As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

<u>AGENDA</u> <u>SPECIAL BOARD MEETING</u> <u>THREE VALLEYS MUNICIPAL WATER DISTRICT</u> <u>1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711</u>

<u>Wednesday, January 27, 2021 – 8:00 a.m.</u>

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

https://attendee.gotowebinar.com/register/823479646101305356

(Dial-in instructions are provided after registering at the link above)

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: <u>https://arcg.is/0z5GqO</u> or by sending an email to <u>naguirre@tvmwd.com</u>

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order	Kuhn
<u>Item 2 – Roll Call</u>	Aguirre
Item 3 – Receipt by Board of Update on Bonanza Springs Study – [enc]	Kuhn
The Board will be provided an update on the status of the Bonanza Springs Study. Back-up materials may be found at the following link: Back-up materials	
 a. Staff – Litchfield (15 minutes) b. Aquilogic – Brown (15 minutes) c. NPCA – Desai/Monsen/Clarke (15 minutes) d. Study Supporters - See Exhibit B, Staff Report (15 minutes) e. Public Comment (Government Code Section 54954.3) - 3 minutes per speaker (doubled if translator utilized) 	
Item 4 – Directors Comments	Kuhn
<u>Item 5 – Future Agenda Items</u>	Kuhn
<u>Item 6 – Adjournment</u>	Kuhn
The Board will adjourn to a Regular Board Meeting on Wednesday, February 3, 2021 at 8:00 a.m.	

American Disabilities Act Compliance Statement

Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com.

Board of Directors Staff Report

То:	TVMWD Board of Directors		
From:	Matthew H. Litchfield, General Manager		
Date:	January 27, 2021		
Subject:	Update on Bonanza Springs Study		
For Action	Fiscal Impact \$		
☑ Information	Only 🗌 Funds Budgeted:		
Staff Recommendation:			

No Action Necessary – Informational Item Only

Background:

TVMWD's interest in the Cadiz Water Project ("Project") began in 2010, when the Board of Directors approved and executed an option agreement to reserve the right to receive a priority right to up to 5,000 acre-feet of water per year from the Project after all environmental review and governmental approvals had been completed. The Board expressed interest in the Project as an alternative water supply that could diversify the TVMWD's water supply portfolio, provide additional reliability across the service area, and augment supplies at a competitive price. Consideration of the Project was consistent with TVMWD's mission to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner. TVMWD required that the approval and execution of the option agreement include the following:

- Approval of all groundwater withdrawals for the Project by San Bernardino County;
- Certification of a Final Environmental Impact Report;
- Final judicial review and approval of these governmental actions;
- Confirmation that the use of the 43-mile Arizona and California right-of-way was permissible under federal law;
- The Metropolitan Water District of Southern California (MWD) authorized the use of the Colorado River Aqueduct to convey and exchange Project water for use within TVMWD;
- The rights were assignable to other public water suppliers;
- The cost of satisfying these requirements would be the responsibility of Cadiz with no cost to TVMWD.

At the time that the option agreement was signed, California had just emerged from several years of severe drought and was about to embark on a second, historic drought that spanned nearly a decade. Dire water supply conditions in the early 2000s, propelled by climate change, caused deficits in local groundwater basins and highlighted glaring weaknesses in the State's water delivery system. Issues in California include lack of new infrastructure and storage capacity to take advantage of wet years, ongoing shortages on the Colorado River system, systemic challenges in the Delta and regulatory restrictions that hamper the ability to reliably move sufficient supplies from Northern to Southern California. These factors contributed to TVMWD's consideration of the Cadiz Project as a viable supply option. All of these issues remain or have worsened in the decade since Three Valleys entered the option agreement with Cadiz.

