



**BOARD OF DIRECTORS MEETING AGENDA**

**Wednesday, September 13, 2017 – 1:30 p.m.**

**Location--1630 West Redlands Boulevard, Suite A, Redlands, California**

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the Districts website. It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Monge at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

---

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

---

**1. PUBLIC PARTICIPATION**

*Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.*

**2. ADDITIONS/DELETIONS TO AGENDA**

*Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.*

**3. CONSENT CALENDAR**

- A. Approval of Board Minutes, August 9, 2017..... 5
- B. Approval of Expenditure Report, August 2017 ..... 13
- C. Top Five Groundwater Producers List for GWA #48..... 21

4. COMMITTEE REPORTS /ACTION ITEMS

- A. ACWA FALL CONFERENCE TRAVEL REQUESTS – 5 minutes .....22  
*Presenter: President Corneille*  
*Recommendation:* Review and consider approval of ACWA Travel Request for ACWA Fall Conference from Director Harrison and President Corneille.

*Committee Reports*

- B. 2016 – 2017 ANNUAL DISTRICT AUDIT- (M#1516)..... 24  
*Presenter: Ad Hoc Audit Committee Chair, Richard Corneille and Scott Manno (RAMS)*  
*Recommendation:* The Ad Hoc Audit Committee recommends the Board review and accept the 2017 Audit Report as presented by Rogers Anderson Malody and Scott. (RAMS) and direct the General Manager to file the Audit with the County Clerk.
- C. EDUCATION AND OUTREACH COMMITTEE VERBAL REPORT  
*Presenter: Outreach & Communications Committee Chair, Director Longville*  
*Recommendation:* Provide verbal update on Outreach & Communications Committee held on August 30<sup>th</sup>.

**Action Items**

- D. UNAUDITED FINANCIAL REPORTS, AUGUST 2017 – 5 minutes (M#1517)..... 90  
*Presenter: Daniel Cozad*  
*Recommendation:* Review and approve the unaudited financials for August 2017.
- E. GROUNDWATER LATE PAYER AND NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #48 – 5 minutes (M#1518).....96  
*Presenter: Daniel Cozad*  
*Recommendation:* Review, discuss and direct staff to investigate late payers and non-respondents for period of January 1, 2017-June 30, 2017.
- F. MENTONE COMMUNITY GARDEN LEASE INTENT LETTER – 20 minutes (M#1519)).....98  
*Presenter: Daniel Cozad*  
*Recommendation:* Staff recommends the Board consider providing a conditional letter of intent to lease District lands for a Mentone Community Garden.
- G. CSDA COMMITTEE AND EXPERT FEEDBACK TEAM APPOINTMENTS – 5 minutes (M#1520) .....101  
*Presenter: Daniel Cozad*  
*Recommendation:* Review and consider appointment of directors to committees in accordance with their requests for the period from January 1, 2018 to December 31, 2018.
- H. ACWA COMMITTEE APPOINTMENT NOMINATIONS FOR 2018-2019 TERM – 5 minutes (M#1521).....106  
*Presenter: Daniel Cozad*  
*Recommendation:* Consider appointing directors to serve on ACWA Committees in accordance with ACWA’s request for committee nominations to serve on a

Standing/Limited/Unlimited committees with a term of 2 years.

- I. ACWA REGION 9 BALLOT FOR 2018-2019 TERM – 5 minutes (M#1522).....114  
*Presenter: Daniel Cozad*  
*Recommendation:* Review ACWA Region 9 Board Ballot and consider submitting vote on either recommended slate or individual Board Candidates. .

- J. COMMUNITY STRATEGIC PLAN 2017 UPDATE – 20 minutes (M#1523) .....117  
*Presenter: Daniel Cozad*  
*Recommendation:* Staff recommends the Board review the Draft Community Strategic Plan (CSP) and provide any feedback to staff.

5. **INFORMATION ITEMS:**

- A. Wash Plan Report – 5 Minutes ..... 140
- B. General Manager’s Report and Monthly Recharge Report – 5 Minutes ..... 142
- C. State Waterboard Dredge and Fill Regulation – 15 minutes..... 148
- D. Groundwater Council Verbal Report – 5 Minutes
- E. Future Agenda Items & Staff Tasks

6. **MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS**

- A. Board Member Meeting Reports – 15 minutes

7. **UPCOMING MEETINGS:**

- A. September 13, 2017 Board of Directors Meeting, 1:30 p.m. at Conservation District
- B. September 14, 2017 Advisory Commission on Water Policy, 6:30 p.m. at Valley Municipal
- C. September 18, 2017 Association of San Bernardino County Special Districts Dinner hosted by Lake Arrowhead Community Services District, 6:30 p.m. at The Grill at Antlers Inn (Twin Peaks)
- D. September 19, 2017 San Bernardino Valley Municipal Water District Board of Directors, 2:30 p.m. at Valley Municipal
- E. September 25-28, 2017 CSDA Annual Conference, Monterey  
**(Board Approval Required)**
- F. October 12, 2017 Three Valley Municipal Water District Leadership Breakfast, 7:30 a.m. at Sheraton Fairplex Hotel  
Topic: “It’s Crunch Time for California Water”  
Speaker: Jeffrey Kightlinger, GM of MWD
- G. November 28-December 1, 2017 ACWA Fall Conference, Anaheim  
**(Board Approval Required)**

8. **CLOSED SESSION**

1. The Board will meet in Closed Session under authority of Government Code §54956.9 (a), in order to discuss existing litigation, Endangered Habitats League et al. vs. U.S. Army Corps of Engineers, Central District Court Case no. Case No.: 2:16-cv-09178-MWF-E.

2. The Board will meet in Closed Session under authority of Government Code §54956.9 (a), in order to discuss existing litigation, SBVWCD v. AHD Limited Partnership San Bernardino County Superior Court, Case No. CIVDS1702421.

9. **ADJOURN MEETING.** The next regularly scheduled Board of Directors Meeting will be on October 18, 2017 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS MEETING

MINUTES OF August 9, 2017  
1:30 p.m.

President Corneille called the Board Meeting of the Board of Directors to order at 1:30 p.m. All present stood for the Pledge of Allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President  
Melody McDonald, Vice President  
David E. Raley, Director  
T. Milford Harrison, Director  
John Longville, Director (Arrival 1:43 p.m./Departure 3:00 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager  
Jeff Beehler, Land Resource Manager  
Athena Monge, Administrative Services Specialist  
Jennifer Zhou, GIS/Engineering Intern

GUESTS PRESENT:

Charles Roberts, Highland Community News  
Chet Andersen, City of Redlands Resident  
David Smith, East Valley Water District

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desired, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. CONSENT CALENDAR

**It was moved by Vice President McDonald and seconded by President Corneille to approve Consent Calendar Item A: Board Minutes, July 12, 2017; Item B: Strategic Planning Workshop Minutes, July 18, 2017; Item C: Expenditure Report, July 2017; Item D: Groundwater Assessment Report for #48 (January 1, 2017- June 30, 2017); and Item E: Annual Disclosure of Reimbursements for Board and Staff for 2016-2017. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.**

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

4. COMMITTEE REPORTS/ACTION ITEMS

A. FOURTH QUARTER UNAUDITED FINANCIALS REVIEW FOR 2016-2017

Vice President McDonald stated that this item was reviewed at the July 19 Finance & Administration Committee and recommends approval as presented. Mr. Cozad noted that the report presented on package pages 40 to 41 is the final cash-based, quarterly unaudited financial report. The District has begun accruals as it goes through the audit process. Mr. Cozad noted that package page 38 to 39 there is a staff memo and that the Quarterly Investment Report is on page 42.

**It was moved by Vice President McDonald and seconded by Director Raley to receive and file the Fourth Quarter Unaudited Financials for 2016-2017. The motion carried 4-0 with all Directors present voting in the affirmative.**

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

B. RECORDS RETENTION AND DESTRUCTION POLICY

Vice President McDonald stated that this item was reviewed at the July 19 Finance & Administration Committee and recommends approval as presented. Mr. Cosgrove reviewed the Records Retention & Destruction Policy (Policy) and his revisions have been incorporated. Mr. Cozad suggested that rather than request Board approval for each destruction action since the Policy itself has been approved, staff will include the Destruction of Obsolete Records form as attachment to General Manager's Report in the agenda. President Corneille thanked Document Imaging Intern, Gilbert Chavez for preparing suggestions for revising the policy and his work scanning the documents.

**It was moved by Vice President McDonald and seconded by Director Raley to approve the revisions to the Records Retention & Destruction Policy. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.**

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

**C. PERSONNEL MANUAL EDUCATION ASSISTANCE**

Vice President McDonald stated that this item was reviewed at the July 19 Finance & Administration Committee and recommends approval as presented. She said that the Committee discussed how the funds are utilized. The Committee proposed adding verbiage as follows: "Rather than revise the limit on a regular basis, if the General Manager determines that costs above the annual limit are appropriate for reimbursement, Board approval of the exception should be requested." Vice President McDonald stated that other agencies pay \$5,200 to \$8,000 while the District only pays \$2,500 per calendar year. However, the Committee opted to not increase the Educational Assistance amount but asked that the General Manager bring requests beyond the \$2,500 annual limit to the Board for consideration and approval.

**It was moved by Vice President McDonald and seconded by Director Raley to approve revisions to Educational Assistance Section in Personnel Manual. The motion carried 5-0 with all Directors present voting in the affirmative.**

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

**D. CONSERVATION TRUST BYLAW CHANGE REQUEST**

Mr. Cosgrove explained that the question was raised by the Board as to whether or not a Board member is eligible to receive compensation for Conservation Trust meeting attendance. He stated that the Bylaws of the Conservation Trust prohibit its Board members from receiving compensation. The Finance & Administration Committee reviewed at their July 19 meeting and recommends that the Board request the Conservation Trust revise their Bylaws to allow for other parties to compensate Board members. Vice President McDonald noted that the proposed revisions to the Conservation Trust Bylaws are shown on package page 62.

**It was moved by Director Harrison and seconded by Vice President McDonald to request that the Conservation Trust revise its Bylaws to allow for outside parties to provide compensation for meeting attendance. The motion carried 5-0 with all Directors present voting in the affirmative.**

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

E. UNAUDITED FINANCIAL REPORTS, JUNE 2017

Mr. Cozad introduced this item for discussion. He noted the memo on package page 64.

**It was moved by Director Longville and seconded by Vice President McDonald to approve the Unaudited Financials for June 2017. The motion carried 5-0 with all Directors present voting in the affirmative.**

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

F. PUBLIC INFORMATION AND OUTREACH OPTIONS

Mr. Cozad introduced this item for discussion. He said that in the Strategic Planning Workshop the Board expressed interest in increasing Public Outreach. Deniene Rivenburg attended the July 18 session and provided options for Public Information and Outreach services. The proposal is included on package page 72 to 75. President Corneille asked about the basis of the cost as fixed price per month or time and materials. Mr. Cozad said that work would be billed on a time and material basis each month for what is actually performed. President Corneille suggested Tier C which includes up to 20 hours per month at a cost of \$1,900 per month. Director Longville spoke in support of President Corneille's suggestion and indicated that if the District needs to increase hours it can do so in the future. Director Harrison spoke in support of the motion and, in addition to highlighting the importance of outreach, suggested coordination with the Outreach & Communications Committee (Committee). President Corneille stated that the proposal is detailed and that the first meeting with public relations representatives should be with staff and the Committee to provide direction to the consultant. Vice President McDonald agreed that once public relations services are implemented, the Committee should review the firm's progress and make recommendations to the Board if the Committee believes a change to the contract is needed.

**It was moved by Director Longville and seconded by President Corneille to approve contract for Public Relations Services with Kim Munkres and Deniene Rivenburg for Tier C: 20 hours/\$1900/month. The motion carried 5-0 with all Directors present voting in the affirmative and roll call vote as indicated below.**

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

## 5. INFORMATION ITEMS

### A. WASH PLAN REPORT

Mr. Beehler indicated that the Wash Plan Report is included on package page 76. He stated that while the EIR/EIS is in the Federal Register, the District will begin working on Conservation Easement documents during comment period. This item was received and filed.

### B. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report is included in the Board Package on pages 77 to 79. He presented photos using the projector on the Mentone Elementary Kindergarten Playground ribbon cutting ceremony. Mr. Cozad and Field Operations Specialist Tommy Purvis attended the ceremony. He noted that on package page 80, there is a response letter on a development that was sent to the City of Highland. The development is adjacent to the Wash Plan area and District-owned land. Mr. Cozad reviewed the map on package page 83. Vice President McDonald asked about construction on Enhanced Recharge. Mr. Cozad confirmed that Valley Municipal began construction last week. Mr. Cozad reviewed the Enhanced Recharge project in detail. This item was received and filed.

### C. DISTRICT WATER CODE POWERS SUMMARY

Mr. Cozad introduced this item for discussion and presented a PowerPoint presentation. Included on package page 85 to 89 is the District Water Code Powers Summary presentation. Mr. Cozad reviewed both activated and latent powers provided to District by LAFCO. Mr. Cosgrove said that LAFCO requires permission to activate latent powers. However, many of the District's powers have been grandfathered. This process is intended to keep other Districts from paralleling other agencies' services. Mr. Cosgrove stated that the District does not require LAFCO approval to utilize administrative powers. This item was received and filed.

### D. GROUNDWATER COUNCIL VERBAL UPDATE

Mr. Cozad stated that the Groundwater Council (GC) has not held a meeting since the last Board meeting. However, the GC has had a number of small meetings to discuss the term of the draft agreement. The City of Redlands asked the BTAC to review the wells the city has acquired and said that they should get credit for the well production that occurred during the base period as it relates to equitable allocation model. The GC had a request from the City of San Bernardino Municipal Water Department to review their agreement and is concerned about how it will be affected if they do not sign the MOU. The next meeting to review a draft agreement will be held on August 14. This item was received and filed.

### E. STRATEGIC PLANNING SUMMARY REVIEW

Mr. Cozad gave a PowerPoint presentation. The PowerPoint presentation is also included on package pages 90 to 104. President Corneille requested staff clarify the slide describing "non-federal trails." Mr. Cozad indicated that trails development on federal owned property may be

more difficult to implement. The Board also discussed the Santa Ana River Trail. President Corneille requested that the public outreach consultants review the District template Power Point presentation and potentially update it. Mr. Cozad reviewed 2017 Strategic Plan goals against the 2013 Community Strategic Plan goals, which are very similar. He suggested incorporating revisions proposed by the Board into current Strategic Plan. The Board expressed support of integration. Mr. Cozad reviewed the Mission Statement and asked for Board feedback. There were no revisions proposed. President Corneille said that any recommended revisions to Mission Statement should be forwarded to staff.

#### F. IERCD SCHOOL EDUCATION SUMMARY

Mr. Cozad presented this item for discussion. There is a printed recap of IERCD program on package page 105. Mr. Cozad will send out the schedule to the Board. If any Board member would like to attend, staff will need to coordinate with IERCD.

#### G. WASH PLAN STORY MAP DEMO

Mr. Beehler introduced this item for discussion. He said that the Wash Plan Story Map (Map) has been developed by Ms. Zhou using ESRI online software. The Map provides a summary of the Wash Plan and its activities. Ms. Zhou reviewed the instructions panel on how to use the Map. This is an initial draft which will be posted to the District's website once it is finalized. Ms. Zhou noted that the Map includes a protected species summary and locations. The Board thanked Ms. Zhou for her exceptional work on developing the Map. President Corneille suggested entering the Map into ESRI competition and presentation at their yearly conference.

#### H. FUTURE AGENDA ITEMS & STAFF TASKS

Vice President McDonald requested that staff add the upcoming ACWA Committee Appointments for 2018-2019 to the September 13<sup>th</sup> Board of Directors meeting agenda. This item is due by September 29. Vice President McDonald requested that this notice be forwarded to the full Board and requested the Board submit interest to staff prior to September 13 meeting. President Corneille requested that the Operations Committee meet in September if there are any updates or new items to discuss.

#### 6. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

Director Raley attended the Valley Municipal Strategic Analysis/Plan Committee Workshop on July 13, Strategic Workshop on July 18 and Finance & Administration Committee on July 19. He attended the EVWD Board Meeting on July 26, BTAC Meeting on August 7, and the Valley Municipal Board of Directors Workshop on August 8.

Director Harrison attended the SBACC Meeting on July 19 and July 26. He also met with the General Manager on July 28, attended the LLCC Meeting on August 2, and the Valley Municipal Board of Directors Workshop on August 8.

President Corneille met with Sam Fuller, acting General Manager of Bear Valley Mutual Water Company, on July 24, attended a meeting with the Mentone Area Community Association Board

members on July 28, met with Doug Headrick and Ron Coats on August 2, and attended BTAC meeting on August 7.

Vice President McDonald attended the Valley Municipal Board of Directors Workshop on August 8, BTAC meeting on August 7, and HACC Luncheon on July 25. She also attended SBACC meetings on July 19 and July 26 and Valley Municipal's Legislative & Policy Committee on August 2.

President Corneille referred to travel request for CSDA Annual Conference for Director Harrison on package page 106. President Corneille said that he would like Director Harrison to focus on either CSDA or ACWA but not both. Vice President McDonald spoke in support of Director Harrison representing the District at the CSDA Annual Conference.

**It was moved by Vice President McDonald and seconded by Director Raley to approve Director Harrison's Travel Request for CSDA Annual Conference in the amount of \$2,764. The motion carried 4-0 with all Directors present voting in the affirmative.**

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

President Corneille referred to travel request for ACWA Fall Conference for Director Harrison on package page 107. He said that he does not see a need for two directors to attend the ACWA/JPIA meetings which are held the first two days prior to the conference. Vice President McDonald spoke in support of Director Harrison's attendance at the ACWA/JPIA meetings due to him being the alternate.

**It was moved by Vice President McDonald and seconded by Director Harrison to approve Director Harrison's Travel Request for ACWA Fall Conference in the amount of \$2,900. The motion failed 2-2 with Directors Harrison and Vice President McDonald voting in the affirmative and Director Raley and President Corneille voting in opposition.**

**President Corneille: No  
Vice President McDonald: Yes  
Director Longville: Absent  
Director Raley: No  
Director Harrison: Yes**

President Corneille proposed that Director Harrison revise his request and bring it back to the September 13 Board of Directors meeting for reconsideration.

7. UPCOMING MEETINGS

President Corneille said that September 14 is the Advisory Commission on Water Policy meeting.

8. CLOSED SESSION

**It was moved by President Corneille and seconded by Vice President McDonald to adjourn to Closed Session. The motion carried 4-0 with all Directors present voting in the affirmative.**

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

General Counsel announced that the meeting would adjourn to closed session under all items posted on the published agenda.

At 4:18 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

9. ADJOURN MEETING

**It was moved by Vice President McDonald and seconded by President Corneille to adjourn. The motion carried 4-0 with all Directors present voting in the affirmative.**

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

At 4:19 p.m. the meeting adjourned to the Board of Directors Meeting scheduled for September 13, 2017 at 1:30 p.m. at District Headquarters, 1630 W. Redlands Blvd., Redlands, Calif.

---

Daniel B. Cozad  
General Manager

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2017**

Num	Date	Name	Account	Class	Original Amount
	08/01/2017	Year End Adjustments	1012 · Citizens Busine...		0.00
TOTAL					0.00
	08/01/2017	Citizens Business Bank	1012 · Citizens Busine...		0.00
AJE #7	06/30/2017	Citizens Business Bank	2000 · Accounts Payable	3-Land Resources	-605.00
TOTAL					-605.00
PC 08.16.17	08/16/2017	Paychex	1012 · Citizens Busine...		-82.06
			6042 · Payroll Processing	4-General Fund Ent.	82.06
TOTAL					82.06
PC 08.30.17	08/30/2017	Paychex	1012 · Citizens Busine...		-83.27
			6042 · Payroll Processing	4-General Fund Ent.	83.27
TOTAL					83.27
PC 8.02.17	08/02/2017	Paychex	1012 · Citizens Busine...		-83.27
			6042 · Payroll Processing	4-General Fund Ent.	83.27
TOTAL					83.27
ACH0104	08/03/2017	T. Milford Harrison	1012 · Citizens Busine...		-63.13
			6410 · Mileage	4-General Fund Ent.	63.13
TOTAL					63.13
ACH0105	08/03/2017	Melody McDonald	1012 · Citizens Busine...		-37.45
			6410 · Mileage	4-General Fund Ent.	37.45
TOTAL					37.45
ACH0106	08/03/2017	T. Milford Harrison	1012 · Citizens Busine...		-16.05
			6410 · Mileage	4-General Fund Ent.	16.05
TOTAL					16.05
ACH0107	08/03/2017	Raley, David	1012 · Citizens Busine...		-18.19
			6410 · Mileage	4-General Fund Ent.	18.19
TOTAL					18.19
ACH0108	08/16/2017	T. Milford Harrison	1012 · Citizens Busine...		-41.73
			6410 · Mileage	4-General Fund Ent.	41.73
TOTAL					41.73

## San Bernardino Valley Water Conservation District Expenditure Report August 2017

Num	Date	Name	Account	Class	Original Amount
<b>ACH0109</b>	<b>08/30/2017</b>	<b>Melody McDonald</b>	<b>1012 · Citizens Busine...</b>		<b>-92.56</b>
			6410 · Mileage	4-General Fund Ent.	92.56
TOTAL					92.56
<b>ACH0110</b>	<b>08/30/2017</b>	<b>T. Milford Harrison</b>	<b>1012 · Citizens Busine...</b>		<b>-57.78</b>
			6410 · Mileage	4-General Fund Ent.	57.78
TOTAL					57.78
<b>20818</b>	<b>08/08/2017</b>	<b>ACWA/JPIA-Health</b>	<b>1012 · Citizens Busine...</b>		<b>-25,270.86</b>
	07/01/2017		6110 · Vision Insurance	4-General Fund Ent.	26.60
			6110 · Vision Insurance	1-Groundwater Ent.	84.25
			6110 · Vision Insurance	2-Redlands Plaza/...	8.45
			6110 · Vision Insurance	3-Land Resources	27.99
			6110 · Vision Insurance	5-Wash Plan	18.33
			6130 · Dental Insurance	4-General Fund Ent.	112.74
			6130 · Dental Insurance	1-Groundwater Ent.	357.06
			6130 · Dental Insurance	2-Redlands Plaza/...	35.80
			6130 · Dental Insurance	3-Land Resources	118.62
			6130 · Dental Insurance	5-Wash Plan	77.70
			6150 · Medical Insurance	4-General Fund Ent.	1,889.92
			6150 · Medical Insurance	1-Groundwater Ent.	5,986.33
			6150 · Medical Insurance	2-Redlands Plaza/...	600.16
			6150 · Medical Insurance	3-Land Resources	1,988.77
			6150 · Medical Insurance	5-Wash Plan	1,302.71
	08/02/2017		6110 · Vision Insurance	4-General Fund Ent.	26.60
			6110 · Vision Insurance	1-Groundwater Ent.	84.25
			6110 · Vision Insurance	2-Redlands Plaza/...	8.45
			6110 · Vision Insurance	3-Land Resources	27.99
			6110 · Vision Insurance	5-Wash Plan	18.33
			6130 · Dental Insurance	4-General Fund Ent.	112.74
			6130 · Dental Insurance	1-Groundwater Ent.	357.06
			6130 · Dental Insurance	2-Redlands Plaza/...	35.80
			6130 · Dental Insurance	3-Land Resources	118.62
			6130 · Dental Insurance	5-Wash Plan	77.70
			6150 · Medical Insurance	4-General Fund Ent.	1,889.92
			6150 · Medical Insurance	1-Groundwater Ent.	5,986.33
			6150 · Medical Insurance	2-Redlands Plaza/...	600.16
			6150 · Medical Insurance	3-Land Resources	1,988.77
			6150 · Medical Insurance	5-Wash Plan	1,302.71
TOTAL					25,270.86
<b>20819</b>	<b>08/08/2017</b>	<b>American Power Security</b>	<b>1012 · Citizens Busine...</b>		<b>-475.00</b>
	08/04/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	475.00
TOTAL					475.00
<b>20820</b>	<b>08/08/2017</b>	<b>Castro Landscaping Se...</b>	<b>1012 · Citizens Busine...</b>		<b>-250.00</b>
	07/30/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2017**

09/05/17

Num	Date	Name	Account	Class	Original Amount
<b>20821</b>	<b>08/08/2017</b>	<b>Corneille, Richard</b>	<b>1012 · Citizens Busine...</b>		<b>-8.56</b>
	08/03/2017		6410 · Mileage	4-General Fund Ent.	8.56
TOTAL					8.56
<b>20822</b>	<b>08/08/2017</b>	<b>Edison - 8812</b>	<b>1012 · Citizens Busine...</b>		<b>-300.92</b>
	08/02/2017		5420 · Electricity	4-General Fund Ent.	84.26
			5420 · Electricity	1-Groundwater Ent.	60.18
			5420 · Electricity	2-Redlands Plaza/...	156.48
TOTAL					300.92
<b>20823</b>	<b>08/08/2017</b>	<b>Edison - Redlands Plaza</b>	<b>1012 · Citizens Busine...</b>		<b>-76.84</b>
	08/02/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	76.84
TOTAL					76.84
<b>20824</b>	<b>08/08/2017</b>	<b>Frontier-4860</b>	<b>1012 · Citizens Busine...</b>		<b>-477.56</b>
	07/28/2017		5440 · Telephone	4-General Fund Ent.	232.80
			5440 · Telephone	1-Groundwater Ent.	99.77
			5470 · Internet Services	4-General Fund Ent.	72.50
			5470 · Internet Services	1-Groundwater Ent.	43.50
			5470 · Internet Services	2-Redlands Plaza/...	7.25
			5470 · Internet Services	3-Land Resources	21.74
TOTAL					477.56
<b>20825</b>	<b>08/08/2017</b>	<b>Highland Area Chambe...</b>	<b>1012 · Citizens Busine...</b>		<b>-20.00</b>
	07/25/2017		6425 · Meals	4-General Fund Ent.	20.00
TOTAL					20.00
<b>20826</b>	<b>08/08/2017</b>	<b>Home Depot Credit Ser...</b>	<b>1012 · Citizens Busine...</b>		<b>-216.07</b>
	07/28/2017		5210 · Equipment Maint...	1-Groundwater Ent.	33.29
			5215 · Property Mainte...	1-Groundwater Ent.	134.21
			5215 · Property Mainte...	3-Land Resources	33.55
			6012 · Office Maintenanc...	4-General Fund Ent.	6.01
			6012 · Office Maintenanc...	2-Redlands Plaza/...	9.01
TOTAL					216.07
<b>20827</b>	<b>08/08/2017</b>	<b>ICF Jones &amp; Stokes, Inc</b>	<b>1012 · Citizens Busine...</b>		<b>-2,166.51</b>
	08/03/2017		5124 · Plunge Creek Pr...	3-Land Resources	2,166.51
TOTAL					2,166.51
<b>20828</b>	<b>08/08/2017</b>	<b>John Longville</b>	<b>1012 · Citizens Busine...</b>		<b>-6.74</b>
	08/03/2017		6410 · Mileage	4-General Fund Ent.	6.74
TOTAL					6.74

## San Bernardino Valley Water Conservation District Expenditure Report August 2017

Num	Date	Name	Account	Class	Original Amount
<b>20829</b>	<b>08/08/2017</b>	<b>Kelly Associates Mana...</b>	<b>1012 · Citizens Busine...</b>		<b>-1,086.25</b>
	08/01/2017		5120 · Misc. Profession...	4-General Fund Ent.	316.86
			5120 · Misc. Profession...	1-Groundwater Ent.	226.27
			5120 · Misc. Profession...	3-Land Resources	543.12
TOTAL					1,086.25
<b>20830</b>	<b>08/08/2017</b>	<b>Lowe's Companies, Inc.</b>	<b>1012 · Citizens Busine...</b>		<b>-155.32</b>
	07/25/2017		5215 · Property Mainte...	1-Groundwater Ent.	124.26
			5215 · Property Mainte...	3-Land Resources	31.06
TOTAL					155.32
<b>20831</b>	<b>08/08/2017</b>	<b>Netsteller</b>	<b>1012 · Citizens Busine...</b>		<b>-450.00</b>
	08/01/2017		5160 · IT Support	4-General Fund Ent.	180.00
			5160 · IT Support	1-Groundwater Ent.	225.00
			5160 · IT Support	3-Land Resources	45.00
TOTAL					450.00
<b>20832</b>	<b>08/08/2017</b>	<b>Parts Authority Metro L...</b>	<b>1012 · Citizens Busine...</b>		<b>-12.65</b>
	08/01/2017		5310 · Vehicle Mainten...	1-Groundwater Ent.	12.65
TOTAL					12.65
<b>20833</b>	<b>08/08/2017</b>	<b>Patton Sales Corp</b>	<b>1012 · Citizens Busine...</b>		<b>-24.37</b>
	07/19/2017		5215 · Property Mainte...	1-Groundwater Ent.	24.37
TOTAL					24.37
<b>20834</b>	<b>08/08/2017</b>	<b>ReadyRefresh by Nestle</b>	<b>1012 · Citizens Busine...</b>		<b>-9.69</b>
	07/24/2017		5460 · Water / Trash / ...	1-Groundwater Ent.	9.69
TOTAL					9.69
<b>20835</b>	<b>08/08/2017</b>	<b>Rutan &amp; Tucker</b>	<b>1012 · Citizens Busine...</b>		<b>-23,637.84</b>
	04/13/2017		5180 · Legal	4-General Fund Ent.	7,091.35
			5180 · Legal	1-Groundwater Ent.	7,091.35
			5180 · Legal	2-Redlands Plaza/...	2,363.79
			5180 · Legal	3-Land Resources	7,091.35
TOTAL					23,637.84
<b>20836</b>	<b>08/08/2017</b>	<b>Sonoma County Water ...</b>	<b>1012 · Citizens Busine...</b>		<b>-5,000.00</b>
	07/24/2017		6060 · Outreach	4-General Fund Ent.	2,500.00
			6060 · Outreach	1-Groundwater Ent.	1,000.00
			6060 · Outreach	3-Land Resources	1,500.00
TOTAL					5,000.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2017**

09/05/17

Num	Date	Name	Account	Class	Original Amount
<b>20837</b>	<b>08/08/2017</b>	<b>Terminix</b>	<b>1012 · Citizens Busine...</b>		<b>-66.00</b>
	07/25/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.00
TOTAL					66.00
<b>20838</b>	<b>08/08/2017</b>	<b>Valero Marketing &amp; Su...</b>	<b>1012 · Citizens Busine...</b>		<b>-530.67</b>
	07/28/2017		5320 · Fuel	1-Groundwater Ent.	530.67
TOTAL					530.67
<b>20839</b>	<b>08/08/2017</b>	<b>Wilbur's</b>	<b>1012 · Citizens Busine...</b>		<b>-33.12</b>
	08/01/2017		5215 · Property Mainte...	1-Groundwater Ent.	26.50
			5215 · Property Mainte...	3-Land Resources	6.62
TOTAL					33.12
<b>20840</b>	<b>08/23/2017</b>	<b>Citizens Business Bank</b>	<b>1012 · Citizens Busine...</b>		<b>-2,034.52</b>
	08/14/2017		5215 · Property Mainte...	1-Groundwater Ent.	896.91
			5215 · Property Mainte...	3-Land Resources	224.23
			6002 · Website Adminis...	4-General Fund Ent.	225.00
			6004 · Meeting Expenses	4-General Fund Ent.	19.96
			6004 · Meeting Expenses	3-Land Resources	19.96
			6060 · Outreach	4-General Fund Ent.	0.76
			6060 · Outreach	1-Groundwater Ent.	0.30
			6060 · Outreach	3-Land Resources	0.46
			6090 · Subscriptions/Pu...	4-General Fund Ent.	66.94
			6435 · Conf/Seminar R...	4-General Fund Ent.	580.00
TOTAL					2,034.52
<b>20841</b>	<b>08/23/2017</b>	<b>City of Redlands -Muni...</b>	<b>1012 · Citizens Busine...</b>		<b>-1,752.20</b>
	08/10/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	1,752.20
TOTAL					1,752.20
<b>20842</b>	<b>08/23/2017</b>	<b>Edison - 7241</b>	<b>1012 · Citizens Busine...</b>		<b>-52.22</b>
	08/11/2017		5420 · Electricity	4-General Fund Ent.	14.62
			5420 · Electricity	1-Groundwater Ent.	10.44
			5420 · Electricity	2-Redlands Plaza/...	27.16
TOTAL					52.22
<b>20843</b>	<b>08/23/2017</b>	<b>Edison -5552</b>	<b>1012 · Citizens Busine...</b>		<b>-682.01</b>
	08/10/2017		5420 · Electricity	4-General Fund Ent.	182.64
			5420 · Electricity	1-Groundwater Ent.	130.46
			5420 · Electricity	2-Redlands Plaza/...	339.19
			6020 · Vacancy Marketi...	2-Redlands Plaza/...	29.72
TOTAL					682.01
<b>20844</b>	<b>08/23/2017</b>	<b>ICF Jones &amp; Stokes, Inc</b>	<b>1012 · Citizens Busine...</b>		<b>-2,510.00</b>
	08/16/2017		5124 · Plunge Creek Pr...	3-Land Resources	2,510.00
TOTAL					2,510.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**August 2017**

