



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

BOARD OF DIRECTORS MEETING AGENDA

Wednesday, April 23, 2025 – 1:30 PM

Location – 1630 W. Redlands Blvd., Ste. A, Redlands, CA 92373

Anyone wishing to listen to or participate in the meeting can join via Teams by clicking on this link, <https://teams.microsoft.com/l/meetup-join>, or by entering the following information at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>:
Meeting ID: 253 939 801 058 Passcode: VN2kX7i7

While the District makes every attempt to follow all guidance regarding COVID-19 safety protocols, the District cannot assure in-person attendees that they will not be exposed to COVID-19 or persons who have been so exposed. Attendees are advised to exercise caution in limiting their own incidences of exposure, particularly those who may be in groups at higher risk of infection or serious symptoms of COVID-19 if infected.

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 pertaining to agenda topics listed, received, or generated by the District after posting 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. The San Bernardino Valley Water Conservation District intends to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance concerning the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if, as a participant at this meeting, you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Allison Zecher 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

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BOARD OF DIRECTORS

Division 1:
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Division 2:
Mark E. Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

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. **INTRODUCTIONS AND GUEST RECOGNITION**
- 4. **PUBLIC HEARING RELATED TO ADOPTION OF THE 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 of 5% take place for fiscal year 2025-2026, the proposed unitary groundwater charge is \$18.69 per acre-foot (af) for all groundwater production. The rates proposed pertain to municipal and non-municipal agricultural groundwater production from July 1, 2024-June 30, 2025. District staff will present any written comments received and the board will hear oral comments.

- *Open Public Hearing*
- [*2025 Engineering Investigation Report Presentation \(if requested\)*](#)
- *Staff Presentation on Groundwater Charge*
- *Groundwater Charge for FY 2025-2026 (M#2101) and Resolution No. 632 for Groundwater Charge for 2025-2026.....5*
- *Receive Public Comments or Testimony*
- *Close Public Hearing*

- 5. **CONSENT CALENDAR**
 - a. *Approval of Board Minutes, April 9, 2025.....25*
 - b. *Report of Excused Absences*
- 6. **COMMITTEE REPORTS /ACTION ITEMS**

Committee Reports

A. AD HOC COMMITTEE AUDIT FIRM SELECTION

Presenter: Richard Corneille, Acting Chair

Recommendation: The chair of the Ad Hoc Audit Firm Selection Committee will provide a verbal update of the committee meeting held on April 15.

B. FINANCE AND ADMINISTRATION COMMITTEE VERBAL REPORT

Presenter: Robert Stewart, Chair

Recommendation: The chair of the Finance and Administration Committee will provide a verbal update of the committee meeting held on April 16.

Action Items

- A. **AUDIT FIRM SELECTION FOR FISCAL YEARS 2025-2028 – 5 Minutes (M#2107) 35**

Presenter: Betsy Miller

Recommendation: The Ad Hoc Audit Firm Selection Committee recommends approval of Eadie Payne LLP to perform the District’s FY25 audit and authorize the General Manager to 1) enter into an Audit Engagement Letter to provide these services, as approved by District Counsel, and 2) up to three subsequent Audit Engagement Letters through audit year FY28 based on performance.

B. CONTRACT SERVICES AGREEMENT WITH NAKAE & ASSOCIATES FOR CACTUS SALVAGE AND RELOCATION SERVICES – 5 Minutes (M#2108).....43

Presenter: Milan Mitrovich

Recommendation: Approve Contract Services Agreement with Nakae & Associates for implementation of cactus salvage and relocation into the Upper Santa Ana River Wash Habitat Conservation Plan Preserve in an amount not to exceed \$77,500.

7. INFORMATION ITEMS:

- A. Jeff Mosher, Cloud Seeding Update SAWPA – Santa Ana Watershed Project Authority
- B. Future Agenda Items & Staff Tasks

8. UPCOMING MEETINGS:

April 29, 2025	Operations Committee Meeting, 9:30 AM at Conservation District (Teams Meeting ID: 257 752 952 865 Passcode: yr9B7tF2)
April 30, 2025	Budget Workshop Meeting, 1:30 PM at Conservation District (Teams Meeting ID: 291 915 642 315 Passcode: ES9TN2f9)
May 7, 2025	PERC Policy Committee, 10:00 AM at Conservation District (Teams Meeting ID: 266 055 869 210 Passcode: ha7f2aq6)
May 12 – 13, 2025	ACWA JPIA Spring Membership Summit 2025, Monterey, CA <i>(Board Approval Required)</i>
May 13 – 15, 2025	ACWA Spring Conference & Expo 2025, Monterey, CA <i>(Board Approval Required)</i>
May 21, 2025	Board of Directors Meeting, 1:30 PM at Conservation District (Teams Meeting ID: 259 588 786 602 Passcode: jJ6kr6Xe)

May 26, 2025	Memorial Day Holiday, Conservation District Closed
June 2, 2025	Basin Technical Advisory Committee Meeting, 1:30 PM at SBVMWD Boardroom
June 11, 2025	Board of Directors Meeting, 1:30 PM at Conservation District (Teams Meeting ID: 285 631 425 054 Passcode: zp6mn3bN)

9. **CLOSED SESSION**

A. The Board may meet in closed session pursuant to Government Code section 54957(b) to consider a public employee performance review-General Manager

10. **ADJOURN MEETING.** The next regularly scheduled Board of Directors meeting will be on May 21, 2025, at 1:30 PM, at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA and via Teams/teleconference.



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2101

To: Board of Directors
From: Finance & Administration Committee
Betsy Miller, General Manager
David B. Cosgrove, General Counsel
Date: April 9 and 23, 2025
Subject: Groundwater Charge for Fiscal Year 2025-2026

RECOMMENDATION

Conduct a public meeting on April 9, 2025, regarding the proposed 2025-26 Groundwater Charge, and then continue the matter to April 23, 2025, for final action and adoption of a resolution approving an adjustment of the Groundwater Charge in the unitary amount of \$18.69 per acre-foot, for both agricultural and non-agricultural production. This change represents a five (5%) percent increase from the rates in effect for the prior year.

BACKGROUND

On January 22, 2025, the Finance & Administration Committee reviewed the District’s Groundwater Enterprise Budget for FY26 and discussed alternatives for proposed groundwater charge updates.

On February 12, 2025, the District reviewed its Preliminary Groundwater Enterprise Budget for the upcoming year, and the Board gave direction to staff to advertise a proposed Groundwater Charge rate in public notices of \$18.69 per acre-foot, which represents a five (5%) percent increase from the rates in effect for the prior year. While the proposed increase includes inflation, the primary underlying factor for the increase in the costs of the District’s groundwater enterprise activities is related to operations of the 20 newly constructed Enhanced Recharge facilities. Background facts supporting staff’s recommendation for this increase were detailed in the staff report accompanying the Board’s consideration of a published rate on February 12, 2025. For ease of reference, a copy of that staff report is attached and incorporated herein by reference.

Notices of the proposed groundwater charge rate were mailed to all reporting groundwater producers on February 20, 2025 in compliance with California Constitution Article XIII D, Sec. 6(a)(2), which requires forty-five (45) days between the date of the mailed notice and the proposed actual imposition of the Groundwater Charge on April 23, 2025.

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Notices of the April 9, 2025, public meeting and April 23, 2025, public hearing were published on the District's website, the San Bernardino County Sun, and the Redlands Community News on February 22, March 1, and 8, 2025.

On March 12, 2025, the District Board reviewed and approved its annual Engineering Investigation for the 2024-25 water year ("EI").

DISCUSSION

April 9, 2025, is the time set for a public meeting on the proposed adjustment to the District's rate for the Groundwater Charge for FY25. A public hearing will be held on April 23, 2025, at 1:30 pm, per the District's established custom and consistent with applicable statutes governing Groundwater Charge processes.

As in the past, the decision to fix the Groundwater Charge rate comes with a series of findings regarding agricultural and non-agricultural groundwater production, annual and cumulative change in storage, and overall basin conditions. These findings are based upon the Engineering Investigation and required by statute. The findings, and the support for them, are set out in detail in the "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" ("Resolution"), which is attached hereto, and submitted for Board and public review.

The recommendation to adjust the Groundwater Charge rate is based on staff's review of the Groundwater Enterprise Budget, based on anticipated expenditures for the upcoming year. These topics were reviewed in detail at the Finance & Administration Committee on January 22, 2025, and at the Board meeting on February 12, 2025. The staff report regarding Budget Planning for Groundwater Enterprise for FY25 Advertised Groundwater Charge, dated February 12, 2025, identifies budget revenue and expense projections, details budget presumptions, and describes the recent history of Groundwater Charge amounts. In order to avoid repetition, the staff report is attached hereto, and its contents are incorporated herein by reference.

On balance, in considering the budget, the Board directed that the noticed rate would be a five percent (5%) increase in the Groundwater Charge rate, from \$17.80 to \$18.69 per acre-foot. These are the rates that have been proposed for consideration and which are the subject of public review and comment both at the April 9, 2025, public meeting and the April 23, 2025, public hearing. The actual rate levied may vary per Board direction after public input.

POLICY CONSIDERATIONS

While the proposed rate is calculated to cover District groundwater operations in average years, use of reserves is expected in FY26 due to maintenance needs following record recharge in 2023 and 2024. Due to significant maintenance work in FY24 and FY25, the proposed use of reserves is approximately one third of the reserves budgeted for FY25.

FISCAL IMPACT

Approval of the recommended action would result in an estimated revenue of \$1,568,203 to GL 4022, Groundwater Charge, in FY26. The draft budget, which will be evaluated at the upcoming Finance & Administration Committee and Budget Workshop prior to presentation to the Board for consideration in May, includes the use of \$50,000 from the Groundwater Recharge Enterprise Reserve (for remaining maintenance needs following record recharge in 2023 and 2024). The impact to reserves without an increase is approximately \$74,676.

ATTACHMENTS

Attachment 1 – Board Memo No. 2087 Budget Planning for Groundwater Enterprise for FY26: Advertised Groundwater Rate from February 12, 2025

Attachment 2 – Groundwater Budget for FY26 from February 12, 2025

Attachment 3 – Groundwater Production and Charge Revenue Projection

Attachment 4 – Resolution No. 632

Attachment 5 – Declaration of Mailing of Groundwater Charge Notices

Attachment 5A – Exhibit A: Groundwater Rate Increase Letter and Notice of Public Hearing

Attachment 5B – Exhibit B: Groundwater Producers List

**Attachment 1 – Board Memo No. 2008 Budget Planning for Groundwater Enterprise for FY25:
Advertised Groundwater Rate from February 12, 2025**



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2087

To: Board of Directors

**From: Finance & Administration Committee
Betsy Miller, General Manager**

Date: February 12, 2025

Subject: Budget Planning for Groundwater Enterprise for FY26: Advertised Groundwater Charge

RECOMMENDATION

The Finance & Administration Committee recommends the Board review and discuss the FY26 Groundwater Enterprise Budget and provide direction to staff on Public Notice for the Groundwater Charge.

BACKGROUND

Each year, San Bernardino Valley Water Conservation District (District) staff prepares revenue and expense estimates for the Groundwater Enterprise, as underlying support for the Board to determine a proposed amount for the Groundwater Charge for public notice purposes. The estimated amount included in the proposed advertised rate provides public notice of the potential proposed rate for discussion purposes, and does not set or adopt any change. Following this analysis, the proposed Groundwater Charge rate is noticed in the newspaper and sent via mail to groundwater producers, with opportunities for community input and feedback at both a public meeting and a Board hearing to determine the annual groundwater charge.

Over the past three years, the Board approved the following change to rates: A 5% increase to \$15.27/AF and a replenishment sustainability component increase to \$7.35/AF in 2022; an 11% increase to \$16.95/AF to address new permitting compliance requirements and a replenishment sustainability component increase to \$12.00/AF in 2023, and a 5% increase to \$17.80 and cessation of the replenishment sustainability component with the disbanding of the Groundwater Council in 2024.

DISCUSSION

The Groundwater Enterprise fund revenue has met its operating expenditures for the past six years, with Groundwater Reserves used to fund capital construction projects (e.g. Mill Creek Diversion and Debris Management Plan) and major maintenance needs following high rainfall years. Based on performance for the first half of the fiscal year, staff has projected a budget for Groundwater Enterprise operations and

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updated capital expenses. Staff has estimated a preliminary Groundwater Charge rate budget needed to offset these expenses.

Budget Approach:

The budget approach recommended by staff includes the following efforts and activities:

- Utilize the Groundwater Enterprise Budget to develop the proposed Groundwater Charge; and,
- Review the draft budget with the Finance & Administration Committee and/or in a Board Workshop before submitting it to the Board for approval.

Assumptions

The budget process follows those used for previous budgets, including the following specific assumptions:

Revenue:

- Groundwater Charge revenue is based on actual charges paid in the prior year.

