SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

AGENDA

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

REGULAR MEETING OF THE BOARD OF DIRECTORS
2:00 PM Tuesday, November 3, 2026

ZOOM INFORMATION
Online: https://sbvmwd.zoom/us/j/83910934313
Telephone: (877) 853-5247 US Toll-free

Meeting ID: 839 1093 4313
PASSCODE: 3802026

If you are unable to participate online or by telephone, you may submit your comments and questions in writing for Board consideration by emailing comments@sbvmwd.com with the subject line Public Comment Item # (insert the agenda item number relevant to your comment) or Public Comment Non-Agenda Item. Submit your written comments no later than 6 p.m. the day prior to the meeting. All public comments will be provided to the Board President and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your identifier during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1) PUBLIC COMMENT
Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

2) CONSENT CALENDAR

2.1 Approve Minutes of the Board of Directors Special Meeting - Policy/Administration Workshop - October 1, 2026 (2 min) - Page 3
Approve Minutes of the Board of Directors Special Meeting - Policy/Administration Workshop - October 1, 2026

2.2 Approve Minutes of the Regular Board of Directors' Meeting - October 6, 2026 (2 min) - Page 8
Approve Minutes of the Regular Board of Directors' Meeting - October 6, 2026

2.3 Approve Minutes of the Board of Directors Special Meeting - Resources/Engineering Workshop - October 13, 2026 (2 min) - Page 15
Approve Minutes of the Board of Directors Special Meeting - Resources/Engineering Workshop - October 13, 2026

3) DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 2026 Top Workplaces Culture Excellence Awards (20 min) - Page 19
Staff Memo - 2026 Top Workplaces Culture Excellence Awards

4) REPORTS (Discussion and Possible Action)

4.1 State Water Project Update (10 min) - Page 21
Staff Memo - State Water Project Update

4.2 Directors' Report of Activities and Travel Requests in accordance with Resolution 1100

4.3 General Counsel Report

4.4 Ad-Hoc and Standing Committee Reports

4.5 SAWPA Meeting Report

5) FUTURE BUSINESS

6) ANNOUNCEMENTS

6.1 List of Announcements (2 min) - Page 22
List of Announcements

7) CLOSED SESSION

8) ADJOURNMENT

MINUTES
OF
THE
BOARD OF DIRECTORS SPECIAL MEETING
POLICY / ADMINISTRATION WORKSHOP
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

October 1, 2026

Directors Present: Gil J. Botello, T. Milford Harrison, Paul R. Kielhold, Susan Longville, and Jose Velasquez

Directors Absent: None

Staff Present:
Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Wen Huang, PE, MS – Chief Operating Officer/Assistant General Manager
Jose Macedo, ML, CPT-P (USA Retired) – Chief Admin Officer/Deputy General Mgr.
Cindy Saks, CPA – Chief Financial Officer/Deputy General Manager
Karen Resendez, MAOL – Human Resources & Risk Manager

Stephanie Chesin, MA – Principal Communications Specialist
Owen Cross, BS – Environmental Analyst
Anthony Flordelis – Business Systems Analyst
Matthew Olivo – Senior Accountant
Alliah Smith – Senior Administrative Assistant
Andreea Tanase, MPA – Administrative Analyst I
Matthew Flordelis, BA – Operations Supervisor of Maintenance

Meredith Nikkel, Downey Brand

Members of the Public in Attendance:
Mark Falcone, San Bernardino Valley Water Conservation District
Melody McDonald, San Bernardino Valley Water Conservation District
James Morales, East Valley Water District
Allison Edmisten, Yucaipa Valley Water District
Robert Stewart, San Bernardino Valley Water Conservation District
Joyce McIntire, Yucaipa Valley Water District

The Policy/Administration Workshop of the Board of Directors was called to order by Chairperson Botello at 2:05 p.m. A quorum was noted present.

Agenda Item 1. Introductions. None.

Agenda Item 2. Public Comment. Board members and staff commented on the District-hosted September 16 to 18 State Water Project Tour and its value in educating participants about the importance of the State Water Project, Sites Reservoir, and San Bernardino Valley's work.

- President Harrison praised the exceptional organization and educational value of the tour, thanked CEO/General Manager Heather Dyer and staff for their efforts, and contributions to its success.
- Ms. Dyer thanked the staff responsible for coordinating the tour and reported that participants gained a much greater appreciation for the scale and complexity of the State Water Project and Sites Reservoir, with many expressing a personal interest in the projects' success.
- Principal Communications Specialist Stephanie Chesin expressed appreciation for the opportunity to organize the tour and continue learning about the State Water Project alongside participants.
- Director Kielhold reported that guests he had invited were highly appreciative of the staff and the opportunity to see firsthand the facilities and infrastructure that support everyday water needs.
- Vice President Botello emphasized the value of the tours in educating both the public and fellow water agency representatives, noting that participating Santa Ana Watershed Project Authority (SAWPA) commissioners gained a greater understanding of San Bernardino Valley's work and its regional importance.

