



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

BOARD OF DIRECTORS MEETING AGENDA

Wednesday, October 13, 2021 – 1:30 p.m.

Location--1630 West Redlands Boulevard, Suite A, Redlands, California and via Zoom

**ALL VISITORS ARE ENCOURAGED TO WEAR A MASK.
MASKS ARE AVAILABLE FOR THOSE WITHOUT ONE.**

In accordance with [Government Code 54953 \(as amended by A.B. 361 signed September 16, 2021 and effective October 1, 2021 via Governor Newsome's Executive Order N-15-21\)](#), this meeting is being conducted in person at the District's offices located at 1630 West Redlands Boulevard, Suite A, Redlands, CA, with the option for participation by the public through teleconference access via Zoom. Anyone wishing to listen to or participate in the meeting can join via Zoom:

Call in (669) 900-6833, Meeting ID: 923 4838 9922

To join the Zoom Meeting online: <https://us02web.zoom.us/j/92348389922>

Members of the public participating via remote teleconferencing will have the opportunity to comment on any item within the jurisdiction of the District during the public comment period on the agenda, and to address the Board on individual agenda items as they are called and considered. Public comments submitted in advance are encouraged, but not required. Remote participants will be asked to identify themselves and on which item they wish to address the Board, and will be instructed at the outset of the meeting how to make their wish to address the Board known during the meeting.

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request at the District office and in the Agenda Package on the District's website.

It is the intention of the San Bernardino Valley Water Conservation District to comply with the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the public meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Lokelani 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. Disclosure: The San Bernardino Valley Water Conservation District (SBVWCD) cannot prevent you from becoming exposed to, contracting, or spreading COVID-19 should you choose to attend meetings and/or enter onto premises where events are held. COVID-19 is highly contagious and has variants that may cause infections among vaccinated and unvaccinated persons alike. While SBVWCD attempts to follow protocols suggested by applicable public health authorities, it is not possible for SBVWCD to prevent

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BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

the presence of the disease or risk of exposure to it. Therefore, if you choose to attend a meeting or enter onto premises, you may be exposing yourself to and/or increasing your risk of contracting or spreading COVID-19.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

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

3. GUEST RECOGNITION/SELF INTRODUCTIONS

4. CONSENT CALENDAR

- A. Approval of Board Minutes, September 8, 2021.....5
- B. Approval of Expenditure Report, September 202112
- C. [CSDA Bylaws Approval](#)

5. COMMITTEE REPORTS /ACTION ITEMS

Committee Reports

- A. 2021 AUDIT REPORT - 10 minutes (M#1805).....21

Presenter: Daniel Cozad

Recommendation: The Ad Hoc Audit Committee recommends the Board review and accept the 2021 Audit Report as presented and direct the General Manager to file the Audit with the County Clerk.

Action Items

- B. UNAUDITED FINANCIAL REPORTS, September 2021 - 5 minutes (M#1806).....95

Presenter: Daniel Cozad

Recommendation: Review and approve the unaudited financials for September 2021.

- C. WASH PLAN REMAINING PERMITS PROJECT UPDATE AND APPLICATION FEE – 5 minutes (M#1807) 101

Presenter: Betsy Miller

Recommendation: Staff recommends that the Board 1) Authorize the General Manager to submit payment of \$45,693.25 in notification fees for a Streambed Alteration Agreement for Wash Plan construction projects to California Department of Fish and Wildlife. And 2) Authorize the General Counsel to submit payment of up to \$177,179 in project fees for a Clean Water Act 401 Water

Quality Certification to the Santa Ana Regional Water Quality Control Board.

D. ACWA GENERAL SESSION VOTING DELEGATE - 5 minutes (M#1808) 113

Presenter: *Daniel Cozad*

Recommendation: Consider appointing a director as the as the voting delegate for the ACWA Fall Conference General Session Meeting.

E. AB 361 REMOTE MEETINGS – 5 minutes (M#1809)..... 121

Presenter: *David Cosgrove*

Recommendation: Staff recommends the Board receive the update on changes to the procedures under which remote meetings may be conducted, as enacted by A.B. 361, and consider adopting Resolution No. 592 making findings that will allow the District to conduct remote meetings, without compliance with otherwise applicable Brown Act teleconferencing requirements, for a period of thirty (30) days.

F. REALIGNMENT OF COMPONENT DISTRICT DIVISIONS - 5 minutes (M#1810)..... 126

Presenter: *Daniel Cozad and David Cosgrove*

Recommendation: Staff recommends the Board receive the update on legislation and review, discuss, provide any feedback on the redistricting approach for realignment of the divisions based on the 2020 census.

6. **INFORMATION ITEMS:**

- A. Wash Plan Implementation Update – 5 Minutes
- B. Wash Plan Trails Status Report..... 130
- C. Active Recharge Transfer Projects Status Report No. 8 131
- D. Mentone Shop Improvements Status Report 147
- E. General Manager’s Report and Monthly Recharge Report – 5 Minutes 165
- F. Future Agenda Items & Staff Tasks

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

- A. Board Member Meeting Reports – 15 minutes

8. **UPCOMING MEETINGS:**

***Please note: Some meetings may be held remotely via zoom. See Agendas for detailed information.**

- A. October 14, 2021 San Bernardino Valley Municipal Water District Policy Committee Workshop, 2:00 p.m. at Valley Municipal
- B. October 18, 2021 Association of the San Bernardino County Special Districts, 6:00 p.m. at The Old Spaghetti Factory in Rancho Cucamonga, hosted by Best Best & Krieger LLP
(Topic: Redistricting 2021-Don’t Try This at Home)
- C. October 19, 2021 San Bernardino Valley Municipal Water District Board Meeting, 2:00 p.m. at Valley Municipal

- | | |
|---|--|
| D. October 20, 2021 | WIFIA Meeting, 8:30 a.m. via Teleconference |
| E. November 2, 2021 | San Bernardino Valley Municipal Water District Board Meeting, 2:00 p.m. at Valley Municipal |
| F. November 3, 2021 | WIFIA Meeting, 8:30 a.m. via Teleconference |
| G. November 5, 2021 | Conservation District Facilities Tour, 9:00 a.m. – 1 p.m., District/Field |
| H. November 9, 2021 | San Bernardino Valley Municipal Water District Engineering Committee Workshop, 2:00 p.m. at Valley Municipal |
| I. November 10, 2021 | Board of Directors Meeting, 1:30 p.m. at Conservation District |
| J. November 11, 2021 | San Bernardino Valley Municipal Water District Policy Committee Workshop, 2:00 p.m. at Valley Municipal |
| K. November 30, 2021-
December 2, 2021 | ACWA Fall Conference, Pasadena
<i>(Board Approval Required)</i> |

9. **CLOSED SESSION**

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

2. The Board will meet in Closed Session under authority of Government Code §54956.8, to discuss real property negotiations, regarding 1630 West Redlands Boulevard, Suite K, to discuss terms and conditions of a lease. The District's negotiators are Daniel Cozad and David Cosgrove. The Lessee's negotiator is Mark Bacher.

10. **ADJOURN MEETING.** The next regularly scheduled Board of Directors Meeting will be on November 10, 2021, at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA and via Zoom/teleconference.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF SEPTEMBER 8, 2021
1:30 pm

President McDonald called the Board of Directors meeting to order at 1:30 pm by in-person, teleconference, and Zoom meeting; all those in attendance stood for the pledge of allegiance led by President McDonald.

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President
David E. Raley, Director
Robert Stewart, Director
John Longville, Director (Arrival 1:37 p.m.)

BOARD MEMBERS ABSENT:

Richard Corneille, Vice President

GENERAL COUNSEL PRESENT:

Dave Cosgrove, District Counsel

STAFF PRESENT:

Daniel Cozad, General Manager
Betsy Miller, Land Resources Manager/Assistant General Manager
Erwin Fogerson, Senior Engineer/Project Manager
Katelyn Scholte, Assistant Engineer
Athena Lokelani, Administrative Specialist
Angie Quiroga, Administrative Analyst

GUESTS PRESENT:

Cathy Green, Orange County Water District, ACWA Candidate
T. Milford Harrison, San Bernardino Valley Municipal Water District
June Hayes, San Bernardino Valley Municipal Water District
Paul Kielhold, San Bernardino Valley Municipal Water District
Ron Coats, East Valley Water District
Willow Green, Tetra Tech

1. PUBLIC PARTICIPATION

President McDonald announced that any persons present, who so desired, may make an oral presentation to the Board of Directors. There being none, the meeting continued with the posted agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none discussed.

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

The guests listed above made self-introductions.

4. CONSENT CALENDAR

President McDonald introduced this item for discussion.

It was moved by Director Stewart and seconded by Director Raley to approve the Consent Calendar: Item A: Board Minutes, August 11, 2021 and Item B: Expenditure Report, August 2021. The motion carried 3-0, with all Board members present voting in the affirmative and Director Longville and Vice President Corneille noted absent from the vote.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. AD HOC SUCCESSION AND TRANSITION COMMITTEE VERBAL UPDATE

Mr. Cozad provided a verbal update of the Ad Hoc Succession and Transition Committee (Committee) meeting held on August 18, 2021. The Committee reviewed both background information and proposed changes to the Succession and Transition Plan. He indicated that this effort came out of the General Manager's review, and reflects anticipated organizational and staffing changes in 2022. The Board will hold a full discussion on this topic at the Succession and Transition Workshop on October 6. Director Stewart said that the workshop will be a good environment for discussions of options.

B. UNAUDITED FINANCIAL REPORTS, AUGUST 2021

Mr. Cozad introduced this item for discussion, noting its inclusion on package page 24. He indicated that it is still early in the fiscal year and that remaining equitable allocation payments are expected to come in within the next month.

It was moved by Director Stewart and Director Longville to approve the Unaudited Financial Reports from August 2021. The motion carried 4-0, with all Board members present voting in the affirmative and Vice President Corneille noted absent from the vote.

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

C. GROUNDWATER LATE PAYER AND NON-RESPONDENTS AND INVESTIGATION LIST FOR GWA #56

Mr. Cozad introduced this item, included on package page 31, for discussion. Lucky Farms is the only producer that has not reported. Mr. Cozad indicated that they may have become zoned industrial/commercial or ownership may have changed. He said that a site visit may be needed to verify if the well is still there and can be operated. Reporting is required until the well is destroyed and the County records a well destruction which ends the Water Code requirement for reporting. Staff received direction from the Board to perform needed followup.

D. RATIFICATION OF PROFESSIONAL SERVICES AGREEMENT FOR DRAFTING ENGINEERING SERVICES WITH AGUILAR CONSULTING, INC.

Mr. Fogerson reviewed this item, included on package page 32. The District engaged in a consulting contract with Aguilar Consulting on the Active Recharge Transfer Projects (ARTP) to perform preliminary engineering in June and August. Staff is asking for the Board to ratify the contracts in an amount not to exceed \$40,000 and authorize the General Manager for an additional contract amount up to \$30,000 for on-going work. Mr. Cozad said that the original contract was authorized under the General Manager's authority. This item was previously reviewed by the ARTP Policy Committee and will be reviewed by the Conservation District Operations Committee once operational details are identified.

It was moved by Director Stewart and seconded by Director Longville to ratify the Professional Services Agreement for Drafting and Engineering Services with Aguilar Consulting, for a total amount not-to-exceed \$40,000 and authorize the General Manager to issue an additional contract up to \$30,000 for on-going work. The motion carried 4-0, with all present voting in the affirmative and Vice President Corneille noted absent from the vote

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

E. ACWA VICE PRESIDENT REQUEST FOR SUPPORT

This item was taken out of order, after consent calendar.

Cathy Green of Orange County Water District addressed the Board regarding her candidacy for ACWA Vice President. She provided a brief overview of her qualifications as noted within her bio, which was included on package page 55 to 57. She also spoke regarding her intent for service if elected and asked for the Board's support. President McDonald recommended that the Board support Ms. Green for ACWA Vice President and approve supporting Resolution No. 591.

It was moved by Director Stewart and seconded by Director Longville to support Cathy Green from Orange County Water District and approve Resolution No. 591 supporting resolution. The motion carried 4-0, with all Board members present voting in the affirmative and Vice President Corneille noted absent from the vote.

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

F. ACWA REGION 9 BALLOT FOR 2022-2023

Mr. Cozad introduced this item for discussion, noting the ballot's inclusion on package page 62. President McDonald recommended the Board nominate individual board candidates, with James Morales Jr. nominated for chair; G. Patrick O'Dowd as Vice Chair; and Luis Cetin, Brenda Dennstedt, Norma Sierra Galinda, Carol Lee Gonzales-Brady and Harvey R. Ryan as Board members.

It was moved by President McDonald and seconded by Director Longville to nominate individual board candidates, with James Morales Jr. nominated for chair; G. Patrick O'Dowd as Vice Chair; and Luis Cetin, Brenda Dennstedt, Norma Sierra Galinda, Carol Lee Gonzales-Brady and Harvey R. Ryan as Board members. The motion carried 4-0, with all Board members present voting in the affirmative and Vice President Corneille noted absent from the vote.

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

G. REALIGNMENT OF COMPONENT DISTRICT DIVISIONS

Mr. Cosgrove noted this item's inclusion on package page 63. He reviewed the process as outlined within the memo. The District boundaries were last adjusted in 2012, when the Board was reduced from seven to five board members. Mr. Cosgrove said that another boundary adjustment is needed due to the newly released census data. The District will have to hold at least one public hearing on redistricting and the adjustments will be adopted by resolution by our April 13, 2022 meeting. The deadline to complete adjustments and receive public comment is March 9, 2022. Previously, the District utilized interns to assist in completing the redistricting process. Staff is working to identify if we are able to obtain and safely manage interns to support with this process; if not, we will work to retain a consulting firm for this project. Director Longville thanked staff for the review and spoke in support of hiring interns to complete this process, including a suggestion to contact Valley College to interns recruitment. He also advocated reviewing zip code areas as division boundary lines. President McDonald discussed the history of the process and its functionality. She suggested that staff meet with individual Board members who wish to discuss the process in greater detail or to provide local information. Mr. Cozad discussed history of the process and said that staff will meet one on one with Board members who which to do so and obtain any information to be considered in developing the districting scenarios. This issue will also appear on the regular Board meeting agenda for October 13 with a preliminary redistricting approach.

6. INFORMATION ITEMS

A. WASH PLAN IMPLEMENTATION UPDATE

Ms. Miller provided a verbal update. She said that two RFP's are out for Wash Plan Implementation including, 1) vegetation classification and mapping to keep track of progress of the Wash Plan and 2) a restoration program for slender horned spineflower required within the first three years of implementation. These, along with a contract for IERCD support of Wash Plan requirements, are anticipated to be brought to the Board in November. Staff also continues to receive feedback from the regulatory agencies on the applications we have submitted for the state and waters permits. The preliminary feedback from regulators on permitting is positive. There was an RFP released yesterday for permitting of operations and maintenance for the District's Mill Creek groundwater recharge facilities. The Land Exchange is moving forward and the appraiser has been retained. Staff will be sending them the check for the first half of services and are anticipating a 90 day window for completion of appraisal. This item was received and filed.

B. WASH PLAN TRAIL STATUS REPORT

The Wash Plan Trails Status Report is included on package page 66. Mr. Cozad noted that staff has been in communication with the cities of Redlands and Highland. Mr. Cosgrove is working on MOU's for cities; staff hope to have these ready for Board approval by the end of the calendar year. Ms. Miller spoke with the City of Redlands staff and provided information to support their council's decision-making. This item was received and filed.

C. MENTONE SHOP IMPROVEMENTS STATUS REPORT

Mr. Fogerson reviewed this item, noting its inclusion on package page 67. A RFP was released for geotechnical surveys and five contractors showed interest in bidding. The floor plan and site plan are included in the package. Mr. Fogerson will be meeting with contractors to discuss the placement of the septic tank according to specific code requirements. Director Raley asked that the chart in the status report be updated to more clearly shown what has been completed. This item was received and filed.

D. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report was included in the Board package on pages 71 through 74. The Ad Hoc Audit Committee will meet on October 4 to review the draft audit. The Groundwater Council (GC) met and discussed producers outside of the Conservation District boundaries. Southern California Edison expressed interest in joining the GC; they are within our boundary. Valley Municipal has taken the lead on a number of others, including Muscoy Mutual, Devore Water Company, and others. Together, these groups total approximately 73% of the water production outside of our boundries. The District helped ACWA prepare a letter to the State Water Resource Control Board, included on package page 75. The Monthly Recharge Report was included on package page 80. Steps 4 Life program was discussed at the CSDA annual conference and will be featured in their magazine in the future. Mr. Cozad provided an update on the Steps4Life program. This item was received and filed.

E. FUTURE AGENDA ITEMS AND STAFF TASKS

Director Raley requested a tour of District facilities. He also requested an update on the River HCP including District projects and costs. President McDonald requested information on the WIFIA meetings.

7. MONTHLY BOARD MEMBER MEETING REPORTS AND/OR BOARD MEMBER COMMENTS

Director Longville attended the Valley Municipal Board meeting on September 7, the Ad Hoc Succession and Transition Committee on August 18 and the Finance & Administration Committee on July 28.

Director Raley attended the Valley Municipal Policy Workshop on August 12, SBC Water Conference on August 13 and Valley Municipal Board meeting on August 7.

Director Stewart attended the Valley Municipal Policy Workshop on August 12, the Ad Hoc Succession and Transition Committee on August 18 and the Conservation District meeting today.

President McDonald attended the Valley Municipal Board meeting on September 7, Valley Municipal Resources Workshop on September 2 and Highland Area Chamber of Commerce Luncheon on August 31. She also attended on ACWA State Legislative Committee on August 20, Valley Municipal Board meeting on August 17 and Basin Technical Advisory Committee and Association of San Bernardino County Special Districts dinner on August 16. She attended the SBC Water Conference on August 13 and Valley Municipal Policy Workshop on August 11.

8. UPCOMING MEETINGS

There were none discussed.

9. CLOSED SESSION

It was moved by Director Stewart and seconded by Director Raley to adjourn to Closed Session. The motion carried 4-0, with all Directors present voting in the affirmative, with Vice President Corneille absent from the vote.

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

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

At 3:22 pm, the meeting reconvened into Open Session. Mr. Cosgrove noted that there was no reportable action.

10. ADJOURN MEETING

It was moved by Director Longville and seconded by Director Stewart to adjourn. The motion carried 4-0, with all Directors present voting in the affirmative, with Vice President Corneille noted absent from the vote.

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

At 3:25 pm, the meeting adjourned to the Board meeting scheduled for 1:30 pm on October 13, 2021, in person, teleconference, and Zoom meeting.

Daniel B. Cozad
General Manager

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
Online Pymt	09/14/2021	Valero Marketing & Sup...	1012 · Citizens Busine...		-563.17
			5320 · Fuel	1-Groundwater Ent.	563.17
TOTAL					563.17
QB Intuit	09/28/2021	Intuit	1012 · Citizens Busine...		-272.94
			6030 · Office Supplies	4-General Fund Ent.	218.35
			6030 · Office Supplies	1-Groundwater Ent.	13.65
			6030 · Office Supplies	2-Redlands Plaza/...	27.29
			6030 · Office Supplies	3-Land Resources	13.65
TOTAL					272.94
PC 09.08.21	09/08/2021	Paychex	1012 · Citizens Busine...		-112.50
			6042 · Payroll Processing	4-General Fund Ent.	112.50
TOTAL					112.50
PC 09.22.21	09/22/2021	Paychex	1012 · Citizens Busine...		-114.09
			6042 · Payroll Processing	4-General Fund Ent.	114.09
TOTAL					114.09
23078	09/01/2021	Resource Technology ...	1012 · Citizens Busine...		-28,150.00
			5122 · Wash Plan Profe...	5-Wash Plan	28,150.00
TOTAL					28,150.00
23079	09/13/2021	Redlands Farming Com...	1012 · Citizens Busine...		-313.34
195	09/13/2021		4021 · Assessments - Ag	1-Groundwater Ent.	313.34
TOTAL					313.34
23080	09/14/2021	AECOM Technical Serv...	1012 · Citizens Busine...		-9,491.25
	09/03/2021		5122 · Wash Plan Profe...	5-Wash Plan	9,491.25
TOTAL					9,491.25
23081	09/14/2021	American Power Security	1012 · Citizens Busine...		-820.00
	08/31/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	820.00
TOTAL					820.00
23082	09/14/2021	Angie J. Quiroga	1012 · Citizens Busine...		-45.44
	09/08/2021		6001 · General Adminis...	4-General Fund Ent.	5.44
			6001 · General Adminis...	4-General Fund Ent.	40.00
TOTAL					45.44

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
23083	09/14/2021	Black Gold Engineerin...	1012 · Citizens Busine...		-8,400.00
	09/01/2021		5120 · Misc. Profession...	3-Land Resources	7,800.00
	09/01/2021		1701 · CIP-Active Rech...	6-Active Recharge ...	600.00
TOTAL					8,400.00
23084	09/14/2021	Brownstein Hyatt Farbe...	1012 · Citizens Busine...		-30,750.00
	07/22/2021		5122 · Wash Plan Profe...	5-Wash Plan	15,375.00
	09/11/2021		5122 · Wash Plan Profe...	5-Wash Plan	15,375.00
TOTAL					30,750.00
23085	09/14/2021	Capitol Enquiry	1012 · Citizens Busine...		-89.36
	12/29/2020		6090 · Subscriptions/Pu...	4-General Fund Ent.	89.36
TOTAL					89.36
23086	09/14/2021	Castro Landscaping Se...	1012 · Citizens Busine...		-250.00
	08/30/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00
23087	09/14/2021	County of San Bernardi...	1012 · Citizens Busine...		-22,950.00
	08/01/2021		5225 · Field Clean Up-II...	1-Groundwater Ent.	22,950.00
TOTAL					22,950.00
23088	09/14/2021	Day Lite Maintenance, I...	1012 · Citizens Busine...		-180.26
	08/27/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	24.26
	09/01/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	156.00
TOTAL					180.26
23089	09/14/2021	Edison - 6256 (Redland...	1012 · Citizens Busine...		-225.45
	08/30/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	225.45
TOTAL					225.45
23090	09/14/2021	Edison - 6493	1012 · Citizens Busine...		-57.07
	09/09/2021		5420 · Electricity	4-General Fund Ent.	15.98
			5420 · Electricity	1-Groundwater Ent.	11.41
			5420 · Electricity	2-Redlands Plaza/...	29.68
TOTAL					57.07
23091	09/14/2021	Edison - 8958	1012 · Citizens Busine...		-569.75
	09/07/2021		5420 · Electricity	4-General Fund Ent.	159.53
			5420 · Electricity	1-Groundwater Ent.	113.95
			5420 · Electricity	2-Redlands Plaza/...	296.27
TOTAL					569.75

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
23092	09/14/2021	Edison - 9779	1012 · Citizens Busine...		-479.66
	08/30/2021		5420 · Electricity	4-General Fund Ent.	134.30
			5420 · Electricity	1-Groundwater Ent.	95.94
			5420 · Electricity	2-Redlands Plaza/...	249.42
TOTAL					479.66
23093	09/14/2021	Empire Disposal	1012 · Citizens Busine...		-173.39
	08/31/2021		5460 · Water / Trash / S...	4-General Fund Ent.	86.70
			5460 · Water / Trash / S...	1-Groundwater Ent.	69.35
			5460 · Water / Trash / S...	3-Land Resources	17.34
TOTAL					173.39
23094	09/14/2021	Frontier-4860	1012 · Citizens Busine...		-395.74
	08/28/2021		5440 · Telephone	4-General Fund Ent.	210.53
			5440 · Telephone	1-Groundwater Ent.	90.23
			5470 · Internet Services	4-General Fund Ent.	47.49
			5470 · Internet Services	1-Groundwater Ent.	28.49
			5470 · Internet Services	2-Redlands Plaza/...	4.75
			5470 · Internet Services	3-Land Resources	14.25
TOTAL					395.74
23095	09/14/2021	Home Depot Credit Ser...	1012 · Citizens Busine...		-429.52
	08/27/2021		5210 · Equipment Maint...	1-Groundwater Ent.	220.73
			5215 · Property Mainten...	1-Groundwater Ent.	137.92
			5215 · Property Mainten...	3-Land Resources	34.48
			5310 · Vehicle Mainten...	1-Groundwater Ent.	12.79
			6015 · Mentone House ...	2-Redlands Plaza/...	23.60
TOTAL					429.52
23096	09/14/2021	Lowe's Companies, Inc.	1012 · Citizens Busine...		-58.84
	08/25/2021		5210 · Equipment Maint...	1-Groundwater Ent.	29.64
			5215 · Property Mainten...	1-Groundwater Ent.	2.45
			5215 · Property Mainten...	3-Land Resources	0.61
			6015 · Mentone House ...	2-Redlands Plaza/...	26.14
TOTAL					58.84
23097	09/14/2021	Mueller Co., LLC	1012 · Citizens Busine...		-10,801.00
	08/17/2021		1700 · Work in Progress	1-Groundwater Ent.	10,801.00
TOTAL					10,801.00
23098	09/14/2021	Netsteller	1012 · Citizens Busine...		-610.25
	09/01/2021		5160 · IT Support	4-General Fund Ent.	180.00
			5160 · IT Support	1-Groundwater Ent.	225.00
			5160 · IT Support	3-Land Resources	45.00
	09/01/2021		6027 · Computer Softw...	4-General Fund Ent.	120.18
			6027 · Computer Softw...	1-Groundwater Ent.	16.03
			6027 · Computer Softw...	2-Redlands Plaza/...	8.01
			6027 · Computer Softw...	3-Land Resources	16.03
TOTAL					610.25

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
23099	09/14/2021	O'Reilly	1012 · Citizens Busine...		-40.74
	09/09/2021		5310 · Vehicle Mainten...	1-Groundwater Ent.	40.74
TOTAL					40.74
23100	09/14/2021	Redlands Ford-Ken Gr...	1012 · Citizens Busine...		-91.61
	08/23/2021		5310 · Vehicle Mainten...	1-Groundwater Ent.	91.61
TOTAL					91.61
23101	09/14/2021	Sonsray Machinery	1012 · Citizens Busine...		-1,206.19
	08/25/2021		5210 · Equipment Maint...	1-Groundwater Ent.	1,157.91
	08/26/2021		5210 · Equipment Maint...	1-Groundwater Ent.	48.28
TOTAL					1,206.19
23102	09/14/2021	Stanley Convergent Se...	1012 · Citizens Busine...		-401.22
	08/25/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	401.22
TOTAL					401.22
23103	09/14/2021	Terminix	1012 · Citizens Busine...		-86.00
	08/12/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	86.00
TOTAL					86.00
23104	09/14/2021	WEX Bank-Shell	1012 · Citizens Busine...		-1,773.99
	09/06/2021		5320 · Fuel	1-Groundwater Ent.	1,773.99
TOTAL					1,773.99
23105	09/14/2021	Wilbur's	1012 · Citizens Busine...		-46.48
	08/09/2021		5210 · Equipment Maint...	1-Groundwater Ent.	46.48
TOTAL					46.48
23106	09/14/2021	The Readmond Company	1012 · Citizens Busine...		-8,100.00
	07/20/2021		5120 · Misc. Profession...	1-Groundwater Ent.	4,050.00
			5120 · Misc. Profession...	3-Land Resources	4,050.00
TOTAL					8,100.00
23107	09/28/2021	AAA Alarm Systems, Inc.	1012 · Citizens Busine...		-129.00
	10/01/2021		5410 · Alarm Service	4-General Fund Ent.	64.50
			5410 · Alarm Service	1-Groundwater Ent.	64.50
TOTAL					129.00

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
23108	09/28/2021	Aaron Pederson	1012 · Citizens Busine...		-35.00
	09/25/2021		6018 · Janitorial Services	4-General Fund Ent.	35.00
TOTAL					35.00
23109	09/28/2021	AECOM Technical Serv...	1012 · Citizens Busine...		-7,457.50
	09/27/2021		5122 · Wash Plan Profe...	5-Wash Plan	7,457.50
TOTAL					7,457.50
23110	09/28/2021	Assoc. San Bernardino...	1012 · Citizens Busine...		-91.00
	08/25/2021		6425 · Meals	4-General Fund Ent.	37.00
	09/22/2021		6425 · Meals	4-General Fund Ent.	24.00
	09/22/2021		6425 · Meals	4-General Fund Ent.	30.00
TOTAL					91.00
23111	09/28/2021	Burgeson's Heating & ...	1012 · Citizens Busine...		-630.00
	08/27/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	630.00
TOTAL					630.00
23112	09/28/2021	California Dept of Fish ...	1012 · Citizens Busine...		-1,162.00
	09/21/2021		5122 · Wash Plan Profe...	5-Wash Plan	1,162.00
TOTAL					1,162.00
23113	09/28/2021	Citizens Business Bank	1012 · Citizens Busine...		-2,339.08
	09/13/2021		5210 · Equipment Maint...	1-Groundwater Ent.	58.16
			5215 · Property Mainten...	1-Groundwater Ent.	43.90
			5215 · Property Mainten...	3-Land Resources	10.97
			6002 · Website Adminis...	4-General Fund Ent.	412.97
			6016 · Redlands Plaza ...	2-Redlands Plaza/...	30.53
			6027 · Computer Softw...	4-General Fund Ent.	93.75
			6027 · Computer Softw...	1-Groundwater Ent.	6.25
			6027 · Computer Softw...	2-Redlands Plaza/...	12.50
			6027 · Computer Softw...	3-Land Resources	12.50
			6030 · Office Supplies	4-General Fund Ent.	51.32
			6030 · Office Supplies	1-Groundwater Ent.	3.21
			6030 · Office Supplies	2-Redlands Plaza/...	6.42
			6030 · Office Supplies	3-Land Resources	3.21
			6036 · Printing	4-General Fund Ent.	54.38
			6036 · Printing	1-Groundwater Ent.	43.50
			6036 · Printing	3-Land Resources	10.87
			6039 · Postage and Ov...	4-General Fund Ent.	3.95
			6039 · Postage and Ov...	1-Groundwater Ent.	1.80
			6039 · Postage and Ov...	2-Redlands Plaza/...	0.72
			6039 · Postage and Ov...	3-Land Resources	0.72
			6090 · Subscriptions/Pu...	4-General Fund Ent.	152.32
			6093 · Memberships	4-General Fund Ent.	100.00
			6525 · Meals	4-General Fund Ent.	108.09
			6525 · Meals	1-Groundwater Ent.	84.07
			6525 · Meals	3-Land Resources	48.04
			6530 · Lodging	4-General Fund Ent.	375.72
			6530 · Lodging	1-Groundwater Ent.	292.23
			6530 · Lodging	3-Land Resources	166.98
			6535 · Conf/Seminar R...	4-General Fund Ent.	67.50

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
			6535 · Conf/Seminar R...	1-Groundwater Ent.	52.50
			6535 · Conf/Seminar R...	3-Land Resources	30.00
TOTAL					2,339.08
23114	09/28/2021	Corneille, Richard	1012 · Citizens Busine...		-10.00
	09/24/2021		6525 · Meals	4-General Fund Ent.	10.00
TOTAL					10.00
23115	09/28/2021	Day Lite Maintenance, I...	1012 · Citizens Busine...		-1,512.64
	09/21/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	1,485.65
	09/21/2021		6026 · Redlands Plaza ...	2-Redlands Plaza/...	26.99
TOTAL					1,512.64
23116	09/28/2021	Diamond Environmenta...	1012 · Citizens Busine...		-88.78
	09/13/2021		5460 · Water / Trash / S...	4-General Fund Ent.	44.39
			5460 · Water / Trash / S...	1-Groundwater Ent.	35.51
			5460 · Water / Trash / S...	3-Land Resources	8.88
TOTAL					88.78
23117	09/28/2021	DLT Solutions, LLC db...	1012 · Citizens Busine...		-11,065.82
	08/31/2021		7220 · Computer Softw...	6-Active Recharge ...	11,065.82
TOTAL					11,065.82
23118	09/28/2021	ECORP Consulting, Inc	1012 · Citizens Busine...		-4,487.50
	08/23/2021		5120 · Misc. Profession...	1-Groundwater Ent.	2,500.00
	09/17/2021		5123 · Habitat Manage...	5-Wash Plan	1,987.50
TOTAL					4,487.50
23119	09/28/2021	Frontier-7275	1012 · Citizens Busine...		-118.54
	09/19/2021		5440 · Telephone	4-General Fund Ent.	30.48
			5440 · Telephone	1-Groundwater Ent.	13.07
			5470 · Internet Services	4-General Fund Ent.	37.50
			5470 · Internet Services	1-Groundwater Ent.	22.50
			5470 · Internet Services	2-Redlands Plaza/...	3.75
			5470 · Internet Services	3-Land Resources	11.24
TOTAL					118.54
23120	09/28/2021	Image Services, Inc.	1012 · Citizens Busine...		-525.75
	09/21/2021		6016 · Redlands Plaza ...	2-Redlands Plaza/...	525.75
TOTAL					525.75

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
23121	09/28/2021	Image Source	1012 · Citizens Busine...		-423.30
	09/13/2021		6033 · Office Equipmen...	4-General Fund Ent.	317.48
			6033 · Office Equipmen...	1-Groundwater Ent.	21.16
			6033 · Office Equipmen...	2-Redlands Plaza/...	63.50
			6033 · Office Equipmen...	3-Land Resources	21.16
TOTAL					423.30
23122	09/28/2021	Katelyn Scholte	1012 · Citizens Busine...		-40.00
	09/17/2021		6001 · General Adminis...	4-General Fund Ent.	40.00
TOTAL					40.00
23123	09/28/2021	Netsteller	1012 · Citizens Busine...		-2,818.90
	09/15/2021		7210 · Computer Hardw...	4-General Fund Ent.	776.75
			7210 · Computer Hardw...	1-Groundwater Ent.	258.92
	09/22/2021		7210 · Computer Hardw...	4-General Fund Ent.	1,337.42
			7210 · Computer Hardw...	1-Groundwater Ent.	445.81
TOTAL					2,818.90
23124	09/28/2021	O'Reilly	1012 · Citizens Busine...		-20.79
	09/09/2021		5310 · Vehicle Mainten...	1-Groundwater Ent.	20.79
TOTAL					20.79
23125	09/28/2021	Quill Corporation	1012 · Citizens Busine...		-114.92
	08/24/2021		6030 · Office Supplies	4-General Fund Ent.	91.93
			6030 · Office Supplies	1-Groundwater Ent.	5.75
			6030 · Office Supplies	2-Redlands Plaza/...	11.49
			6030 · Office Supplies	3-Land Resources	5.75
TOTAL					114.92
23126	09/28/2021	Redlands Ford-Ken Gr...	1012 · Citizens Busine...		-75.94
	09/09/2021		5310 · Vehicle Mainten...	1-Groundwater Ent.	75.94
TOTAL					75.94
23127	09/28/2021	Redlands Tire Pros & S...	1012 · Citizens Busine...		-20.00
	09/21/2021		5310 · Vehicle Mainten...	1-Groundwater Ent.	20.00
TOTAL					20.00
23128	09/28/2021	Rogers, Anderson, Mal...	1012 · Citizens Busine...		-14,500.00
	08/31/2021		5170 · Audit	4-General Fund Ent.	4,350.00
			5170 · Audit	1-Groundwater Ent.	5,220.00
			5170 · Audit	2-Redlands Plaza/...	2,175.00
			5170 · Audit	3-Land Resources	2,755.00
TOTAL					14,500.00

San Bernardino Valley Water Conservation District

Expenditure Report

September 2021

Num	Date	Name	Account	Class	Original Amount
23129	09/28/2021	Rutan & Tucker	1012 · Citizens Busine...		-3,300.00
	09/22/2021		5180 · Legal	4-General Fund Ent.	318.75
			5180 · Legal	1-Groundwater Ent.	191.25
			5180 · Legal	3-Land Resources	255.00
			5180 · Legal	6-Active Recharge ...	510.00
			5175 · Legal - Wash Plan	5-Wash Plan	2,025.00
TOTAL					3,300.00
23130	09/28/2021	Smart & Final	1012 · Citizens Busine...		-127.89
	09/16/2021		6019 · Janitorial Supplies	4-General Fund Ent.	25.41
			6019 · Janitorial Supplies	1-Groundwater Ent.	16.94
			6030 · Office Supplies	4-General Fund Ent.	6.72
			6030 · Office Supplies	1-Groundwater Ent.	0.42
			6030 · Office Supplies	2-Redlands Plaza/...	0.84
			6030 · Office Supplies	3-Land Resources	0.42
			6004 · Meeting Expenses	4-General Fund Ent.	38.57
			6004 · Meeting Expenses	3-Land Resources	38.57
TOTAL					127.89
23131	09/28/2021	U.S. Bank Equipment F...	1012 · Citizens Busine...		-339.30
	09/10/2021		6033 · Office Equipmen...	4-General Fund Ent.	254.46
			6033 · Office Equipmen...	1-Groundwater Ent.	16.97
			6033 · Office Equipmen...	2-Redlands Plaza/...	50.90
			6033 · Office Equipmen...	3-Land Resources	16.97
TOTAL					339.30
23132	09/28/2021	Assoc. San Bernardino...	1012 · Citizens Busine...		-30.00
			6425 · Meals	4-General Fund Ent.	30.00
TOTAL					30.00
100286N	09/09/2021	PERS	1012 · Citizens Busine...		-11,638.74
			6170 · PERS Retirement	4-General Fund Ent.	1,513.04
			6170 · PERS Retirement	1-Groundwater Ent.	5,237.43
			6170 · PERS Retirement	2-Redlands Plaza/...	465.55
			6170 · PERS Retirement	3-Land Resources	1,163.87
			6170 · PERS Retirement	5-Wash Plan	814.71
			6170 · PERS Retirement	6-Active Recharge ...	2,444.14
TOTAL					11,638.74

San Bernardino Valley Water Conservation District
Director Fees Expenditure Payroll Report
September 2021

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
9/8/2021	Raley, D	Mar-Apr 21	\$ 3,055.00	\$ 738.28	\$ 2,316.72
9/22/2021	McDonald, M	Sep-21	\$ 1,645.00	\$ 146.04	\$ 1,498.96
9/22/2021	Raley, D	May & Aug 21	\$ 2,350.00	\$ 520.36	\$ 1,829.64



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No.1805

To: Board of Directors

From: Daniel Cozad, General Manager

Date: October 13, 2021

Subject: 2021 Annual District Audit

RECOMMENDATION

The Ad Hoc Audit Committee recommends the Board review and approve the 2021 Audit Report as presented and direct the General Manager to file the Audit with the County Clerk.

