



**San Bernardino Valley
Water Conservation District**
Helping Nature Store Our Water

BOARD OF DIRECTORS MEETING AGENDA
Wednesday, January 11, 2023 – 1:30 p.m.

Anyone wishing to listen to or participate in the meeting can join via Zoom:

Call in (669) 900-6833, Meeting ID: 811 5882 7619

To join the Zoom Meeting on <https://us02web.zoom.us/j/81158827619>

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

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the District office and are available for public review during normal District business hours. New information 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 a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Laroche at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in

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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

Betsy Miller

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. DISTRICT STANDING COMMITTEE APPOINTMENTS

A. BOARD PRESIDENT APPOINTMENTS

- ACWA Committee Appointments
- Appendix B-Standing Committees.....6
- Appendix C-Roster of Organizations and Committees with Assigned Representatives7

5. CONSENT CALENDAR

- A. Approval of Board Minutes, December 14, 2022.....10
- B. Approval of Expenditure Report, December 202219
- C. Report of Excused Absences

6. COMMITTEE REPORTS /ACTION ITEMS

Action Items

A. UNAUDITED FINANCIAL REPORTS, December 2022 – 5 minutes (M#1905).....28

Presenter: Angie Quiroga/Betsy Miller

Recommendation: Review and approve the unaudited financials for December 2022.

B. DISTRICT BOARD PRIORITIES FOR 2023 – 20 minutes (M#1906)35

Presenter: Betsy Miller

Recommendation: Review, provide feedback and consider approval of the 2023 District Board Priorities.

C. STATEMENT OF INVESTMENT POLICY 2023 – 5 minutes (M#1907).....39

Presenter: Betsy Miller

Recommendation: Finance & Administration Committee recommends the Board approve the Statement of Investment Policy as presented and renew their delegation of authority for investment management responsibility to the General Manager for 2023.

D. UPLAND ROCK MATERIAL PROCESSING LICENSE UPDATE – 5 minutes (M#1908)51

Presenter: David Cosgrove/Betsy Miller

Recommendation: Review and approve the Material Processing License Extension with Upland Rock.

- E. SETTLEMENT AGREEMENT AND RELEASE REGARDING D.R. HORTON TRESPASS – 5 minutes (M#1909).....75

Presenter: David Cosgrove/Betsy Miller

Recommendation: Review and approve the Settlement Agreement and Release with D.R. Horton, resolving issues regarding damage to 0.41 acres of District property next to the Vista Verde at Mediterra development.

- F. CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE ENDANGERED SPECIES CONSERVATION AND RECOVERY GRANT PROGRAM APPLICATION – 10 minutes (M#1910)83

Presenter: Milan Mitrovich

Recommendation: Staff recommends the Board authorize use of expenditures for the San Bernardino kangaroo rat monitoring program planned for the Wash Plan Preserve from 2024-2026 as matching funds for the California Department of Fish and Wildlife’s Endangered Species Conservation and Recovery Grant Program in an amount not to exceed \$235,000, and authorize the General Manager to prepare and sign a letter of commitment for these matching funds for submittal with the range-wide SBKR monitoring proposal prepared for the Program’s Proposal Solicitation.

- G. ASSOCIATION OF SAN BERNARDINO COUNTY SPECIAL DISTRICT BOARD NOMINATIONS – 5 minutes (M#1911)85

Presenter: Betsy Miller

Recommendation: If any Director wishes to serve, consider nominating a Board member for election to the Association of the San Bernardino County Specials Districts Board (ASBCSD) and authorize the President of the Board of Directors to submit a letter of recommendation.

7. INFORMATION ITEMS:

- A. Environmental Update – 5 Minutes86
- B. Wash Plan Trails Status Report – 5 Minutes89
- C. Engineering Update – 5 Minutes90
- D. Board President Monthly Verbal Update
- E. General Manager’s Report and Monthly Recharge Report – 5 Minutes91
- F. Future Agenda Items & Staff Tasks – 5 Minutes

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

9. UPCOMING MEETINGS:

- A. January 16, 2023 Office Closed in Observance of Martin Luther King, Jr. Birthday
- B. January 18, 2023 Conservation Trust, 2:00 p.m. at Conservation District

- C. January 19, 2023 Upper Santa Ana River Division I Water Forum, 9:00 a.m., Sierra Lakes Golf Club (Fontana)
- D. January 23, 2023 Association of San Bernardino Special Districts Dinner, 6:00 p.m. hosted by TBD (TBD)
Topic: TBD
- E. January 24, 2023 Operations Committee, 9:00 a.m. at Conservation District
(Zoom Meeting ID: 838 9508 0893)
- F. January 25, 2023 Finance & Administration Committee Meeting, 1:30 p.m. at Conservation District
(Zoom Meeting ID: 832 1145 1794)
- G. January 31, 2023 Big Bear Watermaster Committee, 10:00 a.m. at Conservation District
- H. February 6, 2023 Basin Technical Advisory Committee, 1:30 p.m. at Valley Municipal
- I. February 9, 2023 Ad Hoc Trails Committee, 9:00 a.m. at Conservation District
(Zoom Meeting ID: 810 3537 2357)
- J. February 9, 2023 Outreach Committee Meeting, 10:00 a.m. at Conservation District
(Zoom Meeting ID: 882 2303 8405)
- K. February 14, 2023 Active Recharge Transfer Projects Policy Committee, 9:00 a.m. at Conservation District
- L. May 9-11, 2023 ACWA Spring Conference (Monterey, CA)
(Board Approval Required)

10. **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 may convene in Closed Session for Conference to discuss Real Property Negotiations pursuant to Government Code §54956.8; Owner: Southern California Edison East End Hydroelectric Generation Plant property located on various parcels and easements in Mill Creek and Santa Ana River Canyons, Negotiator: Betsy Miller and David Cosgrove Owner: Southern California Edison Negotiators Allison, Bahen, Property Manager and Steven Powell, Vice President.
3. The Board will meet in Closed Session under Government Code section 54956.8, to discuss the terms and conditions of potential acquisition of Federal properties as part of the Wash Plan land exchange with BLM, consisting of 327.5 acres of the Federal Exchange Parcel, and 90 acres of the Federal Equalization Parcels, in exchange for District property of Assessor Parcel Nos.

