prepared the 2025 Per Diem Resolution for Board consideration at today's meeting.

It was moved by Director Longville and seconded by Vice President Stewart to approve the increase in the Board per diem rate by \$7.00 to \$277.00 for Calendar Year 2025, and approve Resolution No. 627. 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**

F. NATIONAL HABITAT CONSERVATION PLANNING COALITION 2024 ANNUAL MEETING VOTING REPRESENTATIVE

Ms. Miller requested that the Board designate a District voting representative for the National Habitat Conservation Planning Coalition 2024 Annual Meeting. The Coalition is a national organization

advocating for habitat conservation plans, with members from various agencies, including cities, counties, special districts, and private companies.

The Board discussed the appointment of the General Manager, Ms. Miller, as the authorized voting representative. Director Longville moved to approve the General Manager as the voting representative and to designate Dr. Mitrovich as the alternate.

It was moved by Director Longville and seconded by Vice President Stewart to appoint Betsy Miller, General Manager, as the District's authorized voting representative for the National Habitat Conservation Planning Coalition's 2024 Annual Meeting and designate Milan Mitrovich as the alternate. 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**

9. INFORMATION ITEMS

ENVIRONMENTAL UPDATE

Dr. Mitrovich provided an update on the Wash Plan implementation and monitoring activities including completion of trapping for the fourth year of annual Wash Plan and Conservation Benefit Agreement surveys across District lands on November 15. He also reported progress on the 404 programmatic individual agreement for activities impacting waters of the U.S, which will provide a 20-year permit for Wash Plan Covered Activities as well as an adaptive management program for the Plunge Creek Conservation Project that serves as partial mitigation for these impacts.

ENGINEERING UPDATE

Ms. Miller provided an update on the construction of the Mentone Shop, noting that three contractors have toured the site with one bid submission received and reviewed by District staff. With no additional bids for comparison, staff reviewed the current bid with other bids received during the initial bid process, with plans to bring a contract for Board consideration following an in-person meeting with the contractor scheduled for early January.

Ms. Miller noted that construction for the Enhanced Recharge - Phase 1B project is functionally complete, with final grading and cleanup ongoing. She expressed appreciation for the detailed work completed by the contractor during demobilization, and for the continued coordination between the District and Valley District's teams to ensure recharge continued throughout construction.

Mr. Lambie discussed the status of the PERC Projects, noting that feedback from the Operations Committee, partners, and interested parties on the multi-objective decision support system draft has been received, reviewed, and incorporated into a revised draft planned for distribution in the coming week. A workshop to discuss the second draft is planned for January 15.

Mr. Lambie shared that the hydraulic analyses and modeling for Twin Creek are progressing, as well as the evaluation of the input of various inflow sources at Waterman. He discussed progress on the hydraulic modeling for Oak Creek and Plunge Creek. Finally, he noted that alternative scenarios are being evaluated for Mill Creek, with continued coordination with the Land Resources and Operations teams to align operational and ecological goals.

Mr. Lambie provided a brief update on the selection of a consultant for the San Bernardino Basin Model Calibration.

INITIAL RESULTS FROM GROUNDWATER MODELING PROJECT

Ms. Miller provided a brief background on the modeling project, noting the previous Board approval to contract with GeoScience to extend the existing Santa Ana River Integrated Model from 1966-2016 to 1912 to 2023 to better understand the effects of District recharge over this period. The first slide (Package Page 187) showed the change in groundwater elevation over time, illustrating the significant difference that recharge has made in local basins. Without recharge efforts, groundwater levels would be 150 to 200 feet lower in certain areas. Ms. Miller highlighted a change of 50 to 100 feet over a large area, with a more gradual reduction of 25 to 50 feet in areas further from our recharge facilities as shown on Pages 188-190. These results underscore the substantial impact that even small-scale, cost-effective recharge operations can have on groundwater levels. This data will be valuable for groups beginning to consider recharge projects, and it demonstrates the long-term benefits of such efforts.

Ms. Miller noted that a report providing details on the methods and results would be provided as part of the contract deliverables. She discussed the opportunity for the consultant to attend the January Operations Committee meeting for a more detailed discussion of the model and the results, with a full presentation to the Board will be scheduled upon completion of the final report. The Board expressed support of inclusion of this item on the Operations Committee agenda.

GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller provided the General Manager's Report, noting key November 2024 highlights:

- **Audit Completion:** Ms. Miller thanked the Board for approving the audit and expressed excitement about completing this task.
- **Assistant Engineer Hire:** A highly qualified candidate has been selected for the position of Assistant Engineer. Ms. Miller acknowledged the interview panel members including Dr. Mitrovich, Mr. Ferrando from Valley District, as well as the peer interview panel including Ms. Frey, Mr. Guizar, and Mr. Purvis.
- **Upcoming Hiring:** The job postings for Senior Engineer and Principal Engineer are open until January 10.
- **Support for Grant Application:** The district provided a letter of support for Apex Environmental's grant application to the Water Research Foundation, which is evaluating artificial intelligence for groundwater management. If awarded, district staff will assist with case studies as part of the project.
- **Mill Creek Maintenance:** Significant maintenance work is ongoing by District staff at Mill Creek.

- Upland Rock Processing: The licensee is processing stockpiled rock on District lands at Mill Creek, with increased payments received by the District due to this work.
- Water Conservation Education: The Inland Empire Resource Conservation District presented a water conservation program to a first-grade class at Barton Elementary on the District's behalf under our MOU.

Ms. Miller passed out the 2024 Annual Report of Accomplishments for Board review and expressed her gratitude to the Board for their clear guidance and support in 2024, emphasizing how this helps the team execute tasks effectively.

FUTURE AGENDA ITEMS AND STAFF TASKS

Director Corneille proposed that the District consider supporting the Day of Climate Action in Redlands on April 26, as they did in 2024.

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

Vice President Stewart attended the following meetings:

- SBVWCD Board Meeting on November 13th
- SBVWCD Environmental Workshop on November 20th
- Basin Technical Advisory Committee on December 9th

Director Corneille attended the following meetings:

- SBVWCD Board Meeting on November 13th
- EPA Press Conference on Enhanced Recharge on November 20th
- SBVWCD Environmental Workshop on November 20th
- PERC Policy Meeting on November 2nd
- JPIA/ACWA Conference December 2nd to December 5th

Director Longville attended the following meetings:

- SBVWCD Board Meeting on November 13th
- SBVMWD Board of Directors Meeting on November 19th
- SBVWCD Environmental Workshop on November 20th
- JPIA/ACWA Conference December 2nd to December 5th
- Basin Technical Advisory Committee on December 9th

President McDonald attended the following meetings:

- Special Districts Board of Directors of San Bernardino County on November 11th
- SBVWCD Board Meeting on November 13th
- Highland Chamber of Commerce Lunch on November 19th
- SBVMWD Board of Directors Meeting on November 19th
- SBVWCD Environmental Workshop on November 20th
- Basin Technical Advisory Committee on December 9th

10. UPCOMING MEETINGS

The list of upcoming meetings was reviewed.

11. CLOSED SESSION

Ms. Miller stated that staff wished to discuss the items listed under Closed Session with the Board.

It was moved by Director Corneille and seconded by Director Longville 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 11:45 a.m., the meeting reconvened to an open session. Under Government Code Section 54957.1, there was no other reportable action during Closed Session.

12. ADJOURN MEETING

It was moved by Director Longville and seconded by Vice President Stewart 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 11:47 a.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on January 8, 2025, in-person, teleconference, and Zoom meeting.



Betsy Miller
General Manager