Expenses:

- Expenses are estimated on a zero basis, or actual costs/estimates modified based on specific needs and actual 2024 costs;
- Board administrative costs and Staff COLA increases are based on Bureau of Labor Statistics CPI-U All West at 2.5% based on the actual December 2024 rate compared to 3.6% over the previous budget year https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm;
- Utilities increase at approximately 5-7%, based on sector CPI or projected rate changes;
- Salary forecast includes raise pool of up to 5% as a percentage of total salaries;
- Miscellaneous expenses are generally increased at 5% where no other basis is available;
- For FY26, significant planned costs include the operations of the 20 new Enhanced Recharge basins, design and installation of a waterwise garden for public education, and an expansion of office space.

The full cost of capital improvements, repairs, and equipment are included in the budget, with CIP costs incorporated into the annual operating budget to account for specific instances where operating revenue is paid to capital projects and capital funding covers annual costs such as salaries. CIP costs in the current Groundwater Enterprise budget include the following:

- Permit costs for the Mill Creek Groundwater Recharge Facility;
- Permit costs for the Mill Creek Diversion
- Mill Creek North Canal measurement structure;
- Purchase of maintenance equipment, if needed.

Based on the year-to-date budget information and the assumptions listed above, including operation of the 20 planned new Enhanced Recharge basins, staff projects that a 5% increase in the Groundwater Charge is needed for FY26. These facilities represent a 100% increase in the amount of recharge basin acreage at our Santa Ana River Groundwater Recharge Facility, and it may be necessary to consider additional increases to properly operate these facilities in the future. At this time, staff proposes use of a conservative approach to funding, with one additional staff member added to the Field Operations team with other staff added based on operational needs.

GROUNDWATER SUSTAINABILITY AND REPLENISHMENT

With the cessation of the Groundwater Council, the District will no longer collect the Replenishment/Sustainability component, which was originally approved by the Board during their FY22 rate-setting process, until such time as a new Groundwater Council is approved.

POLICY CONSIDERATIONS

The Board provides direction to staff on the appropriate Groundwater Charge rate to advertise in the notices for the public meeting and hearing. Staff has reviewed the groundwater recharge operational costs to date for FY26 and Groundwater Recharge Enterprise revenue likely to be generated by the Groundwater Charge. Staff believes that these data provide sufficient information to project the FY26 Groundwater Recharge Enterprise needs. Following this analysis, staff recommends that the Board advertise a 5% increase in rates for the upcoming fiscal year. The recommendation is in keeping with prior Board direction to limit annual rate increases to 3-5% except in cases of significant policy, economic, or operational change.

FISCAL IMPACT

The annual development of the Groundwater Charge rate is supported by the Groundwater Recharge Enterprise. Without the proposed 5% rate increase in FY26, the impact to the Rate Stabilization Fund would be approximately \$74,676.

POTENTIAL MOTIONS

1. Move to direct staff to advertise a 5% in the Groundwater Charge and approve the budget plan as shown herein.
2. Move to direct staff to advertise a different rate change to the Groundwater Charge and approve changes to the budget plan as shown herein.

ATTACHMENTS

Draft Groundwater Enterprise Budget for FY26
Groundwater Production and Charge Revenue Projection

Attachment 2 - Draft Groundwater Budget FY26 from February 12, 2025

I GL DESCRIPTION:	Projected Annual Costs (7/1/24-6/30/25)	Increase/Decrease	Draft 2025-2026 Budget	GROUNDWATER RECHARGE ENTERPRISE		
				2026 BUDGET:	% BUDGET	BASIS:
Draft 2025-2026 Budget						
INCOME:						
4012 INTEREST INCOME-LAIF	25	-25	0	0		
4013 INTEREST INCOME-CALTRUST	0	0	0	0		
4014 INTEREST INCOME-CA CREDIT UNION	0	0	0	0		
4015 INTEREST INCOME-UBS	1,400,000	-318,158	1,081,842	10,118		Shared Interest
4016 INTEREST INCOME CAMP	770,000	-77,200	692,800	18,414		Shared Interest
4017 PERC CAPITAL INCOME	0	0	0	0		
4022 GROUNDWATER CHARGE	1,440,349	127,854	1,568,203	1,568,203	100%	5% increase
4031 PLANT SITE CEMEX	24,000	24,000	48,000	0		
4032 CEMEX - ROYALTY/LEASE	300,000	300,000	600,000	0		
4036 AGGREGATE MAINTENANCE	175,000	-100,000	75,000	0		
4040 MISCELLANEOUS INCOME	64,000	-11,845	52,156	42,156		Bureau of Rec grant funds
4043 PROJECT SALARY REIMBURSEMENT	52,374	-16,802	35,572	20,572		
4050 PROPERTY TAX	200,000	40,000	240,000	0		
4051 WASH PLAN TRAILS	66,000	0	66,000	0		
4055 SBVMWD LEASE AGREEMENT	493,880	12,347	506,227	354,359	70%	
4062 MENTONE PROPERTY INCOME	100	0	100	0		
4065 REDLANDS PLAZA	189,882	11,280	201,162	0		
4066 REDLANDS PLAZA CAM	45,574	911	46,485	0		
4080 EXCHANGE PLAN	0	0	0	0		
4025 WASH PLAN REVENUE	250,000	-129,745	120,255	0		
4086 PLUNGE CREEK IRWMP Grant	0	0	0	0		
GW Recharge Enterprise Reserve	185,000	-135,000	50,000	50,000	100%	
4998 RATE STABILIZATION *From Reserves	0	0	0	0	100%	
4999 TRUST REIMBURSEMENT WP	0	0	0	0		
TOTAL INCOME:	5,740,149	-356,346	5,383,803	2,063,822		
EXPENSES:						
5080 LAFCO CONTRIBUTION/FEES	2,580	-0	2,580	0		
5120 PROFESSIONAL SERVICES	477,500	-175,000	302,500	55,000		Consulting Services
5122 WASH PLAN PROF. SERVICES	0	0	0	0		
5123 WASH PLAN IMPLEMENTATON	115,000	-27,410	87,590	0		
5124 PLUNGE CREEK PROFESSIONAL SERVICE	0	0	0	0		
5125 ENGINEERING SERVICES	35,000	0	35,000	35,000	100%	
5126 GW SUSTAIN./REPLENISHMENT	0	0	0	0	100%	Pass through of GC cost
5127 PROJECT ACCOUNTING SERVICES	7,500	0	7,500	0		
5128 GC NONDISTRICT FACILITIES MAINT.	0	0	0	0	100%	Pass through of GC cost
5130 AERIAL PHOTO/SURVEYING/MARKET	2,547	127	2,674	0		
5133 Regional River HCP Contribution	30,000	0	30,000	24,000	80%	
5143 SBVCT District Contribution	0	0	0	0		
5145 ENVIRONMENTAL SERVICES (WASH P)	0	0	0	0		
5155 WP TRAILS SERVICES	50,000	50,000	100,000	0		
5160 IT SUPPORT	34,500	0	34,500	15,525	45%	Share by need
5170 AUDIT	30,960	3,096	34,056	14,985	44%	Share based on Revenue
5175 LEGAL-WASH PLAN	0	0	0	0		
5180 LEGAL	25,000	0	25,000	6,250	25%	GC and COE Litigation

I GL DESCRIPTION:	Projected Annual Costs (7/1/24- 6/30/25)	Increase/ Decrease	Draft 2025- 2026 Budget	GROUNDWATER RECHARGE ENTERPRISE		
				2026 BUDGET:	% BUDGET	BASIS:
Draft 2025-2026 Budget						
FIELD OPERATIONS:		0				
5210 EQUIPMENT MAINTENANCE	15,000	0	15,000	15,000	100%	based on average actual
5215 PROPERTY MAINTENANCE	30,000	10,000	40,000	32,000	80%	
5223 TEMP FIELD LABOR	10,000	0	10,000	10,000	100%	Invasive and canal cleanin
5225 FIELD CLEAN UP-DUMPING/VECTOR	60,000	0	60,000	36,000	60%	
5050 BASIN CLEANING	250,000	-125,000	125,000	125,000	100%	
VEHICLE OPERATIONS:		0				
5310 VEHICLE MAINTENANCE	10,626	1,594	12,220	12,220	100%	
5320 FUEL	30,000	5,000	35,000	35,000	100%	Based on FY 23 Actuals
UTILITIES:		0				
5410 ALARM SERVICE	2,500	125	2,625	1,050	40%	FACILITIES SHARE
5420 ELECTRICITY	11,032	221	11,253	2,251	20%	FACILITIES SHARE
5430 MOBILE PHONES	7,508	375	7,883	3,941	50%	FACILITIES SHARE
5440 TELEPHONE	3,500	280	3,780	945	25%	FACILITIES SHARE
5450 NATURAL GAS	2,000	350	2,350	705	30%	FACILITIES SHARE
5460 WATER / TRASH / SEWER	4,490	673	5,163	1,807	35%	FACILITIES SHARE
5470 INTERNET SERVICES	3,257	489	3,746	936	25%	FACILITIES SHARE
GENERAL ADMINISTRATION:		0				
6001 GENERAL ADMIN-OTHER	10,000	-4,000	6,000	3,000	50%	ESTIMATE BY USE
6002 WEBSITE ADMINISTRATION	6,300	315	6,615	0		
6003 PROPERTY TAX	0	0	0	0		
6004 MEETING EXPENSES	2,500	0	2,500	0		
6006 PERMIT FEES	15,000	0	15,000	12,750	85%	USFWS/CDFW/COE
6007 INTER DISTRICT COSTS	10,000	0	10,000	5,000	50%	
6009 LICENSES	2,000	0	2,000	1,600	80%	
6010 SURETY BOND	1,210	690	1,900	0		
6012 OFFICE MAINTENANCE	10,000	0	10,000	0		
6013 OFFICE LEASE PAYMENT	50,000	0	50,000	10,000	20%	Share by allocation
6015 MENTONE HOUSE MAINTENANCE	4,000	0	4,000	0		
6016 REDLANDS PLAZA MAINTENANCE	20,000	0	20,000	0		
6026 REDLANDS PLAZA CAM EXPENSES	47,554	0	47,554	0		
6018 JANITORIAL SERVICES	10,560	0	10,560	0		
6019 JANITORIAL SUPPLIES	750	-300	450	180	40%	FACILITIES SHARE
6020 VACANCY MARKETING-RP	5,000	0	5,000	0		
6024 COMPUTER HARDWARE	3,150	158	3,308	2,067	63%	FACILITIES SHARE
6027 COMPUTER SOFTWARE	23,250	0	23,250	2,325	10%	FACILITIES SHARE
6030 OFFICE SUPPLIES	10,000	0	10,000	2,000	20%	FACILITIES SHARE
6033 OFFICE EQUIPMENT RENTAL	8,100	0	8,100	405	5%	FACILITIES SHARE
6036 PRINTING	2,500	0	2,500	1,000	40%	
6039 POSTAGE AND OVERNIGHT DELIVERY	1,200	0	1,200	300	25%	
6042 PAYROLL PROCESSING FEES	5,000	0	5,000	0		
6045 BANK INVESTMT. SERVICE CHARGES	5,000	5,000	10,000	0		
6051 UNIFORMS	3,209	96	3,305	2,314	70%	Field Uniforms
6060 OUTREACH	130,000	161,000	291,000	132,500		share by mission
6087 EDUCATIONAL REIMBURSEMENT	5,000	0	5,000	0		
6090 SUBSCRIPTIONS/PUBLICATIONS	3,150	158	3,308	0		
6091 PUBLIC NOTICES	4,000	0	4,000	3,200	80%	