As an optionee along with six other agencies in the MWD service area, TVMWD was studied in the environmental review of the Project in accordance with CEQA. TVMWD was designated as a Responsible Agency with the right to choose the manner of its participation after all approvals were received. The CEQA review was led by Santa Margarita Water District (SMWD), the first agency to enter the Project as the Lead Agency and the County of San Bernardino as a Responsible Agency. SMWD carried out a public review process from 2010 to 2012. San Bernardino County coordinated with SMWD to develop a groundwater management, monitoring and mitigation plan ("GMMMP") for the Project and approved the GMMMP in 2012. The County's conditions were over and above the requirements of CEQA, limiting groundwater extractions by changes in the water table regardless of whether there was any identifiable harm.

The Final Environmental Impact Report (FEIR) and the GMMMP were challenged in Superior Court by conservation organizations led by the National Parks Conservation Association, Sierra Club and Center for Biological Diversity, as well as an oil and gas company, Tetra Technologies, which had an interest in strip-mining salt and lithium from the dry lakes at the base of the Cadiz Watershed. The FEIR and GMMMP were upheld against six challenges in Superior Court in 2014, and then again by the California Court of Appeal in 2016. Project opponents chose not to further appeal to the Supreme Court and the judicial process was complete. As a CEQA responsible agency for this Project, TVMWD has been notified about the CEQA and Court processes.

The Project has not been without controversy and conservation organizations continued to challenge the sustainability of the Project even after the completion of the CEQA and County processes and the judicial validation. This is why TVMWD has made an effort to independently consider relevant scientific studies, gather stakeholder input and answer Project opponents' questions about any potential environmental impacts of the Project as these issues have been brought to the Board since it entered the option agreement. TVMWD has sought to involve its state and federal partners and environmental stakeholder groups in the process.

Item 3

In 2018, after being made aware of opponent-sponsored studies of springs in the watersheds surrounding the Cadiz Project area, TVMWD commissioned an independent review of the FEIR and the County GMMMP, which had been developed to ensure the Project would be operated without harm to the environment, including surrounding springs. The final report was titled "Report of the Independent Peer Review Panel for the Groundwater Management, Monitoring and Mitigation Plan ("GMMMP") for the Cadiz Valley Groundwater Conservation, Storage and Recovery Project" dated February 5, 2019 ("Peer Review"). While finding the GMMMP adequate and protective of the source basin, the review panel recommended additional studies that would collect data that would definitively answer whether there was a connection between the Bonanza Spring 11 miles away and the aquifer at the Project area. That review led to the compilation of a team of experts led by Aquilogic to conduct a comprehensive data collection effort and to complete a study of the Bonanza Spring. The Board approved a professional services agreement ("PSA") with Aquilogic in June 2019 to proceed with the recommendations outlined in the Peer Review after substantial public input. The cost of the study is being funded entirely by Cadiz Inc. under an applicant-pay cost-reimbursement arrangement. This arrangement is standard practice used in the entitlement process at the local, state and federal levels. It eliminates any risk to ratepayers should a project not proceed.

With the support of the TVMWD, Aguilogic and Anthony Brown have made a number of efforts to involve the public in the study development process, including by hosting a scoping workshop in October 2019 and inviting numerous parties to peer review their data collection. Aquilogic provides information about the study online at Bonanaspringstudy.org. All stakeholders have been offered the opportunity to directly participate in the collection of data, to receive data splits from the labs that process data, to assist in the design of protocols and to peer review the methodology as well as conclusions derived from the data. Thus far, the study's main opponent, NPCA, has declined any interest in the data collection or analysis efforts.

Both the FEIR and the County GMMMP concluded that on the basis of available information that the Project would not cause "undesirable results." This is the legal and hydrologic standard in California for groundwater sustainability and the Board has determined that the Cadiz Project could be a sustainable regional water supply. The Board has also emphasized the need to exercise due diligence by resolving lingering questions and obtaining critical scientific data on whether the Project and the Bonanza Spring are in any way connected. The outcome of the Bonanza Spring Study is not predetermined. Fenner Valley Water Authority (FVWA), a joint powers authority that will operate the Cadiz Project and implement the GMMMP, completed its own Addendum for the Project in June 2019, concluding the data cited by NPCA and others did not raise concerns about the Project. However, TVMWD pressed forward to complete the independent evaluation. The continuation of the study does not obligate TVMWD to proceed with a contract for water from Cadiz.