BACKGROUND

RAMS was selected by the Board of Directors in 2016 as the District's auditor. The auditor contract is a one to a five-year agreement subject to evaluation of performance. The Ad Hoc Audit Committee met on July 07, 2021, to discuss the audit and anticipated schedule. Staff worked together to produce the materials for the audit. The auditor reviewed and prepared a preliminary draft report and presented it to the Ad Hoc Audit Committee on October 04, 2021. The final report is included in the package for consideration at the meeting.

DISCUSSION

The Audit Opinion and Reports will be presented and staff will respond to any questions the Board may have. No material misstatements were identified in the audit.

FISCAL IMPACT

The audit was conducted within the approved 2021-2022 budget.

POTENTIAL MOTIONS

1. Move to approve the 2021 Audit Report as presented.
2. Move to table the item to a future meeting of the Board or another committee.

Attachments

2021 Audit Report, Transmittal Letter and Financial Statements

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

ANNUAL FINANCIAL REPORT

JUNE 30, 2021



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2021

San Bernardino Valley Water Conservation District
Annual Financial Report
For the year ended June 30, 2021

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INTRODUCTORY SECTION



September 29, 2021

Board of Directors
San Bernardino Valley Water Conservation District

Introduction

It is my pleasure on behalf of the staff of the District to submit the Annual Financial Report for the San Bernardino Valley Water Conservation District (District) for the fiscal year ended June 30, 2021, following guidelines set forth by the Governmental Accounting Standards Board. The District is ultimately responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is intended to enhance understanding of the District's financial position and activities for the Board and public.

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

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

District Structure and Leadership

The San Bernardino Valley Water Conservation District is an independent special district operating under Division 21 of the California Water Code. The origin of the District began in 1909 when the Water Conservation Association was voluntarily formed to conserve water in the region. The District was formed in 1932 as the successor agency to the Water Conservation Association by a vote of the people. A five-member publicly elected Board of Directors representing the District's service area provides governance. The District in the past had 7 Divisions but reduced the number to five and transitioned to a five-member Board in December 2013. This reduction assists the Board in continuing to limit expenses and improve the focus and efficiency of the District. The General Manager manages all day-to-day operations of the District following powers established in Resolution 587 and the policies, procedures, strategies, goals, values, and priorities established by the Board of Directors. In addition to the general manager, the District employs nine full-time employees, three in the field and six in the office. The District often has part-time employees and interns that assist the District with specific tasks and efforts.

The District's Board of Directors generally meets once each month. Meetings are publicly noticed. While the meetings were primarily remote and held by Zoom in 2020, the public usually attended Board meetings and District workshops.

In 2013, the Board first approved a Community Strategic Plan developed with input from water, mining, and other partners from the communities the District serves. This strategic plan focused on the District's services, efforts, and direction to support the needs of the District's communities, ratepayers, and partners. The District has also developed Board policy principles to translate the norms, values, and Board desires to staff and the public. The strategic plan was reviewed, and the Board updated the Community Strategic Plan including realigning several goals and objectives in 2017, culminating in the public review and approval by the Board in December 2017. Also, the District Priorities are updated each January.

District Services

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

The District maintains 71 water percolation basins in the Mill Creek and Santa Ana River spreading grounds to accomplish the recharge. The District also plans for, maintains, or leases over 3,600 acres in the Santa Ana River Wash at and below the Santa Ana River and Mill Creek confluence. 2020 was a below-average precipitation year both locally and throughout California. As of September 30, 2019, the District had recharged 30,894 acre feet or approximately 10 billion gallons, enough water for 217,000 people for the year. Imported water funded by the Groundwater Council and flows from the Santa Ana River and Mill Creek made this possible. In addition, the limited winter rains provided the first flows into the Plunge Creek Conservation Project provided over 100 acre feet of recharge and began to make improvements to the habitat in the area, as the project intended and shown below.



Significant Initiatives

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

Santa Ana River Wash Plan

The Wash Plan is a long-term environmental and infrastructure planning effort led by the District and a local Task Force for many years. The District worked with the United States Fish and Wildlife Service (Service) to complete the Wash Plan Habitat Conservation Plan. This approval

in July 2020 results in a final effective HCP, Incidental Take Permit, and initiates the implementation of the Wash Plan Preserve Area. The 30-year permit significantly improves the habitat for several endangered species, including the San Bernardino kangaroo rat and the Santa Ana River woolly star plant. The approved HCP allows expanded water conservation facilities, mining, transportation, and trails. 2020 and 2021 efforts included initial year implementation and development of permit applications for the State ESA permits and the State and Federal Waters permits for most of the Wash Plan HCP covered activities to implement their projects as quickly as possible. Permit applications and initial meetings with the regulators were accomplished and will be completed in Fiscal 2021.

Partnership for Active Recharge Transfer Projects

In 2018, the District approved a partnership agreement to provide conservation easements to San Bernardino Valley Municipal Water District on behalf of the River Habitat Conservation Plan. This Agreement allows the River HCP to use up to 295 acres for habitat mitigation. The Agreement obligates revenue from the conservation easements to the development of new recharge facilities and related uses. This recent activity is one of the most significant in the history of the District and fulfills the Board's highest strategic plan goal. SBVMWD funded half of the acreage to date, and conceptual and initial engineering and program management efforts are underway to develop additional recharge facilities on District and Flood Control lands. The District executed an MOU with Flood Control to develop and assess these facilities. The ARTP Policy Committee meets quarterly to oversee policy issues related to the Agreement and receive progress contracting and design updates.

Conservation Trust

The District established the San Bernardino Valley Conservation Trust as a public benefit non-profit corporation. This Land Trust invests and manages the Wash Plan Endowment funds and will hold District, River HCP, and other conservation easements and provide oversight on the implementation of the Wash Plan. The Trust also supports the District's Community Mitigation Program. The Trust assists SB County Transportation Authority and other public projects and community development efforts in the Wash Plan area.

Bunker Hill Basin Groundwater Council

The District in 2015 collaborated with the San Bernardino Valley Municipal Water District to establish this collaborative council. The Board supported the initial agreement development and continues to support the council's engineering and budget committees. The Groundwater Council's first year of operation was in 2018 and has continued each year after that. The Groundwater Council contributes to operations and maintenance costs and purchases of imported water for recharge in the Bunker Hill Basin. The Groundwater Council reduces Groundwater Charge revenue, which is replaced by Groundwater Council revenue. This combination ensures that the groundwater enterprise costs are covered more equitably for all groundwater users. Significantly in 2021, the District added a sustainability and replenishment component to the Groundwater Charge for producers within the District Boundary for use in San Bernardino County.



Plunge Creek Water and Habitat Conservation

The Proposition 84 Integrated Regional Water Management Planning-funded effort in Plunge Creek completed construction in September 2020. The District receives reimbursement funding of up to \$500,000 in grant funds as the project progresses. This significant project was a cooperative project with the U.S. Fish and Wildlife Service that has or will ultimately develop



over 200 acres of new, high-quality San Bernardino kangaroo rat and woolly star habitat and create an additional 1,600 AF of groundwater recharge per year on District-owned lands. The project construction was completed, and full reimbursement was received in 2021.

Mill Creek Diversion Debris Management Design

Longstanding concerns with managing high storm flows and debris in Mill Creek exacerbated by climate change have prompted the Mill Creek Diversion project. The project will reconstruct parts of the facility to bypass large debris and minimize facility repairs in severe storms to maintain the designed recharge capacity. Additionally, the facility will reduce future operations and maintenance costs and improve diversion flexibility. This capital project has a complete design and CEQA compliance but requires a USACOE section 408 permit, often taking several years. The District engaged in an expedited 408 process, and the project construction is expected in 2022, dependent on permitting.

Pension and Post-Employment Benefits

Early in the 2015-2016 fiscal year, the Board approved the payoff of the Unfunded Accrued Actuarial Liability (UAAL) to CalPERS. In the 2017 and later budgets, the Board approved paying any UAAL identified by CalPERS each year. These amounts are projected and budgeted as a benefit expense. The Board continues to review CalPERS costs as their actuarial assumptions and returns change to fund this benefit liability fully. Additionally, the Board in 2016 converted the OPEB reserve to initiate a CalPERS Employer Trust. The Trust irrevocably holds funds to pay for the limited cost of health care until Medicare. In 2018 and 2019, additional funding has been added to the OPEB Trust based on GASB 75 compliant actuarial analysis for full UAAL payment. In 2019, the District funded explicit cost and implicit subsidy contained in unitary Medical Insurance premiums from the Association of California Water Agency's Joint Powers Insurance Authority. The actuarial consultants calculate OPEB costs each year using age, the most likely investment returns, and other assumptions to identify the most likely cost of benefits. The Trust has had significant investment yields in 2021 and now contains over \$600,000 to pay for these benefits' future costs with limited future contributions.



Continued Policy Development

Most policies and practices have been reviewed and update in the past five years. Work continues to improve District principles, policies, practices, and procedures. The District maintains its Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF), affiliated with the California Special District Association. These documents are also published on the District website, making them readily available to the public.

In 2014, SDLF first recognized SBVWCD with the District of Distinction accreditation. SDLF reaccredited the District in 2017. SDLF will again review the accreditation in 2021. The SDLF committee of volunteers (consisting of district controllers, finance directors, and certified general managers) check the independent audits and the District's operations to ensure that prudent fiscal practices are followed and that the District's Board of Directors and executive staff have appropriate educational training in public governance and compliance with ethics and harassment prevention training. The Board of Directors and staff have maintained training and compliance to continue the accreditation. Both the Board and staff are proud of these recognitions. They demonstrate the District's commitment to do the public's business transparently and act as a professional special district measured by the highest standards of best practices and benchmarks.



2020 Economic Condition

The District sits at a strategic point in the watershed's east end of the San Bernardino Valley. The Valley experienced significant economic growth with the rest of the Inland Empire into the mid-2000s and a considerable downturn through 2014. The downturn in building and the broader economy greatly impacted the District's revenues. In 2015, the District successfully moved to a market-based royalty for mining revenues, which will reduce volatility in income with minimum guarantees. Housing starts and the population in the area has increased as the economy improved in 2016-2019. In 2020 several economic and policy changes increased home demand and new building, road, and other capital projects. These increased the assessed valuation and limited tax revenue. Additionally, demand for aggregated and concrete resulted in mining above guaranteed minimum levels resulting in improved income to the District. These factors and the general increase in economic activity in the region increased the limited tax income to the District.



Staff and District Impacts of COVID 19 Pandemic

Beginning in spring 2020, significant changes to the operations of all public agencies and businesses began in California. In February 2020, an Extreme Flu Plan was developed as COVID19 was impacting areas across the globe and implemented its three-phase approach as the virus became active in the area. The staff has continued all essential activities and primarily

works from home where possible. As vaccination became available to public essential workers, most staff were vaccinated, and the District began to bring staff into the office in phases and separate days. Construction and field operations are conducted with protective equipment and precautions to avoid or minimize exposure and maximize employee safety. Impacts on revenue have mostly been limited to the Redlands Plaza Enterprise tenants unable to pay lease payments. Higher expenses have been limited but have impacted operating enterprises and their reserves to varying extents. The Staff and Board of the District have continued to make significant progress on all critical District priorities despite significant impediments placed by COVID-related issues.

2021-2022 Economic Outlook

Overall economic activity dropped globally in early 2020. The Inland Empire taken together was the number two and three impacted continued through most of 2020 and early 2021. COVID 19 Pandemic recovery has been spotty, and impacted entities have recovered during 2021 and likely will continue to improve in 2022 if vaccination and other protections continue. The federal government has kept interest rates low and added significant funds to the economy, increasing spending and infrastructure development. While residential property prices and rental costs have continued to rise strongly, commercial real estate, especially in the retail sector, has declined. Income in some industries and governments was reduced; those based on fees, revenue, and property tax were least impacted.

Due to the implementation of the Wash Plan, long-term infrastructure projects and investments benefiting the region will occur over the next few years. These investments and overall economic improvement add to the assessed valuation for the County of San Bernardino and the cities. The Wash Plan also facilitated the development of the Community Mitigation Program in partnership with the San Bernardino Valley Conservation Trust, helping the local public and private projects mitigate impacts and comply with resource agency and CEQA requirements. This partnership may increase income from Conservation Easement Sales. Additionally, the Groundwater Council revenue has expanded as additional membership during implementation.

Internal Control Structure

District management is responsible for establishing and maintaining the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also provides adequate accounting data compiled to prepare financial statements in conformity with generally accepted accounting principles. The Board approved a consolidated Procurement and Purchasing Policy in 2018 and continues to improve the clarity of District Financial Reports. The District's internal control structure is designed to provide reasonable assurance that these objectives are met with the limited staff at the District. The concept of reasonable assurance recognizes that (1) The cost of a control should not exceed the benefits likely to be derived, and (2) The valuation of costs and benefits requires estimates and judgments by management. The District also continues to document its controls and practices better and add efforts to allow the highest level of control possible with minimal staffing. The District implements all auditor recommendations.

Budgetary Control

The District's Board of Directors annually adopts an operating and capital budget before the beginning of the new fiscal year. The budget authorizes and provides the basis for reporting and controlling financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis. The District also purchases equipment and issues licenses to reduce operating costs in partnership with the private sector.

Since 2011, the District has used an enterprise model for financial management and reserve accounting. The Enterprise model provides clear internal accountability and furthers public transparency into District finances. The Board reviews and revises the reserve and other policies, target reserve levels, and investment of the reserves every year.

Investment Policy

In 2019, the Board of Directors revised the existing Statement of Investment Policy with the support of PFM Financial Management. This change added some additional investment opportunities needed to manage the Active Recharge Transfer Project capital. The revised Agreement conforms to state law, District ordinances, and prudent money management. The Investment Policy assures safety, liquidity, and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, the CalTrust Joint Powers Authority, California Asset Management Program (CAMP), various certificates of deposit, and California Credit Union (CCU) Mutual Fund. The Board receives quarterly reports on all investment balances and returns.

District Revenues

State law and District policy ensure that all revenues from groundwater charges generated from District groundwater production support District operations. Groundwater charge rates are set in accordance with section 75500 of the California Water Code. Groundwater charges are levied on all groundwater-producing agricultural and non-agricultural facilities within the District boundaries. This has been the primary component of the District's revenue. The Groundwater Council has now replaced much of the income historically paid through the Groundwater Charge.

Additionally, because many entities are in the Groundwater Council, it is more stable than when collected through the Groundwater Charge. The Groundwater Charge continues to be assessed on all producers who are not members of the Groundwater Council. The District included a sustainability and replenishment component to the rate in 2021. This charge is a pass-through to the Groundwater Council for water purchase. The District has agreements with other entities for payment or reimbursement for the cost of recharge of water on their behalf. Revenue from royalties on aggregate mining, property leases, easements, and interest on reserves complete the non-rate revenues of the District. The District renewed its CEMEX mining lease in 2020. Staff is also working with the leaseholder, Robertson's Ready Mix, to begin mining on District land after Wash Plan and other permits to retire the prepaid royalty.

District Investments

The District's Board authorized changes to reserves and investments during the year. Staff implemented the Investment Policy Statement making investments and moving funds primarily as Certificated of Deposit (CD) terms expired. Funds (on loan to the Wash Plan to complete permitting were to be repaid by permittees) were absorbed by the Conservation Trust, which holds funds to repay the loan when called. CD interest rates have significantly decreased as all fixed income rates are maintained low by the Federal Reserve. Additionally, capital projects have been constructed, so funds are being deladdered in the District's portfolio. The District will continue to monitor rates and opportunities to generate funding from investments.

Audit and Financial Reporting

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

Independent Auditor's Report is in the financial section of this report. This year will be their last audit under the Districts rotation policy, and an RFP will be released for Audit services in 2022.

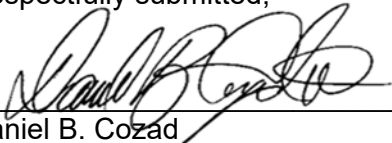
Other References

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

Acknowledgments

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

Respectfully submitted,



Daniel B. Cozad
General Manager



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

San Bernardino Valley Water Conservation District Board of Directors as of June 30, 2021

Name	Division	Title	Current Term Ending
Melody Henriques-McDonald	5	President	December 12, 2022
Richard Corneille	1	Vice-President	December 9, 2024
Robert Stewart	3	Director	December 11, 2024
John Longville	4	Director	December 11, 2022
David E. Raley	2	Director	December 12, 2022

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

FINANCIAL SECTION



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408
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909 889 5361 F
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary fund of the San Bernardino Valley Water Conservation District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund of the District, as of June 30, 2021, and, where applicable, the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

Basis for opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 of the financial statements, the District adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 opinions. 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 GAAS will always detect a material misstatement when it exists. 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 internal control. Misstatements 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Prior year Comparative Information

We have previously audited the District's 2020 financial statements, and we expressed an unmodified opinion in our report dated October 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

September 29, 2021
San Bernardino, California

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Bernardino Valley Water Conservation District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

The District's net position increased 16.7% or \$1,615,054 in fiscal year 2020-21 as the result of overall operations.

The District's operating revenues for fiscal year 2020-21 were \$1,683,514, which was \$98,894 less than its operating expenses of \$1,782,408. Depreciation expense was \$83,902 and net nonoperating income was \$1,797,850 resulting in a net change in net position of \$1,615,054.

Required Financial Statements

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

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

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

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

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2021

Financial Analysis of the District

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

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

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

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

Notes to the Basic Financial Statements

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

Condensed Statements of Net Position (in thousands)

	2021	2020	2019	Change 2021		Change 2020	
				Amount	%	Amount	%
Assets:							
Current	\$ 27,789	\$ 27,273	\$ 26,174	\$ 516	1.9%	\$ 1,099	4.2%
Non-current	170	17	1	153	900.0%	16	1600.0%
Capital, net	7,191	6,235	5,389	956	15.3%	846	15.7%
Total assets	35,150	33,525	31,564	1,625	4.8%	1,961	6.2%
Deferred outflow of resources							
Pension	683	281	397	402	143.1%	(116)	-29.2%
OPEB	180	200	-	(20)	-10.0%	200	0.0%
Total deferred outflow of resources	863	481	397	382	79.4%	84	21.2%
Total assets and deferred outflow	36,013	34,006	31,961	2,007	5.9%	2,045	6.4%
Liabilities:							
Current	248	244	163	4	1.6%	81	49.7%
Other non-current	24,169	23,881	23,892	288	1.2%	(11)	0.0%
Total liabilities	24,417	24,125	24,055	292	1.2%	70	0.3%
Deferred inflow of resources							
Pension	88	98	159	(10)	-10.2%	(61)	-38.4%
OPEB	245	133	-	112	84.2%	133	0.0%
Total deferred inflow of resources	333	231	159	102	44.2%	72	45.3%
Total liabilities and deferred outflow	24,750	24,356	24,214	394	1.6%	142	0.6%
Net position (restated):							
Net investment in capital assets	7,191	6,235	5,381	956	15.3%	854	15.9%
Unrestricted	4,072	3,413	2,366	659	19.3%	1,047	44.3%
Total net position	\$ 11,263	\$ 9,648	\$ 7,747	\$ 1,615	16.7%	\$ 1,901	24.5%

Amounts may not foot due to rounding

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2021

The total net position of the District may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of the District exceeded liabilities plus deferred inflows by \$11,263,505 and \$9,648,451 as of June 30, 2021, and 2020, respectively.

Capital assets represent 63.9% as of June 30, 2021, and 64.6% as of June 30, 2020, of the total net position. Capital assets such as basins and appurtenances are used to provide services to groundwater producers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2020-21 and 2019-20, the District showed a positive balance in its unrestricted net position of \$4,072,446 and \$3,413,342, respectively. The District's investment of cash reserve funds represents the largest portion of the District's net position which may be utilized in future years for capital projects or operations costs in accordance with the District's reserve policy.

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

	2021	2020	2019	Change 2021		Change 2020	
				Amount	%	Amount	%
Revenues:							
Operating	\$ 1,684	\$ 1,765	\$ 1,444	\$ (81)	-4.6%	\$ 321	22.2%
Nonoperating	1,922	1,784	1,277	138	7.7%	507	39.7%
Total revenues	3,606	3,549	2,721	57	1.6%	828	30.4%
Expenses							
Operating	1,782	2,137	1,696	(355)	-16.6%	441	26.0%
Depreciation	84	37	37	47	127.0%	-	0.0%
Nonoperating	124	147	129	(23)	-15.6%	18	14.0%
Total expenses	1,990	2,321	1,862	(331)	-14.3%	459	24.7%
Change in net position	\$ 1,616	\$ 1,228	\$ 859	\$ 388	31.6%	\$ 369	43.0%

Amounts may not foot due to rounding

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$1,615,054 and \$1,227,742 in fiscal years ended June 30, 2021, and 2020, respectively.

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

- The District's net position increased 16.7% or \$1,615,054 to \$11,263,505 in fiscal year 2020-21 as the result of operations. In 2020, the District's net position increased 14.6% or \$1,227,742 as a result of operations.

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2021

- The District's operating revenues decreased by 4.6% or \$81,004 in 2021 primarily due to decreased revenue from groundwater charge assessments. This was offset by the increased operating revenues of 22.2% or \$320,044 due to increased groundwater charge assessments in 2020.
- The District's nonoperating revenues increased by 7.71% or \$137,603 in 2021 primarily due to a \$405,346 decrease in investment earnings and a \$149,240 increase in royalties income from existing contracts and an increase in other nonoperating revenues of \$385,925 related to the Plunge Creek Water Recharge and Habitat Improvement project. The District's nonoperating revenues increased 39.7% or \$507,374 in 2020 primarily due to a \$220,330 increase in investment earnings and a \$235,582 increase in royalties income from existing contracts.
- The District's operating expenses decreased 16.6% or \$354,690 in 2021 primarily due to a decrease of \$367,070 in District operations related to the decrease in repairs and maintenance. The District's operating expenses increased 26.0% or \$441,085 in 2020 primarily due to an increase of \$31,987 in professional services, an increase in field operations of \$153,327, an increase of \$201,659 in salaries and wages and benefits (\$89,810 increase in pension expense) and an increase in repairs of \$49,500. The increases were offset by a decrease of \$5,762 in Director's fees and expenses.
- The District's nonoperating expenses decreased 15.4% or \$22,688. The decrease is primarily due to lower administrative costs of \$16,423 and several other smaller decreases in various expenses. In 2020, the District's nonoperating expenses increased 14.4% or \$18,459. The increase is primarily due to an increase in administrative costs of \$8,619 and several other smaller increases in various expenses.

Capital Asset Administration

At the end of fiscal years 2020-21 and 2019-20, the District's net investment in capital assets amounted to \$7,191,059 and \$6,235,109, respectively. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles. Major capital asset additions during the year included construction of Plunge Creek Recharge improvements, buildings improvements and purchase of office equipment. At June 30, 2021 total nondepreciable assets include land of \$4,162,862 and \$820,185 of construction in progress. Major capital asset additions in 2020 included a dump truck purchase for \$72,459 and the reroofing of Redlands Plaza for \$79,950.

Changes in capital assets in 2021 were as follows:

	Balance 2020	Additions	Deletions	Balance 2021
Capital assets:				
Nondepreciable	\$ 5,139,488	\$ 975,278	\$ (1,131,719)	\$ 4,983,047
Depreciable	2,551,922	1,248,007	(64,955)	3,734,974
Accumulated depreciation	(1,456,301)	(118,212)	47,551	(1,526,962)
Totals	<u>\$ 6,235,109</u>	<u>\$2,105,073</u>	<u>\$ (1,149,123)</u>	<u>\$ 7,191,059</u>

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the year ended June 30, 2021

Changes in capital assets in 2020 were as follows:

	Balance 2019	Additions	Deletions	Balance 2020
Capital assets:				
Nondepreciable	\$ 5,071,236	\$ 98,182	\$ (29,930)	\$ 5,139,488
Depreciable	2,364,526	187,396	-	2,551,922
Accumulated depreciation	(1,381,722)	(74,579)	-	(1,456,301)
Totals	<u>\$ 6,054,040</u>	<u>\$ 210,999</u>	<u>\$ (29,930)</u>	<u>\$ 6,235,109</u>

District Cash Reserves

The District builds, maintains and uses reserves to prepare for expected and unexpected costs. In accordance with the District's reserve policy, funds are accumulated and allocated based on enterprise performance and policy targets set by the Board based on benchmarks, best practices and risk. Reserves, from time to time, may greatly exceed the minimums or targets set by the Board for many reasons. Likewise, some reserves fall below the target level, because they are intended to be funded over many years and have not yet been fully funded. The Board annually reviews the reserve policy and revises targets or reallocates funds to reserves. Additionally, it should be noted that the Prepaid Royalties Liability is unearned revenue related to a deposit of funds in anticipation of aggregate mining under the Wash Plan. The Active Recharge Transfer Projects are also unearned revenue related to the anticipated mitigation requirements for the Upper Santa Ana River Habitat Conservation Plan. Beginning in 2015, the Board began adjusting several reserve levels in anticipation of Capital Projects. In aggregate, reserve levels are at 53% of target levels and decreased 43% from 2017/2018 levels. Reserves that are currently above their target levels include groundwater recharge enterprise reserve, groundwater ER maintenance reserve, and Capital Improvement/Equipment reserve, which contain deferred capital project costs anticipated for future fiscal years. The Land Resources Reserve has a negative balance to land purchases. This reserve will be refunded through conservation easement or other land sales.

