



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

BOARD OF DIRECTORS MEETING AGENDA

Wednesday, April 24, 2019 – 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 District's 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. PUBLIC HEARING RELATED TO ADOPTION OF GROUNDWATER CHARGE

– 10 minutes

Article 1, Section 75560 of the California Water Code requires that a Water Conservation District that proposes to levy a groundwater charge "...shall annually cause to be made an engineering investigation and report upon groundwater conditions of the District." District staff will present the annual Bunker Hill Engineering Investigation Report and review the Groundwater Replenishment Program annual budget. District staff is recommending to the District's Board of Directors that an increase take place for fiscal year

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BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

2019-2020 the total charge shall be \$13.19 for all groundwater production. The purpose of the groundwater charge is to fund the District's continuing groundwater replenishment efforts. District staff will present any written comments received and the board will hear oral comments.

- *Open Public Hearing*
- *Receive Public Comments or Testimony*
- *Provide any comments on Resolution No.570*4
- *Close Public Hearing*

4. **PRESENTATION**

- A. The Control of Invasive Grasses on the Santa Ana River Wash by Aaron Echols, Lead Field Ecologist at Inland Empire Resource Conservation District

5. **CONSENT CALENDAR**

- A. Approval of Board Minutes, April 10, 201910

6. **COMMITTEE REPORTS /ACTION ITEMS**

Action Items

- A. INVESTMENT MANAGEMENT SERVICES AND STATEMENT OF INVESTMENT POLICY CHANGES (M#1639) -15 minutes.....16

Presenter: PFM Asset Management, LLC

Recommendation: Staff and Financial Consultant recommend the Board consider a change to the Statement of Investment Policy for the remainder of 2019 to accommodate Active Recharge Transfer Project (ARTP) Funding.

- B. HYDROLOGY STUDY/ASSESSMENT IN AREAS ADJACENT TO SANTA ANA RIVER SPREADING GROUNDS – 10 minutes (M#1640)51

Presenter: Jeff Beehler

Recommendation: Staff recommends that the Board authorize staff to issue a contract amendment for an amount not-to-exceed \$106,848 to address issues identified in the Seven Oaks Dam High Flow study.

7. **INFORMATION ITEMS:**

- A. Future Agenda Items & Staff Tasks

8. **UPCOMING MEETINGS:**

- | | |
|-------------------|--|
| A. May 2, 2019 | San Bernardino Valley Municipal Water District Board Workshop, 3:00 p.m. at Valley Municipal |
| B. May 7-10, 2019 | ACWA Spring Conference, Monterey, CA
(Board Approval Required) |
| C. May 14, 2019 | San Bernardino Valley Municipal Water District Board Workshop, 3:00 p.m. at Valley Municipal |
| D. May 16, 2019 | San Bernardino Valley Municipal Water District Board Workshop, 3:00 p.m. at Valley Municipal |
| E. May 21, 2019 | San Bernardino Valley Municipal Water District Board of |

- | | |
|-------------------|---|
| | Directors Meeting, 2:30 p.m. at Valley Municipal |
| F. May 23, 2019 | Enhanced Recharge Project Ribbon Cutting, 10:00 a.m. at Valley Municipal Facilities |
| G. May 27, 2019 | Office Closed in Observance of Memorial Day |
| H. July 9, 2019 | Big Bear Watermaster Committee, 2:00 p.m. at Conservation District |
| I. August 9, 2019 | SBC Water Conference, 9:00 a.m.-1:00 p.m. at Double Tree Ontario |

9. **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 §54956.8 regarding the potential renewal of lease of various properties located within section 11 and 12 more specifically described in “Mineral Lease for Extraction of Sand and Gravel Materials” dated November 1, 2011. The discussion will concern the price and terms of a potential renewal of the lease. The District’s negotiators are Daniel Cozad and David Cosgrove. The party with whom the District will negotiate is Cemex Materials Pacific, LLC, and its negotiators are Sean Palmer and Christine Jones.
3. The Board will meet in closed session under authority of Government Code §54956.8 regarding the potential to initiate litigation related to illegal grading and trespass on APN No. 0302-131-14.

10. **ADJOURN MEETING.** The next regularly scheduled Board of Directors Meeting will be on May 22, 2019 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA.

RESOLUTION NO. 570

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION
DISTRICT ESTABLISHING A GROUNDWATER CHARGE ON THE PRODUCTION OF
GROUNDWATER WITHIN DISTRICT BOUNDARIES, AND MAKING CERTAIN FINDINGS
RELATIVE THERETO**

WHEREAS, California Water Code, Division 21, Part 9 provides authority for the San Bernardino Valley Water Conservation District to consider and impose a groundwater charge on groundwater production within the District; and

WHEREAS, the California Legislature has found, in Water Code Section 75521, that such groundwater charges are in furtherance of District activities in the protection and augmentation of water supplies for users, which are necessary for the public health, welfare and safety; and

WHEREAS, Water Code Section 75523 allows for the use of proceeds from a groundwater charge for any District purposes, which may be authorized by law; and

WHEREAS, The District has presented a budget showing the needs and uses of the Groundwater Charge for 2019-20 water year; and

WHEREAS, at the regular meeting of the Board of Directors on February 13, 2019, the District accepted an Engineering Investigation report, relating to groundwater conditions in the Bunker Hill Basin underlying the District boundaries; and

WHEREAS, the Engineering Investigation and preliminary Groundwater Enterprise Budget and rate options were presented to the Basin Technical Advisory Committee on April 8, 2019; and

WHEREAS, The BTAC and Basin Producers, as well as the District, have formed a Groundwater Council, and in connection with that Groundwater Council have entered into the San Bernardino Basin Groundwater Council Framework Agreement (“GC Agreement”), which includes the annual review and funding of various maintenance costs for facilities used to replenish the Bunker Hill Basin, including facilities owned or managed by the District, pursuant to an Equitable Allocation formula developed as part of the GC Agreement; and

WHEREAS, the California Supreme Court on December 4, 2017 issued its decision in the case of *City of San Buenaventura v. United Water Conservation District*; Case No. S226036 (“Ventura Decision”) which resolved outstanding legal issues relating to the procedures and constitutional requirements attending the levy and collection of groundwater charges under applicable authorizing statutes pertaining to water conservation districts like the District; and

WHEREAS, under that opinion, the California Supreme Court clarified that such groundwater charges are not “property related charges” under California Constitution Article XIII D (Proposition 218), but did affirm that such charges are governed by California Constitution Article XIII C (Proposition 26), such that the charge must be set at a rate that in the aggregate is no more than is necessary to cover the reasonable costs of the governmental activity for which it is charged, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity; and

WHEREAS, the California Supreme Court’s opinion in the Ventura Decision cast serious legal doubt on the continuing validity of the statutory differentials in groundwater charge rates provided under Water Code section 75594, which dictates that groundwater charges for non-agricultural uses be three to five times greater than agricultural uses; and

WHEREAS, the District desires to comply with the procedural and constitutional requirements clarified by the California Supreme Court in the Ventura Decision, while at the same time understanding that agricultural producers within the District may bear a short-term transitional burden from elimination of statutorily-dictated rate differentials in groundwater charges, and

WHEREAS, the District provided mailed notice to all groundwater producers within its District boundaries of a public meeting held on April 10, 2019, and a public hearing held on April 24, 2019, inviting all groundwater producers and all persons interested in the condition of groundwater or surface water supplies of the District to appear and submit evidence, and inviting all water producers to examine the Engineering Investigation report; and

WHEREAS, the Board of Directors has conducted a public meeting on April 10, 2019, and a public hearing on April 24, 2019, to receive comment and evidence submitted by the public at such hearing; and

WHEREAS, the Board has considered the Engineering Investigation report, and considered all comments and evidence presented to it at the public meetings and hearings; and

WHEREAS, the District has made available by wide distribution, beginning on February 13, 2019, a Groundwater Enterprise Budget identifying the proposed use of the estimated Groundwater Charge proceeds, which will be subsequently incorporated in the District budget; and

WHEREAS, the District's ad valorem tax revenues are limited and the District has experienced a decrease in revenues from interest on reserves, which is expected to remain at a low rate; and

WHEREAS, on the basis of all evidence presented, including the Engineering Investigation report and such public comment, the Board has determined that it is appropriate and in the best interests of the District and all those water users who rely, directly or indirectly, on the District's services, to levy a groundwater charge as further provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT AS FOLLOWS:

Section 1. As required by Water Code Section 75574, the Board hereby makes the following findings:

- A. Annual Change in Storage in those portions of the Bunker Hill Basin lying within the District's boundaries ("Bunker Hill Basin" herein), Fall 2017 to Fall 2018, is an decrease of -46,268 acre-feet or more.
- B. Accumulated Change in Storage in the Bunker Hill Basin as of the Last Day of the Preceding Water Year (using 1993 as base year) is -569,198 acre-feet or more.
- C. Total Groundwater Production from the Bunker Hill Basin from the Preceding Water Year July 1, 2017 to June 30, 2018 is 161,708 acre-feet.
- D. Estimate of the Annual Change in Storage for the Current Water Year (July 1, 2018 to June 30, 2019) in the Bunker Hill Basin is -77,468 acre-feet or more.
- E. Estimate of the Annual Change in Storage for the Ensuing Water Year (July 1, 2019 to June 30, 2020) in the Bunker Hill Basin is -5,921 acre-feet.
- F. Average Annual Change in Storage for the Immediate Past Ten Water Years in the Bunker Hill Basin is -13,862 acre-feet or more.
- G. Estimated Amount of Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2019 to June 30, 2020) is 11,065 acre-feet.
- H. Estimated Amount of Other-than-Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2019 to June 30, 2020) is 95,056 acre-feet.
- I. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2019 - June 30, 2020) within the Bunker Hill Basin is 76,743 acre-feet.
- J. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2019 - June 30, 2020) for the District is 53,963 acre-feet.
- K. The Amount of Water which is Necessary for the Replenishment of the Groundwater Supplies of the Bunker Hill Basin to maintain constant groundwater supplies for the Ensuing Water Year (July 1, 2019 to June 30, 2020) is 136,493 acre-feet.
- L. The Amount of Water which is necessary from all sources, including natural recharge to bring the basin back to its "full" condition of 1993 is 783,159 acre-feet.

Section 2. The Board of Directors hereby finds that the entire District constitutes a single zone of benefit for the imposition of this charge. The basis for this finding is that the entire portion of the basin underlying the District boundary is fed by the same naturally occurring surface flows. Although the basin may be divided into various subparts, because of hydrogeological conditions these areas are interconnected, and water recharged by the District from its existing recharge facilities contributes to underground "flows" which eventually reach other subparts of the basin. Thus, the District's recharge inures to the benefit of users in other areas by enhancing the availability of water supplies throughout the basin. In addition, the District maintains both the availability of surface water flows for groundwater recharge, and the facilities for accommodating the recharge, whether by the District or by other parties pursuant to collaborative regional groundwater management efforts.

Section 3. The Board finds that there is no past accumulation of the amount of water necessary to be replaced in the intake areas of the groundwater basins within the District to prevent the landward movement of salt water into the fresh groundwater body, or to prevent subsidence of the land within the District, either in the past water year or the proceeding 10 years, nor is there likely to be any amount of water necessary for these purposes in the ensuing water year. The Board further finds that the District is not obligated by contract to purchase any water, though depending on the decision making processes of the Groundwater Council, the District may be asked to help fund regional purchases of imported water to augment native water supplies, in amounts presently unknown. The Board also finds that further recharge of the basin is required based upon the findings related to change in storage stated in Section 1 above, to prevent depletion or degradation to the basin's groundwater supplies, to enhance both the availability and accessibility of such supplies, and to replenish, augment, and protect such supplies, and that the proceeds of the groundwater charge established hereon shall be used for such purposes.