09/05/17

Num	Date	Name	Account	Class	Original Amount
<b>20845</b>	<b>08/23/2017</b>	<b>Image Source</b>	<b>1012 · Citizens Busine...</b>		<b>-409.03</b>
	08/15/2017		6033 · Office Equipmen...	4-General Fund Ent.	306.78
			6033 · Office Equipmen...	1-Groundwater Ent.	20.45
			6033 · Office Equipmen...	2-Redlands Plaza/...	61.35
			6033 · Office Equipmen...	3-Land Resources	20.45
TOTAL					409.03
<b>20846</b>	<b>08/23/2017</b>	<b>Pat's Pots</b>	<b>1012 · Citizens Busine...</b>		<b>-160.00</b>
	08/17/2017		5460 · Water / Trash / ...	4-General Fund Ent.	80.00
			5460 · Water / Trash / ...	1-Groundwater Ent.	64.00
			5460 · Water / Trash / ...	3-Land Resources	16.00
TOTAL					160.00
<b>20847</b>	<b>08/23/2017</b>	<b>PR Printing</b>	<b>1012 · Citizens Busine...</b>		<b>-52.92</b>
	08/02/2017		6036 · Printing	4-General Fund Ent.	26.46
			6036 · Printing	1-Groundwater Ent.	21.17
			6036 · Printing	3-Land Resources	5.29
TOTAL					52.92
<b>20848</b>	<b>08/23/2017</b>	<b>SDR Consulting, Inc.</b>	<b>1012 · Citizens Busine...</b>		<b>-350.00</b>
	08/15/2017		5120 · Misc. Profession...	4-General Fund Ent.	102.10
			5120 · Misc. Profession...	1-Groundwater Ent.	72.90
			5120 · Misc. Profession...	3-Land Resources	175.00
TOTAL					350.00
<b>20849</b>	<b>08/23/2017</b>	<b>U.S. Bank Equipment F...</b>	<b>1012 · Citizens Busine...</b>		<b>-361.36</b>
	08/14/2017		6033 · Office Equipmen...	4-General Fund Ent.	271.02
			6033 · Office Equipmen...	1-Groundwater Ent.	18.07
			6033 · Office Equipmen...	2-Redlands Plaza/...	54.20
			6033 · Office Equipmen...	3-Land Resources	18.07
TOTAL					361.36
<b>100174N</b>	<b>08/03/2017</b>	<b>PERS</b>	<b>1012 · Citizens Busine...</b>		<b>-5,429.43</b>
			6170 · PERS Retirement	4-General Fund Ent.	871.96
			6170 · PERS Retirement	1-Groundwater Ent.	2,761.95
			6170 · PERS Retirement	2-Redlands Plaza/...	276.90
			6170 · PERS Retirement	3-Land Resources	808.99
			6170 · PERS Retirement	5-Wash Plan	709.63
TOTAL					5,429.43
<b>100175N</b>	<b>08/14/2017</b>	<b>PERS</b>	<b>1012 · Citizens Busine...</b>		<b>-5,458.04</b>
			6170 · PERS Retirement	4-General Fund Ent.	876.56
			6170 · PERS Retirement	1-Groundwater Ent.	2,776.50
			6170 · PERS Retirement	2-Redlands Plaza/...	278.36
			6170 · PERS Retirement	3-Land Resources	813.25
			6170 · PERS Retirement	5-Wash Plan	713.37
TOTAL					5,458.04

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
August 2017

---

Num	Date	Name	Account	Class	Original Amount
100176N	08/30/2017	PERS	1012 · Citizens Busine...		-6,266.71
			6170 · PERS Retirement	4-General Fund Ent.	1,006.43
			6170 · PERS Retirement	1-Groundwater Ent.	3,187.88
			6170 · PERS Retirement	2-Redlands Plaza/...	319.60
			6170 · PERS Retirement	3-Land Resources	933.74
			6170 · PERS Retirement	5-Wash Plan	819.06
TOTAL					6,266.71

San Bernardino Valley Water Conservation District

**Director Fees Expenditure Payroll Report**

August 2017

---

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
8/2/2017	Harrison, T.M	Jul-17	\$ 1,030.00	\$ 126.65	\$ 903.35
8/2/2017	McDonald, M	Jul-17	\$ 1,442.00	\$ 123.29	\$ 1,318.71
8/16/2017	Corneille, R	Jul-17	\$ 1,030.00	\$ 126.65	\$ 903.35
8/16/2017	Harrison, T.M	Aug-17	\$ 1,030.00	\$ 126.64	\$ 903.36
8/30/2017	Harrison, T.M	Aug-17	\$ 824.00	\$ 88.44	\$ 735.56
8/30/2017	McDonald, M	Aug-17	\$ 1,442.00	\$ 123.30	\$ 1,318.70

## Top 5 Groundwater Producers

Producer	Assessment #48			Assessment #47			Assessment #46			Assessment #45			Assessment #44		
	Jan-Jun 2017			Jul-Dec 2016			Jan-Jun 2016			Jul-Dec 2015			Jan-Jun 2015		
	Paid	Ag	Non-Ag	Paid	Ag	Ag	Paid	Ag	Ag	Paid	Ag	Ag	Paid	Ag	Ag
1. City of Riverside	\$93,299	352.9	7931	\$109,238	0	9401	\$77,359	162	6,482	\$84,853	133	7,265	\$96,587	144	8,272
2. EVWD	\$76,629	0	6595	\$83,250	0	7164	\$65,967	-	5,677	\$80,781	-	6,952	\$87,615	-	7,540
3. City of Redlands	\$63,712	424	5365	\$72,078	711	6005	\$51,146	579	4,241	\$64,560	1,463	5,149	\$63,596	1,512	4,999
4. Meeks and Daley	\$42,673	0.2	3672	\$22,152	0.5	1906	\$61,702	-	5,310	\$33,905	106	2,888	\$50,372	26	4,328
5. City of San Bernardino	\$28,391	0	2443	\$30,700	0	2642	\$32,133	-	2,765	\$27,914	-	2,402	\$30,348	-	2,612
6. City of Loma Linda	\$24,431	0	2102	\$30,451	0	2621	\$23,933	-	2,060	\$27,631	-	2,378	\$21,259	-	1,830

Ag-Agriculture Production in acre-feet    Non-Ag-Non-Agricultural Production in acre-feet

**TRAVEL AND EXPENSES COST ESTIMATE**

<b>Name of Event:</b>	JPIA / ACWA Fall Conference
<b>Event Dates:</b>	November 27 <del>November 27</del> - December 1, 2017
<b>Requested by:</b>	T. MILFORD HARRISON

GL	GL Name	Cost	Notes
	6401 Directors Fees	\$ 824 -	Arriving Monday AM 11/27 Departing Fri. afternoon 12/1
	6410 Mileage	\$ 70 -	
	6415 Air Fare	\$ -	
	6420 Other Travel	\$ -	
	6425 Meals	\$ 120 -	
	6430 Lodging	\$ 800 -	
	6435 Conference Registration	\$ 650 -	
<b>Estimated Total</b>		<b>\$ 2464</b>	

\*Mileage Rate is \$0.535  
\*Per Diem is \$206 per day



**TRAVEL AND EXPENSES COST ESTIMATE**

<b>Name of Event:</b>	ACWA Fall Conference
<b>Event Dates:</b>	November 28-December 1, 2017
<b>Requested by:</b>	Richard Corneille

<b>GL</b>	<b>GL Name</b>	<b>Cost</b>	<b>Notes</b>
6401	Directors Fees	\$ 412.00	
6410	Mileage	\$ 60.00	one RT Redlands to Anaheim
6415	Air Fare	\$ -	
6420	Other Travel	\$ 30.00	parking
6425	Meals	\$ 50.00	
6430	Lodging	\$ 220.00	one night in Anaheim Marriott
6435	Conference Registration	\$ 415.00	Wednesday only- includes Wednesday breakfast & lunch
<b>Estimated Total</b>		<b>\$ 1,187.00</b>	

\*Mileage Rate is \$0.535

\*Per Diem is \$206 per day



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1516

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: 2016-2017 Audit Report Presentation**

## **RECOMMENDATION**

The Ad Hoc Audit Committee recommends the Board review and accept the 2017 Audit Report as presented by Rogers Anderson Malody and Scott. (RAMS) and direct the General Manager to file the Audit with the County Clerk.

## **BACKGROUND**

RAMS was selected by the Board of Directors in 2016 as the District's auditor. The auditor contract is a one to five year agreement subject to evaluation of performance. The Ad Hoc Committee met on July 12, 2017 to discuss the audit and anticipated schedule. Staff worked together to produce the materials for the audit. The auditor reviewed and prepared a preliminary draft report and presented it to the Ad Hoc Audit Committee on September 7, 2017. The Ad Hoc Committee did not request any changes and the Draft Audit Report included with this memo. The final report will be provided and presented for consideration at the meeting. Audit letter indicates that this is an unmodified opinion or "clean audit" with no reservations.

## **DISCUSSION**

Scott Manno, CPA will present the Audit Opinion and Reports and respond to any questions the Board may have.

## **FISCAL IMPACT**

The audit was conducted in accordance with the approved 2017-2018 budget, costs for the selected auditor are included in the approved budget, however RAMS did the GASB 68 evaluation for CalPERS saving the District about \$2,300 over the prior year.

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2: David E.  
Raley

Division 3:  
T Milford Harrison.  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

**DRAFT**  
**Subject to Change**



**SAN BERNARDINO VALLEY WATER  
CONSERVATION DISTRICT**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**



**DRAFT**  
**Subject to Change**

**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>Introductory Section</b>	
Letter of Transmittal .....	i
List of Elected and Appointed Officials .....	vii
<b>Financial Section</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
Basic Financial Statements	
Statements of Net Position .....	10
Statements of Revenues, Expenses, and Changes in Net Position .....	12
Statements of Cash Flows .....	13
Statements of Fiduciary Net Position - Agency Fund.....	15
Notes to Financial Statements .....	16
<b>Required Supplementary Information</b>	
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date.....	42
Schedule of Contributions .....	43
Schedule of Funding Progress - Other Post-Employment Benefits Plan .....	44
Notes to Required Supplementary Information .....	45
<b>Supplementary Information</b>	
Schedules of Operating Revenues and Expenses .....	46
Schedules of Wash Plan Additions and Reductions .....	47
<b>Report on Internal Controls and Compliance</b>	
Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	48

**DRAFT**  
**Subject to Change**

**INTRODUCTORY SECTION**

September XX, 2017

Board of Directors  
San Bernardino Valley Water Conservation District

### **Introduction**

It is our pleasure to submit the Annual Financial Report for the San Bernardino Valley Water Conservation District (District) for the fiscal year ended June 30, 2017 following guidelines set forth by the Governmental Accounting Standards Board. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance the Board and public understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory section offers general information about the District's organization and current District activities and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A) of the District's basic financial statements, and the District's audited basic financial statements with accompanying notes.

Generally Accepted Accounting Principles (GAAP) require that District management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

### **District Structure and Leadership**

The San Bernardino Valley Water Conservation District is an independent special district, which operates under the authority of Division 21 of the California Water Code. The origin of the District dates from 1909 when the Water Conservation Association was voluntarily formed to conserve water in the region. The District was formed in 1932 as the successor agency to the Water Conservation Association by a vote of the people. The District is currently governed by a five-member Board of Directors, elected by division from within the District's service area. The District reduced the number of Divisions to five and transitioned to a five-member Board in December 2013. This assists the Board in continuing to limit their expenses and improve the focus and efficiency of the District.

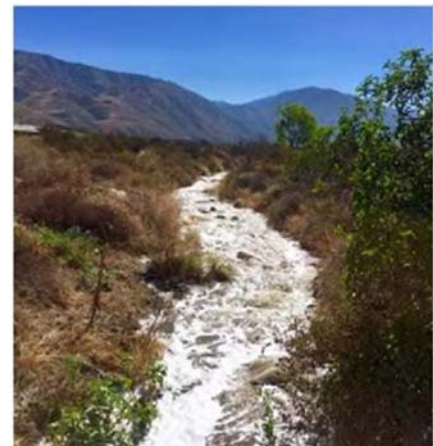
The General Manager manages the day-to-day operations of the District in accordance with powers established in Resolution 537 and the policies, procedures, goals, values and priorities established by the Board of Directors. In addition to the general manager, the District employs five full time employees, two in the field and three in the office. The District also has several part-time temporary employees and interns that assist the District with specific tasks and efforts. The District's Board of Directors generally meets once each month. Meetings are publicly noticed. The public and the press frequently attend Board meetings and District workshops.

In 2013, the Board first approved a Community Strategic Plan which was developed with input from the water, mining and other partners and the communities the District serves. This strategic plan focused on the District's services, efforts and strategic direction in support of the needs of the District's communities, rate payers and partners. The strategic plan was reviewed, updated and reaffirmed in January 2016. In addition, the District Priorities are updated each January. The District has also developed Board policy principles to translate the norms, values and Board desires to staff and the public.

### **District Services**

The San Bernardino Valley Water Conservation District recharges the groundwater basin protecting the safe yield of the San Bernardino Bunker Hill Basin. The District's recharge services benefit the cities, districts and agricultural and non-agricultural groundwater producers within the District's boundaries.

To accomplish the recharge, the District maintains 71 water percolation basins in the Mill Creek and Santa Ana River spreading grounds. The District also plans for, maintains or leases over 3,600 acres in the Santa Ana River Wash at and below the confluence of the Santa Ana River and Mill Creek. Water year 2016 has been an exceptionally dry year. The District recharged all water that was available; 3,818 acre feet of water successfully recharged into the groundwater basin for the water year ending September 30, 2016. Calendar year 2016 has seen extreme drought continue in Southern California with easing in Northern California. Consequently, the District has focused additional efforts on conservation and outreach and performed additional maintenance of the basins and canals. At the same time, the State Water Board has implemented emergency regulations for conservation and the District has supported the efforts of the Basin Technical Advisory Committee to address these needs. The reaction to statewide drought restrictions on residential water use has decreased the use of groundwater reducing District groundwater revenue.



### **Significant Initiatives**

The District has several initiatives ongoing that are organizationally and financially significant.

**Santa Ana River Wash Plan** - The Wash Plan is a long term environmental and infrastructure planning effort that the District has led for many years. The District has been able to work with the United States Fish and Wildlife Service (Service) to make very significant progress toward completion of the Wash Plan Habitat Conservation Plan. This plan will contribute to significant environmental improvements to habitat for several endangered species, including the San Bernardino kangaroo rat and the Santa Ana River woolly star plant in the wash. The plan also allows expanded water conservation facilities, mining, transportation and trails. The communities served by the District are very involved in the effort through the Wash Plan Task Force. Wash Plan efforts were significantly increased to finish the plan for publication in the Federal Register. Critical documents and implementing agreements completed and a memorandum of understanding (MOU) was approved recently by the Board. This MOU provides for payment of contributions and establishes the responsibilities of the participants.

#### **Conservation Trust**

Due to restrictions on the ability to invest endowment funds at a competitive rate the District established The San Bernardino Valley Conservation Trust, a public benefit non-profit corporation. This Land Trust will hold conservation easements, manage endowments and provide oversight on the implementation of the Wash Plan.

#### **Groundwater Sustainability Council**

In 2015, the Board raised the development of the Groundwater Sustainability Council to a high priority and the District is supporting facilitation, legal agreement development and engineering committee support to advance this priority. This is the opportunity to greatly expand the entities that would offset the groundwater enterprise costs, allowing a more equitable sharing of costs for groundwater recharge.

**Plunge Creek Water and Habitat Conservation** - The Proposition 84 Integrated Regional Water Management Planning funded effort in Plunge Creek completed engineering design and is headed toward permitting. The District receives reimbursement funding up to \$500,000 in grant funds as the project is completed. This significant project is cooperative project with the U.S. Fish and Wildlife Service that ultimately develops about 100 acres of new, high quality San Bernardino kangaroo rat habitat and creates an additional 1,600 AF of groundwater recharge per year on District owned lands. The project is intended to be in construction in 2018, depending on permitting.

**Mill Creek Diversion Debris Management Design** - The longstanding concerns with management of extreme storm flows in Mill Creek prompted the District to embark on reengineering the Mill Creek Diversion to better handle the large debris and minimize the damage and repair to the facility in severe storms and maintain recharge capacity. Additionally, the facility will reduce future operations and maintenance costs and improve diversion flexibility. This capital project is completing design and beginning permitting. It is expected to be constructed in 2017 or 2018.

**Pension and Post-Employment Benefits** - Early in the 2015-2016 fiscal year, the Board approved payoff of the Unfunded Actuarial Liability to CalPERS. Staff implemented this action transferring \$722,384 to CalPERS which should save over one million dollars in interest. Additionally, the Board approved the transfer of \$41,770 from the OPEB reserve to fund the CalPERS Employer Trust. These actions reduce District debt and significantly reduce future costs of these benefits.

**Policy Development** - Staff continues to work with the Board to better document the principles, policy, practices and procedures used by the District. The documentation of these proper policies and publication on the District website make financial and policy information easily available to the public. The District continues to update the information to maintain its Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF), affiliated with the California Special District Association.



In 2014, SDLF recognized SBVWCD with the District of Distinction accreditation. To make the award, the SDLF committee of volunteers, consisting of district controllers, finance directors and certified general managers review the independent audits and the District's operations to ensure prudent fiscal practices are followed and that the District's Board of Directors and executive staff have appropriate educational training in public governance, and compliance with ethics and harassment prevention training. The Board of Directors and staff have maintained training and compliance to continue the accreditation. Both the Board and staff are proud of these recognitions, as they demonstrate our commitment to do the public's business transparently and to act as a professional special district measured by the highest standards and benchmarks.



**Economic Condition and Outlook**

The District is located at a strategic point in the watershed in the east end of the San Bernardino Valley. The Valley experienced significant economic growth with the rest of the Inland Empire in the mid 2000s and downturn through 2014. The downturn in building and the larger economy greatly impacted the District's revenues. In 2015, the District successfully moved to a Market Based Royalty for mining revenues which with minimum guarantees will reduce volatility in revenue.

In 2016, housing starts and population increased in the area as the economy developed with additional employment. These factors and the increased economic activity in the area increased the limited tax income to the District. State Emergency Drought Regulations reduced water use by residents and thereby reduced groundwater pumping. This reduced District revenue. The implementation of the Wash Plan will also facilitate long-term planning and infrastructure projects benefiting the region and increasing assessed valuation.

**Internal Control Structure**

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met with the limited staff at the District. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The District is better documenting its controls and practices and adding efforts to allow the highest level of control possible with its minimal staffing.

The District implemented the audit recommendation to treat Board Member compensation as employee compensation for tax purposes in 2016. While necessary, these increased costs and work to implement additional employees and employment taxes for Directors.

### **Budgetary Control**

The District's Board of Directors annually adopts an operating and capital budget prior to the beginning of the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Since 2011, the District has used an enterprise model for financial management and reserve accounting. The District has implemented this and other policies to support this enterprise model. This model provides better internal accountability and provides greater public transparency for the finances of the District. In 2016, several of these policies were updated and revised reserves levels implanted.

### **Investment Policy**

The Board of Directors worked with PFM Financial Management to develop a completely new Statement of Investment Policy to conform to state law, District ordinances and prudent money management. The Investment Policy assures safety, liquidity and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, the CalTrust Joint Powers Authority, various certificates of deposit and California Credit Union Mutual Fund. Changes were instituted to reduce the impact of increasing interest rates on the value of bond investments. Staff has executed these changes and reports to the Board quarterly on the progress, investments and returns.

### **District Revenues**

State law and District policy ensure that all revenues from groundwater charges generated from District groundwater production support District operations. Groundwater charge rates are set in accordance with section 75500 of the California Water Code. Groundwater charges are levied on all groundwater producing agricultural and non-agricultural facilities within the District boundaries. This is the primary component of the District's revenue. In 2016, these revenues were reduced by State Emergency Conservation Regulations, reducing revenue by almost \$100,000. The District has agreements with other entities for payment or reimbursement for the cost of recharge of water on their behalf. Revenue from royalties on aggregate mining, property leases, easements and interest on reserves complete the non-rate revenues of the District.

### **District Investments and CalPERS Changes**

The District's Board authorized changes to reserves and investments during the year. The District completed a new Investment Policy Statement to guide investments given current market conditions and likelihood of increase in interest rates. District staff implemented several changes that affected reserves. The revised investments were made at an ideal time when losses due to higher interest in short term markets were minimal and solid fixed-income certificates of deposits and money market funds replaced more volatile investments. These changes reduced the investments and increased the cash and equivalent funds due to the nature of the investments.

# **DRAFT**

## **Subject to Change**

As mentioned in last year's introduction letter, the Board increased the CalPERS payment to pay off the estimated unfunded actuarial liability due to pool changes by CalPERS and transferred the OPEB reserve to the CalPERS OPEB Investment Trust. These prudent financial actions have financial statement consequences shown in this year's financial statements. The CalPERS payment and trust transfer both reduce District reserves but result in significantly lower future costs. This year's financial statements reflect the implementation of GASB 68, and in addition to delaying the audit, change the treatment of CalPERS expenses, investments and liabilities, and resulted in restatement of the 2015 beginning net position.

### **Audit and Financial Reporting**

State laws require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Rogers, Anderson, Malody & Scott, LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report is in the financial section.

### **Other References**

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the financial section of the report.

### **Acknowledgements**

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism shown by both Rogers, Anderson, Malody & Scott, LLP and staff. We would also like to thank the members of the Ad Hoc Audit Committee and the Board of Directors for their continued support in planning and implementation of the San Bernardino Valley Water Conservation District's fiscal policies.

Respectfully submitted,

---

Daniel B. Cozad  
General Manager

**DRAFT**  
**Subject to Change**

# ***Service Since 1932***

**San Bernardino Valley Water Conservation District  
Board of Directors as of June 30, 2017**

<u>Name</u>	<u>Division</u>	<u>Title</u>	<u>Current Team Ending</u>
Richard Corneille	1	President	December 9, 2020
Melody Henriques-McDonald	5	Vice-President	December 11, 2018
T. Milford Harrison	3	Director	December 9, 2020
John Longville	4	Director	December 11, 2018
David E. Raley	2	Director	December 11, 2018

**San Bernardino Valley Water Conservation District  
Daniel B. Cozad, General Manager  
1630 West Redlands Blvd., Suite A  
Redlands, California 92373  
(909) 793-2503 - [www.sbvwcd.org](http://www.sbvwcd.org)**

**DRAFT**  
**Subject to Change**

**FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
San Bernardino Valley Water Conservation District  
Redlands, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the fiduciary fund of the San Bernardino Valley Water Conservation District (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the minimum audit requirements of the California State Controller's Office under Code Section 26909. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund of the District, as of June 30, 2017 and, where applicable, the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

The financial statements of the District for the year ended June 30, 2016, before the restatement described in Note 13, were audited by another auditor whose report dated November 9, 2016 expressed an unmodified opinion on those statements.

As part of our audit of the 2017 financial statements, we also audited the adjustments described in Note 13 that were applied to restate the 2016 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2016 financial statements of the District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and related ratios; contributions; and funding progress - other post-employment benefits plan; as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, schedules of operating revenues and expenses, and schedules of Wash Plan additions and reductions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of operating revenues and expenses and schedules of Wash Plan additions and reductions are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating revenues and expenses and schedules of Wash Plan additions and reductions are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **September XX**, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 48 and 49.

**September XX, 2017**  
San Bernardino, California

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Bernardino Valley Water Conservation District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

### **Financial Highlights**

The District's net position increased 10.2% or \$597,496 in fiscal year 2017 as the result of operations.

The District's operating revenues for fiscal year 2017 were \$1,097,541, which was \$375,330 less than its operating expenses of \$1,472,871. Depreciation expense was \$29,607 and net nonoperating income was \$1,002,433 resulting in a net change in net position of \$597,496.

### **Required Financial Statements**

This annual report consists of a series of financial statements. The statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The statement of net position includes all of the District's investments in resources (assets and deferred outflows) and the obligations to creditors (liabilities and deferred inflows). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness.

The statement of cash flows provides information about the District's cash receipts and cash payments during the reporting period. The statement of cash flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, noncapital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

In addition, the financial statements include a statement of fiduciary net position - agency fund, which reports the assets and liabilities of the Wash Plan. The annual report also includes required supplementary information and other supplementary information.

### Financial Analysis of the District

The analysis in this section is focused on the primary activities of the District and does not include agency fund balances and activities, such as the Wash Plan.

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the District in a way that helps answer this question.

These two statements report the District's *net position* and changes in it. One can think of the District's net position - the difference between assets and deferred outflows less liabilities and deferred inflows - as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in federal and state water quality standards.

These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

### Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on the pages as listed in the table of contents.

### Condensed Statements of Net Position (in thousands)

	2017	2016	2015	Change 2017		Change 2016	
				Amount	%	Amount	%
<b>Assets:</b>							
Current	\$ 9,946	\$ 9,762	\$ 9,859	\$ 184	1.9%	\$ (97)	-1.0%
Non-current	2	13	4	(11)	-84.6%	9	225.0%
Capital, net	1,710	1,387	1,251	323	23.3%	136	10.9%
Total assets	11,658	11,162	11,114	496	4.4%	48	0.4%
<b>Deferred outflows of resources</b>							
Pension	689	861	52	(172)	-20.0%	809	1555.8%
Total assets and deferred outflows	12,347	12,023	11,166	324	2.7%	857	7.7%
<b>Liabilities:</b>							
Current	121	300	291	(179)	-59.7%	9	3.1%
Other non-current	5,296	5,808	5,627	(512)	-8.8%	(181)	3.2%
Total liabilities	5,417	6,108	5,918	(691)	-11.3%	(172)	3.2%
<b>Deferred inflows of resources</b>							
Pension	493	75	187	418	557.3%	(112)	-59.9%
Total liabilities and deferred outflows	5,910	6,183	6,105	(273)	-4.4%	(284)	1.3%
<b>Net position (restated):</b>							
Net investment in capital assets	1,710	1,387	1,251	323	23.3%	136	10.9%
Unrestricted	4,727	4,453	3,810	274	6.2%	643	16.9%
Total net position	\$ 6,437	\$ 5,840	\$ 5,061	\$ 597	10.2%	\$ 779	15.4%

Amounts may not foot due to rounding

The total net position of the District may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of the District exceeded liabilities plus deferred inflows by \$6,436,605 and \$5,839,109 as of June 30, 2017 and 2016, respectively.

Capital assets represent 26.5% as of June 30, 2017 and 23.7% as of June 30, 2016 of the total net position. Capital assets provide services to groundwater producers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2017 and 2016, the District showed a positive balance in its unrestricted net position of \$4,726,626 and \$4,451,720, respectively. The District's investment of reserve funds represents the largest portion of the District's net position which may be utilized in future years for capital project or operations costs in accordance with the District's reserve policy.

**Condensed Statements of Revenues, Expenses and Changes in Net Position  
(in thousands)**

	2017	2016	2015	Change 2017		Change 2016	
				Amount	%	Amount	%
<b>Revenues:</b>							
Operating	\$ 1,098	\$ 1,128	\$ 1,374	\$ (30)	-2.7%	\$ (246)	-17.9%
Nonoperating	1,114	1,031	933	83	8.1%	98	10.5%
<b>Total revenues</b>	<b>2,212</b>	<b>2,159</b>	<b>2,307</b>	<b>53</b>	<b>2.5%</b>	<b>(148)</b>	<b>-6.4%</b>
<b>Expenses</b>							
Operating	1,473	1,217	1,409	256	21.0%	(192)	-13.6%
Depreciation	30	35	59	(5)	-14.3%	(24)	-40.7%
Nonoperating	112	125	137	(13)	-10.4%	(12)	-8.8%
<b>Total expenses</b>	<b>1,615</b>	<b>1,377</b>	<b>1,605</b>	<b>238</b>	<b>17.3%</b>	<b>(228)</b>	<b>-14.2%</b>
<b>Change in net position</b>	<b>\$ 597</b>	<b>\$ 782</b>	<b>\$ 702</b>	<b>\$ (185)</b>	<b>-23.7%</b>	<b>\$ 80</b>	<b>11.4%</b>

Amounts may not foot due to rounding

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$597,496 and \$781,843 in fiscal years ended June 30, 2017 and 2016, respectively.

A closer examination of the sources of changes in net assets reveals that:

- The District's net position increased 10.2% or \$597,496 to \$6,436,605 in fiscal year 2017 as the result of operations. In 2016, The District's net position increased 15.4% or \$781,843 as a result of operations.

- The District's operating revenues decreased by 2.72% or \$30,649 in 2017 primarily due to a decrease in revenue from groundwater assessments. In 2016, the District's operating revenues decreased by 17.9% or \$245,604 due to a decrease in revenue from groundwater assessments.
- The District's nonoperating revenues increased by 10.0% or \$96,646 in 2017 primarily due to a \$34,720 increase in royalty income resulting from increase in existing contracts with minimum annual royalty payments and an increase of \$51,412 in other nonoperating revenues and expenses due to Plunge Creek payments. In 2016, the District's nonoperating revenues increased by 10.5% or \$97,910 primarily due to a \$70,834 increase in existing contracts with minimum annual royalty payments.
- The District's operating expenses increased 20.6% or \$256,198 in 2017 primarily due to an increase of \$43,484 in actuarial pension expense, a \$29,635 increase in OPEB expense and payments to the HCP endowment of \$54,042. The District's operating expenses decreased 13.6% or \$192,010 in 2016 primarily due to decreases of \$156,753 in professional services related to royalty negotiations and decreases of \$47,145 in repairs and maintenance for capital projects.
- The District's nonoperating expenses decreased 6.06% or \$13,623 in 2017 primarily due to decrease in rental property expenses, including CAM expenses and Redlands Plaza maintenance. In 2016, the District's nonoperating expenses decreased 8.3% or \$11,431 primarily due to decrease in rental property expenses including CAM expenses and Redlands Plaza maintenance.

### Capital Asset Administration

At the end of fiscal years 2017 and 2016, the District's net investment in capital assets amounted to \$1,709,979 and \$1,387,389, respectively. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles. Major capital asset additions during the year included improvements to the Districts buildings and purchase of office equipment. At June 30, 2017 total nondepreciable assets include land and \$249,209 of construction in progress. Major capital asset additions in 2016 included purchase construction in progress.

Changes in capital assets in 2017 were as follows:

	Balance 2016	Additions	Deletions	Balance 2017
Capital assets:				
Nondepreciable	\$ 418,355	\$ 366,349	\$ -	\$ 784,704
Depreciable	2,178,391	17,280	-	2,195,671
Accumulated depreciation	(1,209,357)	(61,039)	-	(1,270,396)
Totals	<u>\$ 1,387,389</u>	<u>\$ 322,590</u>	<u>\$ -</u>	<u>\$ 1,709,979</u>

**San Bernardino Valley Water Conservation District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017**

**DRAFT  
Subject to Change**

Changes in capital assets in 2016 were as follows:

	Balance 2015	Additions	Deletions	Balance 2016
Capital assets:				
Nondepreciable	\$ 238,558	\$ 179,797	\$ -	\$ 418,355
Depreciable	2,152,740	25,651		2,178,391
Accumulated depreciation	(1,140,880)	(68,477)	-	(1,209,357)
Totals	<u>\$ 1,250,418</u>	<u>\$ 136,971</u>	<u>\$ -</u>	<u>\$ 1,387,389</u>

**District Reserves**

The District builds, maintains and uses reserves to prepare for expected and unexpected costs. In accordance with the District's reserve policy, funds are allocated based on enterprise performance and policy targets set by the Board based on benchmarks, best practices and risk. Reserves may greatly exceed the minimums or targets set by the Board for many reasons. Likewise, some reserves fall below the target level, because they are intended to be funded over many years and have not yet been fully funded. The Board revises targets or reallocates funds to reserves annually. Additionally, it should be noted that the Prepaid Royalties Reserve/Liability is unearned revenue related to a deposit of funds in anticipation of aggregate mining under the Wash Plan. In 2015, the Board adjusted several reserve levels in anticipation of Capital Projects. In aggregate, reserve levels are at 91% of target levels and decreased 5% from 2015/2016 levels. Reserves that are currently above their target levels include land resources reserve and groundwater recharge enterprise reserve, which contain deferred capital project costs anticipated for future fiscal years.