I	GL DESCRIPTION:	Projected Annual Costs (7/1/24-6/30/25)	Increase/Decrease	Draft 2025-2026 Budget	GROUNDWATER RECHARGE ENTERPRISE		
					2026 BUDGET:	% BUDGET	BASIS:
	Draft 2025-2026 Budget						
6093	MEMBERSHIPS	41,406	-3,823	37,583	0		
	BENEFITS:		0				
6110	VISION INSURANCE	3,170	0	3,170	1,586	41%	Based on percent of hours
6120	WORKER'S COMP INSURANCE	23,286	1,576	24,861	12,436	41%	Based on percent of hours
6130	DENTAL INSURANCE	12,137	0	12,137	6,071	41%	Based on percent of hours
6150	MEDICAL INSURANCE	278,414	5,085	283,499	141,806	41%	Based on percent of hours
6150.01	MEDICAL EMPLOYEE CONTRIBUTION	-39,230	-608	-39,839	-16,334	41%	Based on percent of hours
6160	PAYROLL TAXES - EMPLOYER	117,848	16,728	134,576	67,315	41%	Based on percent of hours
6170	PERS RETIREMENT	282,883	9,653	292,536	146,327	41%	Based on percent of hours
6170.01	PERS EMPLOYEE CONTRIBUTION	-85,805	-2,951	-88,757	-36,390	41%	Based on percent of hours
6170.02	457 Plan EMPLOYEE CONTRIBUTION	0	0				
	SALARIES:		0				
6210	OVERTIME		0		0		1,055,712.34
6230	REGULAR SALARIES	1,831,083	180,612	2,011,696			
Sub	Field Staff Part Time		0		0	100%	Salary+overhead 22% time
Sub	Field Supervisor	109,872	8,234	118,106	144,089	100%	Salary+overhead 22% time
Sub	Field Operations Spec II	76,192	9,469	85,661	104,507	100%	Salary+overhead 22% time
Sub	Field Operations Spec I	64,898	8,622	73,520	80,725	90%	Salary+overhead 22% time
Sub	Field Operations Spec I	0	62,400	62,400	68,515	90%	Salary+overhead 22% time
Sub	Lands Resources Mgr.	185,861	13,948	199,809	97,507	40%	Salary+overhead 22% time
Sub	Admin Services Spec.	100,888	-13,706	87,182	42,545	40%	Salary+overhead 22% time
Sub	Senior Admin Analyst	112,350	8,416	120,766	29,467	20%	Salary+overhead 22% time
Sub	Admin Analyst II	0	87,360	87,360	21,316	20%	Salary+overhead 22% time
Sub	Admin Analyst	0	0	0	0	20%	Salary+overhead 22% time
Sub	Principal Engineer	176,800	0	176,800	53,924	25%	Salary+overhead 22% time
Sub	Senior Engineer	160,268	-3,748	156,520	38,191	20%	Salary+overhead 22% time
Sub	Assistant Engineer	88,274	-10,975	77,299	47,152	50%	Salary+overhead 22% time
Sub	Assistant Engineer/Biologist	78,745	9,667	88,411	53,931	50%	Salary+overhead 22% time
Sub	Legal Counsel	305,929	7,799	313,728	133,962	35%	Salary+overhead 22% time
Sub	General Manager	288,323	21,631	309,954	113,443	30%	Salary+overhead 22% time
Sub	Clerical (Part-time)	27,305	-27,305	0	0	5%	Salary+overhead 22% time
Sub	Doc Imaging Intern	17,202	858	18,060	8,813	40%	Salary+overhead 22% time
sub	Engineering/GIS Intern	19,089	-1,029	18,060	8,813	40%	Salary+overhead 22% time
sub	Biology Intern	19,089	-1,029	18,060	8,813	40%	Salary+overhead 22% time
	INSURANCE:		0				0.41
6310	PROPERTY / AUTO INSURANCE	9,323	1,865	11,187	8,390	75%	Approximate from Insurer
6320	GENERAL LIABILITY INSURANCE	65,587	13,117	78,704	59,028	75%	Approximate from Insurer
	DIRECTOR'S EXPENSES:		0				
6401	DIRECTOR'S FEES	110,600	0	110,600	0		
6410	MILEAGE	5,324	532	5,856	0		
6415	AIR FARE	4,883	732	5,615	0		
6420	OTHER TRAVEL	666	7	672	0		
6425	MEALS	4,659	466	5,124	0		
6430	LODGING	5,324	532	5,856	0		
6435	CONF/SEMINAR REGISTRATIONS	6,655	666	7,321	0		
6440	ELECTION FEES/REDISTRICTING	50,000	0	50,000	0		

GL DESCRIPTION:	Projected Annual Costs (7/1/24-6/30/25)	Increase/Decrease	Draft 2025-2026 Budget	GROUNDWATER RECHARGE ENTERPRISE		
				2026 BUDGET:	% BUDGET	BASIS:
Draft 2025-2026 Budget						
INCOME:						
ADMIN/STAFF EXPENSES:						
6510 MILEAGE	3,025	303	3,328	832	25%	
6515 AIR FARE	6,750	0	6,750	675	10%	
6520 OTHER TRAVEL	1,500	0	1,500	375	25%	
6525 MEALS	4,725	236	4,961	1,736	35%	
6530 LODGING	8,800	0	8,800	3,080	35%	
6535 CONF/TRAINING REGISTRATIONS	28,275	0	28,275	9,896	35%	
9999 Contribution toward Capital Maint.	100,000	0	100,000	0		Reduced Allocation
8010 Capital Reserve GWE/Rate Stabilizat	0	0	0	0	100%	Use not contribution
TOTAL EXPENSES:	4,530,217	313,376	4,662,981	2,068,797		
Operating Revenue	5,740,149	-356,346	5,383,803	2,063,822		
NET OPERATING REVENUE	1,209,932	-669,722	720,822	-4,975		
Multi-year Capital Projects						
7010 MATERIALS	12,000	0	12,000	6,000	50%	Field Security Changes
LAND & BUILDINGS						
7110 PROPERTY - CAPITAL REPAIRS	590,000	-1	590,000	307,500		CIP #11 #15
7120 PROPERTY - LAND PURCHASE	70,000	0	70,000	0		
7130 MENTONE PROPERTY (HOUSE) REPAIR	7,000	0	7,000	0		
7140 MENTONE PROPERTY (SHOP) CIP #3b	854,204	-282,154	572,050	572,050	100%	
7160 MENDOZA PROPERTY CIP #9 & #12	137,000	0	137,000	0		
EQUIPMENT & VEHICLES						
7210 COMPUTER HARDWARE REPAIRS	10,000	0	10,000	2,500	25%	
7220 COMPUTER SOFTWARE	5,000	0	5,000	1,500	30%	
7230 FIELD EQUIPMENT / VEHICLES CIP #8	140,000	0	140,000	112,000	80%	
7240 OFFICE EQUIPMENT	30,400	0	30,400	10,640	35%	
PROFESSIONAL SERVICES:						
7126 PERC ENGR/PROF SERVICES CIP #31	2,419,256	0	2,419,256	0		
7150 MILL CREEK DIVERSION PROJECT CIP #	250,000	-50,000	200,000	200,000	100%	
7151 MILL CREEK PERMITTING CIP #7 & #30	187,101	-48,564	138,537	138,537	100%	District Permitting +River HC
7438 ENGINEERING SERVICES-OTHER CIP #	125,000	0	125,000	125,000	100%	Mill Creek O&M Plans
CAPITAL EXPENSE	4,836,961	-380,718	4,456,243	1,475,726		

Attachment 3 - Groundwater Production and Charge Revenue Projection

GWA	Date	Total Prod	Rate(s)	GW Charge	GW Council	Total Rev
55	2020.5	27,187	\$13.85	\$ 326,545	\$280,197	\$606,742
56	2021	19,609	\$13.85	\$ 306,161	\$263,484	\$569,645
57	2021.5	23,250	\$14.54	\$ 338,060	\$348,401	\$686,461
58	2022	21,022	\$14.54	\$ 305,657	\$348,401	\$654,058
59	2022.5	22,763	\$15.27	\$ 347,594	\$365,820	\$713,414
60	2023	14,981	\$15.27	\$ 228,757	\$365,820	\$594,577
61	2023.5	27,503	\$16.95	\$ 466,170	\$365,929	\$832,099
62	2024	20,366	\$16.95	\$ 345,197	\$365,929	\$711,126
63	2024.5	42,234	\$17.80	\$ 751,767	\$0	\$751,767
64	2025	41,672	\$17.80	\$ 741,760	\$0	\$741,760

No Change in GW Charge			0%	GC-Did not renew	
64	2025	41,126	\$ 17.80	\$ 732,048	GC Income
65	2025.5	42,234	\$ 17.80	\$ 751,767	\$0.00
66	2026	41,672	\$ 17.80	\$ 741,760	\$0.00
Fiscal 24-25				\$ 1,493,527	\$0.00
Calendar 25				\$ 1,483,815	
				FY TOTAL	\$ 1,493,527

3% Increase GW Charge			3%	GC-Did not renew	
64	2025	41,126	\$ 17.80	732,048	GC Income
65	2025.5	42,234	\$ 18.33	774,320	\$0.00
66	2026	41,672	\$ 18.33	764,013	\$0.00
Fiscal 24-25				\$ 1,538,333	\$0.00
Calendar 25				\$ 1,506,368	
				FY TOTAL	\$ 1,538,333

5% Increase in GW Charge			5%	GC-Did not renew	
64	2025	41,126	\$ 17.80	\$ 732,048	GC Income
65	2025.5	42,234	\$ 18.69	\$ 789,355	\$0.00
66	2026	41,672	\$ 18.69	\$ 778,848	\$0.00
Fiscal 24-25				\$ 1,568,203	\$0.00
Calendar 25				\$ 1,521,403	
				FY TOTAL	\$ 1,568,203

RESOLUTION NO. 632

**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 FOR FISCAL YEAR 2025-2026**

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 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 revenues for the 2025-2026 water year; and

WHEREAS, at the regular meeting of the Board of Directors on March 12, 2025, the District approved and accepted an Engineering Investigation report relating to groundwater conditions in the Bunker Hill Basin underlying the District boundaries; and

WHEREAS, the Preliminary Groundwater Enterprise Budget and rate recommendations were publicly presented at the District's Board meeting on February 12, 2025; and

WHEREAS, the California Supreme Court decision in the case of *City of San Buenaventura v. United Water Conservation District*; (2017) 3 Cal. 5th 1191, (“Ventura Decision”) resolved previously 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 the statute was subsequently declared unconstitutional in *City of San Buenaventura vs. United Water Conservation District* (2022) 75 Cal. App. 5th 110, 121; and

WHEREAS, the District, in compliance with the procedural and constitutional requirements clarified by the California Supreme Court in the Ventura Decision, shifted its groundwater charge to eliminate differentials in agricultural and non-agricultural uses, , to a unitary rate that is in line with current legal guidance; and

WHEREAS, the District provided mailed notice to all groundwater producers within its District boundaries of a public meeting held on April 9, 2025, and a public hearing held on April 23, 2025, 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 conducted a public meeting on April 9, 2025, and a public hearing on April 23, 2025, to receive comments and evidence submitted by the public at such hearing; and

WHEREAS, the District has made available by wide distribution, beginning on February 12, 2025, 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 Board has considered the Engineering Investigation report, applicable groundwater enterprise budgets, and considered all comments and evidence presented to it at the public meetings and hearings; and

WHEREAS, the District's ad valorem tax revenues are limited, and the District receives a relatively low return in interest on reserves; and

WHEREAS, based on 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; and

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 2023 to Fall 2024, is an increase of 61,958 acre-feet or more.
- B. Accumulated Change in Storage in the Bunker Hill Basin as of the Last Day of the Preceding Water Year, June 30, 2024, (using 1993 as the base year) is -362,498 acre-feet or more.
- C. Total Groundwater Production from the Bunker Hill Basin from the Preceding Water Year, July 1, 2023, to June 30, 2024, is 126,128 acre-feet.
- D. Estimate of the Annual Change in Storage for the Current Water Year (July 1, 2024 to June 30, 2025) in the Bunker Hill Basin is an increase of 45,948 acre-feet or more.
- E. Estimate of the Annual Change in Storage for the Ensuing Water Year (July 1, 2025 to June 30, 2026) in the Bunker Hill Basin is -1,195 acre-feet.
- F. Average Annual Change in Storage for the Immediate Past Ten Water Years (2014-2024) in the Bunker Hill Basin is 15,173 acre-feet or more.
- G. Estimated Amount of historically Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2025 to June 30, 2026) is 7,283 acre-feet.
- H. Estimated Amount of historically Other-than-Agricultural Water Withdrawn from the Groundwater Supplies of the District for the Ensuing Water Year (July 1, 2024 to June 30, 2025) is 88,475 acre-feet.
- I. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2025 - June 30, 2026) within the Bunker Hill Basin is 74,646 acre-feet.
- J. Estimated Amount of Water Necessary for Surface Distribution for the Ensuing Water Year (July 1, 2025 - June 30, 2026) within the District is 52,563 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, 2025 to June 30, 2026) is 125,467 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 96,953 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" that 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 owned by the District or by other parties pursuant to collaborative regional groundwater management efforts. The District likewise undertakes habitat enhancement and preservation measures, providing an essential source of offsetting mitigation land for disturbances occasioned by the maintenance of existing groundwater recharge facilities and the development of new ones.

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. The Board also finds that further recharge of the basin is required based

upon the findings related to the 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 herein shall be used for such purposes.

Section 4. The Board of Directors hereby levies, assesses, and affixes a groundwater charge in the amount of \$18.69 per acre-foot of water produced, to be applicable to all production (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 Section 75615 et seq. and any additional actual costs to collect delinquent amounts not paid by August 1, 2025, and February 1, 2026.

Section 5. Exemption:

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 semi-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 are outweighed by the administrative burdens in administering and collecting the charge. The District General Manager is authorized to waive late fees with explanation and requests from payees or if the cost of recovery outweighs the fee to be collected.