Reserve	Target	Balance	% Funded
Groundwater Recharge Enterprise Reserve	\$ 1,250,000	\$ 2,747,143	220%
Groundwater ER Maintenance Reserve	250,000	350,000	140%
GWA Rate Stabilization	200,000	177,777	89%
Redlands Plaza Reserve	81,418	21,763	27%
Land Resources Reserve	816,743	(2,917,573)	-357%
General Liability Fund Reserve	1,250,000	573,063	46%
Self Insurance Reserve	50,000	40,000	80%
Compensated Absences Reserve	175,000	107,000	61%
Capital Improvement/Equipment Reserve	750,000	760,000	101%
Prepaid Royalties Reserve	5,000,000	5,000,000	100%
Active Recharge Transfer Projects	36,875,000	18,377,487	50%
Total	<u>\$ 46,698,161</u>	<u>\$ 25,236,660</u>	54%

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the year ended June 30, 2021

Conditions Affecting Current Financial Position

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

San Bernardino Valley Water Conservation District
Statements of Net Position
June 30, 2021 (with comparative data for 2020)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,762,299	\$ 1,307,952
Investments	22,474,361	23,850,532
Accrued interest receivable	3,784	14,027
Accounts receivable, net	377,302	336,048
Assessments receivable - groundwater charges	188,127	280,119
Notes receivable	1,086	1,086
Due from other governments	1,941,550	1,381,882
Prepaid expenses	40,344	101,129
Total current assets	<u>27,788,853</u>	<u>27,272,775</u>
Noncurrent assets:		
Notes receivable	6,897	7,827
Net other post-employment benefits asset	163,558	9,242
Capital assets, not being depreciated:		
Land and land improvements	4,162,862	4,120,341
Construction in progress	820,185	1,019,147
Capital assets, being depreciated, net:		
Buildings and improvements	682,425	712,735
Vehicles and Equipment	1,333,274	152,533
Spreading basins	192,313	230,353
Total noncurrent assets	<u>7,361,514</u>	<u>6,252,178</u>
Total assets	<u>35,150,367</u>	<u>33,524,953</u>
Deferred outflows of resources		
Deferred outflows of resources - pension	682,857	280,516
Deferred outflows of resources - OPEB	180,491	200,079
Total deferred outflows of resources	<u>863,348</u>	<u>480,595</u>
Total assets and deferred outflows of resources	<u>36,013,715</u>	<u>34,005,548</u>

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

San Bernardino Valley Water Conservation District**Statements of Net Position****(continued)****June 30, 2021 (with comparative data for 2020)**

	2021	2020
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 170,652	\$ 167,323
Accrued wages and related payables	17,525	18,310
Customer deposits for rentals	10,209	11,947
Compensated absences payable	49,400	46,778
Total current liabilities	247,786	244,358
Noncurrent liabilities:		
Unearned revenue	23,589,915	23,436,714
Net pension liability	421,265	324,184
Compensated absences payable	158,277	120,227
Total noncurrent liabilities	24,169,457	23,881,125
Total liabilities	24,417,243	24,125,483
Deferred inflows of resources		
Deferred inflows of resources - pension	88,266	98,468
Deferred inflows of resources - OPEB	244,701	133,146
Total deferred inflows of resources	332,967	231,614
Net position		
Net investment in capital assets	7,191,059	6,235,109
Unrestricted	4,072,446	3,413,342
Total net position	\$ 11,263,505	\$ 9,648,451

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

San Bernardino Valley Water Conservation District
Statements of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2021 (with comparative data for 2020)

	2021	2020
Operating revenues		
Groundwater assessments	\$ 1,238,311	\$ 1,288,681
Operating agreements	415,203	407,062
Services to other agencies	30,000	68,775
Total operating revenues	<u>1,683,514</u>	<u>1,764,518</u>
Operating expenses		
District operations	1,560,514	1,927,584
Regional programs	4,282	3,952
General and administrative	217,612	205,562
Total operating expenses	<u>1,782,408</u>	<u>2,137,098</u>
Operating loss before depreciation expense	(98,894)	(372,580)
Depreciation expense	83,902	37,237
Operating income (loss)	<u>(182,796)</u>	<u>(409,817)</u>
Nonoperating revenues and (expenses)		
Property taxes	169,760	179,755
Investment earnings	42,594	447,940
Royalties	1,020,021	870,781
Rental property income	222,988	205,209
Rental property expense	(124,294)	(146,982)
Other nonoperating revenues and expenses	466,781	80,856
Total nonoperating revenues/(expenses)	<u>1,797,850</u>	<u>1,637,559</u>
Change in net position	1,615,054	1,227,742
Net position, beginning of year, as restated	<u>9,648,451</u>	<u>8,420,709</u>
Net position, end of year	<u><u>\$ 11,263,505</u></u>	<u><u>\$ 9,648,451</u></u>

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

San Bernardino Valley Water Conservation District
Statements of Cash Flows
For the year ended June 30, 2021 (with comparative data for 2020)

	2021	2020
Cash flows from operating activities		
Cash received from groundwater assessments and other agencies	\$ 1,928,707	\$ 1,703,311
Cash payments for services and supplies	(510,710)	(735,351)
Cash payments to employees for salaries and wages	(1,506,332)	(1,325,785)
Proceeds from royalty income	978,767	682,800
Proceeds from rental revenue, net of expenses	131,266	98,190
Other operating	448,531	80,856
	<u>1,470,229</u>	<u>504,021</u>
Net cash provided by (used) for operating activities		
Cash flows from noncapital financing activities		
Property taxes	169,760	179,755
Advances to Wash Plan	(559,668)	(531,494)
	<u>(389,908)</u>	<u>(351,739)</u>
Net cash provided by (used) for noncapital financing activities		
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,085,566)	(285,578)
Proceeds from disposal of capital assets	29,654	-
	<u>(1,055,912)</u>	<u>(285,578)</u>
Net cash provided by (used) for capital and related financing activities		
Cash flows from investing activities		
Payments received on notes receivable	930	1,764
Purchase of investments	(80,904)	(19,035,191)
Proceeds from investments	1,457,075	457,566
Investment income	52,837	452,964
	<u>1,429,938</u>	<u>(18,122,897)</u>
Net cash provided by (used) for investing activities		
Net increase (decrease) in cash and cash equivalents	1,454,347	(18,256,193)
Cash and cash equivalents, beginning of year	<u>1,307,952</u>	<u>19,564,145</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,762,299</u></u>	<u><u>\$ 1,307,952</u></u>

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

San Bernardino Valley Water Conservation District
Statements of Cash Flows (continued)
For the year ended June 30, 2021 (with comparative data for 2020)

	2021	2020
Reconciliation of operating income (loss)		
to net cash provided by (used) for		
operating activities		
Operating income (loss)	\$ (182,796)	\$ (409,817)
Adjustments to reconcile operating income (loss)		
to net cash provided by (used) for operating activities:		
Depreciation	83,902	37,237
Abandoned construction in progress	-	29,930
Royalty income	978,767	682,800
Rental revenue, net of expenses	131,266	98,190
Miscellaneous income	448,531	80,856
(Increase) decrease in assets and deferred		
outflows of resources:		
Assessments receivable - groundwater charges	91,992	(58,896)
Prepaid expenses	60,785	(3,837)
Net other post-employment benefits asset	(154,316)	(127,148)
Deferred outflows of resources - pension	(402,341)	(105,309)
Deferred outflows of resources - OPEB	19,588	21,942
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	3,329	77,305
Accrued wages and related payables	(785)	(18,176)
Deferred revenues	153,201	(2,311)
Compensated absences payable	40,672	43,196
Net pension liability	97,081	85,450
Deferred inflows of resources - pension	(10,202)	98,468
Deferred inflows of resources - OPEB	111,555	(25,859)
Net cash provided by operating activities	<u>\$ 1,470,229</u>	<u>\$ 504,021</u>
Noncash, investing, capital and financing activities		
Change in fair value of investments	<u>\$ (36,176)</u>	<u>\$ 22,177</u>

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

San Bernardino Valley Water Conservation District
Statements of Fiduciary Net Position - Fiduciary Fund
June 30, 2021 (with comparative data for 2020)

	<u>2021</u>	<u>2020</u>
Assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities		
Advances from District for Wash Plan	<u>1,941,550</u>	<u>1,381,882</u>
Total liabilities	<u>1,941,550</u>	<u>1,381,882</u>
Net position (deficit)	<u><u>\$ (1,941,550)</u></u>	<u><u>\$ (1,381,882)</u></u>

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

San Bernardino Valley Water Conservation District
Statements of Changes in Fiduciary Net Position - Fiduciary Fund
For the year ended June 30, 2021 (with comparative data for 2020)

	<u>2021</u>	<u>2020</u>
Additions	<u>\$ 139,374</u>	<u>\$ -</u>
Deductions		
Professional services	438,211	209,310
Legal expenses	83,097	66,086
Allocated District expenses:		
Salaries and benefits	<u>177,734</u>	<u>256,098</u>
Total Deductions	<u>699,042</u>	<u>531,494</u>
Net position (deficit), beginning of year, as restated	<u>(1,381,882)</u>	<u>(850,388)</u>
Net position (deficit), end of year	<u><u>\$ (1,941,550)</u></u>	<u><u>\$ (1,381,882)</u></u>

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

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

The District also has 2 members on the San Bernardino Valley Conservation Trust (the Trust) board of directors. The Trust is a nonprofit 501(c)(3) charitable trust. The Trust does not meet the definition of a component unit, so none of the Trust's financial information is presented in these financial statements.

B. Basis of Accounting

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

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

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

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

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Accounting Pronouncements

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

D. Net Position

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

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

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

E. Use of Estimates

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

F. Cash and Cash Equivalents

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

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Investments

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

H. Property Taxes and Assessments

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

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

I. Compensated Absences

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

J. Concentrations

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

K. Receivables

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

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets

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

Buildings	40-50 years
Vehicles and equipment	5-10 years
Office equipment	5-10 years
Field equipment	5-10 years
Recharge basins and facilities	30-50+ years
Improvements	
Structural	40 years
Furnishings	10 years

M. Budgetary Policies

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

N. Net Pension Liability

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

P. Implementation of New Pronouncement

GASB has issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 and 2020 are classified in the statements of net position as follows:

	2021	2020
Current assets:		
Cash and cash equivalents	\$ 2,762,299	\$ 1,307,952
Investments	22,474,361	23,850,532
Total cash and investments	<u>\$ 25,236,660</u>	<u>\$ 25,158,484</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

2. CASH AND INVESTMENTS (continued)

Cash and investments as of June 30, 2021 and 2020 consisted of the following:

	2021	2020
Deposits with financial institutions	\$ 2,331,640	\$ 1,179,136
Deposits held with California Local Agency Investment Fund	430,658	128,816
Certificates of deposit	498,024	1,919,592
Deposits held with fiscal agents:		
California Asset Management Program	18,753,929	18,717,876
CalTrust Short-term fund	3,222,409	3,213,064
 Total cash and investments	 <u>\$ 25,236,660</u>	 <u>\$ 25,158,484</u>

As of June 30, 2021 and 2020, the District's authorized deposits had the following average maturities:

	2021	2020
Deposits held with California Local Agency Investment Fund	291 days	191 days
Certificates of deposit	205 days	312 days
Deposits held with fiscal agents:		
California Asset Management Program	66 days	53 days
CalTrust Short-term fund	318 Days	321 days

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

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

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

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

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

2. CASH AND INVESTMENTS (continued)

B. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code under the oversight of the Treasurer of the State of California. The District's investment in this pool is reported in the accompanying financial statements at amounts based on the District's pro rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2021, the District's investment in LAIF was \$430,658. At June 30, 2020, the District's investment in LAIF was \$128,816.

C. Investment Trust of California (CalTrust)

CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees supervises and administers the investment program of the Trust. CalTrust has four pools: money market account, short-term, medium-term and long-term. The District has deposits in the Short-Term Fund as of June 30, 2021 and 2020. The District is a voluntary participant in CalTrust. District's investments in these pools are reported in the accompanying financial statements at net asset value based on the District's pro rata share of the respective pools as reported by CalTrust. The average cost of the District's investment in the Short-Term Fund as of June 30, 2021 was \$3,199,068, and its net asset value (withdrawal value) was \$3,222,409. The average cost of the District's investment in the Short-Term Fund as of June 30, 2020 was \$3,183,352, and its net asset value (withdrawal value) was \$3,213,064.

D. California Asset Management Pool (CAMP)

The District is a voluntary participant in the California Asset Management Program (CAMP), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the program specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by CAMP which was \$18,753,929 as of June 30, 2021. At June 30, 2020, the District investment in CAMP was \$18,717,876.

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

2. CASH AND INVESTMENTS (continued)

E. Custodial Credit Risk

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

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

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

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

F. Interest Rate Risk

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

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

2. CASH AND INVESTMENTS (continued)

G. Credit Risk (continued)

Presented below is the minimum rating required by (where applicable) the Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	<u>Minimum legal rating</u>	<u>Rating as of year end</u>
California Local Agency Investment Fund	None	Not rated
Investment Trust of California (CalTrust Short-term fund)	None	AAf
California Asset Management Program	None	AAAm
Certificates of Deposit	A/A-1	Not rated

H. Concentrations of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer beyond that stipulated by the Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the District's total investments at June 30, 2021.

3. FAIR VALUE MEASUREMENTS

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

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

The District does not have any investments subject to the fair value hierarchy.

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

4. COMPENSATED ABSENCES

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due within one year
Compensated absences	<u>\$ 167,005</u>	<u>\$ 93,877</u>	<u>\$ (53,205)</u>	<u>\$ 207,677</u>	<u>\$ 49,400</u>

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within one year
Compensated absences	<u>\$ 123,809</u>	<u>\$ 77,670</u>	<u>\$ (34,474)</u>	<u>\$ 167,005</u>	<u>\$ 46,778</u>

5. UNEARNED REVENUE

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

The District entered into an agreement with another government in which the District received \$18,437,500. The monies are obligated for capital construction projects for the anticipated habitat mitigation requirements for the Upper Santa Ana River Habitat Conservation Plan (River HCP). An additional amount of \$18,437,500 will be paid when certain conditions have been met. Please see the agreement for additional details.

The District entered into an agreement with multiple governments under the San Bernardino Groundwater Council. The District received a \$152,415 prepayment for Groundwater Sustainability cost share based upon the equitable allocation budget as prosed in the agreement.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

6. CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 4,120,341	\$ 42,521	\$ -	\$ 4,162,862
Construction in progress	1,019,147	932,757	(1,131,719)	820,185
Total capital assets not being depreciated	5,139,488	975,278	(1,131,719)	4,983,047
Capital assets being depreciated:				
Structures and improvements	1,239,950	-	-	1,239,950
Improvements	298,550	8,485	-	307,035
Vehicles and equipment	224,296	76,550	(64,955)	235,891
Office equipment	146,947	-	-	146,947
Field equipment	291,454	31,253	-	322,707
Equipment	20,533	1,131,719	-	1,152,252
Recharge basins and facilities	330,192	-	-	330,192
Total capital assets being depreciated	2,551,922	1,248,007	(64,955)	3,734,974
Less accumulated depreciation:				
Buildings and improvements	(825,765)	(38,795)	-	(864,560)
Equipment	(530,697)	(41,377)	47,551	(524,523)
Recharge basins and facilities	(99,839)	(38,040)	-	(137,879)
Total accumulated depreciation	(1,456,301)	(118,212)	47,551	(1,526,962)
Net capital assets being depreciated	1,095,621	1,129,795	(17,404)	2,208,012
Net capital assets	\$ 6,235,109	\$ 2,105,073	\$ (1,149,123)	\$ 7,191,059

Depreciation expense was allocated as follows for the year ended June 30, 2021:

Depreciation expense:	
District operations	\$ 83,902
Redlands Plaza (included in property expense)	34,310
Total depreciation expense	<u>\$ 118,212</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

6. CAPITAL ASSETS (continued)

Changes in capital assets for the prior year were as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Capital assets not being depreciated:				
Land and land improvements	\$ 4,081,100	\$ 39,241	\$ -	\$ 4,120,341
Construction in progress*	990,136	58,941	(29,930)	1,019,147
 Total capital assets not being depreciated	 5,071,236	 98,182	 (29,930)	 5,139,488
 Capital assets being depreciated:				
Structures and improvements	1,212,300	27,650	-	1,239,950
Improvements	213,823	84,727	-	298,550
Vehicles and equipment	151,837	72,459	-	224,296
Office equipment	146,947	-	-	146,947
Field equipment	288,894	2,560	-	291,454
Equipment	20,533	-	-	20,533
Recharge basins and facilities	330,192	-	-	330,192
 Total capital assets being depreciated	 2,364,526	 187,396	 -	 2,551,922
 Less accumulated depreciation:				
Buildings and improvements	(784,217)	(41,548)	-	(825,765)
Equipment	(504,269)	(26,428)	-	(530,697)
Recharge basins and facilities	(93,236)	(6,603)	-	(99,839)
 Total accumulated depreciation	 (1,381,722)	 (74,579)	 -	 (1,456,301)
 Net capital assets being depreciated	 982,804	 112,817	 -	 1,095,621
 Net capital assets	 \$ 6,054,040	 \$ 210,999	 \$ (29,930)	 \$ 6,235,109

*As restated

Depreciation expense was allocated as follows for the year ended June 30, 2020:

Depreciation expense:	
District operations	\$ 37,237
Redlands Plaza (included in property expense)	37,342
 Total depreciation expense	 \$ 74,579

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District participates in one rate plan (one miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.75%
Current required employer contribution rates	12.361%	7.732%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2021 were \$534,129. The actual employer payments of \$119,349 made to CalPERS by the District during the measurement period ended June 30, 2020 differed from the District's proportionate share of the employer's contributions of \$171,975 by \$52,626, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at www.calpers.ca.gov.

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

Long-term expected rate of return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class¹	Assumed asset allocation	Real return years 1 - 10²	Real return years 11+³
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)
Total	100%		

¹ In the System's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity and global debt securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

Change of Assumptions

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

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

Proportionate Share of Net Pension Liability

As of June 30, 2021 and 2020, the District reported net pension liabilities for its proportionate share of the net pension liability of \$421,265 and \$324,184, respectively.

	2021	2020
Total pension liability	\$ 4,270,343	\$ 3,929,545
Fiduciary net position	3,849,078	3,605,361
Net pension liability	<u>\$ 421,265</u>	<u>\$ 324,184</u>

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

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

	Plan total pension liability	Plan fiduciary net position	Plan net pension liability
Balance at: 6/30/2019 (Valuation Date)	\$ 3,929,545	\$ 3,605,361	\$ 324,184
Balance at: 6/30/2020 (Measurement Date)	4,270,343	3,849,078	421,265
Net change during 2019-2020	340,798	243,717	97,081

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2018, 2019 and 2020 measurement dates was as follows:

	2021	2020
Proportionate share - June 30, 2018		0.00633%
Proportionate share - June 30, 2019	0.00810%	0.00810%
Proportionate share - June 30, 2020	0.00999%	
Change	0.00189%	0.00177%

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

The following presents the District's proportionate share of the net pension liability of the miscellaneous plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
June 30, 2021			
District's net pension liability	\$ 989,543	\$ 421,265	\$ (48,286)
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
June 30, 2020			
District's net pension liability	\$ 852,720	\$ 324,184	\$ (112,085)

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

Net difference between 5 year straight-line amortization
projected and actual earnings
on pension plan investments

All other amounts Straight-line amortization over the expected average
remaining service lives (EARSL) of all members that
are provided with benefits (active, inactive and retired)
as of the beginning of the measurement period

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

The EARSL for PERF C for the measurement period ending June 30, 2020, is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2019), the District net pension liability was \$324,184. For the measurement period ending June 30, 2020, and June 30, 2019 (the measurement dates), the District incurred a pension expense of \$218,665 and \$197,958, respectively.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2021	
	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to the measurement date	\$ 534,129	\$ -
Difference in actual vs projected contributions	-	85,261
Changes in assumptions	-	3,005
Difference between expected and actual experience	21,709	-
Net difference between projected and actual earnings on pension plan investments	12,514	-
Changes in proportion	114,505	-
Totals	<u>\$ 682,857</u>	<u>\$ 88,266</u>

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

7. DEFINED BENEFIT PENSION PLAN (continued)

The amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$534,129 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ending June 30,	Amount
2022	\$ 28,614
2023	13,335
2024	12,511
2025	6,002
2026	-
Remaining	-

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2020	
	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to the measurement date	\$ 119,349	\$ -
Difference in actual vs projected contributions	-	92,801
Changes in assumptions	9,979	-
Difference between expected and actual experience	20,771	-
Net difference between projected and actual earnings on pension plan investments	-	5,667
Changes in proportion	130,417	-
Totals	<u>\$ 280,516</u>	<u>\$ 98,468</u>

The District reported \$119,349 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Payable to the Pension Plan

At June 30, 2021, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

8. OTHER POST-EMPLOYMENT BENEFITS

General Information about the Plan

Plan Description

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

Employees Covered by Benefit Terms

As of the June 30, 2021 valuation, the following current and former employees were covered by the benefit terms under the plan:

	2021
Active plan members	9
Retirees and beneficiaries receiving benefits	1
Separated plan members entitled to but not yet receiving benefits	-
	<u>10</u>

Benefits and Contributions

The contribution requirements of plan members and the District are established and may be amended by the District. Contributions are calculated using the alternative measurement method. The District contributes 100% of the retiree and dependent up to the current maximum cost of \$1,702 per month. For the fiscal year ended June 30, 2021, the District's cash contributions were \$0 in payments to the trust. Other contributions included \$19,499 in unreimbursed benefits paid and \$12,036 in implicit contributions.

In fiscal year 2016, the District created a California Employer's Retiree Benefit Trust (CERBT) with California Public Employees Retirement System (CalPERS) for the purpose of prefunding obligations for past services.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability

The District's net OPEB asset was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021. The data entered as economic assumptions and member data to calculate the actuarial present value of future benefits for each individual. This projection uses the assumed retirement age for members of the plan and the employer's portion of health insurance premiums for current retirees and spouses as a statistical base to forecast the cost of future benefits. The projections differentiate between members who are Medicare eligible and those who are not. Premiums are inflated using future insurance premium increase assumptions.

The assumed retirement age for active members and their spouses is adjusted to reflect any eligibility requirement, such as a vesting period, by entering an eligible retirement age in the member data for each active member.

The valuation was based on the following actuarial methods and assumptions:

Discount rate	6.50%
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.50%
Mortality	Those published in the 2017 study of the CalPERS system using data from 1997 to 2015, adjusted back 15 years of Scale MP 2016 to central year 2015.
Pre-retirement turnover healthcare trend rate	5.7% in 2022 fluctuating down to an ultimate level of 4.0 by 2076

Discount Rate

The expected long-term investment return assumptions were developed for each of the three asset allocation strategies using a building block approach based as well as taking into account the expected inflation rate, short and long term real return expectations, and the expected cash flows of a hypothetical large plan.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return</u>
Global equity	59%	4.80%
Fixed income	25%	1.10%
Treasury inflation protected securities	5%	0.25%
Real estate investment trusts	8%	3.20%
Commodities	3%	1.50%
	<u>100%</u>	

Changes in the Net OPEB Asset

The changes in the net OPEB asset for the Plan are as follows as of June 30, 2021:

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability/(Asset) (c)= (a) - (b)</u>
Balance at June 30, 2020 (Valuation Date June 30, 2021)	\$ 492,834	\$ 502,076	\$ (9,242)
Changes recognized for the measurement period:			
Service cost	26,395	-	26,395
Interest	32,727	-	32,727
Contributions - employer	-	31,485	(31,485)
Net investment income	-	32,626	(32,626)
Assumption changes	6,665	-	6,665
Plan experience	(50,909)	-	(50,909)
Investment experience	-	105,365	(105,365)
Benefit payments	(31,485)	(31,485)	-
Administrative expenses	-	(282)	282
Net Changes	<u>(16,607)</u>	<u>137,709</u>	<u>(154,316)</u>
Balance at June 30, 2021 (Measurement Date June 30, 2021)	<u>\$ 476,227</u>	<u>\$ 639,785</u>	<u>\$ (163,558)</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

The changes in the net OPEB asset for the Plan are as follows as of June 30, 2020:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2019 (Valuation Date June 30, 2019)	<u>\$ 461,195</u>	<u>\$ 343,289</u>	<u>\$ 117,906</u>
Changes recognized for the measurement period:			
Service cost	25,626	-	25,626
Interest	30,837	-	30,837
Changes of assumptions	-	-	-
Plan experience differences	-	-	-
Contributions - employer	-	168,356	(168,356)
Net investment income	-	26,973	(26,973)
Assumption changes	-	-	-
Plan experience	-	-	-
Investment experience	-	(11,534)	11,534
Benefit payments	(24,824)	(24,824)	-
Administrative expenses	-	(184)	184
Net Changes	<u>31,639</u>	<u>158,787</u>	<u>(127,148)</u>
Balance at June 30, 2020 (Measurement Date June 30, 2020)	<u>\$ 492,834</u>	<u>\$ 502,076</u>	<u>\$ (9,242)</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB asset of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021 and 2020:

<u>2021</u>	<u>Discount rate -1%</u>	<u>Assumed discount rate</u>	<u>Discount rate +1%</u>
Net OPEB liability/(asset)	<u>\$ (135,349)</u>	<u>\$ (163,558)</u>	<u>\$ (189,189)</u>
 <u>2020</u>	 <u>Discount rate -1%</u>	 <u>Assumed discount rate</u>	 <u>Discount rate +1%</u>
Net OPEB liability/(asset)	<u>\$ 17,417</u>	<u>\$ (9,242)</u>	<u>\$ (33,707)</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB asset of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021 and 2020:

<u>2021</u>	<u>Healthcare cost trend -1%</u>	<u>Healthcare cost trend assumed</u>	<u>Healthcare cost trend +1%</u>
Net OPEB liability/(asset)	<u>\$ (193,831)</u>	<u>\$ (163,558)</u>	<u>\$ (128,477)</u>
<u>2020</u>	<u>Healthcare cost trend -1%</u>	<u>Healthcare cost trend assumed</u>	<u>Healthcare cost trend +1%</u>
Net OPEB liability/(asset)	<u>\$ 237,492</u>	<u>\$ (9,242)</u>	<u>\$ 199,038</u>

Net OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available CERBT financial report that may be obtained from the CalPERS' website at www.calpers.ca.gov.

Changes in Assumptions

Mortality improvement	Updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2020. See Addendum 3 for details.
Medical trend	Updated to the Getzen model which was published by the Society of Actuaries.
General inflation rate	Decreased from 2.75% to 2.5% per year
Salary increase	Decreased from 3.25% to 3.0% per year
Excise tax on High-cost Coverage	Removed after this tax was repealed in December 2019 repeal of this provision of the Affordable Care Act.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Expense Related to Net OPEB Asset

For the fiscal year ended June 30, 2021 and 2020, the District recognized OPEB expense of \$8,312 and \$37,291 respectively. As of fiscal year ended June 30, 2021 and June 30, 2020, the District reported the following deferred outflows/inflows of resources related to its Net OPEB Asset:

<u>2021</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in assumptions	\$ 180,491	\$ -
Differences between expected and actual experience	-	162,363
Net difference between projected and actual earnings on investments	-	82,338
Total	<u>\$ 180,491</u>	<u>\$ 244,701</u>
 <u>2020</u>	 <u>Deferred outflows of resources</u>	 <u>Deferred inflows of resources</u>
Changes in assumptions	\$ 198,301	\$ -
Differences between expected and actual experience	-	133,146
Net difference between projected and actual earnings on investments	1,778	-
Total	<u>\$ 200,079</u>	<u>\$ 133,146</u>

The District reported \$-0- as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized as OPEB expense as follows:

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2022	\$ (18,466)
2023	(18,466)
2024	(15,984)
2025	(18,290)
2026	2,783
Remaining	4,213

San Bernardino Valley Water Conservation District

Notes to Financial Statements

June 30, 2021 (with comparative data for 2020)

9. LEASE AGREEMENTS

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

The District is the lessor of commercial building space under operating leases expiring in various years through the year ending June 30, 2025. The cost of the associated assets is \$1,421,837 with a net book value of \$710,630.

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

<u>Year</u>	<u>Rents</u>	<u>Royalties</u>	<u>Total</u>
2022	\$ 137,308	\$ 550,000	\$ 687,308
2023	120,851	-	120,851
2024	55,817	-	55,817
2025	21,695	-	21,695
Totals	<u>\$ 335,671</u>	<u>\$ 550,000</u>	<u>\$ 885,671</u>

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures and is a member of the ACWA Joint Powers Insurance Authority. The following is a summary of the insurance coverage carried by the District as of June 30, 2021:

- *General, Auto and Public Official Liability*: pooled self-insured up to \$5 million per claim with excess purchased insurance up to \$55 million. None of the policies has a deductible;
- *Property*: pooled self-insured up to \$100,000 per claim with excess purchased insurance up to \$500 million. The property policy has a deductible of \$1,000 for real and personal property and mobile equipment. Licensed vehicles and trailers have a \$500 deductible. Boiler and machinery deductibles vary in accordance with the type of property;
- *Crime, Computer Fraud, Forgery, and Dishonesty Coverage*: pooled self-insured up to \$100,000 per claim with a \$1,000 deductible;
- *Workers' Compensation*: pooled self-insured up to \$2 million per accident or employee by disease with excess from \$4 million to statutory requirements; and
- *Cyber Liability*: \$5 million per claim, \$5 million aggregate.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

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

The GASB has issued several pronouncements prior to June 30, 2021 that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions of this Statement are effective for periods beginning after June 15, 2021. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this Statement are effective for fiscal years beginning after December 15, 2020. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 91

In August 2018, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for fiscal years beginning after December 15, 2021. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of previous guidance. Certain provisions of this Statement are effective for fiscal years beginning after June 15, 2021. Other provisions are effective for reporting periods beginning after June 15, 2021. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

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

Governmental Accounting Standards Board Statement No. 93

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The provisions of this Statement are effective for fiscal years beginning after June 15, 2021. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Partnerships*. The primary objective of this Statement is to improve financial reporting by addressing issues related to these arrangements. The provisions of this Statement are effective for fiscal years beginning after June 15, 2022. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The provisions of this Statement are effective for fiscal years beginning after June 15, 2022. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plan. Certain provisions are effective immediately (no effect on the 2020 financial statements). Other provisions of this Statement are effective for fiscal years beginning after June 15, 2021. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
June 30, 2021 (with comparative data for 2020)

12. COMMITMENTS AND CONTINGENCIES

Litigation

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

13. Prior Period Adjustment

The District's net position was restated as follows due to the capitalization of a construction in progress project that had been previously expensed.

<u>District</u>	<u>Amount</u>
Net position, beginning of year 2020, as previously stated	\$ 8,975,083
Prior period adjustment	<u>673,368</u>
Net position, beginning of year 2020, restated	<u>\$ 9,648,451</u>

As discussed in Note 1, the District implemented GASB Statement No. 84. Accordingly, beginning net position has been retroactively restated as follows for the Fiduciary Fund.

<u>Fiduciary Fund</u>	<u>Amount</u>
Net position, beginning of year 2019, as previously stated	\$ -
Prior period adjustment	<u>(850,388)</u>
Net position (deficit), beginning of year 2019, restated	<u>\$ (850,388)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

	Measurement date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Employer's Proportion of the Collective Net Pension Liability ¹	0.00071%	0.00810%	0.00633%	0.00675%	0.00595%	0.02708%	0.00892%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 421,265	\$ 324,184	\$ 238,734	\$ 266,161	\$ 206,530	\$ 743,026	\$ 555,348
Covered Payroll	\$ 1,071,333	\$ 979,060	\$ 758,985	\$ 709,190	\$ 689,423	\$ 577,644	\$ 553,862
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Covered Payroll	39.32%	33.11%	31.45%	37.53%	29.96%	128.63%	100.27%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.71%	77.73%	77.69%	75.39%	75.87%	79.89%	83.03%

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

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

San Bernardino Valley Water Conservation District
Schedule of Contributions – Pension Plan
Last 10 Fiscal Years *
June 30, 2021

	Fiscal Year							
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially Determined Contribution	\$ 146,727	\$ 119,349	\$ 78,252	\$ 69,728	\$ 69,418	\$ 88,829	\$ 52,231	\$ 76,810
Contributions in Relation to the Actuarially Determined Contribution	(534,129)	(119,349)	(78,252)	(69,728)	(69,418)	(88,829)	(52,231)	(76,810)
Contribution Deficiency (Excess)	<u>\$ (387,402)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,071,333	\$ 979,060	\$ 758,985	\$ 709,190	\$ 689,423	\$ 577,644	\$ 553,862	\$ 502,836
Contributions as a Percentage of Covered Payroll	49.86%	12.19%	10.31%	9.83%	10.07%	15.38%	9.43%	15.28%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: For the 2019 actuarial valuation (2020 measurement period), a new amortization policy came into effect shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computer as a level dollar amount. A five-year ramp-up and ramps-down on UAL bases attributable to assumption changes and non-investment gain and losses is no longer utilized and a five-year ramp-down on investment gains/losses is also not utilized. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

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

San Bernardino Valley Water Conservation District
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2021

	Measurement period			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability				
Service Cost	\$ 26,395	\$ 25,626	\$ 41,893	\$ 40,871
Interest	32,727	30,837	18,117	13,313
Actual and expected experience difference	(50,909)	-	(165,000)	-
Changes in assumptions	6,665	-	245,741	-
Benefit payments	(31,485)	(24,824)	-	-
Net change in Total OPEB Liability	(16,607)	31,639	140,751	54,184
Total OPEB Liability - beginning	492,834	461,195	320,444	266,260
Total OPEB Liability - ending (a)	476,227	492,834	461,195	320,444
Plan Fiduciary Net Position				
Contribution - employer	31,485	168,356	218,507	37,767
Net investment income	137,991	15,439	22,971	4,900
Benefit payments	(31,485)	(24,824)	-	-
Administrative expense	(282)	(184)	(126)	(35)
Net change in Plan Fiduciary Net Position	137,709	158,787	241,352	42,632
Plan Fiduciary Net Position - beginning	502,076	343,289	101,937	59,305
Plan Fiduciary Net Position - ending (b)	639,785	502,076	343,289	101,937
Net OPEB Liability (Asset) - ending (a) - (b)	\$ (163,558)	\$ (9,242)	\$ 117,906	\$ 218,507
Plan fiduciary net position as a percentage of the total OPEB liability	134.34%	101.88%	74.43%	31.81%
Covered employee payroll	\$ 1,114,100	\$ 970,271	\$ 758,985	\$ 707,053
Net OPEB liability as a percentage of covered employee payroll	-14.68%	-0.95%	15.53%	30.90%

* Historical information is required only for measurement periods for which GASB No. 75 is applicable. GASB No. 75 was implemented in the fiscal year ended June 30, 2018 with a measurement date of June 30, 2018.

San Bernardino Valley Water Conservation District
Schedule of Contributions – OPEB
For the Year Ended June 30, 2021

	Fiscal year			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 22,311	\$ 43,693	\$ 54,851	\$ 37,767
Contributions in Relation to the Actuarially Determined Contribution	(31,485)	(168,356)	(218,507)	(37,767)
Contribution Deficiency (Excess)	<u>\$ (9,174)</u>	<u>\$ (124,663)</u>	<u>\$ (163,656)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,114,100	\$ 970,271	\$ 758,985	\$ 707,053
Contributions as a Percentage of Covered Payroll	2.83%	17.35%	28.79%	5.34%

Notes to Schedule:

Change in Benefit Terms : None

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level % of payroll
Amortization period	30 years remain
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.50%
Mortality	CalPERS 2017 experience study
Pre-retirement turnover healthcare trend rate	5.7% in 2022 fluctuating down to an ultimate level of 4.0% by 2076

Changes in assumptions:

Mortality improvement	Updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2020. See Addendum 3 for details.
Medical trend	Updated to the Getzen model which was published by the Society of Actuaries.
General inflation rate	Decreased from 2.75% to 2.5% per year
Salary increase	Decreased from 3.25% to 3.0% per year
Excise tax on High-cost Coverage	Removed after this tax was repealed in December 2019 repeal of this provision of the Affordable Care Act.