Section 4. The Board of Directors hereby levies, assesses and affixes a groundwater charge in the amount of \$13.19, to be applicable to both agricultural and non-agricultural use. The Board imposes this unitary rate in response to, and in an attempt to comply with, the Ventura Decision, but also because the District has not historically segregated either facilities or groundwater charge-funded efforts based on agricultural vs. non-agricultural use basis. Nor has the District undertaken studies to isolate a predominantly agricultural producing zone or region within the District boundaries, and even if such an area were to be isolated, there is some question based on existing facts and circumstances whether the benefits and burdens of the District's groundwater management and replenishment services could support a rate differential based on agricultural use. Late charges on delinquent accounts will be 1% interest per month in accordance with Water Code §75615 et seq. and any additional actual costs to collect delinquent amounts not paid by August 1, 2019 and February 1, 2020

Section 5. Notwithstanding the unitary rate set above, the District recognizes that the elimination of the previously statutorily-directed rate differential between agricultural and non-agricultural uses may cause some short-term transitional financial hardship on certain users that previously paid the lower agricultural rate. In recent years, the District has accumulated a Rate Stabilization Fund, which it has drawn from to reduce the year-by-year step increases occasioned by the increases in costs of the services the District provides. In order to alleviate burdens on certain agricultural producers from compliance with the Ventura Decision, and consistent with the discretion for application of groundwater charge proceeds granted to the District under Water Code section 75523, the District has determined to draw on this fund to subsidize a portion of the rate increase on certain agricultural use producers for the upcoming water year. Those Agricultural producers eligible for the Rate Stabilization offset shall be those whose pumped groundwater is applied directly to production of agricultural products or livestock, or is directly applied to landscape watering for cemeteries or golf courses. The District's Rate Stabilization Fund shall be used to offset the costs for such producers on a per acre foot basis of production, in the amount of \$3.65 per acre foot, which will reduce the "effective rate" such producers pay to \$9.54 per acre foot. In making this determination, the Board of Directors also indicates its intent to continue to utilize the Rate Stabilization Fund in additional amounts for the next upcoming water years which along with the use of Rate Stabilization Funds this year, will provide the last two of a three-step phasing of rates to bring those eligible agricultural producers' rates to an amount equal to the rates paid by all other users at the end of three years.

Section 6. Exemptions:

A. Notwithstanding the foregoing, for producers who can demonstrate that their production for the water year is restricted to basic, personal residential use limited to the property on which the applicable groundwater production facility is based, and the total cumulative production for the applicable producer within the District is not in excess of two (2) acre feet over the course of the water year; such production shall be exempted from the groundwater charge provided the producer documents its exemption prior to bi-annual collection of the groundwater charge. In establishing this exemption, the Board finds that the likely revenues to be derived from the groundwater production subject to the exemption is outweighed by the administrative burdens in administering and collecting the charge. The District General Manager is authorized to waive late fees with explanation and request from payees or if the cost of recovery outweighs the fee to be collected.

B. To the extent that a party who is a member of the Groundwater Council has paid a maintenance and operation charge through the Equitable Allocation based upon an approved budget for the Groundwater Council that includes the maintenance and operations costs reflected in the District's budget showing the needs and uses of the Groundwater Charge for 2019-20 water year, and such payment is remitted to the District, the General Manager is authorized to accept such Equitable Allocation payment as payment in full for groundwater charges due from that party's production for the applicable water year. If a party remits its Equitable Allocation for maintenance and operation costs to the District, but in that same water year leaves or otherwise ceases to participate in the Groundwater Council, the District's then-current groundwater charges shall apply to such party's production for the entire water year, and that party's amount of the Equitable Allocation so remitted will be used as a

prepayment offset for groundwater charges otherwise due from such party's production. The purpose for this credit is to assure that parties contributing to the maintenance and operations component of the Equitable Allocation do not double-pay for their proportionate cost of the District's services.

C. The District has been in discussions with various Riverside County entities who propose to be Ex Officio members of the Groundwater Council, and who may, by separate agreement with the District, agree to fund portions of the maintenance and operations costs of existing recharge facilities. To the extent such an agreement is reached, and a party otherwise subject to the District's groundwater charge contributes in such a way that its payment is remitted to the District; the General Manager is authorized to provide discharges and credits to such Ex Officio members in the same manner as for Groundwater Council members, provided above. The purpose for this credit is to assure that parties contributing to the maintenance and operations of the District through any such agreement do not double-pay for their proportionate cost of the District's services.

Section 7. In connection with fixing the groundwater charge as set forth in Section 4 above, the Board of Directors makes the following findings:

- A. Consistent with the Ventura Decision, the District's groundwater charge is not a "property-related charge" for purposes of determining the applicability of Article XIID of the California Constitution. Notwithstanding, the District has provided mailed notice of the proposed charge and the amounts proposed to be charged to all known groundwater producers within its jurisdictional boundaries.
- B. The groundwater charge is imposed upon the action of extraction of groundwater from the basin underlying the District's boundaries, and not on property or groundwater extraction facilities as such. The groundwater charge will be incurred by groundwater producers through their voluntary action of groundwater production. The groundwater charge is not one for water delivery by the District to groundwater extractors, but rather relates to the District's service of maintaining groundwater supplies, recharge facilities, and management of both for groundwater extractors within the District. The District maintains no pipes, canals or other facilities directly connecting District facilities to the groundwater extractors' property or pumping facilities. In addition, parties subject to the groundwater charge are predominantly either public or private entities involved in the business of providing water, or persons or entities involved in irrigation, for agricultural-related activities, and for uses of water exceeding what would be required for basic residential use of the property.
- C. The District has provided notice of the proposal for imposition of the groundwater charge through a number of different avenues. Mailed notice was provided to all operators reflected on the District's records as containing active groundwater production facilities within the District. In addition, published notice was provided in the San Bernardino Sun on March 1, 8 and 15, 2019, and in the Highland Community News on March 1, 8 and 15, 2019. All such notices identified the prior and proposed rate for agricultural and non-agricultural water, the estimated total revenue to be collected from the charge, and the time and place for public hearing at a public meeting at which parties objecting to the charge could appear and be heard. That notice also reflected the rate and method of calculation for this consumption-based charge, which provided notice of the basis of the charge.
- D. The proposed groundwater charges, and Engineering Investigation report prepared by the District, were reviewed at a public meeting held April 10, 2019, and a public hearing held April 25, 2018. In addition, the Engineering Investigation report prepared by the District was presented to and reviewed with the Board of Directors at a public meeting on February 13, 2019, and was discussed at the Basin Technical Advisory Committee on April 8, 2019.
- E. The groundwater charge is being levied to assist in offsetting the costs of the District's Groundwater Enterprise in providing groundwater supplies, groundwater recharge facilities, and recharge management and administration for the benefit of groundwater producers within the District. The Groundwater Enterprise Budget includes, but is not limited to, funding the following:
 1. Making available the District's Santa Ana River water rights, in an amount no less than 10,400 acre per feet per year, for recharge into the Bunker Hill Basin;
 2. Conducting groundwater recharge activities by diverting both Santa Ana River and Mill Creek water supplies into District's recharge facilities;
 3. Applying the District's experience and expertise in directing groundwater recharge effectively and efficiently, administering the physical recharge of groundwater both directly for the District and its water supplies, and recharging on behalf of other entities,

including exchanges under the Santa Ana River/Mill Creek Cooperative Water Project Agreement;

4. Maintaining and operating the District's diversion works, recharge basins and canals to insure the availability of sufficient infrastructure to accommodate needed groundwater recharge; and defense and protection of the District's water rights and manner of operations; and performing such maintenance of other parties' diversion works, recharge basins and canals as requested and per prior agreements.
 5. Pursuing various environmental permits and related permissions to continue the maintenance and operation of the District's Facilities for the future and to provide for potential expansion of facilities for Bunker Hill recharge;
 6. Investigation and implementation of improvements to groundwater recharge infrastructure;
 7. Reporting to groundwater producers and other interested parties of groundwater recharge activities and conditions, including but not limited to the daily flow report;
 8. Conducting engineering analyses, such as the District's annual Engineering Investigation, designed to provide information regarding the District's groundwater basin and groundwater recharge facilities;
 9. Participating in, and serving as the accounting arm for the collection of, facilities maintenance and operations funds and contributions for the Groundwater Council; and
 10. Administrative support, training and overhead for all the above-listed activities.
- F. The total amount of estimated revenues from the groundwater charge is estimated at approximately \$972,859 based on production reported for the 2018-2019 water year. These revenues do not fully recover expected cost and will not exceed the costs of providing the services as detailed above, in that the District's Groundwater Enterprise Budget for fiscal year 2019-2020 proposes total expenditures of \$1,251,466.
- G. The amount of groundwater charge paid by each individual payor will not exceed the benefit of the Conservation District's services to such parties, because the structure of the groundwater charge is such that the amount paid varies in direct proportion to the amount of groundwater supplies extracted, and therefore is proportional to the benefit each individual payor receives from the District's services.

Section 8. The Board of Directors further finds that the groundwater charge adopted herein is statutorily exempt from CEQA under Title 14, California Code of Regulations Sections 15273, 15301, and 15306. The action contemplated herein constitutes a structuring and establishment of a charge which will be used in part for meeting operating expenses and for purchasing or leasing equipment and materials. To the extent the groundwater charge revenues will be applied to groundwater testing, these activities fit within Title 14, California Code of Regulations Section 15306. Such activities involve the occasional taking of groundwater samples by means of temporary equipment, which will not cause any alteration to the land, and consist solely of information gathering. To the extent any portion of the funds is directed to maintenance, operation, or repair of existing facilities, involving no or negligible expansion of existing uses, these activities fit within Title 14, California Code of Regulations Section 15301. To the extent any portion of the funds is directed to construction or establishment of new facilities, environmental review of such facilities will occur at such time those facilities are proposed, and the nature, location, scope, and function of such potential future facilities becomes known. Under each of the above-referenced exemptions, therefore, the Board of Directors finds that the levy and implementation of the groundwater charge is properly exempt from CEQA.

Section 9. The General Manager is hereby authorized and directed to provide notice to operators of the levy of the groundwater charge, as provided for in Water Code Section 75610.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors this 24th day of April 2019, by the following roll-call vote:

YES:	DIRECTORS:
NO:	DIRECTORS:
ABSTAIN:	DIRECTORS:
ABSENT:	DIRECTORS:

ATTEST:

Richard Corneille, President

Daniel Cozad, Secretary

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF April 10, 2019
1:30 p.m.

President Corneille called the meeting of the Board of Directors to order at 1:33 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 (Arrived 1:50 p.m.)
T. Milford Stewart, Director
John Longville, Director (Departed 3:00 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Athena Monge, Administrative Services Specialist
Jeff Beehler, Land Resource Manager

GUESTS PRESENT:

T. Milford Harrison, Valley Municipal
June Hayes, Valley Municipal
Tatiana Museer, Tetra Tech
David E. Smith, East Valley Water District

1. PUBLIC PARTICIPATION

President Corneille announced that any persons present, who so desired, may make an oral presentation to the Board of Directors. Mr. Harrison addressed the Board regarding a newspaper article that came out which neglected to note the partnership between Valley Municipal and the Conservation District. He apologized for the oversight in mentioning the Conservation District and said that without the partnership between our agencies we would not be able to replenish the groundwater basin. Mr. Harrison expressed his appreciation for the Conservation District's hard work and requested his appreciation be conveyed to our field staff, Manuel Colunga and Tommy Purvis for their outstanding efforts. President Corneille thanked him for his statement and appreciated his thanks of District.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. PUBLIC MEETING RELATED TO ADOPTION OF GROUNDWATER CHARGE

President Corneille opened the public meeting to invite members of the public to comment on the Engineering Investigation Report and groundwater charge proposed rate. He asked if any written comments were received by staff. Mr. Cozad indicated that there were no written or oral comments received by staff. There being no public present wishing to address the Board, President Corneille closed the public meeting.

4. CONSENT CALENDAR

Director Stewart noted minor revisions that needed to be made to the Board minutes of March 13, 2019.

It was moved by Vice President McDonald and seconded by Director Longville to approve the Consent Calendar: Item A: Board Minutes, March 13, 2019; and Item B: Expenditure Report, March 2019 with minor revisions to the Board minutes. The motion carried 4-0 with all Directors present voting in the affirmative and Director Raley noted absent from the vote.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. 3rd QUARTER UNAUDITED FINANCIALS FOR 2018-2019

This item was taken out of order.

Director Raley introduced this item for discussion. The Finance & Administration Committee (Committee) met on March 27 to review the unaudited financial reports with Director Stewart in attendance as the alternate for Director Longville. The Committee recommends approval of the unaudited financials as presented. Director Raley said that the Committee discussed Board Policy 4025 and Appendix C related to more than one director participating at outside District Requested meetings and no changes were recommended. The Quarterly Investment Report was provided as a handout.