Agenda Item 3. Discussion and Possible Action Items.

3.1) Consideration of Proposed Fleet Vehicle and Large Equipment Procurement Policy. Ms. Dyer presented the proposed policy, developed in response to Board direction during the June 2026 budget process. She explained that San Bernardino Valley (SBV) had not previously adopted a formal policy governing fleet vehicle purchases and the proposed policy was intended to establish Board-level direction while allowing staff to develop the detailed procedures necessary for implementation. The draft incorporated feedback from the Fiscal Policy Committee and a review of practices at other agencies.

Ms. Dyer reviewed the proposed policy's guiding principles, including operational needs, safety and reliability, lifecycle costs, sustainability, local participation, responsible procurement, coordinated planning, and planned replacement. She pointed out California's current fleet vehicle regulations and explained that vehicle selections would consider the intended use, maintenance and operating costs, and the suitability of available technologies. For example, electric trucks have worked well for some operators but are less appropriate for remote locations and certain operations. The Board would establish the governing policy, while staff would develop and administer a standard operating procedure (SOP) to implement it. Purchases exceeding delegated authority or requiring exceptions to Board policy would continue to require Board approval.

Using the five vehicles authorized in the FY 2026-27 budget as an example, Ms. Dyer described the procurement process. The Board had authorized up to $350,000 for the vehicles needed; staff compared prices available through the statewide cooperative purchasing program, Sourcewell, and solicited identical quotes from 12 dealerships within the agency's service area. Two dealerships responded. Based on the research, the estimated total cost of the five vehicles was approximately $223,000 to $240,000, substantially below the authorized amount. Ms. Dyer noted that factory ordering could save approximately $8,000 to $15,000 per vehicle compared with purchasing from dealer inventory, although delivery would take approximately 90 to 120 days.

Ms. Dyer also presented additional language proposed for the policy section Board Approval and Oversight:

"Regardless of whether the purchase is specifically included as a line item in the adopted budget, purchases of special equipment exceeding $150,000 shall be presented to the Board for contract approval. Special equipment purchases also require board approval based on other considerations, which could include the use of an out-of-state vendor, custom configurations, or other circumstances warranting additional board review."

Ms. Dyer requested direction on establishing a percentage preference for dealerships within San Bernardino Valley's service area when their prices exceeded competitively negotiated cooperative purchasing prices.

President Harrison pointed out the additional language would provide appropriate oversight while giving staff confidence that significant purchases had Board support. He also emphasized that purchasing locally benefits not only dealerships, but their employees and the cities in which they operate. In response to his question regarding insurance considerations, Ms. Dyer explained that the agency's insurance provider generally does not participate in vehicle selection.

Director Velasquez supported the additional Board oversight provisions. He recommended a local dealer preference of 5% to 10%, based on practices he had observed at other agencies, and emphasized the importance of maintaining competitive pricing while supporting local businesses. Director Kielhold also supported the policy, observing that formal policies provide transparency and a defensible rationale for public agency decisions, protecting staff from perceptions of arbitrary purchasing practices. He supported a local preference in the 5% to 10% range. Director Longville recalled concerns associated with a previous equipment purchase and welcomed the development of a formal policy. She indicated support for a local preference of 5% to 10%.

Vice President Botello suggested staff also develop procedures for disposing of surplus vehicles, including consideration of opportunities for other public agencies or nonprofit organizations to acquire those vehicles. He asked about maintenance of the fleet and whether local businesses have opportunities to compete for the work. Staff explained that routine maintenance is generally performed by Viking Tire in Redlands, while more specialized repairs are referred to dealerships or other qualified service providers according to the work required.

Vice President Botello proposed a local dealer preference of 25%, explaining that the agency should place greater value on supporting businesses, employees, and ratepayers within its service area. Board and staff confirmed the geographic definition of “local” to mean within the SBV service area. President Harrison expressed support for the proposal based on its benefits to local businesses and communities.