Section 6. 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 XIII D 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, on February 22, 2025.

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 that directly connect the 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 several different avenues. Mailed notice was provided to all operators, as reflected in the District's records, containing active groundwater production facilities within the District. In addition, published notice was provided in the San Bernardino Sun and in the Redlands Daily Facts on February 22, March 1, and 8, 2025. All such notices identified the prior and proposed rates, 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 9, 2025, and a public hearing held April 23, 2025. In addition, the District's Groundwater Enterprise budget was presented to and reviewed with the Board of Directors at a public meeting on February 12, 2025 and March 12, 2025.

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 State Project Water, through the auspices of the "Agreement to Develop and Operate Enhanced Recharge Facilities" ("Enhanced Recharge Project") and other regional cooperative agreements; ;
4. Maintaining and operating the District's diversion works, recharge basins, and canals to ensure the availability of sufficient infrastructure to accommodate needed groundwater recharge; and defense and protection of the District's water rights and manner of operations; performing such maintenance of other parties' diversion works, recharge basins and canals as requested and per prior agreements; and maintaining and operating new groundwater recharge facilities constructed under the Enhanced Recharge Project;
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 Basin recharge, including the preservation, enhancement, and management of habitat areas;
6. Investigation and implementation of improvements to groundwater measurement and recharge infrastructure;
7. Reporting to groundwater producers and other interested parties of groundwater recharge activities and conditions, including the history of same to provide context for current groundwater recharge activity and conditions;
8. Conducting engineering analyses, such as the District's annual Engineering Investigation, designed to provide information regarding the Bunker Hill groundwater basin and the District's groundwater recharge facilities;
9. Administrative support, training, and overhead costs for all the above-listed activities.

F. The total amount of estimated revenues from the groundwater charge is estimated at approximately \$1,568,203 based on production reported for the 2024-2025 water year. These revenues do not fully recover expected costs and will not exceed the costs of providing the services as detailed above, in that the District's Groundwater Enterprise Budget for fiscal year 2025-2026 proposes total expenditures of \$2,068,797. The remaining funds are to be paid by the District's capital and groundwater reserves, lease payments from San Bernardino Valley Municipal Water District and Western Municipal Water District, Exchange Plan management reimbursements, and other District revenue sources.

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, and the burden each producer puts on the basin, ratably to such user's production.

Section 7. 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 8. 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 23th day of April 2025, by the following roll-call vote:

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

ATTEST:

Melody McDonald, President

Betsy Miller, Secretary

DECLARATION OF MAILING OF GROUNDWATER CHARGE NOTICES

I, Allison Zecher, do hereby declare as follows:

I am employed by the San Bernardino Valley Water Conservation District as an Administrative Specialist. I am aware of the facts set forth below from personal knowledge, unless otherwise specifically indicated, and if called upon to do so, could and would competently testify to the same under oath.

On February 20, 2025, and in that capacity, I caused to be mailed the notice, in the form attached hereto as Exhibit A, to each and every address listed on Exhibit B.

I am informed and believe, and based thereon allege, that this list reflects the district's last known mailing address for each reporting groundwater producer and Groundwater Council members within its jurisdictional boundaries.

I personally deposited these notices in the U.S. Mail, for first class delivery, on or about February 20, 2025.

I declare under penalty of perjury of the laws of the State of California that the foregoing is true and correct.

Executed this 3rd day of April 2025 at Redlands, CA.



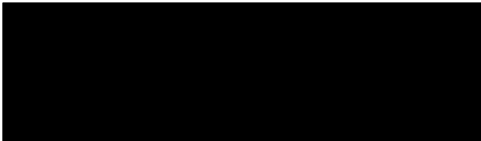
Allison Zecher, Administrative Specialist and Board Secretary



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

February 19, 2025



Dear [Redacted]

You are being provided a copy of this notice because you are the owner or operator of a groundwater producing well in the District’s jurisdictional boundaries.

The San Bernardino Valley Water Conservation District (“District”) has completed the 2025 Engineering Investigation (EI) of the Bunker Hill Basin. The Draft EI was presented to the Board at its February 12th Board Meeting and will be presented to the Board for approval at its March 12th Board of Directors meeting to be held at the District Office at 1:30 p.m. This report is completed in connection with the Board of Directors’ consideration of a groundwater charge on groundwater production within the Conservation District’s boundaries. Article 1, Section 75560 of the California Water Code, requires that a water conservation district that proposes to levy or continue a groundwater extraction fee “...shall annually cause to be made an engineering investigation and report upon groundwater conditions of the District.” All interested parties are invited to view a copy of the Conservation District’s 2025 EI report, available for review online at the District’s website at <http://www.sbvxcd.org/reports-and-data/engineering-investigation> or at the District’s office at 1630 West Redlands Blvd., Suite A, Redlands, CA.

This notice is provided to advise all interested parties that District staff has recommended a rate increase of 5% for the upcoming water year in the base groundwater charge the District’s Board of Directors has approved this rate for noticing. The staff proposed unitary groundwater charge for 2025-2026 of \$18.69 per acre-foot (af) for all groundwater production. The rates proposed pertain to municipal and non-municipal agricultural groundwater production from July 1, 2025-June 30, 2026. The groundwater charge is not imposed on a property basis, but rather is a per acre-foot charge, which relates directly to the amount of groundwater produced from wells overlying the groundwater basin within the Conservation District’s boundaries. Consequently, the ultimate amount of groundwater charge to be paid by individual operators cannot be precisely identified now, because it will depend directly upon the amount of groundwater produced in the basin from July 1, 2025 to June 30, 2026. The estimated total amount of revenues from the groundwater charge is approximately \$1,568,203, based on estimated production of 83,906 acre feet for the 2024-25 water year. The groundwater charge is collected on a semi-annual basis, based on production statements operators submit for their groundwater production. The District uses the proceeds of the groundwater charge to fund ongoing

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

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
Mark E. Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

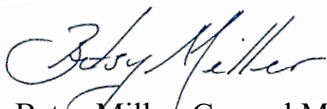
groundwater replenishment of the basin, including direct water recharge, facility operations repairs and maintenance, and related costs.

A public meeting and public hearing on the proposed groundwater charge will be held in the Conservation District's Board Room located at 1630 West Redlands Blvd., Suite A, Redlands, CA 92373. The date and time for the public meeting will be April 9, 2025, at 1:30 pm. The date and time of the public hearing will be held on April 23, 2025, at 1:30 pm. The District will also be asked on April 23, 2025 to make a finding that the imposition of the groundwater charge is exempt from CEQA, under title 14, C.C.R. Sections 15273, 15301, and 15306.

You are invited to attend the public meeting and public hearing, and may submit any objection or protest you may have to the charge, or any evidence concerning groundwater conditions, water supplies of the Conservation District, rates, the CEQA exemption findings, or any matter relating to the proposed groundwater charge. You may also submit such matters to the District in writing any time at or before the 1:30 pm scheduled time of the Public Hearing on April 23, 2025, by providing such written communication to the District's Administrative Specialist, Allison Zecher, at the address given above, for hard copies, or for digital transmissions, to azecher@sbvwcd.org. Late submissions will not be considered. Please be advised that in any later judicial or other action challenging the groundwater charge, you may be limited to those grounds raised either in writing or in person prior to the close of the public hearing, and the administrative record of the proceedings on the consideration of the charge. Please also be advised that pursuant to California Government Code section 53759 and other provisions of law, there is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge, including the District's proposed groundwater charge covered in this notice.

Further inquiries regarding the report or the groundwater charge, or requests for further documents or information, may be directed to Betsy Miller at 1630 West Redlands Blvd., Suite A, Redlands, CA 92373, or by telephone at (909) 793-2503.

Sincerely,



Betsy Miller, General Manager

Attachment 5B – Exhibit B: Groundwater Producers List

GROUNDWATER PRODUCERS LIST

OWNER/COMPANY	Contact Name	Address	City	State	Zip Code
AHD Limited/Herbal Bees	Ed Haddad/Justin Boz	422 Weir Rd. Front Office	San Bernardino	CA	92408
Arrowhead Country Club	Mike Winn	3433 Parkside Drive	San Bernardino	CA	92404
Bear Valley Mutual Water Company	Kristy Hoover	101 East Olive Avenue	Redlands	CA	92373
Calvary Chapel Packinghouse	Pastor Ed Rea	27165 San Bernardino Ave	Redlands	CA	92374
Cemex USA	Attn: Christine Jones	4120 E. Jurupa St., Suite 202	Ontario	CA	91764
Crafton Water Company	Kristy Hoover	101 East Olive Ave	Redlands	CA	92373
Cram Patterson Well Co	Ron Arnott	P.O. Box 544	Mentone	CA	92359
Doug Guyette	Linda Guyette	25222 Redlands Blvd.	Loma Linda	CA	92354
DRC Industrial CBC 1, LP	Velia Oliver	10459 Mountain View Ave, Ste H	Loma Linda	CA	92354
East Valley Water District	Patrick Milroy	31111 Greenspot Road	Highland	CA	92346
Gage Canal Company	Ben Alms	7452 Dufferin Ave	Riverside	CA	92504
George Meadows	Maria Meadows	1332 Opal Ave	Mentone	CA	92359
Gladysta Well & Water Company	Laura Ramirez	P.O. Box 1525	Loma Linda	CA	92354
Greenspot Mutual Well Company	Ron Arnott	P.O. Box 544	Mentone	CA	92359
Happe Mutual Well Company	Kristy Hoover	101 E. Olive Ave	Redlands	CA	92374
Highpointe Groves LLC	Ross Yamaquchi	16501 Scientific Way	Irvine	CA	92618
Inland Valley Development Agency	Alka Chudasama	294 S. Leland Norton Way	San Bernardino	CA	92408
Monte LLC (Jack Dangermond)	Attn: Shareholder Accounting	P.O. Box 7538	Redlands	CA	92375
Laranni Gunter Well c/o Canyon Ranch	Daniel Kunihiro	25522 Allen Way	Loma Linda	CA	92354
City of Loma Linda	Kirk Mayo	25541 Barton Road	Loma Linda	CA	92355
Loma Linda University Power Plant	Wendy Roth	11100 Anderson St.	Loma Linda	CA	92350
Lucky Farms, Inc.	Julio Ortiz	P.O. Box 985	Loma Linda	CA	92354
Meeks & Daley Water Co.	Attn: Parag Kalaria	P.O. Box 3000	Lake Elsinore	CA	92531
Mentone Citrus Growers	Mike Perricone	36437-B Carney Rd	Valley Center	CA	92082
Mroland Management Services, INC	Steve Wellington	3752 Park Blvd #701	San Diego	CA	92103
Montecito Memorial Park and Mortuary	Kai Koslowski	3520 E. Washington St	Colton	CA	92324
Mountain View Mortuary and Cemetary	Robert Moreno	570 E. Highland Ave	San Bernardino	CA	92404
Mountainview Generating Station	Anthony Villicana	2492 W. San Bernardino Ave.	Redlands	CA	92374
National Orange Show	Sheri Raborn	689 South E Street	San Bernardino	CA	92408
New England Water Co.	Laura Ramirez	P.O. Box 1525	Loma Linda	CA	92354
Patton State Hospital	Edward Sousa	3102 E. Highland Ave	Patton	CA	92369
Pioneer Mutual Water Co.	George Nash	1104 E. Pioneer Ave	Redlands	CA	92374
Radu Dudas	Radu Dudas	45 W. Sunset Drive	Redlands	CA	92373
Ramirez, J.J. Citrus Management	Laura Ramirez	P.O. Box 1525	Loma Linda	CA	92354
Ramirez, Laura	Laura Ramirez	P.O. Box 1525	Loma Linda	CA	92354
Raught Mutual Well Company	Charlotte Van Eck	101 East Olive Ave	Redlands	CA	92373
Redland-Branson Development	Lee Trigonis	711 S. Brea Blvd	Brea	CA	92821
Redlands Unified School District	Joe Williamson & Doug Covey	P.O. Box 3008	Redlands	CA	92373
Redlands, City of	Paul Mariscal/Zach Labonte	P.O. Box 3005	Redlands	CA	92373
Riverside, City of	Robin Glenney	2911 Adams Street	Riverside	CA	92504
City of San Bernardino	Sally Duran	P.O. Box 710	San Bernardino	CA	92402
San Bernardino County Flood Control	Christina De Leon Collado , Diana	825 E. Third Street	San Bernardino	CA	92415
San Bernardino Valley Municipal Water Distric	David McArthur	380 E. Vanderbilt Way	San Bernardino	CA	92408
County of San Bernardino	Steven Pamintuan	200 S. Lena Road	San Bernardino	CA	92415
Solono Well Company	Ron Arnott	P.O. Box 544	Mentone	CA	92359
Splash Kingdom Waterpark/The California Gat	Frank Mistretta Jr.	846 W. Foothill Blvd, Suite G	Upland	CA	91786
Tennessee Mutual Well Company	Laura Ramirez	P.O. Box 1525	Loma Linda	CA	92354
Tennessee Water Company	Bert Marcum	233 Grandview Drive	Redlands	CA	92373
TIAA-CREF Financial Services	Ted Dickerson-CBRE	3501 Jamboree Road Suite 100	Newport Beach	CA	92660
Trojan Groves	John Thomas	21202 Kroll Lane	Huntington Beach	CA	92646
University of California, Riverside	David Palacios	3401 Watkins Drive	Riverside	CA	92521
University of California, Riverside	Alejandro Gonzalez	3401 Watkins Drive	Riverside	CA	92521
Williams Well Corporation, LTD	Laura Ramirez	P.O. Box 1525	Loma Linda	CA	92354