0291-151-01, -02, and-05. David Cosgrove and Betsy Miller are the District's negotiators, and Victoria Ramirez is the lead negotiator for BLM.

4. The Board may convene in closed Session under authority of Government Code §54956.9 (a), (d)(2), and (e) (2), in order to discuss potential litigation regarding the D.R. Horton trespass.

5. The Board will meet in Closed Session under authority of Government Code §54956.9 (a), in order to discuss existing litigation, San Bernardino Valley Water Conservation District v. Mark J. Bacher dba Red Dragonfly Spa, SBCSC Case No. LLTVA 2103055.

11. **ADJOURN MEETING.** The next regularly scheduled Board of Directors Meeting will be on February 8, 2023 at 1:30 p.m., at District Headquarters, 1630 W. Redlands Blvd., Redlands, CA and via Zoom/teleconference.

APPENDIX "B"
BOARD COMMITTEES

STANDING COMMITTEES

FINANCE/ADMINISTRATION

Chair – David E. Raley
Member – John Longville
Alternate – Robert Stewart

The Finance and Administration Committee may review or be referred items by the Board or General Manager in the areas of Finance, Budget, Investments and Reporting, Staffing and Human Resources, Benefits, Board and Employee Administrative Policies and Procedures, and other issues designated by the Board.

OPERATIONS (formerly Resources)

Chair – Richard Corneille
Member – Robert Stewart
Alternate – Melody McDonald

The Operations Committee may review or be referred items by the Board or General Manager in the areas of Water Management, Land and Habitat Resource Planning, Groundwater Recharge Monitoring and Reporting, Engineering Investigation, Groundwater Charge Rates. Facilities Operation, Maintenance and Development, Regulatory Compliance, Mineral Lease Oversight or other issues designated by the Board.

OUTREACH AND COMMUNICATIONS

Chair – John Longville
Member – Robert Stewart
Alternate – Richard Corneille

The Outreach and Communications Committee may review or be referred items by the Board or General Manager in the areas of Public Information, Outreach Programs, Conservation and Landscape Education, District Legislative Monitoring, Intergovernmental Press and Media Coordination or other issues designated by the Board.

AD HOC COMMITTEES

Ad Hoc Committees are informal, temporarily formed advisory committees to investigate or address situation specific occurrences, and are created by appointment of the President of the Board of Directors. For example, an Ad Hoc Audit committee is formed in the spring each year to oversee the District's Annual Audit.

APPENDIX "C"

Roster of Organizations and Committees with Assigned Representatives

District Requested Meetings

District Requested Meetings are organizations that the Board has determined as essential for participation. The Board designates a primary and alternate; the alternate only attends if the primary indicates they are unavailable to attend. Included are all District Board meetings and Standing and Ad Hoc committees the member is appointed to, and those meetings or events a member is required to attend as a part of his or her role as a member of any other committee, board, or organization to which the member was appointed by the entire Board, or whose appointment was solicited or approved by the entire Board. If service on a committee requires travel or other costs such costs must be disclosed prior to appointment. Attendance by another Board member, other than the primary or alternate designee, may only be eligible for per diem compensation as a Director Selected meeting. Travel costs include conference registration, airfare car rental, hotel or similar reimbursable costs. Meeting Expenses include local mileage, meals, and parking. A cost estimate (Travel and Per Diem) must be presented to the Board in advance at its regularly scheduled Board meeting for approval for meetings listed as "Set by Board Action". Once "Set by Board Action" meetings are approved by the Board they may be claimed as District Requested meetings. Any District Requested or Director Selected meetings beyond ten per month are eligible for reimbursement of Expenses only. California Government Code § 53232.3 requires Board members to report on each compensated meeting outside of meetings District Board or Committee meetings at the next regular Board Meeting as designated in the Agenda. The reports may be made verbally or provided in writing at the discretion of the director.

<u>Organization/Committee</u>	<u>Primary/Alternate</u>
1. Association of California Water Agencies/JPIA	McDonald/Raley
2. Association of California Water Agencies (Spring/Fall Conferences)	Set by Board Action
3. California Special Districts Association Annual Conference **	Set by Board Action
4. Association of San Bernardino County Special Districts	McDonald/Stewart
5. Special Presentations [only one per month per director]	All Board Limited
6. ACWA Region 9 Meetings	All Board Limited
7. Basin Technical Advisory Committee	Stewart/McDonald

8. Upper SAR Water Forum	Corneille/Raley
9. SBVMWD Board Meetings	McDonald/Raley
9A. Engineering Workshop***	McDonald/Corneille
9B. Policy Workshop***	Longville/Stewart
9C. Resources Workshop***	Raley/McDonald
10. Wash Plan Task Force	Raley/Longville
11. Big Bear Watermaster Committee (Court Appointed Attendee-Scholte)	Raley/Stewart
12. San Bernardino Valley Conservation Trust	Raley & Longville
13. Active Recharge Transfer Projects Policy Committee	Corneille/McDonald
14. Meeting(s) Requested by the General Manager and/or Board President	All Board Limited
15. Any District Required/Mandated Training	All Board Limited

Organization/Committee's selected by Outside Organization subject to Board Approval

Other Activities:

<u>Organization/Committee</u>	<u>Primary/Alternate</u>
a. Sacramento Legislative Forums	Set by Board Action
b. Washington DC Legislative Forum	Set by Board Action
c. ACWA Committees	When appointed**
d. CSDA Committees	When appointed**
e. Local Government Commission	Longville/No Alternate

*Only one member should attend meeting on behalf of the District

** If appointed and while appointed.

***Both appointed members may attend as primary.

Director Selected Meetings - Maximum of 3

The Director Selected meetings are pre-approved; discretionary meetings that each Director may attend, in a number not to exceed three (3) per month, and are eligible for meeting per diem compensation and eligible Expense (local mileage, meals, and parking) reimbursement. Directors may attend more than three (3) Director Selected meetings in a single month; such attendance will be eligible only for reimbursement of Expenses, and ineligible for meeting per diem reimbursement. Reimbursement for Travel expenses (conference registration, airfare car rental, hotel or etc.) for any Director Selected meeting shall be paid only upon prior approval of the Board. A cost estimate must be presented to the Board in advance at a regularly scheduled Board meeting for approval. Expenses are subject to limitations provided for in the Board Policy Handbook Section 4025.1 for all Director Selected meeting.

Organization

- | | |
|---------------------------------------|-------------------|
| A. Redlands Chamber of Commerce | Director Selected |
| B. Highland Area Chamber of Commerce | Director Selected |
| C. Loma Linda Chamber of Commerce | Director Selected |
| D. Mentone Chamber of Commerce | Director Selected |
| E. San Bernardino Chamber of Commerce | Director Selected |
| F. Various Water Related Meetings | Director Selected |

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF DECEMBER 14, 2022
9:30 a.m.

President McDonald called the Board of Directors meeting to order at 9:32 a.m. 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 10:07 a.m.)

BOARD MEMBERS ABSENT:

Richard Corneille, Vice President

STAFF PRESENT:

Betsy Miller, General Manager
Milan Mitrovich, Land Resources Manager
Katelyn Scholte, Principal Engineer
Laura Torres, Assistant Engineer
Athena Laroche, Administrative Specialist
Angie Quiroga, Senior Administrative Analyst
David Cosgrove, District Counsel

GUESTS PRESENT:

Paul Kielhold, San Bernardino Valley Municipal Water District
Joanna Gibson, San Bernardino Valley Municipal Water District
Heather Dyer, San Bernardino Valley Municipal Water District
Wen Huang, San Bernardino Valley Municipal Water District
Mike Esquer, San Bernardino Valley Municipal Water District
Terry Shea, Rogers, Anderson, Malody and Scott
Willow Green, Tetra Tech

1. PUBLIC PARTICIPATION

President McDonald announced that any person 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 no additions or deletions to the posted agenda.

3. OATH OF OFFICE

Ms. Miller administered the Oath of Office to President McDonald and Director Raley.

4. ELECTION OF BOARD OFFICERS

President McDonald opened nominations for President for a two-year term through December 2024. Director Raley nominated President McDonald to continue in her role serving as President.

It was moved by Director Raley to nominate President McDonald for President and seconded by Director Stewart. There being no other nominations, the President closed the nominations without objection and called for voting on the office of President. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Vice President Corneille were noted absent from the vote.

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

President McDonald opened nominations for Vice President. Director Raley nominated Director Stewart for the position of Vice President.

It was moved by Director Raley to nominate Director Stewart for Vice President and seconded by President McDonald. There being no other nominations, the President closed the nominations without objection and called for voting on the office of Vice President. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Vice President Corneille were noted absent from the vote.

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

5. GUEST RECOGNITION/SELF INTRODUCTION

All those present in person made self-introductions. President McDonald introduced those participating via Zoom.

2. CONSENT CALENDAR

It was moved by Director Stewart and seconded by Director Raley to approve the Consent Calendar: Item A: Board Minutes, November 9, 2022; Item B: Expenditure Report, November 2022; and approval to excuse Vice President Corneille's planned absence from today's meeting. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Vice President Corneille were noted absent from the vote.

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

3. COMMITTEE REPORTS/ACTION ITEMS

A. FINANCE & ADMINISTRATION COMMITTEE VERBAL REPORT

Ms. Quiroga introduced this item for discussion. She stated that the Finance & Administration Committee met on November 16, and that Director Stewart attended in his role as the alternate. The Committee reviewed the capital projects and recommended approval of the 1st Quarter Unaudited Financials that will be presented later in the agenda. Director Raley said that staff is performing an excellent job managing the Districts' finances.

B. AD HOC AUDIT COMMITTEE VERBAL REPORT

Ms. Quiroga stated that the Ad Hoc Audit Committee met on December 2 to review the Draft Audit Report which is included later in the agenda. She said that Terry Shea of Rogers, Anderson, Malody and Scott (RAMS) reviewed the draft report with the Committee. The Committee recommended approval of the report.

C. UNAUDITED FINANCIAL REPORT, NOVEMBER 2022

Ms. Quiroga introduced this item for discussion, beginning on package page 22. She noted that we have recognized a 75% increase in investment returns. She said that all other revenue sources were as expected, and that initial payments of approximately \$17,000 into GL-4050: Property Tax Income have been received to date. Ms. Quiroga noted that President McDonald donated two hundred dollars to Steps 4 Life Community Services, paying their rent for the next two years. She said that \$477,906.21 has been expended on GL-7126: ARTP Eng/Prof Service to date, and that overall expenses increased approximately \$163,000 for the month. The Board thanked Ms. Quiroga for her detailed report.

It was moved by Director Raley and seconded by Director Stewart to approve the Unaudited Financial Reports for November 2022. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Vice President Corneille were noted absent from the vote.