It was moved by President Corneille and seconded by Director Longville to receive and file the 3rd Quarter Unaudited Financial Reports for 2018-2019. 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 Stewart: Yes

B. UNAUDITED FINANCIAL REPORTS, MARCH 2019

Mr. Cozad noted that GL-6060 for outreach shows below budget because an invoice has not been received to date yet. The groundwater revenue is slightly above budget and expenses are below budget for groundwater. Mr. Cozad said that the election costs have been received from the Registrar of Voters; and are approximately \$6,500 which is significantly less than the District budgeted.

It was moved by Director Stewart and seconded by Director Longville to approve the Unaudited Financial Reports for March 2019. The motion carried 4-0 with all Directors present voting in the affirmative and Director Raley noted absent from the vote.

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

C. BROWNSTEIN AGREEMENT FOR BUREAU OF LAND MANAGEMENT SUPPORT

Mr. Cozad presented this item for discussion indicating that the District has been working with the Bureau of Land Management (BLM) since the first Memorandum of Understanding (MOU) in 2005 to support the Land Exchange between the entities. Staff solicited recommendations for firms who could assist the District. After review and evaluation staff engaged a firm called Brownstein, Hyatt, Farber, and Schreck to assist with the Land Exchange and Wash Plan EIR. Staff provided a handout of the agreement and requested that the Board consider ratification of staff's decision and the Board provide feedback. A share of these costs will be added to issuance costs. Mr. Cosgrove spoke in support of the request made by staff.

It was moved by Vice President McDonald and seconded by President Corneille to approve the six-month agreement as provided as a handout. 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 Stewart: Yes

D. ACWA/JPIA REQUEST FOR CONCURRING NOMINATIONS

It was moved by Vice President McDonald and seconded by President Corneille to direct staff to provide a concurring nomination resolution for Fred R. Bockmiller of Mesa Water District. 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 Stewart: Yes

6. INFORMATION ITEMS

A. WASH PLAN UPDATE

Mr. Beehler provided a handout and reviewed the D-Dike Habitat Enhancement for Wash Plan; where it shows San Bernardino Kangaroo Rat (SBKR) Bridge. In the Habitat Conservation Plan (HCP) the District agreed to do four things as part of the mitigation for the HCP: 1) Habitat and vegetation management, 2) Plunge Creek Project, 3) Build a bridge off of D-Dike, and 4) Removal of Greenspot Levee. The SBKR Bridge will be built at the same time as the Plunge Creek Project and has no species impacts, but does have species benefits. Staff is working on the 2081 permit, and a conference call will be held tomorrow. In order to create eighteen acres of SBKR habitat; the District will need to impact two hundred and two Woolly Star. The District has already collected the seeds to reseed. A field tour with resource agencies to identify areas for Robertson's early implementation area is scheduled. Mr. Beehler said that the District is working with BLM on the following: 1) Land management on BLM land, 2) Administration noticing issues with the Federal government, and 3) BLM land use planning. 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 was included in the Board Package on pages 35 through 38. The Monthly Recharge Report was included on package page 91. As of this morning, the District has recharged approximately 21,000 AF in Santa Ana River and 7,600 AF in Mill Creek; 10,832 AF of that total is imported water, and the remainder is native water. Mr. Cozad said that the District received an abatement notice from the City of Redlands and field staff is taking care of it. Staff had a meeting with San Bernardino County Vector Control about midge flies that have surfaced since the District's basins are full, and the District will likely enter an MOU with them to monitor and treat if necessary. The workshop noted in the General Manager's Report is April 17. Staff said that on package page 41 there is a letter of opposition related to Assembly Bill 1486; the legislation related is included on pages 43 to 90. The District received a refund check from ACWA/JPIA for approximately \$4,520 return on our risk pool. This item was received and filed.

C. FUTURE AGENDA ITEMS AND STAFF TASKS

There will be an Enhanced Recharge Project dedication on May 23 at 10:00 am. at the project site. President Corneille asked for staff to bring back information on a potential meeting date to discuss the Active Recharge Transfer Projects and the plan for the next fiscal year.

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

President Corneille attended the Redlands Rise N Shine on April 5, Basin Technical Advisory Committee (BTAC) on April 8 and will chair the Advisory Commission on Water Policy tomorrow.

Director Stewart attended the Loma Linda Chamber of Commerce (LLCC) Installation Dinner on March 21, Finance & Administration Committee on March 27 and Special Districts Governance Training on March 26.

Director Longville attended the Association of San Bernardino County Special Districts (ASBCSD) on March 18 and Valley Municipal Board Meeting on March 19.

Director Raley attended the Strategic Analysis/Plan Committee Workshop on March 14, Valley Municipal Board Meeting on March 19 and chaired the Finance & Administration Committee on March 27. He attended the Big Bear Watermaster Committee Meeting on March 14 and Redlands Rise N Shine on April 5.

Vice President McDonald attended the ASBCSD meeting on March 18, State Legislative Committee on March 15 and the Strategic Analysis/Plan Committee Workshop on March 14. She also attended the Valley Municipal Board Meeting on March 19, Executive Committee on March 20, Highland Area Chamber of Commerce Luncheon on March 26, BTAC on April 8 and Valley Municipal Board Meeting on April 2.

8. UPCOMING MEETINGS

There will be a District facilities tour on April 19 at 9:00 a.m. The District will hold a Steps 4 Life house tour as well; the date is to be determined.

9. CLOSED SESSION

It was moved by President Corneille and seconded by Director Stewart to adjourn to Closed Session. 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 Stewart: Yes**

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

At 3:18 p.m., the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

10. ADJOURN MEETING

It was moved by Vice President McDonald and seconded by Director Stewart to adjourn. 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 Stewart: Yes**

At 3:19 p.m., the meeting adjourned to the Budget Workshop scheduled for 1:30 p.m. April 17, 2019, at District Headquarters, 1630 W. Redlands Blvd., Redlands, Calif.

Daniel B. Cozad
General Manager



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1639

To: Board of Directors
From: Daniel Cozad, General Manager
Date: April 24, 2019
Subject: Investment Management Services, and Statement of Investment Policy Changes

RECOMMENDATION

Staff and Financial Consultant recommend the Board consider a change to the Statement of Investment Policy for the remainder of 2019 to accommodate Active Recharge Transfer Project (ARTP) Funding.

BACKGROUND

In December 2015, the Board hired PFM Asset Management LLC (PFM) to review its existing policy and recommend revisions. Based on the investments the Board had at the time PFM revised the Districts' Statement of Investment Policy with a variety of changes. The Board approved those changes at their March 9, 2016 Board of Directors meeting. The Statement of Investment Policy prepared by PFM Asset Management LLC is included in the package and was reapproved by the Board in 2017, 2018, and earlier this calendar year. Subsequent to that approval the Board authorized the General Manager to engage PFM to review and provide recommendations for the investments for the ARTP funding.

DISCUSSION

Staff is implementing the existing policy but identified that some changes are likely needed for ARTP funding as it will support projects that may take up to 10 years to permit, engineer and construct. While there was no cost to the District to provide a review of the policy they recommend PFM will give an update presentation on the needs for this change and review the investment performing for San Bernardino Valley Conservation Trust Funds which they manage. With the increased funding available from Conservation Easements and the need for Capital Improvements staff believes that it is prudent to review and have guidance for these funds separately from the District's regular reserves. These changes will fit the investment and spending curve expected for the ARTP portfolio. PFM will provide potential investment strategies for ARTP funding.

FISCAL IMPACT

There is no significant cost to review and approve the Statement of Investment Policy changes for 2019.

1630 W. Redlands Blvd, Suite A
Redlands, CA 92373
Phone: 909.793.2503
Fax: 909.793.0188
www.sbvwd.org Email: info@sbvwd.org

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

POTENTIAL MOTIONS

1. Move to approve the Revised Statement of Investment Policy for 2019.
2. Move to refer Statement of Investment Policy to the Finance & Administration Committee to discuss potential revisions needed to policy.

ATTACHMENTS OR MATERIALS

- Presentation Materials/Investment strategies for ARTP funding
- Policy 0005-19-2 Statement of Investment Policy



San Bernardino Valley Water Conservation District

Board Meeting

Presented By:

Ellen Clark, Multi-Asset Class Specialist

Richard Babbe, Senior Managing Consultant

April 24, 2019

PFM Asset
Management LLC
pfm.com

50 California Street
Suite 2300
San Francisco, CA 94111
(415) 982.5544

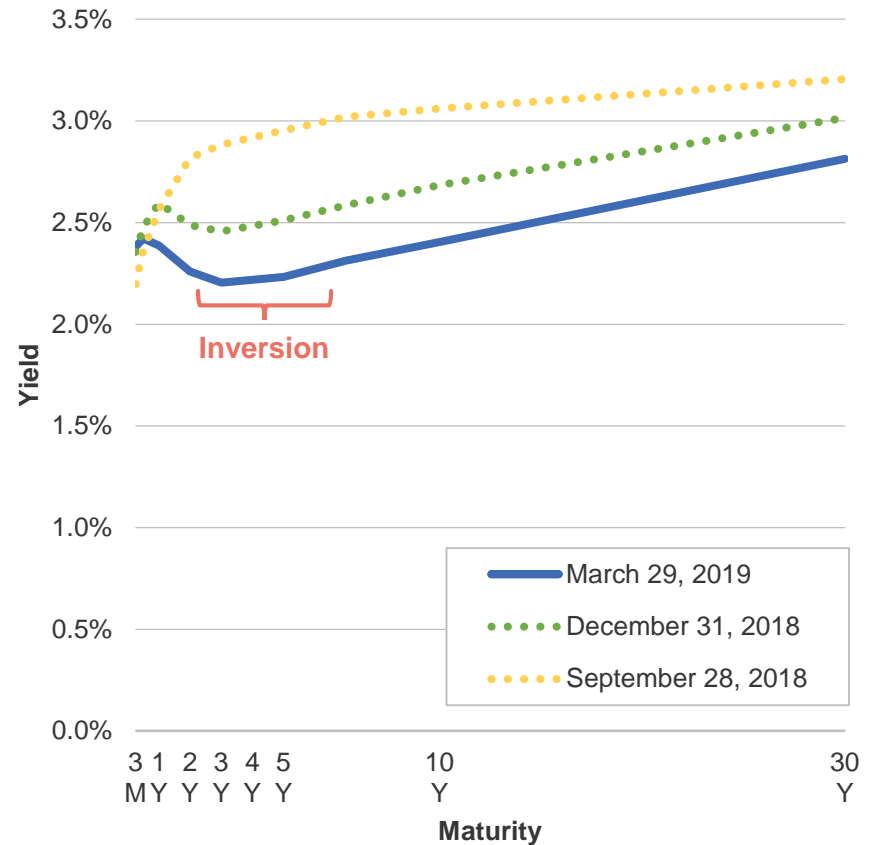
Clarke@pfm.com
Babber@pfm.com



Current Market Themes

- ◆ **Economic growth is moderating**
 - U.S. GDP expanded at 2.6% in 4Q18
 - Geopolitical risks and global growth weakness continue to weigh on the future prospects for the markets
- ◆ **Federal Reserve *will be patient***
 - The Fed held rates steady in March
 - Current market implications: no more rate hikes for a while, possibly a cut
- ◆ **American consumer confidence rebounded**
 - U.S. equity market recovery
 - End to the partial government shutdown
- ◆ **Stock valuations remain more attractive than bonds**