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF APRIL 9, 2025
1:30 PM

President McDonald called the Board of Directors meeting to order at 1:30 PM with participation in person, via teleconference, and through Teams. All those in attendance stood for the pledge of allegiance led by President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
Robert Stewart, Vice President
John Longville, Director
Richard Corneille, Director
Mark Falcone, Director

STAFF PRESENT:

Betsy Miller, General Manager
David Cosgrove, General Counsel
Milan Mitrovich, Land Resources Manager
Angie Quiroga, Senior Administrative Analyst
Aaron Rueda, Administrative Analyst
Allison Zecher, Board Secretary
Anna Frey, Assistant Biologist
Aliza Olmos, Assistant Engineer
John Lambie, Consulting Chief Engineer and Geohydrologist

GUESTS PRESENT:

David Smith, East Valley Water District
Paul Kielhold, San Bernardino Valley Municipal Water District
Cindy Saks, San Bernardino Valley Municipal Water District
Michael Fam, San Bernardino County Flood Control District
Hans Tolksdor, Cal Poly Pomona
Joseph Cordillo, Cal Poly Pomona
Seema Shan-Fairbank, Cal Poly Pomona
Margo Hakim, Cal Poly Pomona
Safiya Hassan, Cal Poly Pomona
Lam Doan, Cal Poly Pomona
Carlos Bobadilla, Cal Poly Pomona
Joe Kebbar, Cal Poly Pomona
Shane Santos, Cal Poly Pomona
Adam Erickson, Cal Poly Pomona
Samantha Santoro Flores, Cal Poly Pomona
Kiara Cruz, Cal Poly Pomona
Matthew Romero, Cal Poly Pomona
Jacob Cataneda, Cal Poly Pomona

1. PUBLIC PARTICIPATION

No public comments were made.

2. ADDITIONS/DELETIONS TO AGENDA

No additions or deletions to the agenda were made.

3. INTRODUCTIONS AND GUEST RECOGNITION

The Board, staff, in-person, and Teams attendees introduced themselves.

4. PUBLIC MEETING RELATED TO ADOPTION OF THE GROUNDWATER CHARGE

President McDonald opened the public meeting related to the adoption of the District's Groundwater Charge. She began by referencing Article 1, Section 75560 of the California Water Code, which requires that any conservation district proposing to levy a groundwater charge must annually prepare an engineering investigation and report on groundwater conditions within the District.

Ms. Miller offered to present the 2025 Engineering Investigation Report for the Bunker Hill Basin, which had previously been reviewed and accepted by the Board of Directors on March 12, 2025; however, no requests were made for a second presentation of the 2025 Report. Ms. Miller reviewed the Groundwater Enterprise budget for Fiscal Year 2025–2026, including the recommended 5% increase to the groundwater charge. The proposed unitary groundwater charge is \$18.69 per acre-foot, applicable to all production categories, including municipal, non-municipal, and agricultural use. The charge would apply to groundwater production occurring between July 1, 2024, and June 30, 2025.

Mr. Cosgrove, District Counsel, provided an overview of the legal and procedural framework for the groundwater charge, noting that this meeting represents the first of two hearings required by statute. The final public hearing is scheduled for April 23, 2025, and all proceedings related to the charge must be completed by the end of April. He summarized key legal findings required under Proposition 26, including:

- The revenue generated by the charge must not exceed the cost of the services provided.
- There must be a reasonable relationship between the charges imposed and the benefits received by those who pay the charges.

He confirmed that:

- Notice of the proposed charge was mailed to all pumpers and published in a newspaper of general circulation.
- The Engineering Investigation Report and proposed budget have been posted, circulated, and made part of the administrative record.
- A draft resolution has been prepared detailing the findings and rationale that support the proposed charge. No action on the resolution is proposed during this meeting.

Ms. Betsy Miller presented further details of the proposed FY 2025–2026 groundwater charge, noting that staff and Board evaluated 0%, 3%, and 5% rate increases. The proposed 5% increase,

which is higher than the regional Consumer Price Index (CPI), is recommended to cover costs associated with the District's operation of the 20 new basins recently constructed through the Enhanced Recharge agreement.

It was confirmed that no written comments on the proposed groundwater charge had been received as of the meeting date, April 9, 2025. No comments were received following President McDonald's invitation for public comment. President McDonald closed the public meeting with no action taken. The matter will return to the Board for consideration and action at the April 23, 2025, public hearing.

5. AD HOC AUDIT FIRM SELECTION COMMITTEE

President McDonald introduced Item 5D regarding the formation of an Ad Hoc Audit Firm Selection Committee. She noted the importance of reviewing the selection process for the District's independent audit firm and acknowledged the District's practice of rotating audit firms to ensure independence.

President McDonald appointed Directors Corneille and Falcone to the Ad Hoc Audit Firm Selection Committee to review qualifications, evaluate proposals, and provide a recommendation to the full Board regarding the selection of an independent audit firm.

6. CONSENT CALENDAR

The Board considered approval of the March 12, 2025, meeting minutes and the March 2025 expenditure reports, with a motion by Director Corneille to approve the consent calendar which was seconded by Director Longville.

It was moved by Director Corneille and seconded by Director Longville to approve the Consent Calendar: Item A, Board Minutes, March 12, 2025; and Item B: Expenditure Report, March 2025. The motion carried 5-0-0, with all Board members voting in the affirmative.

President McDonald: Yes

President McDonald: Yes

Director Corneille: Yes

Director Longville: Yes

Director Falcone: Yes

7. COMMITTEE REPORTS/ACTION ITEMS

Committee Reports

Chair Falcone provided a verbal update on the Ad Hoc Financial Reports Review Committee meeting held on April 2, 2025. The committee was tasked with reviewing the District's monthly financial reporting format and providing recommendations to optimize clarity and transparency, if needed. Following review and discussion, the committee recommends a revised Profit & Loss (P&L) report that includes a full balance sheet produced quarterly as well as a standalone Capital Improvement Projects (CIP) report. These changes aim to enhance the usefulness and accessibility of financial information for both the Board and the public. Chair Falcone noted that

the committee's recommendations will be discussed by the Finance & Administration Committee at its meeting on April 16. He thanked Ms. Miller, Ms. Quiroga, and the District's financial consultant for their work developing alternative formats for discussion by the committee. Chair Falcone also thanked Director Corneille for his participation. President McDonald expressed appreciation for the committee's work and their recommendations in support of an improved format.

Action Items

A. UNAUDITED FINANCIAL REPORT FOR MARCH 2025

Ms. Quiroga presented the unaudited financial reports for the month of March 2025. She reported an increase in overall interest income by approximately \$309,106 due to market value adjustments, including a large payment of \$138,115.95 from UBS. A revenue increase of \$71,016.73 under GL 4030 – Mining Revenue was noted following reconciliation of payments from Cemex, including credits related to expenses under the High Groundwater Agreement. She reviewed enterprise-level performance: the Groundwater Enterprise saw a net revenue increase of \$42,423, and Redlands Plaza increased \$7,954.

Ms. Quiroga noted that total expenses rose by \$338,086, largely due to increases in professional services and salaries. In GL 7126 – PERC Engineering/Professional Services, expenses included payments to E-PUR LLC, CASC Engineering, Q3 Consulting, and Tetra Tech. The Land Enterprise showed a net loss of \$173,125, due to sediment transport and groundwater modeling costs, and the General Fund decreased by \$2,858.

Ms. Quiroga also reviewed notable variances across several GL accounts, including GL 6001 General Administration-Other for ergonomic assessments and GL 6091 Public Notices for groundwater rate notices. She responded to a question from Director Falcone regarding a \$221,406 reimbursement from the Conservation Trust, which offset prior-year implementation costs and was applied to reduce the trust's liability to the District.

It was moved by Director Falcone and seconded by Director Longville to approve the unaudited financial reports for March 2025 as presented, noting the Net Ordinary Income shown on the P&L on package page 51 reflects the District's annual budget, while the Net Income shown at the bottom of the page includes our CapEx/CIP expenses which are funded through reserves that are not shown on the P&L. The motion carried 5-0-0, with all Board members voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

B. BIG BEAR WATER MASTER – APPOINTMENT OF MR. THOMAS CROWLEY

Mr. Cosgrove presented a recommendation to appoint Mr. Thomas Crowley as the District's representative to the Big Bear Watermaster, noting that the District sought support from a consultant due to the currently vacant Senior Engineer role. Mr. Crowley brings extensive experience and familiarity with the role, the responsibilities involved, and the parties represented from previous service on the Big Bear Watermaster during his tenure with the District.

Mr. Cosgrove noted that this appointment is needed in order to file the necessary nomination with the Court for Mr. Crowley to be officially designated as the District's Watermaster representative. He clarified that the appointment could be reconsidered in the future if the District brings a new senior engineer on board and deems it appropriate to make a change. Director Corneille discussed the anticipated time commitment, with staff noting attendance at quarterly meeting and annual report preparation in addition to calculations completed by the District's Assistant Engineer.

It was moved by Director Corneille and seconded by Vice President Stewart to appoint Mr. Thomas Crowley P.E., Senior Consulting Engineer with Dopudja & Wells Consulting, to fill the vacancy created by the resignation of its current Watermaster Representative, as the District's representative on the Big Bear Watermaster. The motion carried 5-0-0, with all Board members voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

C. ACWA 2026-2027 PRESIDENT, VICE PRESIDENT, AND REGION BOARD MEMBER ELECTION VOTING DELEGATE

Ms. Miller presented the item regarding the designation of a District voting delegate for the upcoming Association of California Water Agencies (ACWA) 2026–2027 elections for President, Vice President, and Region Board Members. Director Corneille moved that President McDonald be designated as the District's authorized voting delegate. Vice President Stewart seconded the motion, and there was no further discussion.

It was moved by Director Corneille and seconded by Vice President Stewart to appoint President McDonald as the voting delegate with no alternate for the ACWA 2026-2027 President, Vice President, and region board member election. The motion carried 5-0-0, with all Board members voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

D. ACWA JPIA EXECUTIVE COMMITTEE CONCURRING NOMINATION

President McDonald introduced the item regarding a concurring nomination for a candidate to the ACWA JPIA Executive Committee. She noted the District's approach to supported qualified candidates and spoke favorably of Director Harrison's efforts to enroll SBVMWD in ACWA JPIA.

It was moved by Vice President Stewart and seconded by Director Longville to approve Resolution No. 633 supporting T. Milford Harrison for ACWA JPIA Executive Committee. The motion carried 5-0-0, with all Board members voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

E. GOVERNING BODY RESOLUTION FOR FISCAL YEAR 2024 STATE & LOCAL CYBERSECURITY GRANT PROGRAM FOR LOCAL & TRIBAL GOVERNMENTS

Ms. Miller presented the Governing Body Resolution for Fiscal Year 2026 related to participation in the State and Local Cybersecurity Grant Program. She explained that the granting agency requested approval of the resolution in order to proceed with grant award, noting the benefits of work planned to be completed with the grant funds.

It was moved by Director Corneille and seconded by Director Falcone to approve Resolution No. 634 authorizing Betsy Miller as the Authorized Agent for the Fiscal Year 2024 State & Local Cybersecurity Grant Program for Local & Tribal Governments. The motion carried 5-0-0, with all Board members voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

8. INFORMATION ITEMS

ENVIRONMENTAL UPDATE

Dr. Mitrovich provided the Board with an update on current environmental fieldwork and species monitoring, focusing primarily on the San Bernardino Kangaroo Rat (SBKR). He reported that District staff have completed approximately 30% of the 141 habitat surveys to be completed this spring at the Santa Ana River Wash and Mill Creek facilities, and discussed the survey and trapping methodologies in response to Director Corneille's question about reliably detecting nocturnal species. The survey data will be used to identify population trends and survival rates as well as understand the effects of management actions.