Reserve	Target	Balance	% Funded
Groundwater Recharge Enterprise	\$ 1,250,000	\$ 1,557,975	125%
Groundwater ER Maintenance	250,000	250,000	100%
GWA Rate Stabilization	400,000	82,617	21%
Redlands Plaza	81,418	186,395	229%
Land Resources	816,743	656,084	80%
Prepaid Royalties	5,000,000	5,000,000	100%
PERS/Post Employment Expense Trust	45,500	-	0%
Self Insurance	50,000	30,000	60%
Capital Improvement/Equipment	750,000	760,000	101%
General Fund	1,211,566	386,561	32%
Compensated Absences	107,000	107,000	100%
Total	<u>\$ 9,962,227</u>	<u>\$ 9,016,632</u>	91%

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, assets or operating results based on past, present and future events.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please review the District website at [www.sbvwd.org](http://www.sbvwd.org) or contact the District's General Manager at 1630 West Redlands Blvd., Suite A, Redlands, CA 92373.

**DRAFT**  
**Subject to Change**

**BASIC FINANCIAL STATEMENTS**

**San Bernardino Valley Water Conservation District**  
**Statements of Net Position**  
**June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,139,821	\$ 4,537,811
Investments	4,876,811	4,606,548
Accrued interest receivable	4,708	1,777
Accounts receivable, net:	134,773	85,656
Assessments receivable - groundwater charges	347,127	392,260
Notes receivable	1,006	957
Due from other governments	419,160	113,361
Prepaid expenses	21,800	23,651
	<u>9,945,206</u>	<u>9,762,021</u>
Total current assets		
Noncurrent assets:		
Notes receivable	2,456	3,463
Other post-employment benefits asset	-	9,610
Capital assets, not being depreciated:		
Land and land improvements	535,495	219,383
Construction in progress	249,209	198,972
Capital assets, being depreciated, net:		
Buildings and improvements	580,924	612,193
Equipment	94,198	100,085
Spreading basins	250,153	256,756
	<u>1,712,435</u>	<u>1,400,462</u>
Total noncurrent assets		
Total assets	<u>11,657,641</u>	<u>11,162,483</u>
<b>Deferred outflows of resources</b>		
Deferred outflows of resources - actuarial	619,763	49,381
Deferred outflows of resources - contributions	69,418	811,213
	<u>689,181</u>	<u>860,594</u>
Total deferred outflows of resources		
Total assets and deferred outflows of resources	<u>12,346,822</u>	<u>12,023,077</u>

The accompanying notes are an integral part of these financial statements.

**San Bernardino Valley Water Conservation District**  
**Statements of Net Position**  
**June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**(continued)**  
**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 48,590	\$ 221,431
Accrued wages and related payables	36,339	46,326
Customer deposits for rentals	13,651	17,848
Compensated absences payable	<u>22,521</u>	<u>14,529</u>
Total current liabilities	<u>121,101</u>	<u>300,134</u>
Noncurrent liabilities:		
Unearned revenue	5,000,000	5,000,000
Other post-employment benefits liability	20,025	-
Net pension liability	206,530	743,026
Compensated absences payable	<u>69,771</u>	<u>65,637</u>
Total noncurrent liabilities	<u>5,296,326</u>	<u>5,808,663</u>
Total liabilities	<u>5,417,427</u>	<u>6,108,797</u>
<b>Deferred inflows of resources</b>		
Deferred inflows of resources - actuarial	<u>492,790</u>	<u>75,171</u>
Total deferred inflows of resources	<u>492,790</u>	<u>75,171</u>
Total liabilities and deferred inflows of resources	<u>5,910,217</u>	<u>6,183,968</u>
<b>Net position</b>		
Net investment in capital assets	1,709,979	1,387,389
Unrestricted	<u>4,726,626</u>	<u>4,451,720</u>
Total net position	<u>\$ 6,436,605</u>	<u>\$ 5,839,109</u>

The accompanying notes are an integral part of these financial statements.

**San Bernardino Valley Water Conservation District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Operating revenues</b>		
Groundwater assessments	\$ 697,531	\$ 733,288
Operating agreements	370,010	364,902
Services to other agencies	<u>30,000</u>	<u>30,000</u>
Total operating revenues	<u>1,097,541</u>	<u>1,128,190</u>
<b>Operating expenses</b>		
District operations	1,190,570	1,013,751
Regional programs	79,159	25,359
General and administrative	<u>203,142</u>	<u>177,563</u>
Total operating expenses	<u>1,472,871</u>	<u>1,216,673</u>
Operating income before depreciation expense	(375,330)	(88,483)
Depreciation expense	<u>29,607</u>	<u>35,461</u>
Operating income (loss)	<u>(404,937)</u>	<u>(123,944)</u>
<b>Nonoperating revenues and (expenses)</b>		
Property taxes	104,135	112,976
Investment earnings	68,604	71,609
Royalties	640,617	605,897
Rental property income	217,975	209,238
Rental property expense	(112,013)	(125,636)
Other nonoperating revenues and expenses	<u>83,115</u>	<u>31,703</u>
Total nonoperating revenues	<u>1,002,433</u>	<u>905,787</u>
Change in net position	597,496	781,843
Net position, beginning of year, restated (See Note 13)	<u>5,839,109</u>	<u>5,057,266</u>
Net position, end of year	<u><u>\$6,436,605</u></u>	<u><u>\$ 5,839,109</u></u>

The accompanying notes are an integral part of these financial statements.

**San Bernardino Valley Water Conservation District**

**Statements of Cash Flows**

**For the Year Ended June 30, 2017 (with comparative data for 2016)**

**DRAFT**

**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>		
Cash received from groundwater assessments and other agencies	\$ 1,142,674	\$ 1,168,296
Cash payments for services and supplies	(725,861)	(1,504,506)
Cash payments to employees for salaries and wages	(833,690)	(462,588)
Proceeds from royalty income	591,643	643,019
Proceeds from rental revenue, net of expenses	133,197	127,225
Other operating	<u>83,115</u>	<u>35,198</u>
 Net cash provided by operating activities	 <u>391,078</u>	 <u>6,644</u>
 <b>Cash flows from noncapital financing activities</b>		
Property taxes	103,992	112,851
Advances to Wash Plan	<u>(305,799)</u>	<u>(151,520)</u>
 Net cash used for noncapital financing activities	 <u>(201,807)</u>	 <u>(38,669)</u>
 <b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	<u>(383,629)</u>	<u>(170,667)</u>
Net cash used for capital and related financing activities	<u>(383,629)</u>	<u>(170,667)</u>
 <b>Cash flows from investing activities</b>		
Payments received on notes receivable	958	911
Purchase of investments	(515,263)	(1,680,911)
Proceeds from investments	245,000	5,250,000
Investment income	<u>65,673</u>	<u>57,975</u>
 Net cash (used for) provided by investing activities	 <u>(203,632)</u>	 <u>3,627,975</u>
 Net (decrease) increase in cash and cash equivalents	 (397,990)	 3,425,283
 Cash and cash equivalents, beginning of year	 <u>4,537,811</u>	 <u>1,112,528</u>
 Cash and cash equivalents, end of year	 <u>\$ 4,139,821</u>	 <u>\$ 4,537,811</u>

The accompanying notes are an integral part of these financial statements.

**San Bernardino Valley Water Conservation District**

**Statements of Cash Flows**

**For the Year Ended June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
(continued)

**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Reconciliation of operating income (loss) to cash provided by operating activities</b>		
Operating income (loss)	\$ (404,937)	\$ (123,944)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	29,607	35,461
Additional pension funding	-	(722,384)
Pension expense	52,536	(10,359)
Royalty income	591,643	643,019
Rental revenue, net of expenses	133,197	127,225
Miscellaneous income	83,115	35,198
(Increase) decrease in assets:		
Assessments receivable - groundwater charges	45,133	40,106
Prepays	1,851	(616)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(172,841)	(15,390)
Accrued wages and related payables	(9,987)	21,021
Compensated absences	12,126	8,918
Other post-employment benefits payable	29,635	(31,611)
Net cash provided by operating activities	<u>\$ 391,078</u>	<u>\$ 6,644</u>
<b>Noncash, investing, capital and financing activities</b>		
Change in fair value of investments	<u>\$ (9,745)</u>	<u>\$ 11,857</u>

The accompanying notes are an integral part of these financial statements.

**San Bernardino Valley Water Conservation District**  
**Statements of Fiduciary Net Position - Agency Fund**  
**June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Due from other entities	<u>\$ 419,160</u>	<u>\$ 220,979</u>
Total assets	<u>419,160</u>	<u>220,979</u>
<b>Liabilities</b>		
Advances from District for Wash Plan	<u>419,160</u>	<u>220,979</u>
Total liabilities	<u><u>\$ 419,160</u></u>	<u><u>\$ 220,979</u></u>

The accompanying notes are an integral part of these financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. Reporting Entity***

The San Bernardino Valley Water Conservation District (District) was formed in 1932 under the statutory authority of the California Water Code. Its function is to conduct water spreading operations by capturing water flows of the Santa Ana River and Mill Creek. Spreading enables the water to percolate into the groundwater basin for the benefit of all producers.

The District is comprised of approximately 50,000 acres of land. Within its boundaries are several municipal water purveyors, public utilities and other (mutual and private) companies who supply water needs. The source of such water is the groundwater basin underlying the District, of which an average of 150,000 acre feet per year are extracted through more than 200 producing wells by more than 50 different producers.

The District is governed by a five-member Board of Directors elected by the citizens residing within the District's service boundaries.

***B. Basis of Accounting***

The accounting records of the District are maintained on the accrual basis of accounting. Under this method, revenues are recognized in the period earned, and expenses are recognized in the period incurred. The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through groundwater assessments, capital grants and similar funding.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses are reported as nonoperating revenues and expenses.

The District also maintains a fiduciary fund for reporting the Wash Plan assets and liabilities. A Task Force was established under the leadership of the District to coordinate land uses within the wash area. The members include the District, the County of San Bernardino, the Cities of Highland and Redlands, the San Bernardino Valley Municipal Water District, East Valley Water District and two aggregate miners. The Wash Plan is accounted for as an agency fund.

Both the enterprise fund and the fiduciary fund report using an economic resources measurement focus.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C. Accounting Pronouncements**

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting.

**D. Net Position**

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- (1) **Net Investment in Capital Assets** – Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) **Restricted** - Restricted consists of assets that have restrictions placed on their use by external constraints imposed either by creditors (debt covenants), grantors, contributors or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- (3) **Unrestricted** - Unrestricted consists of any remaining balance of the District's net position that do not meet the definition of restricted or net investment in capital assets.

The District's policy is to first apply disbursements to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**E. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses, and disclose material contingent liabilities existing at the date of the financial statements. Actual results could differ from those estimates.

**F. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest-bearing accounts. The District considers all cash and cash deposits, investment in the State Treasurer's Local Agency Investment Fund and other investments with initial maturities of less than 90 days at the date of purchase to be cash and cash equivalents in the presentation of the District's financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***G. Investments***

Investments are stated at fair value based on quoted market prices. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value and any gains or losses realized upon the liquidation or sale of investments. Investments held in external investment pools are valued at net asset value.

***H. Property Taxes and Assessments***

Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31.

The District assesses its property taxes through the County tax rolls. Property taxes are recognized as revenue in the period for which they are levied.

***I. Compensated Absences***

District employees earn vacation and sick leave in varying amounts based on length of service. The District records the cost of vested vacation and sick leave as it is earned. Vacation pay is payable to employees at the time vacation is taken or upon termination of employment. Employees may receive payment for unused sick leave upon termination according to a predetermined vesting schedule.

***J. Concentrations***

The District has two primary sources of revenue. One is the groundwater charge levied to entities that extract water from the groundwater basin underlying the District. The amount of rainfall in the area as well as additional allocations of state project water to the neighboring water districts can have a significant effect on the amount of water extracted. The second major source of revenue is from mining activities in District property. The level of building activity in the region may have significant impact on royalties from mining activities.

***K. Receivables***

The allowance for doubtful accounts is \$-0- because management believes all receivables are collectible.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***L. Capital Assets***

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000 and an estimated useful life of five years. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	40-50 years
Vehicles and equipment	5-10 years
Office equipment	5-10 years
Field equipment	5-10 years
Spreading basins	50+ years
Improvements	
Structural	40 years
Furnishings	10 years

***M. Budgetary Policies***

The District adopts an annual nonappropriated budget for planning, control and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

***N. Net Pension Liability***

In government-wide financial statements and enterprise fund financial statements, pension plans are required to be recognized and disclosed using the accrual basis of accounting. In general, the District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension plan reflected in the actuarial report provided by California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of June 30, 2016.

Changes in the net pension liability are recorded in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***N. Net Pension Liability (continued)***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2017 and 2016 are classified in the statements of net position as follows:

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 4,139,821	\$4,537,811
Investments	<u>4,876,811</u>	<u>4,606,548</u>
 Total cash and investments	 <u>\$ 9,016,632</u>	 <u>\$9,144,359</u>

Cash and investments as of June 30, 2017 and 2016 consisted of the following:

Deposits with financial institutions	\$ 416,584	\$ 839,373
Money market mutual funds	3,272,269	3,250,386
Deposits held with California Local Agency Investment Fund	450,969	448,052
Certificates of deposit	1,873,008	1,626,284
Deposits held with CalTrust Short-term fund	<u>3,003,802</u>	<u>2,980,264</u>
 Total cash and investments	 <u>\$ 9,016,632</u>	 <u>\$9,144,359</u>

**2. CASH AND INVESTMENTS (continued)**

As of June 30, 2017 and 2016, the District's authorized deposits had the following average maturities:

	<u>2017</u>	<u>2016</u>
Deposits held with California Local Agency Investment Fund	194 days	167 days
Certificates of deposit	411 days	709 days
Deposits held with CalTrust Short-term fund	343 days	387 days

***A. Investments Authorized by the California Government Code and the District's Investment Policy***

Under provisions of the District's investment policy and in accordance with Section 53601 of the California Government Code (Code), the District may invest in the following types of investments:

- Securities of the U.S. Government, or its agencies;
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loan companies;
- State of California - Local Agency Investment Fund;
- Investment Trust of California - CalTrust;
- Checking accounts or passbook savings account demand deposits; and
- Money market mutual funds.

The District's investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The District's investment policy does not contain any specific provisions intended to limit the District's allowable deposits or investments or address the specific types of risk to which the government is exposed, including its exposure to a concentration of credit risk.

***B. Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code under the oversight of the Treasurer of the State of California. The net asset value of the District's investment in this pool is reported in the accompanying financial statements at amounts based on the District's pro rata share of the net asset value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2017, the District's cost basis in LAIF was \$450,848 and its net asset value was \$450,969. At June 30, 2016, the District's cost basis in LAIF was \$447,931 and its net asset value was \$448,052.

**2. CASH AND INVESTMENTS (continued)**

***C. Investment Trust of California (CalTrust)***

CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees supervises and administers the investment program of the Trust. CalTrust has four pools: money market account, short-term, medium-term and long-term. The District has deposits in the Short-Term Fund as of June 30, 2017 and 2016. The District's investments in these pools are reported in the accompanying financial statements at net asset value based on the District's pro rata share of the respective pools as reported by CalTrust. The average cost of the District's investment in the Short-Term Fund as of June 30, 2017 was \$3,002,557, and its net asset value (withdrawal value) was \$3,003,802. The average cost of the District's investment in the Short-Term Fund as of June 30, 2016 was \$2,976,035 and its net value (withdrawal value) was \$2,980,264.

***D. Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Code and the District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Of the bank balances, up to \$250,000 held at each institution were federally insured, and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contains legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**2. CASH AND INVESTMENTS (continued)**

***E. Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

***F. Credit Risk***

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	<u>Minimum legal rating</u>	<u>Rating as of year end</u>
California Local Agency Investment Fund	None	Not rated
Investment Trust of California (CalTrust Short-term fund)	None	Aaf/S1+

***G. Concentrations of Credit Risk***

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer beyond that stipulated by the Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the District's total investments at June 30, 2017.

**3. FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based on unobservable sources.

The District does not have any investments subject to the fair value hierarchy. The District's investments in external investment pools are valued at net asset value.

**4. CAPITAL ASSETS**

Changes in capital assets for 2017 were as follows:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017
Capital assets not being depreciated:				
Land and land improvements	\$ 219,383	\$ 316,112	\$ -	\$ 535,495
Construction in progress	198,972	50,237	-	249,209
Total capital assets not being depreciated	<u>418,355</u>	<u>366,349</u>	<u>-</u>	<u>784,704</u>
Capital assets being depreciated:				
Buildings	1,180,550	-	-	1,180,550
Improvements	114,023	-	-	114,023
Vehicles and equipment	133,229	-	-	133,229
Office equipment	141,366	-	-	141,366
Field equipment	258,498	17,280	-	275,778
Equipment	20,533	-	-	20,533
Spreading basins	330,192	-	-	330,192
Total capital assets being depreciated	<u>2,178,391</u>	<u>17,280</u>	<u>-</u>	<u>2,195,671</u>
Less accumulated depreciation:				
Buildings and improvements	(682,380)	(31,269)	-	(713,649)
Equipment	(453,541)	(23,167)	-	(476,708)
Spreading basins	(73,436)	(6,603)	-	(80,039)
Total accumulated depreciation	<u>(1,209,357)</u>	<u>(61,039)</u>	<u>-</u>	<u>(1,270,396)</u>
Net capital assets being depreciated	<u>969,034</u>	<u>(43,759)</u>	<u>-</u>	<u>925,275</u>
Net capital assets	<u>\$1,387,389</u>	<u>\$ 322,590</u>	<u>\$ -</u>	<u>\$ 1,709,979</u>

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**Subject to Change**

**4. CAPITAL ASSETS (continued)**

Changes in capital assets for 2016 were as follows:

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
Capital assets not being depreciated:				
Land and land improvements	\$ 219,383	\$ -	\$ -	\$ 219,383
Construction in progress	19,175	179,797	-	198,972
Total capital assets not being depreciated	<u>238,558</u>	<u>179,797</u>	<u>-</u>	<u>418,355</u>
Capital assets being depreciated:				
Buildings	1,176,739	3,811	-	1,180,550
Improvements	97,367	16,656	-	114,023
Vehicles and equipment	133,229	-	-	133,229
Office equipment	137,432	3,934	-	141,366
Field equipment	258,498	-	-	258,498
Equipment	19,283	1,250	-	20,533
Spreading basins	330,192	-	-	330,192
Total capital assets being depreciated	<u>2,152,740</u>	<u>25,651</u>	<u>-</u>	<u>2,178,391</u>
Less accumulated depreciation:				
Buildings and improvements	(646,109)	(36,271)	-	(682,380)
Equipment	(427,939)	(25,602)	-	(453,541)
Spreading basins	(66,832)	(6,604)	-	(73,436)
Total accumulated depreciation	<u>(1,140,880)</u>	<u>(68,477)</u>	<u>-</u>	<u>(1,209,357)</u>
Net capital assets being depreciated	<u>1,011,860</u>	<u>(42,826)</u>	<u>-</u>	<u>969,034</u>
Net capital assets	<u>\$1,250,418</u>	<u>\$ 136,971</u>	<u>\$ -</u>	<u>\$ 1,387,389</u>

**5. COMPENSATED ABSENCES**

The changes to compensated absences balances for the years ended June 30 were as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due within</u> <u>one year</u>
Compensated absences	\$ 80,166	\$ 39,139	\$(27,013)	\$ 92,292	\$ 22,521

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>one year</u>
Compensated absences	\$ 71,248	\$ 37,110	\$(28,192)	\$ 80,166	\$ 14,529

**6. UNEARNED REVENUE**

In 1993, the District entered into a lease agreement for the extraction of rock, sand and gravel from Section 7 property within the Wash Plan area. The District received a \$5,000,000 prepayment against future rentals and royalties on 12,000,000 tons of material to be earned when mining was initiated. The lease commencement date was December 31, 2002, but due to delays in the Wash Plan, the agreement was subsequently amended in 2003. This amendment linked the commencement of operations to the approval of the Wash Plan. The initial term of the lease is for ten years with four successive five-year renewal periods. The lease agreement requires a minimum annual rent of \$1,000,000 after the initial prepayment is exhausted. In the event the lessee is unable to obtain necessary permits for operations within the Wash Plan area, the prepaid \$5,000,000 would then become refundable without interest, upon a one-year notice.

**7. DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plan**

*Plan Description*

All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple-Employer Defined Benefit Employee Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors one rate plan (one miscellaneous). Benefit provisions under the Plan are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**7. DEFINED BENEFIT PENSION PLAN (continued)**

**A. General Information about the Pension Plan (continued)**

*Benefits Provided*

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits, in effect at June 30, 2017, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5% 50% of the total
Required employee contribution rates	8.000%	normal cost
Required employer contribution rates	10.069%	10.069%

*Contributions*

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**7. DEFINED BENEFIT PENSION PLAN (continued)**

**A. General Information about the Pension Plan (continued)**

Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the plan for the fiscal year ended June 30, 2017 were \$69,418. The actual employer payments of \$811,213 made to CalPERS by the District during the measurement period ended June 30, 2016 differed from the District's proportionate share of the employer's contributions of \$119,268 by \$692,945, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**B. Net Pension Liability**

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016 using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.65%
Mortality Rate Table (3)	Derived using CALPERS'
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

**7. DEFINED BENEFIT PENSION PLAN (continued)**

***B. Net Pension Liability (continued)***

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

*Change of Assumptions*

There were no changes of assumptions.

***C. Discount Rate***

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**7. DEFINED BENEFIT PENSION PLAN (continued)**

**C. Discount Rate (continued)**

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10<sup>1</sup></b>	<b>Real Return Years 11+<sup>2</sup></b>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	(0.55%)	(1.05%)
<b>Total</b>	<b>100%</b>		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

*Pension Plan Fiduciary Net Position*

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

7. DEFINED BENEFIT PENSION PLAN (continued)

*D. Proportionate Share of Net Pension Liability*

As of June 30, 2017 and 2016, the District reported net pension liabilities for its proportionate share of the net pension liability of \$206,530 and \$743,026, respectively.

	<u>2017</u>	<u>2016</u>
Total pension liability	\$ 3,409,293	\$ 3,321,355
Fiduciary net position	<u>3,202,763</u>	<u>2,578,329</u>
Net pension liability	<u>\$ 206,530</u>	<u>\$ 743,026</u>

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	<u>Plan total pension liability</u>	<u>Plan fiduciary net position</u>	<u>Plan net pension liability</u>
Balance at: 6/30/2015 (Valuation Date)	\$ 3,321,355	\$ 2,578,329	\$ 743,026
Balance at: 6/30/2016 (Measurement Date)	3,409,293	3,202,763	206,530
Net changes during 2015-2016	87,938	624,434	(536,496)

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The local government's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The District's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Proportionate share - June 30, 2014		0.02447%
Proportionate share - June 30, 2015	0.02708%	0.02708%
Proportionate share - June 30, 2016	0.00595%	
Change	-0.02113%	0.00261%

**7. DEFINED BENEFIT PENSION PLAN (continued)**

***D. Proportionate Share of Net Pension Liability (continued)***

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

June 30, 2017	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
District's proportionate share of the net pension liability	\$ 665,527	\$ 206,530	\$ (172,808)

June 30, 2016	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
District's proportionate share of the net pension liability	\$ 1,195,351	\$ 743,026	\$ 369,580

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

*Recognition of Gains and Losses*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

**7. DEFINED BENEFIT PENSION PLAN (continued)**

***D. Proportionate Share of Net Pension Liability (continued)***

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2015-16 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

***E. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2017 and 2016, the District recognized pension expense of \$52,536 and \$78,470, respectively. At June 30, 2017 and 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2017	
	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to the measurement date	\$ 69,418	\$ -
Difference in actual vs projected contributions	487,610	-
Changes in assumptions	-	(20,360)
Difference between expected and actual experience	2,151	(730)
Net difference between projected and actual earnings on pension plan investments	130,002	-
Changes in proportion	-	(471,700)
Totals	<u>\$ 689,181</u>	<u>\$ (492,790)</u>

7. DEFINED BENEFIT PENSION PLAN (continued)

**E. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)**

	2016	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Pension contributions subsequent to the measurement date		
Normal contribution	\$ 88,829	\$ -
Additional contribution	722,384	-
Changes in assumptions	-	31,672
Difference between expected and actual experience	3,348	-
Net difference between projected and actual earnings on pension plan investments	-	15,878
Changes in proportion	46,033	390
Difference between employer contributions and proportionate share of contributions	-	27,231
	<u>                    -</u>	<u>                    27,231</u>
Totals	<u>\$ 860,594</u>	<u>\$ 75,171</u>

The District reported \$69,418 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as pension expense as follows:

<u>Years ending June 30,</u>	<u>Amount</u>
2018	\$ 11,880
2019	12,735
2020	61,750
2021	40,608
2022	-
Remaining	-

**F. Payable to the Pension Plan**

At June 30, 2017, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

**8. OTHER POST-EMPLOYMENT BENEFITS PAYABLE**

**A. Plan Description - Eligibility**

The District pays the level set by the Board for employees for the cost of health insurance for retirees under the plans offered by the District until the retiree qualifies for Medicare, subject to limits determined by the Board of the District.

Membership in the Other Post-Employment Benefits (OPEB) plan consisted of the following members as of June 30:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Active plan members	7	6	6
Retirees and beneficiaries receiving benefits	-	-	-
Separated plan members entitled to but not yet receiving benefits	-	-	-
	<u>7</u>	<u>6</u>	<u>6</u>

**B. Plan Description - Benefits**

The District offers post-employment medical benefits to retired employees who satisfy the eligibility requirements. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors. The plan does not issue separate financial statements.

**C. Funding Policy and Annual Other Post-Employment Costs**

The District's annual OPEB expense is calculated based on the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The District has elected to calculate the ARC and related information using the alternative measurement method as permitted by GASBS 45 for employer plans with fewer than one hundred total plan members.

8. OTHER POST-EMPLOYMENT BENEFITS PAYABLE (continued)

*C. Funding Policy and Annual Other Post-Employment Costs (continued)*

The District previously funded the Plan on a pay-as-you-go basis. During the year ended June 30, 2017, a contribution was made to an OPEB trust. The District will pay up to 100% of the cost of the post-employment benefit plan. The District has established reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost. The District's annual OPEB cost for the current year and two preceding years for the Plan are shown below:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual OPEB expense			
Annual required contribution	\$ 39,845	\$ 9,404	\$ 9,348
Interest on net OPEB obligation	(384)	880	491
Adjustment to annual required contribution	333	(125)	(125)
Total annual OPEB cost (expense)	<u>39,794</u>	<u>10,159</u>	<u>9,714</u>
Contributions made	<u>(10,159)</u>	<u>(41,770)</u>	<u>-</u>
Increase in net OPEB obligation	29,635	(31,611)	9,714
Net OPEB obligation (asset), beginning of year	<u>(9,610)</u>	<u>22,001</u>	<u>12,287</u>
 Net OPEB obligation (asset), end of year	 <u><u>\$ 20,025</u></u>	 <u><u>\$ (9,610)</u></u>	 <u><u>\$ 22,001</u></u>

The District's current-year OPEB cost has been recognized as a part of the general and administrative expenses in the accompanying statement of revenues, expenses, and changes in net position.

*D. Funded Status*

The funded status of the Plan as of June 30, 2017 and 2016, based on the July 1, 2017 actuarial valuation, is as follows:

	<u>2017</u>	<u>2016</u>
Actuarial accrued liability (AAL)	\$ 215,567	\$ 32,423
Actuarial value of trust assets	<u>59,305</u>	<u>41,770</u>
Unfunded (funded) actuarial accrued liability	<u><u>\$ 156,262</u></u>	<u><u>\$ (9,347)</u></u>
Funded ratio (actuarial value of trust assets/AAL)	28%	129%

**8. OTHER POST-EMPLOYMENT BENEFITS PAYABLE (continued)**

***E. Actuarial Methods and Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation, and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the unfunded actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions and methods:

Valuation date	July 1, 2017
Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll amortization
Remaining amortization period	22 years as of the valuation date
Asset valuation method	30 year smoothed market
<b>Actuarial Assumptions</b>	
Investment rate of return	4.00%
Projected salary increase	4.00%
Inflation - discount rate	4.00%
Individual salary growth	4.00%
<b>Medical Insurance Premium</b>	
Increases	
Years 1 and 2	7.00%
Years 3, 4 and 5	6.00%
Year 6	5.00%
Years 7-10	4.00%
Years 11-21	3.00%
Thereafter	3.00%

**9. LEASE AGREEMENTS**

The District is the lessor in various lease agreements, providing for the excavation and removal of rock, gravel, sand, and other materials from District property. Monthly lease payments are generally based on tonnage of materials removed, subject to annual minimum amounts.

The District is the lessor of commercial building space under operating leases expiring in various years through the year ending June 30, 2019.

Future minimum rents and royalties to be received on noncancelable leases as of June 30 are as follows:

<u>Year</u>	<u>Rents</u>	<u>Royalties</u>	<u>Total</u>
2018	\$ 58,677	\$ 586,000	\$ 644,677
2019	8,249	586,000	594,249
2020	-	201,333	201,333
Totals	<u>\$ 66,926</u>	<u>\$ 1,373,333</u>	<u>\$ 1,440,259</u>

The District is the lessee of a copier with monthly payments of \$335. Future minimum rentals to be paid on noncancelable leases as of June 30 were as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 4,024
2019	3,020
Total	<u>\$ 7,044</u>

**10. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures and is a member of the ACWA Joint Powers Insurance Authority. The following is a summary of the insurance coverage carried by the District as of June 30, 2017:

- General Liability: pooled self-insured up to \$5 million per claim with excess purchased insurance up to \$60 million. The general liability policy has no deductible.
- Auto Liability: pooled self-insured up to \$5 million per claim with excess purchased insurance up to \$60 million. The auto liability policy has a deductible of \$500 for licensed vehicles and \$1,000 for mobile equipment.
- Public Official Liability: pooled self-insured up to \$5 million per claim with excess purchased insurance up to \$60 million. The public official liability policy has no deductible.

**10. RISK MANAGEMENT (continued)**

- Property: pooled self-insured up to \$100,000 per claim with excess purchased insurance up to \$150 million. The property policy has a deductible of \$1,000. Boiler and machinery deductibles vary in accordance with the type of property.
- Crime, Computer Fraud, Forgery, and Dishonesty Coverage: pooled self-insured up to \$100,000 per claim with a \$1,000 deductible;
- Workers' Compensation: pooled self-insured up to \$2 million per accident or employee by disease with excess from \$2 million to statutory requirements; and
- Employer's Liability: pooled self-insured up to \$2 million with excess of \$2 million SIR.

**11. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE**

The GASB has issued several pronouncements prior to June 30, 2017 that have effective dates that may impact future financial presentations.

**A. Governmental Accounting Standards Board Statement No. 75**

In June 2015, the GASB issued Statement No. 75 *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements will be significant.

**B. Governmental Accounting Standards Board Statement No. 81**

In March 2016, the GASB issued Statement No. 81 *Irrevocable Split Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The provisions of this Statement are effective for periods beginning after December 15, 2016. It appears as though this will have no impact on the District at this time.

**11. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED,  
NOT YET EFFECTIVE (continued)**

***C. Governmental Accounting Standards Board Statement No. 83***

In November 2016, the GASB issued Statement No. 83 *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The provisions of this Statement are effective for fiscal years beginning after June 15, 2018. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

***D. Governmental Accounting Standards Board Statement No. 84***

In January 2017, the GASB issued Statement No. 84 *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The provisions of this Statement are effective for periods beginning after December 15, 2018. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

***E. Governmental Accounting Standards Board Statement No. 85***

In March 2017, the GASB issued Statement No. 85 *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

***F. Governmental Accounting Standards Board Statement No. 86***

In May 2017, the GASB issued Statement No. 86 *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

**11. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED,  
NOT YET EFFECTIVE (continued)**

**G. Governmental Accounting Standards Board Statement No. 87**

In June 2017, the GASB issued Statement No. 87 *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions of this Statement are effective for periods beginning after December 15, 2019. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

**12. COMMITMENTS AND CONTINGENCIES**

**Litigation**

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**13. PRIOR PERIOD RESTATEMENTS**

The District's net position was restated as follows:

<u>District</u>	
Net position, beginning of year, as previously stated	\$ 5,060,644
CIP expensed in 2016 rather than capitalized	34,781
District expenses charged to the Fiduciary Fund in 2016	<u>(38,159)</u>
Net position, beginning of year, restated	<u>\$ 5,057,266</u>
<u>Agency Fund</u>	
Due from other entities, beginning of year, as previously stated	\$ 138,912
Expenses from prior year recorded twice	(107,618)
District expenses charged to the Fiduciary Fund in 2016	<u>38,159</u>
Due from other entities, beginning of year, restated	<u>\$ 69,453</u>

**DRAFT**  
**Subject to Change**

**REQUIRED SUPPLEMENTARY INFORMATION**

**San Bernardino Valley Water Conservation District  
Schedule of Proportionate Share of the Net Pension Liability and  
Related Ratios as of the Measurement Date  
Last 10 Fiscal Years \***

**DRAFT  
Subject to Change**

Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	0.00595%	0.02708%	0.00892%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 206,530	\$ 743,026	\$ 555,348
Employer's Covered Payroll <sup>2</sup>	\$ 577,644	\$ 553,862	\$ 502,836
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll	35.75%	134.15%	110.44%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.63%	93.94%	83.03%

<sup>1</sup> Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

<sup>2</sup> Covered payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 82.