Historical information is required only for measurement periods for which GASB No. 75 is applicable. GASB No. 75 was implemented in the fiscal year ended June 30, 2018 with a measurement date of June 30, 2018

SUPPLEMENTARY INFORMATION

San Bernardino Valley Water Conservation District
Schedules of Operating Revenues and Expenses
For the year ended June 30, 2021 (with comparative data for 2020)

	2021	2020
Operating revenues		
Groundwater assessments		
Groundwater charge assessments - agricultural	\$ 121,142	\$ 141,818
Groundwater charge assessments - nonagricultural	1,117,169	1,146,863
Operating agreements		
Enhanced recharge agreement	415,203	407,062
Services to other agencies	30,000	68,775
	<u>1,683,514</u>	<u>1,764,518</u>
Total operating revenues		
	<u>1,683,514</u>	<u>1,764,518</u>
Operating expenses		
District operations		
Professional services	205,032	352,728
Field operations	126,022	206,239
Utilities	21,876	20,768
Salaries/staff	837,690	844,885
Benefits	369,894	453,464
Repairs and maintenance	-	49,500
Total District operations	<u>1,560,514</u>	<u>1,927,584</u>
Regional programs		
Regional programs LAFCO contribution	4,282	3,952
Total regional programs	<u>4,282</u>	<u>3,952</u>
General and administrative		
Directors' fees and expenses	78,973	89,124
Staff travel and education	4,916	11,497
Insurance	29,423	24,667
Other administrative	104,300	80,274
Total general and administrative	<u>217,612</u>	<u>205,562</u>
Total operating expenses	<u>1,782,408</u>	<u>2,137,098</u>
Operating income (loss) before depreciation expense	(98,894)	(372,580)
Depreciation expense	83,902	37,237
Operating income (loss)	<u>\$ (182,796)</u>	<u>\$ (409,817)</u>

REPORT ON INTERNAL CONTROL AND COMPLIANCE



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408
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**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

Independent Auditor's Report

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

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA
Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Thao Le, CPA, MBA
Julia Rodriguez Fuentes, CPA, MSA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Bernardino Valley Water Conservation District (District), which comprise the statement of net position as of June 30, 2021, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control over Financial Reporting

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

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

MEMBERS

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Certified Public Accountants

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Quality Center

Employee Benefit Plan
Audit Quality Center

California Society of
Certified Public Accountants



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

Compliance and Other Matters

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

September 29, 2021
San Bernardino, California



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1806

To: Board of Directors

From: General Manager, Daniel Cozad

Date: October 13, 2021

Subject: Unaudited Financial Reports, September 2021

RECOMMENDATION

Review and approve the monthly unaudited financials for September 2021.

BACKGROUND

Each month staff presents the unaudited financials for the District. The reports presented with this Board Letter for the month ending September 30, 2021.

DISCUSSION

Based on the first three months of the fiscal year, most funds and accounts are as expected. The Enhanced Recharge Agreement will be invoiced in October. Four Groundwater Council members have not yet paid their cost-share totaling \$98,634.00, but payment is expected soon. Property Tax income generally starts being received in November each year with remittances around expectations expected. Mining income remains above budget and interest income below budget, both expected.

FISCAL IMPACT

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

POTENTIAL MOTIONS

1. Move approval of the Unaudited Financials for September 2021 as presented.
2. Move to request this item be tabled and referred to the Finance & Administration Committee to reconsider specific issues discussed.

ATTACHMENTS OR MATERIALS

Graph Financials for September 2021
Profit & Loss to Date vs. Annual Budget

**BOARD OF
DIRECTORS**

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

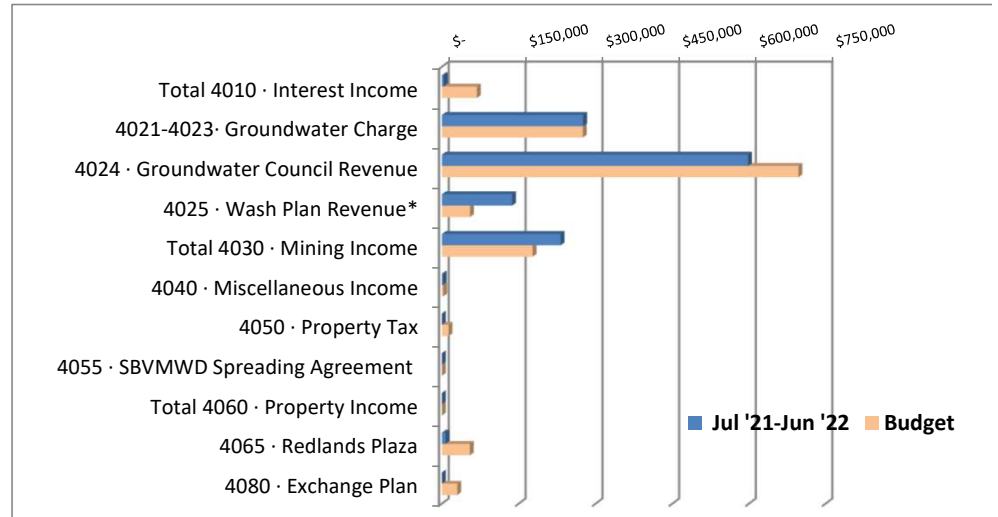
**GENERAL
MANAGER**

Daniel B. Cozad

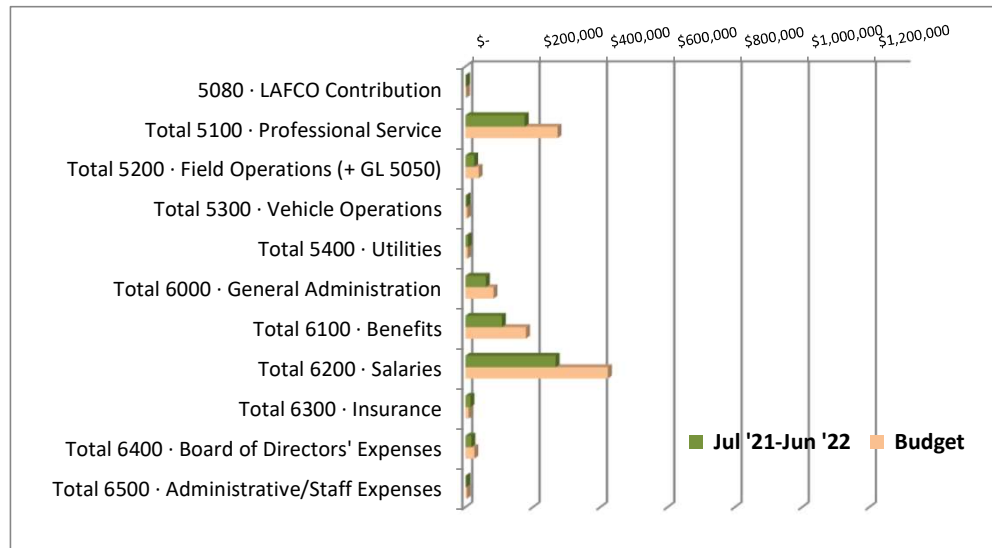
SBVWCD - All Enterprises Budget and Actual
September 2021

REVENUE	Jul '21-Jun '22	Budget
Total 4010 · Interest Income	\$ 3,469	\$ 68,365
4021-4023 · Groundwater Charge	\$ 275,818	\$ 274,841
4024 · Groundwater Council Revenue	\$ 598,166	\$ 696,800
4025 · Wash Plan Revenue*	\$ 137,001	\$ 55,000
Total 4030 · Mining Income	\$ 231,617	\$ 177,000
4040 · Miscellaneous Income	\$ 1,569	\$ 2,500
4050 · Property Tax	\$ -	\$ 13,082
4055 · SBVMWD Spreading Agreement	\$ -	\$ -
Total 4060 · Property Income	\$ -	\$ -
4065 · Redlands Plaza	\$ 7,067	\$ 54,509
4080 · Exchange Plan	\$ -	\$ 30,000
Total Revenue	\$ 1,254,707	\$ 1,372,096

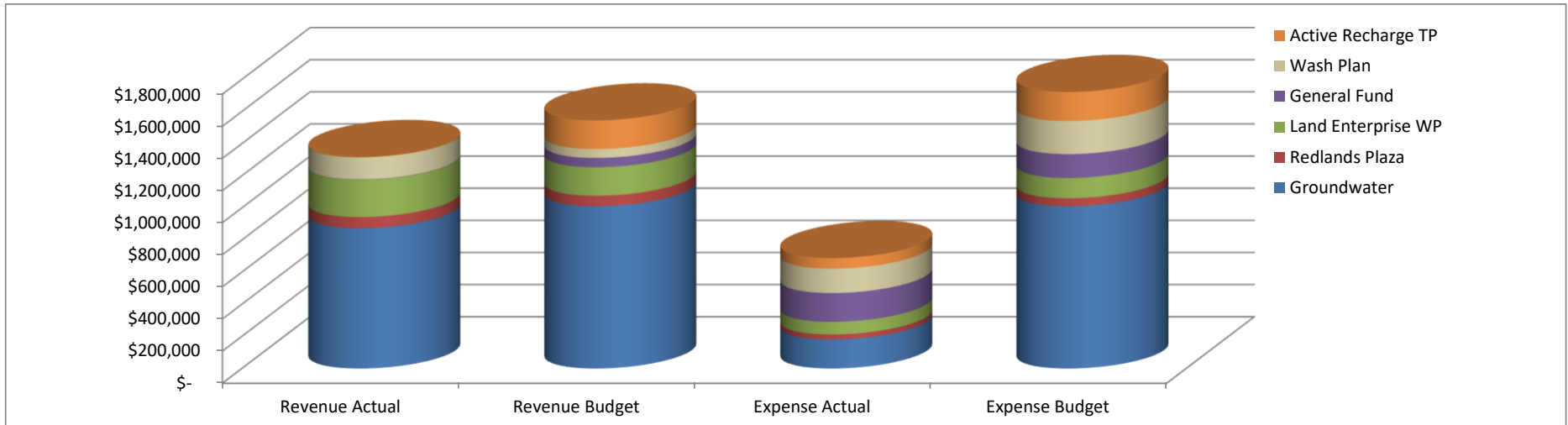
*District loans to the WP



EXPENSES Operating and Capital	Jul '21-Jun '22	Budget
5080 · LAFCO Contribution	\$ 2,419	\$ 2,419
Total 5100 · Professional Service	\$ 176,171	\$ 273,638
Total 5200 · Field Operations (+ GL 5050)	\$ 26,102	\$ 39,298
Total 5300 · Vehicle Operations	\$ 3,867	\$ 5,784
Total 5400 · Utilities	\$ 8,090	\$ 6,998
Total 6000 · General Administration	\$ 61,030	\$ 83,697
Total 6100 · Benefits	\$ 108,621	\$ 180,064
Total 6200 · Salaries	\$ 268,317	\$ 423,180
Total 6300 · Insurance	\$ 15,174	\$ 9,930
Total 6400 · Board of Directors' Expenses	\$ 17,895	\$ 26,850
Total 6500 · Administrative/Staff Expenses	\$ 3,266	\$ 4,568
Total Expense	\$ 690,952	\$ 1,056,427



Enterprises to Date (September 2021)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 873,984	\$ 1,010,048	87%
Groundwater Expense	\$ 180,843	\$ 352,940	51%
Revenue -Expense	\$ 693,140	\$ 657,108	
Redlands Plaza Revenue	\$ 69,239	\$ 65,736	105%
Redlands Plaza Expense	\$ 31,504	\$ 50,644	62%
Revenue -Expense	\$ 37,735	\$ 15,091	
Land Enterprise Revenue	\$ 232,617	\$ 177,625	131%
Land Enterprise Expense	\$ 78,407	\$ 126,033	62%
Revenue -Expense	\$ 154,210	\$ 51,592	
General Fund Revenue *	\$ 2,091	\$ 58,197	4%
General Fund Expense	\$ 179,410	\$ 148,536	121%
Revenue -Expense	\$ (177,319)	\$ (90,339)	
Wash Plan Revenue	\$ 137,001	\$ 55,000	249%
Wash Plan Expense	\$ 151,938	\$ 205,918	74%
Revenue-Expense	(14,937)	(150,918)	
Active Recharge TP Revenue	\$ 1,810	\$ 178,875	1%
Active Recharge TP Expense	\$ 65,675	\$ 181,106	36%
Revenue-Expense	\$ (63,866)	\$ (2,231)	
Total All Revenue - Expense	\$ 628,964	\$ 480,303	

Cash Status	As of 7/1/2021	As of 09/30/2021
LAIF	\$ 430,623.48	\$ 430,975.07
Cal Trust	\$ 3,222,408.78	\$ 3,223,728.33
Citizens Bank	\$ 2,306,531.33	\$ 2,608,204.26
UBS Financial Services	\$ 500,681.82	\$ 750,418.77
US Bank-CAMP	\$ 18,754,702.89	\$ 18,757,115.88
Total Cash	\$ 25,214,948.30	\$ 25,770,442.31
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Less ARTP Obligation	\$ (18,437,500.00)	\$ (18,315,843.63)
Cash Position	\$ 1,777,448.30	\$ 2,454,598.68

Increase (decrease) of \$677,150.38
Percent Increase 38.1%

* General Fund Revenue shown here does not include overhead

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

	Jul - Sep 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Interest Income				
4012 · LAIF	0.00	4,000.00	-4,000.00	0.0%
4013 · Caltrust Investment Income	1,319.55	25,600.00	-24,280.45	5.15%
4015 · UBS Interest Income	-263.05	27,860.00	-28,123.05	-0.94%
4016 · Interest Income ARTP	2,412.99	216,000.00	-213,587.01	1.12%
Total 4010 · Interest Income	3,469.49	273,460.00	-269,990.51	1.27%
4017 · ARTP Capital Income	0.00	615,000.00	-615,000.00	0.0%
4020 · Groundwater Charge				
4021 · Assessments - Ag	56,479.22	0.00	56,479.22	100.0%
4022 · Groundwater Charge	662.64	549,681.07	-549,018.43	0.12%
4023 · Assessments - Non-Ag	218,675.96	0.00	218,675.96	100.0%
4024 · Groundwater Council Revenue	598,166.00	696,800.00	-98,634.00	85.85%
4026 · GW Sustainability/Replenishment	0.00	16,814.00	-16,814.00	0.0%
Total 4020 · Groundwater Charge	873,983.82	1,263,295.07	-389,311.25	69.18%
4025 · Wash Plan Revenue	137,001.06	220,000.00	-82,998.94	62.27%
4030 · Mining Income				
4031 · Plant Site - CEMEX	8,000.00	48,000.00	-40,000.00	16.67%
4032 · Cemex - Royalty / Lease	204,310.39	600,000.00	-395,689.61	34.05%
4036 · Aggregate Maintenance	19,306.23	60,000.00	-40,693.77	32.18%
Total 4030 · Mining Income	231,616.62	708,000.00	-476,383.38	32.71%
4040 · Miscellaneous Income				
4041 · Reimbursed Expenses	138.24	0.00	138.24	100.0%
4040 · Miscellaneous Income - Other	1,431.00	10,000.00	-8,569.00	14.31%
Total 4040 · Miscellaneous Income	1,569.24	10,000.00	-8,430.76	15.69%
4050 · Property Tax	0.00	130,817.65	-130,817.65	0.0%
4055 · SBVMWD Spreading Agreement Reim	0.00	421,846.11	-421,846.11	0.0%
4060 · Property Income				
4062 · Mentone Property	0.00	100.00	-100.00	0.0%
Total 4060 · Property Income	0.00	100.00	-100.00	0.0%
4065 · Redlands Plaza	7,067.17	218,036.34	-210,969.17	3.24%
4066 · Redlands Plaza CAM	4,757.94	44,906.35	-40,148.41	10.6%
4080 · Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4086 · Plunge Creek IRWMP	0.00	0.00	0.00	0.0%
4999 · Trust Reimbursement-Wash Plan	0.00	592,500.00	-592,500.00	0.0%
Total Income	1,259,465.34	4,527,961.52	-3,268,496.18	27.82%
Gross Profit	1,259,465.34	4,527,961.52	-3,268,496.18	27.82%
Expense				
5040 · Regional Programs				
5080 · LAFCO Contribution	2,418.94	2,418.94	0.00	100.0%
Total 5040 · Regional Programs	2,418.94	2,418.94	0.00	100.0%
5050 · Basin Cleaning	0.00	50,000.00	-50,000.00	0.0%
5100 · Professional Service				
5120 · Misc. Professional Services	40,447.62	300,000.00	-259,552.38	13.48%
5122 · Wash Plan Professional Services	93,914.15	245,000.00	-151,085.85	38.33%
5123 · Habitat Management-WP	10,888.76	346,250.00	-335,361.24	3.15%
5125 · Engineering Services	0.00	30,000.00	-30,000.00	0.0%
5130 · Aerial Photography & Surveying	0.00	2,200.00	-2,200.00	0.0%
5155 · WP Trails Professional Services	0.00	25,000.00	-25,000.00	0.0%
5160 · IT Support	900.00	8,500.00	-7,600.00	10.59%
5170 · Audit	22,070.00	26,900.00	-4,830.00	82.05%
5175 · Legal - Wash Plan	7,950.00	5,000.00	2,950.00	159.0%
5180 · Legal	0.00	25,000.00	-25,000.00	0.0%
Total 5100 · Professional Service	176,170.53	768,850.00	-592,679.47	22.91%
5133 · Regional River HCP Contribution	0.00	25,000.00	-25,000.00	0.0%
5200 · Field Operations				
5210 · Equipment Maintenance	2,655.58	7,200.00	-4,544.42	36.88%
5215 · Property Maintenance	425.08	40,000.00	-39,574.92	1.06%
5225 · Field Clean Up-Illegal dumping	23,021.81	60,000.00	-36,978.19	38.37%
Total 5200 · Field Operations	26,102.47	107,200.00	-81,097.53	24.35%
5223 · Temp. Field Labor	0.00	10,000.00	-10,000.00	0.0%
5300 · Vehicle Operations				
5310 · Vehicle Maintenance	419.60	8,000.00	-7,580.40	5.25%
5320 · Fuel	3,446.99	15,125.00	-11,678.01	22.79%
Total 5300 · Vehicle Operations	3,866.59	23,125.00	-19,258.41	16.72%
5400 · Utilities				
5410 · Alarm Service	430.00	1,545.00	-1,115.00	27.83%
5420 · Electricity	3,346.24	7,563.42	-4,217.18	44.24%

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

	Jul - Sep 21	Budget	\$ Over Budget	% of Budget
5430 · Mobile Phone	1,215.00	5,370.31	-4,155.31	22.62%
5440 · Telephone	1,336.49	6,000.00	-4,663.51	22.28%
5450 · Natural Gas	2.99	1,155.00	-1,152.01	0.26%
5460 · Water / Trash / Sewer	1,154.10	3,609.90	-2,455.80	31.97%
5470 · Internet Services	604.89	2,750.00	-2,145.11	22.0%
Total 5400 · Utilities	8,089.71	27,993.63	-19,903.92	28.9%
6000 · General Administration				
6001 · General Administration - Other	960.44	4,500.00	-3,539.56	21.34%
6002 · Website Administration	1,142.97	6,000.00	-4,857.03	19.05%
6004 · Meeting Expenses	193.17	2,060.00	-1,866.83	9.38%
6006 · Permits	2,066.00	45,000.00	-42,934.00	4.59%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	0.00	1,712.06	-1,712.06	0.0%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	84.59	2,550.80	-2,466.21	3.32%
6013 · Office Lease Payment	12,500.01	50,000.00	-37,499.99	25.0%
6015 · Mentone House Maintenance	408.00	3,500.00	-3,092.00	11.66%
6016 · Redlands Plaza Maintenance	556.28	35,000.00	-34,443.72	1.59%
6018 · Janitorial Services	2,205.00	10,400.00	-8,195.00	21.2%
6019 · Janitorial Supplies	90.16	515.00	-424.84	17.51%
6020 · Vacancy Marketing-Redlands Plaz	0.00	5,000.00	-5,000.00	0.0%
6026 · Redlands Plaza CAM expenses	10,464.42	32,936.31	-22,471.89	31.77%
6027 · Computer Software	832.25	2,000.00	-1,167.75	41.61%
6030 · Office Supplies	1,761.36	3,500.00	-1,738.64	50.33%
6033 · Office Equipment Rental	2,076.61	9,500.00	-7,423.39	21.86%
6036 · Printing	108.75	2,000.00	-1,891.25	5.44%
6039 · Postage and Overnight Delivery	119.63	1,200.00	-1,080.37	9.97%
6042 · Payroll Processing	701.74	2,859.13	-2,157.39	24.54%
6045 · Bank Service Charges	0.00	1,000.00	-1,000.00	0.0%
6051 · Uniforms	304.18	3,025.00	-2,720.82	10.06%
6060 · Outreach	0.00	63,000.00	-63,000.00	0.0%
6087 · Educational Reimbursement	0.00	5,000.00	-5,000.00	0.0%
6090 · Subscriptions/Publications	1,468.90	1,355.20	113.70	108.39%
6091 · Public Notices	0.00	3,200.00	-3,200.00	0.0%
6093 · Memberships	21,775.33	25,289.23	-3,513.90	86.11%
Total 6000 · General Administration	61,029.79	334,002.73	-272,972.94	18.27%
6100 · Benefits				
6110 · Vision Insurance	686.14	3,433.34	-2,747.20	19.99%
6120 · Workers' Comp. Insurance	0.00	19,735.34	-19,735.34	0.0%
6130 · Dental Insurance	2,605.76	12,567.32	-9,961.56	20.73%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-6,223.60	-31,135.80	24,912.20	19.99%
6150 · Medical Insurance - Other	55,867.28	285,106.20	-229,238.92	19.6%
Total 6150 · Medical Insurance	49,643.68	253,970.40	-204,326.72	19.55%
6160 · Payroll Taxes-Employer	16,178.27	122,654.27	-106,476.00	13.19%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-32,753.89	-45,326.72	12,572.83	72.26%
6170 · PERS Retirement - Other	72,261.24	353,223.42	-280,962.18	20.46%
Total 6170 · PERS Retirement	39,507.35	307,896.70	-268,389.35	12.83%
Total 6100 · Benefits	108,621.20	720,257.37	-611,636.17	15.08%
6200 · Salaries				
6230 · Regular Salaries	268,317.45	1,692,720.61	-1,424,403.16	15.85%
6200 · Salaries - Other	0.00	0.00	0.00	0.0%
Total 6200 · Salaries	268,317.45	1,692,720.61	-1,424,403.16	15.85%
6300 · Insurance				
6310 · Property/ Auto Insurance	4,828.74	4,420.14	408.60	109.24%
6320 · General Liability Insurance	10,345.74	33,651.74	-23,306.00	30.74%
Total 6300 · Insurance	15,174.48	38,071.88	-22,897.40	39.86%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	4,220.14	0.00	4,220.14	100.0%
6401 · Directors' Fees - Other	13,160.00	87,901.20	-74,741.20	14.97%
Total 6401 · Directors' Fees	17,380.14	87,901.20	-70,521.06	19.77%
6410 · Mileage	119.49	4,000.00	-3,880.51	2.99%
6415 · Air Fare	0.00	2,500.00	-2,500.00	0.0%
6420 · Other Travel	0.00	500.00	-500.00	0.0%
6425 · Meals	270.00	3,500.00	-3,230.00	7.71%
6430 · Lodging	0.00	4,000.00	-4,000.00	0.0%
6435 · Conf/Seminar Registrations	125.00	5,000.00	-4,875.00	2.5%

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

	Jul - Sep 21	Budget	\$ Over Budget	% of Budget
6440 · Election Fees / Re-Districting	0.00	25,000.00	-25,000.00	0.0%
Total 6400 · Board of Directors' Expenses	17,894.63	132,401.20	-114,506.57	13.52%
6500 · Administrative/Staff Expenses				
6510 · Mileage	0.00	2,500.00	-2,500.00	0.0%
6515 · Air Fare	0.00	4,500.00	-4,500.00	0.0%
6520 · Travel, Other (rental car, taxi	0.00	1,500.00	-1,500.00	0.0%
6525 · Meals	718.64	2,035.00	-1,316.36	35.31%
6530 · Lodging	1,597.35	3,750.00	-2,152.65	42.6%
6535 · Conf/Seminar Registrations	950.00	4,000.00	-3,050.00	23.75%
Total 6500 · Administrative/Staff Expenses	3,265.99	18,285.00	-15,019.01	17.86%
9999 · Contribution to Capital Maint.	0.00	278,621.92	-278,621.92	0.0%
Total Expense	690,951.78	4,228,948.28	-3,537,996.50	16.34%
Net Ordinary Income	568,513.56	299,013.24	269,500.32	190.13%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00	12,000.00	-12,000.00	0.0%
7055 · Plunge Creek Expansion	0.00	0.00	0.00	0.0%
Total 7000 · Construction	0.00	12,000.00	-12,000.00	0.0%
7100 · Land & Buildings				
7110 · Property Capital Repairs	0.00	511,971.00	-511,971.00	0.0%
7120 · Property-Land Purchase	0.00	0.00	0.00	0.0%
7126 · ARTP Engr/Prof Services	0.00	600,000.00	-600,000.00	0.0%
7130 · Mentone Property (House)-CapRep	0.00	25,000.00	-25,000.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	375,000.00	-375,000.00	0.0%
7150 · Mill Creek Diversion	0.00	1,100,000.00	-1,100,000.00	0.0%
7160 · Mendoza Property	0.00	137,000.00	-137,000.00	0.0%
Total 7100 · Land & Buildings	0.00	2,748,971.00	-2,748,971.00	0.0%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	2,818.90	5,000.00	-2,181.10	56.38%
7220 · Computer Software	15,448.21	10,000.00	5,448.21	154.48%
7230 · Field Equipment / Vehicles	0.00	1,604.44	-1,604.44	0.0%
7240 · Office Equipment	3,265.38	1,500.00	1,765.38	217.69%
Total 7200 · Equipment & Vehicles	21,532.49	18,104.44	3,428.05	118.94%
7400 · Professional Services Capital				
7438 · Engineering Services-Other	0.00	125,000.00	-125,000.00	0.0%
Total 7400 · Professional Services Capital	0.00	125,000.00	-125,000.00	0.0%
Total Other Expense	21,532.49	2,904,075.44	-2,882,542.95	0.74%
Net Other Income	-21,532.49	-2,904,075.44	2,882,542.95	0.74%
Net Income	546,981.07	-2,605,062.20	3,152,043.27	-21.0%



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1807

To: Board of Directors

From: Betsy Miller, Land Resources Manager/Assistant General Manager

Date: October 13, 2021

Subject: Wash Plan Remaining Permits Project Update and Application Fees

RECOMMENDATION

Staff recommends that the Board 1) Authorize the General Manager to submit payment of \$45,693.25 in notification fees for a Streambed Alteration Agreement for Wash Plan construction projects to California Department of Fish and Wildlife. And 2) Authorize the General Counsel to submit payment of up to \$177,179 in project fees for a Clean Water Act 401 Water Quality Certification to the Santa Ana Regional Water Quality Control Board.

BACKGROUND AND DISCUSSION

The Wash Plan, which was adopted by the Board on July 8, 2020, is a federal Habitat Conservation Plan which provides permitting for Covered Activities under the Federal Endangered Species Act. The Wash Plan acknowledges that additional Federal and State regulations apply to specific Wash Plan Covered Activities, which will require permits prior to construction. In order to comply with all applicable regulations prior to construction, the District is seeking permits on behalf of the Task Force partners for many Covered Activities under the 1) California Lake and Streambed Alteration Program (Fish and Game Code section 1602), 2) California Endangered Species Act (Fish and Game Code section 2081), and 3) the federal Clean Water Act (U.S. Army Corps of Engineers [404 permit] and Santa Ana Regional Water Quality Control Board [401 permit]).

On August 12, 2020, the Board approved a contract with AECOM to support these permitting efforts. To date, AECOM and the Conservation District have worked with the Task Force members to determine which projects should be included in this effort, evaluated the optimal permitting mechanisms for these specific projects, and submitted all permit applications.

A status update is provided here:

- CDFW 1600 Maintenance Agreement:
 - Agreement issuance anticipated on November 1, 2021.
- RWQCB Programmatic 401 Certification:

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

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

- Certification issuance anticipated on December 2, 2021; however, RWQCB may be granted an extension to this deadline for up to 1 year [no later than August 2022]).
- AECOM and the Conservation District are currently working with the RWQCB on justification that the basins are in fact wetland waters of the State and thus meet the exemption clause in the SWRCB New Procedures.
- Permit issuance pending submittal of project fees.
- USACE 404 Corps Programmatic Agreement:
 - Individual permit issuance anticipated first quarter 2022.
 - AECOM and Conservation District are currently working with the Corps on review of mitigation projects and 408 requirements. A Public Notice of the proposed project will be issued following resolution of these issues.
- CDFW 1600 Construction Agreement:
 - Permit issuance anticipated first quarter 2022.
 - Permit issuance pending submittal of project fees.
- CDFW 2081 for California Endangered Species Act:
 - Permit issuance anticipated second quarter 2022.
 - Conservation District has worked closely with CDFW to address comments received in March and August 2021. on 2081 CESA take authorization.

FISCAL IMPACT

The recommended action would result in the expenditure of District funds (associated with District Covered Activities), as well as reimbursement from Task Force members for their Covered Activities, for up to \$222,872.25. As shown in Table 1, District costs total \$86,672.96 with an additional \$145,728.04 shared among our Task Force partners. The cost share follows the methodology used for fee calculation by each regulatory agency based on acreage of impact for the RWQCB permit and by estimated project cost for the 1600 permit. Permit fees were budgeted as part of the Wash Plan Remaining Permits project and capital reserve allocations.

Table 1: Costs by Task Force Member

Permit	SBVWCD	Cemex	Highland	Redlands	EVWD	Robertson's	Totals
1600 (Const.)	\$9,528.75	\$12,924.00	\$5,596.00	\$2,360.25	\$2,360.25	\$12,924.00	\$45,693.25
RWQCB	\$77,144.21	\$13,917.42	\$14,470.09	\$57,486.28	\$243.59	\$13,917.42	\$177,179.00*
Totals	\$86,672.96	\$26,841.42	\$20,066.09	\$59,846.53	\$2,603.84	\$26,841.42	\$222,872.25

* We are in negotiations with the RWQCB which could result in this cost being reduced to \$163,660.

Annual permit fees are expected to be up to \$1,736 for the Regional Water Quality Control Board 401 permit; at this time, we do not expect an annual fee for the 1600 construction permit, although this could change if CDFW requires changes to our proposed permit. Annual fees will accrue to the Groundwater Recharge Enterprise in future years.