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

D. 1st QUARTER UNAUDITED FINANCIAL REPORTS FY 2022-2023

Ms. Quiroga reviewed this item beginning on package page 28. The Finance & Administration Committee reviewed and recommended approval of this item at their November 16 meeting. The detailed breakout of the 1st Quarter Unaudited Financial Report for FY23 was shown on package pages 30 and 31. She noted that the Committee discussed GL-7126 with \$284,334.82 expended in Q1. Director Raley inquired

about the progress of the ARTP projects toward expending its \$3.2 million annual projected budget. She said that as progress is being made on ARTP with invoices continuing to be received for work completed to date. The Quarterly Investment Report is shown on package page 32. Ms. Quiroga said that the LAIF balance shown as \$4.3 million at the end of the Q1 has since been moved to UBS Financial Services. The various bonds and CD's that were purchased are listed on package page 33. Recently, staff has moved \$3 million into CAMP where the current yield is 4.02%. Director Raley expressed his appreciation for staff's efforts.

It was moved by Director Raley and seconded by Director Stewart to approve the 1st Quarter Unaudited Financial Reports for FY23 as presented. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Vice President Corneille were noted absent from the vote.

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

E. APPROVAL OF THE ENHANCED RECHARGE PHASE 1B PLANS AND SPECIFICATIONS

Ms. Miller introduced this item for discussion, noting its inclusion on package page 34. She recognized San Bernardino Valley Municipal Water District (Valley Municipal) and expressed her appreciation for Valley Municipal staff joining us today. She noted that the Enhanced Recharge Agreement, which outlines this joint project between Valley Municipal, Conservation District and Western Municipal Water District of Riverside was signed in October 2012. The first phase of the project was completed in 2018, and today's review is of Phase 1B. Ms. Miller said that Board approval of the proposed plans and specifications is required under Section 2-A-3 of the agreement.

Ms. Scholte provided a high-level overview noting that Phase 1B includes twenty new basins, roads and interconnecting canals. This project will expand facilities between Santa Ana Low that diverts to Dike D to increase recharge capacity. There will be approximately eight new structures constructed within the new canal to divert water to new basins. Valley Municipal staff and consultants met with Conservation District field staff and engineers to review the plans and specifications on October 27. Ms. Miller said that the completed project will increase the capacity to recharge the Bunker Hill Basin by 500 cubic feet per second (CFS). Mr. Cosgrove said that plans were prepared by Tetra Tech and that Conservation District staff has reviewed them in detail. He said that comments from both the Conservation District's Operations Committee and engineering staff were provided to the lead agency and that there were design changes were made to address the Conservation District's comments. He said that the Conservation District's approval of the design is exempted from CEQA under the Common Sense Exemption because this action will not negatively impact the environment. Valley Municipal prepared the required environmental reports and there is no additional need for environmental review.

President McDonald expressed her appreciation for Valley Municipal and Conservation District staff. She expressed her support for this project. Director Stewart stated that the collaborative effort of the agencies involved is amazing and that he looks forward to the next steps of this project. He suggested preparing materials to explain the vision, process, time, costs and environmental permitting to the community.

Director Raley said that part of the briefing to the public should be to include the cost effectiveness of how additional water will be provided to the community. President McDonald briefly reviewed history and expressed her support and appreciation for partner agencies and staff.

It was moved by Director Raley and seconded by Director Stewart to approve the Enhanced Recharge in the Santa Ana River – Phase 1B Plans and Specifications. The motion carried 3-0, with all Board members present voting in the affirmative. Director Longville and Vice President Corneille were noted absent from the vote.

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

F. FY22 DISTRICT AUDIT

Ms. Miller introduced this item for discussion, included on package page 37. This item was reviewed by the Ad Hoc Audit Committee on December 2, which recommended approval. She introduced Terry Shea of RAMS who presented a PowerPoint on the FY22 Audit. Mr. Shea provided a review of audit standards and outlined how the audit was performed. He noted that a new GASB regulation released this year, GASB 87, was applied to District leases. Ms. Miller stated that prior Board direction to fully fund the District's CalPERS unfunded liability has placed the District in a strong position for future years. Director Raley said that the District audited financials reflects the benefit of fully funding CalPERS. President McDonald spoke in support of this process. The Board thanked Mr. Shea for his detailed presentation.

It was moved by Director Stewart and seconded by Director Longville to approve the FY22 District Audit Report as presented, and direct the General Manager to file with the County Clerk. The motion carried 4-0, with all Board members present voting in the affirmative. Vice President Corneille was noted absent from the vote.

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

G. 2023 PER DIEM RATE

Ms. Miller introduced this item for discussion, noting its inclusion on package page 121. The Finance & Administration Committee reviewed this item on November 16 and recommended an increase of four dollars to the per diem rate to raise it to \$250, with a second option for Board discussion to increase it by five percent – as budgeted – to \$258. Director Longville recommended the Board select the five percent increase to the per diem rate from \$246 to \$258 for calendar year 2023. He recommended considering that decisions made by this Board regarding per diem rates will affect future Board members. He also stated that the Board has foregone increases in previous years and believes they should not do so this year. President McDonald indicated that the Board had previously foregone increases and discussed the effects of inflation. Ms. Miller noted that the current CPI-U rate is 8.1%. Director Stewart spoke in

support of Resolution No. 605A increasing the Board per diem rate by 1.61% to \$250. He said that this approach reflects the mission of the District to conserve and noted his belief that the Board does not need to be maximally compensated at all times. Director Raley concurred with Director Stewart, but also took into consideration the viewpoint of Director Longville. He concurred that once the Board selects a per diem rate, it cannot make up forgone compensation which may potentially hurt future directors. He also took into consideration the current inflation rate. Director Stewart said that the Board is very conservative and that the Board has been under budget on Director's expenses for a number of years, but feels that the 1.61% increase is adequate. Director Longville noted that the Board went to great lengths to reduce the expenses of its Board by reducing its Board size from a seven-member board to a five-member board in the past.