Below is a summary of project and study milestones.

2010 – TVMWD Board approves an option agreement with Cadiz Inc. to reserve a priority right to water supplies from the Project.

2011 – 2016

The Cadiz Project undergoes a CEQA environmental review and permitting and receives approval from Santa Margarita Water District (SMWD), the lead agency. The County of San Bernardino certifies final EIR and approves a Groundwater Management, Monitoring and Mitigation Plan (GMMMP) for the Project. SMWD and County of San Bernardino successfully defend numerous legal challenges to the CEQA and plan approvals at trial and on appeal.

2018-2019

Project opponents report data findings conducted from investigations upon federal land suggesting there may be an interconnection between the Bonanza Spring and the Project aquifer. TVMWD General Manager requests a review of the adequacy of the Project's GMMMP by an independent panel of experts, the cost of which, to be paid for by Cadiz.

March 13, 2019 – TVMWD Board receives report on panel's review of the GMMMP (Peer Review). The panel determines that monitoring and mitigation measures for the Project are protective of the ecosystem but suggested additional steps to determine conclusively whether the Project is connected to Bonanza Spring, 11 miles away.

June 11, 2019 – Aquilogic submits for TVMWD Board approval a proposal and plan for additional study based on GMMMP review panel's recommendations outlined in the Peer Review document.

June 19, 2019 – FVWA reviews the new information offered by opponents. The agency concludes the studies are not credible and adopts an Addendum to the FEIR in June 2019. There is no legal challenge to the Addendum.

June 19, 2019 – TVMWD Board commissions an independent, comprehensive evaluation by Aquilogic to address concerns about whether pumping at the Cadiz Project would negatively impact Bonanza Spring. Funding for the work will be provided by Cadiz. Phase I is to develop the details of the Study Plan, along with certain other tasks (e.g., workshop, data management system, quality assurance plan). The exact scopes and budgets for Phase II (data collection and analysis) and Phase III (data interpretation and reporting) will be established in Phase I. Under this action, the Board authorized the General Manager to execute a professional services agreement (PSA) with Aquilogic. Task Order No. 1 was issued against the PSA for Phase 1 only.

September 2019 – Assembly of the scientific study team is undertaken, which includes a geophysicist, geochemist, ecologist, hydrologist and other professionals.

October 9, 2019 – The scientific study team visits Bonanza Spring.

October 10, 2019 – A half-day stakeholder workshop, led by Anthony Brown of Aquilogic, is held at TVMWD to discuss the study plan and its implementation. Representatives from the NPCA, U.S. Fish and Wildlife Service and other stakeholders are invited to participate. More than 30 parties attended and provided input.

February 12, 2020 – The report titled "*Proposal to Conduct a Study Program to Evaluate the Hydrologic Connection Between Bonanza Spring and the Alluvial Aquifer in Fenner Valley*" ("Study Program") incorporating input from the October workshop is submitted to TVMWD.

February 24, 2020 – TVMWD Board approves the Implementation of the Study Program and Preparation of a Study Program Report. Under this action, the Board authorized the General Manager to issue Task Order No. 2 under the original PSA between TVMWD and Aquilogic, allowing Aquilogic to proceed with Phase II and Phase III of the Study Program. Funding for the work will be placed on deposit with TVMWD by Cadiz Inc. so there is no fiscal impact to TVMWD.

March 2020 – Aquilogic and TVMWD GM begin meeting with the US Department of the Interior, Bureau of Land Management ("BLM") to obtain permits for geophysical surveying, spring flow monitoring and new monitoring wells.

January 13, 2021 – BLM stated that they will approve the work described in Part A of the Study by mid-February 2021 under a CX to NEPA. BLM also stated that approval of portions of Part B (ecological assessment) and Part C (water sampling) would likely be approved and included in the CX to NEPA.