Dr. Mitrovich also highlighted the District's leadership in expanding the San Bernardino kangaroo rat survey protocol across the species range in support of U.S. Fish and Wildlife Service (USFWS)

goals. On March 25, 2025, the District hosted a training for 30 individuals from 12 different agencies, including representatives from USGS and USFWS, who will engage in a collaborative effort to implement a consistent, science-based approach to habitat monitoring and species recovery.

The Board thanked Dr. Mitrovich and his team for their continued dedication and outstanding work in advancing environmental stewardship and interagency collaboration.

ENGINEERING UPDATE

Ms. Miller shared an update on the Mentone Shop construction, noting that a notice to proceed was issued on March 19.

Mr. Lambie provided an update on PERC activities through March 31, 2025. He reported that technical studies and modeling are largely complete, including groundwater modeling, and discussed interagency coordination. The results of these technical studies are being used to estimate costs, recharge yields, and construction timeframes.

Director Falcone asked if the final feasibility study report will be completed prior to May 15. Ms. Miller stated that she is working closely with Mr. Lambie to ensure deliverables are provided according to Board expectations.

CAL POLY POMONA SENIOR ENGINEERING PROJECT PRESENTATIONS

The Board welcomed the Cal Poly Pomona senior engineering team and expressed appreciation for their work and presentation. District staff introduced Dr. Fairbank, who acknowledged project support provided by the District, San Bernardino County Flood Control, and other technical partners who assisted with the project. The student team presented their capstone project focused on increasing groundwater recharge through development of the Plunge Creek PERC alternative.

The project involved multiple technical components including environmental review, spatial data collection, geotechnical and hydrologic studies, and hydraulic design. The environmental team addressed potential benefits of the proposed project including improved infiltration, reduced runoff, and enhanced water quality. The geospatial team conducted data collection using traditional survey methods and drone photography, producing detailed topographic maps and digital models of the project site and spillway. The hydrology team estimated storm flows and modeled stormwater capture using industry software and historic data. The geotechnical team performed soil testing both in the field and laboratory, concluding that infiltration was feasible at the site, with results similar to nearby Oak Creek. The hydraulic team designed a diversion structure using inflatable pneumatic gates and box culverts, with a forebay for energy dissipation and sediment collection to protect downstream infiltration basins. Two infiltration basins were proposed in parallel to allow operational flexibility and continuous function during maintenance. Additionally, a plunge pool was designed to reduce velocity and erosion at the existing spillway outlet. The team announced they are finalizing cost estimates for construction and maintenance, which will be completed prior to their final symposium on April 25, 2025.

The Board expressed their appreciation and enthusiasm for the team's thorough and professional presentation. Director Corneille commended the proposed infrastructure development and discussed the impacts of recent watershed fires and the importance of considering post-fire sediment in design. He also inquired about the consideration of atmospheric river events and changing hydrologic patterns, which the students noted as important factors for future design.

work. Directors thanked the team once again for their work and meaningful contribution to the District's mission of sustainable water management.

The Board was formally invited to the Cal Poly Pomona Senior Project Symposium on Friday, April 25, 2025, at 9:30 AM.

GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller began by sharing recent team training and employee appreciation events for District staff. She then reported that water recharge activity remained strong through March 2025, with over 29,000 acre-feet recharged in this water year to date, and noted that the District is approximately 8,000 acre-feet away from 1.5 million acre-feet of recharge since 1912.

Ms. Miller shared updates on recent recruitment efforts, with continued focus on the vacant Senior Engineer role. Board members and staff discussed strategies to reach high-quality candidates who will fit the District's culture.

She noted that proposals have been received and reviewed for a firm to complete the FY25 audit, which will also be reviewed by the Ad Hoc Audit Firm Selection Committee.

2025 BOARD PRIORITIES PROGRESS REPORT: Q1

Ms. Miller directed the Board to the 2025 Board Priorities Progress Report – Quarter 1 included on package page 78 for a review of progress to date.

FUTURE AGENDA ITEMS AND STAFF TASKS

Director Corneille highlighted the upcoming *Day of Climate Action* on April 26, 2025, noting that the District is a sponsor along with several local agencies. Activities will include community service projects, a celebration at Smiley Park, and a Repair Café at the A.K. Smiley Public Library. He also noted the District's sponsorship of a wildfire resilience lecture cosponsored by San Bernardino County Museum. Director Corneille noted that projects sponsored by other entities that take place on District property should obtain access authorization.

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

Director Falcone attended the following meetings:

- SBVWCD Board Meeting - March 12
- EVWD Regular Board Meeting - March 12
- Association of San Bernardino County Special Districts Dinner – March 17
- Chino Basin Water Conservation District Tour – March 18
- Redlands City Council Meeting - March 18
- SBVWCD Facilities Tour – March 25
- Highland Chamber Luncheon – March 25
- SBVMWD Regular Board Meeting - April 1
- Ad Hoc Financial Reports Review – April 2
- Groundwater Watersheds and Groundwater Sustainability Plans Workshop – April 3
- SBVMWD Policy and Administration Workshop - April 3
- BTAC Committee Meeting – April 7

- SBVMWD Resources and Engineering Workshop - April 8
- Highland City Council Meeting - April 8

Director Longville attended the following meetings:

- SBVWCD Board Meeting - March 12
- SBVMWD Board Meeting - March 18
- 2025 ACWA Legislative Symposium - March 26
- SBVMWD Regular Board Meeting - April 1
- SBVWCD Outreach and Communications Committee - March 5
- SBVMWD Resources and Engineering Meeting - April 8

Director Corneille attended the following meetings:

- SBVWCD Board Meeting - March 12
- Redlands City Council Meeting – April 1
- Ad Hoc Financial Reports Review – April 2
- Redlands Chamber Rise and Shine - April 7

Vice President Stewart attended the following meetings:

- SBVWCD Board Meeting - March 12
- Association of San Bernardino County Special Districts Dinner – March 17
- Big Bear Watermaster Meeting – March 18
- SBVWCD Facilities Tour – March 25
- Loma Linda Chamber of Commerce Meeting – April 2
- SBVMWD Policy and Administration Workshop – April 3
- BTAC Committee Meeting – April 7

President McDonald attended the following meetings:

- Association of San Bernardino County Special Districts Board Meeting – February 17
- SBVMWD Board Meeting – February 18
- Enhanced Recharge Ribbon Cutting – February 20
- Association of San Bernardino County Special Districts Dinner – February 24
- Highland Chamber Luncheon – February 25
- Signed checks at SBVWCD – February 26
- Highland Chamber Installation Dinner – February 27
- SBVMWD Board Meeting – March 4
- Three Valleys Municipal Water District Board Meeting – March 5
- SBVMWD Policy and Administration Workshop – March 6
- ACWA State Legislative Committee – March 7
- Association of San Bernardino County Special Districts Board Meeting - March 10
- Yorba Linda Water District Board Meeting – March 11
- Association of San Bernardino County Special Districts Dinner – March 17
- Special ACWA Special State Legislative Committee – March 17
- Highland Chamber Luncheon – March 25
- ACWA State Legislative Committee – March 27
- SBVMWD Board Meeting – April 1
- SBVMWD Policy and Administration Workshop - April 3
- BTAC Committee Meeting – April 7
- SBVMWD Resources and Engineering Workshop - April 8

9. UPCOMING MEETINGS

The upcoming meetings were reviewed.

10. CLOSED SESSION

Ms. Miller stated that staff wished to discuss the items listed under Closed Session with the Board at 3:45 p.m.

It was moved by Director Corneille and seconded by Vice President Stewart to adjourn to Closed Session. The motion carried 5-0-0, with all Board members voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

At 4:09 p.m., the meeting was reconvened to an open session. Under Government Code Section 54957.1, there was no other reportable action during Closed Session.

It was moved by Director Corneille and seconded by Director Longville to reconvene to open session. The motion carried 5-0-0, with all Directors voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

11. ADJOURN MEETING

It was moved by Director Corneille and seconded by Director Longville to adjourn. The motion carried 5-0-0, with all Directors voting in the affirmative.

**President McDonald: Yes
President McDonald: Yes
Director Corneille: Yes
Director Longville: Yes
Director Falcone: Yes**

At 4:10 p.m. the meeting adjourned to the Board meeting scheduled for 1:30 p.m. on April 23, 2025, in-person, teleconference, and Teams meeting.

Betsy Miller
General Manager



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2107

To: Board of Directors
From: Betsy Miller, General Manager
Date: April 23, 2025
Subject: Audit Firm Selection for Fiscal Year 2025-2028

RECOMMENDATION

The Ad Hoc Audit Firm Selection Committee recommends the Board approve Eadie Payne LLP to perform the District’s FY25 audit and authorize the General Manager to 1) enter into an Audit Engagement Letter to provide these services, as approved by District Counsel, and 2) up to three subsequent Audit Engagement Letters through audit year FY28 based on performance.

BACKGROUND AND DISCUSSION

On December 20, 2024, a Request for Proposals (RFP) for Audit Services was posted for 2024-2025 fiscal year, with extensions through 2028 dependent on performance. Firms were required to meet basic requirements such as licensing and independence, demonstrate relevant experience and personnel expertise, and provide a cost proposal that balances affordability with value. Proposals were evaluated based on three key criteria: mandatory qualifications, technical expertise, and cost.

Following careful review and ranking based on the RFP evaluation criteria at their April 15, 2025, meeting, the Ad Hoc Audit Firm Selection Committee and staff recommend the selection of Eadie Payne LLP to prepare the District’s FY25 audit. The proposed cost for the FY25 audit is \$25,000, with annual increases of \$800 in subsequent years (\$25,800 in FY26, \$26,600 in FY27, and \$27,400 in FY28), plus an additional \$6,000 in one-time closing costs.

FISCAL IMPACT

Approval of the recommended action would result in expenditure of up to \$31,000 from GL 5170 Audit in FY26, with a total of up to \$128,800 from GL 5170 for audits through FY28 if the agreement is extended based on performance.

POTENTIAL MOTIONS

1. Approve Eadie Payne LLP to perform the District’s FY25 audit and authorize the General Manager to 1) enter into an Audit Engagement Letter to provide these services, as approved by District Counsel, and 2) up to three subsequent Audit Engagement Letters through audit year FY28 based on performance.
2. Refer this item to Finance & Administration Committee with direction to consider specific issues.

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BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
Mark E. Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

3. Table this item for consideration at a future meeting, noting that a delay in selecting the audit firm may delay completion of the FY25 audit.

ATTACHMENTS

Sample Audit Engagement Letter

SAMPLE AUDIT ENGAGEMENT LETTER

[Prepared on auditor's letterhead]

[Insert date]

[Insert name and address of client]

Dear [insert the appropriate representative of those charged with governance]:

The following represents our understanding of the services we will provide [Entity Name].

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of [Entity Name], as of [Month XX, 20XX], and for the year then ended and the related notes, which collectively comprise [Entity Name]'s basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that [identify the included supplementary information, such as management's discussion and analysis and budgetary comparison information] be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

Supplementary information other than RSI will accompany [Entity Name]'s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS.

We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

[List supplementary information, other than RSI]

Also, the document we submit to you will include the following other additional information that *[will or will not]* be subjected to the auditing procedures applied in our audit of the basic financial statements:

[List additional information and define the level of audit coverage that will be provided on such information]

Auditor Responsibilities

We will conduct our audit in accordance with GAAS *[and, if applicable, in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements]*. As part of an audit in accordance with GAAS *[and, if applicable, in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements]*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.² However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about *[Entity Name]*'s ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS *[and, if applicable, in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements]*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of *[Entity Name]*'s compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that *management and, when appropriate, those charged with governance* acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which [*management*] is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from [*management*] for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that [*management*] expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from [*management and, when appropriate, those charged with governance*], written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services we perform, *[insert description of specific nonattest services to be provided (i.e.,*

At the end of each month, we agree to perform the following:

- *Propose adjusting or correcting journal entries to be reviewed and approved by [Entity Name]'s management.*
- *Prepare monthly sales and payroll tax returns [insert applicable tax jurisdictions] for [Entity Name] management's review and approval.*
- *Upon receipt of approval, we file the electronic returns on [Entity Name]'s behalf.*

At the end of the year, we agree to perform the following:

- *Propose adjusting or correcting journal entries to be reviewed and approved by [Entity Name]'s management.*
- *Prepare federal and state income tax returns [insert applicable tax jurisdictions].*
- *Prepare year-end sales and payroll tax returns [insert applicable tax jurisdictions].*
- *Answer inquiries on specific tax matters.]]*

We will not assume management responsibilities on behalf of [Entity Name]. However, we will provide advice and recommendations to assist management of [Entity Name] in performing its responsibilities.

[Entity Name]'s management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitoring the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards, including *(insert the appropriate standard reference, i.e., the Statements on Standards for Tax Services issued by the AICPA).*
- The nonattest services are limited to the *(identify the services, i.e., bookkeeping and tax services)* previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise [Entity Name] with regard to tax positions taken in the preparation of the tax return, but [Entity Name] must make all decisions with regard to those matters.