It was moved by Director Longville and seconded by President McDonald to approve Resolution No. 605B, increasing the Board per diem rate by 5%, increasing it from \$246 to \$258 for calendar year 2023. The motion carried 3-1, with President McDonald, Director Raley and Longville voting in the affirmative and Director Stewart voting in opposition. Vice President Corneille was noted absent from the vote.

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

4. INFORMATION ITEMS

A. ENVIRONMENTAL UPDATE

Mr. Mitrovich provided an update on this item, noting its inclusion on package pages 124 to 126. He reviewed the Wash Plan implementation and management activities. Staff toured potential direct seeding sites for the establishment of new colonies of slender-horned spineflower (SHSF) with the Bureau of Land Management (BLM) on November 18. On November 22, the District received a fully executed 2081(a) permit that allows us to perform seed bulking for SHSF this fall and winter. Robertson's and CEMEX have been updated on the new permit. As of December 2, we have seed for 500 plants and germination started a few days ago. Ms. Miller expressed her appreciation for Mr. Mitrovich's effort in obtaining the permit. President McDonald asked if this process is being documented. Staff spoke in the affirmative. Mr. Mitrovich indicated that the unhoused population has been relocated and clean-up crews have begun work to restore affected habitat. He said that hotel vouchers have been provided to persons experiencing homelessness on District lands and partners such as Steps 4 Life, Step Up and the City of Redlands are coordinating to provide transitional services leading to long term placement. Mr. Mitrovich commended field staff for their efforts in support of permanent housing for the unhoused population. President McDonald thanked staff for their assistance to and compassion in their interactions with this community. Mr. Mitrovich continued his review of the environmental update and discussed a potential MOU with San Bernardino County Flood Control District in brief. President McDonald said that she is excited to see these projects moving forward and thanked Mr. Mitrovich for his hard work. Director Longville expressed his appreciation for the compassionate way in which the District addressed the unhoused community. This item was received and filed.

B. WASH PLAN TRAILS STATUS REPORT

Ms. Miller introduced this item for discussion, noting its inclusion on package page 127. She said that the City of Highland has reviewed the five party agreement with plans to present it to their Council in early 2023. Ms. Miller indicated that CEMEX and Robertson's have requested additional time to review the agreement. The City of Redlands has indicated that they will provide comments to the District by mid-February.

C. ENGINEERING UPDATE

This item is included on package page 128. Ms. Scholte indicated that staff continues to work with the builder on the Mentone Shop improvements. The District is waiting for the U.S. Army Corps of Engineers to complete their review of the 408 permit for the Mill Creek Diversion project; two of the three gates that were ordered have been delivered. Geotechnical testing has been completed for Waterman, Twin and Lynwood. Ms. Scholte said that borings are being done today on Plunge and Oak Creek. She reviewed the sediment transport model.

D. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller introduced this item for discussion, noting its inclusion on package page 129. She noted Ms. Dyer from Valley Municipal recently return from a trip to learn about Israel's water strategy with the Environmental Protection Agency. Ms. Miller thanked her for representing our region there. She noted that staff completed its CPR and First Aide Training on November 17. President McDonald asked if equipment and first aid kits have been updated. Staff plans to purchase AED's and update first aid kits. President McDonald asked how staff communicates in the field and if we have radios. Ms. Miller indicated that field staff currently communicates using their cell phones. However, there are certain areas where the phones do not work so we are evaluating the purchase of radios. Ms. Miller said that there is a company interested in leasing the vacant suite K, and Ms. Quiroga is leading leasing of this space. Ms. Miller said that IERCDC continues outreach efforts on the District's behalf. She said that the board room technology upgrade is nearly complete. She noted that the District received the ACWA/JPIA President's Special Recognition Award for maintaining a loss ratio of 20% or less. The CDFW Streambed Alteration Agreement for Wash Plan Covered Activities was issued on December 7. Manuel Colunga, Tommy Purvis and Michael Guizar each received JPIA's H.R. LaBounty Safety Award for their work to prepare and document safe use practices for the shop's crane. Ms. Miller provided a handout of the District's 2022 achievements. Ms. Dyer expressed her gratitude to the Board for their partnership, noting that planning for the Enhanced Recharge Project began in 1990. She indicated that this project, which will allow recharge of an additional 7000 acre feet per year, demonstrates that we are stronger together than alone. She noted how important a resource this project will be for the Bunker Hill basin and stated her gratitude for Mr. Mitrovich and Ms. Miller and the benefits that they bring to this region. Director Raley appreciates the strong cooperative relationship that has been created among our agencies. President McDonald spoke in appreciation of the partnership with Valley Municipal. The monthly recharge report is included on package page 131. This item was received and filed.

E. FUTURE AGENDA ITEMS & STAFF TASKS

President McDonald requested a President's Report item be added to the Board agenda. Director Raley requested an update of the benefit of our California Special Districts Association membership.

5. MONTHLY BOARD MEMBER MEETING REPORTS

Director Stewart attended the Valley Municipal Policy Workshop on November 10, Finance & Administration Committee on November 16 and Loma Linda Chamber of Commerce on December 7.

Director Longville attended the Valley Municipal Engineering Workshop on December 13, ACWA Fall Conference and lunch with the General Manager on November 22.

Director Raley attended the Finance & Administration Committee on November 16, Ad Hoc Audit Committee on December 2 and signed expenditures on December 13.

President McDonald attended the Valley Municipal Engineering Workshop on December 13, Valley Municipal Policy Workshop on December 6 and ACWA Fall Conference on December 1. She attended the ACWA Region 9 meeting on November 30, Valley Municipal Policy Workshop on November 10 and Association of the San Bernardino County Special Districts (ASBCSD) Dinner on November 21. She attended the Valley Municipal Board meeting on November 15, and ASBCSD Board meeting on November 14.