Discussion:

This is an informational item only, designed to bring new Board members up to date on the history of the Project and how it relates to TVMWD's decision to sponsor the Bonanza Spring Study. Staff will work with Aguilogic to provide periodic updates to the Board going forward. A copy of the latest Status Report for the Bonanza Springs Study is attached as **Exhibit A**.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Status Report for the Bonanza Springs Study

Exhibit B – ECA Email to TVMWD

Meeting History:

Special Board of Directors Meeting, February 24, 2020, Action Item

NA/ML



245 Fischer Avenue, Suite D-2 Costa Mesa, CA 92626 Tel. +1.714.770.8040 Web: www.aquilogic.com

January 25, 2020

MEMORANDUM

Subject:	Status Report for the Bonanza Spring Study Project No.: 052-03
From:	Anthony Brown and Brandon Eisen, aquilogic
То:	Matt Litchfield, PE, Three Valleys Municipal Water Distri

In February 2020, the Three Valleys Municipal Water District (Three Valleys) approved a study of the Bonanza Spring (the Study) to be conducted by a technical team led by **Aquilogic**. Bonanza Spring is located on the southwesterly flank of the Clipper Mountains in the Mojave Desert. The Study will evaluate the extent, if any, of hydrologic connection between Bonanza Spring and the alluvial aquifer in the Fenner Valley below. The Cadiz Valley Water Conservation, Recovery and Storage Project (the Water Project) plans to pump groundwater that originates in the Fenner Valley, approximately 11 miles away and downgradient from the Study area, before it evaporates from the Cadiz and Bristol Dry-Lakes.

A Final Environmental Impact Report (FEIR) was prepared for the Water Project. San Bernardino County also evaluated the Water Project further before adopting a Groundwater Management, Monitoring and Mitigation Plan (GMMMP) to regulate groundwater production. However, some interested parties have raised questions as to whether these studies were sufficient. Therefore, Three Valleys previously authorized an independent review of the GMMMP. This review concluded that the GMMMP was sufficient; however, the review also included recommendations most of which focused on additional study of Bonanza Spring. Based on these recommendations, Three Valleys decided to retain **aquilogic** to implement this additional study (the Bonanza Spring Study).

The Study will assist Three Valleys in assessing whether the proposed pumping by the Water Project would have any impact on Bonanza Spring, and whether any possible impact can be mitigated. Thus, the Study results will assist Three Valleys in evaluating its' participation in the Water Project.

Aquilogic recommended that the scope of the Study be developed collaboratively with all interested parties. Under the agreement with **aquilogic**, Three Valleys initially approved a task

⊘aquilogic

Status Memorandum – Bonanza Spring Study January 25, 2021

order to collaboratively develop a Study Plan. Three Valleys then issued a second task order to **aquilogic** to implement the work described in the Study Plan.

Previously, our August 28, 2020 project status memorandum provided a chronology of activity from February through August 2020. In summary, most of our efforts over the past ten months have been focused on obtaining approvals from the US Bureau of Land Management (BLM) to implement the Study on federally owned land. The Study Plan and Independent Review of the GMMP were provided to BLM in March 2020. Standard Form 299 and Plans of Development (PODs) for Parts A, B, and C of the Study were submitted to BLM in June 2020. BLM staff have indicated their support for the Study, but BLM needs to complete a thorough review of the Study as they understand the sensitivity of the Study area.^{1 2} Below updates and summarizes project activity between August 28, 2020 and January 22, 2021.

September 1, 2020

Agenda received from BLM (Needles Field Office) for web call scheduled for September 2, 2020. The agenda stated that BLM had completed their review of the SF299 and plans of development (PODs) for Parts A, B and C of the Study. The agenda also outlined remaining BLM questions regarding the Study.

September 2, 2020

Web call between **aquilogic**, Study team specialists, BLM field office management, and BLM science specialists. Verbal discussion of BLM questions provided on September 1, 2020.