Director Velasquez expressed concern about balancing local participation with competitive purchasing and responsible use of public funds. Ms. Dyer clarified that staff would continue obtaining cooperative purchasing benchmarks and competitive local quotes, and that the preference would establish the maximum amount by which a qualifying local price could exceed the benchmark, rather than automatically increasing the purchase price by that percentage. Following discussion, Vice President Botello proposed a compromise of 15%, which Director Kielhold supported. Director Longville expressed concern that establishing a higher allowable percentage could influence future pricing and suggested beginning with a lower preference, evaluating the results, and revisiting the policy, if necessary. Vice President Botello suggested that the Board review the effectiveness of the preference after approximately one year.

The Board of Directors approved the Fleet Vehicle and Large Equipment Procurement Policy, including the additional Board oversight language presented by staff, and a 15% local dealer preference by the following roll-call vote:

MOVED: Velasquez	SECONDED: Kielhold	APPROVED 4-1
AYES:	Botello, Harrison, Kielhold, Velasquez	
NOES:	Longville	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 4. Future Business. None added.

Ms. Dyer announced that SBV was named a finalist for a nationwide award recognizing its website redesign. The winner would be announced the following week. She also reported that the Enhanced Recharge Project was named a finalist for the Association of California Water Agencies’ Innovation Award, with the winner to be announced in December. She emphasized that the nomination recognized the collaborative approach involving engineers, construction workers, biologists, and partner agencies, rather than the infrastructure itself, reflecting SBV’s approach to accomplishing projects.

Agenda Item 5. Closed Session. District Counsel Meredith Nikkel announced the Closed Session. Chair Botello opened the Closed Session at 3:04 p.m.

5.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9
One potential case

Chair Botello returned the meeting to Open Session at 3:29 p.m. Counsel Nikkel announced that no reportable action was taken.

Agenda Item 6. Adjournment: Chair Botello adjourned the meeting at 3:29 p.m.

APPROVAL CERTIFICATION

I hereby certify to approval of the foregoing minutes of the San Bernardino Valley Municipal Water District

_____

Secretary

Date _____

Respectfully submitted,

Lynda J. Kerney
Contract Assistant

MINUTES
OF
THE
REGULAR BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

October 6, 2026

Directors Present: Gil J. Botello, T. Milford Harrison, Paul R. Kielhold, Susan Longville, and Jose Velasquez.

Directors Absent: None

Staff Present:
Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Joanna Gibson, MS – Executive Director Upper SAR Sustainable Resources Alliance
Wen Huang, PE, MS – Chief Operating Officer/Assistant General Manager
Jose Macedo, ML, CPT-P (USA Retired) – Chief Administrative Officer/Deputy GM
Michael Plinski, PE – Chief of Water Resources
Cindy Saks, CPA – Chief Financial Officer/Deputy General Manager
Kim Romich, MS – Environmental Compliance and Permitting Program Manager

Owen Cross, BS – Environmental Analyst
Leo Ferrando, PE, MS – Assistant Chief Engineer
Anthony Flordelis – Business Systems Analyst
James Law – Project Manager II
Matthew Olivo – Senior Accountant
Kai Palenscar, Ph.D. – Preserve System Program Manager
Karen Resendez, MAOL – Human Resources & Risk Manager
Alliah Smith – Senior Administrative Assistant
Andreea Tanase, MPA – Administrative Analyst I
Francisco Wences – Associate Engineer

Brad Neufeld, Varner & Brandt

Members of the Public in Attendance:
Mark Falcone, San Bernardino Valley Water Conservation District
Melody McDonald, San Bernardino Valley Water Conservation District
Ben Kelly, Western Heights Mutual Water Company
James Morales, East Valley Water District
Allison Edmisten, Yucaipa Valley Water District
Jennifer Ares, Yucaipa Valley Water District
Michah Knox, Yucaipa Valley Water District
Mike Kostelecky, Yucaipa Valley Water District
~~Michael Miller,~~ San Bernardino County

The regular meeting of the Board of Directors was called to order by President Harrison at 2:00 p.m., and he acknowledged the passing of American icon Dolly Parton. A quorum was noted present by roll call.

Agenda Item 1. Public Comment. None.

Agenda Item 2. Consent Calendar.

2.1) Approve Minutes of the Board of Directors Special Meeting – Policy / Administration Workshop – May 7, 2026

2.2) Approve Minutes of the Board of Directors Special Meeting – Policy / Administration Workshop – June 4, 2026

2.3) Approve Minutes of the Board of Directors Special Meeting – Policy / Administration Workshop – August 6, 2026

2.4) Approve Minutes of the Regular Board of Directors' Meeting - August 18, 2026

The Board of Directors approved the items on the Consent Calendar by the following roll-call vote:

MOVED: Botello	SECONDED: Velasquez	APPROVED 5-0
AYES:	Botello, Harrison, Kielhold, Longville, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 3. Discussion and Possible Action Items.