\* Historical information is required only for measurement periods for which GASB No. 68 is applicable. GASB No. 68 was implemented in the fiscal year ended June 30, 2015 with a measurement date of June 30, 2014.

**San Bernardino Valley Water Conservation District**  
**Schedule of Contributions**  
**Last 10 Fiscal Years \***  
**June 30, 2017**

**DRAFT**  
**Subject to Change**

	Fiscal Year			
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially Determined Contribution	\$ 69,418	\$ 88,829	\$ 52,231	\$ 76,810
Contributions in Relation to the Actuarially Determined Contribution	(69,418)	(88,829)	(52,231)	(76,810)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll <sup>1</sup>	\$ 689,423	\$ 577,644	\$ 553,862	\$ 502,836
Contributions as a Percentage of Covered Payroll	10.07%	15.38%	9.43%	15.28%

<sup>1</sup> Covered payroll is defined as the payroll on which contributions to a pension plan are based, in accordance with GASB 82.

*Notes to Schedule:*

Change in Benefit Terms: None  
Change in Assumptions: None

\* Historical information is required only for measurement periods for which GASB No. 68 is applicable. GASB No. 68 was implemented in the fiscal year ended June 30, 2015 with a measurement date of June 30, 2014.

**San Bernardino Valley Water Conservation District**  
**Schedule of Funding Progress - Other Post-Employment Benefits Plan**  
**For the Year Ended June 30, 2017**

**DRAFT**  
**Subject to Change**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll [(b-a)/c]
11/01/11	\$ -	\$ 3,118	\$ 3,118	0.0%	\$ 429,422	0.73%
07/01/14	-	32,423	32,423	0.0%	630,544	5.14%
07/01/17	59,305	215,567	156,262	27.5%	752,712	20.76%

***OTHER POST-EMPLOYMENT BENEFIT***

**1. CHANGE IN BENEFIT TERMS**

The pension figures presented do not include any liability impact that may have resulted from Plan changes that occurred after June 30, 2013, as they have minimal cost impact.

**2. CHANGES IN ASSUMPTIONS**

There were no changes in assumptions.

**DRAFT**  
**Subject to Change**

**SUPPLEMENTARY INFORMATION**

**San Bernardino Valley Water Conservation District**  
**Schedules of Operating Revenues and Expenses**  
**For the Year Ended June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**Subject to Change**

	<u>2017</u>	<u>2016</u>
<b>Operating revenues</b>		
Groundwater assessments		
Groundwater charge assessments - agricultural	\$ 29,333	\$ 53,715
Groundwater charge assessments - nonagricultural	668,198	679,573
Operating agreements		
Enhanced recharge agreement	370,010	364,902
Services to other agencies	<u>30,000</u>	<u>30,000</u>
Total operating revenues	<u>1,097,541</u>	<u>1,128,190</u>
<b>Operating expenses</b>		
District operations		
Professional services	206,036	204,295
Field operations	37,168	29,866
Utilities	17,515	22,365
Salaries/staff	593,837	492,527
Benefits	324,163	263,364
Repairs and maintenance	<u>11,851</u>	<u>1,334</u>
<b>Total District operations</b>	<u>1,190,570</u>	<u>1,013,751</u>
Regional programs		
Regional programs LAFCO contribution	-	359
Wash Plan contribution	117	-
HCP endowment	54,042	-
Regional River HCP contribution	<u>25,000</u>	<u>25,000</u>
<b>Total regional programs</b>	<u>79,159</u>	<u>25,359</u>
General and administrative		
Directors' fees and expenses	93,135	74,543
Staff travel and education	7,063	7,042
Insurance	25,988	26,280
Other administrative	<u>76,956</u>	<u>69,698</u>
<b>Total general and administrative</b>	<u>203,142</u>	<u>177,563</u>
Total operating expenses	<u>1,472,871</u>	<u>1,216,673</u>
Operating income (loss) before depreciation expense	(375,330)	(88,483)
Depreciation expense	<u>29,607</u>	<u>35,461</u>
Operating income (loss)	<u>\$ (404,937)</u>	<u>\$ (123,944)</u>

**San Bernardino Valley Water Conservation District**  
**Schedules of Wash Plan Additions and Reductions**  
**For the Year Ended June 30, 2017 (with comparative data for 2016)**

**DRAFT**  
**Subject to Change**

	<u>2017</u>	<u>2016</u>
Beginning cash and (due from other entities), restated	<u>\$ (220,979)</u>	<u>\$ 69,453</u>
Additions	<u>97,500</u>	<u>-</u>
Reductions		
Professional services	148,565	82,110
Legal expenses	21,977	81,239
Allocated District expenses:		
Salaries and benefits	<u>125,139</u>	<u>127,083</u>
Total reductions	<u>295,681</u>	<u>290,432</u>
Ending cash (due from other entities)	<u><u>\$ (419,160)</u></u>	<u><u>\$ (220,979)</u></u>

**DRAFT**  
**Subject to Change**

**REPORT ON INTERNAL CONTROLS AND COMPLIANCE**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROLS  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
San Bernardino Valley Water Conservation District  
Redlands, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Bernardino Valley Water Conservation District (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated **September XX, 2017**.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September XX, 2017  
San Bernardino, California



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1517

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: Unaudited Financial Reports, August 2017**

---

## **RECOMMENDATION**

Review and approve the unaudited financials for August 2017.

## **BACKGROUND**

Financials presented are as of August 31, 2017.

## **DISCUSSION**

Total groundwater revenue is slightly above budget for the first half of the year. Staff expects minimal additional revenue from the remaining unpaid/unreported producers of approximately \$1,000 in total. Cemex payments are, once again, being received in a timely manner.

The financials are attached for the Board review and approval.

## **FISCAL IMPACT**

There is no fiscal impact from reporting the financial status of the District.

## **POTENTIAL MOTIONS**

1. Move approval of the Unaudited Financials for August 2017 as presented.
2. Move to request this item be tabled and referred to Finance & Administration Committee for reconsideration of specific issues discussed.

## **ATTACHMENTS OR MATERIALS**

Graph Financials for August 2017  
Profit & Loss to Date vs. Annual Budget

---

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2: David E.  
Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

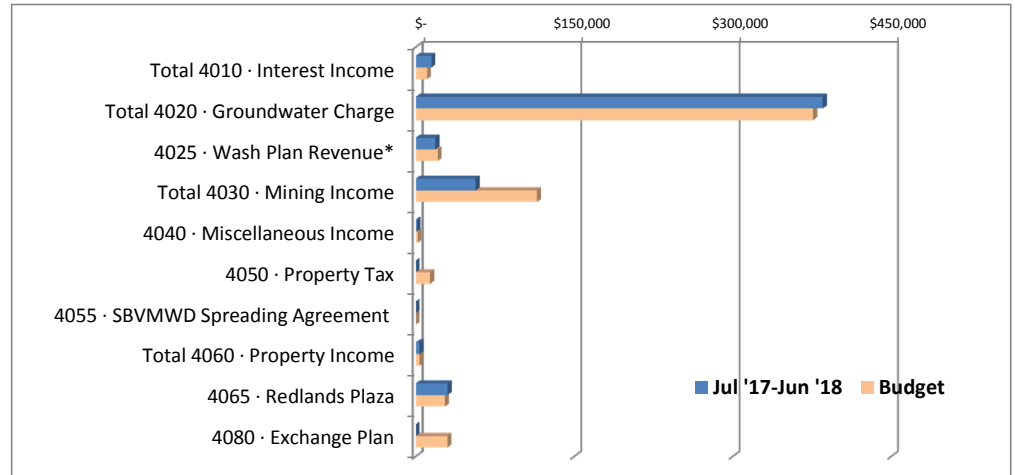
Daniel B. Cozad

**SBVWCD - All Enterprises Budget and Actual**

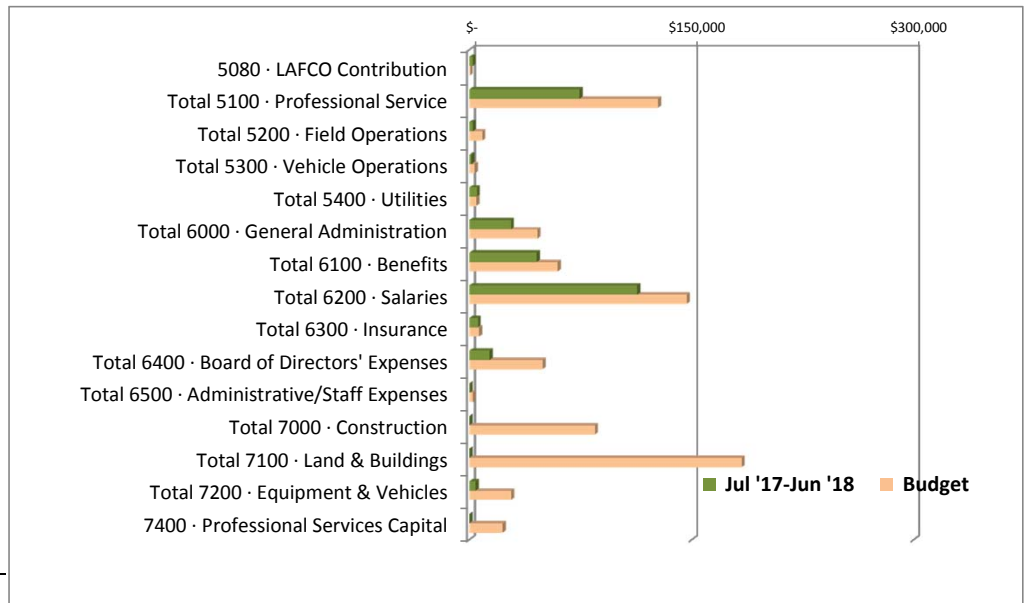
**August 2017**

<b>REVENUE</b>	<b>Jul '17-Jun '18</b>	<b>Budget</b>
Total 4010 · Interest Income	\$ 14,851	\$ 10,717
Total 4020 · Groundwater Charge	\$ 385,457	\$ 376,311
4025 · Wash Plan Revenue*	\$ 18,552	\$ 20,833
Total 4030 · Mining Income	\$ 56,834	\$ 114,833
4040 · Miscellaneous Income	\$ 930	\$ 1,667
4050 · Property Tax	\$ -	\$ 13,633
4055 · SBVMWD Spreading Agreement	\$ -	\$ -
Total 4060 · Property Income	\$ 3,600	\$ 3,600
4065 · Redlands Plaza	\$ 30,260	\$ 27,637
4080 · Exchange Plan	\$ -	\$ 30,000
<b>Total Revenue</b>	<b>\$ 510,483</b>	<b>\$ 599,232</b>

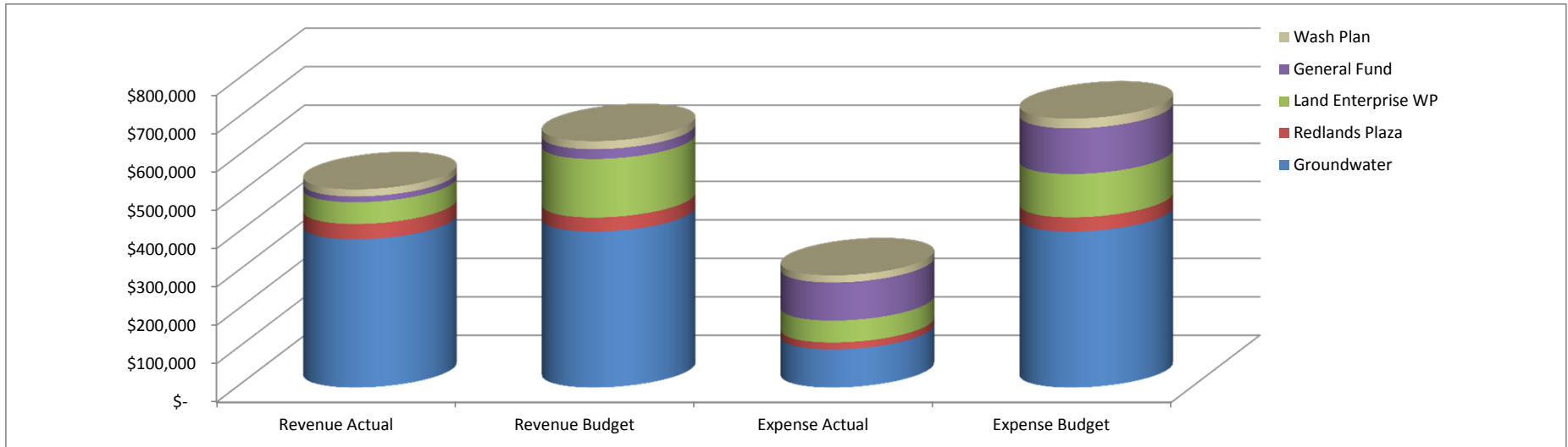
\*District loans to the WP



<b>EXPENSES Operating and Capital</b>	<b>Jul '17-Jun '18</b>	<b>Budget</b>
5080 · LAFCO Contribution	\$ 2,153	\$ 400
Total 5100 · Professional Service	\$ 74,310	\$ 127,132
Total 5200 · Field Operations	\$ 2,231	\$ 8,660
Total 5300 · Vehicle Operations	\$ 1,383	\$ 3,708
Total 5400 · Utilities	\$ 5,029	\$ 4,685
Total 6000 · General Administration	\$ 28,016	\$ 45,857
Total 6100 · Benefits	\$ 45,349	\$ 59,667
Total 6200 · Salaries	\$ 113,195	\$ 146,543
Total 6300 · Insurance	\$ 5,702	\$ 6,583
Total 6400 · Board of Directors' Expenses	\$ 13,629	\$ 49,376
Total 6500 · Administrative/Staff Expenses	\$ 315	\$ 2,280
Total 7000 · Construction	\$ -	\$ 84,663
Total 7100 · Land & Buildings	\$ -	\$ 183,657
Total 7200 · Equipment & Vehicles	\$ 4,259	\$ 28,167
7400 · Professional Services Capital	\$ -	\$ 22,500
<b>Total Expense</b>	<b>\$ 295,569</b>	<b>\$ 773,879</b>



## Enterprises to Date (August 2017)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 386,107	\$ 406,311	95%
Groundwater Expense	\$ 99,268	\$ 171,057	58%
Revenue -Expense	\$ 286,839	\$ 235,254	
Redlands Plaza Revenue	\$ 39,893	\$ 36,567	109%
Redlands Plaza Expense	\$ 18,009	\$ 36,887	49%
Revenue -Expense	\$ 21,884	\$ (320)	
Land Enterprise Revenue	\$ 56,834	\$ 152,750	37%
Land Enterprise Expense	\$ 57,221	\$ 113,275	51%
Revenue -Expense	\$ (388)	\$ 39,475	
General Fund Revenue *	\$ 14,903	\$ 25,601	58%
General Fund Expense	\$ 99,112	\$ 119,026	83%
Revenue -Expense	\$ (84,209)	\$ (93,426)	
Wash Plan Revenue	\$ 18,552	\$ 20,833	89%
Wash Plan Expense	\$ 18,552	\$ 25,483	73%
Revenue-Expense	-	(4,650)	
<b>Total All Revenue - Expense</b>	<b>\$ 224,126</b>	<b>\$ 176,333</b>	<b>127%</b>

Cash Status	As of 7/1/2017	As of 8/31/17
LAIF	\$ 450,847.82	\$ 451,886.06
Cal Trust	\$ 3,003,802.30	\$ 3,009,465.86
Citizens Bank	\$ 425,411.04	\$ 708,303.13
UBS Financial Services	\$ 1,868,928.62	\$ 1,868,344.18
Cal Credit Union	\$ 3,276,349.50	\$ 3,280,779.40
Total Cash	\$ 9,025,339.28	\$ 9,318,778.63
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
<b>Cash Position</b>	<b>\$ 4,025,339.28</b>	<b>\$ 4,318,778.63</b>

Increase (decrease) of  
Percent Increase \$ 293,439.35  
7.3%

\* General Fund Revenue shown here does not include overhead

San Bernardino Valley Water Conservation District  
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Aug 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4010 · Interest Income				
4012 · LAIF	1,038.24	1,800.00	-761.76	57.68%
4013 · Caltrust Investment Income	5,663.56	20,000.00	-14,336.44	28.32%
4014 · CalCredit Union Interest Income	4,429.90	25,000.00	-20,570.10	17.72%
4015 · UBS Interest Income	3,718.84	17,500.00	-13,781.16	21.25%
<b>Total 4010 · Interest Income</b>	<b>14,850.54</b>	<b>64,300.00</b>	<b>-49,449.46</b>	<b>23.1%</b>
4020 · Groundwater Charge				
4021 · Assessments - Ag	21,467.08	38,921.24	-17,454.16	55.16%
4023 · Assessments - Non-Ag	363,989.88	713,700.40	-349,710.52	51.0%
<b>Total 4020 · Groundwater Charge</b>	<b>385,456.96</b>	<b>752,621.64</b>	<b>-367,164.68</b>	<b>51.22%</b>
4025 · Wash Plan Revenue	18,551.76	70,000.00	-51,448.24	26.5%
4030 · Mining Income				
4031 · Plant Site - CEMEX	8,000.00	48,000.00	-40,000.00	16.67%
4032 · Cemex - Royalty / Lease	48,833.33	586,000.00	-537,166.67	8.33%
4036 · Aggregate Maintenance	0.00	55,000.00	-55,000.00	0.0%
4030 · Mining Income - Other	0.00	0.00	0.00	0.0%
<b>Total 4030 · Mining Income</b>	<b>56,833.53</b>	<b>689,000.00</b>	<b>-632,166.47</b>	<b>8.25%</b>
4040 · Miscellaneous Income				
4041 · Reimbursed Expenses	0.00	0.00	0.00	0.0%
4040 · Miscellaneous Income - Other	930.00	10,000.00	-9,070.00	9.3%
<b>Total 4040 · Miscellaneous Income</b>	<b>930.00</b>	<b>10,000.00</b>	<b>-9,070.00</b>	<b>9.3%</b>
4050 · Property Tax	0.00	81,800.00	-81,800.00	0.0%
4055 · SBVMWD Spreading Agreement Reim	0.00	376,066.70	-376,066.70	0.0%
4060 · Property Income				
4062 · Mentone Property	3,600.00	21,600.00	-18,000.00	16.67%
<b>Total 4060 · Property Income</b>	<b>3,600.00</b>	<b>21,600.00</b>	<b>-18,000.00</b>	<b>16.67%</b>
4065 · Redlands Plaza	30,259.77	165,822.65	-135,562.88	18.25%
4066 · Redlands Plaza CAM	6,033.40	32,000.00	-25,966.60	18.85%
4080 · Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4086 · Plunge Creek IRWMP	0.00	150,000.00	-150,000.00	0.0%
4998 · Rate Stabilization From Reserve	0.00	35,000.00	-35,000.00	0.0%
<b>Total Income</b>	<b>516,515.96</b>	<b>2,478,210.99</b>	<b>-1,961,695.03</b>	<b>20.84%</b>
<b>Gross Profit</b>	<b>516,515.96</b>	<b>2,478,210.99</b>	<b>-1,961,695.03</b>	<b>20.84%</b>
<b>Expense</b>				
5040 · Regional Programs				
5080 · LAFCO Contribution	2,152.67	400.00	1,752.67	538.17%
<b>Total 5040 · Regional Programs</b>	<b>2,152.67</b>	<b>400.00</b>	<b>1,752.67</b>	<b>538.17%</b>
5050 · Basin Cleaning	0.00	50,000.00	-50,000.00	0.0%
5100 · Professional Service				
5120 · Misc. Professional Services	1,436.25	150,000.00	-148,563.75	0.96%
5122 · Wash Plan Professional Services	0.00	50,000.00	-50,000.00	0.0%
5124 · Plunge Creek Prof Services	4,676.51	150,000.00	-145,323.49	3.12%
5125 · Engineering Services	0.00	18,000.00	-18,000.00	0.0%
5130 · Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5145 · Environmental Services (WP)	0.00	0.00	0.00	0.0%
5160 · IT Support	450.00	7,000.00	-6,550.00	6.43%
5170 · Audit	19,160.00	27,135.00	-7,975.00	70.61%
5175 · Legal - Wash Plan	155.00	10,000.00	-9,845.00	1.55%
5180 · Legal	48,432.30	209,000.00	-160,567.70	23.17%
<b>Total 5100 · Professional Service</b>	<b>74,310.06</b>	<b>622,135.00</b>	<b>-547,824.94</b>	<b>11.94%</b>
5123 · Temp. Field Labor	0.00	11,000.00	-11,000.00	0.0%
5133 · Regional River HCP Contribution	0.00	40,000.00	-40,000.00	0.0%
5143 · SBVCT District Contribution	0.00	4,042.00	-4,042.00	0.0%
5200 · Field Operations				
5210 · Equipment Maintenance	46.41	6,000.00	-5,953.59	0.77%
5215 · Property Maintenance	2,184.55	40,000.00	-37,815.45	5.46%
5220 · Maintenance Materials/Shop/Fld	0.00	3,000.00	-3,000.00	0.0%
5225 · Field Clean Up-Illegal dumping	0.00	3,000.00	-3,000.00	0.0%
<b>Total 5200 · Field Operations</b>	<b>2,230.96</b>	<b>52,000.00</b>	<b>-49,769.04</b>	<b>4.29%</b>

San Bernardino Valley Water Conservation District  
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Aug 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>5300 · Vehicle Operations</b>				
5310 · Vehicle Maintenance	111.91	10,000.00	-9,888.09	1.12%
5320 · Fuel	1,270.67	12,250.00	-10,979.33	10.37%
<b>Total 5300 · Vehicle Operations</b>	<u>1,382.58</u>	<u>22,250.00</u>	<u>-20,867.42</u>	<u>6.21%</u>
<b>5400 · Utilities</b>				
5410 · Alarm Service	387.00	1,500.00	-1,113.00	25.8%
5420 · Electricity	2,024.64	9,500.00	-7,475.36	21.31%
5430 · Mobile Phone	540.00	3,550.00	-3,010.00	15.21%
5440 · Telephone	1,140.86	8,000.00	-6,859.14	14.26%
5450 · Natural Gas	11.71	900.00	-888.29	1.3%
5460 · Water / Trash / Sewer	339.38	2,160.00	-1,820.62	15.71%
5470 · Internet Services	584.95	2,500.00	-1,915.05	23.4%
<b>Total 5400 · Utilities</b>	<u>5,028.54</u>	<u>28,110.00</u>	<u>-23,081.46</u>	<u>17.89%</u>
<b>6000 · General Administration</b>				
6001 · General Administration - Other	0.00	5,500.00	-5,500.00	0.0%
6002 · Website Administration	400.00	3,100.00	-2,700.00	12.9%
6003 · Property Tax	0.00	235.10	-235.10	0.0%
6004 · Meeting Expenses	271.29	2,000.00	-1,728.71	13.57%
6006 · Permits	2,266.25	10,000.00	-7,733.75	22.66%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	0.00	1,639.00	-1,639.00	0.0%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	15.02	3,180.00	-3,164.98	0.47%
6013 · Office Lease Payment	10,000.00	60,000.00	-50,000.00	16.67%
6015 · Mentone House Maintenance	500.00	5,000.00	-4,500.00	10.0%
6016 · Redlands Plaza Maintenance	589.00	65,000.00	-64,411.00	0.91%
6018 · Janitorial Services	1,306.00	9,108.89	-7,802.89	14.34%
6019 · Janitorial Supplies	88.14	500.00	-411.86	17.63%
6020 · Vacancy Marketing-Redlands Plaz	56.44	5,050.00	-4,993.56	1.12%
6024 · Computer Equip Maint.	0.00	0.00	0.00	0.0%
6026 · Redlands Plaza CAM expenses	3,487.81	28,500.00	-25,012.19	12.24%
6027 · Computer Supplies	0.00	689.00	-689.00	0.0%
6030 · Office Supplies	349.02	4,250.67	-3,901.65	8.21%
6033 · Office Equipment Rental	1,329.29	8,900.00	-7,570.71	14.94%
6036 · Printing	52.92	980.00	-927.08	5.4%
6039 · Postage and Overnight Delivery	5.46	1,200.00	-1,194.54	0.46%
6042 · Payroll Processing	346.52	2,450.00	-2,103.48	14.14%
6045 · Bank Service Charges	272.65	2,500.00	-2,227.35	10.91%
6051 · Uniforms	154.68	2,000.00	-1,845.32	7.73%
6060 · Outreach	5,037.42	20,000.00	-14,962.58	25.19%
6087 · Educational Reimbursement	0.00	2,500.00	-2,500.00	0.0%
6090 · Subscriptions/Publications	278.03	1,000.00	-721.97	27.8%
6091 · Public Notices	0.00	3,000.00	-3,000.00	0.0%
6093 · Memberships	0.00	18,500.00	-18,500.00	0.0%
<b>Total 6000 · General Administration</b>	<u>28,015.94</u>	<u>278,682.66</u>	<u>-250,666.72</u>	<u>10.05%</u>
<b>6100 · Benefits</b>				
6110 · Vision Insurance	331.24	2,355.91	-2,024.67	14.06%
6120 · Workers' Comp. Insurance	0.00	13,265.35	-13,265.35	0.0%
6130 · Dental Insurance	1,403.84	10,566.73	-9,162.89	13.29%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-3,367.52	-22,217.51	18,849.99	15.16%
6150 · Medical Insurance - Other	23,535.78	167,161.64	-143,625.86	14.08%
<b>Total 6150 · Medical Insurance</b>	<u>20,168.26</u>	<u>144,944.13</u>	<u>-124,775.87</u>	<u>13.92%</u>
6160 · Payroll Taxes-Employer	6,655.83	64,235.94	-57,580.11	10.36%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-7,098.23	-26,015.02	18,916.79	27.29%
6170 · PERS Retirement - Other	23,888.08	148,647.12	-124,759.04	16.07%
<b>Total 6170 · PERS Retirement</b>	<u>16,789.85</u>	<u>122,632.10</u>	<u>-105,842.25</u>	<u>13.69%</u>
<b>Total 6100 · Benefits</b>	<u>45,349.02</u>	<u>358,000.16</u>	<u>-312,651.14</u>	<u>12.67%</u>
<b>6200 · Salaries</b>				
6220 · Contingency/Temporary	0.00	0.00	0.00	0.0%
6230 · Regular Salaries	113,195.24	879,260.46	-766,065.22	12.87%
<b>Total 6200 · Salaries</b>	<u>113,195.24</u>	<u>879,260.46</u>	<u>-766,065.22</u>	<u>12.87%</u>

San Bernardino Valley Water Conservation District  
Profit & Loss To Date vs. Annual Budget

	<u>Jul - Aug 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>6300 · Insurance</b>				
6310 · Property/ Auto Insurance	0.00	7,000.00	-7,000.00	0.0%
6320 · General Liability Insurance	5,701.95	32,500.00	-26,798.05	17.54%
<b>Total 6300 · Insurance</b>	<u>5,701.95</u>	<u>39,500.00</u>	<u>-33,798.05</u>	<u>14.44%</u>
<b>6400 · Board of Directors' Expenses</b>				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	896.60	0.00	896.60	100.0%
6401 · Directors' Fees - Other	11,330.00	78,718.78	-67,388.78	14.39%
<b>Total 6401 · Directors' Fees</b>	<u>12,226.60</u>	<u>78,718.78</u>	<u>-66,492.18</u>	<u>15.53%</u>
6410 · Mileage	348.93	4,000.00	-3,651.07	8.72%
6415 · Air Fare	0.00	2,500.00	-2,500.00	0.0%
6420 · Other Travel	0.00	500.00	-500.00	0.0%
6425 · Meals	48.00	2,500.00	-2,452.00	1.92%
6430 · Lodging	0.00	3,000.00	-3,000.00	0.0%
6435 · Conf/Seminar Registrations	1,005.00	5,000.00	-3,995.00	20.1%
6440 · Election Fees / Re-Districting	0.00	100,000.00	-100,000.00	0.0%
<b>Total 6400 · Board of Directors' Expenses</b>	<u>13,628.53</u>	<u>196,218.78</u>	<u>-182,590.25</u>	<u>6.95%</u>
<b>6500 · Administrative/Staff Expenses</b>				
6510 · Mileage	26.75	1,800.00	-1,773.25	1.49%
6515 · Air Fare	0.00	2,000.00	-2,000.00	0.0%
6520 · Travel, Other (rental car, taxi)	0.00	1,400.00	-1,400.00	0.0%
6525 · Meals	38.22	1,500.00	-1,461.78	2.55%
6530 · Lodging	0.00	3,000.00	-3,000.00	0.0%
6535 · Conf/Seminar Registrations	250.00	4,000.00	-3,750.00	6.25%
<b>Total 6500 · Administrative/Staff Expenses</b>	<u>314.97</u>	<u>13,700.00</u>	<u>-13,385.03</u>	<u>2.3%</u>
9999 · Contribution to Capital Maint.	0.00	280,500.00	-280,500.00	0.0%
<b>Total Expense</b>	<u>291,310.46</u>	<u>2,875,799.06</u>	<u>-2,584,488.60</u>	<u>10.13%</u>
<b>Net Ordinary Income</b>	<u>225,205.50</u>	<u>-397,588.07</u>	<u>622,793.57</u>	<u>-56.64%</u>
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
<b>7000 · Construction</b>				
7010 · Materials	0.00	8,000.00	-8,000.00	0.0%
7050 · Basins- Capital Annual Repair	0.00	0.00	0.00	0.0%
7053 · HCP Endowment	0.00	0.00	0.00	0.0%
7055 · Plunge Creek Expansion	0.00	500,000.00	-500,000.00	0.0%
<b>Total 7000 · Construction</b>	<u>0.00</u>	<u>508,000.00</u>	<u>-508,000.00</u>	<u>0.0%</u>
<b>7100 · Land &amp; Buildings</b>				
7110 · Property Capital Repairs	0.00	260,000.00	-260,000.00	0.0%
7130 · Mentone Property (House)-CapRep	0.00	0.00	0.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	50,000.00	-50,000.00	0.0%
7150 · Mill Creek Diversion	0.00	577,000.00	-577,000.00	0.0%
7160 · Mendoza Property	0.00	215,000.00	-215,000.00	0.0%
<b>Total 7100 · Land &amp; Buildings</b>	<u>0.00</u>	<u>1,102,000.00</u>	<u>-1,102,000.00</u>	<u>0.0%</u>
<b>7200 · Equipment &amp; Vehicles</b>				
7210 · Computer Hardware-Capital Purch	0.00	5,000.00	-5,000.00	0.0%
7220 · Computer Software	4,259.00	12,500.00	-8,241.00	34.07%
7230 · Field Equipment / Vehicles	0.00	150,000.00	-150,000.00	0.0%
7240 · Office Equipment	0.00	1,500.00	-1,500.00	0.0%
<b>Total 7200 · Equipment &amp; Vehicles</b>	<u>4,259.00</u>	<u>169,000.00</u>	<u>-164,741.00</u>	<u>2.52%</u>
<b>7400 · Professional Services Capital</b>				
7438 · Engineering Services-Other	0.00	135,000.00	-135,000.00	0.0%
<b>Total 7400 · Professional Services Capital</b>	<u>0.00</u>	<u>135,000.00</u>	<u>-135,000.00</u>	<u>0.0%</u>
<b>Total Other Expense</b>	<u>4,259.00</u>	<u>1,914,000.00</u>	<u>-1,909,741.00</u>	<u>0.22%</u>
<b>Net Other Income</b>	<u>-4,259.00</u>	<u>-1,914,000.00</u>	<u>1,909,741.00</u>	<u>0.22%</u>
<b>Net Income</b>	<u>220,946.50</u>	<u>-2,311,588.07</u>	<u>2,532,534.57</u>	<u>-9.56%</u>



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1518

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: Groundwater Late Payer and Non-Respondents and Investigation List for GWA #48**

## **RECOMMENDATION**

Review, discuss and direct staff to investigate late payers and non-respondents for period of January 1, 2017-June 30, 2017.

## **BACKGROUND**

The District produced notices to all producers as it does every 6 months. GWA #48 is for the period from January to June 30, 2017. After each assessment period staff follows the procedure; sending late notices, calling and attempting to assist any producer who has filed incorrect statements or has failed to file or pay or both. Each groundwater assessment cycle has both late-payers or non-paying producers. Staff makes several attempts to contact producers who have not paid and find owners for wells that have new owners or managers.