September 16, 2020

Email from BLM (Needles Field Office) management indicating they would schedule bi-weekly calls to maintain an open dialogue to further discuss BLM questions and the corresponding responses.

September 23, 2020

Web call between **aquilogic**, study team specialists, BLM field office management, and BLM science specialists. Verbal responses to BLM questions provided by **aquilogic** and Study team

¹ Of note, prior research at Bonanza Spring has been implemented without BLM review and approval, even though such review and approvals were required.

² A recent research paper, "Conservation of Mojave Desert springs and associated biota: status, threats, and policy opportunities," by Sophie S. Parker (Nature Conservancy) et al concludes "the need for monitoring in the Mojave Desert is particularly acute" and "Continued spring monitoring is therefore critical, and an expanded network of monitoring, including at monitoring wells away from spring areas, will be needed to protect the springs of the Mojave Desert."



Status Memorandum – Bonanza Spring Study January 25, 2021

specialists. It was agreed that written responses would be provided in addenda to the PODs submitted in late June 2020.

September 24, 2020

Aquilogic summarized BLM questions and aquilogic responses in a tabular format.

October 4, 2020

Aquilogic provided contact information for all aquilogic and study team specialists to BLM.

October 7, 2020

Web call between **aquilogic**, BLM field office management, and BLM science specialists. **Aquilogic** provided an update on the preparation of addenda. Aquilogic requested, and subsequently received, information from BLM needed for the addenda.

October 19, 2020

Email from BLM (Needles Field Office) management stating that, if BLM questions can be addressed and/or any potential small ecological impacts avoided or mitigated, the Study would qualify to be approved under a Categorical Exemption (CX) to the National Environmental Protection Act (NEPA).

<u>October 21, 2020</u>

Web call between **aquilogic**, BLM field office management, and BLM science specialists. **Aquilogic** asked for, and received, clarification on certain BLM questions.

November 11, 2020

Web call between **aquilogic**, BLM field office management, and BLM science specialists. **Aquilogic** provided an update on the preparation of addenda and indicated that they would be submitted in one week (Part A) and two weeks (Parts B and C).

November 18, 2020

Aquilogic submitted addenda for Part A of the Study to BLM. Web call between **aquilogic**, BLM field office management, and BLM science specialists. **Aquilogic** provided a verbal presentation of Part A addendum content.

November 26, 2020

Aquilogic submitted addenda for Parts B and C of the Study to BLM. In response to questions posed by BLM on the aquifer pumping test, **Aquilogic** requested Balleau Groundwater, an independent consulting firm, to perform an analysis of the proposed aquifer pumping test using



Status Memorandum – Bonanza Spring Study January 25, 2021

numerical groundwater modeling. This analysis indicated that the aquifer pumping test would only reduce flow at the spring by <1% during the test and for a short time thereafter.

December 16, 2020

Web call between **aquilogic**, BLM field office management, and BLM science specialists. **Aquilogic** provided a verbal presentation of Parts B and C addenda content. BLM stated they would complete their review of the addenda by January 13, 2021.

January 13, 2021

Web call between **aquilogic**, BLM field office management, and BLM science specialists. BLM stated that they will approve the work described in Part A of the Study by mid-February 2021 under a CX to NEPA. BLM also stated that approval of portions of Part B (ecological assessment) and Part C (water sampling) would also likely be approved under the CX. With BLM approval in mid-February 2021, the geophysical assessment and surface water monitoring (Part A) field work will begin in early March 2021. BLM indicated that, prior to issuance of an approval, a cost-recovery agreement would be needed with the project applicant (aquilogic/Three Valleys). **Aquilogic** indicated that the parties would execute the cost-recovery agreement upon receipt and review.

A geologist had been added to the BLM science specialists team reviewing the study. The BLM geologist had additional questions on the monitoring well installations and aquifer pumping test. Aquilogic verbally addressed these questions. Many of these questions were previously raised by BLM in September 2020 and already addressed in the addenda. BLM stated they would provide an additional request for information on the monitoring well installations and aquifer pumping test in writing by January 14, 2021 (not yet received as of this writing). **Aquilogic** stated they would respond to these comments immediately upon receipt.