3.1) Update on Mitigation Credit Agreement Process. Principal Environmental Compliance Specialist Kim Romich and Executive Director of the Upper Santa Ana River Habitat Conservation Program Joanna Gibson presented an update on San Bernardino Valley's (SBV) efforts to establish a Mitigation Credit Agreement (MCA) with the California Department of Fish and Wildlife (CDFW). Ms. Romich explained mitigation is required for projects affecting protected species, habitats, and waterways, but suitable mitigation credits or lands are often expensive or unavailable when needed. The MCA is intended to establish a long-term supply of mitigation credits for SBV and its partners in the Upper Santa Ana River Habitat Conservation Plan (HCP), allowing agencies to obtain credits based on actual impacts when building or maintaining water supply projects and infrastructure. Unlike traditional mitigation banks, an MCA can incorporate multiple noncontiguous properties, address temporary as well as permanent impacts, and allow unused credits to be sold to outside entities.

Ms. Romich reported staff had submitted two properties to CDFW as the initial MCA: the approximately 30.5-acre Frisbie Wash property in the city of Rialto and an approximately 8-acre property in Mentone. Both contain Riversidean Alluvial Fan Sage Scrub habitat occupied by the endangered San Bernardino Kangaroo Rat (SBKR). CDFW had completed preliminary site inspections and land title reviews without identifying significant concerns. SBV received approval on July 20, 2026, to serve as a long-term mitigation land manager, while its application to hold mitigation endowments was awaiting final approval at CDFW headquarters. Cultural and natural resources evaluations had been completed, and interim and long-term management plans had been submitted.

Ms. Gibson explained the MCA would operate under San Bernardino County's previously approved Regional Conservation Investment Strategy (RCIS), allowing SBV to benefit from the County's planning work without incurring additional costs associated with developing an RCIS. Because no MCA had yet been approved under the State's relatively new program, staff and CDFW were working through the requirements together, resulting in a longer process than originally anticipated. The two-property agreement would serve as a pilot and ultimately provide the foundation for a broader Framework MCA incorporating Sunrise Ranch and other conservation properties acquired by SBV. Staff were also evaluating an expanded geographic service area extending into western Riverside County, where the protected species and habitats occur and where additional demand for mitigation credits may exist.

Ms. Gibson described the importance of establishing multiple credit values on individual properties (credit stacking). Where an acre of conservation land supports several protected species or habitat types, those values could potentially satisfy multiple mitigation requirements through a single credit transaction, rather than requiring separate acreage for each impact. Credits would be supported by biological surveys and other documentation and would require CDFW approval. CEO/General Manager Heather Dyer emphasized this approach could substantially reduce the cost of mitigation for the District and HCP partners while preserving the value of conservation lands already acquired. Credits not needed for participating agencies' projects could eventually be sold to other public agencies or private developers, generating revenue while supporting long-term conservation.

Environmental Analyst Owen Cross demonstrated a geographic information system (GIS) dashboard developed in-house to inventory, manage, and track mitigation credits. Using test data for the Frisbie Wash property, he demonstrated how the system divides land into mapped cells identifying available credits, associated species and habitat values, and transaction status. The system would help staff select the most appropriate credits for each project, preserve higher-value combinations for projects requiring multiple mitigation types, and prevent credits from being sold more than once. It would also maintain records of purchasers, projects, and completed transactions, with future capabilities envisioned for tracking revenue, habitat restoration, and project impacts. Mr. Cross emphasized that the demonstration used test data and that the system was being prepared for use once the MCA receives approval.

In response to Vice President Botello, Ms. Gibson confirmed CDFW would independently review and approve the biological values assigned to credits. Ms. Dyer explained that credit prices would be market-based, with comparable mitigation credits currently ranging from $250,000 to $600,000 per acre, depending on location and resource values. Pricing would also need to account for long-term management costs and the establishment of endowments to maintain the properties. The Board could later consider whether to offer preferential pricing to HCP partners. Vice President Botello emphasized the importance of public transparency in tracking credit sales and revenue and commended staff for developing an innovative and well-organized system.

Director Kielhold asked whether the MCA would be administered by SBV or the HCP Joint Powers Authority. Ms. Dyer explained that the MCA would likely remain an SBV function because the agency had invested in acquiring the conservation lands, while the JPA and its participating agencies would obtain credits as needed for permitted projects. Director Kielhold supported the approach, noting that his experience with traditional mitigation processes demonstrated the value of a more coordinated system. Director Longville confirmed that the tracking system could eventually be applied to Sunrise Ranch and other agency conservation lands. President Harrison praised the innovation and staff's work, while Vice President Botello recognized the agency's commitment to mentoring and developing younger employees.