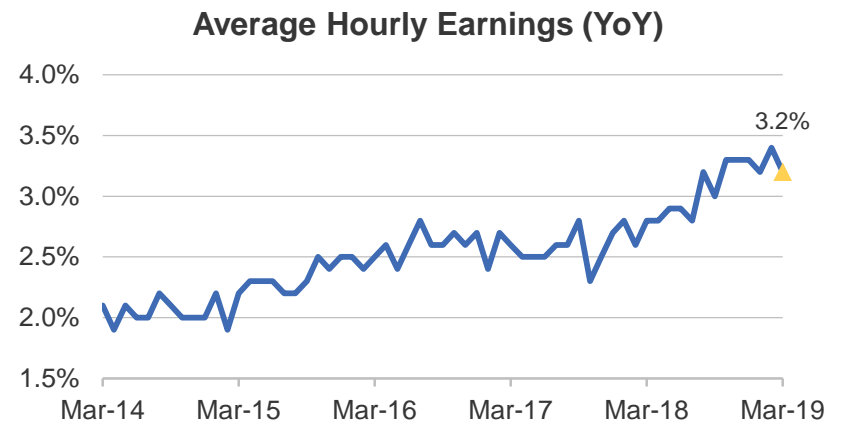
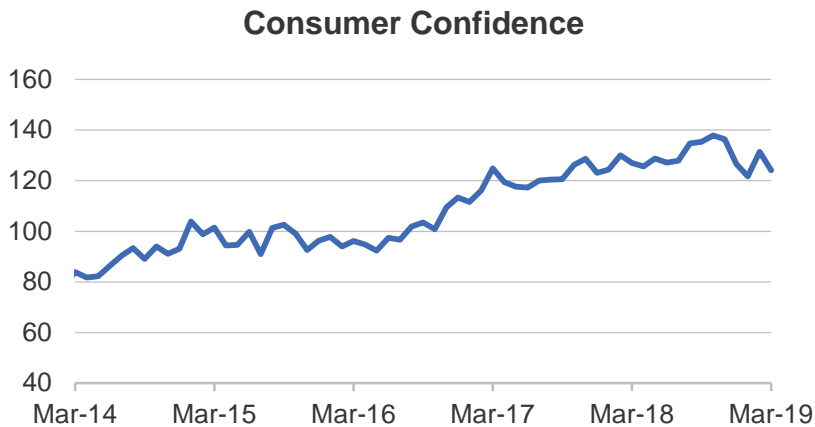
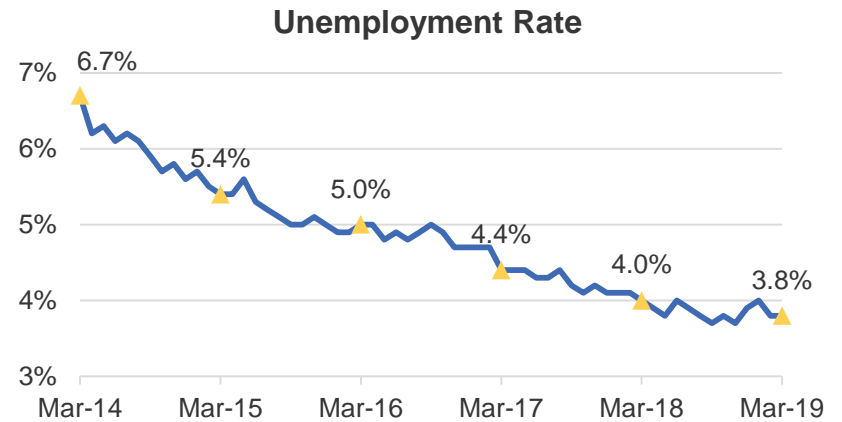
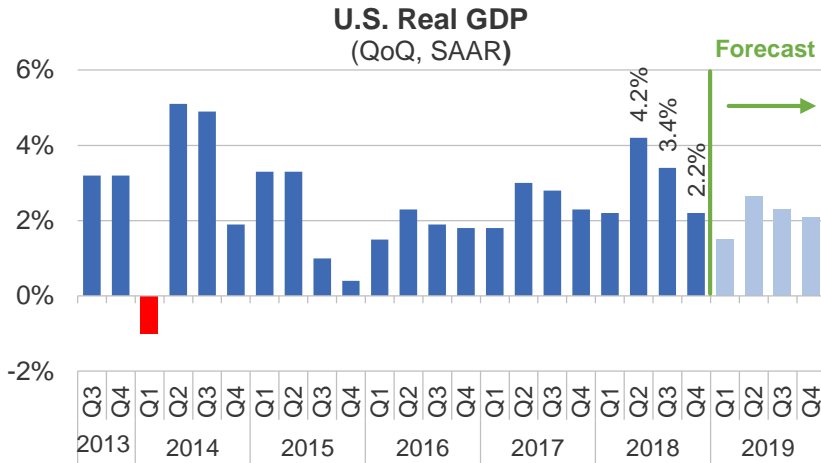
U.S. Treasury Yield Curve



Source: Bloomberg, as of 3/31/19.



U.S. Economic Conditions

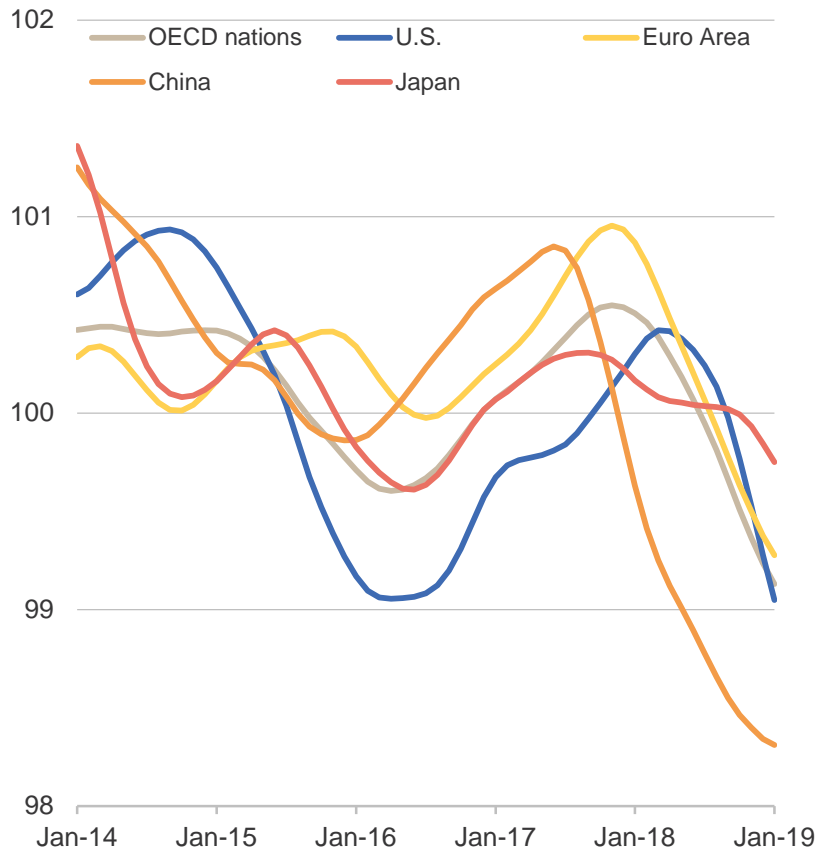


Source: Bloomberg, latest data available as of 3/31/19. SAAR is seasonally adjusted annualized rate.



But Global Economic Growth is Losing Momentum

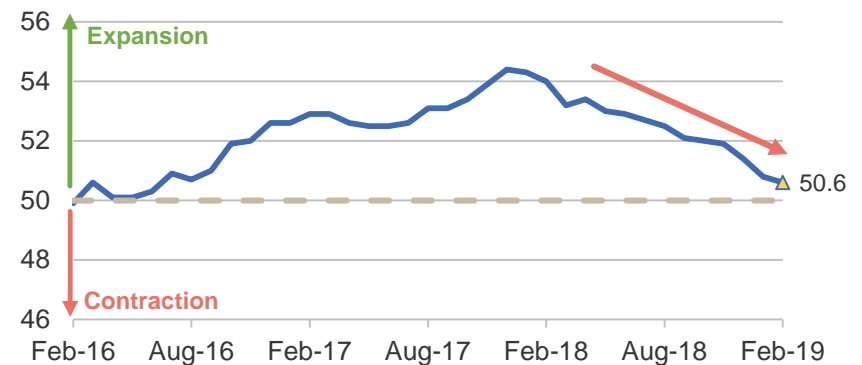
OECD¹ Leading Indicator



IMF² Global Growth Forecast

	2017	2018*	2019*	2020*
World Output	3.8	3.7	3.5	3.6
United States	2.2	2.9	2.5	1.8
China	6.9	6.6	6.2	6.2
Japan	1.9	0.9	1.1	0.5
Euro Area	2.4	1.8	1.6	1.7
Germany	2.5	1.5	1.3	1.6
France	2.3	1.5	1.5	1.6
UK	1.8	1.4	1.5	1.6

Global Market PMI³



Source: Bloomberg. *Estimates and forecasts are from the IMF's World Economic Outlook January 2019 Update.

¹OECD: Organisation for Economic Cooperation and Development as of 1/31/19.

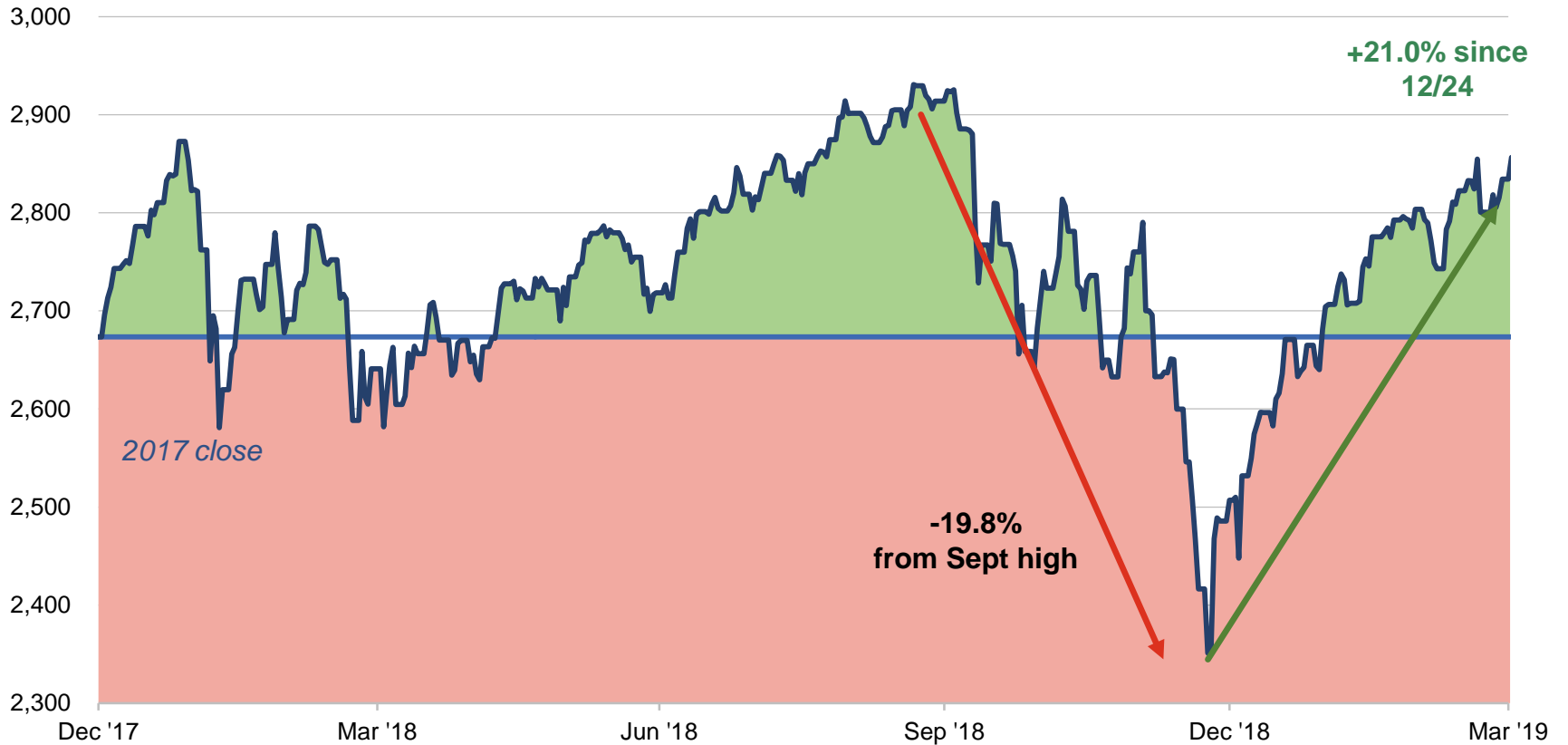
²IMF: International Monetary Fund.