Contact has been made with some of the producers included in the attached list. For some who are late, we expect payment/reporting soon. Staff is currently working to determine who contact person is for Sun Life Assurance Company of Canada. A field visit may be necessary to determine if the well still exists and is being utilized. AHD, a producer who previously required collections efforts is also late and staff has coordinated with legal counsel.

## **FISCAL IMPACT**

Staff time to visit limited number of producers is included the attached budget.

## **ATTACHMENTS OR MATERIALS**

Past Due GW #48 Producers Investigation List

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2: David E.  
Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

# PAST DUE GW #48 PRODUCERS INVESTIGATION LIST

PAST DUE GW #48 PRODUCERS INVESTIGATION LIST				Expect Pymt/Report	Late Reporters	Field Visit Needed
PRODUCERS	WELL CODE	RECORDATION	LAST PAYMENT/REPORTING			
1. Trojan Groves	1S3W15M	3600451	\$0/GW #47(Jul-Dec 2016)	X		
2. UCR	1S4W27A09S	3601244	\$0/GW #47(Jul-Dec 2016)	X		
	1S4W27A10S	3601245	\$0/GW #47(Jul-Dec 2016)	X		
	1S4W27A11S	3601222	\$0/GW #47(Jul-Dec 2016)	X		
3. AHD Limited	2S3W05A02S	3601632	\$1,261.32/GW #46 (Jul-Dec 2016)		X	
4. Cram Patterson	1S2W16C01S	3600188	\$231.91/GW #47(Jul-Dec 2016)		X	
5. Greenspot Mutual Well Co	1S2W16C01S	3600266	\$318.48/GW #45 (Jul- Dec 2015)		X	
6. Larani Gunter	1S3W32G01S	3600160	\$0/GW #47(Jul-Dec 2016)		X	
7. Solono	1S2W16C01S	3602003	\$0/GW #47(Jul-Dec 2016)		X	
8. Tennessee Water Co	1S3W16L	3600474	\$5.30/GW #47(Jul-Dec 2016)		X	
9. Sun Life Assurance Co	1S3W17R	3600554	no info on new owner			X



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
 Redlands, CA 92373-8032  
 (909) 793-2503  
 Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1519

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: Mentone Area Community Garden Conditional Letter of Intent**

## RECOMMENDATION

Staff recommends the Board consider providing a conditional letter of intent to lease District lands for a Mentone Community Garden.

## BACKGROUND

The Board provided funding and direction for an in-house Mentone Area Community Garden Conceptual Plan to be developed in the 2015-2016 Budget. Staff and interns from the University of Redlands, developed a draft plan presented to the Mentone Area Community Association (MACA) in September 2015. The draft report provided several conceptual designs and locations. MACA reviewed the draft plan and provided written comments in December 2015 indicating their preferences and requests. The Board approved the final report including response to comments and next steps sections in April 2016.

## DISCUSSION

Staff addressed and Board President Corneille received a request from the MACA for a letter of intent to lease land for the Mentone Community Garden. The Board approved plan provided conditions for moving forward were met as part a next steps table in the report shown below:

Task or Action	For District Owned Land
Implementation Planning & Management	Required to provide detailed plan for construction and operations
Fundraising Plan and Active Efforts to raise capital	District would require MACA to have majority funding for construction to sign letter of intent
Lease and Management Agreement	Developed by the District after Letter of intent is approved by the Board of Directors
Grant Application	Optional depending on capital available
Garden Project Manager	Recommended MACA appoint a member to work with community
Critical Infrastructure and Permitting	Coordinate with Redlands Municipal Utilities Department for costs of water service. Meet with SB County on well permit required, confirm costs, coordinate with solar and Edison on costs
Business and Marketing Plan	Business Planning with management and MACA would be needed to be assured of successful approach

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2: David E.  
Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

The MACA group has engaged a grant writer who has suggested the group obtain a conditional letter of intent to lease the property in order to be able to compete for grant funds. Staff and District Counsel collaborated on a draft letter that would convey the explicit and implicit requirements contained in the approved plan.

### **POLICY OPTIONS**

The Board could continue prior actions and provide the contingent letter of intent; send no letter as next steps have not yet been accomplished or provide direction for the letter to the General Manager and District Counsel on another policy action. Sending a letter signals the intent to lease a little or no cost to the MACA group for an extended non-permanent duration; however, it may be difficult to terminate or not renew the lease.

### **POTENTIAL MOTIONS**

1. Move to approve the letter as presented or with directed specific changes acceptable to District Counsel.
2. Move to take no action, nor send a letter until the plan requirements are satisfied.
3. Move to table the item and refer it to the Operations Committee with specific requirements or requests.

### **FISCAL IMPACT**

The development of the contingent letter has limited staff and legal costs. There is insufficient information about the terms of the lease, staff requirement and liabilities to determine the fiscal impacts and opportunity costs of leasing the land at little or no cost to MACA or similar group for a community garden. In the comment from MACA during development the garden is not capable of paying any significant rent. Most gardens are leased as \$1. per year. Review of the plans and use for compatibility, permitting in the County and liability issues will be critical prior to a final commitment to lease. The absent this information fiscal impacts and opportunity costs cannot be calculated for the action. Staff completed the prior efforts budgeted as part of the FY 2015-2016 budget and no further budget or staffing is planned during the current year.

### **ATTACHMENTS**

Draft Conditional Letter of Intent - reviewed by Chair and District Counsel



September 13, 2017

**Mentone Area Community Association and Garden Supporters**

The San Bernardino Valley Water Conservation District appreciates the efforts the Mentone Area Community Association (MACA) has made to plan, design and implement a Community Garden in Mentone. The District's Board approved a conceptual plan that was developed by staff in accordance with your review and feedback in April 13, 2016. In the report a number of steps were identified that appeared to be needed if the plan was to move forward. Recently you requested a letter of intent to lease lands owned by the District to MACA for the development of the garden.

The District is supportive of the concept and it is the intention of the Board to lease space to MACA to implement the Community Garden on their vacant property next door to 2181 Mentone Blvd. Grant and fundraising efforts are needed to raise capital to construct the facilities. The District would require MACA to have a majority funding for construction to sign a final letter of intent to enter a lease. To allow you to pursue such fundraising this conditional letter of intent is provided with the following conditions that were cited in the conceptual plan:

- Implementation Planning and Management is needed to provide a detailed plan for the construction and operations of the garden
- The Garden needs to have an identified Garden Project Manager to work with the community and be responsible for implementing the project
- The lease must be approved by the District Board and a Lease and Management Agreement would be developed by the District after the final letter of intent is approved by the Board of Directors. The agreement would address facility planning requirements, permitting, operations limitations, liability, indemnification, insurance, ongoing and future cost responsibilities as well as post lease arrangements.
- Infrastructure and Permitting is needed for the project. The Garden Project Manager must coordinate with Redlands Municipal Utilities Department for costs of water service or meet with SB County on well permits required. In addition MACA needs to confirm all development and capital costs. Also if solar is selected MACA needs to coordinate with Edison on service costs.
- A business and marketing plan should be developed by the Garden Project Manager and MACA to assure the District's Board that MACA has a successful approach and can cover costs and liabilities which will arise in the future.

If you have any questions please contact me at [rcorneille@sbvwcd.org](mailto:rcorneille@sbvwcd.org) or our General Manager at the phone number, or address listed on the letterhead or email him at [dcozad@sbvwcd.org](mailto:dcozad@sbvwcd.org) .

Sincerely,

Richard Corneille,  
SBVWCD Board President

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2:  
David E. Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1520

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: CSDA 2018 Committee and Expert Feedback Team Appointments**

---

## **RECOMMENDATION**

Review and consider appointment of directors to committees in accordance with their requests for the period from January 1, 2018 to December 31, 2018.

## **BACKGROUND**

This is the opportunity for membership in all CSDA Committees. All committees meet at least twice annually. It is mandatory that a committee member attend at least one of the two annual meetings. Additionally, the CSDA Legislative Committee requires for that member to attend the CSDA Special District Legislative Days as well as the Annual Conference in addition to the regular scheduled meetings. Committees typically meet in Sacramento, but location of meetings may vary.

Current appointments approved by CSDA and the District:

- David Raley, Audit Committee

CSDA Committees open for membership are:

- Audit Committee
- Professional Development Committee
- Elections & Bylaws Committee
- Fiscal Committee
- Membership Services Committee
- Legislative Committee

A detailed listing of the topics each committee focuses is attached. Also attached is a listing of Expert Feedback Teams. The teams do not require travel only occasional feedback via email. The District utilizes CSDA for training and attends the CSDA Annual Conference. The General Manager participates in the Experts groups for the Legislative Committee, Governance, Formation and Reformation, and Environmental.

---

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2:  
David E. Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

Director Harrison has requested to be nominated for the CSDA Legislative Committee as his first choice, Professional Development Committee as his second choice or Member Services Committee as his third choice. The deadline for submission of the interest form is October 13, 2017.

**FISCAL IMPACT**

The fiscal impact will vary depending on the location and whether or not travel to Sacramento is required. The District would be responsible for paying the Committee members per diem and all expenses for their attendance. Currently one director serves on a Committee and these costs are included in the 2017-2018 budget. CSDA does not reimburse any expenses for this participation. Costs vary depending on which Committee a director is appointed to. If Director Raley remains on Audit Committee the fiscal impact does not change. If Director Harrison is appointed to the Legislative Committee the fiscal impact is approximately \$5,939 which includes all seven meetings per diem, travel, lodging, mileage, meals, and mandatory attendance at Legislative Days and Annual Conference. If Director Harrison is appointed to Professional Development or Member Services Committee the fiscal impact is \$800.00 if airfare is needed; if no airfare is needed fiscal impact is \$412. Staff has estimated costs for requested committees. The legislative committee is the most expensive and detailed costs are included as an attachment.

**CSDA COMMITTEES COST ESTIMATE FOR 2018**

Name of Committee/Per Diem	Airfare Est.	Annual Conf. (monterey)	Leg Days (Sacramento)
Audit Committee (Raley)	Per Diem for two meetings (unknown locations) <b>\$412.00</b>	<b>\$388.00</b> Airfare for two meetings	
	<b>\$800.00 TOTAL If they fly to SAC - locations may vary (Already Budgeted)</b>		
Professional Development Committee (Harrison-2nd Choice)	Per Diem for two meetings (unknown locations) <b>\$412.00</b>	<b>\$388.00</b> Airfare for two meetings	
	<b>\$800.00 TOTAL If they fly to SAC - locations may vary</b>		
Member Services Committee (Harrison - 3rd Choice)	Per Diem for two meetings (unknown locations) <b>\$412.00</b>	<b>\$388.00</b> Airfare for two meetings	
	<b>\$800.00 TOTAL If they fly to SAC - locations may vary</b>		
Legislative Committee (Harrison-1st Choice)	Per Diem for 7 meetings (4 webinars, 3 in Sacramento) <b>\$1,442.00</b>	<b>\$582.00</b> Want to get away rate	Includes per diem, hotel, meals, lodging, registration, mileage <b>\$2,700.00</b>
	<b>\$5,939.00</b>	<b>TOTAL FOR ALL MEETINGS AND CONFERENCES INCLUDES ALL EXPENSES AND PER DIEM</b>	



**California Special Districts Association**

*Districts Stronger Together*

**2018 COMMITTEE AND EXPERT FEEDBACK TEAM INTEREST FORM**

Please make additional copies for each participant.  
***Please use actual contact information where you can be reached***

Name: T. MILFORD HARRISON

Title/Position: BOARD MEMBER: ASSOC. OF SAN BERNARDINO COUNTY SPECIAL DIST.

District/Company: SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Telephone: 909-645-1731 Fax: 909-793-0188

E-mail: milfordharrison@aol.com

We hope your District or Company will participate in one or more of CSDA's committees or expert feedback teams. The CSDA Board of Directors encourages the participation of both board members and staff from member agencies, as well as Business Affiliates.

**COMMITTEES:** As space is limited, please choose more than one committee which you would like to participate on, and please rank according to preference: **1 = 1<sup>st</sup> choice; 2 = 2<sup>nd</sup> choice; 3 = 3<sup>rd</sup> choice**

**If we are able to place you on more than one committee, how many committees would you like to serve on?**  
2 (maximum 3)

**NOTE:** All committees meet in-person at least twice annually. Committees generally meet in Sacramento; however, locations may vary.

       **Audit Committee:** Responsible for maintaining and updating internal controls. Provides guidance to auditors regarding possible audit and fraud risks. **Commitment:** May meet with auditors prior to the commencement of the audit, when audit is completed and possibly one meeting during the auditing process. Financial experience preferred.

  2   **Professional Development Committee:** Plans, organizes and directs the professional development and events for CSDA. **Commitment:** Meets at least twice annually.

       **Elections & Bylaws Committee:** Conducts annual elections and occasionally reviews bylaws upon request of the CSDA Board, members or as needed. **Commitment:** Minimum of one meeting in Sacramento.

       **Fiscal Committee:** Oversees the financial direction of the organization including budget review and implementation. **Commitment:** Meets at least three times annually. Financial experience preferred.

  3   **Member Services Committee:** Responsible for recruitment of new members, member retention, development of new member benefits and review of current programs. **Commitment:** Meets at least twice annually.

  1   **Legislative Committee (space is limited):** Develops CSDA's legislative agenda; reviews, directs and assists with legislative/public policy issues. **Commitment:** Meets three times annually in Sacramento and four times annually via webinar. Committee members must additionally attend CSDA's Special Districts Legislative Days in Sacramento, CA (May 22-23) and Annual Conference in Indian Wells, CA (September 24-27). All 2018 Legislative Committee applicants are also invited to join the 2017 committee members and CSDA staff for a legislative planning session on November 3, 2017.

Each Legislative Committee member will be assigned to 1 or 2 working groups. Please rank from 1 to 6 which working groups you prefer to serve on (1 being most preferred):

- 4 Environment Working Group
- 3 Formation and Reorganization Working Group
- 1 Governance Working Group
- 5 Human Resources and Personnel Working Group
- 2 Public Works and Facilities Working Group
- 6 Revenue Working Group

I prefer to serve on 1 (1 or 2) Legislative Committee working groups

         **Alternative Option: CSDA Blog and Legislative Distribution List** - Because seats are limited on the Legislative Committee, CSDA has created an alternative option whereby members can receive the same legislative information via email that Legislative Committee members receive. Members on this list will be subscribed to receive "real-time" e-mail updates from the CSDA Blog and will be copied on Legislative Committee e-mails. Select this option instead of the Legislative Committee if you are unable to meet the commitment of serving on the Legislative Committee, but still want to keep informed of the latest legislative issues impacting special districts and provide input to CSDA as appropriate.

**EXPERT FEEDBACK TEAMS:** In order for CSDA to quickly and effectively gauge the impact new laws may have on special districts, we depend on the expertise of the people who are directly affected in the field. If you have firsthand experience in one or more of the areas below, please join CSDA's Expert Feedback Team.

         **Environment:** CEQA; Greenhouse Gas/AB 32/AB 398; Land Use; Renewable Energy; Sustainable Communities/SB 375

  X   **Formation and Reorganization:** LAFCO

  X   **Governance:** Audits and Reporting; Bankruptcy; Elections; Ethics; Mandates and Mandate Reimbursement; Political Reform/Conflict of Interest/FPPC; Transparency and Accountability

         **Human Resources and Personnel:** Contracted Services; Occupational Safety; Labor Relations; Retirement and Other Benefits; Workers' Compensation and Other Insurance

  X   **Legal:** General legal matters affecting special districts

         **Public Works and Facilities:** Bidding Process (Design Build, JOC, P3, Best Value); Bonds and Financings; Indemnification; Prevailing Wage; Retention Proceeds

         **Revenue:** Benefit Assessments; Fees/Prop 218; Mello-Roos/CFDs; Property Taxes; Redevelopment Agencies/(E)FIDs; Special Taxes

**Please note that by submitting this signed application, selected members commit to the above-stated commitments and acknowledge that the Association does not reimburse any expenses incurred from this participation.** CSDA strives to keep travel costs to a minimum for committee members through use of webinars, conference calls, and e-mail when appropriate.

\*Either the District GM/Board President or Company President must authorize below:

Name - Please Print \_\_\_\_\_ Title \_\_\_\_\_

\*Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this completed form to Beth Hummel at CSDA by mail, or email [bethh@cdda.net](mailto:bethh@cdda.net) no later than 5:00 PM on Friday, October 13, 2017.

CSDA, 1112 I St., Suite 200, Sacramento, CA 95814, T - (916) 442-7887 [www.cdda.net](http://www.cdda.net)



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwd.org](http://www.sbvwd.org)

Memorandum No. 1521

**To: Board of Directors**

**From: Daniel Cozad, General Manager**

**Date: September 13, 2017**

**Subject: ACWA Committee Appointment Nominations, 2018-2019**

## **RECOMMENDATION**

Consider appointing directors to serve on ACWA Committees in accordance with ACWA's request for committee nominations to serve on a Standing/Limited/Unlimited committees with a term of 2 years.

## **BACKGROUND**

Every two years ACWA requests applications for membership in ACW Committees. ACWA Bylaws excerpts relating to committees, policy guidelines, committee purposes and responsibilities and criteria for member nominations are attached for reference. ACWA suggests that an individual serve on only one limited, standing committee and that their Board considers the positive benefits and fiscal impacts when making nominations. ACWA requests a response to ACWA by September 29, 2017.

Currently the only appointment approved by ACWA and the District is Richard Corneille; to the Groundwater Committee. Director Corneille is requesting re-nomination to the Groundwater committee.

Director McDonald has requested to be nominated for ACWA State Legislative Committee as her first choice and/or Water Management Committee as her second choice. Costs for Director McDonald's expenses at the two meetings held during the ACWA conferences are covered by JPIA Board Membership.

## **FISCAL IMPACT**

The District would be responsible for all costs associated with the participation of its representatives on committees. Committee members on monthly committees typically would travel to Sacramento for meetings. The average trip to Sacramento is approximately \$455. Other committees meet quarterly or at the conferences and may be more or less in expenses, per meeting. Costs for the existing appointments are included in the approved budget for 2017-2018. The Board Budget did not specifically include costs related to other appointments. A cost estimate is attachment showing costs which vary based on the committee or committees to which directors are appointed. If the Board makes appointments in the manner requested by the Directors the total would not exceed \$11,551.

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2:  
David E. Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

**ACWA Committees for 2018-2019**

<b>Name of Committee/Per Diem</b>	<b>Spring Conference</b>	<b>2016 Actual Cost</b>	<b>Fall Conference</b>	<b>2016 Actual Cost</b>
Groundwater Committee (Corneille)				
	Per Diem for two meetings	Per Diem, Mileage,	Per Diem, Mileage,	
	\$412.00 (unknown locations)	Meals, Lodging,	Meals, Lodging,	
		\$2,493.42 Registration	\$1,755.80 Registration	
	<b>\$4,661.22 TOTAL INCLUDING 2 MEETINGS HELD AT CONFERENCES (ALREADY BUDGETED)</b>			
State Legislative Committee (McDonald) - 1st Choice)	<b>Airfare</b>			
	\$2,060.00 Per Diem for ten meetings annually	\$4,830.00 Fully Refundable		
	<b>\$6,890.00 TOTAL FOR ALL TEN MEETINGS INCLUDING PER DIEM AND AIRFARE</b>			
Water Management Committee (McDonald - 2nd choice)	<b>Airfare</b>			
	Per Diem for two meetings			
	\$412.00 (unknown locations)	\$966.00		
	<b>\$1,378.00 TOTAL FOR TWO MEETINGS (CONFERENCE COSTS COVERED BY JPIA)</b>			

## MEMORANDUM

July 18, 2017

TO: ACWA MEMBER AGENCY BOARD PRESIDENTS  
ACWA MEMBER AGENCY GENERAL MANAGERS

FROM: Kathy Tiegs, ACWA PRESIDENT

SUBJECT: ACWA COMMITTEE APPOINTMENT CONSIDERATIONS FOR THE 2018-2019 TERM

### **PLEASE RESPOND BY SEPTEMBER 29, 2017**

Thank you for your involvement with ACWA. As you know, Committees are an integral part of ACWA's activities and policy development. With the end of the current Committee term fast approaching, it is time again to request 2018-2019 Committee nominations from ACWA members. All Committees will be reconstituted following the election of new officers (ACWA's President / Vice-President) at the 2017 ACWA Fall Conference.

In submitting names for consideration, please do so with the understanding that Committees need active, involved individuals able to expend the time and provide their expertise, if appointed. Please keep in mind that the district is responsible for all costs associated with the participation of its representatives on Committees.

The following information is available at [ACWA's website](#) or by clicking on each link.

- [ACWA Policy Committee Composition](#)
- [ACWA Committee Consideration Form](#)
- [ACWA Committee Consideration Process Timeline](#)

If you would like to reference current Committee members serving on a ACWA Committee please click [here](#).

All correspondence and forms regarding Committee appointments must be submitted to the ACWA office no later than September 29, 2017 to be eligible for consideration. Committee appointments will be made by the incoming ACWA President in December. Please contact Region and Member Services Specialist II, Ana Javid, at [anaj@acwa.com](mailto:anaj@acwa.com) or (916) 441-4545, if you have any questions concerning the Committee appointment process.

We appreciate your timely attention to this matter.

Thank you,

A handwritten signature in black ink that reads "Kathleen A. Tieg". The signature is written in a cursive style with a large, looped initial "K" and a distinct "A" before the last name.

Kathleen Tieg, ACWA President

# ACWA COMMITTEE COMPOSITION

## COMMITTEE

## STAFF LIAISONS

---

### **Business Development Committee – Standing/Unlimited**

Meetings: 2 times a year

The Business Development Committee develops and recommends to the Board of Directors programs and activities to be provided or administered by the association that generate non-dues revenue and provide a service or benefit to association members.

**Paula Currie**

*Director of Member Services and Events*

[paulac@acwa.com](mailto:paulac@acwa.com)

---

### **Communications Committee – Standing/Limited (40 maximum)**

Meetings: 4 times a year

The Communications Committee develops and recommends to the Board of Directors and staff best practices regarding communications and public affairs programs. The committee promotes sound public information and education programs and practices among member agencies. It also prepares and distributes materials for use by member agencies in their local outreach efforts and provides guidance to ACWA's Communications Department.

**Lisa Lien-Mager**

*Director of Communications*

[lisalm@acwa.com](mailto:lisalm@acwa.com)

---

### **Energy Committee – Standing/Unlimited**

Meetings: 2 times a year

The Energy Committee develops and recommends to the Board of Directors, the State Legislative Committee and the Federal Affairs Committee policies and programs regarding the water-energy nexus.

**Rebecca Franklin**

*Senior Regulatory Advocate*

[Rebeccaf@acwa.com](mailto:Rebeccaf@acwa.com)

---

### **Federal Affairs Committee – Standing/Limited (5 Per Region)**

Meetings: 2 times a year

The Federal Affairs Committee coordinates with other ACWA committees regarding input and recommendations on federal legislation and other issues before both Congress and the federal administrative branches.

**David Reynolds**

*Director of Federal Affairs*

[dltreyn@sso.org](mailto:dltreyn@sso.org)

---

### **Finance Committee – Standing/Limited (2 Per Region – 1 Region Chair or Vice Chair; 1 with financial experience)**

Meetings: 4-5 times a year

The Finance Committee develops and recommends to the Board of Directors policies and procedures related to annual budgets, investment strategies, annual audits and auditor selection, dues formula and schedule, and other financial matters.

**Fili Gonzales**

*Director of Finance & Business Services*

[filig@acwa.com](mailto:filig@acwa.com)

---

### **Groundwater Committee – Standing/Unlimited**

Meetings: 4 times a year

The Groundwater Committee develops and recommends to the Board of Directors policies and programs regarding groundwater issues. The committee monitors state and federal regulations and legislation affecting the quality and management of groundwater, conducts studies and gathers data on groundwater issues, develops policies regarding groundwater management and coordinates with other committees on groundwater issues.

**Dave Bolland**

*Director of State Regulatory Relations*

[daveb@acwa.com](mailto:daveb@acwa.com)

---

**Legal Affairs Committee – Standing/Limited (45 Maximum)**

Meetings: 2-3 times a year

The Legal Affairs Committee acts on requests for assistance on legal matters of significance to ACWA member agencies. The committee reviews proposed ACWA bylaw revisions and works with staff to produce publications to assist member agencies in complying with state and federal laws. The committee also files amicus curiae filings on important cases, comments on proposed regulations and guidelines of state agencies such as the Fair Political Practices Commission and monitors and engages in water rights waters of interest to member agencies.

*\*The committee shall be composed of attorneys, each of whom shall be, or act as, counsel for a member of the Association.*

**Whitnie Wiley**

Senior Legislative  
Advocate

[whitniew@acwa.com](mailto:whitniew@acwa.com)

---

**Local Government Committee – Standing/Limited (3 Per Region)**

Meetings: 4 times a year

The Local Government Committee develops and recommends to the Board of Directors and the State Legislative Committee policies regarding local government matters affecting water agencies, including planning issues, local government organization, and finance. The committee also gathers and disseminates information on the value of special districts, and shares information promoting excellence in local government service delivery.

**Wendy Ridderbusch**

Director of State  
Legislative Relations

[wendyr@acwa.com](mailto:wendyr@acwa.com)

---

**Membership Committee – Standing/unlimited**

Meetings: 2 times a year

The Membership Committee develops and recommends to the Board of Directors policies regarding membership, eligibility and applications for membership. The committee also assists staff in developing membership recruitment and retention programs and reviews and makes recommendations to the Finance Committee regarding an equitable dues structure.

**Tiffany Giammona**

Member Services  
Group Manager

[tiffanyg@acwa.com](mailto:tiffanyg@acwa.com)

---

**State Legislative Committee – Standing/Limited (4 Per Region)**

Meetings: 10-12 times a year

The State Legislative Committee sets official state legislative policy positions on behalf of the association. The committee reviews relevant legislation, develops advocacy strategies and makes recommendations to the Board of Directors on ballot measures and other major statewide policy issues. The committee also works with staff on legislative amendments and provides direction on legislative matters.

**Wendy Ridderbusch**

Director of State  
Legislative Relations

[wendyr@acwa.com](mailto:wendyr@acwa.com)

---

**Water Management Committee – Standing/Limited (4 Per Region)**

Meetings: 4 times a year

The Water Management Committee develops and recommends to the Board of Directors policies and programs regarding water management. The committee reviews and recommends positions on legislation and regulations as requested by other committees. The committee also assists in gathering and disseminating information regarding agricultural and urban water management, water conservation and water use efficiency, development and use of water resources, wastewater treatment and water recycling and reuse.

**Dave Bolland**

Director of State  
Regulatory Relations

[daveb@acwa.com](mailto:daveb@acwa.com)

---

**Water Quality Committee – Standing/Unlimited**

Meetings: 4 times a year

The Water Quality Committee develops and recommends to the Board of Directors, the State Legislative Committee and the Federal Affairs Committee policies and programs regarding water quality issues. The committee promotes cost-effective state and federal water quality regulations and provides a forum for members to work together to develop and present unified comments on water quality regulations. The committee also develops and recommends positions and testimony on water quality regulatory issues.

**Rebecca Franklin**

Senior Regulatory  
Advocate

[Rebeccaf@acwa.com](mailto:Rebeccaf@acwa.com)

## 2017 ACWA Committee Appointment Process Timeline 2018-2019 Term

- July 17:** **COMMITTEE CONSIDERATION FORMS EMAILED**
- Email packets sent to Agency General Managers and Board Presidents packets include:
    - List of agency staff and directors who currently serve on an ACWA Committee
    - Committee Composition
    - Committee Consideration Form
    - 2018-2019 Committee Timeline
- July 24:** **EMAIL NOTIFICATION TO CURRENT COMMITTEE MEMBERS**
- Current committee members notified that committee process has began
  - All current committee members **MUST** submit a Committee Consideration Form to be considered for reappointment
- September 29:** **COMPLETED CONSIDERATION FORM DEADLINE**
- All committee consideration forms **due by September 29**
  - Any consideration forms submitted after September 29 will be added to the waiting list and considered after ACWA President makes the initial committee appointments for the term
- October 27:** **ACWA REGION CHAIR AND VICE CHAIR CONFERENCE CALL**
- ACWA staff will hold a conference call with newly elected Region Chair and Vice Chairs to review 2018-2019 Committee recommendation process
  - Consideration forms compiled and submitted to incoming Region Chair and Vice Chair
- November 16:** **CHAIR AND VICE CHAIRS RECOMMENDATION DEADLINE**
- No Region recommendations will be accepted after November 16
- November 30:** **RECOMMENDATIONS GIVEN TO ACWA PRESIDENT**
- Incoming ACWA President will receive Region Chair and Vice Chairs recommendations along with all consideration forms at ACWA Fall Conference
- December 11:** **ACWA PRESIDENT APPOINTS MEMBERS OF COMMITTEES**
- Incoming ACWA President submits all appointments to ACWA Staff
- December 31:** **ACWA WILL NOTIFY COMMITTEE MEMBERS OF APPOINTMENTS**
- Letters emailed to members who have been appointed to serve on a committee for the 2018-2019 term
  - Letters emailed notifying those who were not appointed to a committee

PLEASE PRINT LEGIBLY

Agency Name (DO NOT use acronyms or abbreviations) <b>San Bernardino Valley Water Conservation District</b>	Phone <b>(909) 793-2503</b>
Agency Address <b>1630 West Redlands Blvd., Suite A</b>	City, State & Zip <b>Redlands, CA 92373</b>

**BELOW PLEASE LIST ALL THOSE INTERESTED IN BEING ON ACWA COMMITTEES FOR YOUR AGENCY.  
FOR ADDITIONAL RECOMMENDATIONS PLEASE FILL OUT ANOTHER FORM.**

*\*If an individual is not an agency employee or director, please indicate company affiliation.*

Name <b>Richard Corneille</b>	Title/Company* <b>President</b>	Email Address <b>rcorneille@sbywcd.org</b>
Committee 1st Choice <b>Groundwater Committee</b>	Committee 2nd Choice	Committee 3rd Choice
Name <b>Melody McDonald</b>	Title/Company* <b>Vice President</b>	Email Address <b>melody.sbywcd@gmail.com</b>
Committee 1st Choice <b>State Legislative Committee</b>	Committee 2nd Choice <b>Water Management Committee</b>	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice
Name	Title/Company*	Email Address
Committee 1st Choice	Committee 2nd Choice	Committee 3rd Choice

Signature (Agency/District General Manager or Board President signature required)	General Manager Title	09/13/2017 Date
---	--------------------------	--------------------

**QUESTIONS?**

Contact Region and Member Services Specialist II  
Ana Javaid at [anaj@acwa.com](mailto:anaj@acwa.com) or (916) 441-4545

910 K Street, Suite 100  
Sacramento, CA 95814  
[www.acwa.com](http://www.acwa.com)



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwcd.org](http://www.sbvwcd.org)

Memorandum No. 1522

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: ACWA Region 9 Board Ballot for 2018-2019**

---

## **RECOMMENDATION**

Review ACWA Region 9 Board Ballot and consider submitting vote on either recommended slate or individual Board Candidates.

## **BACKGROUND**

The ACWA Region 9 Board requests that the District submit a vote for ACWA Region 9 candidates. The Board may for individuals who are not on the slate. The deadline for ballot to be received is September 29, 2017. Additional details are included in package.

## **FISCAL IMPACT**

There is no fiscal impact.

## **POTENTIAL MOTIONS**

1. Move to vote for the Nominating Committee's recommended slate for the ACWA Region 9 Board.
2. Move the vote for other candidates or delegate authority to a committee to determine voting.
3. Table or Take no action.

## **ATTACHMENTS OR MATERIALS**

ACWA Region 9 Board Ballot

---

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2: David E.  
Raley

Division 3:  
T. Milford Harrison  
Division 4:  
John Longville

Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

OFFICIAL  
**REGION 9 Board Ballot**

2018-2019  
TERM



**Please return completed ballot  
by September 29, 2017**

E-mail: anaj@acwa.com  
Mail: ACWA  
910 K Street, Suite 100  
Sacramento, CA 95814

**General Voting Instructions:**

**1** You may either vote for the slate recommended by the Region 9 Nominating Committee or vote for individual region board members (please note rules & regulations for specific qualifications). Mark the appropriate box to indicate your decision.

**2** Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

**Region 9 Rules & Regulations:**

The chair and vice chair shall be elected, one from each area, and the positions shall be rotated between the Western and Arid areas of Region 9. For the 2018-2019 term the chair shall be from the Western area.

**1**

**Nominating Committee's Recommended Slate**

I concur with the Region 9 Nominating Committee's recommended slate below.