Ms. Gibson advised the next steps included finalizing the MCA service area, credit types and values, obtaining final approval to hold mitigation endowments, and completing the remaining financial and property due diligence for submission to CDFW. Ms. Dyer recognized the work of staff in developing the program internally.

The Board received and filed the report.

Agenda Item 4. Reports. (Discussion and Possible Action)

4.1) Directors' Report of Activities and Travel Requests in accordance with Resolution 1100.

Director Kielhold had no activities to report.

Director Velasquez reported that he attended:

- Sept. 24 – Santa Ana Watershed Hydro Authority first meeting
- Oct. 3 – 10th annual Move with MADD Inland Empire 5K Walk/Run
- Oct. 6 – State of the Pass presentation hosted by San Gorgonio Pass Water Agency

President Harrison reported that he attended:

- Sept. 16 - 18 – State Water Project Tour
- Sept. 21 – California Special Districts Association dinner
- Sept. 22 – Highland Chamber of Commerce
- Sept. 22 – Loma Linda City Council

- Oct. 2 – Redlands Chamber of Commerce

Director Botello reported that he attended:

- Sept. 16 – Southern California Edison webinar on fire safety
- Sept. 22 – San Bernardino Municipal Water Department Board meeting
- Sept. 24 – Santa Ana Watershed Hydro Authority first meeting
- Sept. 30 – Climate Center webinar “Resilient Communities, Resilient Grid: How Electric School Buses Can Help”

Director Longville reported that she attended:

- Sept. 17 – Flood-Managed Aquifer Recharge virtual workshop: "A New Era in California Water Planning" with Stantec
- Sept. 18 – Climate Center virtual meeting
- Sept. 22 – League of California Water Committee meeting
- Oct. 5 – Climate Center Board Workshop

4.2) General Counsel Report. Counsel Brad Neufeld reported that the Governor had signed AB 1821 which modifies the California Public Records Act to provide 10 business days to respond to a requestor, rather than 10 calendar days.

In response to President Harrison, Ms. Dyer confirmed that the Governor had vetoed SB 872, the Delta Levees and Canal Subsidence Fund.

4.3) Ad-Hoc and Standing Committee Reports.

Program for Expansion of Recharge Capacity (PERC) Committee on Sept. 2: Director Longville reported that the San Bernardino Water Conservation District had been awarded a $5.4 million grant from the U.S. Bureau of Reclamation for the Oak Creek project. Oak Creek was identified as the most significant of the 10 projects evaluated, with the potential to provide an additional 54,000 acre-feet or more of groundwater recharge for SBV and Western Municipal Water District over the next 50 years. The grant-funded work will proceed over the next several years and represents an important advancement in regional groundwater recharge efforts.

4.4) SAWPA Meeting Report. Director Botello presented the report on the Oct. 6, 2026, SAWPA meeting:

SAWPA Commission

- The Commission approved transferring $4,539,803 in Proposition 1 Integrated Regional Water Management Round 2 funding currently obligated to two Monte Vista Water District projects no longer moving forward: 1) Wellhead Nitrate Treatment for Wells 4 & 27 and 2) Well 2 Replacement projects, to the following projects in the amounts shown below:

Project Name	Applicant	Transferred Grant
Lake Elsinore Algae Harvesting and Nutrient Removal	Lake Elsinore and San Jacinto Watersheds Authority	+$938,910
Well Pump Replacements	Monte Vista Water District	+$3,600,893
	Total	$4,539,803

- The Commission approved adjusting the medical insurance cap from $2,258.61 to $2,272.37, which is equal to the ACWA/JPIA 2027 Kaiser Family Plan rate.
- The Commission adopted Resolution No. 2026-6 to recognize Jasmin A. Hall for her contributions and service to SAWPA.

President Harrison presented the report on the Sept. 1, 2026, SAWPA Project Agreement 24 Committee meeting:

PA 24 Committee

- The Committee authorized the General Manager to execute a License Agreement with Riverside County Regional Park and Open-Space District (RivCo Parks) to authorize construction, inspection, maintenance, repair and operation of the Santa Ana River Trail (SART) in SAWPA's fee property on Reach IV.
- The Committee approved issuing a Request for Proposals (RFP) for Construction Management and Inspection Services for the Inland Empire Brine Line Reach IV-B Lower Maintenance Access Structure Project.
- The Committee received and filed an update on the Inland Empire Brine Line Reach IV-B Lower Maintenance Access Structure Project.