³PMI: Purchasing Managers' Index 2/28/19



Stock Market Surges Back

S&P Price Change



Source: Bloomberg, as of 3/31/2019.



Yields Have Fallen Sharply Over the Past Five Months

2-Year Treasury



10-Year Treasury

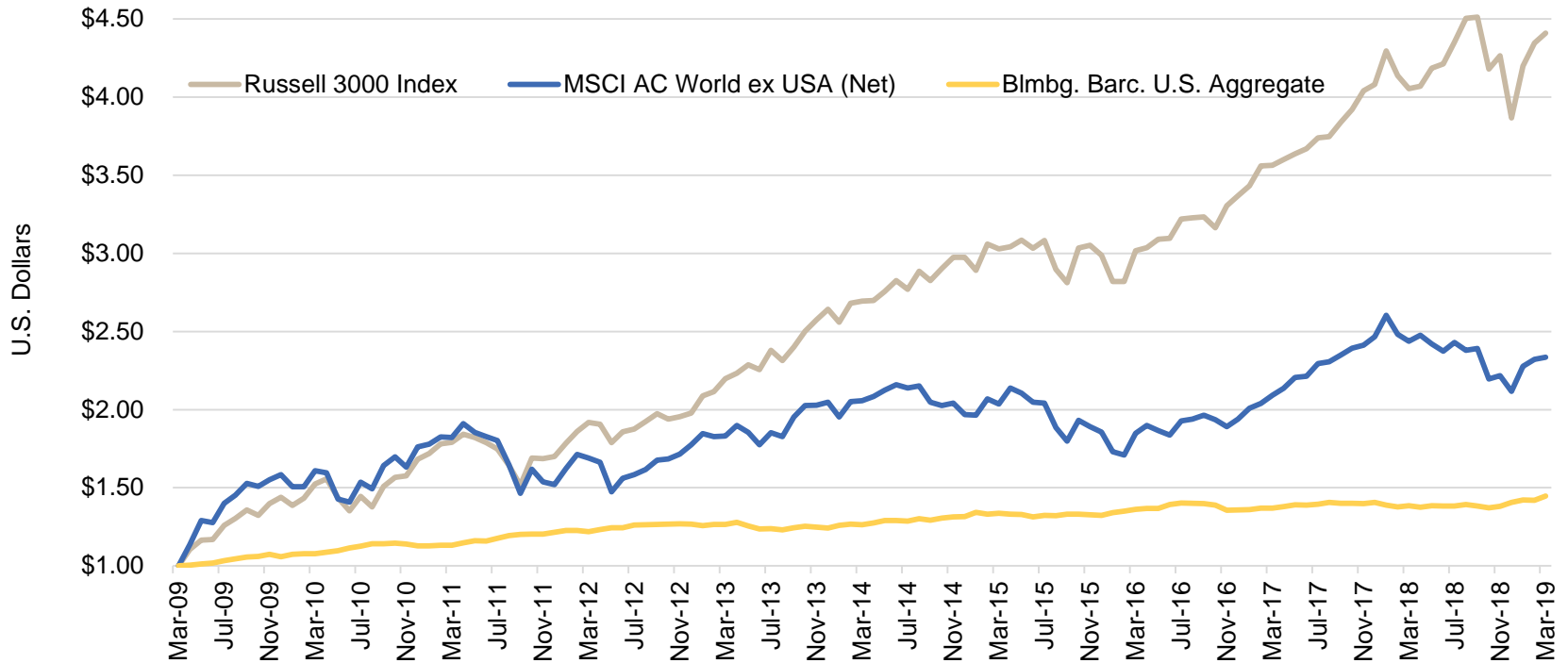


Source: Bloomberg, as of 4/05/19.



Major Indices Historical Performance

Growth of a Dollar



Performance shown for all indices is based on returns in terms of U.S. Dollar.

Russell 3000 is comprised of large cap U.S. stocks. The MSCI AC World Index ex USA is comprised of international equity market indexes excluding the U.S. The MSCI EM Index is a free-float weighted index of large and mid cap representation across emerging markets. The Barclays Agg Index measures the investment grade, USD-denominated, fixed-rate taxable bond market.

Source: Investment Metrics, data as of 3/31/2019.



Market Performance

Index Performance as of 03/31/19				
Domestic Equity	Q1	1 Year	3 Years	5 Years
S&P 500	13.65%	9.50%	13.51%	10.91%
Russell 3000 Index	14.04%	8.77%	13.49%	10.36%
Russell 2000 Index	14.58%	2.05%	12.92%	7.05%
Russell 1000 Index	14.00%	9.30%	13.52%	10.63%
International Equity				
International Equity	Q1	1 Year	3 Years	5 Years
MSCI AC World ex USA (Net)	10.31%	-4.22%	8.09%	2.57%
MSCI EAFE Index	10.13%	-3.22%	7.80%	2.81%
MSCI Emerging Markets Index	9.97%	-7.06%	11.09%	4.06%
Fixed Income				
Fixed Income	Q1	1 Year	3 Years	5 Years
Bloomberg Barclays U.S. Aggregate	2.94%	4.48%	2.03%	2.74%
Bloomberg Barclays Global Agg Ex USD	1.52%	-4.13%	0.97%	-0.25%
Bloomberg Barclays U.S. High Yield	7.26%	5.93%	8.56%	4.68%
Alternatives				
Alternatives	Q1	1 Year	3 Years	5 Years
FTSE NAREIT All Equity REITS	17.17%	20.46%	7.84%	10.00%
Bloomberg Commodity Index Total Return	6.32%	-5.25%	2.22%	-8.92%

Source: Investment Metrics, data as of 3/31/2019.



Geopolitical Risks Persist Around the Globe





Wash Plan Endowment



Portfolio Changes

PFM's Multi-Asset Class Investment Committee made the following changes:

◆ December 2018:

- Portfolios were rebalanced to maintain an *overweight to domestic equity* and an *underweight to fixed income*, with international equity being at target allocation
- Within fixed income, the allocation was rebalanced to reduce corporate credit exposure

◆ March 2019:

- Rebalancing portfolios to targets, *eliminating overweight to domestic equity*
- Funding additional core fixed income with proceeds from domestic equity, while retaining modest credit overweight

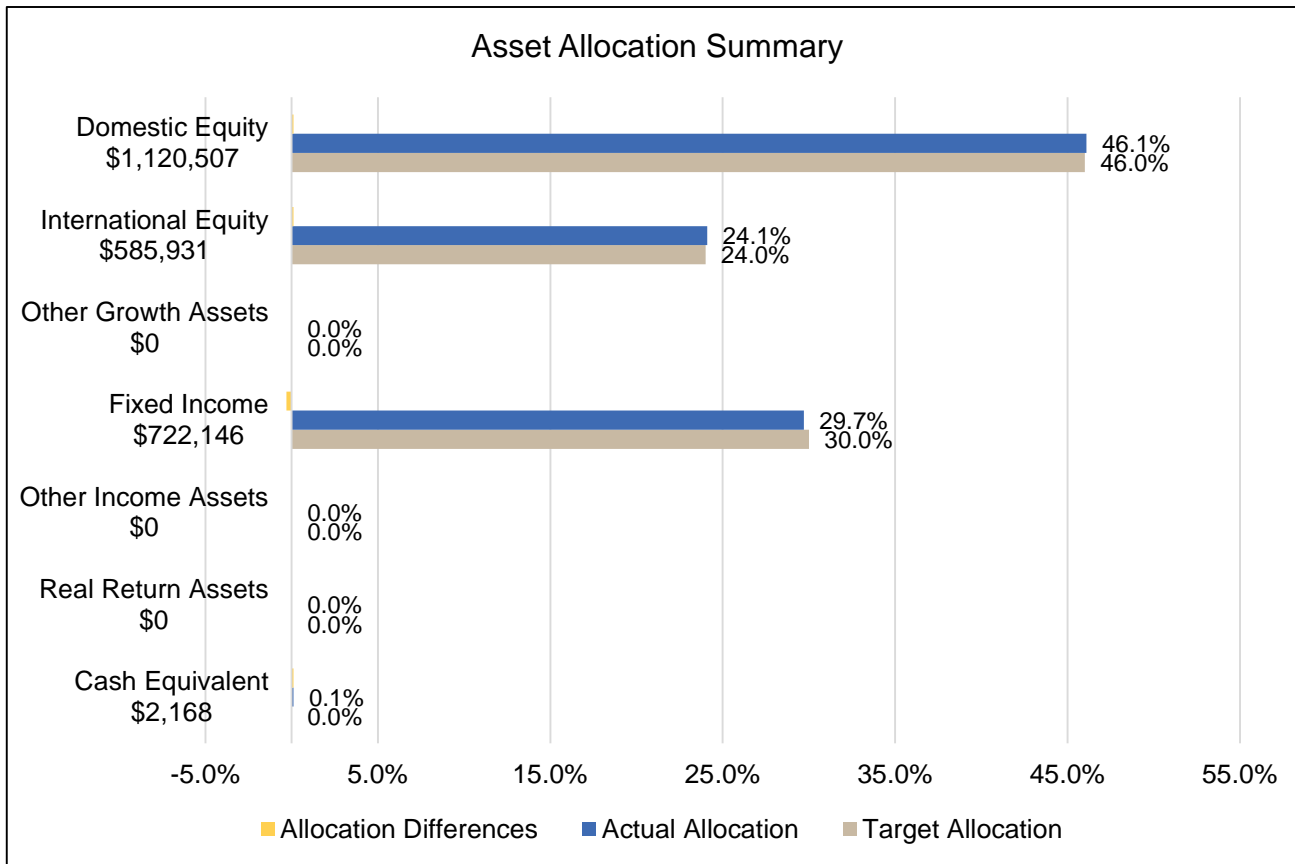
◆ April 2019:

- Restructured domestic equity by adding to small-cap stocks, Jacobs Levy Small Cap (S&P 600)



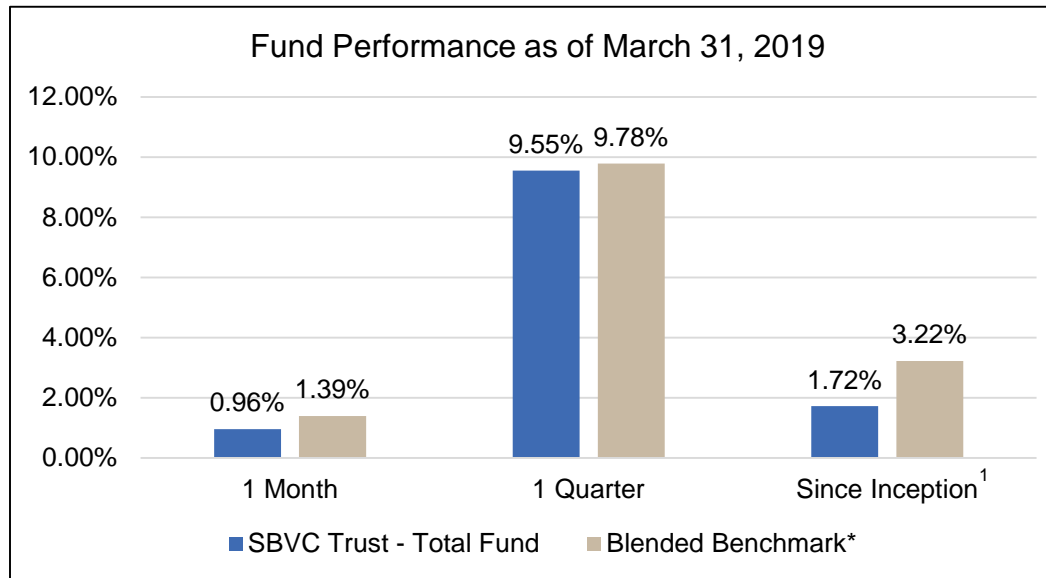
Asset Allocation & Compliance as of March 31, 2019

- Endowment Fund Total Market Value: \$2,430,752





Fund Performance as of March 31, 2019



	1 Month	1 Quarter	Since Inception ¹
PFM Multi-Manager Domestic Equity Fund	1.45%	13.70%	5.45%
<i>Russell 3000 Index</i>	1.46%	14.04%	5.38%
PFM Multi-Manager International Equity Fund	0.65%	9.87%	-4.62%
<i>Russell 3000 Index</i>	0.60%	10.31%	-3.49%
PFM Multi-Manager Fixed Income Fund	1.73%	3.75%	4.34%
<i>Russell 3000 Index</i>	1.92%	2.94%	4.52%

*Blended Benchmark: 46% Russell 3000, 24% ACWI AC ex US. 30% Barclays Aggregate.