Reporting

We will issue a written report upon completion of our audit of [Entity Name]'s basic financial statements. Our report will be addressed to *[appropriate addressee, e.g., governing body of [Entity Name]]*. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We also will issue a written report upon completion of our audit.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows: *[insert dates]*

[Name of Firm Representative] is the engagement partner for the audit services specified in this letter. *[His/Her]* responsibilities include supervising *[insert name of firm]*'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every two weeks and are payable upon presentation. We estimate that our fee for the audit will be between *[\$insert amount]* and *[\$insert amount]*. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use *[Entity Name]*'s personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.^{10, 11}

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to *[identify those charged with governance]* the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of *[insert name of audit firm]* and constitutes confidential information. However, we may be requested to make certain audit documentation available to *[insert regulator(s)'s name(s)]* pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of *[insert name of audit firm]*'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to *[insert regulator's name]*. The *[insert regulator's name]* may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

[Name and address of audit firm]

[Date]

RESPONSE:

This letter correctly sets forth our understanding.

[Entity Name]

Acknowledged and agreed on behalf of *[Entity Name]* by:

Title: _____

Date: _____



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2108

To: Board of Directors
From: Milan Mitrovich, Land Resources Manager
Date: April 23, 2025
Subject: Contract Services Agreement with Nakae & Associates for Cactus Salvage and Relocation Services

RECOMMENDATION

Approve Contract Services Agreement with Nakae & Associates for implementation of cactus salvage and relocation into the Upper Santa Ana River Wash Habitat Conservation Plan Preserve in an amount not to exceed \$77,500.

BACKGROUND AND DISCUSSION

In July 2023, the San Bernardino Valley Conservation Trust was awarded funds to implement fuels reduction and habitat restoration efforts on District lands through the U.S. Bureau of Land Management California Fuels Management and Community Fire Assistance Program, including contracts for invasive vegetation removal and sand addition tasks that were approved by the San Bernardino Valley Conservation Trust Board on October 24, 2023, and the District Board on October 9, 2024. Following these significant efforts, the District seeks to further augment these habitat restoration activities with salvage and relocation of cactus, which provides important habitat for Upper Santa Ana River Wash Habitat Conservation Plan (Wash HCP) Covered Species, from nearby locations planned for development onto District-owned property within the Wash HCP Preserve.

Based on their record of success with similar projects across the region, staff recommends approval of a contract with Nakae & Associates (Nakae) to relocate and replant cactus plants that would otherwise be destroyed during development of nearby properties to support objectives of the Fuels Management and Community Fire Assistance grant and the Wash HCP.

The proposed contract with Nakae & Associates includes the following components:

- 1. Tasks to be conducted by Nakae & Associates
- 2. Compensation for contracted tasks on a time and materials basis
- 3. Timing and mechanisms for payment
- 4. Responsibilities for District and Nakae & Associates
- 5. Legal protections for District and Nakae & Associates

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Melody McDonald

**GENERAL
MANAGER**

Betsy Miller

FISCAL IMPACT

Approval of the recommended action would result in expenditure of up to \$77,500 from GL 5120, Professional Services. The GL 5120 funds are from the Settlement Agreement and Release with D.R. Horton, used here to support an offsite restoration location in addition to on-going onsite restoration in accordance with the requirement under this agreement for the District to “assume full and sole responsibility” over restoration of the biological resources affected by this trespass onto District property.

POTENTIAL MOTIONS

1. Approve Contract Services Agreement with Nakae & Associates for implementation of cactus salvage and relocation into the Upper Santa Ana River Wash Habitat Conservation Plan Preserve in an amount not to exceed \$77,500.
2. Provide other direction to staff.

ATTACHMENTS

Contract Services Agreement for Cactus Salvage and Relocation Services

**CONTRACT SERVICES AGREEMENT
FOR CACTUS SALVAGE AND RELOCATION SERVICES**

THIS PROFESSIONAL SERVICES AGREEMENT FOR CACTUS SALVAGE AND RELOCATION SERVICES (“Agreement”) by and between the **SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT**, a California special district (“District”), and **NAKAE & ASSOCIATES, INC.**, a California corporation (“Consultant”), is effective beginning April 23, 2025 (“Effective Date”). This Agreement is entered into in consideration of all of the following:

RECITALS:

- A. District is the owner of certain property leased, or about to be transferred into lease, for mining activity with Robertson’s Ready Mix, LLC (“Robertson’s”). Robertson’s is finalizing permits to permit mining activity to go forward on such lands, generally depicted in Exhibit “A” attached hereto.
- B. The anticipated mining activity will result in removal of vegetation, including certain prickly pear and cholla cactus plants that offer habitat value and biological traits that assist species on such habitat, and whose contribution to sustaining and enhancing habitat values the District is interested in preserving.
- C. The District has determined it is both feasible and in the long-term interests of the habitat preserves it manages to attempt to relocate and replant cactus plants that would otherwise be lost to the vegetative clearing for mining on those areas depicted as “Removal Areas,” and to attempt to relocate and replant such cacti in the “Relocation Areas” depicted in Exhibit “A.”
- D. Consultant has demonstrated capabilities in such plant relocation activities, and in consultation with the District, has formulated a strategy for accomplishing the desired relocation and replanting of these cacti. The parties have therefore agreed to pursue such relocation and replanting activities, and in furtherance thereof, have entered into this Agreement to specify the terms and conditions under which such activity shall proceed.

NOW THEREFORE, the parties hereto agree as follows:

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall provide salvage “bare root” prickly pear and cholla cactus “Scoops” from the “Removal Area” and transport, relocate, and replant such cactus plants in the “Receiving Areas” as depicted in Exhibit “A.” Such activity will include Consultant mobilizing and de-mobilizing equipment to and from the applicable areas of work, and watering the replanted cacti with a watering truck, both as a part of the replanting activity, and after replanting, to assure establishment of the relocated plants. The parties estimate that some 150-200 bare root cactus “scoops” can be salvaged per day. Consultant shall also install T-Posts for support of larger

replanted cacti, as and where specified by the District's Contract Officer. Consultant warrants that all work and services will be performed in a competent, professional, and satisfactory manner, and consistent with the standards and requirements set out in the Scope of Services.

1.2 Authorization to Begin. The Consultant shall begin work or services upon being provided with a written Initial Notice to Proceed by the District. No work or services other than that described in the Scope of Services shall be initiated by the Consultant without express authorization of the District and documentation of a Change Order to this Agreement. Services listed in the Scope of Services shall be considered authorized to be performed by Consultant on those areas designated in Exhibit A hereto, upon Consultant's receipt of the Initial Notice to proceed. Consultant shall coordinate with the District's Contract Officer daily regarding the specific activities and areas of work to which Contractor's efforts hereunder shall be directed, and Contractor may not invoice for any tasks or services, and District shall not be obligated to pay for any tasks or services so performed, not otherwise directed or authorized by the District's Contract officer in writing, prior to the time such tasks or services are performed.

1.3 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with applicable ordinances, resolutions, statutes, rules, and regulations of the District and any Federal, State, or local governmental agency of competent jurisdiction.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, the Consultant shall be paid on a time and materials basis, at the hourly rates reflected in the Budget an amount not to exceed seventy-seven thousand five hundred dollars (\$77,500.00) over the entire term of the Agreement. Payments shall be made by District to consultant on a time and materials basis, based upon and at the rates for services and tasks shown in the budget from Consultant dated April 10, 2025, and as shown on Exhibit "B" hereto.

2.2 Method of Payment. Provided that Consultant is not in default under the terms of the Agreement, the Consultant shall be paid upon receipt by District of a detailed written record of services performed and time spent. Consultant shall invoice for work performed no less frequently than monthly, and prior to payment of the final invoice, all work authorized by the District shall be completed.

2.3 Content of Invoices. Each invoice submitted by the Consultant shall reflect the amount of time spent, the category or designation of the person performing the work with reference to the hourly rates listed in Exhibit B, a description of the work performed on each specific date within that time by each employee or sub-consultant for each task, and any materials or other direct costs. Invoices shall also reflect the ongoing cumulative amount of contract budget expended, and that remaining, after payment of the specific invoice, to permit tracking by both District and Contractor to prevent budget overruns. Invoices without this information shall not be paid. Invoices shall be submitted by Consultant to District no less frequently than quarterly.

3.0 COORDINATION OF WORK

3.1 Representative of Consultant. Kevin Kirchner is hereby designated as the principal representative of the Consultant, authorized to act on its behalf with respect to the work and services specified herein and to make all decisions in connection therewith. Any substitution of the designated representative must be approved in advance by the District.

3.2 Contract Officer. Milan Mitrovich is hereby designated as the representative of the District, authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith (“Contract Officer”).

3.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work and services required of Consultant herein without the prior express written approval of the District. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of the District. Any such prohibited assignment or transfer shall be void.

3.4 Independent Consultant. Consultant shall execute the specifics of its services hereunder as an independent contractor of the District, and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of the District.

4.0 INSURANCE AND INDEMNIFICATION

4.1 Insurance. The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to District, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

4.1-01 Workers’ Compensation Insurance. By signature hereunder, Consultant certifies that Consultant is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and Consultant will comply with such provisions before commencing the performance or the work of this Agreement.

4.1-02 Workers’ Compensation and Employer’s Liability Insurance. The Consultant and all sub-consultants shall cover or insure under the applicable laws relating to workers’ compensation insurance, all of their employees employed directly by them or through sub-consultants in carrying out the work contemplated under this Agreement, all in accordance with the Workers’ Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Consultant shall provide employer’s liability insurance in the amount of at least, one million dollars (\$1,000,000.00) per accident for bodily injury and disease.

4.1-03 Liability Insurance. The Consultant shall provide and maintain at all times during the performance of this Agreement, the following commercial general liability insurance:

4.1-03.01 Coverage. Coverage shall be at least as broad as the following:

Commercial General Liability. Commercial General Liability coverage (Occurrence Form CG 0001) in the amount of one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2501 or insurer's equivalent endorsement provided to the District) or the general aggregate limit shall be twice the required occurrence limit.

Professional Liability. Professional Liability appropriate to the Consultant's profession covering Consultant's wrongful acts, negligent actions, errors, or omissions in the amount of one million dollars (\$1,000,000) per claim and annual aggregate.

4.1-03.02 Required Provisions. The policies specified in Section 4.1-03.01 are to state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for nonpayment of premium) prior written notice by U.S. mail has been given to the District.

4.1-03.03 Required Format. All of the liability insurance shall be provided on policy forms satisfactory to the District. All insurance correspondence, notations, certificates, or other documents from the insurance carrier or agent/broker shall each separately reference the District project number.

4.1-03.04 Deductibles and Self-Insured Retention. Any deductible or self-insurance retention must be declared to and approved by the District. At the option of the District, the insurer shall reduce or eliminate such deductibles or self-insured retention.

4.1-03.05 Acceptability of Insurers. Insurance is to be placed with insurers having a current Best's rating of no less than A-VII or equivalent or as otherwise approved by the District.

4.1-03.06 Evidences and Cancellation of Insurance. Prior to execution of this Agreement, the Consultants shall file with the District evidence of insurance satisfactory to the District. The insurer will give by U.S. mail written notice to the District at least thirty (30) days prior to the effective date of any cancellation, except for nonpayment of premium for which ten (10) days prior written notice will be given. The Consultant shall, upon demand of the District, deliver to the District all such policy or policies of insurance and the receipts for payment of premiums thereon.

4.1-03.07 Errors and Omissions/Professional Negligence. Consultant shall procure and maintain errors and omissions insurance, or professional liability insurance, at all times this Agreement is in effect, covering the services to be provided hereunder in the amount of one million dollars (\$1,000,000.00) per claim and annual aggregate.

4.1-03.08 Sub-Consultants. In the event that the Consultant employs other consultants as part of the services covered by this Agreement, it shall be the Consultant's responsibility to confirm that each sub-consultant meets the minimum insurance requirements specified above.

4.2 Indemnification. To the fullest extent permitted by law, Consultant shall indemnify and hold harmless and defend the District, its directors, officers, employees, or designated volunteers, and each of them from and against:

4.2-01 Any and all claims, demands, causes of action, damages, costs, expenses, losses, or liabilities, in law or in equity, of every kind of nature whatsoever for, but not limited to, injury to or death of any person including District and/or Consultant, or any directors, officers, employees or designated volunteers of District or Consultant, and damages to or destruction of property of any person, including but not limited to, District and/or Consultant and their directors, officers, employees or designated volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this Agreement, due to the Consultant's negligent acts, errors, or omissions committed or alleged to have been committed, except to the extent of District's sole negligence or willful misconduct.

4.2-02 Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind of nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of Consultant, except in those cases of the District's sole negligence or willful misconduct.