4.5) Treasurer's Report. Director Longville presented the August 2026 report:

The Board approved the following cash disbursements for the month of August 2026:

State Water Contract Fund	$ 3,463,284.33
General Fund	$ 4,475,130.88

by the following roll-call vote:

MOVED: Longville	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Harrison, Kielhold, Longville, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 5. Future Business. None added.

Agenda Item 6. Announcements.

6.1) List of Announcements. Chief Administrative Officer/Deputy General Manager Jose Macedo reviewed the List of Announcements.

Agenda Item 7. Closed Session. District Counsel Brad Neufeld announced the Closed Session. President Harrison opened the Closed Session at 3:05 p.m.

7.1 Conference with Real Property Negotiators
Pursuant to Government Code 54954.5(b)
Assessor Parcel Numbers 121-021-123, 121-028-101, 121-028-102, 121-028-103, and 121-028-104
Agency Negotiators: Joanna Gibson and Heather Dyer
Negotiating Party: The Metropolitan Water District of Southern California
Under Negotiation: Price and Terms of Payment

President Harrison returned the meeting to Open Session at 3:24 p.m. District Counsel Brad Neufeld stated that no reportable action was taken.

Agenda Item 8. Adjournment. President Harrison adjourned the meeting at 3:24 p.m.

APPROVAL CERTIFICATION

I hereby certify to approval of the foregoing minutes of the San Bernardino Valley Municipal Water District

_____
Secretary

Date _____

Respectfully submitted,

Lynda J. Kerney
Contract Assistant

MINUTES
OF
THE
BOARD OF DIRECTORS SPECIAL MEETING
RESOURCES/ENGINEERING WORKSHOP
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

October 13, 2026

Directors Present: Gil J. Botello, T. Milford Harrison, Paul R. Kielhold, Susan Longville, Jose Velasquez

Directors Absent: None

Staff Present:
Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Wen Huang, PE, MS – Chief Operating Officer/Assistant General Manager
Jose Macedo, ML, CPT-P (USA Retired) – Chief Administrative Officer/Deputy GM
Michael Plinski, PE – Chief of Water Resources
Cindy Saks, CPA – Chief Financial Officer/Deputy General Manager
Greg Woodside, PG, C.Hg. – Chief of Planning and Watershed Resilience

Owen Cross, BS – Environmental Analyst
Leo Ferrando, PE, MS – Assistant Chief Engineer
Anthony Flordelis – Business Systems Analyst
Greg Herzog, BS – Principal Water Resources Analyst
Matthew Olivo – Senior Accountant
Kai Palenscar, Ph.D. – Preserve System Program Manager
Karen Resendez, MAOL – Human Resources & Risk Manager
Alliah Smith – Senior Administrative Assistant
Andreea Tanase, MPA – Administrative Analyst I

Meredith Nikkel, Downey Brand
Kate Tipple, Downey Brand
Brad Neufeld, Varner & Brandt

Members of the Public in Attendance:
Mark Falcone, San Bernardino Valley Water Conservation District
Melody McDonald, San Bernardino Valley Water Conservation District
John Longville, San Bernardino Valley Water Conservation District
Jared Cheek, Big Bear Municipal Water District
Geoge Hanson, Bear Valley Mutual Water Company and Crafton Mutual Water Company
Jennifer Ares, Yucaipa Valley Water District

The Resources/Engineering Workshop of the Board of Directors was called to order by Chair Susan Longville at 2:00 p.m. A quorum was noted present.

Agenda Item 1. Introductions. None.

Agenda Item 2. Public Comment. None.

Agenda Item 3. Discussion and Possible Action Items.

3.1) Consider Resolution No. 1207 Accepting the Federal Energy Regulatory Commission Order Approving Transfer of Licenses for the Santa Ana River 1 & 3 and Mill Creek 2/3 Hydroelectric Projects.

Public Comment: George Hanson, General Manager of Bear Valley Mutual Water Company and Crafton Water Company, expressed appreciation for the Board's commitment to this project, emphasizing the importance of this step toward ownership and restoration of the generating units, including repair of the siphon, and urged approval of the item.

Assistant Chief Engineer Leo Ferrando presented Resolution No. 1207, representing the final step in the approximately two-year process to transfer the Federal Energy Regulatory Commission (FERC) licenses for the Santa Ana River 1 & 3 and Mill Creek 2/3 hydroelectric projects from Southern California Edison (SCE) to San Bernardino Valley (SBV). He explained the joint application was submitted in September 2024, followed by public review and supplemental information, and that FERC approved the transfer on April 23, 2026. The Santa Ana River facilities have a combined generating capacity of 6.3 megawatts, and the Mill Creek facility has a capacity of 3 megawatts. Both licenses were issued in 2003 and expire in June 2033, with the next relicensing application period beginning in December 2027.