ATTACHMENTS OR MATERIALS

Attachment 1 - Projects Permitted under the RWQCB 401 Application

Attachment 2 - Projects Permitted under the CDFW 1600 Construction Application

Attachment 3 – Map of Projects Permitted under the RWQCB 401 Application

Attachment 4 – Map of Projects Permitted under the CDFW 1600 Construction Application

Attachment 1

Projects Permitted under the RWQCB 401 Application

New Construction Projects (20)				
Unique ID	Project Name	Township / Range	Section	APN(s)
San Bernardino Valley Water Conservation District				
CD.04	Greenspot Levee Removal	Township 1 South Range 2 West	8	029709102
CD.05	D-Dike Habitat Enhancement	Township 1 South Range 3 West	12	029116106
CD.12	District Conserved and District Managed Lands	Township 1 South Range 3 West	13	029116101 029120118 029707108 029711108 016831109 029711108
Miners (Robertson's Ready-Mix and Cemex, Inc.)				
CRM.01a	Aggregate Mining – Cemex, Inc.	Township 1 South Range 3 West	11	016701109 016701111 029027102 029027103 029111103 029111203 029112101 029112201 029113101 029114107 029114108 029114112 029114119 029115101 029116105
CRM.01b	Aggregate Mining – Robertson's Ready Mix	Township 1 South Range 3 West	11	029027102 029027107 029027108 029111103 029111111 029112101 029112202 029113101 029114101 029114104 029114107 029114108 029114109 029114110 029114112 029114114 029114116 029114117 029114118 029114119 029116105 029117201 029118116 029118117 029118119

New Construction Projects (20)				
Unique ID	Project Name	Township / Range	Section	APN(s)
CRM.02	Haul Road Expansion	Township 1 South Range 3 West	9	029026210 029026213 120132136 120132154
CRM.03a	Ongoing Mining Operations – Cemex, Inc.	Township 1 South Range 3 West	9	016701109 016701111 016701112 016701113 029026212 029027102 029027103 029027107 029111103 029111203 029112101 029112201 029112202 029112206 029113101 029114108 029114112 029114118
CRM.03b	Ongoing Mining Operations – Robertson's Ready Mix	Township 1 South Range 3 West	9	016701116 016701117 029026212 029026213 029027102 029027107 029027108 029111103 029111109 029111110 029111111 029111112 029112101 029112201 029112202 029112205 029112206 029114101 029114104 029114107 029114109 029114110 029114111 029114112 029114113 029114114 029114115 029114116 029114117 029114118 029114119 029118107 029118114 029118115 029118117 029118119

New Construction Projects (20)				
Unique ID	Project Name	Township / Range	Section	APN(s)
City of Highland				
High.01	Alabama Street Improvements	Township 1 South Range 3 West	9	029026210
High.02	Orange Street/Boulder Avenue Improvement	Township 1 South Range 3 West	10	029111110
High.03	Greenspot Road Improvement	Township 1 South Range 3 West	1	121037117 029706104 121037116
High.23	Highland/Redlands Regional Connector	Township 1 South Range 3 West	10	No APN for Roadway
City of Redlands				
Redl.02	Church Street Drainage Pipe	Township 1 South Range 3 West	15	016705103 016705104
Redl.03	Judson Street Drainage Pipe	Township 1 South Range 3 West	13	029120111
Redl.04	Orange Street Drainage Dissipater	Township 1 South Range 3 West	15	029117109
Redl.05	Wabash Street Drainage Pipe	Township 1 South Range 3 West	13	029120117 016831108 016831109 029120118
Redl.09.1	Santa Ana River Trail	Township 1 South Range 3 West	9	016701111 029120117 029804717
Redl.09.2	Santa Ana River Trail River Crossing	Township 1 South Range 2 West	18	029711109
Redl.14	Alabama Street Improvements	Township 1 South Range 3 West	8	016701114 013638107 016701111 029026210
Redl.15	Orange Street Improvements	Township 1 South Range 3 West	15	029117109

Maintenance Projects (7)				
Unique ID	Project Name	Township / Range	Section	APN(s)
San Bernardino Valley Water Conservation District				
CD.01	Existing Recharge Basins and Access Roads	Township 1 South Range 2 West	8	029706103 016831106 029116101 029116105 029116107 029705101 029705105 029705106 029706103 029707102 029709101
CD.02	Conservation District Canal	Township 1 South Range 2 West	7	029705105 016831106 029116101 029116103

Maintenance Projects (7)				
Unique ID	Project Name	Township / Range	Section	APN(s)
				029116104 029116105 029116107 029705101 029705105 029705119 029706103 029706122 029706129
CD.07	New Access Roads for Spreading Basins (Maintenance Only)	Township 1 South Range 2 West	7	016831106 029115102 029115105 029116101 029701107 029705101 029705102 029705105 029705124 029707102 029707108
VD.01	Enhanced Recharge Spreading Basins (Maintenance Only)	Township 1 South Range 2 West	7	029705105 016831106 029705101 029705119 029705122 029706129 029707102
East Valley Water District				
EVWD.04	Spreading Basins	Township 1 South Range 2 West	7	029705105
EVWD.07	Pipe 125	Township 1 South Range 2 West	7	029705101
City of Redlands				
Redl.07	Redlands Aqueduct Tunnel	Township 1 South Range 2 West	8	029706134

Attachment 2

Projects Permitted under the CDFW 1600 Construction Application

New Construction Projects (11)				
Unique ID	Project Name	Township / Range	Section	APN(s)
San Bernardino Valley Water Conservation District				
CD.04	Greenspot Levee Removal	Township 1 South Range 2 West	8	029709102
CD.05	D-Dike Habitat Enhancement	Township 1 South Range 3 West	12	029116106
CD.12	District Conserved and District Managed Lands	Township 1 South Range 3 West	13	029116101 029120118 029707108 029711108 016831109 029711108
Miners (Robertson's Ready-Mix and Cemex, Inc.)				
CRM.01a	Aggregate Mining – Cemex, Inc.	Township 1 South Range 3 West	11	016701109 016701111 029027102 029027103 029111103 029111203 029112101 029112201 029113101 029114107 029114108 029114112 029114119 029115101 029116105
CRM.01b	Aggregate Mining – Robertson's Ready Mix	Township 1 South Range 3 West	11	029027102 029027107 029027108 029111103 029111111 029112101 029112202 029113101 029114101 029114104 029114107 029114108 029114109 029114110 029114112 029114114 029114116 029114117 029114118 029114119 029116105 029117201 029118116 029118117 029118119

New Construction Projects (11)				
Unique ID	Project Name	Township / Range	Section	APN(s)
CRM.02	Haul Road Expansion	Township 1 South Range 3 West	9	029026210 029026213 120132136 120132154
CRM.03a	Ongoing Mining Operations – Cemex, Inc.	Township 1 South Range 3 West	9	016701109 016701111 016701112 016701113 029026212 029027102 029027103 029027107 029111103 029111203 029112101 029112201 029112202 029112206 029113101 029114108 029114112 029114118
CRM.03b	Ongoing Mining Operations – Robertson's Ready Mix	Township 1 South Range 3 West	9	016701116 016701117 029026212 029026213 029027102 029027107 029027108 029111103 029111109 029111110 029111111 029111112 029112101 029112201 029112202 029112205 029112206 029114101 029114104 029114107 029114109 029114110 029114111 029114112 029114113 029114114 029114115 029114116 029114117 029114118 029114119 029118107 029118114 029118115 029118117 029118119

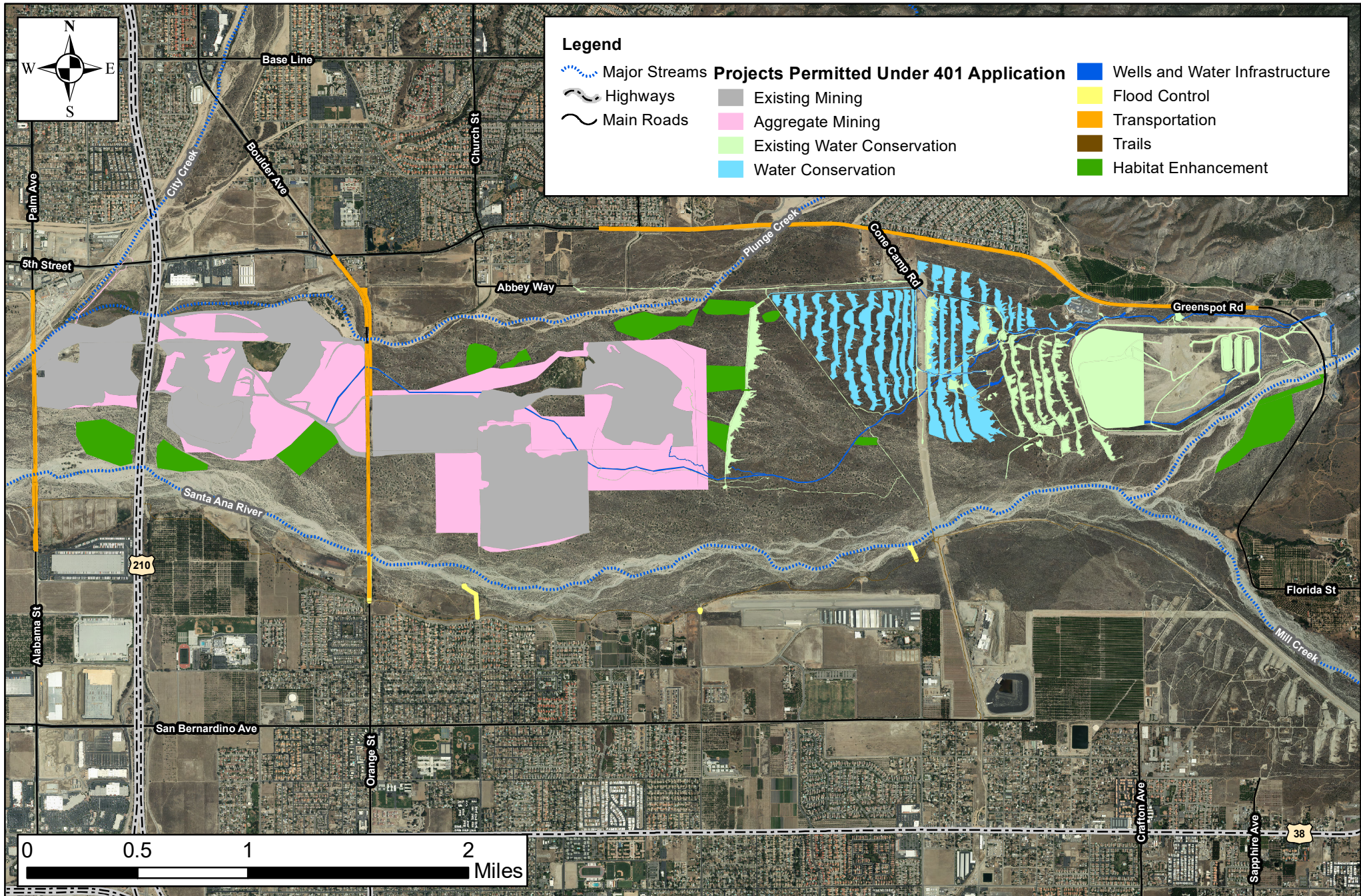
New Construction Projects (11)				
Unique ID	Project Name	Township / Range	Section	APN(s)
East Valley Water District				
EVWD.07	Pipe 125	Township 1 South Range 2 West	7	029705101
City of Highland				
High.02a	Orange Street Bridge Replacement	Township 1 South Range 3 West	10	029111110
City of Redlands				
Redl.07	Redlands Aqueduct Tunnel	Township 1 South Range 2 West	8	029706134

Attachment 3: Map of Projects Permitted Under the RWQCB 401 Application

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVMWD, CASIL, SBVMWD
GIS Contact: Katelyn Scholte
M:\Wash Plan\State Permitting
October 7, 2021

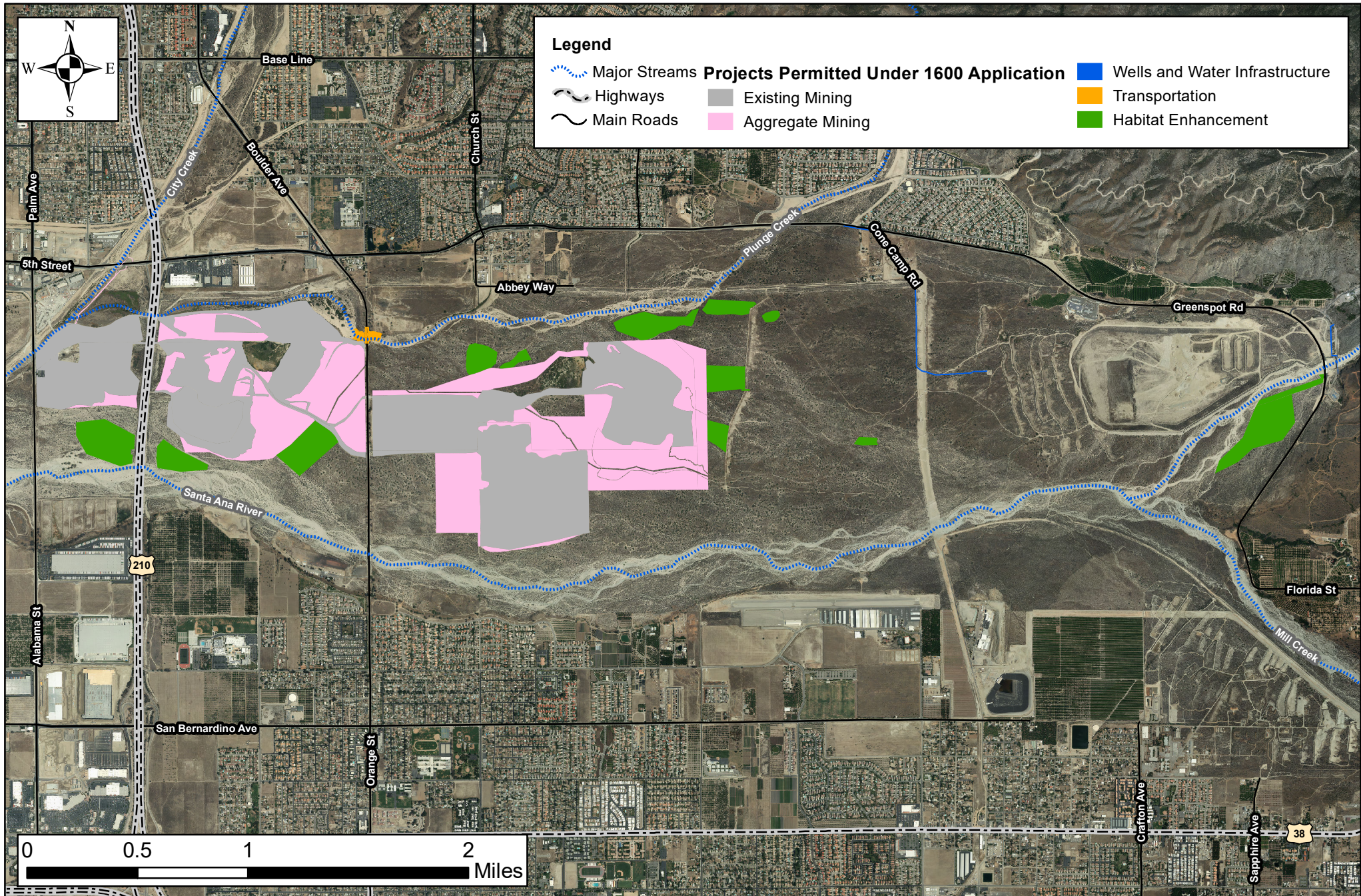


San Bernardino Valley
Water Conservation District
Helping Nature Store Our Water



Attachment 4: Map of Projects Permitted Under the CDFW 1600 Construction Application

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVMWD, CASIL, SBVMWD
GIS Contact: Katelyn Scholte
M:\Wash Plan\State Permitting
October 7, 2021





**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1808

To: Board of Directors

From: Daniel Cozad, General Manager

Date: October 13, 2021

Subject: ACWA General Session Voting Delegate

RECOMMENDATION

Consider appointing a director as the as the voting delegate for the ACWA Fall Conference General Session Meeting.

BACKGROUND

There will be a General Session Membership Meeting of the ACWA membership at the ACWA 2021 Fall Conference on December 1, 2021. At this meeting, there will be a vote on proposed amendments to bylaws recommended by the ACWA Board of Directors. In prior years the District has appointed one director to vote on the District's behalf.

Attached is a copy of the General Session Membership Meeting letter from ACWA with additional information on the membership voting process.

ATTACHMENTS OR MATERIALS

ACWA General Session Membership Meeting Memorandum
ACWA General Session Election Procedures for the Fall Conference

**BOARD OF
DIRECTORS**

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

**GENERAL
MANAGER**

Daniel B. Cozad

Via U.S. Mail and Electronic Mail

TO: ACWA Member Agency Board Presidents and General Managers

CC: ACWA Board of Director

FROM: Dave Eggerton, ACWA Executive Director

DATE: October 4, 2021

SUBJECT: Notice of General Session Membership Meeting — December 1, 2021

There will be a General Session Membership Meeting on **December 1, 2021, at 12:00 p.m.** The purpose of this meeting is to formally nominate and elect ACWA's President and Vice President for the 2022-2023 term. At its meeting on September 24, 2021, the ACWA Board of Directors approved procedures whereby ACWA members will be able to participate and vote in the upcoming membership meeting and election in person or virtually. These procedures are in accordance with California Corporations Code Sections 20, 21, 5079 and subsections (a) and (f) of Section 7510, as well as Article 9 of ACWA's Bylaws. The in-person meeting will be held in Ballroom D-H of the Pasadena Convention Center. Virtual voting delegates will participate via Zoom. Staff will provide the Zoom access information to the virtual voting delegates upon receipt of the Voter Designation & Information Form and the member agency's Consent to Electronic Transmissions, Meetings & Voting Form. Members who wish to attend the membership meeting virtually as a non-voting participant can obtain the registration link by contacting Clerk of the Board Donna Pangborn at donnap@acwa.com or 916-441-4545 to confirm their member agency has submitted the requisite Consent to Electronic Transmissions, Meetings & Voting Form.

Election/Voting Process

The ACWA Nominating Committee has announced a 2022-2023 slate that recommends current **Vice President Pamela Tobin for ACWA President** and current **Region 10 Vice Chair Cathy Green for ACWA Vice President**. The Nominating Committee's 2022-2023 slate will be presented for the members' consideration and vote at the membership meeting on December 1.

As provided by ACWA's Bylaws (Article 9, Section 9) nominations from the floor will be accepted prior to the vote on the Nominating Committee's slate. The Bylaws require that floor nominations and seconds be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves must submit a resolution of support if they are not the agency making the floor nomination or second. The resolutions to facilitate floor nominations must be submitted to the Clerk of the Board Donna Pangborn at donnap@acwa.com by **COB Wednesday, November 24, 2021**.

➤ **See attachment for detailed Membership Meeting & Election Procedures.**

ACWA will be using a voting system called Live-Tally, which will allow voters to vote using a handheld keypad OR online keypad (which can be accessed through any modern web browser on a computer, tablet or smart phone). **Voters must be present at the membership meeting, either in person or virtually, to vote.**

Consistent with ACWA's Bylaws, Article 9, Section 5, "each member of the Association shall be entitled to one vote that shall be cast by its authorized representative."

- Member agencies must indicate their voting representative and alternate on the attached Voter Designation & Information Form.
- Member agencies must indicate if their voting representative/alternate is attending in person or virtually as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

Members who desire to participate in the membership meeting virtually and vote electronically are required to sign and return the attached Consent to Electronic Transmissions, Meetings & Voting Form by November 24, 2021, consistent with the California Corporations Code.

Deadline & Changes

The deadline for submitting the Voter Designation & Information Form is **Wednesday, November 24, 2021**. While this form identifies both a voting delegate and an alternate voting delegate for the ACWA member agency, if for any reason the member agency desires for the alternate voting delegate to vote at the election in place of its designated voting delegate, the member agency must notify ACWA in advance of its exchange of voting delegates by contacting the Clerk of the Board Donna Pangborn at donnap@acwa.com or 916-441-4545 **no later than Monday, November 29, 2021**. Staff will then provide the member agency's alternate voter with the Zoom and Live-Tally access/participant information if the voter is participating virtually.

ACWA General Session Desk

ACWA staff will be available at the **ACWA General Session Desk**, located in the Ballroom Lobby of the Pasadena Convention Center, on **Wednesday, December 1**, between **9:00 a.m. and 11:45 a.m.** to answer questions about the membership meeting and election process.

In-person voters need to check in at the ACWA General Session Desk on Wednesday, December 1, between 10:30 and 11:45 a.m. to pick up handheld keypads.

If you have any questions regarding this process, please contact Clerk of the Board Donna Pangborn at 916-441-4545 or donnap@acwa.com.

dgp

Attachments:

1. Membership Meeting & Election Procedures
2. Voter Designation & Information Form
3. Consent to Electronic Transmission, Meetings & Voting Form

The following information is provided to inform the ACWA member agency voting delegates of the meeting and election procedures to be used in the upcoming General Session Membership Meeting scheduled for December 1, 2021 at 12:00 p.m. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2022-2023 term. The in-person meeting will be held in Ballroom D-H of the Pasadena Convention Center. Virtual voting delegates will participate via Zoom. Staff will provide the Zoom access information to the virtual voting delegates upon receipt of the Voter Designation & Information Form and the member agency's Consent to Electronic Transmissions, Meetings & Voting Form. Members who wish to attend the membership meeting virtually as a non-voting participant can obtain the registration link by contacting Clerk of the Board Donna Pangborn at donnapp@acwa.com or 916-441-4545 to confirm their member agency has submitted the requisite Consent to Electronic Transmissions, Meetings & Voting Form.

ELECTION / VOTING PROCESS

ACWA will be using a voting system called Live-Tally, which will allow voters to vote either in person using a handheld keypad OR virtually through an online keypad (which uses any modern web browser on a computer, tablet or smart phone). **Voters must be present at the membership meeting, either in person or virtually, to vote.**

Consistent with ACWA's Bylaws, Article 9, Section 5, "each member of the Association shall be entitled to one vote that shall be cast by its authorized representative."

- Member agencies must indicate their voting representative and alternate on the Voter Designation & Information Form.
- Member agencies must indicate if their voting representative/alternate is attending in person or virtually as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

Members who desire to participate in the membership meeting virtually and vote electronically are required to sign and return the Consent to Electronic Transmissions, Meetings & Voting Form by November 24, 2021, consistent with the California Corporations Code.

VIRTUAL ATTENDEES

Virtual attendees need to take the following steps after the member agency has completed and returned the Voter Designation & Information Form and requisite Consent to Electronic Transmissions, Meetings & Voting Form.

1. Voting delegates need to **save the Zoom access/login information** ACWA staff will provide to you. Save the information for the day of the meeting. **Use that information to login to the virtual meeting**, which is how ACWA will identify you as a participant.
2. Voting delegates need to **save the Live-Tally Participant ID information** ACWA staff will provide to you, which is how Live-Tally will identify you as the member agency voter.

IN-PERSON ATTENDEES

In-person attendees need to take the following steps after completing and returning the Voter Designation & Information Form:

1. Check in at the ACWA General Session Desk, located in the Ballroom Lobby of the Pasadena Convention Center, on **Wednesday, December 1**, between **10:30 and 11:45 a.m.** to pick up handheld keypads.
2. Voting delegates **must be present to vote** and **MUST** have the handheld keypad prior to the start of the membership meeting.

DEADLINE & CHANGES

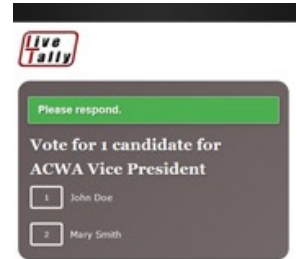
The deadline for submitting the **Voter Designation & Information Form** is Wednesday, **November 24, 2021**. If there is any change of your agency's voting delegate with its designated alternate, you must contact ACWA's Clerk of the Board Donna Pangborn at donnapp@acwa.com or 916-441-4545 no later than Monday, November 29, 2021. Staff will provide the alternate voter with the Zoom and Live-Tally access/participant information if the voter is participating virtually.

1. The General Session Membership Meeting will be called to order at 12:00 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.
2. An overview of the Zoom platform will be provided, including demonstration of how the virtual meeting participants can interact throughout the meeting.
3. An overview of the Live-Tally voting system will be provided and a test vote will be conducted.
4. Legal Affairs Committee Chair Jennifer Buckman will provide an overview of the agenda and election procedures.
5. Nominating Committee Chair Brent Hastey will present the Committee's report and announce the candidate for ACWA President.
6. President Steven LaMar will call for floor nominations for ACWA President.
7. If there are no floor nominations for ACWA President, the election will proceed. President LaMar will close the nominations and delegates will vote following motion/second to elect the Nominating Committee's recommendation using Live-Tally.
8. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating that floor nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.
 - a. **Resolutions to facilitate floor nominations must be submitted to the Clerk of the Board Donna Pangborn at donnap@acwa.com by COB Wednesday, November 24, 2021.**
 - b. Candidates will be given three minutes to address the membership.
 - c. Staff will create a ballot in the Live-Tally system and then display for the voters' action.
 - d. Voting delegates will vote on one (1) candidate of the candidate options displayed on the screen using the handheld OR online keypad in the Live-Tally voting system. Results will be displayed in real time.
 - e. President LaMar will announce the results of the vote.
9. Nominating Committee Chair Brent Hastey will announce the candidate for ACWA Vice President.
10. President Steven LaMar will call for floor nominations for ACWA Vice President.
11. If there are no floor nominations for ACWA Vice President, the election will proceed. President LaMar will close the nominations and delegates will vote following motion/second to elect the Nominating Committee's recommendation using Live-Tally.
12. If there are floor nominations for ACWA Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.e.
13. The ACWA Board of Directors appointed LAC Chair Jennifer Buckman to serve as an election inspector to resolve any challenges or questions in connection with the election consistent with California Corporations Code 7614.

California Corporations Code requires ACWA to maintain a voting record of its membership meetings.

When the members are ready to vote, the President will announce that it is time to vote (instructions will appear on the projection screen).

- **How do I submit my vote?** Press 1, 2, or 3 to cast your vote; then press SEND.
- **What happens if I make a mistake?** Re-submit your vote by pressing 1, 2, or 3 and send before the voting window ends.
- **What if I arrive late?** Your vote will be cast from the time you arrive at the meeting; prior to that your vote will register as "absent."
- **What happens if I am out of the room or have to leave early?** Your vote will be recorded as "absent" for that vote.



Test voting will be conducted at the beginning of the Membership Meeting.



VIRTUAL VOTING

Each voting delegate will be provided access to voting through Live-Tally's voting system. If you are attending the meeting virtually, follow the instructions listed below.

1. Use any modern web browser on a computer, tablet or smart phone to navigate to <https://MyBallot.app>
2. Enter the meeting ID "ACWA" and click the "Connect" button.
3. When prompted, enter the specific voting participant ID that was provided to you.
4. Voting questions will appear on this "virtual keypad" as they are presented.
 - Simply click the numbered button that corresponds to your choice.
 - **To change your vote**, make a different selection before the voting window ends.
5. Hit refresh if your browser or virtual keypad goes to "sleep."



IN-PERSON VOTING

If you are attending the meeting in person, you will be given a handheld keypad. Each handheld keypad is numbered on the back, and that number will be assigned to you as you check in at the ACWA General Session Desk on **Wednesday, December 1 between 10:30 and 11:45 a.m.**

- **Check your device to make sure that it is working properly.** Press any button and it will light up. All devices were tested prior to the meeting.
- **If it does not light up.** Take it back to the ACWA General Session Desk and ask for another keypad and make sure that they make a note of the numeric change.



Return your keypad to the ACWA General Session Desk.

To: Donna Pangborn, Clerk of the Board

Email: donnap@acwa.com

Fax: 916-669-2425

The person designated below will be attending the ACWA General Session Membership Meeting(s) on Wednesday, December 1, 2021 (and December 2, 2021 if necessary) as our voting delegate. Please designate an alternate voting delegate to facilitate any change to your voting representation at the meeting. To change your alternate, however, you must notify Donna Pangborn of the change no later than COB Monday, November 29, 2021.

Member Agency's Name

Agency's Phone No.

Print Member Agency's Authorized Signatory Name

Authorized Signatory Signature

☐ **I have signed and returned the Consent to Electronic Transmission, Meetings & Voting Form.**

Voting Delegate's Name	How Will Delegate Attend? ☐ Will attend the meeting in person in Pasadena. ☐ Will attend the meeting virtually.
Voting Delegate's Email	Voting Delegates' Phone No.
Alternate Voting Delegate's Name	How Will Alternate Delegate Attend? ☐ Will attend the meeting in person in Pasadena. ☐ Will attend the meeting virtually.
Alternate Voting Delegate's Email	Alternate Voting Delegates' Phone No.
Voting Delegate's Affiliation (if different from assigning agency)*	Date

*If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above.

In accordance with California Corporations Code Sections 20, 21, 5079 and subsections (a) and (f) of Section 7510, and Article 9 of the Bylaws of the Association of California Water Agencies, a California nonprofit mutual benefit corporation ("ACWA"), the undersigned member of ACWA (the "Member") hereby consents and agrees as follows:

1. ACWA may send meeting notices, annual reports, and all other materials to the Member by (a) electronic transmission to the Member's facsimile number or email address; (b) posting on an electronic message board or network which ACWA has designated for those communications, together with separate notice to the Member of the posting; or (c) other means of electronic communication. The Member's initial facsimile number and email address for receiving such notices, annual reports and other materials are listed below.
2. ACWA may conduct meetings of the members by electronic transmission or electronic video screen communication; provided, however, that if fewer than all members of ACWA consent to conduct such meetings by electronic transmission or electronic video screen communication, then such meetings shall be held at a physical location, and the authorized representative(s) of any member that has so consented (and not withdrawn its consent) may participate in such meetings by electronic transmission or electronic video screen communication, be deemed present in person and vote at such meetings.
3. ACWA may rely on communications sent by the Member to ACWA by (a) electronic transmission from the Member's facsimile number or email address; (b) posting on an electronic message board or network which ACWA has designated for those communications; or (c) other means of electronic communication. ACWA may reasonably conclude that the Member is the sender of any electronic transmission that (i) is received from such facsimile number or email address or (ii) is submitted by an authorized representative of the Member with valid registration/login credentials.
4. ACWA may rely on electronic votes (including votes to approve or reject actions) submitted by an authorized representative of the Member to ACWA during meetings conducted in whole or in part by electronic transmission or electronic video screen communication. ACWA may reasonably conclude that the authorized representative of the Member is the sender of any electronic votes submitted pursuant to such authorized representative's meeting participant ID. The Member's initial authorized representative(s) is listed below.

ACWA shall maintain paper records of all communications sent by ACWA to the members and all votes or actions taken at any member meeting. The Member may (i) access such records at ACWA's headquarters during normal business hours or (ii) request in writing for ACWA to send copies of such records to the Member via U.S. Mail or email.

This consent shall remain in full force and effect until the Member revokes it in writing and so notifies ACWA.

Print Member Name	Print Representative Name	
Representative Title	Representative Signature	Date
Please provide the facsimile number and email address to which the Member authorizes ACWA to send the electronic communications described above. The Member may change its designated facsimile number and email address at any time by written notice to ACWA.	Please provide the name of the Member's initial authorized representative(s) who will participate in and vote in connection with member meetings. The Member may change its authorized representative(s) at any time by written notice to ACWA.	
Facsimile Number	Authorized Representative No. 1	
Email	Authorized Representative No. 2	



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1809

To: Board of Directors

From: David B. Cosgrove, General Counsel

Date: October 13, 2021

Subject: AB 361 and Remote Meetings--Legislative Update

RECOMMENDATION

Staff recommends the Board receive the update on changes to the procedures under which remote meetings may be conducted, as enacted by A.B. 361, and consider adopting Resolution No. 592 making findings that will allow the District to conduct remote meetings, without compliance with otherwise applicable Brown Act teleconferencing requirements, for a period of thirty (30) days.

BACKGROUND AND LEGISLATIVE UPDATE

Governor Newsome signed A.B. 361 on September 16, 2021, an urgency measure allowing for limited continuance of remote meetings under circumstances of a proclaimed state of emergency without full compliance with Brown Act requirements for teleconferencing, which were suspended by Executive Orders during the COVID-19 pandemic. By his Executive Order N-15-21, the effective date of the legislation was extended to October 1, 2021¹.

To explain, under traditional Brown Act requirements, remote teleconference participation is subject to the following limits:

- A) A quorum of the legislative body must be present within the District's boundaries;
- B) The meeting and all teleconferencing locations must be accessible to the public;
- C) The address of all teleconferencing locations must be included on the agenda;
- D) The agenda must be posted at each teleconferencing location; and
- E) Public participation must be allowed at the main meeting site, and all teleconferencing locations.

A.B. 361 changes this, and permits remote meetings to proceed without full compliance with these measures, under the following circumstances:

- 1) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing;

¹ . The District has the capacity to conduct in-person meetings under heightened COVID-19 safety precautions, which it is following for this meeting, and as such, District staff did not request a special meeting before the effective date of the legislation. This meeting is therefore being conducted in a 'hybrid' fashion, with both in-person and remote participation options for the public.

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
David E. Raley

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

2) The legislative body holds a meeting during the proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or

3) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that as a result of the emergency, meeting in person would present imminent risks to the health and safety of attendees. (Gov't. Code sec. 54953(e)(1)(A)-(C).) If any of the above conditions are met, the legislative body can so find by way of resolution, but qualifying findings for the continued need for remote meetings must be made every 30 days. (Gov't. Code sec. 54953(e)(3).)

These new circumstances were born of the COVID-19 pandemic but are not limited to it. The “proclaimed state of emergency” means any emergency proclaimed under Government Code section 8625, and can include fire, flood, storm, earthquake, etc.

Assuming the appropriate conditions and findings are met, A.B. 361 changes the traditional Brown Act teleconferencing requirements. A quorum of the Board members need not be within the District boundaries for a meeting. Agenda posting requirements are only those of an in-person meeting, but the agenda must identify and include an option for anyone to attend via a call-in, or internet-based, remote participation vehicle. The District must allow the public to access the meeting through such vehicles, but need not require public attendance at each teleconferencing location. The remote participation vehicle is all that is needed for public comment; there would be no need to allow public participants to comment from each teleconferencing location.

There are new requirements on remote public participation, however. Agendas must reflect the manner that remote participation is possible, and public members must be able to address the District Board in real time, as public participation comes up on the agenda, and per the District’s practice of allowing public comment on each individual agenda item, at the time each such item is called. If the remote participation vehicle somehow fails, the District Board cannot take action on any item still pending, until the ability of the public to participate remotely is restored.

PROPOSED ACTION.

Here, Staff believes the conditions do exist for qualifying for remote meetings under A.B. 361, and a resolution has been prepared, and is now presented, stating the appropriate findings. We remain within an emergency state with respect to COVID-19, particularly given the impact of the highly contagious Delta variant. As of September 28, 2021, the San Bernardino County Public Health Administration has reported 339,458 confirmed cases of COVID-19, resulting in 5,030 deaths. Statewide, the total cases were 4,476,388, and deaths totaled 68,387. That same agency has recommended social distancing measures to prevent the spread of the infectious virus. The California State Public Health Department, in its guidance of July 28, 2021, urges universal masking indoors, particularly for persons who are unvaccinated.

Given this, the District board may find, pursuant to Government Code section 54953(e) (1) (A) and (B), that an emergency situation continues to exist, and that in-person meetings would present imminent risks to the safety of attendees. A resolution stating such findings, and their bases, is presented herewith.

Should the board opt to pass this resolution, the relaxed Brown Act standards resulting would remain effective for only 30 days, after which the findings would need to be renewed, or new qualifying findings be made. A.B. 361 offers no ongoing mechanism for relaxed teleconferencing requirements, without making qualifying findings for every 30-day interval.

FISCAL IMPACT

Apart from minor technology purchases to enhance the District's remote meeting capabilities, which staff has already made under discretionary spending limits, none.

POTENTIAL ACTIONS

1. Consider and pass Resolution No. 592, authorizing remote meetings for a period of 30 days.
2. Continue to conduct District Board meetings in person, with remote access for the public as permitted by law.
3. Revert to fully in-person meetings, as the District traditionally has done.

RESOLUTION NO. 592

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT REGARDING A STATE OF EMERGENCY AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE DISTRICT'S BOARD OF DIRECTORS FOR THE THIRTY DAY PERIOD BEGINNING OCTOBER 13, 2021, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the San Bernardino Valley Water Conservation District ("District") is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District's Board of Directors are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code secs. 54950 et seq.), so that any member of the public may attend, participate, and watch the District's Board conduct its business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency exists caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, the District remains in an emergency state with respect to COVID-19, particularly given the impact of the highly contagious Delta variant. As of September 28, 2021, the San Bernardino County Public Health Administration has reported 339,458 confirmed cases of COVID-19, resulting in 5,030 deaths. Statewide, the total cases were 4,476,388, and deaths totaled 68,387. That same agency has recommended social distancing measures to prevent the spread of the infectious virus. The California State Public Health Department, in its guidance of July 28, 2021 urges universal masking indoors, particularly for persons who are unvaccinated; and

WHEREAS, the Board of Directors does hereby find that ongoing threats of infection from COVID-19, particularly given the complicating factors of the highly contagious Delta variant, and the impact of it and all other COVID-19 virus strains upon segments of the population, especially the unvaccinated, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District; and

WHEREAS, as a consequence of the emergency, the Board of Directors does hereby find that it shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that the District shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District is making its meetings open and accessible to the public through Zoom telephonic and internet-based remote participation vehicles, and in the conduct of its meetings, will comply with the restrictions upon same set out in the newly-enacted A.B. 361, and its amendments to Government Code section 54953;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby finds that a local emergency now exists throughout the District in connection with COVID-19 and its continuing risk of infection transmission, particularly in indoor spaces among unvaccinated persons; and

Section 3. Remote Teleconference Meetings. The staff and General Manager of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution,

including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of November 12, 2021, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

.
PASSED AND ADOPTED by the Board of Directors of the San Bernardino Valley Water Conservation District this 13th day of October 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1810

To: Board of Directors

From: Daniel B. Cozad General Manager and David B. Cosgrove, General Counsel

Date: October 13, 2021

Subject: District Realignment of Divisions Approach, and Legislative Update

RECOMMENDATION

Staff recommends the Board receive the update on legislation and review, discuss, provide any feedback on the redistricting approach for realignment of the divisions based on the 2020 census.