4.2-03 Consultant shall defend, at its own cost, expense, and risk, with Counsel of District's choice, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against District or District's directors, officers, employees, or designated volunteers.

4.2-04 Consultant shall pay and satisfy any judgment, award or decree that may be rendered against District or its directors, officers, employees, or designated volunteers, in any and all such aforesaid suits, actions or other legal proceedings.

4.2-05 Consultant shall reimburse District and its directors, officers, employees, or designated volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

4.2-06 Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, or its directors, officers, employees, or designated volunteers. Notwithstanding anything herein to the contrary, neither party shall be liable to the other for any punitive damages arising from this Agreement.

4.3 Laws, Regulations and Permits. The Consultant shall give all notices required by law and comply with all laws, ordinances, rules, and regulations pertaining to the conduct of the work. The Consultant shall be liable for all violations of the law in connection with work furnished by the Consultant.

4.4 Safety. The Consultant shall execute and maintain Consultant's work so as to avoid injury or damage to any person or property. In carrying out the work, the Consultant shall

at all times, exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all federal, state and local statutory and regulatory requirements including State of California, Division of Industrial Safety (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act (as applicable).

5.0 TERM OF AGREEMENT

5.1 Term. This Agreement shall be effective from the Effective Date, and shall continue in full force and effect until December 31, 2025, or until earlier terminated under Section 6.11 below.

6.0 MISCELLANEOUS

6.1 Covenant Against Discrimination. The Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, that there shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement.

6.2 Non-liability of District Officers and Employees. No officer or employee of the District shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the District or for any amount that may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

6.3 Conflict of Interest. No officer or employee of the District shall have any financial interest, direct or indirect, in this Agreement, nor shall any such officer or employee participate in any decision relating to the Agreement which affects his or her financial interest or the financial interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested, in violation of any State statute or regulation. The Consultant warrants that it has not paid or given and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

6.4 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the District, to the General Manager and to the attention of the Contract Officer, San Bernardino Valley Water Conservation District, 1630 W. Redlands Boulevard, Suite A, Redlands, CA 92373-8032, (909)793-2503, and in the case of the Consultant, to Kevin Kirchner, Nakae and Associates, 11159 Jeffrey Rd. Irvine, CA 92602 (949) 786-0405.

6.5 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement.

6.6 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time only by the mutual consent of the parties and only by an instrument in writing.

6.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or inability to enforce shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

6.8 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

6.9 Attorney's Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

6.10 Ownership of Work. Documentation associated with all work performed and all work product generated by the Consultant hereunder shall be the exclusive property of the District. The Consultant shall provide to the District all notes, maps, graphs, worksheets, reports, computer databases, and programs, or any other analysis or analytical tools created or produced by the Consultant in connection with its work performed hereunder, no later than the time of the completion of the Consultant's work or earlier termination of this Agreement under Section 6.11 below. The Consultant shall not disclose or utilize its work under this Contract in any other assignment or for any other purpose, or otherwise disclose or utilize such work, without the prior written consent of the District, which consent shall not be unreasonably withheld.

6.11 Termination. This Agreement may be terminated by either party giving 30 days' notice in writing to the other party and sent by registered mail to the principal place of business that such notice is addressed. The rights, duties, and responsibilities of the Consultant shall continue in full force during the period of this 30-day notice unless otherwise directed by District. After the expiration of the 30-day interval following notice, no rights or liabilities shall arise out of this relationship, except that the indemnification provisions of Section 4.2 above shall survive termination, and any task undertaken by Consultant on written District authorization, and still uncompleted at the expiration of the notice period, shall be carried to completion by Consultant

and paid for by District at rates provided hereunder, unless mutually agreed in writing to the contrary, in accordance with the provisions herein.

6.12 Mediation. In the event of disagreement as to termination procedures, the Consultant and District shall meet and confer in an attempt to resolve the issue. If the meet and confer process fails to resolve any controversy or claim arising out of or related to work performed under this Agreement, within 10 business days after written notice by one party to the other identifying the nature of the dispute and requesting a meet and confer conference, such claim or controversy shall be submitted to non-binding mediation unless the parties mutually agree otherwise. The submission to non-binding mediation shall be upon such terms, conditions, and procedures as the parties might mutually agree, and shall not preclude the initiation or exercise of any other remedy, legal, equitable, or otherwise, available to any party. The mediation proceedings shall take place in San Bernardino County, California.

6.13 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

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

NAKAE & ASSOCIATES, INC.

SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT

By: _____
Kevin Kirchner
Vice President/General Manager
11159 Jeffrey Rd.
Irvine, CA 92602
Phone: (949) 786-0405
Email: OCStaff@naka.com

By: _____
Melody McDonald
President

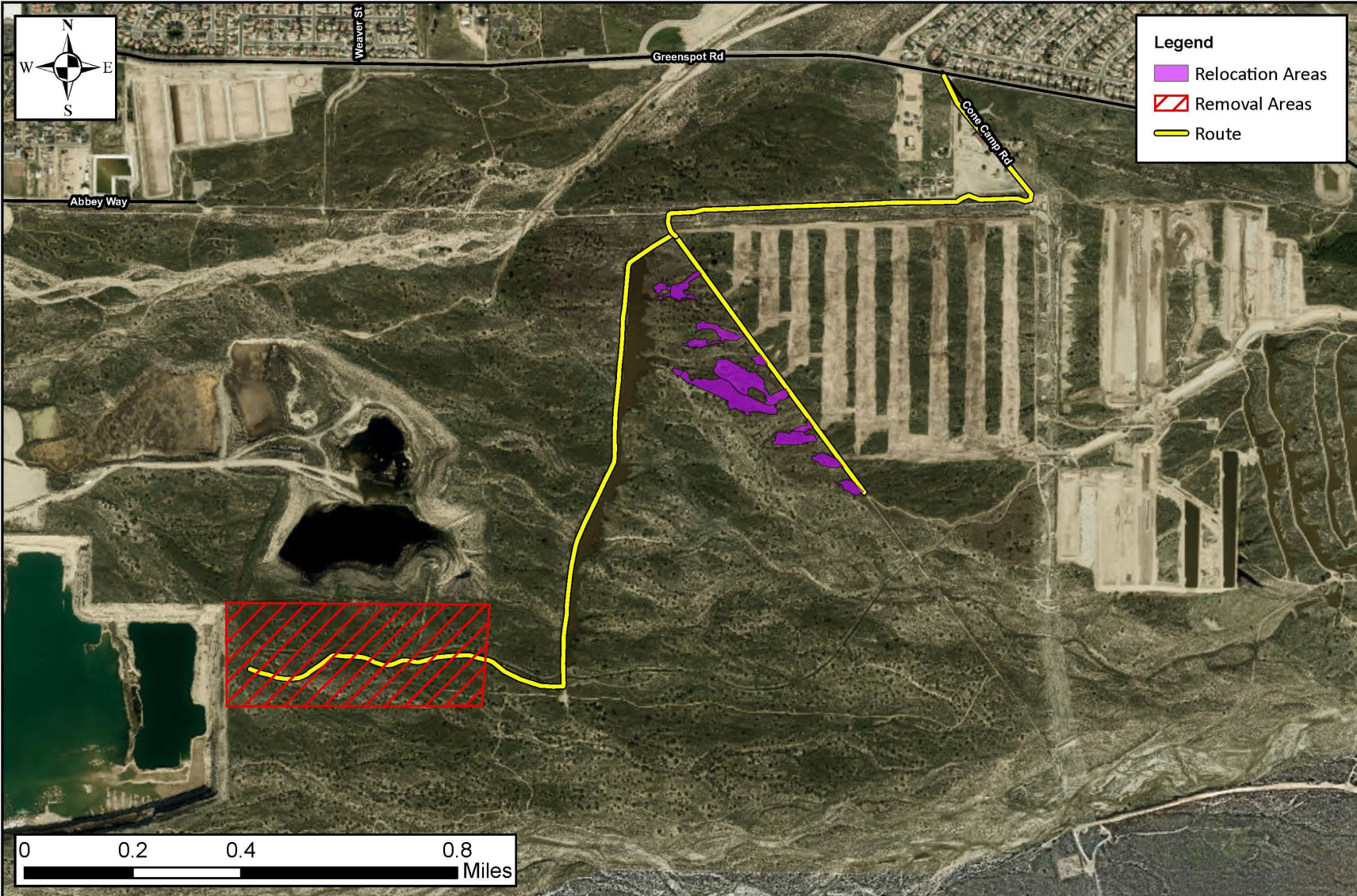
Date: _____

Date: _____

**EXHIBIT A
DEPICTION OF REMOVAL AND RELOCATION AREAS**

**Exhibit A
Cactus Salvage and Relocation**

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
GIS Contact: Anna Frey
M:\Mining and Material Processing\Robertson's\CactusSalvage
April 14, 2025



**EXHIBIT B
SCHEDULE OF COMPENSATION**

Hourly rates listed are agreed-upon rates for labor to be performed and services to be provided. Daily rates and total budgeted amounts listed below are estimates only, and the full amount of costs for such work shall depend on the amount of work to be performed, over the time authorized, by the District's Contract Officer.

I. Salvage & Install 'Bare Root' Cactus 'Scoops'

Below is our T&M cost per day to salvage 'bare root' prickly pear and cholla cactus 'scoops' from the Robertson's Ready Mix mining area and transport to the BLM Fuels Management Project Site.

A. Labor 'Budget'

Role	Hours	Rate	Subtotal
Foreman	8 hrs	\$58.00/hr	\$464.00
Foreman Travel (1 day)	2 hrs per day	\$87.00/hr	\$174.00
Operators	16 hrs	\$62.00/hr	\$992.00
Laborer	8 hrs	\$34.00/hr	\$272.00
Superintendent	4 hrs	\$115.00/hr	\$460.00
Labor Subtotal			\$2,362.00

B. Equipment 'Budget'

Equipment	Hours	Rate	Subtotal
One-Ton Stakebed Truck	8 hrs	\$20.00/hr	\$160.00
Bobcat	8 hrs	\$55.00/hr	\$440.00
Backhoe	8 hrs	\$66.00/hr	\$528.00
Equipment Subtotal			\$1,128.00

Below is our T&M cost per day to plant the 'bare root' prickly pear and cholla cactus 'scoops' in the BLM Fuels Management Project Site as directed by SBVCT. Cactus 'scoops' will be watered in during installation

A. Labor 'Budget'

Role	Hours	Rate	Subtotal
Foreman	8 hrs	\$58.00/hr	\$464.00
Foreman Travel (1 day)	2 hrs per day	\$87.00/hr	\$174.00
Operator	8 hrs	\$62.00/hr	\$496.00
Crew Leader	8 hrs	\$40.00/hr	\$320.00
Laborers	16 hrs	\$34.00/hr	\$544.00
Superintendent	4 hrs	\$115.00/hr	\$460.00

Role	Hours	Rate	Subtotal
Labor Subtotal			\$2,458.00

B. Equipment 'Budget'

Equipment	Hours	Rate	Subtotal
One-Ton Stakebed Truck	8 hrs	\$20.00/hr	\$160.00
Bobcat	8 hrs	\$55.00/hr	\$440.00
Water Truck	8 hrs	\$50.00/hr	\$400.00
Equipment Subtotal			\$1,000.00

Total Estimated per Day T&M Cost

Salvage & Plant 'Bare Root' Cactus 'Scoops'..... \$6,948.00

NOTE: We have estimated that we can salvage and plant 150- 200 'bare root' cactus 'scoops' per day.

II. Mobilize / De-Mobilize Equipment

Below is our T&M cost to mobilize and de-mobilize our equipment between the jobsite and jobsite and our yard in Irvine.

A. Labor 'Budget'

Role	Hours	Rate	Subtotal
Driver	12 hrs	\$65.00/hr	\$780.00

B. Equipment 'Budget'

Equipment	Hours	Rate	Subtotal
Semi-Truck	12 hrs	\$104.00/hr	\$1,248.00

III. Follow-up Cactus Watering

Below is our T&M cost per day to provide additional watering events for the cactus as needed.

A. Labor 'Budget'

Role	Hours	Rate	Subtotal
Driver	8 hrs	\$65.00/hr	\$520.00
Driver Travel (1 day)	2.5 hrs	\$97.50/hr	\$243.75
Laborer	8 hrs	\$34.00/hr	\$272.00
Labor Subtotal			\$1,035.75

B. Equipment 'Budget'

Equipment	Hours	Rate	Subtotal
Water Truck	8 hrs	\$50.00/hr	\$400.00

Total Estimated per Day T&M Cost

Follow-up Cactus Watering..... \$1,435.75

OPTION: Provide a 5' metal T-post when installing cholla cactus that need support (not all cholla cactus are tall enough to need support). Cost per T-Post \$ 9.35.