Mr. Ferrando reported the facilities acquisition closed on September 14, 2026, and the grant deeds were recorded the following day. To complete the license transfers, SBV must formally accept FERC's order by October 23, 2026, including a new provision reserving FERC's authority to request additional financial assurances. Upon completion of the transfer, SBV will assume SCE's existing license obligations, including dam safety requirements. Within 30 days, staff must consult with FERC's regional dam safety engineer, and within 60 days, submit updated safety documents and a plan for repairing and restoring the facilities to operation. Chief Operating Officer/Assistant General Manager Wen Huang would serve as the agency's Chief Dam Safety Engineer.

Vice President Botello asked about the advantages of pursuing an exemption from FERC licensing. Mr. Ferrando explained staff had begun evaluating the alternatives, including exemptions available for projects under 5 megawatts, and would return to the Board with recommendations. An exemption would not necessarily reduce costs, as regulatory responsibilities could shift to other agencies, including the U.S. Forest Service. Vice President Botello emphasized that future improvements could increase generating

capacity beyond the 5-megawatt exemption threshold and requested that this possibility be considered in evaluating the options.

In response to Vice President Botello's questions regarding repair costs, Mr. Ferrando said the estimate for the necessary improvements across the facilities totals approximately $6 million to $10 million. Work would proceed in phases, beginning with access road repairs, followed by the Santa Ana River 3 siphon (mentioned by Mr. Hanson) and penstock repairs. These improvements had been contemplated during negotiations for the acquisition and would be funded through the Santa Ana Watershed Hydroelectric Authority (SAWHA). CEO/General Manager Heather Dyer added the SAWHA Board had recently authorized approximately $3 million for initial repairs anticipated over the next year. The funding would come from the SAHWA's operating fund, established with $35 million received through the SCE transaction.

Vice President Botello requested staff investigate funding opportunities under Proposition 4. Ms. Dyer confirmed that staff were evaluating grants through the measure's watershed and forest resilience programs, potentially using the initial $3 million allocation as matching funds. Mr. Ferrando reported that staff were actively exploring grant opportunities for access road improvements.

Mr. Ferrando further explained that SBV would initially hold the FERC licenses, although the facilities would be managed through SAWHA. Transferring the licenses to SAWHA would require a separate application to FERC. Staff and consultants had begun evaluating future licensing alternatives and associated obligations, with recommendations to be presented to the Board. Director Longville supported considering opportunities to increase generating capacity over time, particularly in light of changing watershed conditions associated with climate change. President Harrison acknowledged the progress made toward completing the acquisition.

The Board of Directors adopted Resolution 1207, which:

1. Accepted the Federal Energy Regulatory Commission (FERC) Order Approving Transfer of Licenses and Amending Licenses issued April 23, 2026, including the licenses for the Santa Ana River 1 & 3 Hydroelectric Project (FERC No. 1933) and the Mill Creek 2/3 Hydroelectric Project (FERC No. 1934).
2. Authorized execution of the FERC license transfer acceptance
3. Authorized the Chief Executive Officer/General Manager, or her designee, to execute and file all related FERC submittals and to take all actions necessary for San Bernardino Valley Municipal Water District's compliance with the licenses, the Order, and applicable FERC regulations

by the following roll-call vote:

MOVED: Harrison	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Harrison, Kielhold, Longville, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

RESOLUTION NO. 1207

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ACCEPTING FEDERAL ENERGY REGULATORY COMMISSION ORDER APPROVING TRANSFER OF LICENSES FROM SOUTHERN CALIFORNIA EDISON COMPANY

(See Resolution Book)

Agenda Item 4. Future Business. None.

Agenda Item 5. Closed Session. District Counsel Brad Neufeld announced the Closed Session. Chair Longville opened the Closed Session at 2:18 p.m.

5.1 Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9
(one potential case)

Chair Longville returned the meeting to Open Session at 3:29 p.m. Counsel Brad Neufeld announced that no reportable action had been taken.

Agenda Item 6. Adjournment. Chair Longville adjourned the meeting at 3:30 p.m.

APPROVAL CERTIFICATION

I hereby certify to approval of the foregoing minutes of the San Bernardino Valley Municipal Water District

_____

Secretary

Date _____

Respectfully submitted,

Lynda J. Kerney
Contract Assistant

SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

DATE: November 3, 2026

TO: Board of Directors

FROM: Karen Resendez, Human Resources and Risk Manager

SUBJECT: 2026 Top Workplaces Culture Excellence Awards

Staff Recommendation

Receive and file the report on the Agency's 2026 Top Workplaces Culture Excellence Awards.