BACKGROUND AND LEGISLATIVE UPDATE

Staff gave an overview presentation at the September Board meeting regarding the legal requirements, and timing, for the realignment of the voting division boundaries for the District.

To recap, Elections Code section 22000 requires the District, after each decennial census, and using that census as a basis, to adjust the boundaries of any component divisions so that the divisions are, as far as practicable, equal in population and in accord with requirements of 52 U.S.C. Section 10301. That section prohibits any voting qualification, prerequisite, standard, practice, or procedure which results in the denial or abridgement of the right to vote, based on race or color.

Effectively, this means that the District must review and analyze any demographic changes in population indicated by the 2020 census, and redraw its division boundaries in such a way as to evenly distribute its population (generally, variances under five (5%) percent are permissible), and to assure that standards of the Federal And California Voting Rights Act are not violated.

As the Board is aware, our divisions were last drawn in connection with the passage of Senate Bill 235 in 2011, reducing the number of divisions of the District from seven (7) to five (5). This was accomplished by way of Resolution No. 481, passed in September, 2012. We now must reanalyze those boundaries, in light of any demographic changes indicated by the 2020 census.

The release of the 2020 census data was delayed due to impacts of the COVID-19 pandemic. At the State level, this resulted in the need for Supreme Court intervention, due to statutory deadlines for the circulation and display of preliminary maps, (*See*, Government Code section 8253; *Legislature of the State of California v. Padilla* (2020) 9 Cal. 5th 867.) For special districts such as ours, the deadlines differ, and

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BOARD OF DIRECTORS

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

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Daniel B. Cozad

call for a period of no less than one hundred eighty days between adjustment of any division boundary, and the regular election date. (Elections Code sec. 22000(d).) The next regularly scheduled election for our District is November 8, 2022, and 180 days preceding that is May 12, 2022 (practically May 11, 2022, given the Board's regular meeting schedule).

That said, recently passed legislation has accelerated that date, to make sure redistricting is complete in time for the June 2022 primary. SB 594 (Glazer) was signed by the Governor on September 27, 2021, as an urgency measure, and requires any resolution adjusting boundaries to be passed on or before April 17, 2022. Given our regular Board meeting schedule, our practical resolution deadline would be April 13, 2022. Elections Code section 22001 also mandates at least one (1) public hearing on proposed boundaries before the public hearing at which they are drawn, which means that any mapping for adjusted boundaries would have to be complete and available for public comment by the regular meeting presently scheduled for March 9, 2022.

REDISTRICTING APPROACH

Staff is working to meet the schedule described above. Staff has begun preparation for the analysis and redrawing of division boundaries. Because Staff does not anticipate major demographic shifts from the last census, and because the criteria for divisions have not materially changed,¹ staff believes it will be able to conduct the analysis, and the drawing of maps for consideration, in-house. The existing five District Division boundaries are shown on the figure attached to this memo.

Several approaches can be taken to adjust division boundaries to meet the Elections Code and the Voting Rights Act requirements. Staff also took note of the additional criteria suggestions and recommendations made by the Board at its September meeting. While obviously statutory criteria will take precedence, Staff requests Directors review the potential criteria below and provide feedback on options and balancing the factors relevant to drawing of division boundaries. These include:

- Population Distribution

¹ The same cannot be said for counties and cities. AB 849, effective January 1, 2020, set substantial additional hearing requirements, and substantive additional requirements on the way districts were drawn, for such entities. Under that legislation, supervisorial and city council district boundaries must be drawn per the following criteria:

(1) To the extent practicable, council districts shall be geographically contiguous. Areas that meet only at the points of adjoining corners are not contiguous. Areas that are separated by water and not connected by a bridge, tunnel, or regular ferry service are not contiguous.

(2) To the extent practicable, the geographic integrity of any local neighborhood or local community of interest shall be respected in a manner that minimizes its division. A "community of interest" is a population that shares common social or economic interests that should be included within a single district for purposes of its effective and fair representation. Communities of interest do not include relationships with political parties, incumbents, or political candidates.

(3) Council district boundaries should be easily identifiable and understandable by residents. To the extent practicable, council districts shall be bounded by natural and artificial barriers, by streets, or by the boundaries of the city.

(4) To the extent practicable, and where it does not conflict with the preceding criteria in this subdivision, council districts shall be drawn to encourage geographical compactness in a manner that nearby areas of population are not bypassed in favor of more distant populations.

(See generally, Elections Code secs. 21500(c), 21601(c).)

Here, staff intends to be conscious of these new criteria in drawing our updated boundaries as well.

- Topography
- Geography
- Cohesiveness, contiguity, integrity, and compactness of territory
- Communities of interests
- Continuity with existing Divisions
- Director feedback on community factors
- Zip Code boundaries
- Known boundaries and major roads
- Avoidance of Racially Disproportionate Voting
- Other issues

Next Steps, Review and Selection

Staff and the General Manager will make themselves available to Directors who wish to provide any feedback on balancing these factors, in proposing new division boundary maps. Staff will review the demographic information from the census and intends to develop three to five scenarios that comply with the legal requirements for redistricting and comport with other feedback received. These will be developed and reviewed with the Board for review and refinement at a future Board workshop. Once feedback is received staff will finalize the scenario or scenarios for public hearing and selection by the Board in accordance with the applicable Government Code requirements.

The Board must adopt by a majority vote, a resolution containing a map and description of the boundaries for the five division boundaries. (See, Elections Code section 22000(b).) The District must conduct two public hearings before adopting new division boundaries, per Elections Code section 22001.

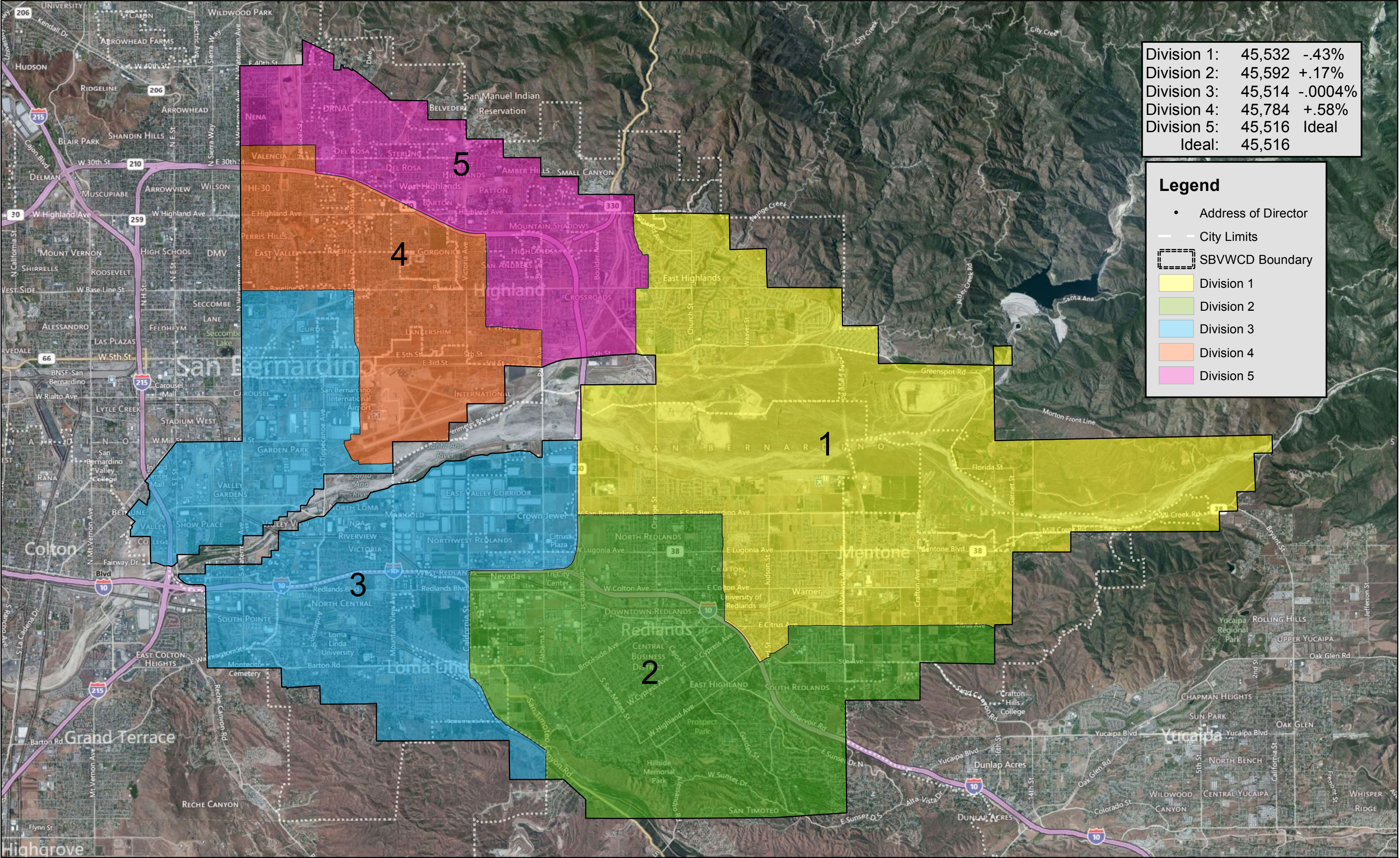
FISCAL IMPACT

As staff believes the demographic analyses can be performed in house, there is limited fiscal impact expected. There may be minor costs for data and software within the budget and under the General Managers delegated authority.

ATTACHMENT

District Division Boundary Map

San Bernardino Valley Water Conservation District Division Boundaries



Wash Plan Trails Project Summary & Status Report

October 2021



Project Management Approach / Work Plan

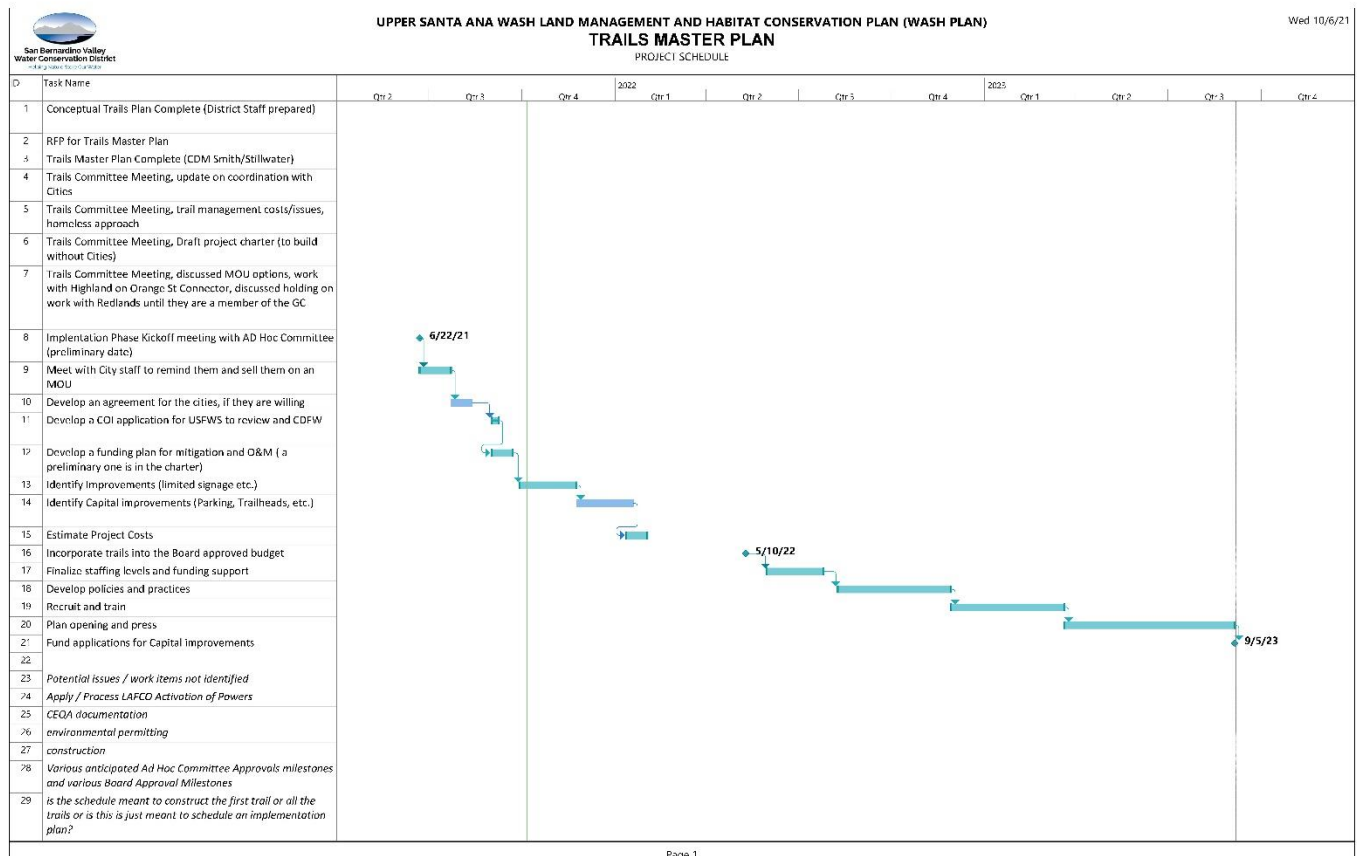
- Develop/obtain support from Cities on trails MOU
- Complete trail permitting, including 1) Wash Plan HCP Certificate of Inclusion and 2) State/waters permits
- Install signs/fencing
- Open trail(s) that do not require ancillary facilities such as trailheads or parking lots
- Obtain grant funding for ancillary trail facilities such as trailheads and parking lots
- Bid construction of/build ancillary trail facilities



Current Status

City of Highland provided comments on the draft Trails MOU on September 27, 2021, and District and Highland staff will meet on October 7, 2021, to discuss the desired edits with the goal to moving towards an adopted MOU. On September 24, 2021, the City of Redlands notified the District that they intend to consider the trails MOU as part of their strategic plan to be completed in 2022.

Project Schedule





San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

ARTP Status Report No.8

To: Partnership Agreement Policy Committee

From: Erwin Fogerson, Senior Engineer/Project Manager

Date: October 11, 2021

Subject: Active Recharge Project Status Report

BACKGROUND

The boards of the San Bernardino Valley Water Conservation District (Conservation District) and San Bernardino Valley Municipal Water District (Valley District) have agreed to draw from the best of both districts to promote a brighter future for groundwater storage and protection of threatened species in the region. This collaborative effort has been realized through the execution of the Partnership Agreement for Active Recharge Project Development under the Upper Santa Ana River Habitat Conservation Plan (Agreement).

The Agreement includes the requirement for the formation of a Partnership Agreement Policy Committee to review and advise the Conservation District staff on a number of items covered in the Agreement. The committee is to meet quarterly throughout the duration of the development of Active Recharge Transfer Projects. Major items of work in the partnership include:

- The Conservation District will provide up to 295 acres of conservation easements to the San Bernardino Valley Conservation Trust, to help offset the environmental impacts of active recharge projects being undertaken to enhance groundwater recharge and storage.
- Valley District will provide funding to the Conservation District for building new recharge projects for each acre of conservation easement the Conservation District transfers to the trust.
- Valley District will fund a permanent endowment with the Conservation Trust to support the management of habitat mitigation land.
- Valley District will transfer to the Conservation District the implementation, management, and eventual ownership of the following tentative list of proposed Active Recharge Projects:
 1. Mill Creek Diversion (expansion, construction, and operations)
 2. Plunge Creek Basins 1 (construction and operations)
 3. Plunge Creek Basins 2 (construction and operations)
 4. City Creek Basins (construction and operations)
 5. Waterman Percolation Basins (reconstruction and maintenance)
 6. East Twin Creek Basin (repairs and maintenance)

- The Conservation District will develop plans, specifications, estimates and bid packages (Construction Package) on planned projects and submit to the Committee for review and concurrence.
- Valley District will draft, and process all required permits and any items of work required under NEPA or CEQA including Water Rights.

This status report is a summary of work completed to date on these major items and provides a look ahead to the planned work in the upcoming quarter.

PROGRAM UPDATE

Conservation Easement (CE) Payment Obligation

The agreement requires payment of 50% of the funds for the CE at completion of the Due Diligence which was paid on June 20, 2019. The remainder is paid when obligated by commitment or by January 8, 2022.

The total paid to date is \$18,437,500. As of this report, the threshold for additional payment has not been reached.

Conservation Easement Usage Status (295 Acres initially set aside)

Covered Activity (project)	Implementing Agency	Easement Area required (ac)	Easement recordation date	Remaining Available Acreage
				295

Program Management

The following items of work have been performed:

1. A Program Management Plan to guide the long-term implementation of the program has been developed and updated to reflect the current project schedule and procurement approach.
2. A planning level Memo of Understanding (MOU) has been developed and adopted by SBVWCD and SBFCFCD and work is underway. Monthly meetings have been regularly held to keep the coordination and approval processes moving forward.
3. A Request for Qualifications (RFQ) process has been completed to develop a list of qualified consultants to use for proposal requests. A summary matrix of the fourteen consulting firms based on category and type of work for which they are qualified.
4. A Request for Proposals (RFP) has been issued for Waterman / Twin and Lynwood facilities and proposals received.
5. An RFP for Mill Creek and City Creek will be issued this month.
6. A separate RFP for Plunge Creek and Oak Creek will also be issued this month.
7. A bi-monthly coordination meeting with SBCFCD was held.

Active Recharge Transfer Projects (as listed in the Agreement) PS&E Status

Project Name	Project Priority	Current Plan Phase	CEQA Status	Required Agreements / Permits w/ status	Construction Target date	Recent Activity
Mill Creek Diversion	3	Concept	Not started	ACOE – Not started SBCFCD – Not Started	Not determined	GIS Conceptual level design concept completed for downstream basins. Preliminary design now part of the scope in the RFP.
Plunge Creek Basin 1 &2 (now Plunge Creek Quarry Basins)	1	Preliminary Design	Not started	RRM – Initiated Concept Level Discussion SBCFCD – Initiated through MOU	Not determined	Alternative location and layout completed and labeled ‘Former Plunge Creek Silt Pond Quarry Basin’. Coordination for plan is on-going. Preliminary design completed and included in RFP.
City Creek	2	Concept	Not started	SBCFCD – Initiated through MOU	Not determined	GIS Conceptual level design concept completed for downstream basins. Preliminary design now part of the scope in the RFP.
Waterman Spreading Grounds	2	Preliminary Design	Not started	SBCFCD - Initiated through MOU	Not determined	Preliminary Design Plans completed. RFP for Feasibility Report support services issued, and proposals received.
Twin Creek	1	Preliminary Design	Not started	SBCFCD – Initiated through MOU	Not determined	Preliminary Design Plans completed. RFP for Feasibility Report support services issued, and proposals received.

Additional Active Recharge Transfer Projects (not listed in the Agreement) Status

Project Name	Project Priority	Current Plan Phase	CEQA Status	Required Agreements / Permits w/ status	Construction Target date	Recent Activity
Oak Creek Basin	1	Preliminary Design		SBVMWD – Initiated SBCFCD – Initiated through MOU	Not determined	Preliminary Plans completed and included in RFP.
Lynwood Basins	1	Preliminary Design		none	Not determined	Preliminary Design Plans completed. RFP for Feasibility Report support services issued, and proposals received.

“Next Steps” - Planned Work upcoming Quarter

Project	Planned Activity
Mill Creek Diversion	Issue RFP for Feasibility Study support services including preliminary design
Plunge Creek Quarry Basins	Issue RFP for Feasibility Study support services. Submit preliminary concept of diversion to City of Highland to analyze potential impacts to future bridge project.
City Creek	Issue RFP for Feasibility Study support services including preliminary design
Waterman Spreading Grounds	Award contract for Feasibility Study support services and identify locations for geotechnical work so that permitting can be started.
Twin Creek	Award contract for Feasibility Study support services and identify locations for geotechnical work so that permitting can be started.
Oak Creek Diversion	Issue RFP for Feasibility Study support services. Meet with City of Highland to discuss proposed design alternatives.
Lynwood Basins	Award contract for Feasibility Study support services and identify locations for geotechnical work so that permitting can be started.

EXHIBITS

1. Status Report PowerPoint Presentation

ARTP Project Overview

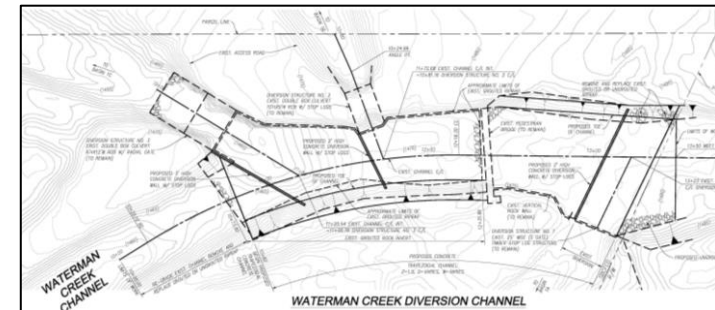
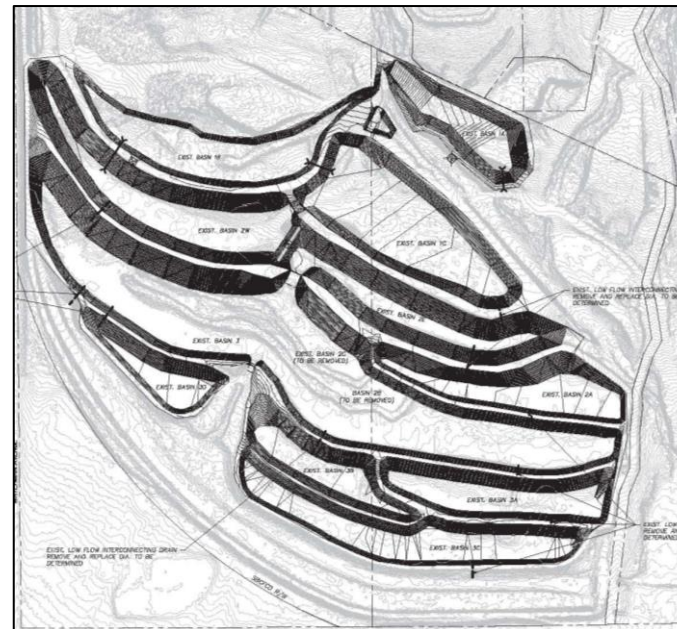
November 13, 2021

Purpose of ARTP

- Key component of Partnership Agreement with San Bernardino Valley Municipal Water District (SBVMWD) & SBWCD Joint Development Agreement
- SBWCD is responsible for development of projects on several tributaries including:
 - Mill Creek
 - Plunge Creek/ Oak Creek
 - City Creek
 - East Twin Creek/ Lynwood Basins
 - Waterman Creek
- Projects will expand available recharge facilities
- Projects Benefits
 - Flood Control
 - Water Conservation (Recharge)
 - Community benefits

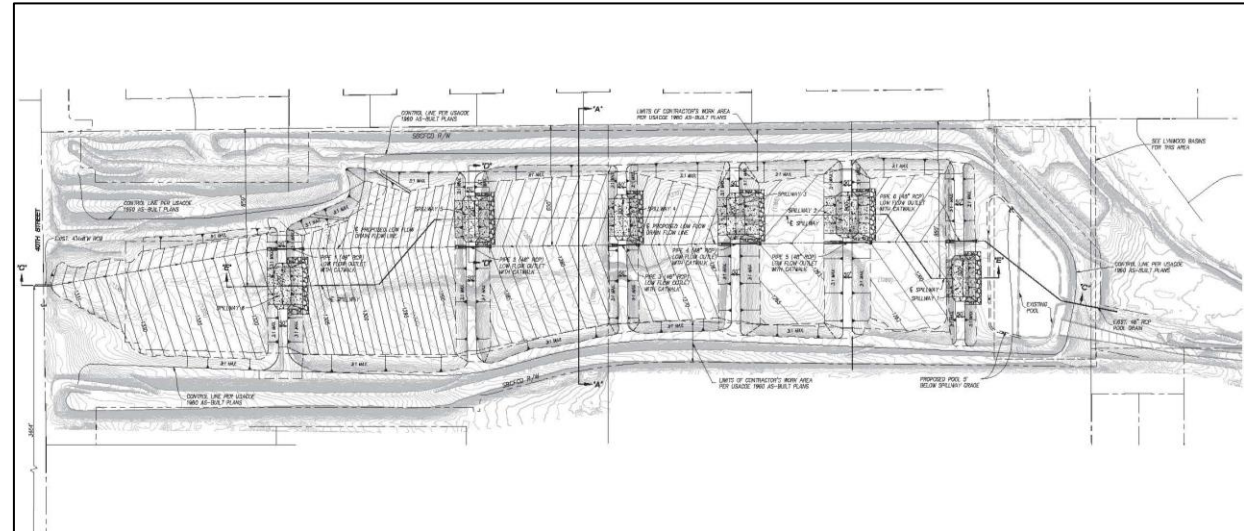
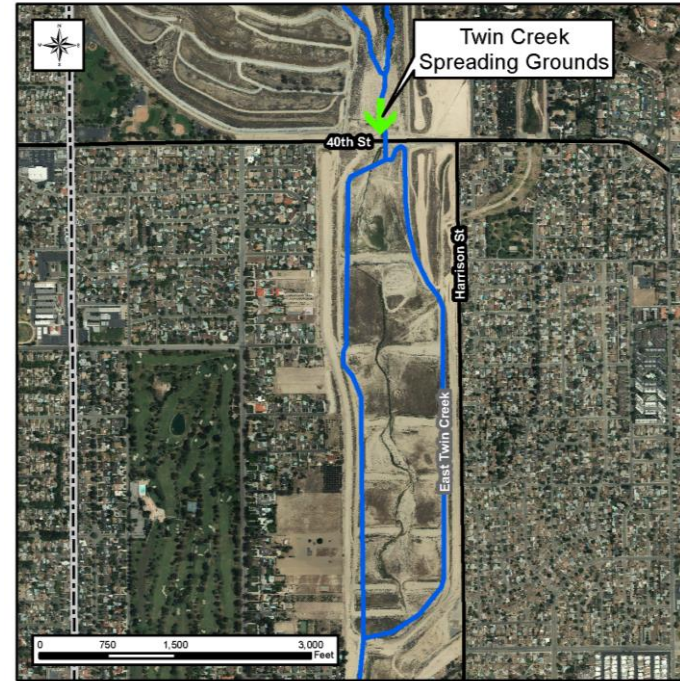
Waterman Basins

- Existing SBCFCD facility
- Primarily used for imported water recharge
- Corps and FEMA levees
- Repair existing spillway
- Recontour basins to recharge more stormwater



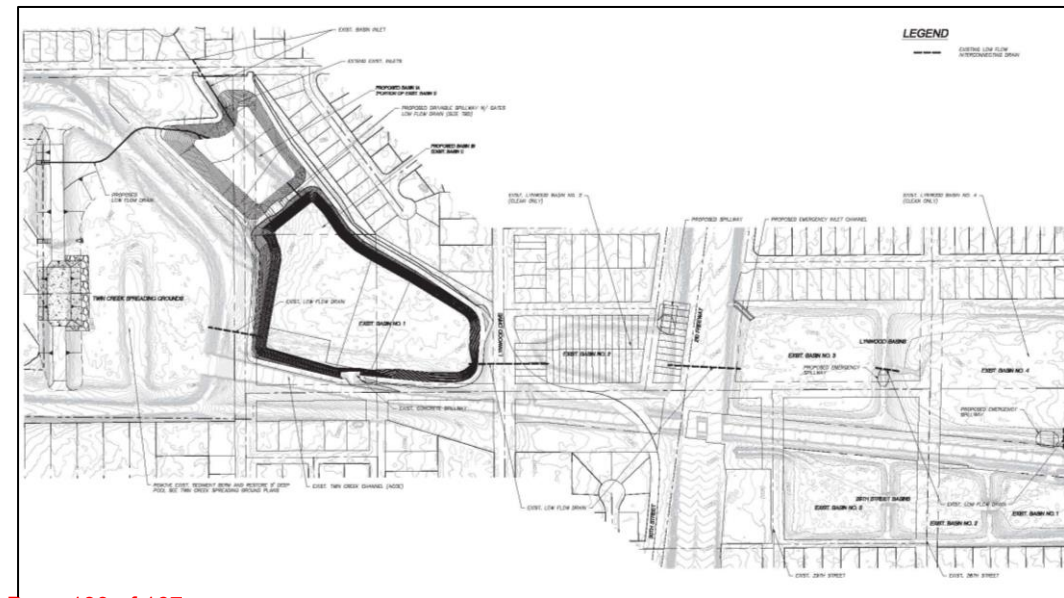
Twin Creek Spreading Grounds

- Existing SBCFCD facility
- Corps and FEMA Certified levees
- 5 damaged spillways need to be reconstructed
- Low flow outlets need to be installed/reconstructed
- Sediment management needs to be considered



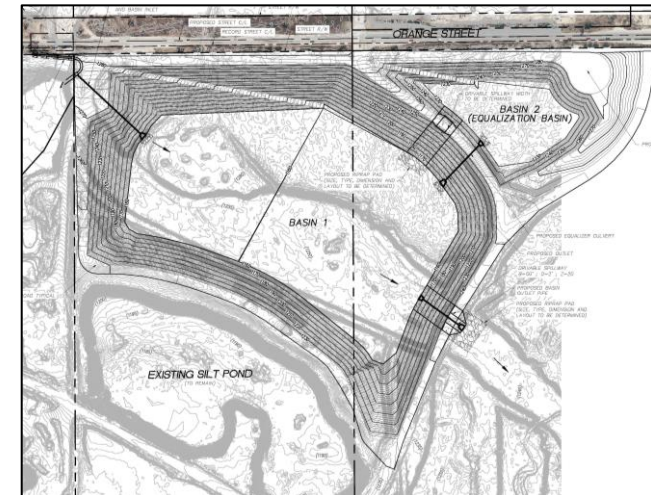
Lynwood Basins

- Existing SBCFCD facility
- Corps and FEMA Certified levees
- Not originally included in SBVMWD projects
- Basins have never been operated for recharge
- Low flow outlets need to be installed/reconstructed
- Emergency spillways need to be installed



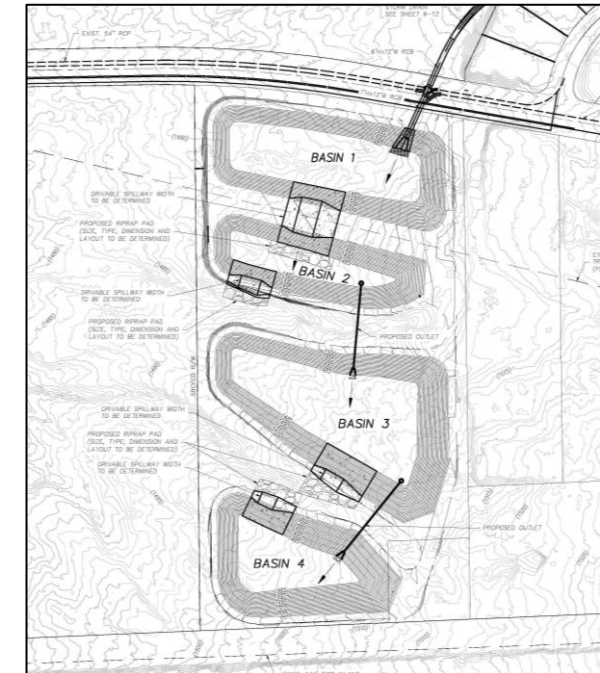
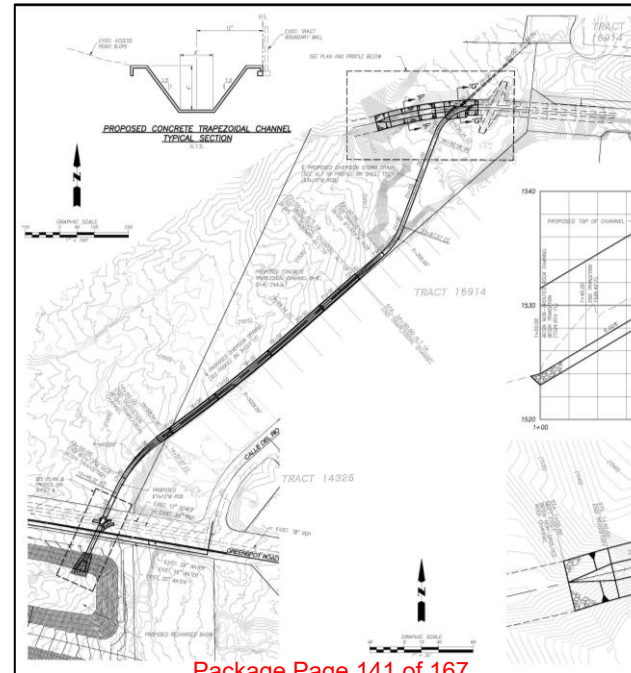
Plunge Creek

- Original concept located in the active channel west of Orange Street
- Basins have been relocated to a mining area
- Basin impacts covered under the Wash Plan
- Diversion impacts covered under River HCP