**CHAIR:**

- **Joseph J. Kuebler**, Director, Eastern Municipal Water District (Western)

**VICE CHAIR:**

- **G. Patrick O'Dowd**, Board Member, Coachella Valley Water District (Arid)

**BOARD MEMBERS:**

- **Luis Cetina**, Vice President, Cucamonga Valley Water District
- **Carl P. Coleman**, Board Secretary, Mojave Water Agency
- **James Morales Jr.**, Governing Board Member, East Valley Water District
- **Phil Rosentrater**, General Manager, Salton Sea Authority
- **Harvey R. Ryan**, Board Member, Elsinore Valley Municipal Water District

**OR**

**Individual Board Candidate Nominations**  
(See Rules & Regulations before selecting)

I do not concur with the Region 9 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

**CANDIDATES FOR CHAIR: (CHOOSE ONE)**

- Joseph J. Kuebler**, Board Member, Eastern Municipal Water District (Western)
- Harvey R. Ryan**, Board Member, Elsinore Valley Municipal Water District (Western)

**CANDIDATES FOR VICE CHAIR: (CHOOSE ONE)**

- G. Patrick O'Dowd**, Board Member, Coachella Valley Water District (Arid)
- Michael Wilson**, Board Vice President, Indio Water Authority (Arid)

**CANDIDATES FOR BOARD MEMBERS: (MAX OF 5 CHOICES)**

- David Castaldo**, Director, San Geronio Pass Water Agency
- Luis Cetina**, Vice President, Cucamonga Valley Water District
- Carl P. Coleman**, Board Secretary, Mojave Water Agency
- Steven Farrell**, Director, Crestline Village Water District
- Joseph J. Kuebler**, Board Member, Eastern Municipal Water District
- James Morales Jr.**, Chairman of the Board, East Valley Water District
- G. Patrick O'Dowd**, Board Member, Coachella Valley Water District
- Phil Rosentrater**, General Manager, Salton Sea Authority
- Harvey R. Ryan**, Board Member, Elsinore Valley Municipal Water District
- Michael Wilson**, Board Vice President, Indio Water Authority

**2**

San Bernardino Valley Water Conservation District  
 \_\_\_\_\_  
AGENCY NAME

09/13/2017  
 \_\_\_\_\_  
DATE

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

## ***Phil Rosentrater for ACWA Region 9 Board***

Phil Rosentrater has worked tirelessly to protect and improve public water agencies for nearly a quarter century in communities spanning the three counties comprising ACWA Region 9.

Phil first moved to Region 9 as a resident of the city of Upland where his parents met and his three brothers were born. Phil has lived and worked in other San Bernardino County communities that include the city of Ontario and the San Bernardino Mountain resort communities and the high deserts around Yucca Valley. Phil has lived in the Riverside area for thirty years and currently works in both Riverside and Imperial Counties as the GM/Executive Director for the Salton Sea.

Phil is well versed in water issues at the local, regional, state and federal level. He understands the unique challenges facing water agencies operating in California's inland southwestern region. He also understands the value of bringing people and agencies together to articulate the priorities of Region 9 in a way that produces positive results. In the San Geronio Pass area, Phil helped assemble a dozen water-related entities that had never had a group conversation but today, they are working cooperatively to achieve greater efficiency in mutually beneficial plans and projects.

In addition to his drive to create cooperative partnerships, Phil brings to Region 9 a hard-earned reputation for protecting the public water supplies, particularly the interests of Region 9. For example, Phil helped successfully fend off a state grab of water agency share of local property taxes by spearheading a coalition that persuaded legislators that expanding a state ERAF grab would hurt infrastructure needed to survive drought and to protect community well-being.



In addition to his current appointment as a member of the Board for ACWA Region 9, Phil has served at the statewide level in ACWA as the Chair for the ACWA Outreach Committee. He has represented Region 9 in previous roles as a member of the State Legislative Committee and the Local Government Committee. Phil also currently serves on the ACWA Energy Committee.

Phil has been privileged to be a presenter and moderator in numerous ACWA conferences and his agency (Western Municipal Water District) was twice recognized with ACWA's annual Outreach Award. Phil has worked to improve policy and interagency relations for water-related agencies through his work in affiliated organization such as California Special Districts Association, California Association of Sanitation Agencies, American Groundwater Association, Groundwater Resources Agency, and Southern California Water Committee. The California Special Districts Association has honored Phil with the "Outstanding Legislative Advocate" award for his efforts.

From the Mountains, to the Sea, to every Valley in between, Phil Rosentrater remains dedicated to improving water services on issues impacting Region 9. Please allow him to continue serving with your agency's affirmation of the slate of candidates for ACWA Region 9.

#

*Phil Rosentrater, GM/Executive Director, SSA, [PRosentrater@ssajpa.org](mailto:PRosentrater@ssajpa.org)*



# SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A  
Redlands, CA 92373-8032  
(909) 793-2503  
Fax: (909) 793-0188

Email: [info@sbvwcd.org](mailto:info@sbvwcd.org)  
[www.sbvwd.org](http://www.sbvwd.org)

Memorandum No. 1523

**To: Board of Directors**

**From: General Manager, Daniel Cozad**

**Date: September 13, 2017**

**Subject: 2017 Draft Community Strategic Plan**

---

## **RECOMMENDATION**

Staff recommends the Board review the Draft Community Strategic Plan (CSP) and provide any feedback to staff.

## **BACKGROUND**

The CSP for the District was originally developed in 2013. With the approval of the original CSP in 2013, the Board indicated that a review and update should occur at regular intervals during the implementation phase. In late 2016, staff began preparing to work with the Board on this 2017 update. The Board and staff worked through four sessions to identify issues and explore each of the issues to determine strategic areas of interest. While this effort was done based on the current plan a blank page approach was taken to identifying issues. When planning efforts were complete the Board recommended that this effort update rather than replace the 2013 document due to the tight similarities of the planning. This update documents progress on the 2013 CSP and updates areas of focus and priorities as indicated by the four strategic planning sessions held with the Board in the first half of 2017.

## **DISCUSSION**

Staff provided summary feedback on the sessions in August and used that material to update the 2017 CSP. These materials and feedback to them was used to update the plan. Staff would like to have the Board take a couple weeks after the presentation to review the plan and provide any comments. Staff proposed to receive any comment until September 29, 2017 and incorporate them into a circulation draft for the Districts partners and communities.

## **FISCAL IMPACT**

The strategic planning effort was conducted with in-house staff and is estimated to have saved the District \$20-\$35,000 if an outside consultant was used to perform the planning with the Board.

---

BOARD  
OF  
DIRECTORS

Division 1:  
Richard Corneille  
Division 2: David E.  
Raley

Division 3:  
T Milford Harrison.  
Division 4:  
John Longville

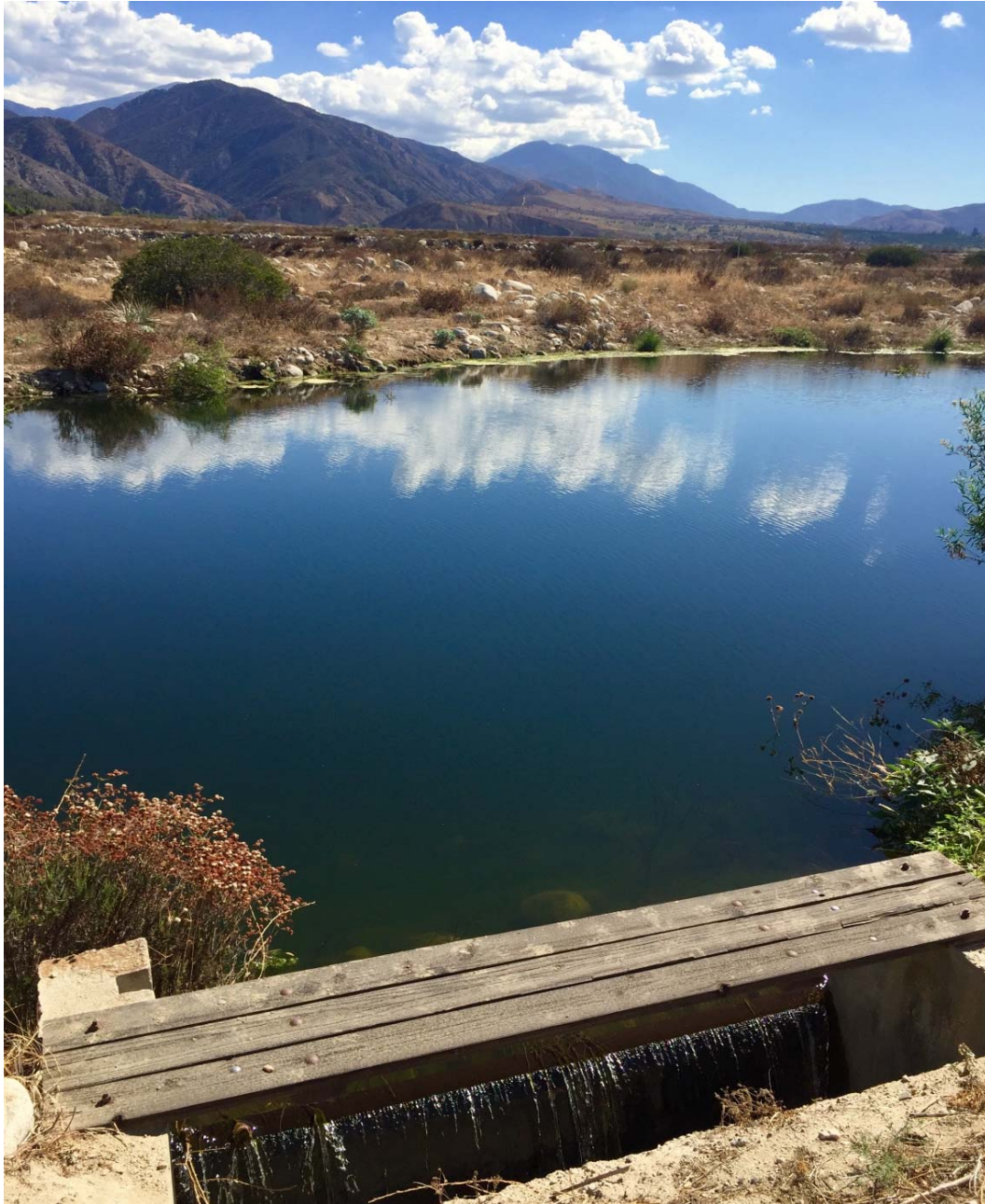
Division 5:  
Melody McDonald

GENERAL  
MANAGER

Daniel B. Cozad

# San Bernardino Valley Water Conservation District Community Strategic Plan - 2017

---



*Draft*  
*September 2017*

## Table of Contents

1	Introduction and History .....	3
1.1	Introduction .....	3
1.2	District History .....	3
1.2.1	Recent History .....	3
1.3	Changes and Accomplishments .....	4
1.3.1	2013 CSP Accomplishments .....	5
1.4	2017 CSP Planning Process .....	6
1.4.1	Summary of Community Strategic Plan Goals .....	7
2	Core Water Mission Activities.....	8
2.1	Water Conservation .....	8
2.1.1	Water Facilities Operations and Management .....	8
2.1.2	Facility Permitting .....	9
2.1.3	Water Facilities Partnerships .....	9
3	Strategic Water Related Mission Efforts.....	10
3.1	Aggressive Recharge .....	10
3.2	Enhanced Recharge Project .....	11
3.2.1	Resource Implications .....	11
3.3	Enhanced Facility Security .....	11
3.3.1	Resources Implications.....	12
3.4	Water Use Efficiency and Communication Efforts.....	12
3.4.1	Groundwater Producer Communication.....	12
3.4.2	Educational Outreach.....	12
3.4.3	iEfficient and Focused Outreach .....	13
3.4.4	Conservation Education and Outreach .....	13
3.4.5	Resources Implications.....	13
3.4.6	Expanding Recharge Efforts .....	13
3.4.7	Resources Implications.....	15
3.4.8	Big Bear Watermaster .....	15
4	Land Resource Management .....	15
4.1	Land Management Enterprise .....	15
4.2	Long-term Wash Planning and Management .....	16
4.2.1	Wildland Trails in Wash Plan HCP .....	16
4.2.2	Habitat Coordination and Management.....	17
4.3	Mining, Land Use and Development.....	17
4.3.1	Mining .....	17
4.3.2	Land Use, Development and Community Mitigation.....	18
4.4	Sustainability and Resource Management .....	18
5	Agency and General Fund .....	18
5.1	Annual and Short-Term Efforts .....	18
5.2	Organizational and Financial Improvement.....	19
5.3	Develop Staff and Organizational Capacity.....	19
6	Strategic Revenue Initiatives.....	19
6.1	Renewable Revenue.....	20
6.2	Extractive or Non-Renewable .....	21
6.2.1	Mining Royalties.....	21
6.2.2	Property Easement or Community Mitigation Revenue.....	21
7	Community Strategic Plan Input and Feedback.....	22
7.1	Process and Feedback.....	22
7.2	Approvals .....	22
7.3	Implementation and Revision .....	22

# 1 Introduction and History

## 1.1 Introduction

The Community Strategic Plan (CSP) for the San Bernardino Valley Water Conservation District (District) was originally developed in 2013. The description as a Community Strategic Plan indicates that it was built on the Board's 2010 Strategic Plan with feedback from, and support for, the communities and partners we serve. With the approval of the original CSP in 2013, the Board indicated that a review and update should occur at regular intervals during the implementation phase. In late 2016, staff began preparing to work with the Board on this 2017 update. This update documents progress on the 2013 CSP and updates areas of focus and priorities as indicated by the four strategic planning sessions held with the Board in the first half of 2017.

## 1.2 District History

The District has a long history in water management in the east end of the San Bernardino Valley. A long drought from 1898 to 1903 brought sustainable water supplies from the Santa Ana River to the forefront of attention for San Bernardino, Riverside and Orange Counties. A private Water Conservation Association (WCA) was formed in 1909; led by Francis Cuttle, the Manager of the Riverside Water Company. This group pushed for surface water flows to be stored underground for future use. In 1909, four entire sections were set aside by the Federal Government for water conservation.

Percolation ponds were dug, and the Cuttle Weir was completed by 1914. The current District was formed by the San Bernardino County Board of Supervisors on January 4, 1932 by a vote of landowners to obtain water for conservation purposes as a special purpose District under §74000 California Water Code Water Conservation District Act of 1931, and shortly thereafter the WCA dissolved. The District has fee ownership, water recharge easements, and/or permitted use on more than 3,650 acres. The District, as an agency, serves a total of approximately 50,000 acres.

This water mission, which is the origin of the District, continues to be as critical to the groundwater basin and to the farmers, communities and stakeholders of the region as it was when the District began.

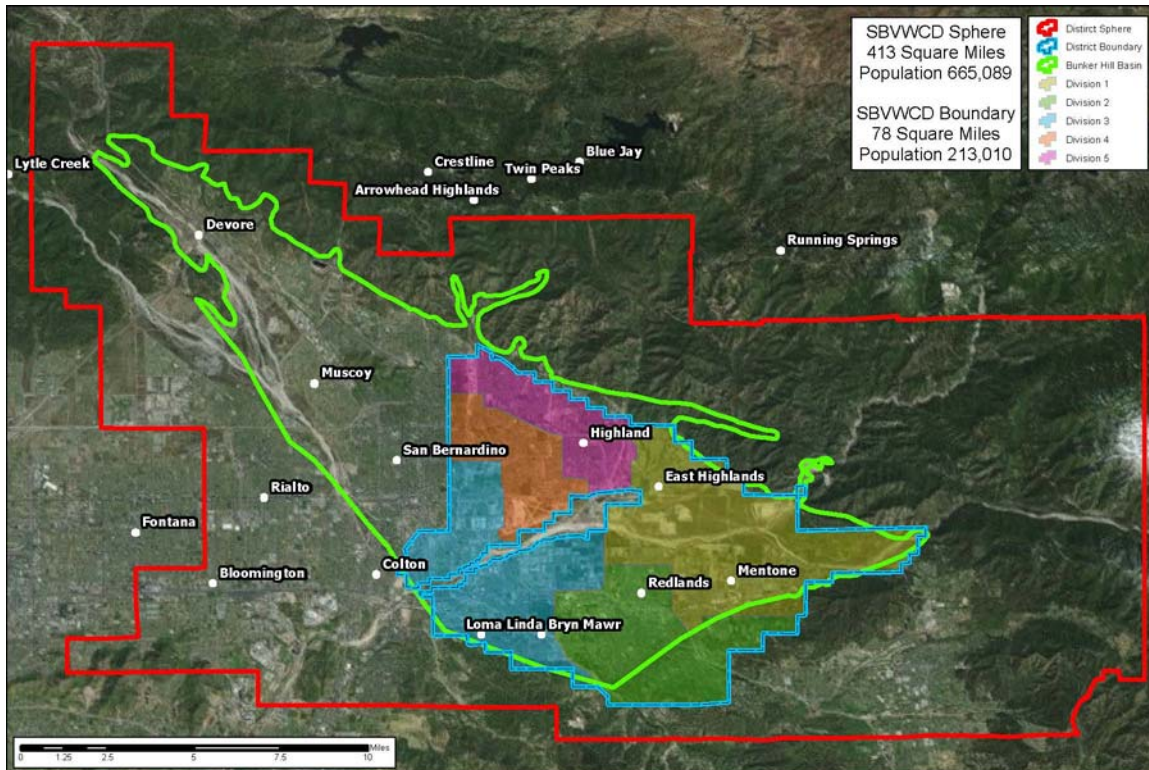
### 1.2.1 Recent History

Relevant to the history of the mission of the District is its interaction with the region. In 2005, the Local



Cuttle Weir Diversion Structure Dedication

Agency Formation Commission (LAFCO) eliminated the District's Sphere of Influence signaling it intended to consolidate the District. In 2009, LAFCO proposed consolidation of the District into the San Bernardino Valley Municipal Water District (SBVMWD), despite the objections of the Water Conservation District. The LAFCO Commission did not approve the consolidation and the District



District Sphere, Basin and District Boundary

operates today having implemented most of the recommendations made by LAFCO, short of consolidating. LAFCO again reviewed the District in 2015 as part of the municipal service review to reinstate the District’s sphere of influence. LAFCO’s report noted that the District has greatly improved its financial ability to provide recharge and related conservation services and cooperates with partners and communities for shared services and access to facilities. LAFCO accepted the proposed Groundwater Council as an alternative to consolidation as it more equitably allocated the groundwater charge to all agencies benefiting in the Bunker Hill Basin.

On October 21, 2015, the LAFCO Commission provided the District a sphere of influence which covers the Bunker Hill groundwater basin, shown above. In addition, the District has continued to strengthen relationships and open lines of communications with water agencies, cities and its partners in the region.

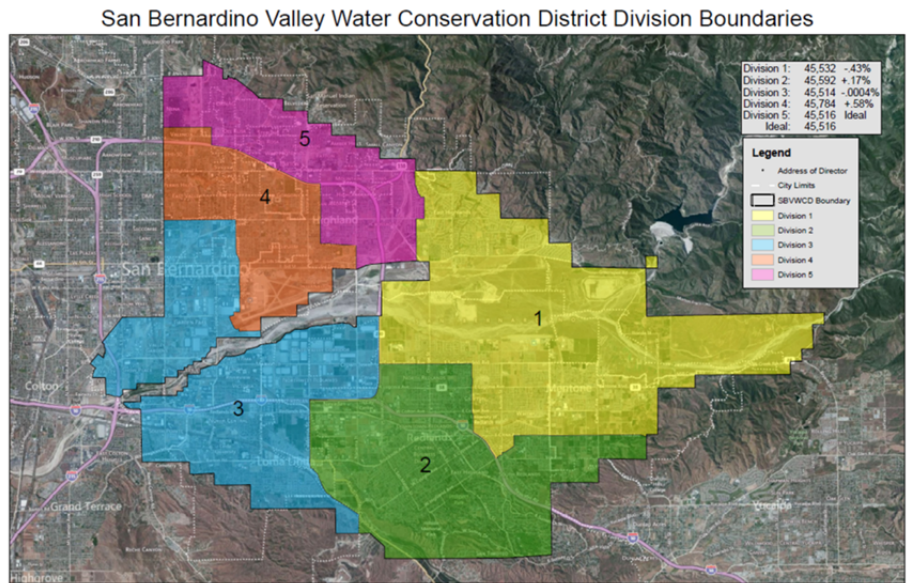
### 1.3 Changes and Accomplishments

Leading up to the 2013 CSP and in accordance with it, the District addressed several governance issues and developed an enterprise financial system to separate the District’s activities into distinct enterprises providing transparency and accountability in the District’s financial dealings. The District also developed a concise reserve policy to provide clarity to the development, maintenance and use of reserves. In 2012, the District’s Enhanced Recharge Agreement with Western Municipal Water District (WMWD) and SBVMWD was completed and subsequently SBVMWD also joined the Wash Plan to permit these facilities. This agreement is a cost-effective method for additional recharge within the Basin for all three districts. Construction on these facilities began in August 2017.

The District also implemented SB-235 in 2012. This bill sponsored by the District, to allow it to reduce from seven board members to five Board members. The Board adopted five new Division boundaries, based on the 2010 Census.

### 1.3.1 2013 CSP Accomplishments

In the past four years, the District has made significant progress in a number of areas.



The list below includes significant accomplishments related to goals in the 2013 CSP.

1. Aggressive Recharge – Staff implemented projects and operational changes to more aggressively recharge both local native rainfall and large flows of State Water Project recharge in 2017 after several years of drought.
2. Grant-funded support for innovative capital projects in Plunge Creek and reserve-funded improvements to the Mill Creek Diversion are in regulatory review in the permitting process.
3. Wash Plan Land Stewardship – The conservation strategy was completed and documentation completed including: Habitat Conservation Plan, Implementing Agreement, Memorandum of Agreement, approved Endowment allocation and issuance costs, and an MOU with San Bernardino County Flood Control for independent implementation.
4. Wash Plan Implementing Legislation – HR 497 was unanimously approved by the House of Representatives in June 2017 and S. 357 was heard in the Senate Committee in July 2017.
5. Conservation Trust – To implement the Wash Plan with proper governance and appropriate fiscal management, the District developed a 501 (c) 3 nonprofit, the San Bernardino Valley Conservation Trust, which was approved to hold endowments and conservation easements on March 1, 2017 by the California Department of Fish and Wildlife.
6. Cooperative Regional Agreements – Several critical agreements including the Enhanced Recharge Agreement were completed and are in implementation; others, such as the Groundwater Council, are developing and in negotiation but major cultural shifts to basin management have occurred.
7. Recreational trails- A trails masterplan was developed and approved by the Board with implementation discussion with Redlands and Highland.
8. Fiscal Management – The District continued to improve its financial health and sustainability through stable groundwater charge and aggregate mining and aggregate management with on-time budgets and clean audits.
9. Professional development for staff and interns to cost-effectively achieve an extraordinary level of high-quality work from limited staff.

Considerable progress was made in every area identified in the seven 2013 CSP goals.

## 1.4 2017 CSP Planning Process

The Board began a staff-led update to the CSP in February 2017. After reviewing the strategic planning steps and the implementation of the 2013 CSP, the Board identified issues of priority to explore further. Three additional planning sessions were facilitated by the General Manager covering the seven issues raised by the Board in the initial offsite session. The following issues were discussed:

1. Additional Recharge
2. Service Boundary Expansion
3. Wildlands Trail Recreation
4. Expanded Habitat Management
5. Mine Reuse Planning
6. Public Outreach
7. Treatment Wetlands

The Board members ranked each of the issues and all were evaluated and prioritized by the Board. Each of these issues were explored by the Board after a staff presentation on current efforts, status and accomplishments. Board members provided feedback and determined goals and objectives for the next five years. A summary table of their conclusions are shown below:

<b>1</b>	<b>Additional Recharge</b>	Continue aggressive recharge on District lands, look for opportunities for community storm water recharge outside District-owned land, and potentially develop community recharge or a project outside the District
<b>2</b>	<b>Boundary Service Expansion</b>	Staff should seek opportunities for expanding service where appropriate within the sphere of interest. If projects are outside boundary, consider LAFCO application for contract or change in boundary - Consultant/staff need
<b>3</b>	<b>Expanded Habitat Management</b>	Passively work with partners to achieve habitat management in the Wash area and surrounding areas if consistent with mission
<b>4</b>	<b>Outreach PR</b>	Develop and implement a program for additional outreach according to Board recommendations benefiting the mission and projects of the District.
<b>5</b>	<b>Mining Pit Reuse</b>	Develop a conceptual planning document for mined area use and reuse
<b>6</b>	<b>Treatment Wetlands</b>	Monitor long-term opportunities for aesthetic and water quality wetlands projects - consultant need if implemented

After the discussions, the Board again prioritized the issues as discussed. Several of the issues were not carried forward as strategic issues. Treatment of wetlands was determined to be an ancillary issue and to be pursued in partnership with others or if an opportunity occurs. Mining pit reuse was determined to be premature with the exception of ensuring the mine plan and closure plans contain the provisions appropriate for groundwater recharge as they are updated. Public Outreach was determined to be an operational issue with staff working with the Public Outreach Committee plan to implement improved outreach in the current year.

Of the remaining issues, Additional Recharge was considered to be the highest priority with Boundary and Service Expansion being second. These issues are correlated and have significant overlap but with the change in Sphere of Influence authorized by the Local Agency Formation Commission and the developing Groundwater Council, the Board wanted to ensure service was provided wherever it was needed and appropriate.

With the Wash Plan HCP being virtually complete, the Board indicated priorities for implementing the HCP elements including Regional Wildland Trails and Expanded Habitat Management. These issues are consistent with the full implementation of the Wash Plan HCP in partnership with the local cities of Redland and Highland for trails, the Inland Empire Resource Conservation District, and San Bernardino Valley Conservation Trust for habitat management.

In final review of the strategies, goals and objectives, there was significant consistency with the goals from the 2013 CSP and the Board determined that the presentation of the goals should be integrated.

### 1.4.1 Summary of Community Strategic Plan Goals

This Community Strategic Plan provides background and context to the efforts and goals in the plan. The following table summarizes the Community Strategic Plan Goals as updated in 2017 and described in more detail in the rest of the plan.

No.	2017 Strategic Planning Goals	No.	2013 Community Strategic Plan Goals
1	<b>Additional Recharge</b> - Consistent with CSPG 1, increase Stormwater recharge through maximizing District-owned facilities (aggressive recharge) then expand to support distributed community recharge in cooperative partnerships 2017-2022	1	Increase and enhance basin water resources and conservation management through core mission efforts and enhancement projects
2	<b>Boundary Service Expansion</b> - Consistent with CSPG 3, and supporting the mission and services of the District expand the District Boundary or Service Contracts by 2020	3	Continue to develop and improve financially sound and efficient District organization with secure foundation to better serve District Partners and Communities
3	<b>Trail Recreation</b> - Consistent with CSPG 5, continue to work to open wildland trails on District-owned lands with at least one trail open by 2020	5	Support Trails and outdoor recreation identified in the Wash Plan and in cooperation with District Partners and Communities where financially viable
4	<b>Habitat Management</b> - Consistent with SSPG 2 and working with the Conservation Trust leverage the Wash Plan successes to expand habitat management support for Wash Area lands.	2	Provide effective stewardship of District lands for environmental, water conservation and habitat management through the Wash Plan
5	<b>Outreach</b> - Consistent with CSPG 4, expand efforts for opportunistic outreach and provide information to decision makers - Tactical Issue	4	Deliver services and programs to improve non-retail outdoor water use efficiency and new groundwater recharge in the valley watershed
6	Mining Area Reuse - Consider mining pit reuse and recharge needs - not a strategic issue	6	Develop staff and District organization to support District Mission and regional projects and programs
7	Treatment Wetlands - Respond to opportunities for potential treatment wetlands areas compatible with the District's mission.	7	Support and lead regional efforts related to water conservation and management of natural resources with District partners and communities

## 2 Core Water Mission Activities

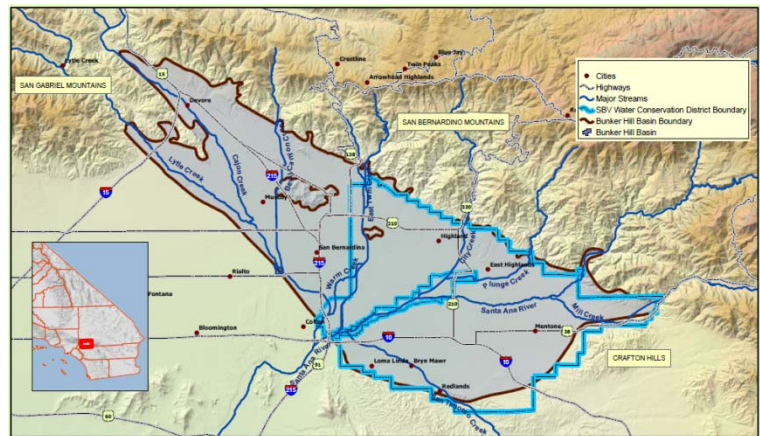
While the District has the tagline, “Our Name is our Mission,” the formal adopted mission of the District was approved in 2001. During the 2017 CSP process, some changes were recommended and shown below is staff’s recommendation for Board review:

*The San Bernardino Valley Water Conservation District ensures recharge of the Bunker Hill Groundwater Basin in an environmentally and economically responsible way, using its facilities and all sources of high-quality surface water. We strive to improve the supply and quality of groundwater and steward our land resources and facilities, while balancing our other land management responsibilities such as public access, mineral, and other resources.*

The core water mission is but one of the District’s important accomplishments. The section below describes several ongoing core District activities.

### 2.1 Water Conservation

Water conservation management and recharging the groundwater aquifer are the core water activities of the District. To maximize the recharge, the District initiated the Aggressive Recharge approach to divert and sink the maximum amount of water available in wet periods under District Licenses and partner agreements. This effort marked the beginning of facility improvements and changes that allow better management of sediment in Mill Creek and expansion of facilities in Santa Ana in partnership with SBVMWD. The District’s facilities are in an ideal location to recharge the basin. These vital functions have been provided by the District and its predecessor association for over 100 years. Throughout its existence, the District has recorded more than one million acre feet of recharged water, which equates to more than 325 billion gallons.



Bunker Hill Groundwater Basin

#### 2.1.1 Water Facilities Operations and Management

The District utilizes and maintains diverse collection facilities to accomplish its recharge mission:

- 3 soft plugs made of erodible materials and 3 diversion structures
- 4 weirs and flumes for measurement
- 18 miles of canals, 38 control gates, and 31 road crossings
- 26 miles of roads and 11 access gates
- 73 basins (43 acres) with 92 overflows

Field operations personnel maintain not only these facilities but also the trucks, loaders, excavator and hand equipment needed for operations and maintenance. They are adept at utilizing and enhancing the capabilities of the existing facilities. While many of these facilities were constructed many years ago, annual cleaning, maintenance, and upgrades are critical to achieving the strategic goals in this area. The Aggressive Recharge approach pushed the facilities to recharge more water and to take more State Project Water for a longer period during the summer when available.

The District regularly updates its Operations and Maintenance Manual, including detailed information about the facilities and their operations. The manual describes the field functions for all facilities, equipment and operations. It also provides information on the many coordinated efforts and partnerships related to the District's operations.



District Percolation Basins

### **2.1.2 Facility Permitting**

The 2013 CSP documented the Board's commitment to fully permitting Operations and Maintenance activities in Mill Creek and Santa Ana recharge areas. This permitting process was already underway in the Santa Ana area through the Wash Plan. The Mill Creek diversion project and the Santa Ana River HCP would provide additional permit coverage for district actions. In addition, the District undertook modeling and engineering to implement the Plunge Creek Habitat and Water Conservation project with grant funds from Proposition 84 through the Santa Ana Watershed Project Authority (SAWPA).

### **2.1.3 Water Facilities Partnerships**

The District is an active participant in several regional partnerships related to the water mission. These separate efforts are related by the District's position in the watershed and its independent purpose in the region. These partnerships and shared services assist the public and other agencies as much as they do the District. They enable all entities to operate more efficiently and ensure adequate services are available to the public.

#### **2.1.3.1 Exchange Plan**

The Exchange Plan is an existing program between the District, SBVMWD and WMWD for cooperative measurement and documentation of surface waters that are directed and divided above, on and around District lands. The District field staff monitors Santa Ana River and Mill Creek water diversions, transfers, exchanges, and the amount of water recharged for the benefit of the basin on a daily basis. This is summarized in daily and monthly flow reports provided to water managers and the public through email and the District website. These efforts support strategic goals for many agencies and ensure documentation and efficient surface flow deliveries.

### 2.1.3.2 Facility Improvements

In addition to annual cleaning and maintenance, the District has made many changes and improvements in the facilities over time. These changes increase the efficiency of operations and reduce likelihood of injury and damage to facilities. Gates and other control structures have been improved and updated as well as overflows to recharge basins. Many of these improvements have been done in coordination with partners to accommodate additional flows, such as State Water Project imported water recharged on behalf of the District’s water partners.