6. UPCOMING MEETINGS

No meetings were discussed.

7. CLOSED SESSION

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

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

Mr. Cosgrove announced that the meeting would adjourn to a closed session to discuss all items on the posted agenda.

At 11:25 a.m. the meeting reconvened into open session. Mr. Cosgrove reported that while in Closed Session, the Board made no reportable action.

Ms. Miller administered the Oath of Office for Director Longville.

8. 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.

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

Director Stewart: Yes

At 11:58 a.m., the meeting adjourned to the regular Board meeting scheduled for 1:30 p.m. on January 11, 2023, via Zoom and in-person.

Betsy Miller
General Manager

San Bernardino Valley Water Conservation District Expenditure Report December 2022

Num	Date	Name	Account	Class	Original Amount
OnlinePymt	12/13/2022	WEX Bank-Valero	1012 · Citizens Busine...		-1,213.09
	11/23/2022		5320 · Fuel	1-Groundwater Ent.	1,213.09
TOTAL					1,213.09
PC 12.14.22	12/14/2022	Paychex	1012 · Citizens Busine...		-129.05
			6042 · Payroll Processing	4-General Fund Ent.	129.05
TOTAL					129.05
23869	12/07/2022	Aaron Pederson	1012 · Citizens Busine...		-75.00
	11/26/2022		6018 · Janitorial Services	4-General Fund Ent.	35.00
			6016 · Redlands Plaza ...	2-Redlands Plaza/...	40.00
TOTAL					75.00
23870	12/07/2022	AECOM Technical Serv...	1012 · Citizens Busine...		-10,957.25
	11/30/2022		7151 · Mill Creek Permi...	1-Groundwater Ent.	10,957.25
TOTAL					10,957.25
23871	12/07/2022	American Express	1012 · Citizens Busine...		-824.41
	11/23/2022		6030 · Office Supplies	4-General Fund Ent.	74.63
			6030 · Office Supplies	1-Groundwater Ent.	4.66
			6030 · Office Supplies	2-Redlands Plaza/...	9.33
			6030 · Office Supplies	3-Land Resources	4.66
			6425 · Meals	4-General Fund Ent.	32.46
			6525 · Meals	4-General Fund Ent.	14.61
			6525 · Meals	1-Groundwater Ent.	11.36
			6525 · Meals	3-Land Resources	6.49
			6530 · Lodging	4-General Fund Ent.	299.79
			6530 · Lodging	1-Groundwater Ent.	233.17
			6530 · Lodging	3-Land Resources	133.25
TOTAL					824.41
23872	12/07/2022	American Power Security	1012 · Citizens Busine...		-970.00
	11/30/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	970.00
TOTAL					970.00
23873	12/07/2022	Assoc. San Bernardino...	1012 · Citizens Busine...		-35.00
	11/28/2022		6425 · Meals	4-General Fund Ent.	35.00
TOTAL					35.00
23874	12/07/2022	Brownstein Hyatt Farb...	1012 · Citizens Busine...		-15,375.00
	11/23/2022		5120 · Misc. Profession...	3-Land Resources	15,375.00
TOTAL					15,375.00

San Bernardino Valley Water Conservation District Expenditure Report December 2022

Num	Date	Name	Account	Class	Original Amount
23875	12/07/2022	California Special Distr...	1012 · Citizens Busine...		-8,186.00
	10/01/2022		6093 · Memberships	4-General Fund Ent.	8,186.00
TOTAL					8,186.00
23876	12/07/2022	Castro Landscaping Se...	1012 · Citizens Busine...		-320.00
	11/30/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	320.00
TOTAL					320.00
23877	12/07/2022	Edison - 6256 (Redland...	1012 · Citizens Busine...		-190.67
	12/01/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	190.67
TOTAL					190.67
23878	12/07/2022	Edison - 9779	1012 · Citizens Busine...		-197.94
	12/01/2022		5420 · Electricity	4-General Fund Ent.	55.42
			5420 · Electricity	1-Groundwater Ent.	39.60
			5420 · Electricity	2-Redlands Plaza/...	83.13
			5420 · Electricity	6-Active Recharge ...	19.79
TOTAL					197.94
23879	12/07/2022	Empire Disposal	1012 · Citizens Busine...		-227.13
	11/30/2022		5460 · Water / Trash / ...	4-General Fund Ent.	102.21
			5460 · Water / Trash / ...	1-Groundwater Ent.	79.50
			5460 · Water / Trash / ...	3-Land Resources	22.71
			5460 · Water / Trash / ...	6-Active Recharge ...	22.71
TOTAL					227.13
23880	12/07/2022	Employee Relations Ne...	1012 · Citizens Busine...		-104.30
	11/30/2022		6001 · General Adminis...	4-General Fund Ent.	52.15
			6001 · General Adminis...	1-Groundwater Ent.	52.15
TOTAL					104.30
23881	12/07/2022	Frontier-4860	1012 · Citizens Busine...		-457.11
	11/28/2022		5440 · Telephone	4-General Fund Ent.	193.28
			5440 · Telephone	1-Groundwater Ent.	80.53
			5440 · Telephone	6-Active Recharge ...	48.32
			5470 · Internet Services	4-General Fund Ent.	60.74
			5470 · Internet Services	1-Groundwater Ent.	33.74
			5470 · Internet Services	2-Redlands Plaza/...	6.75
			5470 · Internet Services	3-Land Resources	20.25
			5470 · Internet Services	6-Active Recharge ...	13.50
TOTAL					457.11

San Bernardino Valley Water Conservation District
Expenditure Report
December 2022