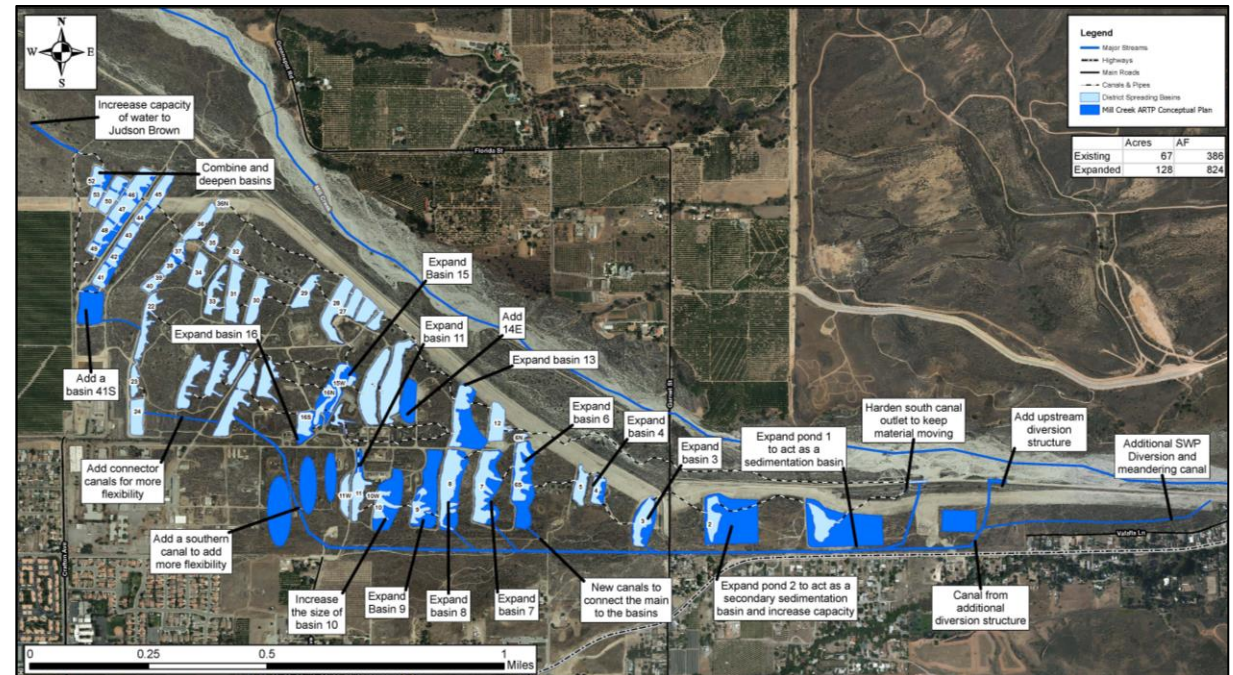
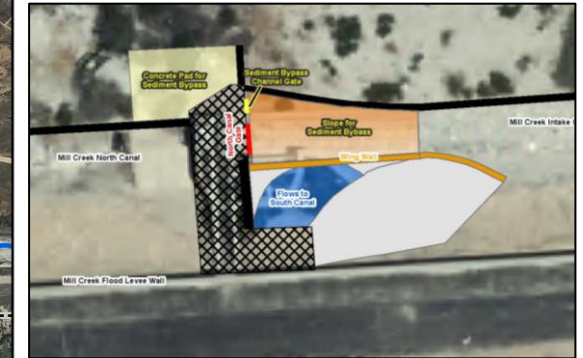
Oak Creek

- Land purchased by SBVMWD
- Tributary to Plunge Creek
- Two City storm drains could also be diverted for recharge
- Replacing SBVMWD Original Plunge 2 concept



Mill Creek

- Not included in MOU with SBCFCD
- Original concept only upsized the diversion structure
- Did not account for recharge capacity in existing basins
- Updated concept adds an additional diversion, an additional south canal, and expands/add basins



City Creek

- Original concept was in the active channel
- Not included in MOU with SBCFCD
- Site needs to be studied to balance habitat, levee certifications, and recharge



Progress Overview

Preliminary Design and Environmental Approval Phase

	Conceptual Design	Revised Footprint to River HCP	MOU w/ SBCFCD	Pre liminary Design	RFP for Feasibility Study	Analysis for Feasibility Study	Initial Submittal to SBCFCD	Feasibility Study Acceptance	Cost Benefit Analysis	Approval to start final design	Water Rights Confirmed	Water Spreading Agreement	CEQA addendum & HCP approval	Revisions/ addendum to River HCP	EIR / HCP Public Draft	Final EIR / HCP Approval
Waterman Basins	✓	✓	✓	✓	✓		✓									
Twin Creek Spreading Grounds	✓	✓	✓	✓	✓		✓									
Lynwood/29th Basins	✓	✓	✓	✓	✓		✓									
Plunge Creek	✓	✓	✓	✓	ip		✓					N/A				
Oak Creek	✓	✓	✓	✓	ip		✓					N/A				
Mill Creek	✓	✓	N/A	ip	ip							N/A				
City Creek	✓	✓		ip	ip											

Progress Overview

Final Design and Construction Phase

	30% Design updated cost est.)	30% Reviews	60% Design	60% reviews	Environmental Permit Apps	90% design	100% Design	100% Bid Package and Cost	Design and Bid Package Approval	Encroachment Permits	Environmental Permits	Construction Bid Packet	Bid / Award	Construction	Operation
Plunge Creek															
Oak Creek															
Waterman Basins															
Twin Creek Spreading Grounds															
Lynwood/29th Basins															
Mill Creek															
City Creek															

Mentone Yard Shop

Project Summary & Status Report No. 5



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

October 2021

Project Management Approach / Work Plan

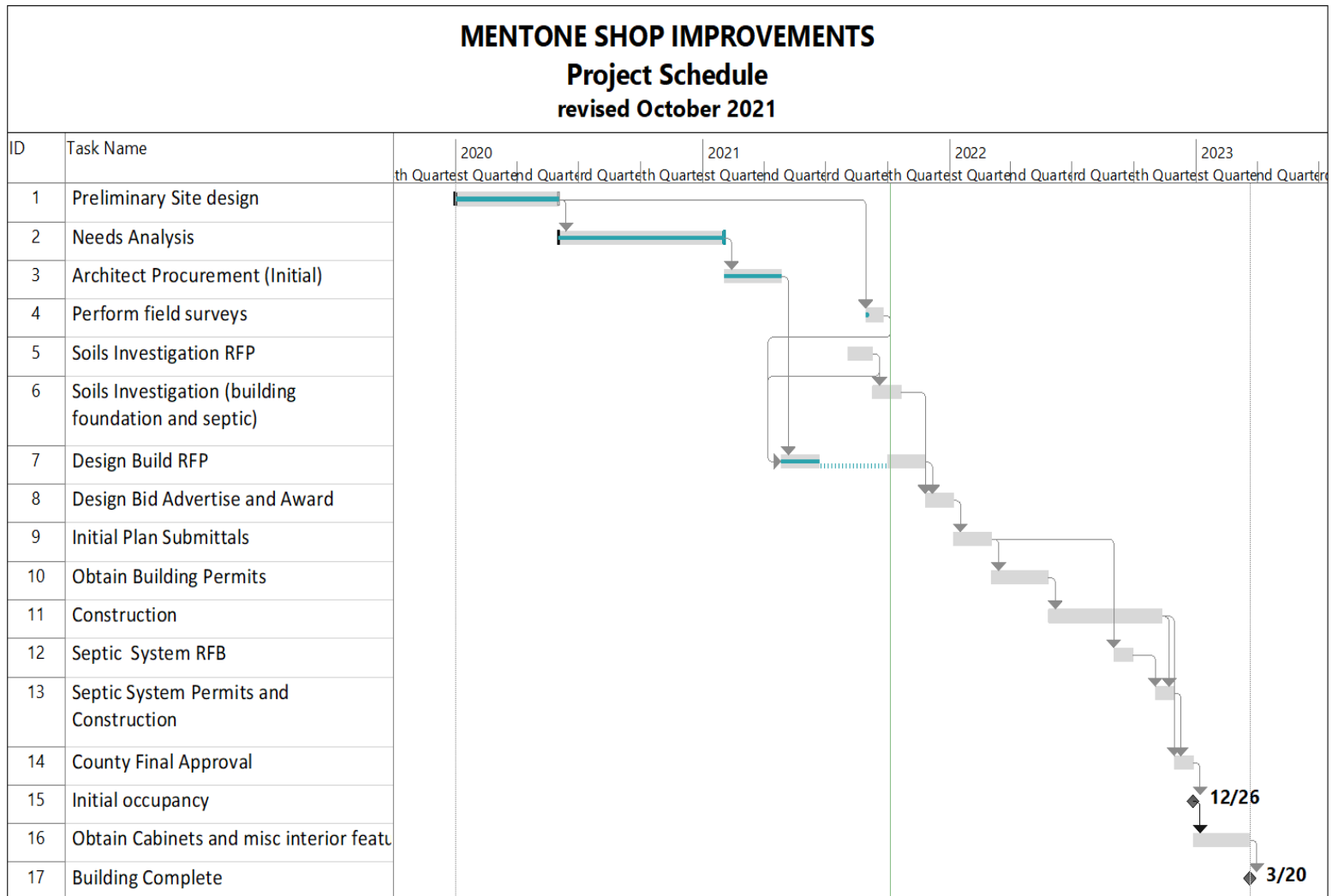
- District prepared initial site plan, needs analysis and preliminary design - COMPLETE
- Bid out building as a Design / Build contract
- Bid out septic improvements as a separate design / build contract
- District staff to perform construction management and oversee permitting
- Bid out storage cabinets / install including hazardous material cabinets separately (portion may be done by Ops staff)



Current Status

In process of issuing contract for Geotechnical services. Met with local septic tank contractor and confirmed tentative location for septic. Design/Build Bid package has been prepared and reviewed by Counsel. RFB will be issued once geotechnical work is completed. RFB will be sent to local firms that know County requirements and are pre-approved manufacturers.

Project Schedule (note added soils and septic work as separate tasks)



General Manager's Report

From September 4, 2021, to October 8, 2021

Daniel B. Cozad



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

The District currently remains at Phase 2 COVID 19 response level. CalOSHA Standards for COVID require masks in the common areas of the office by unvaccinated or undocumented staff. San Bernardino County and California cases and transmission rates are moderately high due to the Delta variant. Staff will notice all Board meetings as in-person/hybrid as allowed by Brown Act or health guidance allows.

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

- 1. Water Conservation – Plan Goal 1** – Santa Ana River, Mill, and Plunge Creeks have been mostly dry for several months, and summer storms have added some flow with sediment. Mill Creek's total recharge for the Water Year is 2,692 AF. The Santa Ana River recharge totaled 4,661 AF for the Water year beginning last October. Total recharge for the year, including Plunge Creek, is nearly 7350 AF, approximately 2.4 billion gallons. This is an excellent recharge for a dry year, and we appreciate the hard work of our field staff to make it happen.
- 2. Facility Maintenance and Cleanout – Plan Goal 1** – Water operations are limited, allowing field maintenance and vegetation management to take center stage. All facilities are in operation and available. Cleaning needs are limited due to limited recharge. Staff have removed some homeless camps from District land near Plunge Creek in cooperation with the City of Highland and SB County Sherrieff.



- 3. Aggregate Management – Plan Goal 1** – Upland Rock continues screening and selling sand and rock from District basin cleaning efforts and supporting land management costs. Recently, boulders from Santa Ana have been used in Santa Barbara shore road repairs.

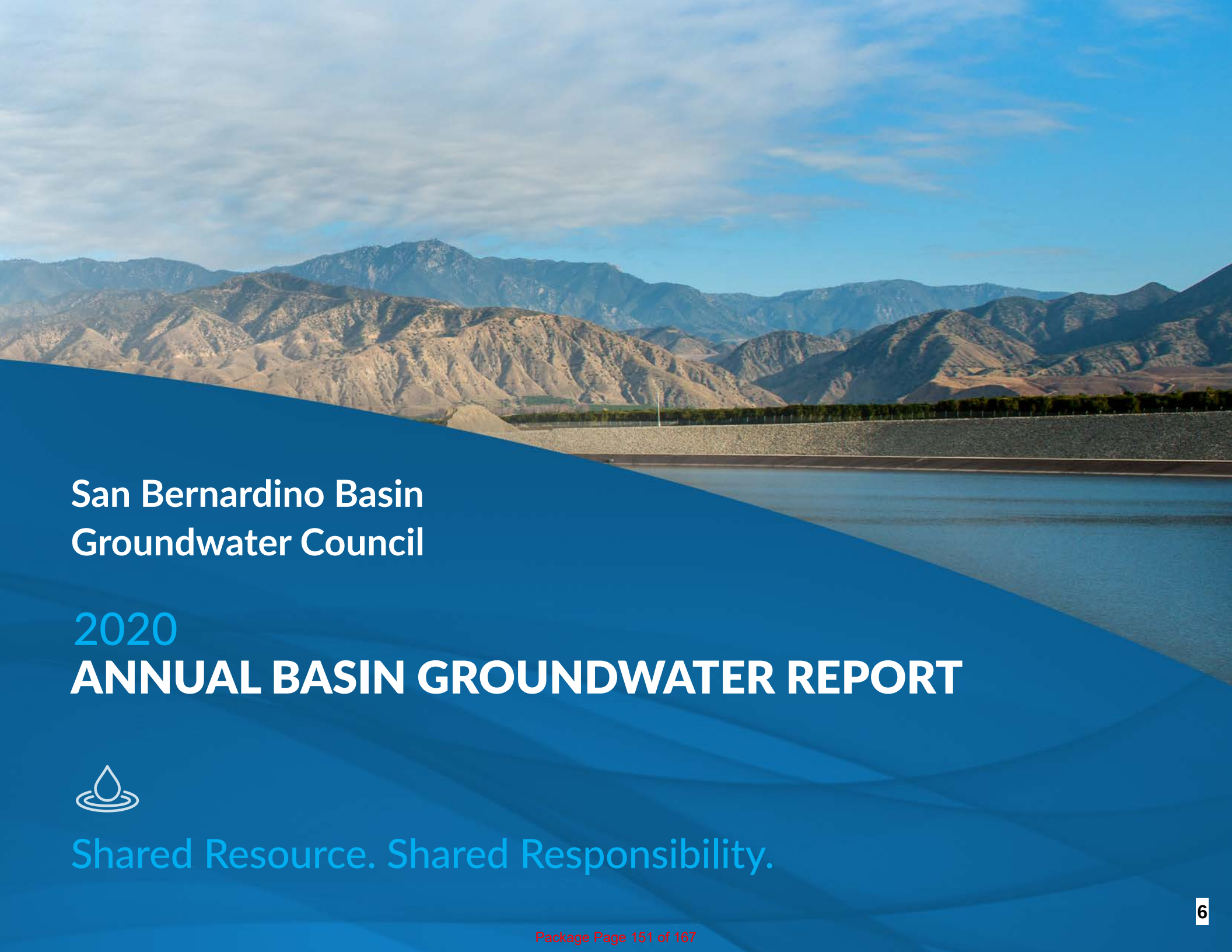
4. **Personnel/Administration/Staff** – Staff continues to monitor and implement the District Extreme Flu/COVID19 plan. Staff is using the modified return to work program to increase effectiveness and maintain office occupation limits. One staff member has been exposed to COVID outside of work and is awaiting the results of testing. The Finance & Administration Committee will review a revision to the personnel manual for work from home policies and other updates when they meet in November.
5. **Finance/Budget/Audit** – Support for the Board's financial reporting and standard accounting efforts were completed. Staff is implementing the budget and completed the Annual District Audit in cooperation with RAMS which will be presented at this meeting.
6. **Mill Creek Diversion Engineering** – *Plan Goals 1/4* – Erwin reports on the engineering and construction projects at meetings when updates are not included in agenda items. Staff continues to provide the additional requested information for environmental and engineering questions in the hopes of having permits in time to construct in mid-2022.
7. **Plunge Creek Conservation Project** – *Plan Goals 1/4* – Both operations and habitat management and monitoring efforts are ongoing. Recharge for this water year is estimated at 111 AF.
8. **Enhanced Recharge Project** – *Plan Goal 1* – The Enhanced Recharge Phase 1A is completed. Engineering design is nearing completion for the new basins scheduled for construction in 2022. State and Waters permitting are needed to proceed and being processed by SBVMWD.
9. **Active Recharge Transfer Project Partnership** – *Plan Goals 1, 2, and 4* – The Committee met on October 11, 2021. Project status report 8 is attached to this month's Board Agenda Package. Staff is reviewing RFPs for design support and expects awards in November with other RFPs issued this month.
10. **Edison Divestiture to Water Users** – *Plan Goals 1/4* – The Committee held a meeting on August 4, 2021, updating the group on SCE feedback.
11. **Groundwater Council** – *Plan Goal 1* – The Groundwater Council met last October 11, 2021, and approved the annual report, which is attached.
12. **Shop Facilities for Field Staff** – *Plan Goals - 1* – Staff is preparing to award the geotechnical work to complete the scope of work for the Design-Build delivery method following Operations Committee and Board direction. A separate report has been listed on the agenda.
13. **Wildland Trails** – *Plan Goal 3* – Developing and opening Wildland Trails on District property is a Board priority and now has a separate report listed on the agenda. Progress is being made with the cities of Highland and Redlands.
14. **Wash Plan** – *Plan Goal 4* – The Wash Plan has a separate report listed on the agenda. Staff worked with AECOM on preliminary permitting. Staff is working with CDFW staff dedicated to the permit review, with other permits being finalized and costs include in this meeting's agenda.

- 15. Santa Ana River Wash Plan Land Exchange Act Implementation – Plan Goal 4 – S.-** 47 was passed and signed by the President, becoming PL 119-6. Staff, District Counsel, and special legal counsel are worked and issued an RFP, awarded a contract, and the selected contractor completes the Appraisal. Staff and the BLM are working on the Right of Way needed to support the District’s activities under the land transferred to the BLM.
- 16. Conservation Trust – Plan Goal 4 –** The Conservation Trust Board of Directors met on October 4, and staff has met with entities with which a deposit agreement is on file. Most projects continue to move forward slowly with the SBCTA efforts in the lead. The District and Trust have been reimbursed for services and funding for conservation easements and contributions to the endowment.
- 17. Property/Redlands Plaza –** Staff continues to manage Redlands Plaza tenants and maintenance issues. All units are now fully leased with the church is working with the City on permitting the changes needed for the CUP. Many tenants utilizing the Board's payment plan to weather the COVID 19 downturn have begun repayment schedules for these deferrals. Staff executed an access permit to D. R. Horton related to the trespass on District lands and the need to restore nearly half an acre.
- 18. Mining –** Mining efforts by CEMEX contractors continue at the Plant Site quarry. Mining above the guaranteed minimum continues resulting in additional revenue to the Land Enterprise and large stockpiles for ongoing freeway and construction projects.
- 19. Public Outreach and Legislative – Plan Goal 5** Staff worked with consultants to coordinate outreach and award applications. Staff is planning video work related to District's mission and history for 2022 with interviews this month.
- 20. Community Recharge and Mitigation – Plan Goal 1 and 4 –** The 2017 Community Strategic Plan (CSP) included this effort for planning and implementation. The Active Recharge Transfer Projects in the Partnership Agreement are the first efforts under this goal. Additional recharge options where flows and open space allow recharge will be sought as staff has time.
- 21. Current Board Action Implementation –** Many priority efforts have separate sections of the General Manager's Report, or independent Board requested reports. Staff and District Counsel worked closely on EHL/CBD v. USACOE settlement-related studies. Staff also has several MOUs and agreements in development to support the Wash Plan and its projects. The status of the agreements are shown below:
- BLM MOU for Wash Plan – pending ROW issues above likely early 2022.
 - Blossom Trails Conservation Easement/Endowment awaiting CDFW approval
 - Trails MOU with Redlands and Highland awaiting feedback from cities
- 22. Future Board Activities –** Expected short-term items for consideration or note
- Audit review and approval in this meeting
 - Exchange Plan Amendment – the Task Force reviewed in September, providing comments in October. After legal comments and edits, Board consideration is planned for later 2021 or early 2022.

- BLM Land MOU/ROW working with regional manager to complete in 2021
- Alliance JPA for River HCP when completed
- Board meeting in early November as requested in the October Workshop.

23. District Successes

- Field staff continues to use the water provided by thunderstorms with limited recharge in Mill Creek and Santa Ana River flows. As noted above, the total recharge for the water year was nearly 7350 AF, or about 2.4 billion gallons. We appreciate the diligence of the field staff divert and recharge in a dry year with no imported water to recharge.
- Staff has worked hard to have a half dozen RFPs and procurement requests out for proposals. These are critical to having work ongoing in winter and spring, and each will be coming to the Board in November and December for approval.
- Finally, I appreciate the Board and staff supporting my time away from the office to visit my mom in September.

The background of the slide features a scenic landscape. In the foreground, a large, calm body of water, likely a reservoir, stretches across the frame. Behind the water, a long, low stone wall or dam runs horizontally. In the distance, a range of rugged, brownish mountains rises against a clear blue sky with some light, wispy clouds. The lower portion of the slide is overlaid with a solid blue shape that contains the text and logo.

San Bernardino Basin Groundwater Council

2020 **ANNUAL BASIN GROUNDWATER REPORT**



Shared Resource. Shared Responsibility.



**Innovative Program
of the Year Award
(Small District Category):**

San Bernardino Valley Water
Conservation District and
its partners for its *Model of
Cooperation: How the San
Bernardino Basin Groundwater
Council Achieved Record
Recharge in 2019*

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Appendix A:
SBB Precipitation
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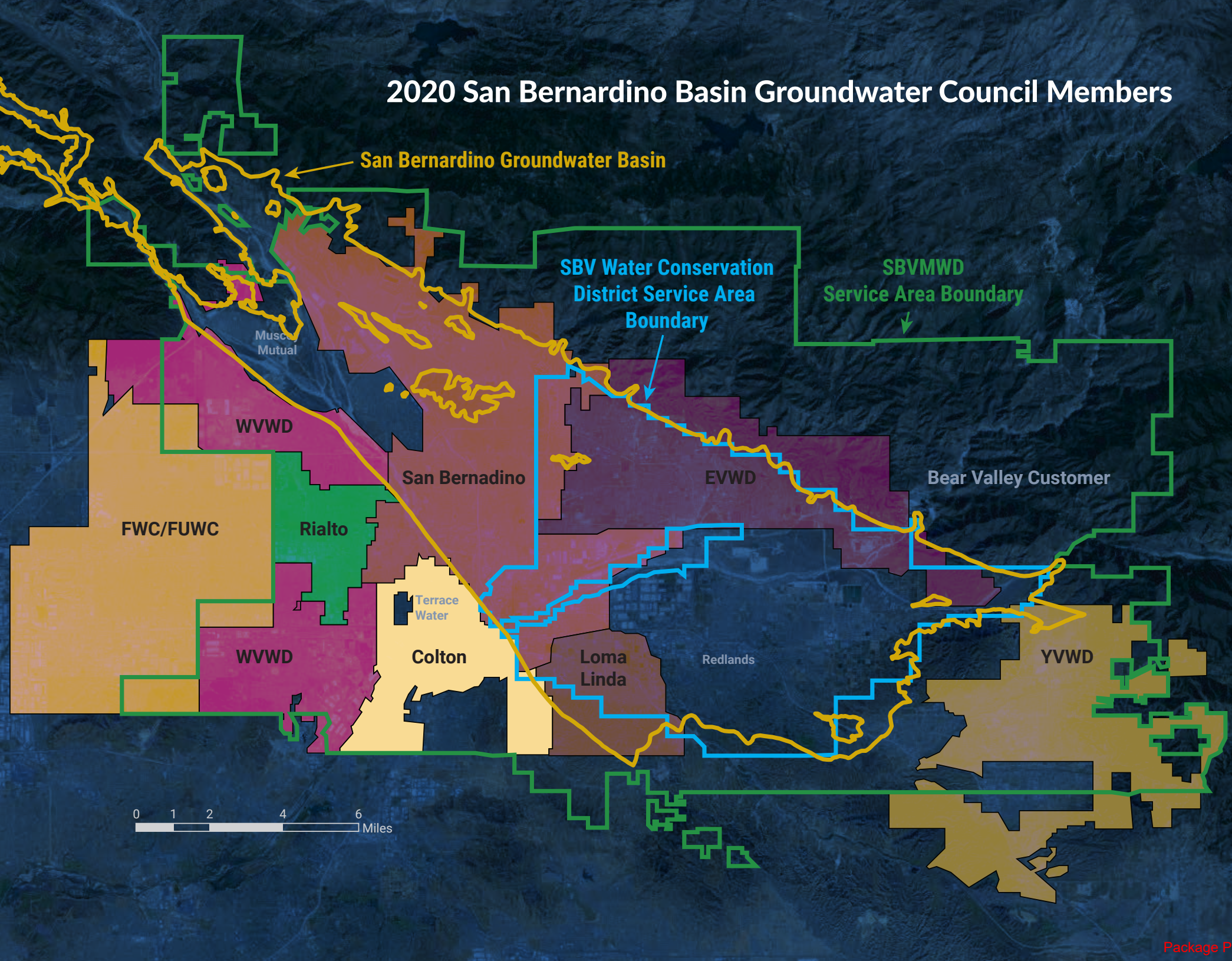
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Appendix B:
Running Total/
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Appendix C:
GC 2020
Delivery Plan

2020 San Bernardino Basin Groundwater Council Members



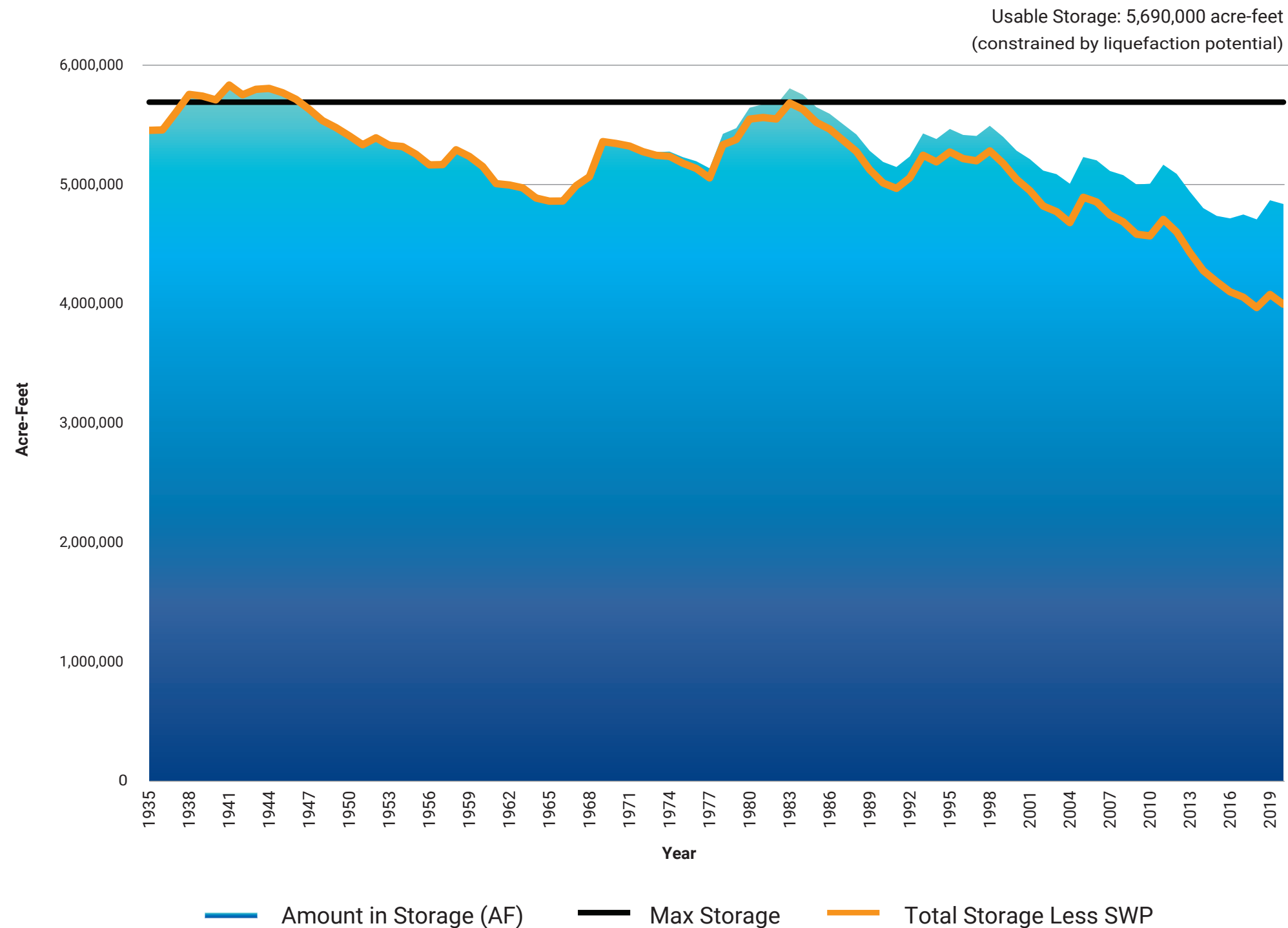
INTRODUCTION

The San Bernardino Basin Groundwater Council (GC) was formed in 2018 to cooperatively manage the San Bernardino Basin (SBB) to achieve the following general goals:

- » Ensure sustainable groundwater supply
- » Proactively manage the SBB
- » Prevent long-term groundwater overdraft

The general goals for the GC Annual Report are to report on the sustainability of the SBB, the amount paid by participants for imported water and operations and maintenance, and the actual water purchases and the operations and maintenance activities.

“THE REGION HAS BEEN EXPERIENCING AN EXTENDED DROUGHT SINCE AROUND 1998.”



BASIN SUSTAINABILITY

Basin Storage Level: 85% full

Despite drought conditions that began around 1998, (see Appendix A), the SBB Storage level has been stable due to the positive influence of the GC and Valley District's State Water Project (SWP) water purchases. Over a 22 year drought period, 604,589 acre-feet of SWP water was recharged into the SBB with the GC contributing about 10% of the total amount since its establishment in 2018. Without the recharge, the SBB would have dropped from 96% full in 1998 to about 74% in 2020.

“ DESPITE DROUGHT CONDITIONS THAT BEGAN AROUND 1998, THE SBB IS SUSTAINABLE DUE TO THE POSITIVE INFLUENCE OF THE GC AND VALLEY DISTRICT STATE WATER PROJECT WATER PURCHASES OVER THE LAST COUPLE OF YEARS. ”



EQUITABLE COST SHARING

The GC developed an Equitable Allocation Model to proportion the cost of imported water purchases by the GC and the operations and maintenance costs for the recharge. To avoid large swings in water costs, the GC decided to bill itself annually for the projected average amount of imported water needed in the future, as determined by the San Bernardino Valley Regional Urban Water Management Plan (RUWMP). Based on the 2015 update of the RUWMP, the future average need for supplemental water is 28,823 acre-feet. This amount may change based on updates to the RUWMP and based upon basin storage levels.

Should the SBB return to full, or get close to full, the GC may choose to suspend collecting money for SWP water on a temporary basis. Even if there is no SWP water available for the GC, it may still choose to bill itself in order to build up a cash reserve for future wet-year SWP water purchases when the water is most available.

The GC water cost is proportioned among the parties based upon their individual water

budget, which compares their demand to their supplies, including any investment they may have made in recycled water and/or surface water. Generally speaking, the agencies whose demands exceed supplies, pay the most. The Operations and Maintenance (O&M) costs are proportioned based upon the last five years of groundwater pumping, since those who pump the most are most reliant on the recharge.

The City of Redlands signed the GC Agreement in early 2021, which will be reflected in the 2021 Annual Report. Private water providers and well owners, Southern California Edison, and the County of San Bernardino have not yet signed the agreement and, collectively, they represent approximately 7% of the cost. These Parties that have not signed the agreement continue to accrue costs since the formation of the GC (see Appendix B). Some of these pumpers are within the boundaries of the San Bernardino Valley Water Conservation District (Conservation District) so they have been paying the O&M portion through the Conservation District's Groundwater Charge.