Basin Maintenance Activities

Additionally, the Enhanced Recharge joint project with SBVMWD and WMWD will further improve and increase capacity needed to support present and projected population needs as well as the current capacity of the District’s facilities. In partnership, SBVMWD led the second phase of the project developing a design for additional recharge of water that was demonstrated to be available through the water rights application approved by the State Water Resources Control Board. This project is further described in Section 2.2.1 below.

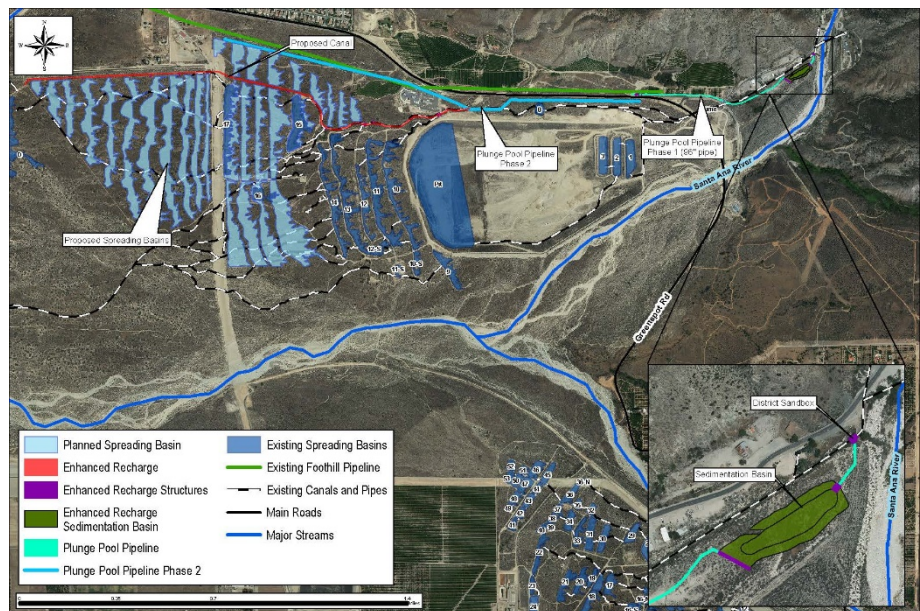
## 3 Strategic Water Related Mission Efforts

### 3.1 Aggressive Recharge

The Aggressive Recharge approach is a management and operations tactic to increase recharge even at the expense of higher operations and maintenance costs. Because the operations and maintenance costs are still significantly less than the value of the water, the strategy makes sense for groundwater charge payees. The changes are mostly implemented by field staff. They “turn out” water from the creek and river as soon as it begins to stabilize and clear rather than waiting for water carrying lower sediment and debris, and take all water that is available closer to the physical limits of the facilities. These efforts require more frequent and expensive cleaning and repairs. This approach has been undertaken with existing staffing but places considerable additional burden on staff. The approach was not fully implemented in the drought years of 2014, 2015 and 2016. As the year of 2017 began, the approach was tested and resulted in recharge of water at the maximum for the basins with both native river flow and State Project Flows high enough to wet areas of the spreading grounds that had not been used in over 25 years. These flows have provided significant groundwater recharge—over 40,000 acre feet—and also improved habitat in more remote channels. Significantly more attention and active management is needed when running the facilities near or above their traditional maximum flows and elevations. Additionally, increased maintenance costs are incurred from repairs, maintenance, sediment removal and algae management.

## 3.2 Enhanced Recharge Project

The joint cooperative project initiated in 2008 and codified in a three-party, 50-year lease agreement, is one of the District's most significant strategic goals. The productive combination of capital and water rights from WMWD and SBVMWD with the District's ideally suited lands and operations capabilities create significant value for the San Bernardino Basin Area (SBBA). This effort expands recharge capacity on District lands by more than 100 acres of new



Enhanced Recharge Plans and Land Ownership

facilities supporting current reliability and projected growth. The agreement also requires the District to efficiently maintain the facilities as it does the existing recharge basins. Collaboratively developing this expanded capacity is one of the District's most significant strategic element activities. Staff participated in the development of plans and designs for the project as well as supporting the permitting process under the Wash Plan. Phase I A began construction in August 2017.

### 3.2.1 Resource Implications

The District currently allocates enhanced recharge funding toward the Groundwater Enterprise field efforts and Land Management Enterprise. The agreement also requires the District to hold, in reserve, money from the lease payment to prepare for future cleaning of constructed basins. This revenue is generated from the annual payments as provided for in the lease agreement with WMWD and SBVMWD for the expanded facilities with revenue also allocated to the Land Enterprise. This additional revenue increased the financial ability of the District to provide these and other critical public services.

Current efforts include coordinating engineering design, permitting, initial construction, and—in 2019—initial operations of the Enhanced Recharge facilities. The District will support these efforts with current field staff and an additional field technician as needed in 2018 to assist in the operations and maintenance of the new facilities.

## 3.3 Enhanced Facility Security

An important strategic goal is to increase the security of the facilities and lands the District owns or manages under easement. An Increase in homelessness, metal theft, illegal dumping, trespassing, and off-road vehicle traffic damages the District's lands, facilities and habitat. Reducing illegal access is a strategic long-term effort of the District to reliably provide services and safeguard the facilities. Over the past five years the District has placed new gates and replaced old gates, repaired fences, placed boulders to discourage vehicles and cleaned up dumping. Issues related to habitat are discussed in

the Land Management Section, but controlling access to sensitive habitat areas is critical to a successful Wash Plan implementation. Continued effort and infrastructure will be needed into the future.

### 3.3.1 Resources Implications

The District currently budgets funding for Security Enhancements, primarily in maintaining fencing, destruction of nuisance buildings and development of better perimeter controls to discourage illegal entry by vehicle. Funding is primarily focused on the groundwater facilities and funded from the Groundwater Enterprise. Funding and coordination with other areas and adjacent developments will be associated with the Land Enterprise. Field staff



District Main Canal to Santa Ana Basins

support this effort on a time-available or time-needed basis. Wash Plan HCP implementation will require additional staffing and funding.

## 3.4 Water Use Efficiency and Communication Efforts

The District has had a limited role in retail customer water use efficiency. As discussed, its primary role is in diverting surface water to recharge groundwater. The Board has a strategic goal to efficiently expand its water use efficiency efforts to more fully implement its mission within its financial ability. To accomplish this in an effective manner, these efforts will seek opportunities in which it can partner with others or to work in areas not served by retail water providers.

### 3.4.1 Groundwater Producer Communication

Because the retail water providers are the District's partners and pay the Groundwater Charge, it is more efficient for them to communicate with retail water users. The District can fulfill this part of its strategic goals by partnering with them to assist where needed in reaching their customers. Additionally, there are partners not currently served by retail water suppliers, communities or others providing conservation programs. Such producers are likely our non-governmental Groundwater Charge payees and may not always be receiving a message about conservation. This is an area in which the District can assist and provide service.

### 3.4.2 Educational Outreach

The Board has authorized the District to participate with the Inland Empire Resource Conservation District (IERCD) in its Elementary School Education efforts. This mature program needs additional support to reach more students. By partnering with the IERCD, the District can convey messages about conservation and its efforts to help while supporting the existing programs. This cost-effective program shares staff and facilities, and achieves multiple goals at a low cost.

### 3.4.3 Efficient and Focused Outreach

The District participates in a regional water conservation (use efficiency) program with other regional agencies and its retail water agencies. This program has print, radio and other awareness outreach to the entire Inland Empire for the past three years. The program is being revamped after the drought emergency has been withdrawn and will likely continue at a lower level into the future.

As part of the 2017 CSP, the Board agreed to expand outreach and retained a firm to assist with limited focused outreach to local, regional state and federal officials. This effort will be targeted on entities and organizations that may depend on the District or have connection or interactions with the District now or in the future. The September 2017 Little Hoover Commission on Special Districts, encouraged Special Districts to “tell your story” and ensure your community leaders know you work for the public and fees collected serve them. Enhanced and focused outreach planning is ongoing and will be implemented in 2017. As such, this issue is not carried as a specific strategic action.

### 3.4.4 Conservation Education and Outreach

The Board identified an opportunity to help develop and provide conservation education to landscapers and gardeners who manage water at the many facilities they maintain. This unmet conservation gap could have a significant impact on outdoor water usage from municipal waters, but more importantly from small agricultural groves and facilities that obtain water from mutual water companies or private wells. This sector is not currently served or targeted for education in the District’s area. After working with the Basin Technical Advisory Committee’s



QWEL Class Graduates

subcommittee on conservation the District agreed to license and help provide the Qualified Water Efficient Landscaper (QWEL) program with the conservation coordinators in the Inland Empire. Chino Basin Water Conservation District also supports this program in Western San Bernardino County.

### 3.4.5 Resources Implications

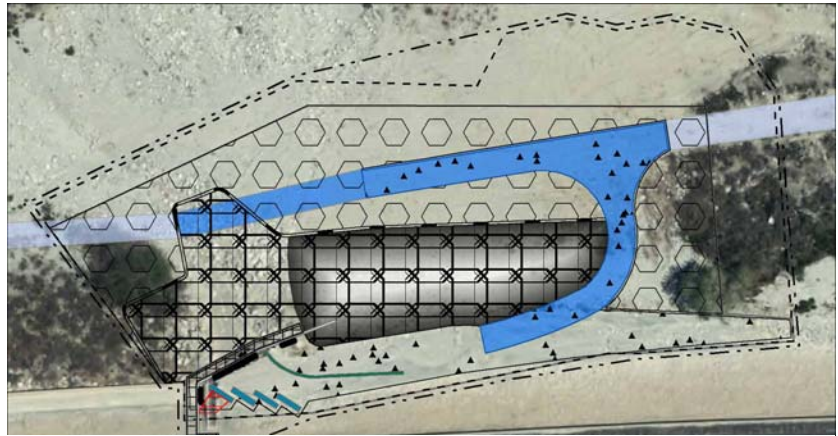
The District currently budgets about \$50,000 toward conservation education and outreach efforts. The strategic goal of increasing conservation reduces the water demand on the basin and the amount of water recharge needed to maintain the groundwater basin. By cooperating with others for shared services, and with our groundwater producers that do not have existing programs, we can cost effectively reach groups who do not otherwise get these messages. The QWEL program as implemented is cost effective. Focused outreach to District partners and community leaders is also cost effective and can be completed without augmenting staff.

### 3.4.6 Expanding Recharge Efforts

While identified as a goal of the 2013 CSP, Board members affirmed that its core mission of recharge is the key strategic action central to their work. They also identified opportunities to expand recharge in several areas listed below in priority order.

### 3.4.6.1 Expanded Recharge

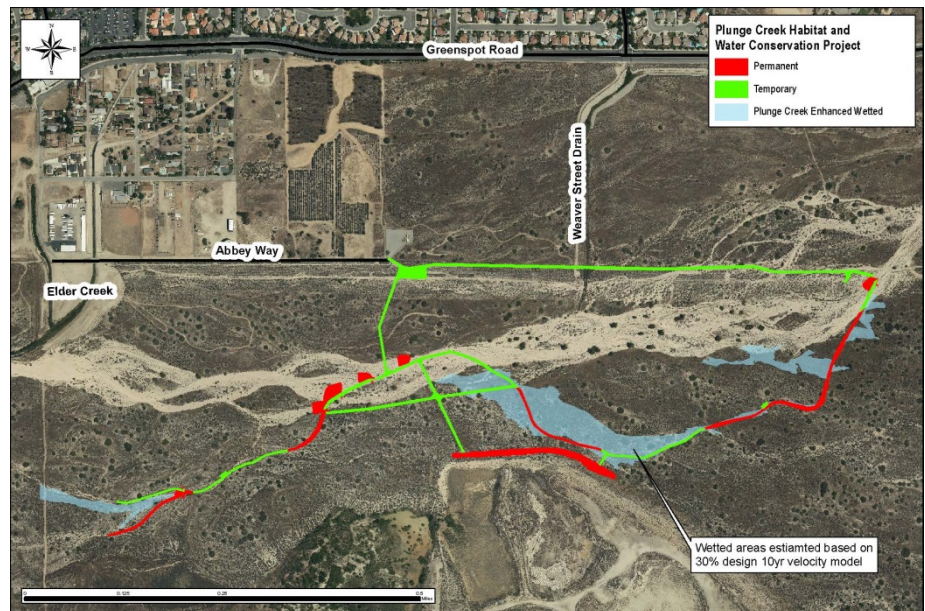
Expanding recharge activities on District lands and lands that are acquired in the Wash area was the top priority and most near-term effort for this strategic issue. Staff has been working on more aggressive operation facilities and has identified capital efforts to expand recharge capacity on the existing facility footprint or nearly so. Some expanded recharge capacity can be implemented as a



Mill Creek Diversion Improvements

special maintenance project that expands operating flexibility. However, this category also includes the Mill Creek Diversion Sediment Improvement project initiated in 2015, but which requires design and permitting. Finally, the District acquired approximately 16 acres referred to as the Mendoza Trust property for its long-time owners. This property has the opportunity to provide both increased recharge of imported water or local native surface flow in a meandering channel and California gnatcatcher habitat for a partner or other needs.

In 2012, the District was selected for a One Water, One Watershed grant under the SAWPA Integrated Regional Water Management Planning program. This project is currently in permitting and will increase water recharge and endangered habitat in the Upper Plunge Creek. This project is a partnership with San Bernardino Flood Control District, San Bernardino Valley Municipal Water District and U.S. Fish and Wildlife Service. This restoring of the braiding of Plunge Creek occurs on District lands and can be expanded to other lands to expand the benefits of the project. As a collaborative project, its shared benefits efficiently provide services to the region and it is an opportunity to work together with the resources agencies and habitat managers in the region.



Plunge Creek Habitat and Water Conservation Project

### 3.4.6.2 Community Recharge

Also identified in the 2017 CVP process was the goal of seeking Community Recharge projects which would be implemented on non-District or current District lands, and in partnership with the communities the District serves. The development project could partner wherever there is a storm

water quality requirement for retaining water onsite in an area with recharge potential. This project could bring long-term management and recharge benefits to an area which could support recharge facilities. Alternatively, several parcels being developed could cooperate with the District to bring storm water together in a recharge facility outside of the land being developed.

### 3.4.7 Resources Implications

Significant funding and resources are dedicated to expanding recharge by the District. The Plunge Creek project and aggressive recharge efforts are currently accomplished with existing budget and staffing. Future Community Recharge and Enhanced recharge will require additional capital resources and staffing. In the District staffing plan, a new field staff position is planned for Wash Plan and Enhanced Recharge implementation. Should a Community Recharge project materialize, contract or additional staff would be required to support the effort. Groundwater Recharge Enterprise Reserve and Capital Reserve have been identified for the known capital projects in Mill and Plunge Creek.

### 3.4.8 Big Bear Watermaster

The District is one of the three court-appointed Watermaster members with Big Bear Municipal Water District and Bear Valley Mutual Water Company. The District's primary role is as an unbiased representative of the groundwater basin to ensure the basin is kept whole in the operations of the Big Bear Dam facilities and water management activities. This strategic partnership supports the working relationships between the mountain communities, their water supply, and the water supply for the valley and its users.

## 4 Land Resource Management

In 2011, the District established a Land Management Enterprise to better clarify the roles of the District and to provide better accountability of the sources and use of funding provided in the various areas of the District's efforts. Components and tasks are described below along with several strategic goals related to this effort.

### 4.1 Land Management Enterprise

The Land Management Enterprise holds District land not directly related to current water recharge activities. Revenue related to this enterprise includes mining royalties, land leases, commercial property leases, and easement payments for encroachments and encumbrances. These revenues enhance the District's financial position through one-time and recurring revenue opportunities, which can support the District's core functions and augment reserves to stabilize rates and allow funding of improvements.

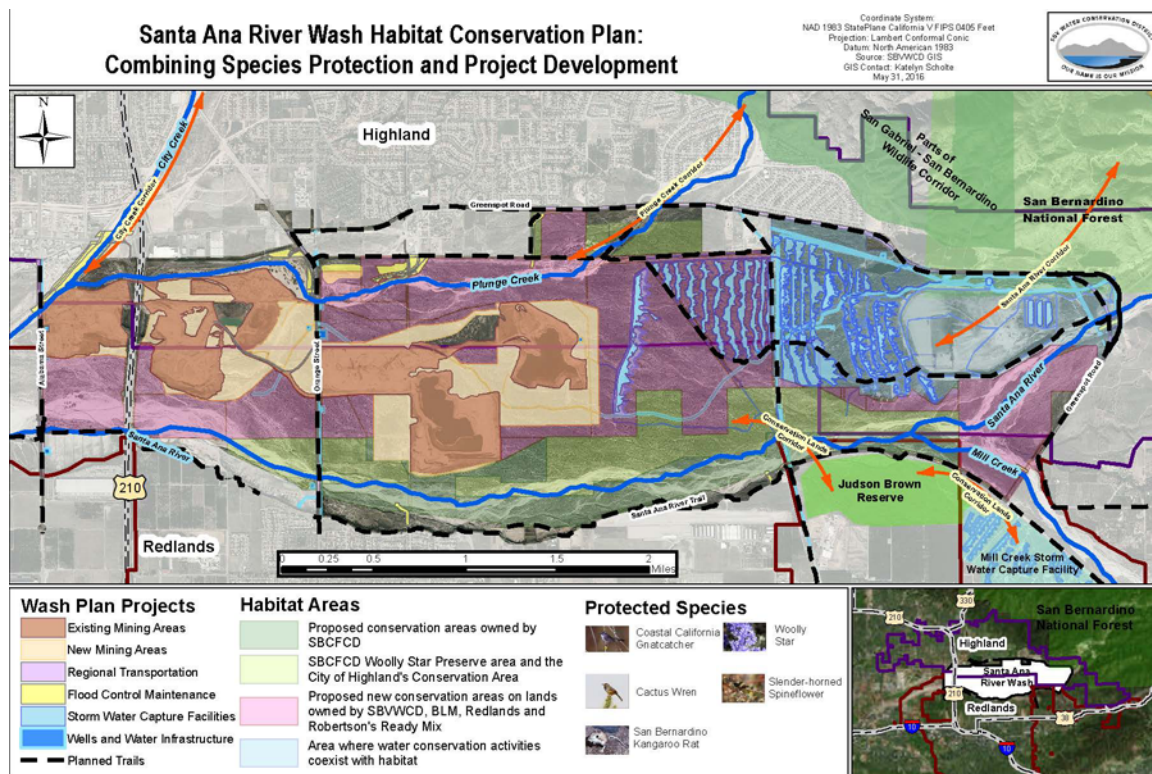


Blooming Santa Ana Woolly Star, an endangered species

## 4.2 Long-term Wash Planning and Management

A key planning and management effort related to the land management enterprise is Plan B or the Santa Ana Wash Plan. This plan is a long-term management approach that creates a comprehensive program to manage the Wash Area shown on the following page. The development of this plan is difficult and requires the participation of the Task Force, made up of stakeholder communities and partners, as well as resource agencies such as U.S. Fish and Wildlife Service, the Bureau of Land Management and the California Department of Fish and Wildlife.

While time consuming and difficult to complete, this plan is critical to permitting mining operations beyond their current boundaries, accommodating enhanced recharge facilities, documenting and permitting maintenance functions the District undertakes as well as supporting our community and our partners' local projects with positive impacts to endangered and threatened species present in the wash. Strategic goals related to this planning effort are summarized by the Wash Plan's commitments to effective stewardship of District-owned and managed easement lands. Habitat management and enhancement in accordance with the Wash Plan is both a requirement and an opportunity for the District.



Implementing the Wash Plan is a key element to sustainability of water recharge in the Wash area. Current strategic examples include:

### 4.2.1 Wildland Trails in Wash Plan HCP

A priority in the 2013 CSP that is repeated as a priority in the 2017 CSP is the implementation of wildland trails which are included in the Wash Plan HCP. Accomplishments to date include a preliminary trail plan by intern staff and a District-approved Trails Plan which reviewed requirements and costs as well as governance for the trails. This plan was developed with the assistance of the cities of Redlands and Highland and in close coordination with the Santa Ana River Trail and the County of

San Bernardino. The next steps in this effort are to gain agreement among the cities on the form of governance and cost sharing and other issues needed to open the trails. After an acceptable agreement is signed, the group can apply for coverage from USFWS to open some or all trails to limited or full use, depending on preferences and funding. The goals related to this 2017 CSP are to have one or more trails open by 2020.

Resources are required from the District as well as from the cities and mining entities to allow the trails to be opened to the public. Many of these resource needs are included in the trails plan; others are District operational resources or District facilities to be isolated from trail users for safety and to reduce liability. Additionally, homelessness on the Santa Ana River Trail has recently become an epidemic in Orange County causing residents nearby to resist construction of trails and parks in their neighborhoods. Because of the large amount of land and remote area, Wash Area homelessness is an intermittent problem. If better access roads, food and water are made available, the area will be more likely to have increased homeless pressure, especially as pressure to remove them from other areas increases.

#### 4.2.2 Habitat Coordination and Management

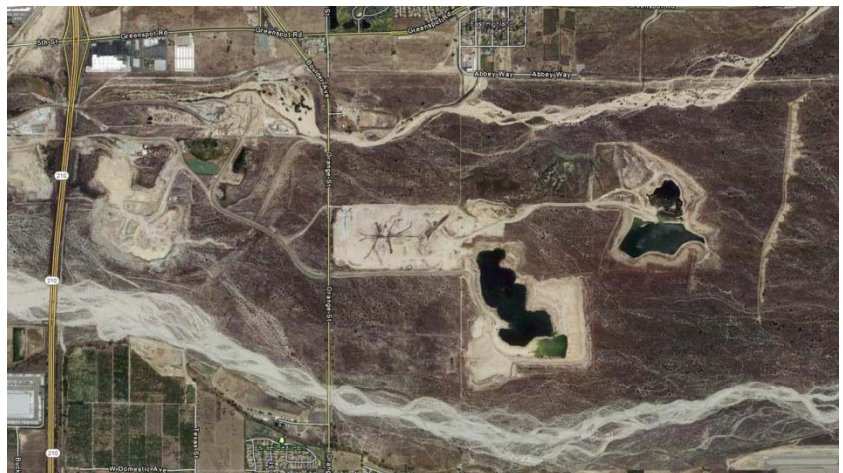
Wash Plan implementation includes not just the projects and the mitigation land management. Staffing and effort will be expended to assist the partners and communities with their covered projects through the Certificate of Inclusion process working closely with the San Bernardino Conservation Trust. Additionally, the District and the Trust will need to work closely with the Cities and adjacent land owners to ensure compatible land uses and development as it occurs.

### 4.3 Mining, Land Use and Development

Responsibly planning, managing and developing the District's lands are key to the sustainability of the District and its land holdings.

#### 4.3.1 Mining

An example of these development proposals is aggregate mining leases which pay royalties to the District. Additionally, they make aggregate material available to the local communities at a lower cost and a lower carbon footprint than what would be produced hauling it from



Mining in the Santa Ana River Wash seen from the air

longer distances. Furthermore, these mining efforts also pay tax or royalties to the surrounding communities' general funds. In 2011, the District negotiated a revised agreement with CEMEX to provide Minimum Annual Guaranteed revenue to the District in the case that they did not mine the resources. The District also has agreements with Redlands Aggregate for permitted aggregate mining. Even in the mining area, the District facilitated an agreement with CEMEX and the County of San Bernardino to provide an easement allowing the County to cooperatively operate on District lands for processing sediment from flood control facilities. The District continues to maximize opportunities for new amenities for District community partners and better land use not currently being mined or when

mining is complete. Mining efforts and aggregate management benefit the local community in providing a local source of jobs, concrete and aggregate materials.

In addition, the District has a contract with Robertson’s Ready Mix, including a prepaid royalty, which provides for mining on District property when permitting is completed. A prepaid royalty has been provided to the District to hold this opportunity until permitting is completed under the Wash Plan.

#### **4.3.2 Land Use, Development and Community Mitigation**

In any given year, several proposals will be presented to the District to participate in related development on District lands or in nearby communities. These proposals, where consistent with the Wash Plan and District policy, can be accommodated if in the best interest of the District or its communities and partners. Easement and fee proposals to develop District lands not needed for water conservation are received and may be solicited under certain conditions. A strategic goal related to this area is to continue to develop alternate long-term funding mechanisms for the District to mitigate rates for groundwater producers and to fund District land management needs.

### **4.4 Sustainability and Resource Management**

The District is also committed to sustainably managing the lands it owns and uses with its partners and communities. Aggregating land near District facilities has value to the District as buffer. It also serves as an asset to the community as well as helping to separate noisy or dusty operations from residential or commercial use. In the 2013 CSP, the District has provided vision for community parks and recreational amenities. Additionally, wetland areas were suggested for water quality issues. Currently, there is no driving need or funding to support these projects but the Board believes that these amenities may fit into broader future resource management efforts with partners in the region. It is important to keep these efforts in mind when discussing resources management for the region.



**District Lands and Native Habitat**

## **5 Agency and General Fund**

While most of the strategic goals are related to projects of the District, some goals from the 2013 CSP were primarily related to the District operations and are listed in this section.

### **5.1 Annual and Short-Term Efforts**

The 2013 CSP contained several efforts which were short-term, generally less than one year. Beginning in 2011, the Board began setting priorities at the beginning of its calendar year to allow these priorities to be implemented during the calendar year. Some of these items were normal District efforts that required special attention or were infrequent projects. Other priorities are being tracked and reported upon to provide direction and accountability to the staff and Board. This process continues although the 2017 CSP no longer contains these near-term financial issues.

## 5.2 Organizational and Financial Improvement

The District has the strategic goal of continuing to develop a more efficient District governance and organization with a secure organizational and sound financial foundation. Enhancing this status and continuing to build relationships are a strategic goal intended to provide better, more reliable service to the District’s partners and communities.

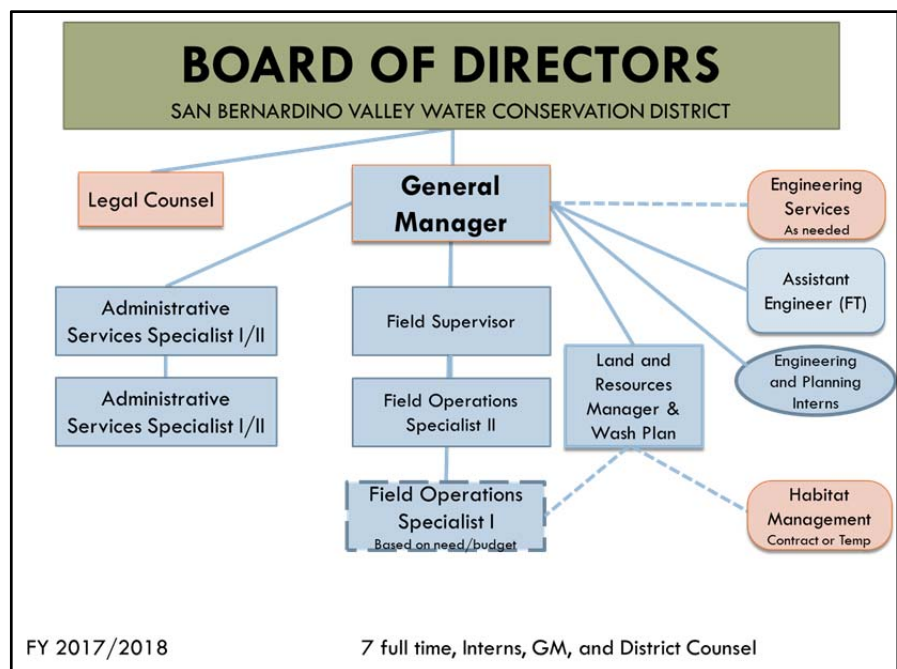
An example of this strategic goal accomplished in 2012 was the development of the groundwater charge rates which are adequate to fund the District’s groundwater recharge services.

Ongoing examples include:

- Managing costs and expenses to ensure cost effective services
- Managing reserves and revenue opportunities which stabilize District costs and service levels
- Working with regional partners and supporting projects, common needs and shared facilities
- Developing cooperative agreements to support mutual needs
- Continuing to demonstrate the high value of District services, and supporting and enhancing community and partner goals and efforts.

## 5.3 Develop Staff and Organizational Capacity

In the 2013 CSP the Board recommended a strategic goal of developing staff and the District’s capability to support key regional programs such as the Wash Plan, and water and natural resources management in cooperation with the District’s partners. This effort, as accomplished, was financially viable. The 2017-18 organizational chart is shown here. Expansion of training for existing staff, use of interns and consultants, and collaborative staff sharing with neighboring agencies and communities will continue. Based on the strategic goals from the 2017 CSP District, staffing may need revision. Additionally, the Board requested a succession and transition plan for the organization in 2016, which may be considered with these strategic needs.



District Organization Chart

## 6 Strategic Revenue Initiatives

During the planning for the 2013 CSP the District had weathered difficult financial times starting in 2008 and continuing through 2011. This situation mirrored the overall economic slow-down;

however, the effect on the District was more severe because all sources of the District Revenues were impacted at the same time. Since that time, the District revised its financial structure, reduced costs, and implemented various policies that will reduce the likelihood and severity of these occurrences in the future. This will give the District the financial ability to adequately provide its core public services under a future downturn. The District also implemented cost reductions documented in the annual budgets including the reduction from seven to five Divisions for the Board of Directors as authorized by the District-sponsored Senate Bill 235. The District also adopted the Enterprise Financial structure and reserve policies to limit the future impact of the broader economic times on the District, since drought happens in good and bad economic times. The District revenues are described briefly below, categorized as renewable and non-renewable.

## 6.1 Renewable Revenue

Renewable revenues are generated every year in varying levels based on the source and conditions.

**Groundwater Charge** - The District sets the Groundwater Charge with the support of the District's partners and communities; the District established a rate stabilization reserve to limit the need for large rate increases in a given year. No rate changes are anticipated for the present year. Rate increases were forestalled in 2015 and 2016 to allow retail agencies to recover from the emergency conservation regulations during the drought. The rates per acre-foot are still very low and affordable to the water producers in the basin.

The District embarked on the formation of a Groundwater Counsel with regional agency support and has continued to convene meetings and prepare legal and technical materials to allow the producers from the basin to have a more equitable method of paying groundwater charges to support the O&M of regional recharge facilities:

Investments - The District reserves are adequate to ensure future operations and the variability of its revenue sources. The District's investments include significant funding provided as a prepayment of royalties. Investment of these cash reserves provides a small but sustainable amount of revenue to the District.

Rental/Lease Income - The District owns and leases lands and office and residential space beyond the current needs of the District. The District manages these investments to reduce its operating cost and provide public opportunities for local communities.

Service Fees and Miscellaneous Income - The District provides a number of services and allows use of its land for compatible purposes. Recharge and other services performed for others are ongoing sources of relatively stable revenue. Additionally,



Collaborative Use of District Lands

the District gains other revenue from sales of materials that are generated from the cleaning of basins or placement of materials for storage or processing on District lands.

Property Tax - The District has a minimal amount of General Fund property tax it receives related to its share of county collected taxes. The annual property tax of the past few years is approximately \$85,000.

## 6.2 Extractive or Non-Renewable

Certain funding sources are not renewable and when used or spent are no longer available to the District for future revenue.

### 6.2.1 Mining Royalties

Mining royalties from extracted material are priced based on a market rate negotiated with the company mining the lease. The material that will be permitted and minable is finite and cannot be easily expanded. The Wash Plan conservation strategy provides for a significant increase in minable area and although increased, will be finite. Additionally, the lands after mining are less useful and may be more difficult to reclaim for productive purposes. In the 2017 CSP, a Board



CEMEX Mining On District Lease

issue was discussed related to Planning for Reuse of the Mining Pits. After discussion it was determined such an effort was premature but when the Mining Plan or Closure Plans are modified staff should review them to be sure they contain the needed criteria to sustain groundwater recharge as mining is complete in various area.

### 6.2.2 Property Easement or Community Mitigation Revenue

District lands can be sources of revenue to the District, if well managed. Various public and private organizations seek easements which are generally compatible with the use of the land for recharge and habitat lands. However, once a pipeline or road is developed in the land, that generally precludes other uses of the land. Additional mitigation lands are available on District Fee lands due to the Wash Plan HCP. In partnership with IERCD and the Conservation Trust, the District may be able to help provide offsetting mitigation for community projects, easement projects or its own requirements. These Community or Partner Conservation Easements for habitat are likely to generate revenue and endowments to care for the lands but limit the future of the property for uses incompatible with the easement. Careful consideration should be given to the acceptance or use of these revenues due to the loss of alternative opportunities for the property and funding.



Slender horned spineflower

## 7 Community Strategic Plan Input and Feedback

Like the 2013 CSP a Board-led, community-based process begins with the elements identified and developed by the Board and incorporates community and partner feedback to develop the final Community Strategic Plan. This draft CSP will be updated and this section will be revised upon receiving input from water partners, community partners, and wash plan stakeholders. Incorporating the feedback of these partners provides an opportunity to create a shared vision in the 2017 CSP.