A final decision as to whether the remaining elements of the Study (i.e., monitoring well installations, aquifer pumping test) would be covered by a CX or require an EA would be made after receipt of the requested additional information.

January 15, 2021

Call between **aquilogic** and BLM (Russell Hansen) regarding CX steps and schedule, including cost recovery agreement, right-of-way offer, and lease payment.

January 19, 2021



Status Memorandum – Bonanza Spring Study January 25, 2021

Received comments from Christopher Dalu (BLM Archaeologist) through Russell Hansen (BLM Realty Specialist) regarding completion of cultural resources and sacred lands records search for Section 106 review and publication of findings on NEPA register.

January 20, 2021

Completed conference between **aquilogic**, BLM staff (Russell Hansen and Christopher Dalu), and Cardno staff (Tamara Klug and Vanessa Ortiz) regarding January 19 comments related to cultural and sacred lands record searches. Submitted Fieldwork Authorization (FA) request to BLM (Christopher Dalu, BLM Archaeologist) to conduct cultural resources assessment at Bonanza Spring. From: Ray Baca <ray.baca@ecasocal.org>
Sent: Friday, January 22, 2021 3:18 PM
To: yyy-Bob Kuhn <bgkuhn@aol.com>
Cc: Matthew Litchfield <mlitchfield@tvmwd.com>
Subject: ECA Request of Three Valleys MWD

Dear President Kuhn and Members of the Board,

I write on behalf of ECA and the broad coalition which includes BizFed, Rebuild SoCal Partnership, BIA, and San Gabriel Valley Economic Partnership, among others, that have come together to support Three Valleys MWD's study of the Bonanza Spring, which your Board authorized in February 2020. Our coalition has been in attendance at every key milestone for this study to express our support for this important scientific effort. Representatives of our coalition have also attended various Three Valleys Board meetings over the last 18 months at times when the study was not agendized to continue to express our support during public comment. We strongly support your effort to ensure that all options, including the Cadiz Project, are available to Three Valleys for consideration when fulfilling your ongoing mission of delivering reliable and affordable water to all of the communities within your service area.

We have grown concerned over the last several engagements about unequal treatment by your Board of the proponents and opponents of the study. The National Parks Conservation Association (NPCA) and Sierra Club, which have led the opposition to the study, often receive multiple opportunities to provide public comment and rebuttal during meetings. NPCA is regularly offered extra time outside of public comment to engage in dialogue with the Board. By contrast, proponents have not been afforded these same opportunities. For example, last February when the study came before the Board for approval, opponents were given a 15-minute block of time to make their arguments as well as the opportunity to speak under public comment. Meanwhile, supporters received no such similar block of time. A more recent example comes from your December 16, 2020 Three Valleys Board Meeting when multiple study opponents were allowed to speak more than once under public comment, including at the very end of public comment, but when a study proponent asked to also speak a second time, he was told that because he had already spoken once he would not be granted any additional time.

Three Valleys has authorized a study, as a responsible public agency, so that it can make a future decision about a potential water supply for the service area. As we understand, the study is not a project authorization and you will have a separate and future determination to make about the actual Cadiz Project. We also understand there will be a workshop to inform new Board members about the study on January 27th. To the extent time will be allocated on the agenda outside of public comment to opponents of the study, we request on behalf of ourselves and study supporters equal consideration and an equal allocation of the same amount of dedicated time outside of public

comment in order to make a thoughtful presentation of the importance of the study. Relegating proponents to only present in shortened increments during public comment while giving a dedicated allocation of time to the opponents will not afford fundamental fairness to all sides.

Thank you for your time and consideration of this request.

Sincerely,

Ray M. Baca Executive Director Engineering Contractors' Association 2390 E. Orangewood Avenue, Suite 585 Anaheim, CA 92806 ray.baca@ecasocal.org Bus: 714-937-5000 Mob: 657-281-9720

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