Summary

In August 2026, the Agency was named a 2026 Top Workplaces Culture Excellence Award winner in eight categories: Innovation, Employee Appreciation, Work-Life Flexibility, Employee Well-Being, Professional Development, Compensation & Benefits, Leadership, and Purpose & Values. Culture Excellence Awards are national awards, with results benchmarked against organizations across the country. These awards are administered by Energage, LLC, an independent employee engagement research firm, and are based entirely on confidential feedback from Agency employees. No nomination, application, or panel judging is involved.

Background

Agency employees participated in the 2026 Energage Workplace Survey, the confidential employee engagement survey used for the Top Workplaces program. The survey measures the workplace experience and the culture themes that drive it. Energage organizes these into five Workplace Experience themes: Fairly Valued, Respected & Supported, Enabled to Grow, Closely Aligned, and Empowered to Execute. Together, these themes drive employee engagement, which the survey measures through statements on commitment, referral, and motivation. Results are benchmarked against feedback from more than 30 million employees at over 80,000 organizations nationwide. To be considered for recognition, an organization must meet Energage's minimum survey response requirements, and results are compared among organizations of similar size.

Culture Excellence Awards are national awards. Unlike the regional Top Workplaces award, which compares organizations within a local market, Culture Excellence Awards measure results against Energage's national benchmarks and recognize excellence in specific areas of workplace culture that matter to employees and job seekers. Winners are identified through Energage's proprietary approach, which combines its survey data with industry benchmarks.

The Agency received recognition in the following eight categories, each reflecting what employees shared through the survey:

- **Innovation:** Employees report a culture where new ideas are welcomed and encouraged.
- **Employee Appreciation:** Employees feel their efforts are recognized and valued, and are motivated to give their best.
- **Work-Life Flexibility:** Employees feel supported in meeting the demands of their personal lives while maintaining high performance.
- **Employee Well-Being:** Employees see the Agency placing their health and wellness at the center of its culture.
- **Professional Development:** Employees see real opportunities to develop their careers and grow professionally.
- **Compensation & Benefits:** Employees believe their pay and benefits are fair for the work being done.
- **Leadership:** Employees have confidence in Agency leadership and feel leaders listen and use that input in decision making.
- **Purpose & Values:** Employees understand the Agency's mission and see it reflected in the culture and daily work.

The awards were published on August 31, 2026. Because the results come directly from staff, they reflect how employees experience working at the Agency every day. Staff will continue to use survey feedback to celebrate strengths and identify opportunities for continued improvement.

This report addresses the Culture Excellence Awards only. Results for the 2026 Top Workplaces awards are announced separately, and staff anticipates sharing that outcome with the Board following the announcement of winners in January 2027.

Agency Strategic Plan Application

This item supports San Bernardino Valley Strategy #5: Attract and support top talent and promote a rewarding culture of growth and opportunity.

Fiscal Impact

There is no fiscal impact associated with this report.

SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

DATE: November 3, 2026

TO: Board of Directors

FROM: Michael Plinski, Chief of Water Resources

SUBJECT: State Water Project Update

Staff Recommendation

Receive a verbal update on the State Water Project, Sites Reservoir Project, and Delta Conveyance Project.

SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

DATE: November 3, 2026

TO: Board of Directors

SUBJECT: List of Announcements

A. November 5, 2:00 p.m. – Board of Directors' Special Meeting – Policy/ Administration Workshop by Teleconference or In-Person

B. November 10, 2:00 p.m. – Board of Directors' Special Meeting – Resources/ Engineering Workshop by Teleconference or In-Person

C. November 11 – Agency Closed for Federal Holiday

D. November 16, 6:00 p.m. – ASBCSD meeting (SB Valley host Location: Yucaipa Valley Golf Club - 33725 Chapman Heights Rd, Yucaipa, CA 92399)

E. November 17, 9:30 a.m. – SAWPA Commission Meeting by Teleconference or In-Person

F. November 17, 2:00 p.m. – Regular Board Meeting by Teleconference or In-Person

G. November 18, 1:30 p.m. – SBVW Conservation District Board Meeting

H. November 18, 8:30 a.m. – Upper SAR WIFA In-Person (Cancelled)

I. November 26 - 27 – Agency Closed for Federal Holiday

J. December 1 - 3 – ACWA 2026 Fall Conference (Anaheim, CA)