¹Since Inception as of 6/01/2018.



PFM's Multi-Asset Class Outlook

Asset Class	Our Investment Preferences	Comments
U.S. EQUITIES Large-Caps Mid-Caps Small-Caps		<ul style="list-style-type: none"> Global economic growth seems to be stabilizing at a lower rate after slowing last year. We continue to expect stronger relative growth in the U.S. After a strong performance in 1Q, US equities may pause to consolidate recent gains. Lesser exposure to international economies and more favorable valuation support our overweight of US mid- and small-cap equities.
NON-U.S. EQUITIES Developed Markets Emerging Markets International Small-Caps		<ul style="list-style-type: none"> International equities continue to trade at a discount to US equities. We believe this discount is warranted due to slower growth and higher risks. Trade tensions, slowing China economic growth and higher risks keep us cautious on emerging market equities.
FIXED INCOME Long Duration, Interest-Rate-Sensitive Sectors Credit-Sensitive Sectors		<ul style="list-style-type: none"> Fed's recent guidance of no rate hike in 2019 along with lower yields globally has been a tailwind to long duration assets. Credit spreads narrowed during Q1 but continue to look attractive. While continuing to overweight credit in the context of continued economic growth, we have modestly reduced overall credit exposure and moved up in quality.
ALTERNATIVES Real Estate Private Equity Private Debt Hedge Funds		<ul style="list-style-type: none"> Stable interest rates and more favorable valuations are positives for REITs while slowing economy is a tailwind. Private equity funds carefully selected may provide higher returns relative to public markets, but the overall PE industry faces headwinds from the significant growth in assets under management and number of firms. Select private debt strategies look attractive as they provide income with lower risk than Private Equity, while floating rates hedge against inflation. Select hedge fund strategies managed by talented managers may provide some benefit in a market environment of higher overall valuations and volatility. We remain cautious on the overall hedge fund universe.

● Current outlook ○ Outlook one quarter ago





Proposed Portfolio for the Active Recharge Transfer Projects



Active Recharge Transfer Projects

- ◆ Will be funded in June 2019 with ~ \$18.4 million plus another \$18.4 million installment over next 2 years
- ◆ Anticipated total capital expenditure - \$51 million - \$55 million

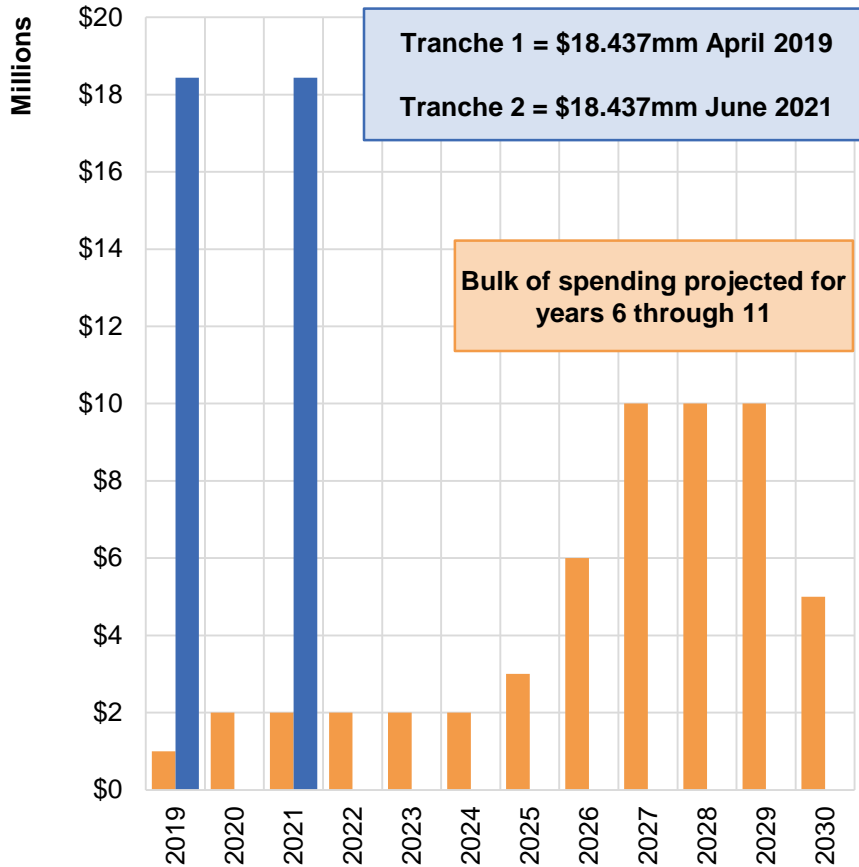
Investment of ARTP Funds

- ◆ Length of project suggests a long-term high quality fixed income portfolio
- ◆ Structure portfolio to match cash flow needs for project
- ◆ Recommend amending District investment policy statement (IPS) to allow purchase of 10 year maturity investments
- ◆ Estimated portfolio income ~ \$6 million
- ◆ Additional \$7million - \$13 million needed to cover anticipated total capital expenditure

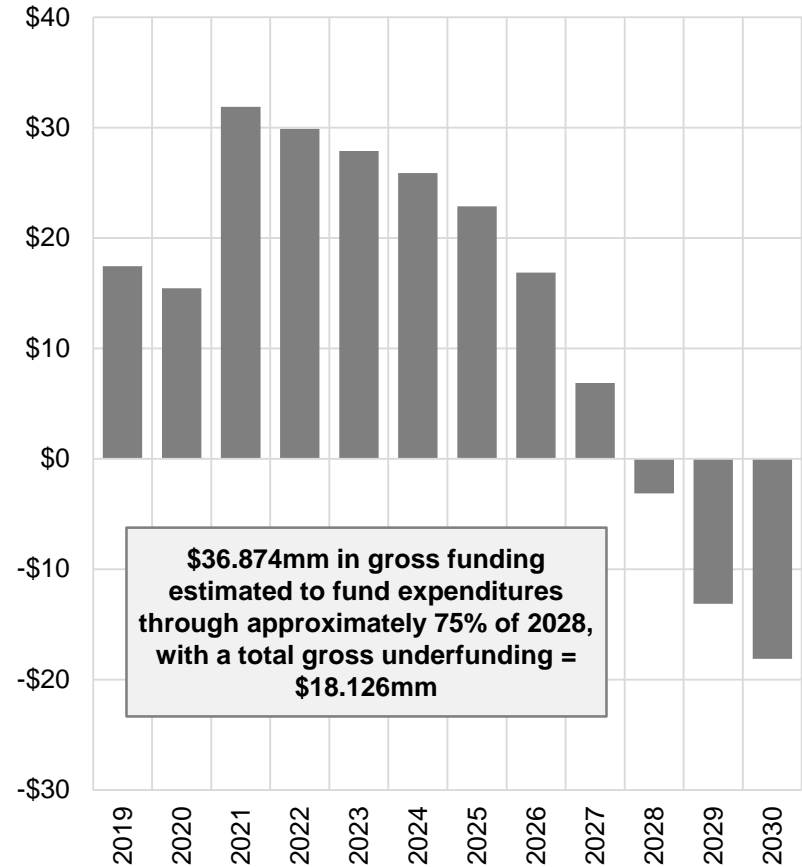


Active Recharge Transfer Projects Estimated Spend Schedule

Estimated Spend and Funding (by Calendar Year)



Gross-Funded Estimated Ending Balance (by Calendar Year)

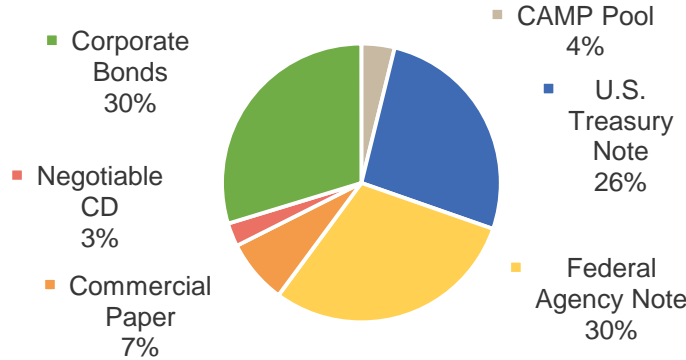


Funding and spending estimates provided by SBVWCD.



Tranche 1 Investment Recommendation

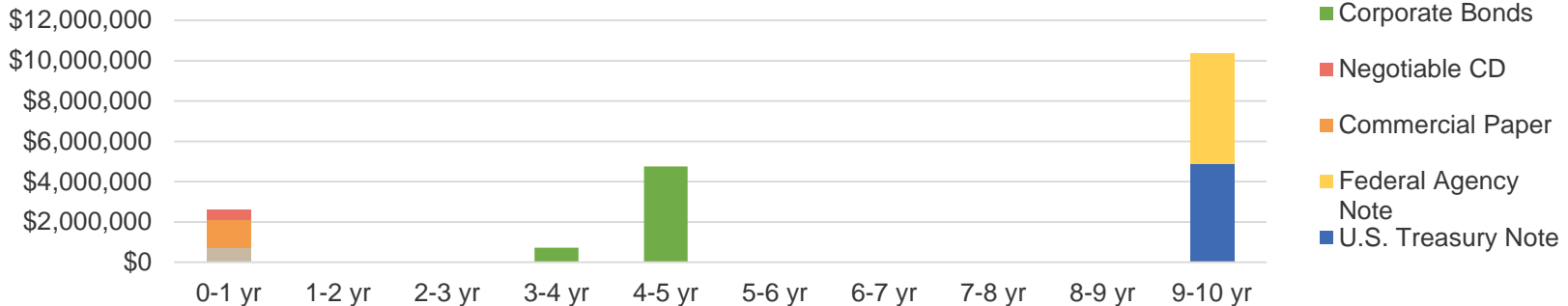
Tranche 1: Sector Allocation



Tranche 1: Strategy Overview (\$18,437,000 in April '19)

- Ensure investment maturities suffice required liquidity for estimated spending
- 3-5 year corporate notes (A or better by 1 NRSRO), as the sector offers attractive income potential relative to Treasuries of similar maturity
- 0-12 month commercial paper and negotiable bank CDs, attractive versus short Treasury bills and notes under 12 months
- Utilize remaining proceeds to lock-in longer-dated draws (helps mitigate reinvestment risk)

Tranche 1: Maturity Distribution by Sector

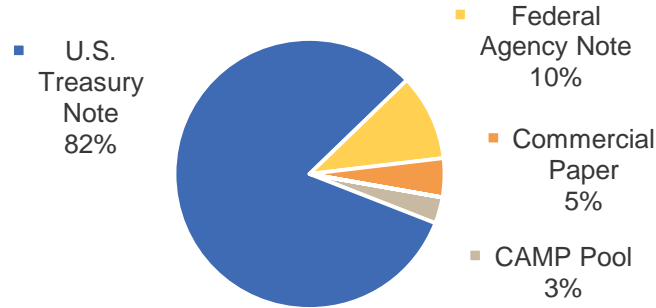


Sample portfolio is provided for illustrative purposes only and is not a recommendation. Yield source Bloomberg as of April 15, 2019. Actual yields and security availability may vary at time of purchase. As economic and market conditions may change in the future, so may PFMAM's recommendations as to the sale and purchase of securities in the portfolio. Please important notes to analysis on last page of this presentation.