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
23882	12/07/2022	Frontier-7275	1012 · Citizens Busine...		-130.72
	11/19/2022		5440 · Telephone	4-General Fund Ent.	33.44
			5440 · Telephone	1-Groundwater Ent.	13.93
			5440 · Telephone	6-Active Recharge ...	8.36
			5470 · Internet Services	4-General Fund Ent.	33.74
			5470 · Internet Services	1-Groundwater Ent.	18.75
			5470 · Internet Services	2-Redlands Plaza/...	3.75
			5470 · Internet Services	3-Land Resources	11.25
			5470 · Internet Services	6-Active Recharge ...	7.50
TOTAL					130.72
23883	12/07/2022	Home Depot Credit Ser...	1012 · Citizens Busine...		-31.37
	11/28/2022		5210 · Equipment Maint...	1-Groundwater Ent.	31.37
TOTAL					31.37
23884	12/07/2022	Image Source	1012 · Citizens Busine...		-121.63
	11/22/2022		6033 · Office Equipmen...	4-General Fund Ent.	91.22
			6033 · Office Equipmen...	1-Groundwater Ent.	6.08
			6033 · Office Equipmen...	2-Redlands Plaza/...	18.25
			6033 · Office Equipmen...	3-Land Resources	6.08
TOTAL					121.63
23885	12/07/2022	Industrial Fire Protection	1012 · Citizens Busine...		-329.90
	11/23/2022		5210 · Equipment Maint...	1-Groundwater Ent.	247.42
			6012 · Office Maintenanc...	4-General Fund Ent.	32.99
			6012 · Office Maintenanc...	2-Redlands Plaza/...	49.49
TOTAL					329.90
23886	12/07/2022	JAN-PRO Cleaning Sys...	1012 · Citizens Busine...		-800.00
	12/01/2022		6018 · Janitorial Services	4-General Fund Ent.	800.00
TOTAL					800.00
23887	12/07/2022	Lowe's Companies, Inc.	1012 · Citizens Busine...		-247.02
	11/25/2022		5210 · Equipment Maint...	1-Groundwater Ent.	247.02
TOTAL					247.02
23888	12/07/2022	Mikael Romich	1012 · Citizens Busine...		-15,990.00
	11/28/2022		5123 · Habitat Manage...	5-Wash Plan	15,990.00
TOTAL					15,990.00

San Bernardino Valley Water Conservation District Expenditure Report December 2022

Num	Date	Name	Account	Class	Original Amount
23889	12/07/2022	Netsteller	1012 · Citizens Busine...		-708.19
	12/01/2022		6027 · Computer Softw...	4-General Fund Ent.	111.02
			6027 · Computer Softw...	1-Groundwater Ent.	25.82
			6027 · Computer Softw...	2-Redlands Plaza/...	38.73
			6027 · Computer Softw...	3-Land Resources	38.73
			6027 · Computer Softw...	6-Active Recharge ...	43.89
	12/01/2022		5160 · IT Support	4-General Fund Ent.	135.00
			5160 · IT Support	1-Groundwater Ent.	202.50
			5160 · IT Support	3-Land Resources	45.00
			5160 · IT Support	5-Wash Plan	22.50
			5160 · IT Support	6-Active Recharge ...	45.00
TOTAL					708.19
23890	12/07/2022	O'Reilly	1012 · Citizens Busine...		-90.56
	11/14/2022		5210 · Equipment Maint...	1-Groundwater Ent.	48.93
	11/29/2022		5210 · Equipment Maint...	1-Groundwater Ent.	41.63
TOTAL					90.56
23891	12/07/2022	Patton Sales Corp	1012 · Citizens Busine...		-172.31
	10/27/2022		5120 · Misc. Profession...	3-Land Resources	172.31
TOTAL					172.31
23892	12/07/2022	Q3 Consulting, Inc.	1012 · Citizens Busine...		-76,869.65
	09/30/2022		7126 · ARTP Engr/Prof ...	6-Active Recharge ...	13,660.40
	10/31/2022		7126 · ARTP Engr/Prof ...	6-Active Recharge ...	30,487.00
	11/17/2022		7126 · ARTP Engr/Prof ...	6-Active Recharge ...	32,722.25
TOTAL					76,869.65
23893	12/07/2022	Quill Corporation	1012 · Citizens Busine...		-50.66
	11/25/2022		6030 · Office Supplies	4-General Fund Ent.	40.53
			6030 · Office Supplies	1-Groundwater Ent.	2.53
			6030 · Office Supplies	2-Redlands Plaza/...	5.07
			6030 · Office Supplies	3-Land Resources	2.53
TOTAL					50.66
23894	12/07/2022	Redlands Ford-Ken Gr...	1012 · Citizens Busine...		-98.65
	11/17/2022		5310 · Vehicle Mainten...	1-Groundwater Ent.	98.65
TOTAL					98.65
23895	12/07/2022	Smart & Final	1012 · Citizens Busine...		-213.38
	12/06/2022		6004 · Meeting Expenses	4-General Fund Ent.	77.35
			6004 · Meeting Expenses	3-Land Resources	77.34
			6019 · Janitorial Supplies	4-General Fund Ent.	35.22
			6019 · Janitorial Supplies	1-Groundwater Ent.	23.47
TOTAL					213.38

San Bernardino Valley Water Conservation District Expenditure Report December 2022