### 7.1 Process and Feedback

The District uses an open process to actively solicit feedback on this Community Strategic Plan to better understand the community's needs. The draft document was circulated and presented in summary for water, community and other partner's feedback. During the development of the plan staff and/or Directors met with:

- Groundwater Recharge Partners and Water Agencies
- Land Stakeholders and Wash Plan Task Force Members
- Mining Partners
- Resource Agencies
- Districts, Cities and the County of San Bernardino
- Community Stakeholders

### 7.2 Approvals

The Board of Directors will review the Circulation Draft Community Strategic Plan and approve it for circulation and comment. Staff will modify the document to reflect the recommended changes, community feedback and comments to produce the final draft. The Board will consider the final version for implementation based on community feedback and comment.

### 7.3 Implementation and Revision

Staff will implement the Community Strategic Plan with direction from the Board of Directors and in cooperation with the District's partners and communities. The Community Strategic Plan will assist with the development of the Annual Priorities List and the Annual Fiscal Budget for the District. It is recommended that staff and the Board review the Community Strategic Plan related to critical decisions and formally review and consider revising the plan if needed every three to five years.

If you have questions or comments please feel free to contact the District.

**Daniel Cozad, General Manager**

[dcozad@sbvwcd.org](mailto:dcozad@sbvwcd.org)

909-793-2503

1630 Redlands Blvd. Suite A

Redlands, California 92373



# Wash Plan Update

August 4 through September 7, 2017



---

Staff continues to estimate publication in the Federal Register of the HCP in the late Fall/early winter of 2017. The earliest scheduled project implementation of HCP projects is the District's Plunge Creek Project scheduled for summer/fall of 2018. Staff continues to coordinate with those having projects under development and has also provided a schedule update to the Task Force. At this time, it appears the Incidental Take Permit will be complete for all projects and the HCP implemented prior to construction.

Wash Plan Habitat Conservation Plan (HCP) Document. Complete.

Implementing Agreement (IA). Complete. Staff continues to provide assistance to Flood Control in scoping their RFP for land management activities on their HCP lands. Staff has also begun to coordinate a data sharing effort with Flood where all biological data, including that from the WSPA, will be housed in the Wash Plan database.

Environmental Documents. The Environmental Impact Report (EIR) and the Environmental Impact Statement (EIS) are the review documents that disclose impacts related to implementation of the HCP. These documents are combined in a single EIR/EIS document with the Federal Partners (the FWS and the Bureau of Land Management) using the EIS section and the District using the EIR as their decision support documents. The "screen check" version completed last fall is being updated to reflect updates to the HCP.

Staff and partners have completed the required Hazards, Geological Resources, Recreation, and Cultural Resources sections of the document during this period. FWS continues to do simultaneous review at their regional office in Sacramento and have been providing comments within several weeks.

Land Transfers. There are two land transfers required for full implementation of the HCP. The first is a land transfer between Robertson's and the Flood Control District. The County of San Bernardino is doing final property and title descriptions for Board of Supervisors consideration of the transfer later this calendar year. The second transfer, a transfer of land between the District and the BLM, requires Congressional approval. The Senate version of the land transfer bill, S357, has passed out of the Senate Committee on Energy and Natural Resources and will be heard by the full Senate this fall. Full implementation of the mining activities described in the HCP requires the land transfer to be completed.

Additionally, the HCP calls for the transfer of approximately 114 acres of land fee title to the District from Redlands. This land will be managed as part of the Wash Plan preserve. Staff anticipates the transfer to occur this fall with the MOU for Wash Plan implementation scheduled for consideration on September 19.

# Wash Plan: Readiness to Proceed <sup>1</sup>

Task Force Member	MOU Complete	Payment to Trust	Project Description and Plans <sup>2</sup>	Preconstruction Survey <sub>3</sub>	COI Ready <sup>4</sup>	Early Project Implementation Dates
City of Highland	✓	✓	✓	✓	✓	Fall 2018
City of Redlands	Anticipated Completion 9/19/17	-	-	-	-	Fall 2017
Valley Municipal	✓	-	-	Partial	-	Spring 2019
Conservation District	✓	✓	✓	✓	✓	Summer 2018
East Valley	-	✓	-	-	-	-
CEMEX	-	-	-	-	-	-
Robertson's	-	-	-	-	-	-




# General Manager's Report

For August 5, 2017 to September 8, 2017

Daniel B. Cozad

The following report covers the weeks between meetings and the efforts and activities during the reporting period.

- 1. Water Conservation – Plan Goal 1** – Santa Ana flows are low for the summer with little rain since March. Very small residual watershed flows are being recharged instream with significant State Project Water flows throughout the summer. In August field staff closed the Cuttle Weir diversion gates to allow construction of the Canal and Sedimentation Basins for Enhanced Recharge. Edison facilities are in operation and no flood control activity has occurred. Santa Ana recharge now totals above 35,000 AF and Mill Creek nearly 9,700 AF. While all basins continue to recharge well cleaned basins in Mill Creek and Santa Ana are still developing algae from State Project water which contains more nutrients. Total recharge exceeds 45,000 AF in early September with about 18,900 AF from State Project water.
- 2. Facility Maintenance and Cleanout – Plan Goal 1** – Field staff are operating all basins and rotating the basins to force drying to reduce algae issues. The Mill Creek diversion is dry without storms and all flows are from State Project water. Staff continued to build and install gates and make repairs and coordinated with CalFire for maintenance, brush removal and fire service staff used our facilities for fires near Greenspot and in Highland and for practice between fires.
- 3. Aggregate Management – Plan Goal 2** – Sand sales have increased with Enhanced Recharge facilities underway, the contractor is bringing rock and will be taking sand for the pipeline and other facilities.
- 4. Personnel/Administration/Staff – Plan Goal 6** – Staff worked on the Board's strategic planning materials and consolidating responses and changes to the existing strategic plan as well as planning for fall student staff.
- 5. Finance/Budget/Audit – Plan Goal 6** – The District began the new budget year in July and implemented the changes for 2017-2018. Staff worked closely with Rogers Anderson Malady and Scott (RAMS) the Board's new auditor on the Audit draft, reserve totals. RAMS staff prepared the GASB compliant reports for CalPERS. Staff and RAMS completed the Audit report draft with staff review and completed a draft final for Ad Hoc Committee review.
- 6. Mill Creek Diversion Engineering – Plan Goals 1/7** – Staff filed the Initial Study and Mitigated Negative Declaration with County Flood. Land Resources Manager Beehler Completed AB-52 Consultation. Staff is working with consultants on the Stormwater

quality management plan in order to be able to move the project forward toward a Section 408 permit.

**7. Plunge Creek Project** – *Plan Goals 1/4/7* – ICF Jones & Stokes is supporting regulatory permitting for Plunge Creek (as well as Mill Creek). Draft Permit applications for the 401 and 404 permits were delivered to District Staff and will be reviewed and finalized.

**8. Collaborative Enhanced Recharge Project** – *Plan Goal 7* – Staff issued JF. Shea Construction an access permit for the project which occurs partially on District lands. They began construction in August and continue until the following August. District canal below the sandbox and above new Greenspot Road will be out of use until November 1. Construction will occur to allow the District to be in operation November to the end of April 2018. In river recharge will be monitored and recorded during the outage. JF Shea worked with staff to remove trees to the specifications needed for the Plunge Creek project and they are dismantling facilities in the main canal and Sandbox.



**9. Groundwater Council** – *Plan Goal 1* – A meeting is scheduled for September 11<sup>th</sup>. This meeting occurs after the publication of the package and Staff will provide an oral report. Staff has worked with City of San Bernardino and City of Redlands on their comments in the GC meeting.

**10. Wash Plan** – *Plan Goal 2* – A separate report is provided in the agenda on the Wash Plan.

- 11. Santa Ana River Wash Plan Land Exchange Act** – S. 357 (Feinstein) had a hearing in July before the Senate Energy and Natural Resources Committee. Staff is working with BLM staff to understand clarifications to make related to the Land Transfer Regulations the DOJ issue. No schedule has been identified for markups and Senate approval. Staff and consultants prepared draft support letters for the bill to be coordinated with the Senate Committee staff and the District staff and lobbyists.
- 12. Conservation Trust** – The Conservation Trust Board of Directors last met on June 9<sup>th</sup>, 2017. They addressed mitigation need for the District projects and Community Mitigation opportunities. They next meet in October. Staff and District Legal Counsel developed an initial draft of a District – Trust agreement for reimbursement and related needs to be considered by both Boards in September. Staff has also coordinated with Development interests adjoining the Wash Plan for mitigation needs and conservation easements.
- 13. Property/Redlands Plaza** – *Plan Goal 3* – Staff continues to manage Redlands Plaza. We have one vacant unit and a likely new tenant is negotiating for the open vacancy.
- 14. Mining** – *Plan Goal 2/3* – Mining efforts by CEMEX Contractors continue on the Plant Site quarry. CEMEX and Robertson’s will shortly be submitting a mining plan to the District detail the areas to be mined by each company. CEMEX and the District are working on the validation of mining revenues and verification of excavations in accordance with the jointly approved methodology. This process is planned to take about 3-4 months and is going as planned.
- 15. Public Outreach and Legislative** – *Plan Goal 4* – Staff continued worked with the BTAC group on iEfficient efforts including participating on the interview panel for selecting the firm that will perform advertising. Staff worked to prepare support letters for Wash Plan members. The Outreach Committee met with the consultant team to discuss outreach scope and efforts based on the committee’s feedback. Staff identified and retained special counsel to prepare comments on the State Water Boards’ Dredge and Fill Regulations. A copy of the letter will be provided at the meeting as well as an information presentation on potential effects. The General Manager testified on September 6, 2017 at the State Board hearing.
- 16. Current Board Action Implementation** – *Plan Goal 3* – Staff is implementing the updated priorities of the Board. Most priority elements are segregated into separate sections of the General Manager’s Report or separate reports. Staff and District Counsel coordinated EHL/CBD v. USACOE as well as other closed session items.
- 17. Future Board Activities** – Expected short term items for consideration or note
- 2017 Audit Review and consideration of approval in this meeting
  - Agreement with the Conservation Trust for reimbursement and related efforts in support of Wash Plan Implementation
  - Review of reserve balances and potential changes in October.

## 18. District Successes – Plan Goal 6

- The Enhanced Recharge project is making excellent progress
- The General Manager will be out of the country in the second half of September and appreciates all the work of Field and Office staff to Several District staff took vacation time in July and early August which were well deserved.
- Plunge Creek Permitting is making good progress
- Groundwater Council Equitable Allocation model is nearing completion
- Tommy, Manual, Katelyn, and Engineering Intern Ryan, all worked together the first week in September to install the steel liner for the Mill Creek North Canal Diversion, which will nearly double the capacity and extend the life for only a few days of work and about \$1000.



# San Bernardino Valley Water Conservation District

## Monthly Recharge Report

From: 8/1/2017  
 To: 8/31/2017



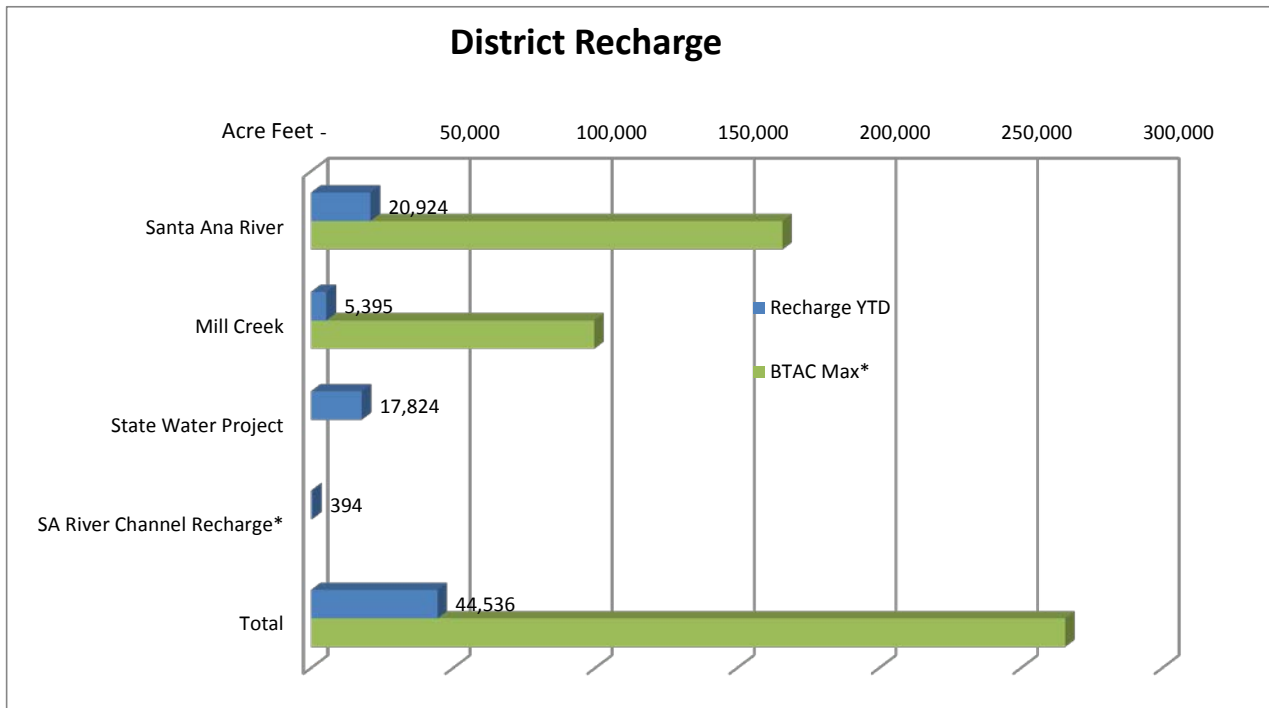
	August				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	1.7	51	20,924	166,000	13%
Mill Creek	0.2	6	5,395	99,700	5%
State Water Project	107.6	3,336	17,824	NA	NA
In River Channel Recharge**	0.0	-	394	NA	NA
<b>Total</b>	<b>109</b>	<b>3,393</b>	<b>44,536</b>	<b>265,700</b>	<b>17%</b>

Values in Acre Feet

\*BTAC Revised Max in December 2016

\*\*Monitoring began in Mid-April 2011

\*\*\* All Values Based on Water Year Oct-Sep 2017





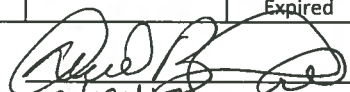
AUTHORIZATION FOR DESTRUCTION OF OBSOLETE RECORDS

Record Type:

Hard Copy \_\_\_\_\_  
 Electronic   X  

(1) Record Series	(2) Description	Date	(3) File Location	(4) Media Type	(5) Years Covered	(6) Reference Status	(7) Document (Original/Copy)	(8) REMARKS (Vital or Confidential Records, Retention Authority, etc.)
Recordings	Finance & Administration	1/25/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Board of Directors	2/8/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Special Board Meeting	3/1/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Operations Committee	3/13/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Board of Directors	3/15/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Big Bear Watermaster	3/20/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Strategic Planning Workshop	3/23/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Board of Directors	4/12/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Board of Directors	4/26/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Strategic Planning Workshop	5/3/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Board of Directors	5/31/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Strategic Planning Workshop	6/7/2017	Server	MP3		Expired	Original	Ret. Term Ended
Recordings	Board of Directors	6/14/2017	Server	MP3		Expired	Original	Ret. Term Ended


Requested by: Athena L. Monge  
 Date: 8-24-17

Approved by:   
 Date: 8/28/17

## Public Water Agencies Panel

### PROCEDURES FOR DISCHARGES OF DREDGED OR FILL MATERIALS INTO WATERS OF THE STATE


State Water Resources Control Board  
September 6, 2017



## Water agencies are concerned about increased regulatory burdens without improved outcomes

Increased Costs and Delays of the Permitting Program Interfere with Water Agency Missions and are Inconsistent with State Policy

- Mission: development, management, treatment, provision, and use of high quality water at the lowest practical cost and in an environmentally responsible manner
- California Water Action Plan “All of the Above Portfolio”
  - ✓ Increased storage and improved conveyance
  - ✓ CDWR’s Urban Stormwater Runoff Management Strategy (July 29, 2016)
  - ✓ SWRCB’s Storm Water Strategy (January 6, 2016)



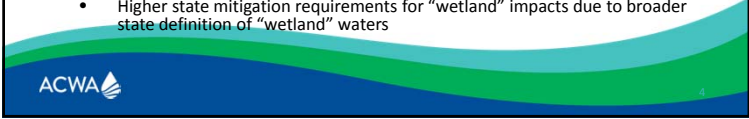
## Increased costs and delays construction, operation and maintenance activities

- Mandates a new Permitting Program—one that particularly impacts multi-benefit constructed water quality treatment and supply facilities (i.e., those that serve water conveyance, storage and/or treatment functions while utilizing or providing wetland or riparian habitat and related environmental benefits).
- Imposes New/Supplemental Permitting Requirements that are different than existing federal 404 permit and state 1602 Streambed Alteration Agreement requirements



## New/Supplemental Permitting Requirements

1. “Waters of the State” delineation report
  - Different definition than Corps and CDFW use and new Wetland Jurisdictional Framework: acts to increase the artificial, constructed multi-benefit water facilities deemed to be jurisdictional
  - No guidance regarding for non-wetland waters features (defers to Regional Boards - eliminating statewide consistency)
2. Alternatives Analysis
  - Extends even to activities that are O&M for water facilities
  - Overlap with current rules for Nationwide Permits and Section 401 Water Quality Certification
3. Different mitigation requirements:
  - New “Watershed profiles” encompass all lands within a watershed, even those privately owned and not subject to access
  - Different state prioritization of watershed mitigation
  - Higher state mitigation requirements for “wetland” impacts due to broader state definition of “wetland” waters



### Examples of Affected Activities and Facilities

- Fiona Sanchez, Director of Water Resources, Irvine Ranch Water District
- Kurt Lueneburger, Senior Water Resources Specialist, Santa Clara Water District
- Daniel Cozad, General Manager, San Bernardino Valley Conservation District
- Miles Hogan, Asst. City Attorney - Water, Ventura Water

Requested Revisions - Mary Lynn Coffee, Nossaman LLP



## Irvine Ranch Water District

Possible Impacts to Constructed Water Quality Treatment Facilities from the Proposed State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State

September 6, 2017



### IRWD's San Joaquin Marsh

#### San Joaquin Marsh

is a critical component of IRWD's Natural Treatment System.

#### Effective water quality treatment

through the use of artificial constructed treatment wetlands.

#### Water from the San Diego Creek

is put through a series of natural treatment ponds for seven to ten days, to reduce nutrients and other pollutants as part of Newport Bay TMDL implementation programs.

#### Result is cleaner water

that is returned to the creek to continue its journey to the Upper Newport Bay and the ocean.

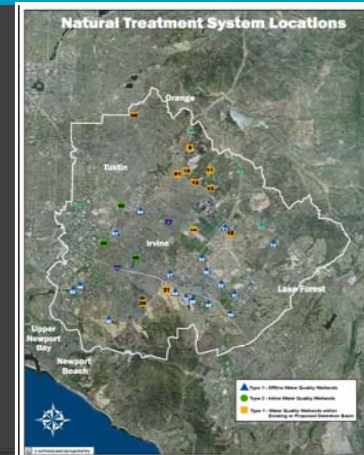


Irvine Ranch Water District

7

### IRWD Natural Treatment System


- Expands wetlands treatment throughout the San Diego Creek watershed.
- 31 sites selected; 27 sites constructed.
- Water quality BMPs integrated with city and county Clean Water Act compliance programs (MS4 and NPDES permits).
- Partnerships with government, private, regulatory and environmental entities.



Irvine Ranch Water District

## Possible Impacts to Multi-Benefit Treatment Facilities


- Prioritized application of Wetlands Delineation Framework defines San Joaquin Marsh as wetland waters of the state
- Framework also defines many NTS facilities and perhaps entire system as waters of the state
- Significant increased regulatory permit and cost burdens to operate and maintain the facilities
- Potential for other regulations to be imposed:
  - Water Quality Standards/TMDLs?
  - Discharge requirements/waste load allocations?



Irvine Ranch Water District 9

## Summary

- Artificially constructed treatment facilities provide multiple benefits
- High level of protection needed for natural wetlands, leads to unnecessary cost and restriction for critical maintenance activities when applied to artificially constructed treatment wetlands
- Definition and procedures should focus on sources of pollution and encourage construction of artificial wetlands to remove the pollution
- Definition and procedures should not regulate constructed treatment facilities designed to remove pollutants from impaired waters



Irvine Ranch Water District 10

## Statewide Wetland Definition and Procedures

SWRCB Public Hearing

Providing Silicon Valley safe, clean water for a healthy life, environment, and economy




[Valleywater.org](http://Valleywater.org)

Santa Clara Valley Water District

11 | September 6, 2017

## Managed Recharge Facilities

SWRCB Public Hearing



- ▶ 393 acres of recharge ponds
- ▶ 91 miles of controlled in-stream recharge
- ▶ 17 miles of canals
- ▶ 10 surface water reservoirs

Santa Clara Valley Water District

12 | September 6, 2017

### Groundwater Recharge Ponds

SWRCB Public Hearing

- Alamos, San Jose
- McClellan, Cupertino
- City Park, San Jose

Santa Clara Valley Water District

13 | September 6, 2017

### Permanente Creek Flood Protection Project

SWRCB Public Hearing

- Watershed-wide, multi-jurisdictional effort spread over 10.6 miles of creek waterways
- Protects 2,200 parcels in Mountain View and Los Altos

- A - Levees and floodwalls
- B - McKelvey Park Flood Detention Facility
- C - Channel widening and deepening
- D - Rancho San Antonio Flood Detention Facility

Santa Clara Valley Water District

14 | September 6, 2017

### Case Study: Alternatives Analysis

SWRCB Public Hearing

Permanente Project Permitting Timeline

Application Submitted	USACE LEDPA Determination	RWQCB LEDPA Determination	Certification Issued
Sep 23, 2013	Dec 9, 2013	Mar 11, 2015	Dec 8, 2015

- 15 month delay between federal and state LEDPA determinations
- Primary Issues:
  - Water Board determinations based on potential beneficial uses versus federal determinations based on actual existing conditions
  - Late introduction of previously undisclosed alternative concept
  - Interpretations of feasibility

Santa Clara Valley Water District

15 | September 6, 2017

### San Bernardino Valley Water Conservation District Recharges the Bunker Hill Groundwater Basin

San Bernardino Water Conservation District  
OUR NAME IS OUR MISSION

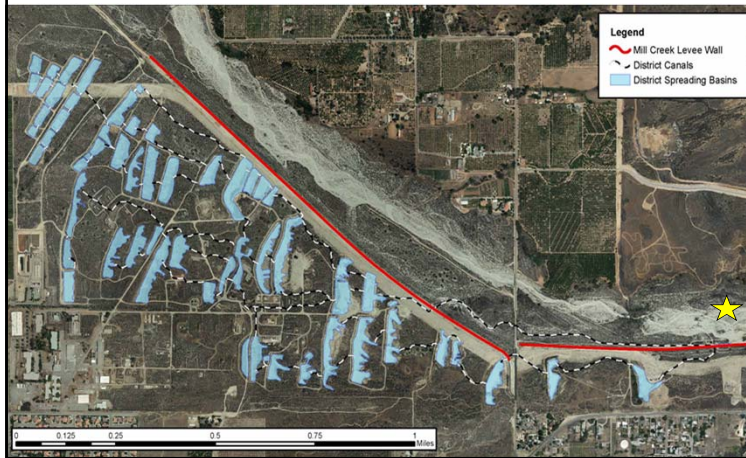
Permanent Weir and Gates in Santa Ana River Spreading Grounds Dedicated November 1930



Still Working Today



Mill Creek Spreading Grounds



Mill Creek Diversion Structure



### Mill Creek Spreading Grounds

- Since 1935 District and predecessors have been recharging very high quality runoff
- Reduces high winter flows and improves groundwater quality for TDS and Nitrate
- Comprised of a diversion two main canals, four sand basins and 51 recharge basins



### Spreading Grounds in 1930s



### Spreading Basins Today



### Mill Creek Recharge Basin 3



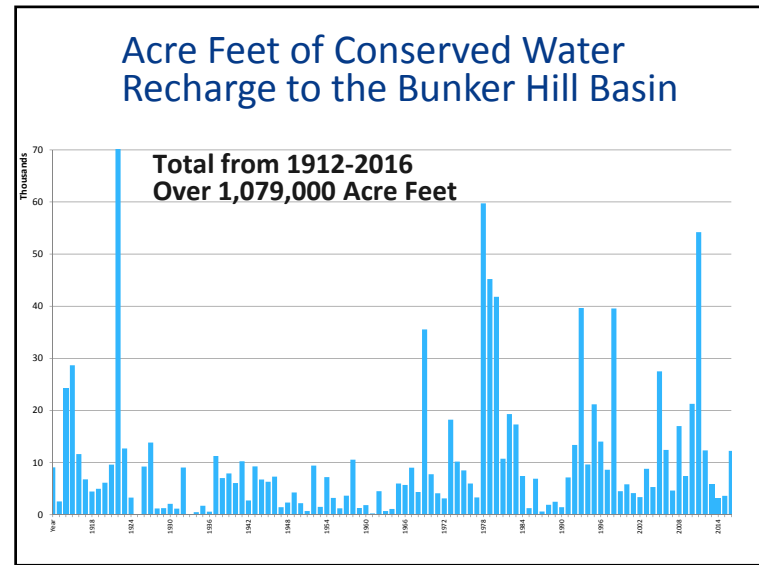
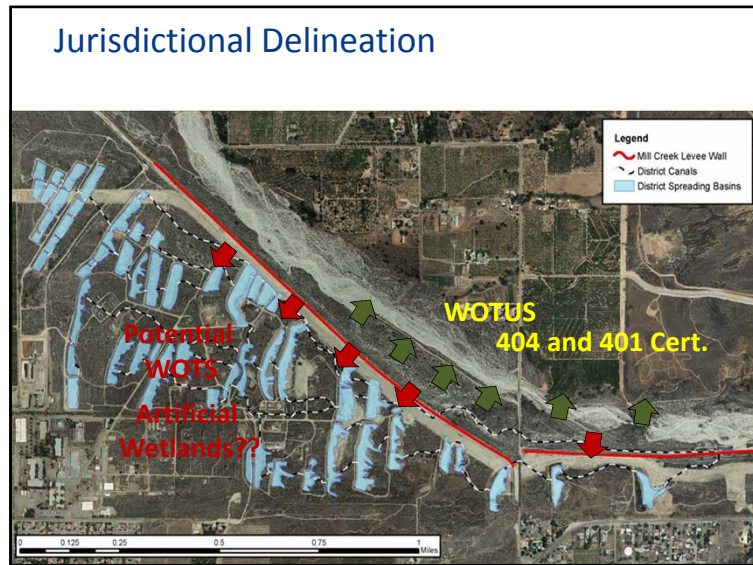




Figure 1  
AERIAL SHOWING THE CITY OF SAN BUENAVENTURA,  
VWRF, AND SANTA CLARA RIVER ESTUARY  
TREATMENT WETLANDS FEASIBILITY STUDY  
CITY OF VENTURA

### Tertiary Treated Effluent

Ventura Water  
Reclamation Facility



**Santa Clara  
River Estuary**

### Wildlife / Water Quality Ponds



Three pond, 20-acre system that provides additional treatment to tertiary treated flows before they are discharged to the Santa Clara River Estuary

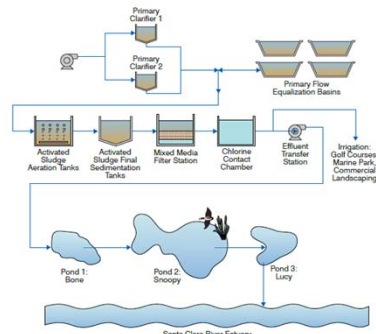


Figure 2  
PROCESS FLOW SCHEMATIC OF THE EXISTING  
TREATMENT PLANT PROCESSES AT VWRF  
TREATMENT WETLANDS FEASIBILITY STUDY  
CITY OF VENTURA

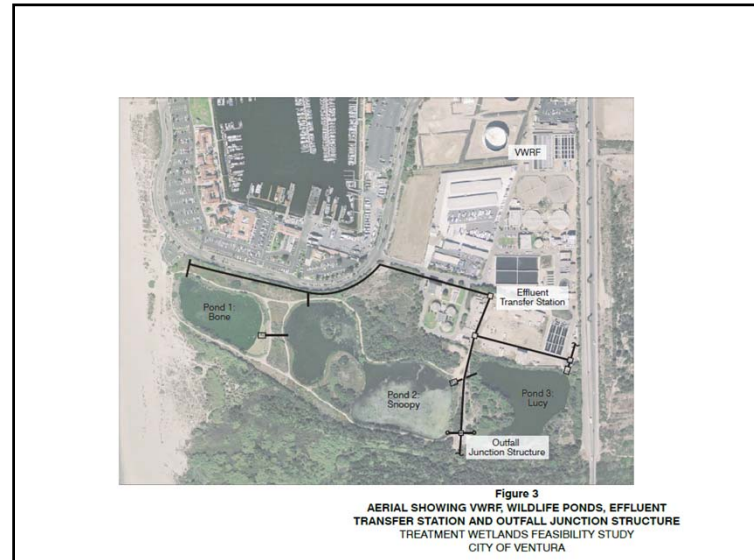


Figure 3  
AERIAL SHOWING VWRF, WILDLIFE PONDS, EFFLUENT  
TRANSFER STATION AND OUTFALL JUNCTION STRUCTURE  
TREATMENT WETLANDS FEASIBILITY STUDY  
CITY OF VENTURA

### Preferred Revisions to Regulations

Mary Lynn Coffee, Nossaman LLP

- Exclude constructed (artificial) multi-benefit water supply and water quality treatment facilities from Waters of the State for purposes of the Proposed Permitting Program (only)
  - **For Wetland facilities** (e.g., San Joaquin Marsh, NTS, Permanent Creek, Mill Creek/Santa Ana percolation ponds, and Ventura Water Quality/Wildlife ponds): exclude from Wetlands a first priority in Wetlands Jurisdictional Framework

### Preferred Revisions to Regulations

- **For Non-Wetland Features** (e.g., reservoirs, conveyance channels) either:
  - Eliminate application of program to non-wetland waters as set forth in the SWRCB Policy Resolution authorizing Phase 1 development of wetlands regulations; or
  - Exclude constructed (artificial) multi-benefit water supply and water quality treatment facilities from Waters of the State for purposes of the Proposed Permitting Program (only)

### Alternate Revisions to Regulations

- Exclude O&M activities for constructed (artificial) multi-benefit water supply and water quality treatment facilities (wetland and non-wetland features from Permitting Program's Application Procedures

### Alternate Revisions to Regulations

- At a minimum: Fix the language and operation of the tiered Alternatives Analysis Requirements so that O&M activities for constructed (artificial) multi-benefit water supply and water quality treatment facilities are exempted from the requirement to prepare an Alternatives Analysis, regardless of acreage of impact or habitat impacts



# 2017 Board Calendar - San Bernardino Valley Water Conservation District

JANUARY						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Jan. 11 Board Meeting  
 Jan. 25 2<sup>nd</sup> Qtr. Finance & Admin Mtg.

JULY						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Jul. 12 Board Meeting  
 July 18<sup>th</sup> Strategic Planning Workshop  
 Jul. 19 4<sup>th</sup> Qtr. Finance & Admin Mtg.

FEBRUARY						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

Feb. 08 Board Meeting

AUGUST						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Aug. 09 Board Meeting

MARCH						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Mar. 1 Special Board Meeting (@ 1:00 p.m.)

Mar. 15 Board Meeting (@ 9:00 a.m.)  
*Engineering Investigation Report Presentation*

Mar. 23 Strategic Planning Workshop

SEPTEMBER						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Sept. 13 Board Meeting

APRIL						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Apr. 12 Board Meeting  
*Public Meeting/Groundwater Charge*

Apr. 21st 3<sup>rd</sup> Qtr. Finance & Admin Mtg.

Apr. 26 Board Meeting  
*Public Hearing/Groundwater Charge*

OCTOBER						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Oct. 18 Board Meeting

MAY						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

May 3 Strategic Planning Workshop

May 31 Board Meeting  
*Public Hearing/Groundwater Charge*

NOVEMBER						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Nov. 08 Board Meeting  
 Nov. 15 1<sup>st</sup> Qtr. Admin Mtg.

JUNE						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Jun. 7 Strategic Planning Workshop

Jun. 14 Board Meeting

DECEMBER						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Dec. 13 Board Meeting (@ 9:30 a.m.)  
*Holiday Luncheon*