Tranche 2 Investment Recommendation

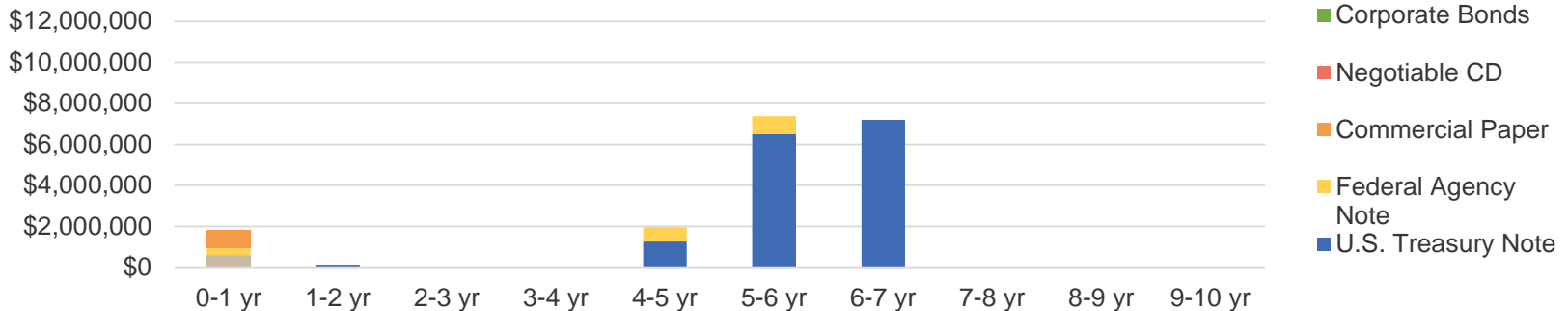
Tranche 2: Sector Allocation



Tranche 2: Strategy Overview (\$18,437,000 in June '21)

- Ensure investment maturities suffice required liquidity for estimated spending
- 0-12 month commercial paper and negotiable bank CDs
- Utilize full range of permitted investments to align balance of investable assets with spend schedule (Tranche 2 is projected to be largely Treasury/Agency purchases given prior purchases of corporate notes)
- Where supply and IPS limits permit, seek out additional supply in corporate notes (A or better by 1 NRSRO)

Tranche 2: Maturity Distribution by Sector



Sample portfolio is provided for illustrative purposes only and is not a recommendation. Yield source Bloomberg as of April 15, 2019. Actual yields and security availability may vary at time of purchase. As economic and market conditions may change in the future, so may PFMAM's recommendations as to the sale and purchase of securities in the portfolio. Please important notes to analysis on last page of this presentation.



Overall Portfolio Range of Estimated Earnings by Sector

	Yield Environment a/o 4/15/19*		All yields decline 1% over next 2 years**	
Sector	Estimated Gross Earnings	Average Purchase Yield	Estimated Gross Earnings	Average Purchase Yield
CAMP Pool	366,233	2.55%	109,880	1.67%
U.S. Treasury Note	3,327,931	2.51%	2,480,916	1.75%
Federal Agency Note	1,621,263	2.70%	1,542,040	2.44%
Commercial Paper	33,193	2.51%	30,435	2.12%
Negotiable CD	13,119	2.63%	13,119	2.63%
Corporate Bonds	677,676	2.74%	677,676	2.74%
TOTAL	6,039,413	2.62%	4,854,064	2.15%

* CAMP Pool yield is assumed to remain constant over the entire life of the project. Current 7-Day SEC Yield as of April 15, 2019 is 2.55%.

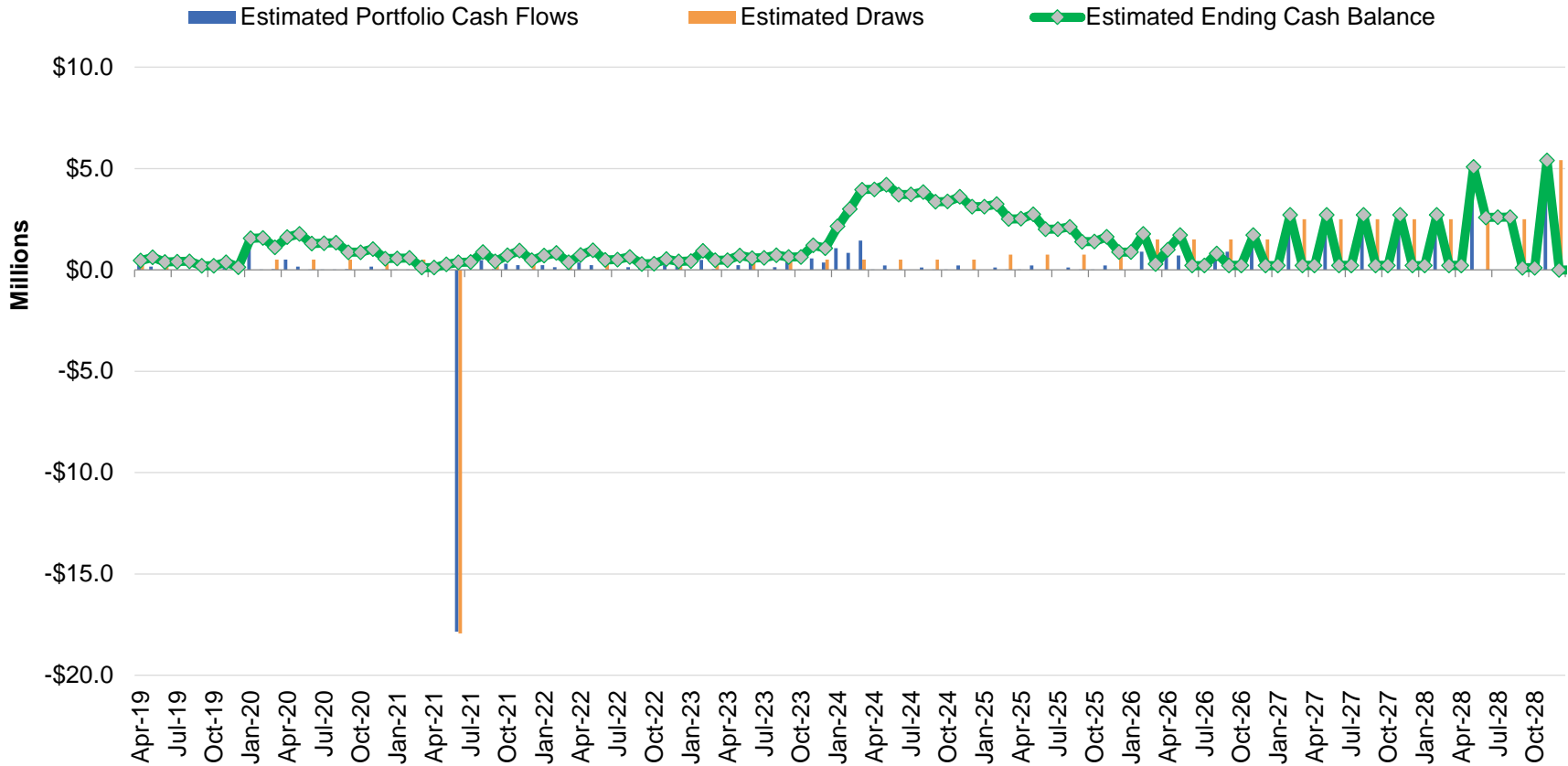
** CAMP Pool yield is assumed to decline 25 basis points (0.25%) every April 1st and October 1st, beginning October 1, 2019 through April 1, 2021. Securities estimated to be purchased as part of Tranche 2 are assumed to yield 1% less than they are currently yielding as of April 15, 2019.

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Overall Portfolio Estimated Cash Flows

Portfolio Cash Flows vs Estimated Draws



Sample portfolio is provided for illustrative purposes only and is not a recommendation. Yield source Bloomberg as of April 15, 2019. Actual yields and security availability may vary at time of purchase. As economic and market conditions may change in the future, so may PFMAM's recommendations as to the sale and purchase of securities in the portfolio. Please important notes to analysis on last page of this presentation.

Thank You



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT STATEMENT OF INVESTMENT POLICY

Approval: ~~January 9, 2019~~ April 10, 2019

POLICY

This Investment Policy (the “Policy”) of the San Bernardino Valley Water Conservation District (the “District”) provides delegation and guidelines for the investment of the District’s surplus cash and reserves that are not required for near-term operational needs of the District. The District will invest these funds in such a manner as to comply with applicable state laws, including California Government Code Sections 53600, et seq. and Sections 53630 – 53686.

No investment shall be made unless authorized under California Government Code Sections 53600, et seq. and Sections 53630 – 53686. The District shall utilize conservative investment vehicles consistent with its objectives and investment strategies identified and listed in this document.

1. SCOPE

The Investment Policy applies to all surplus cash and reserves that are not required for near-term operational needs of the District and all investment activities of the District except for the investment of bond proceeds, which are governed by the appropriate bond documents, and any pension, other post-employment benefit funds, or any other funds held in a trust that has a separate Investment Policy.

2. PRUDENCE

The standard of prudence to be used by those authorized to invest on behalf of the District will be the “prudent investor” standard and will be applied in the context of managing an overall portfolio. The “prudent investor” standard states that:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

3. OBJECTIVES

The primary objectives, in priority order, of the investment activities of the District are:

1. Safety—Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity—The investment portfolio will remain sufficiently liquid to enable the District to meet its cash flow requirements.
3. Return on Investment—The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk constraints of safety and liquidity needs.

4. DELEGATION OF AUTHORITY

In accordance with Government Code Section §53607, the Board of Directors hereby delegates investment management responsibility for the investment program to the General Manager, for a one-year period. Subject to review, the Board of Directors may renew the delegation of authority pursuant to this section each year. The General Manager, and the General Manager's designees, will monitor and review all investments for consistency with this Investment Policy. The General Manager may delegate day-to-day investment decision making and execution authority to an Investment Advisor. Eligible Investment Advisors must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisors Act of 1940. The Advisor will follow the Policy and such other written instructions as are provided.

Investments shall be limited to investments listed in this Policy or investments added to California Government Code with the approval of the Board. Further, any significant changes in investment strategy will be brought forth by the General Manager and/or Investment Advisor for consideration at a meeting of the Finance and Administration Committee (the "Committee"). If it is deemed necessary by the Committee, such changes in investment strategy may also be taken to the Board of Directors for approval.

5. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials will disclose to the General Manager any material financial interests in financial institutions that conduct business within their jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the District's portfolio.

6. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The General Manager, or his/her designee, will maintain a list of financial dealers and institutions qualified and authorized to transact business with the District.

The purchase by the District of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, who is a member of Financial Industry Regulatory Authority (FINRA), or a member of a Federally-regulated securities exchange, a National- or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The General Manager, or his/her designee, will investigate all institutions that wish to do business with the District, in order to determine if they are adequately capitalized, make markets in securities appropriate to the District's needs, and agree to abide by the conditions set forth in the District's Investment Policy and any other guidelines that may be provided. This will be done annually by requiring the financial institutions to submit in writing that they have read and will abide by the District's Investment Policy and submit its most recent Audited Financial Statement within 120 days of the institution's fiscal year-end.

If the District has retained the services of an Investment Advisor, the Investment Advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of the District.

Purchase and sale of securities will be made on the basis of competitive bids and offers with a minimum of three quotes being obtained, whenever possible.

7. AUTHORIZED AND SUITABLE INVESTMENTS

The District will limit investments in any one issuer, except for U.S. Treasuries, federal agencies, U.S. instrumentalities, and pooled funds (i.e., money market funds, local government investment pools, and LAIF), to no more than 5% regardless of security type.

Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only at the date of purchase. Credit criteria listed in this section refers to the credit rating category (inclusive of modifiers) at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the General Manager, or his/her designee, will perform a timely review and decide whether to sell or hold the investment. If the District has retained the services of an Investment Advisor, the Investment Advisor will notify the General Manager of such a downgrade and will recommend a plan of action.

The following instruments are hereby authorized for investment by the District. If a type of instrument is not specifically authorized by this Policy, it is not a permitted investment.

1. **U.S. Treasuries.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **U.S. Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **California State and Local Agency Obligations.** Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated "A," its equivalent, or better by two Nationally Recognized Statistical Rating Organizations ("NRSROs"). Obligations eligible for investment under this subdivision with maturities under one year must be rated at least "A-1," its equivalent, or better by an NRSRO. No more than 30% of the District's portfolio may be invested in municipal obligations (combined with other state obligations, as described in section 8.4).
4. **Other State Obligations.** Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations eligible for investment under this subdivision with maturities in excess of one year must be rated "A," its equivalent, or better by an NRSRO. Obligations eligible for investment under this subdivision with maturities under one year must be rated at least "A-1," its equivalent, or better by an NRSRO. No more than 30% of the District's portfolio may be invested in municipal obligations (combined with California state and local agency obligations, described in section 8.3).