2020 SBB GC Agencies

City of Colton

City of Rialto

City of San Bernardino
Municipal Water
Department

City of Loma Linda

East Valley Water District

San Bernardino Valley
Municipal Water District

San Bernardino Valley
Water Conservation
District

Fontana Union Water
Company

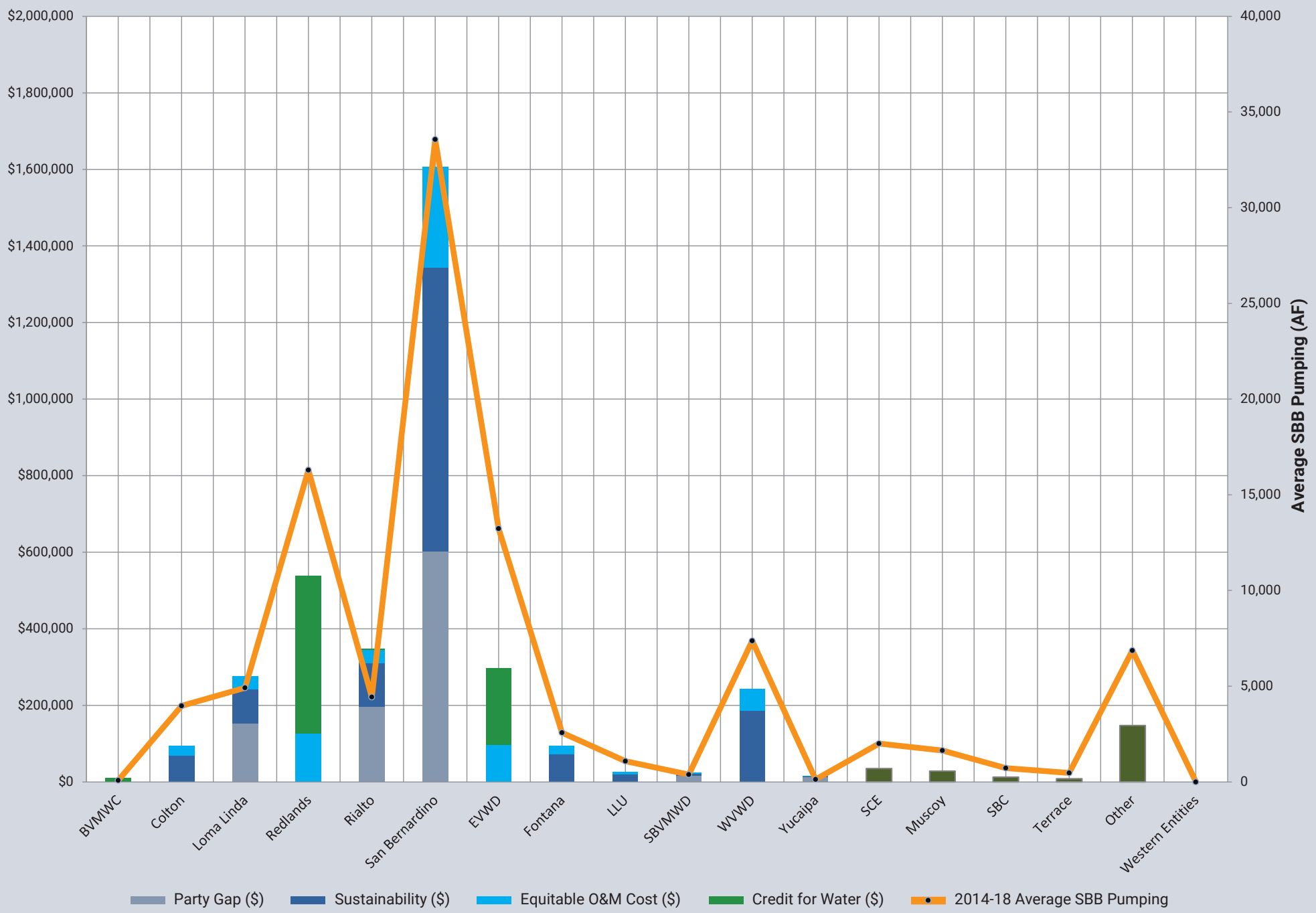
Yucaipa Valley Water
District

Loma Linda University

Bear Valley Mutual
Water Company

West Valley Water District

Approved GC EAM 2020-2021 Fiscal Year Annual O&M and SWP
for Ultimate Sustainability (2040)



COSTS BY AGENCY IN THE SBB GC

Summary of SBB Groundwater Council Total Party Costs (FY 2019-2021)

AGENCY	TOTAL PARTY COSTS FY2019-2020	TOTAL PARTY COSTS FY2020-2021	COST INCREASE 2019-2020	VOTING WEIGHT 2020-21	PERCENT PUMPING IN SBB
Bear Valley Mutual Water Company	\$277	\$-	\$(277)	0.00%	0.01%
City of Colton	\$95,204	\$94,394	\$(810)	3.1%	2.1%
City of Loma Linda	\$268,988	\$275,428	\$6,440	7.8%	3.3%
City of Redlands	\$516,253	\$245,321	\$(270,932)	7.8%	14.4%
City of Rialto	\$176,324	\$345,698	\$169,374	10.4%	3.2%
City of San Bernardino	\$1,877,120	\$1,606,599	\$(270,521)	47.3%	26.2%
East Valley Water District	\$325,774	\$264,179	\$(61,595)	3.1%	8.6%
Fontana Union Water Company	\$80,315	\$94,852	\$14,537	3.5%	1.7%
Loma Linda University	\$24,935	\$25,677	\$742	0.9%	0.7%
San Bernardino Valley M.W.D.	\$8,006	\$24,329	\$16,323	0.0%	0.0%
West Valley Water District	\$68,503	\$242,657	\$174,155	15.9%	5.3%
Yucaipa Valley Water District	\$7,216	\$15,945	\$8,730	0.2%	0.1%
Total GC Parties:	\$3,448,912	\$3,235,078	\$(213,834)	100%	65.56%

GROUNDWATER BUDGET AND FINANCIAL REPORT

Conservation District Groundwater Budget FY20-21

OPERATING REVENUE	
GW Assessments	\$608,895.68
GC O&M Revenue	\$670,000.00
SBVMWD Spreading Agrmt	\$228,361.58
Exchange Plan	\$30,000.00
Total Operating Revenue	\$1,537,257.26
OPERATING EXPENSES	
Professional Services	\$66,838.27
Field Operations	\$76,730.86
Staff Salaries/Benefits	\$646,050.97
Other Administrative	\$51,365.82
Total Operating Expenses	\$840,985.92
OTHER EXPENSES	
Capital Expenses	\$73,677.87
Est. Capital Contribution	\$622,593.47
Total Other Expenses	\$696,271.34
TOTAL EXPENSES	\$1,537,257.26

Note: The Conservation District groundwater budget listed above is only a portion of the Conservation District's total annual budget.

San Bernardino Basin Groundwater Council Financial Report of SWP Water Purchases and Deliveries

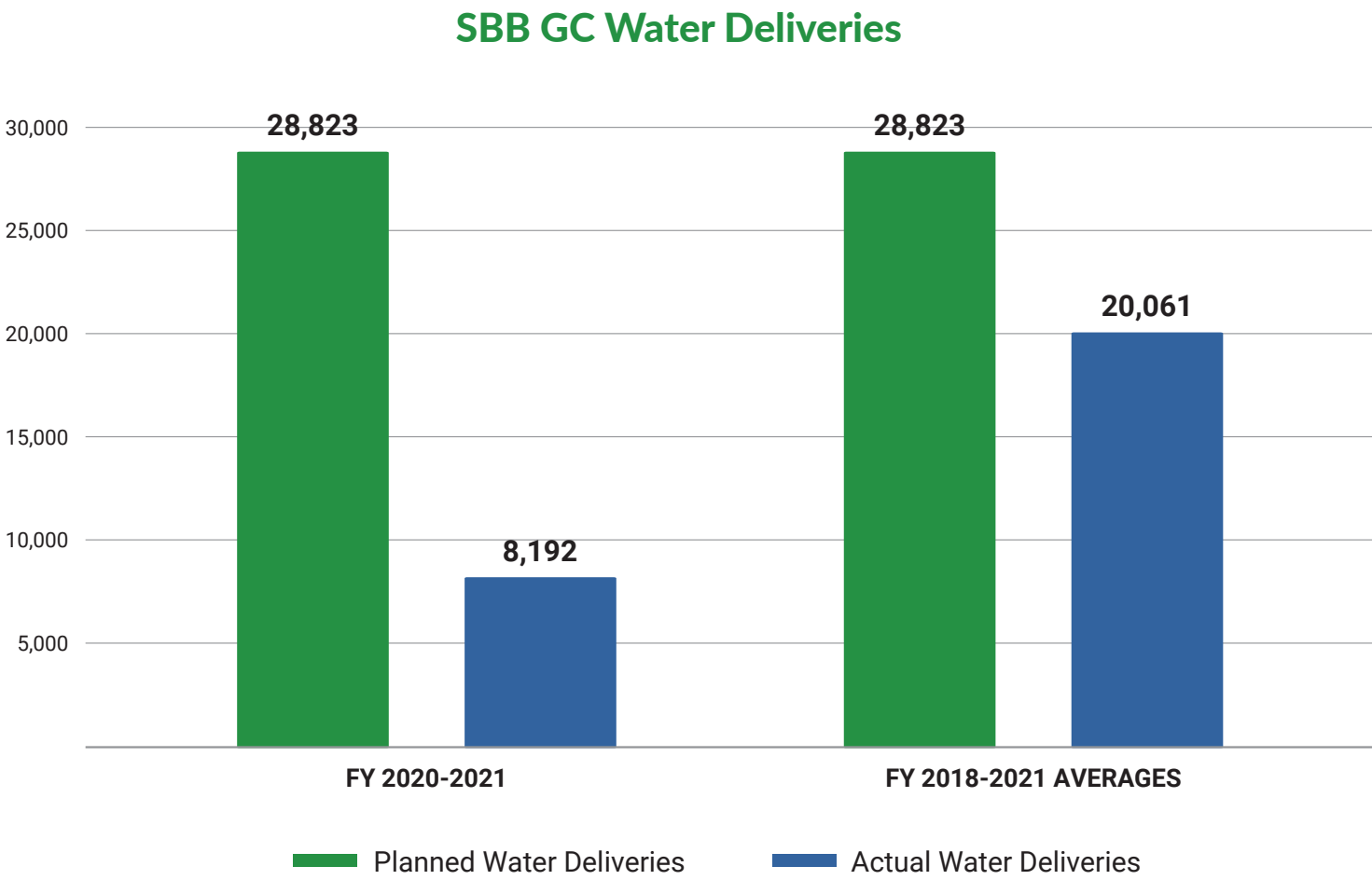
	GROUNDWATER COUNCIL DEPOSITS RECEIVED	SWP WATER DELIVERIES AT 118.40 / AF	BALANCE
Calendar Year 2018	\$2,119,915	\$1,767,739	\$352,176
Calendar Year 2019	\$2,414,389	\$4,106,493	\$(1,339,928)
Calendar Year 2020	\$2,401,263	\$969,874	\$91,461
TOTALS:	\$6,935,567	\$6,844,106	\$91,461

Note: Actual costs for imported SWP water and equitable O&M may differ from the budgeted amounts outlined in the FY20-21 EAM due to previous years corrections and costs associated with GC non-parties that had not joined during CY 2020.

WATER DELIVERIES

In calendar year 2020, the SBB GC delivered 8,192 acre-feet of imported SWP water and 5,277 acre-feet of local water, out of the planned total of 28,823 AF. The delivery amounts and locations are included in Appendix C. The GC was not able to import its total planned amount of SWP water due to a low 20% allocation on the SWP.

	DELIVERIES	COST
Total Cumulative	60,183 acre-feet	\$10,223,318
2020	8,192 acre-feet	\$3,325,078



IN 2020, THE GC RECHARGED 5,164 ACRE-FEET OF WATER AT THE WATERMAN SPREADING BASINS, SHOWN HERE.



OPERATIONS AND MAINTENANCE

2020 SBVWCD Cost: \$670,000

The total cost for O&M includes both the SBVWCD cost for groundwater recharge and SBVMWD cost for groundwater recharge.

Summary of SBVWCD O&M Activities for 2020

Native and Imported Water Recharge

The 2019-2020 water year had just below average precipitation in the water year ending on September 30, 2020, with approximately 18,000 AF of recharge from the Santa Ana River under the Valley District’s and the Conservation District’s water rights with an additional 5,000 AF of water recharged from Mill Creek. Due to the decreased availability of imported water, only 171 AF of GC water was recharged in the Conservation District’s facilities.

2020 Operations and Maintenance Efforts

Most of 2020 was spent continuing maintenance needs after the record recharge year in 2019. Some water was recharged during March and April when water was released from Seven Oaks Dam, which temporarily put

maintenance activities on hold. In May, water had to be pumped from several basins for maintenance work to begin. This work included clearing silt and vegetation. Levee roads and culverts required extensive repairs from erosion or, in some instances, collapse. Maintenance in the Santa Ana facility was not completed until Summer of 2020.

Emergency repairs and cleaning in the Mill Creek facility were completed in early 2020. So much sand had to be removed from the basins that large stockpiles were created and that material has slowly been moved to make room for additional maintenance.

Stockpiled material in the Mill Creek facility is still in the process of being relocated to the Borrow Pit to make room for future maintenance needs. Continued maintenance of overflow and gate structures is anticipated, as well as increased vegetation management along levee roads.

**Summary of SBVWCD
O&M Activities for 2020
(continued)**

Construction Efforts in 2020

Construction of the Plunge Creek Conservation Project was completed in October of 2020. This is a multi-benefit project designed to restore flows into historic remnant channels within the floodplain, increasing groundwater recharge and suitable habitat for the San Bernardino kangaroo rat and the Santa Ana River woolly star. The project uses splitter mounds constructed with native rock to divert flows from the active channel into pilot channels. These pilot channels are designed to direct flows to the historic remnant channels and then degrade so flows can spread out and recharge into the groundwater basin.

PLUNGE CREEK CONSERVATION PROJECT



“
CONSTRUCTION OF
THE PLUNGE CREEK
CONSERVATION
PROJECT WAS
COMPLETED IN
OCTOBER 2020.
”

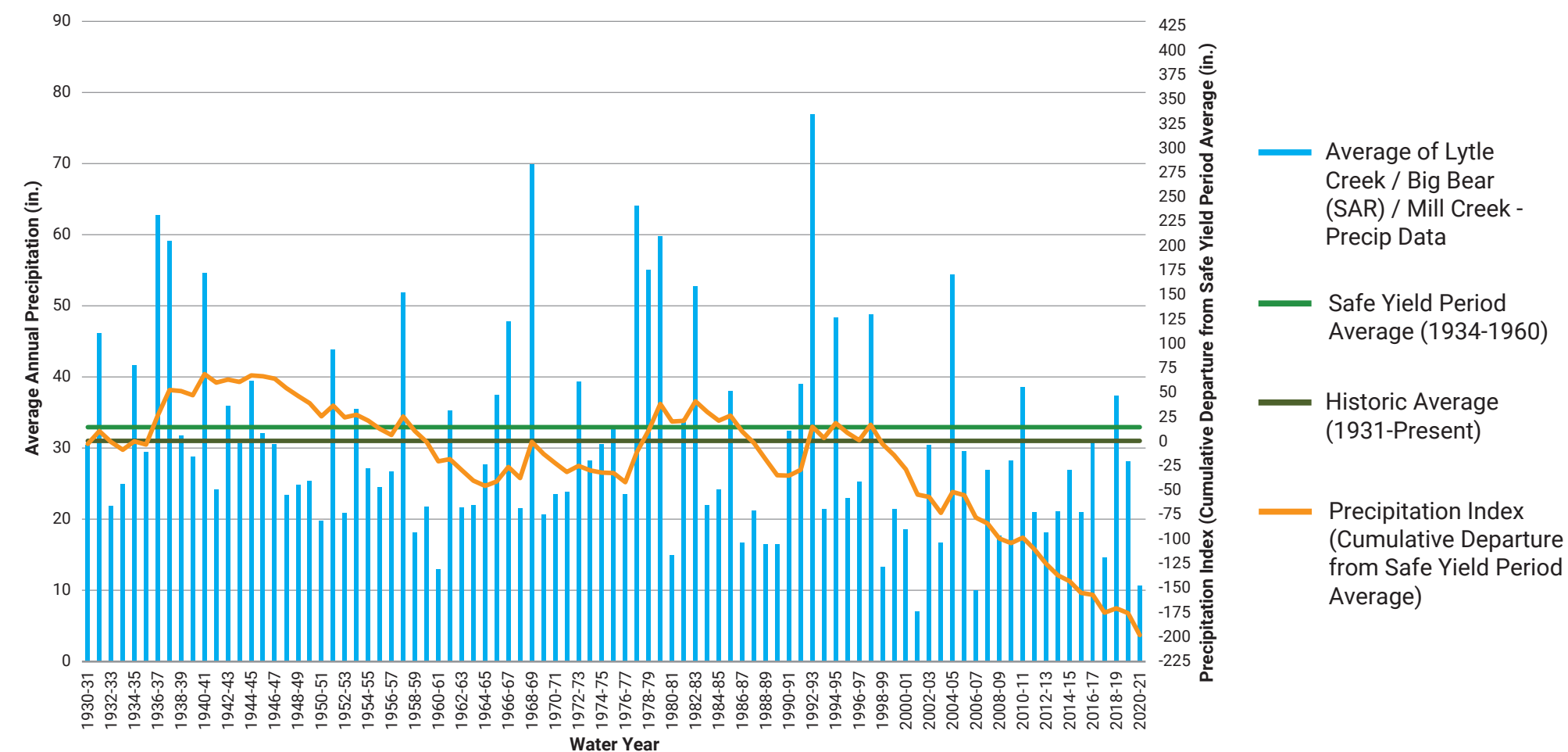
APPENDIX

WATER RELEASED FROM DWR'S DEVIL CANYON
POWERPLANT IN SAN BERNARDINO, CA



APPENDIX A: SBB PRECIPITATION INDEX

The SBB receives the majority of its water supply from mountain runoff. Approximately two-thirds of this runoff comes from three sub-watersheds: Santa Ana River, Mill Creek and Lytle Creek. The SBB Precipitation Index (Index) is the cumulative departure from the safe yield period average precipitation in these three watersheds. An upward trend of the Index indicates that runoff from these three sub-watersheds is above average and a downward trend indicates that it is below average. The downward trend of the Index shows that the region has been experiencing an extended drought since around 1998.

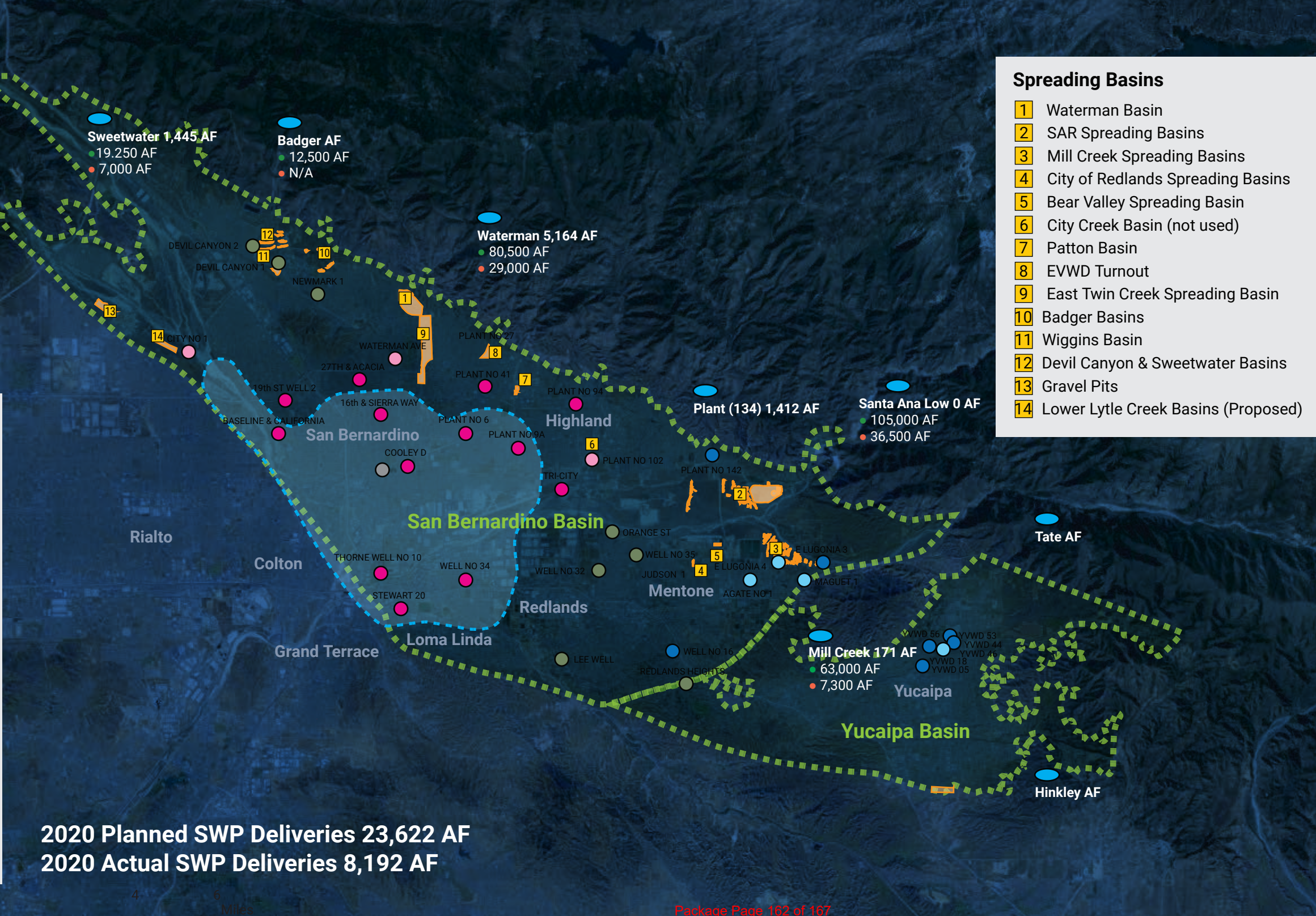
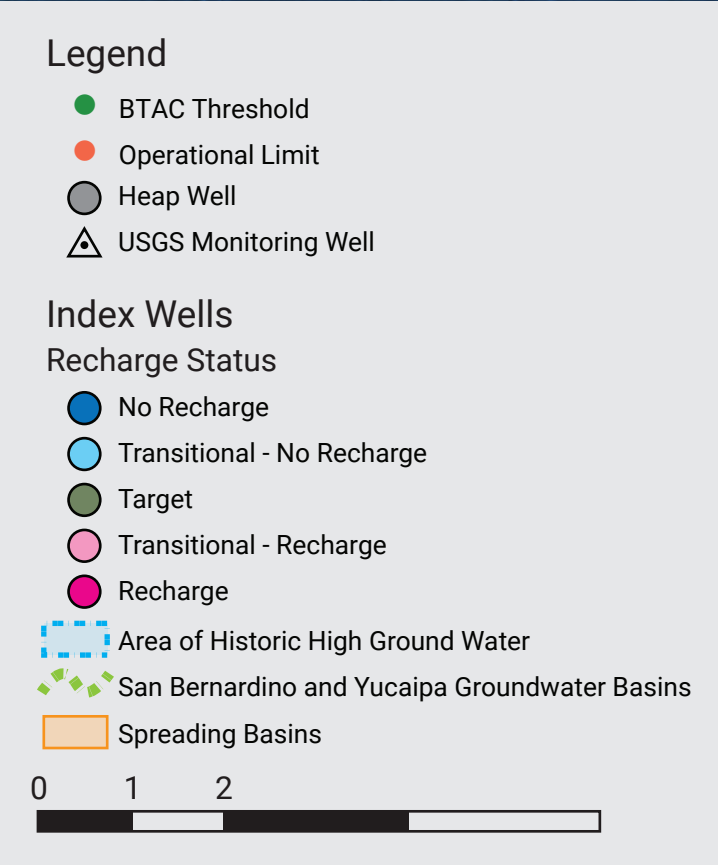


APPENDIX B: RUNNING TOTAL AND BALANCE OWED BY PUMPERS NOT YET IN THE GC

AGENCY	TOTAL DUE TO DATE	TOTAL DUE TO SBVMWD	TOTAL DUE TO SBVWCD	FY 2020-21				FY 2019-20				FY 2018-19			
				WATER COST 2020-21 (\$)	TOTAL PAID TO SBVMWD IN 2020	EQUITABLE O&M COSTS	TOTAL PAID TO SBVWCD IN 2020	WATER COST 2019-20 (\$)	TOTAL PAID TO SBVMWD IN 2019	EQUITABLE O&M COSTS 2019-20 (\$)	TOTAL PAID TO SBVWCD IN 2019	WATER COST 2018-19 (\$)	TOTAL PAID TO SBVMWD IN 2018	EQUITABLE O&M COSTS 2018-19 (\$)	TOTAL PAID TO SBVWCD IN 2018
Mountain View Power Co.	\$153,561	\$153,561	N/A	\$35,104	\$-	N/A	\$-	\$44,732	\$-	N/A	Paid	\$69,536	\$-	N/A	Paid
Muscoy Mutual Water Company No. 1	\$91,005	\$91,005	N/A	\$28,674	\$-	N/A	\$-	\$25,888	\$-	N/A	N/A	\$32,509	\$-	N/A	N/A
San Bernardino County - Facility Management	\$40,524	\$40,524	N/A	\$12,625	\$-	N/A	\$-	\$11,617	\$-	N/A	N/A	\$14,513	\$-	N/A	N/A
Terrace Water Company	\$30,180	\$30,180	N/A	\$8,288	\$-	N/A	\$-	\$8,699	\$-	N/A	N/A	\$11,907	\$-	N/A	N/A
Other San Bernardino Extractions	\$470,971	\$470,971	N/A	\$147,347	\$-	N/A	\$-	\$130,978	\$-	N/A	N/A	\$173,037	\$-	N/A	N/A
San Bernardino Non-Parties Total:	\$786,242	\$786,242	\$-	\$232,038	\$-	\$-	\$-	\$221,914	\$-	\$-	\$-	\$301,502	\$-	\$-	\$-
Western Entities Total:	\$-	\$-	\$-	\$-	\$-	N/A	\$-	\$-	\$-	\$-	Paid	\$-	\$-	\$-	Paid
Total:	\$4,960,928	\$4,236,559	\$724,370	\$2,797,116	\$-	\$670,000	\$-	\$3,130,826	\$2,362,339	\$540,000	\$543,847	\$3,197,008	\$2,124,096	\$643,822	\$481,377

Paid= O&M charges paid through SBVWCD Groundwater Charge

San Bernardino Basin
Groundwater Council
2020 Delivery Plan



APPENDIX C: GC 2020 DELIVERY PLAN

Due to dry conditions in Northern California, the State Water Project was only able to deliver 20% of its total delivery capability. This amount of imported water is not sufficient to meet both direct deliveries and recharge deliveries. When there is a shortage of imported water, direct deliveries are given first priority over recharge deliveries, like the SBB GC, per the SBB GC Guidelines for the Delivery of Purchased Water by the Groundwater Council. Per the SBB GC Formation Agreement, water funds collected by the SBB GC in 2020 will be saved and used to purchase additional water in future wet years, when it is available.

GROUNDWATER COUNCIL MEMBERS

BEAR VALLEY
Mutual Water Company



LOMA LINDA
UNIVERSITY



San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 9/1/2021
To: 9/30/2021



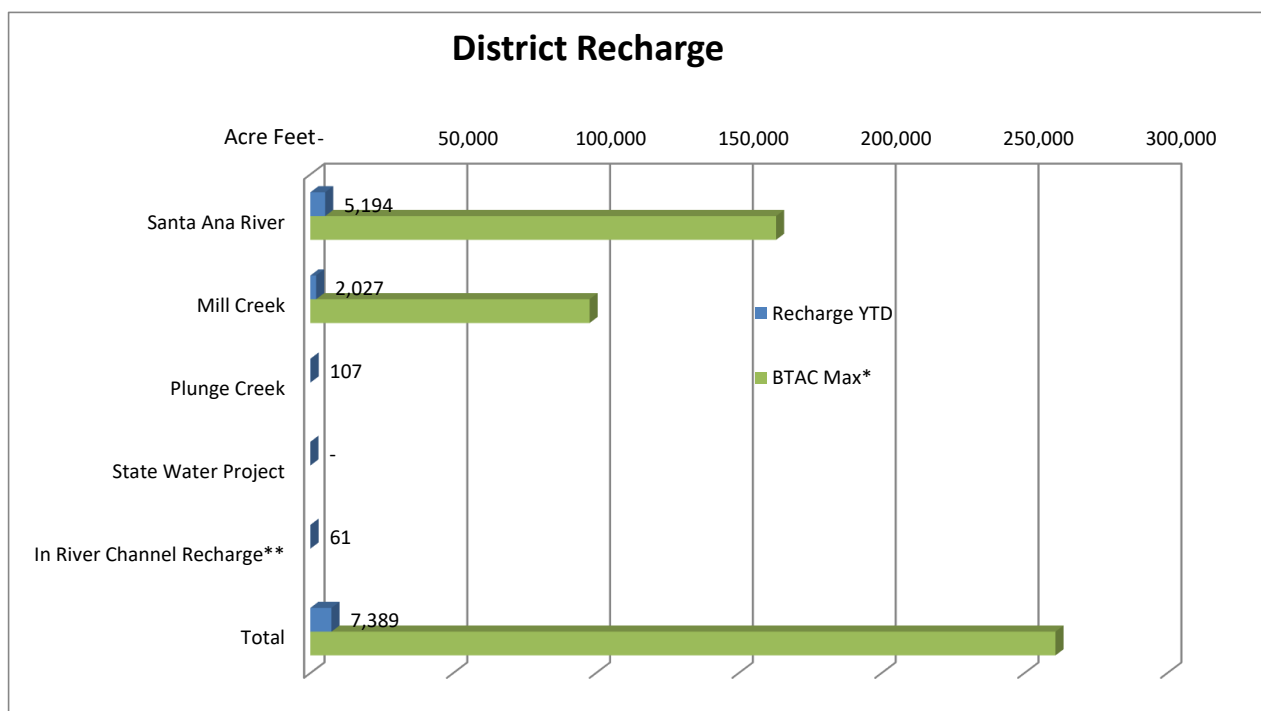
	September				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	11.1	332	5,194	163,100	3%
Mill Creek	0.4	11	2,027	97,800	2%
Plunge Creek	0.0	-	107	#N/A	#N/A
State Water Project	0.0	-	-	#N/A	#N/A
In River Channel Recharge**	0.0	-	61	#N/A	#N/A
Total	11	343	7,389	260,900	3%

Values in Acre Feet

*BTAC Revised Max in December 2020

**Monitoring began in Mid-April 2011

*** All Values Based on Water Year Oct-Sep 2021





GROUNDWATER MANAGEMENT

ACWA POLICY PRINCIPLES

PREAMBLE

Groundwater is an invaluable resource for California and provides an estimated 38 to 46 percent of the State's total water supply. In 2014, then-Governor Jerry Brown signed into law a three-bill legislative package collectively known as the Sustainable Groundwater Management Act (SGMA). The enactment of SGMA established a statewide regulatory framework for the sustainable management of groundwater basins for the first time in California history. ACWA is committed to working with the State and with urban and agricultural water users, growers and landowners, environmental and disadvantaged community interests, and other stakeholders on achieving groundwater sustainability in California. Implementation of SGMA and other groundwater management goals should be done in a manner consistent with the following policy principles adopted by ACWA's Board of Directors.

GROUNDWATER MANAGEMENT POLICY PRINCIPLES

1. **Enhance local management of groundwater:**

ACWA supports the SGMA objective to enhance local management of groundwater. ACWA opposes State interference with existing legal rights to groundwater and surface water and believes that a State-administered water rights system for groundwater would undermine effective groundwater management and local investments.

2. **Continue progress on SGMA implementation:**

ACWA supports groundwater management in accordance with SGMA as currently written, with an emphasis on continued local control and an adherence to statutory deadlines. It is imperative that the processes identified in SGMA, such as the timeline to achieve sustainability, be acknowledged and maintained for the successful implementation of statewide sustainable groundwater management. SGMA enforcement should be based on the statute and regulations and should not be used to enforce peripheral issues. Progress in groundwater management should be recognized.

3. **Increase funding:** SGMA implementation will require significant federal, state, regional, local and private investment in infrastructure and related facilities. ACWA supports increased funding for groundwater projects, research, monitoring and other programs.

4. **Support regional planning and solutions:** ACWA encourages and supports regional groundwater management strategies such as those that can be obtained through Integrated Regional Water Management (IRWM) plans and other regional partnerships.

- 5. Expand conjunctive management:** ACWA supports expanding conjunctive management of surface water and groundwater supplies that contributes to the protection, reliability and sustainability of local, regional and statewide water supplies for water users and the environment. Such an expansion requires: (1) increased groundwater and surface storage, (2) state support to advance and implement new tools (such as Forecast-Informed Reservoir Operations) that will enable more efficient operation and adaptive management of reservoirs, and (3) capture and storage of stormwater runoff.
- 6. Manage groundwater quality:** Management of groundwater quality is integral to optimizing California's groundwater resources and requires monitoring, data management, basin assessments, reporting, protection and, where appropriate, remediation.
- 7. Promote groundwater replenishment:** ACWA supports use of potable, desalinated, recycled, flood and storm waters for groundwater recharge, with appropriate water quality safeguards to protect beneficial uses. ACWA supports streamlining temporary State Water Resources Control Board water rights permits for groundwater recharge.
- 8. Coordinate groundwater management and land use policies:** Land use policies and regulations must identify, preserve and protect natural and artificial recharge and extraction capabilities, which are important for sustainable groundwater management. Land use policies must take into account impacts to groundwater resources and must also be protective of groundwater quality.
- 9. Streamline State programs:** As State programs and local obligations to meet existing and new regulations become more challenging, ACWA strongly encourages the State to streamline existing programs.
- 10. Adapt to climate change:** ACWA supports reasonable groundwater management strategies that anticipate and adapt to the effects of climate change, provided adaptation strategies are clearly defensible and flexible and do not affect existing water rights.
- 11. Increase groundwater education and awareness:** ACWA encourages increased education, communication, and awareness regarding groundwater management that targets diverse interests that depend on sustainable groundwater resources.



2021 Board Calendar - San Bernardino Valley Water Conservation District

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

Jan. 13 Board Meeting
Jan. 27 2nd Qtr. Finance & Admin Mtg.

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

Jul. 14 Board Meeting
Jul. 28 4th Qtr. Finance & Admin Mtg.

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

Feb. 10 Board Meeting

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

Aug. 11 Board Meeting

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

Mar. 10 Board Meeting
Engineering Investigation Report Presentation
Mar. 24 3rd Qtr. Finance & Admin Mtg.

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

Sept. 8 Board Meeting

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

Apr. 14 Board Meeting
Public Meeting/Groundwater Charge
Apr. 28 Board Meeting
Public Hearing/Groundwater Charge

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

Oct. 13 Board Meeting

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

May 12 Board Meeting

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

Nov. 10 Board Meeting
Nov. 15 1st Qtr. Finance & Admin Mtg.

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

Jun. 9 Board Meeting

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

Dec. 8 Board Meeting
(@ 9:30 a.m.)
Holiday Luncheon