5. **Bankers' Acceptances.** Purchases of bankers' acceptances will have a maximum maturity of 180 days. No more than 30% of the District's portfolio may be invested in bankers' acceptances. Eligible bankers' acceptances must be rated at least "A-1," its equivalent, or better by an NRSRO.
6. **Commercial Paper.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by two NRSROs. The entity that issues the commercial paper will meet all of the following conditions in either paragraph a or paragraph b:
 - a. The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.
 - b. The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper will have a maximum maturity of 270 days or less. No more than 25% of the District's portfolio may be invested in commercial paper. The City may purchase no more than 10% of the outstanding commercial paper of any single issuer.

7. **Medium-Term Notes.** Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S. medium-term notes must be rated "A," its equivalent, or better by an NRSRO. No more than 30% of the District's portfolio may be invested in medium-term notes.
8. **Bank Deposits.** Funds may be deposited in federally-insured or collateralized bank deposits to include, but not limited to, demand deposit accounts, savings accounts, market rate accounts, and time deposits. To be eligible to receive District deposits, the financial institution must be located in California and comply with the requirements listed in Government Code Section 53630 et. seq. The General Manager, at his/her discretion, may waive the collateralization requirements for any portion that is insured by the Federal Deposit Insurance Corporation or by the National Credit Union Administration. The District shall have a signed agreement with any depository accepting District funds per Government Code Section 53649. The final maturity of time deposits may not exceed five years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 50 percent of the portfolio may be invested in time deposits.
9. **Deposit Placement Services.** The District may invest a portion of its portfolio in deposits at a commercial bank, savings bank, savings and loan association, or credit union in the State of California (the selected depository) that uses a private sector entity that assists in the placement of deposits in the United States. The full amount of each deposit placed and the interest that may accrue on each such deposit will at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). Additional required criteria for this investment type can be found in California Government Code Section 53601.8.

If the District also uses negotiable certificates of deposit (“CDs”) (described in section 8.10), the 30% limit applies to the combined total invested in negotiable CDs and with deposit placement services. The maximum maturity of these instruments may not exceed five years.

The District will monitor the financial institutions selected by deposit placement services to ensure that the District does not deposit more than the amount eligible for FDIC insurance in a single financial institution through non-negotiable CDs and deposit placement services. California Government Code Section 53601.8 expires January 1, 2021 unless legislation is enacted to extend the expiration date.

10. **Negotiable Certificates of Deposit.** Negotiable certificates of deposit issued by a nationally- or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable CDs with maturities in excess of one year must be rated “A,” its equivalent, or better by an NRSRO. Eligible negotiable CDs with maturities under one year must be rated at least “A-1,” its equivalent, or better by an NRSRO. No more than 30% of the District's investment portfolio may be invested in negotiable CDs. If the District also uses a deposit placement service (described in section 8.9), the 30% limit applies to the combined total invested in negotiable CDs and with deposit placement services.
11. **State of California's Local Agency Investment Fund (LAIF).** The State Treasurer established LAIF for the benefit of local agencies. The District can invest up to the maximum amount permitted by the State Treasurer.
12. **Money Market Funds.** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies will either:
 - a. Attain the highest ranking letter or numerical rating provided by not less than two of the three largest NRSROs or
 - b. Have an Investment Advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

No more than 20% of the District’s portfolio may be invested in money market funds.

13. **Local Government Investment Pools (LGIPs).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code Section 53601. Each share will represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:
 - a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive of California Government Code Section 53601.

- c. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).
14. **U.S. Instrumentalities.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision must be rated at least “AA” by an NRSRO. No more than 30% of the District’s portfolio may be invested in these obligations.
15. **Asset-Backed Securities (ABS).** A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an “A” or higher rating for the issuer’s debt as provided by an NRSRO and rated in a rating category of “AA” or its equivalent or better by an NRSRO. No more than 20% of the District’s portfolio may be invested in ABS with a maturity duration of no more than five (5) years.

8. PROHIBITED INVESTMENTS

Investments not described herein, including but not limited to stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity are prohibited for purchased by the District. The District will not leverage or borrow money for the purpose of investing.

9. INVESTMENT POOLS

The District will complete due diligence for any pooled investments the District invests in. The General Manager will collect and evaluate the following information for each pool/fund:

- Permitted investments and objectives
- Description of interest calculations
- Method/frequency of interest distribution
- Treatment of gains and losses
- Method/frequency of audits
- Description of eligible investors
- Limits/minimum account sizes, type of assets, transaction sizes, and number of transactions
- Limits on withdrawals
- Frequency of statements and reporting of underlying investments
- Reserves or retained earnings
- Fee schedules

10. COLLATERALIZATION

Collateralization is required for deposits. Deposits must be collateralized as specified under Government Code Section 53630, et seq. The District, at its discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Funds

may be deposited in active or inactive accounts, but may not exceed the total paid-up capital and surplus in any depository.

11. SAFEKEEPING AND CUSTODY

All deliverable securities owned by the District will be kept in safekeeping/custody by a third-party bank's trust department. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the District's safekeeping/custody bank prior to the release of funds.

12. MAXIMUM MATURITIES

Maturities will be based on a review of cash flow forecasts. Maturities will be scheduled to permit the District to meet all projected obligations.

[The purchase of U.S. Treasuries, Federal Agencies and Municipals with maturities in excess of five years is permitted, subject to the following constraints: U.S. Treasuries, Federal Agencies and Municipals shall have a maximum maturity at time of purchase of eleven years or less. This change to the investment policy approved by the Board of Directors on April 10, 2019.](#)

~~The District may not invest in a security that exceeds five years from the date of purchase unless the Board of Directors has provided at least 90 days prior approval for a specific purpose.~~

13. INTERNAL CONTROLS

The General Manager will establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

14. PERFORMANCE STANDARDS

The District will establish a performance benchmark consistent with its investment strategy and supportive of its investment objectives.

15. REPORTING REQUIREMENTS

The General Manager shall submit a monthly report of investment transactions, if any, that is in accordance with California Government Code §53607. In addition, on a regular basis, the General Manager may provide the Board of Directors with a report that shall disclose, at a minimum, the following information about the risk characteristics of District's portfolio: A listing of District assets showing par value, cost, and market value of each security, type of investment, issuer name, credit quality, coupon rate, and yield to maturity at cost. This report may also include a statement of compliance with the Investment Policy, including a schedule of any transactions or holdings which do not comply with this Policy or with the California Government Code, if any, including a justification for their presence in the portfolio and a timetable for resolution, and a statement that the District has adequate funds to meet its cash flow requirements for the next six months.

These reports shall also contain any additional information as is requested by the Board of Directors.

16. INVESTMENT POLICY ADOPTION AND REVIEW

The District's Investment Policy is hereby adopted by the District's Board of Directors. This Policy

will be reviewed annually by the Board of Directors and any modifications made thereto must be approved by the Board of Directors.

17. GLOSSARY

See attached **Appendix A**.

APPENDIX A GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies. California Government Code Sections 53630 – 53686 et seq. mandate the collateral requirements for public funds in the state of California.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

APPENDIX A

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1640

To: Board of Directors

From: Daniel Cozad, General Manager

Date: April 24, 2019

Subject: Hydrology Study/Assessment in Areas Adjacent to Santa Ana River Spreading Grounds

RECOMMENDATION

Staff recommends that the Board authorize staff to issue a contract amendment for an amount not-to-exceed \$106,848 to address issues identified in the Seven Oaks Dam High Flow study.

BACKGROUND

The District and San Bernardino Valley Municipal Water District (SBVMWD) have been working with other interested parties on a number of modeling exercises to optimize habitat creation/ maintenance for threatened and endangered species using flows originating in the Santa Ana and Mill Creek watersheds. The study has examined the sufficiency of those flows to create or restore habitat and how they may be augmented to provide greater habitat benefit.

The recently completed Seven Oaks Dam High Flow Study was reviewed by resource agency staff and other interested parties in a public workshop. A number of issues identified in the workshop required additional study. Most issues identified involved creation of overbank flows in the Santa Ana River impacting Wash Plan lands or those adjacent. A full understanding of these issues is important in the implementation of the Wash Plan Habitat Conservation Plan.

FISCAL IMPACT

The initial scoping and review of existing literature was funded by the District with the remaining of the study funding coming from SBVMWD. All consultant costs associated with this study will be reimbursed by the SBVMWD.

1630 W. Redlands Blvd, Suite A
Redlands, CA 92373
Phone: 909.793.2503
Fax: 909.793.0188
www.sbvwd.org Email: info@sbvwd.org

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

POTENTIAL MOTIONS

1. Move to authorize staff to issue an Amendment for Contractor Services to ICF for an amount not-to-exceed \$106,848.
2. Move to table consideration of the issue and request the Operations Committee review provide a recommendation.
3. Table the item to a future meeting for consideration.

ATTACHMENTS OR MATERIALS

Amendment to Contractor Services Agreement for Professional Services

**AMENDMENT TO
CONTRACTOR SERVICES AGREEMENT
FOR
PROFESSIONAL SERVICES**

THIS NINTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR CONSULTING WORK (“Agreement”) by and between the **SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT**, a California Special District (“SBVWCD” or “District”), and **ICF**, (“Consultant”), is effective on April 16, 2019 and when signed by District and Consultant (“Effective Date”).

WHEREAS District and Consultant entered into a Contract Services Agreement dated October 4, 2013; and

WHEREAS Consultant has performed under the Agreement, and District wishes to renew the Agreement for an additional period, to address issues identified in the Seven Oaks Dam High Flow Study (SOD HFS) in correlation to the Wash Plan Habitat Conservation Plan (HCP).

NOW THEREFORE, the parties hereto agree as follows:

1.0 AMENDMENT TO TERMS OF CONTRACT

1.1 Section 1.2 of the Agreement is hereby amended to read as follows:

Authorization to Begin and Term. The Consultant’s retention shall be effective from April 16, 2019. This Amendment shall be effective beginning that date and continuing until June 30, 2019.

1.2 Section 1.2 of the Agreement is hereby amended to read as follows:

Contract Sum. For the services rendered pursuant to this Amendment, the Consultant shall be paid on a time and materials basis for work actually performed, not to exceed a total payment of One Hundred Six Thousand Eight Hundred Forty Eighty Dollars (\$106,848.00). Services provided under this agreement are in support of the efforts of the Wash Plan Task Force and the District collects funds to support these efforts. The District’s ability to provide payment is contingent upon the collection of these funds from San Bernardino Valley Municipal Water District and the Consultant shall manage its endeavors not to provide services whose costs go beyond the funds collected for these purposes. The District’s Contract Officer will provide regular updates to the Consultant concerning funds collected and may issue a stop work notice if adequate funding is not available.

1.3 Section 5.1 of the Agreement is hereby amended to read as follows:

Term. This Agreement shall be effective from April 16, 2019 and shall continue

in full force and effect until completion and approval of the work and services described hereunder by June 30, 2019, unless extended by mutual consent, or until otherwise terminated under Section 6.11 the Agreement.

2.0 REMAINDER OF AGREEMENT UNAFFECTED

2.1 Except as specifically amended by this Amendment, the remainder of the Agreement remains unaffected, and is and shall be in full force and effect throughout the term of this Amendment.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement and by signature below:

**SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT**

By: _____
Daniel B. Cozad
General Manager

Date: _____

CONSULTANT

By: _____
ICF

Date: _____



2019 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. 9 Board Meeting
 Jan. 23 2nd 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. 10 Board Meeting
 Jul. 24 4th 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. 6 Special Board Mtg.
 Feb. 13 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. 14 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. 13 Board Meeting
 Engineering Investigation Report Presentation
 Mar. 27 3rd Qtr. Finance & Admin Mtg.

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. 11 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. 10 Board Meeting
 Public Meeting/Groundwater Charge
 Apr. 17 Budget Workshop
 Apr. 24 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. 9 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 22 Board Meeting

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. 13 Board Meeting
 Nov. 20 1st Qtr. Finance & 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. 12 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. 11 Board Meeting
 (@ 9:30 a.m.)
 Holiday Luncheon