Num	Date	Name	Account	Class	Original Amount
23896	12/07/2022	Tetra Tech	1012 · Citizens Busine...		-95,854.60
	11/22/2022		7126 · ARTP Engr/Prof ...	6-Active Recharge ...	95,854.60
TOTAL					95,854.60
23897	12/07/2022	The Alarm and Sprinkle...	1012 · Citizens Busine...		-570.00
	11/21/2022		6016 · Redlands Plaza ...	2-Redlands Plaza/...	570.00
TOTAL					570.00
23898	12/07/2022	Thompson Reuters	1012 · Citizens Busine...		-495.00
	12/01/2022		5180 · Legal	4-General Fund Ent.	123.75
			5180 · Legal	1-Groundwater Ent.	74.25
			5180 · Legal	3-Land Resources	99.00
			5180 · Legal	6-Active Recharge ...	198.00
TOTAL					495.00
23899	12/19/2022	City of Redlands-F&C ...	1012 · Citizens Busine...		-1,575.00
			6060 · Outreach	4-General Fund Ent.	472.50
			6060 · Outreach	1-Groundwater Ent.	315.00
			6060 · Outreach	3-Land Resources	472.50
			6060 · Outreach	5-Wash Plan	110.25
			6060 · Outreach	6-Active Recharge ...	204.75
TOTAL					1,575.00
23900	12/20/2022	AAA Alarm Systems, Inc.	1012 · Citizens Busine...		-129.00
	01/01/2023		5410 · Alarm Service	4-General Fund Ent.	51.60
			5410 · Alarm Service	1-Groundwater Ent.	51.60
			5410 · Alarm Service	6-Active Recharge ...	25.80
TOTAL					129.00
23901	12/20/2022	ACWA/JPIA-Health	1012 · Citizens Busine...		-24,611.97
	12/07/2022		6110 · Vision Insurance	4-General Fund Ent.	46.14
			6110 · Vision Insurance	1-Groundwater Ent.	159.71
			6110 · Vision Insurance	2-Redlands Plaza/...	14.20
			6110 · Vision Insurance	3-Land Resources	35.49
			6110 · Vision Insurance	5-Wash Plan	24.84
			6110 · Vision Insurance	6-Active Recharge ...	74.52
			6130 · Dental Insurance	4-General Fund Ent.	142.69
			6130 · Dental Insurance	1-Groundwater Ent.	493.92
			6130 · Dental Insurance	2-Redlands Plaza/...	43.90
			6130 · Dental Insurance	3-Land Resources	109.76
			6130 · Dental Insurance	5-Wash Plan	76.83
			6130 · Dental Insurance	6-Active Recharge ...	230.50
			6150 · Medical Insurance	4-General Fund Ent.	3,010.73
			6150 · Medical Insurance	1-Groundwater Ent.	10,421.76
			6150 · Medical Insurance	2-Redlands Plaza/...	926.38
			6150 · Medical Insurance	3-Land Resources	2,315.95
			6150 · Medical Insurance	5-Wash Plan	1,621.16
			6150 · Medical Insurance	6-Active Recharge ...	4,863.49
TOTAL					24,611.97

San Bernardino Valley Water Conservation District Expenditure Report December 2022

Num	Date	Name	Account	Class	Original Amount
23902	12/20/2022	Brownstein Hyatt Farb...	1012 · Citizens Busine...		-15,375.00
	12/08/2022		5120 · Misc. Profession...	3-Land Resources	15,375.00
TOTAL					15,375.00
23903	12/20/2022	CASC Engineering and...	1012 · Citizens Busine...		-4,342.50
	12/15/2022		7126 · ARTP Engr/Prof ...	6-Active Recharge ...	4,342.50
TOTAL					4,342.50
23904	12/20/2022	City of Redlands -Muni...	1012 · Citizens Busine...		-2,893.19
	12/08/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	2,893.19
TOTAL					2,893.19
23905	12/20/2022	David Cosgrove	1012 · Citizens Busine...		-1,017.98
	12/02/2022		6510 · Mileage	4-General Fund Ent.	58.00
			6510 · Mileage	1-Groundwater Ent.	36.25
			6510 · Mileage	3-Land Resources	14.50
			6510 · Mileage	6-Active Recharge ...	36.25
			6525 · Meals	4-General Fund Ent.	38.60
			6525 · Meals	1-Groundwater Ent.	30.02
			6525 · Meals	3-Land Resources	17.15
			6530 · Lodging	4-General Fund Ent.	332.08
			6530 · Lodging	1-Groundwater Ent.	258.29
			6530 · Lodging	3-Land Resources	147.59
			6520 · Travel, Other (re...	4-General Fund Ent.	22.16
			6520 · Travel, Other (re...	1-Groundwater Ent.	12.31
			6520 · Travel, Other (re...	3-Land Resources	14.78
TOTAL					1,017.98
23906	12/20/2022	Diamond Environment...	1012 · Citizens Busine...		-100.48
	12/05/2022		5460 · Water / Trash / ...	4-General Fund Ent.	45.22
			5460 · Water / Trash / ...	1-Groundwater Ent.	35.16
			5460 · Water / Trash / ...	3-Land Resources	10.05
			5460 · Water / Trash / ...	6-Active Recharge ...	10.05
TOTAL					100.48
23907	12/20/2022	Edison - 6493	1012 · Citizens Busine...		-72.97
	12/12/2022		5420 · Electricity	4-General Fund Ent.	20.43
			5420 · Electricity	1-Groundwater Ent.	14.59
			5420 · Electricity	2-Redlands Plaza/...	30.65
			5420 · Electricity	6-Active Recharge ...	7.30
TOTAL					72.97
23908	12/20/2022	Edison - 8958	1012 · Citizens Busine...		-299.36
	12/08/2022		5420 · Electricity	4-General Fund Ent.	83.82
			5420 · Electricity	1-Groundwater Ent.	59.87
			5420 · Electricity	2-Redlands Plaza/...	125.73
			5420 · Electricity	6-Active Recharge ...	29.94
TOTAL					299.36

San Bernardino Valley Water Conservation District
Expenditure Report
December 2022

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
23909	12/20/2022	Kelly Printing Supplies	1012 · Citizens Busine...		-225.30
	11/18/2022		6030 · Office Supplies	4-General Fund Ent.	180.24
			6030 · Office Supplies	1-Groundwater Ent.	11.27
			6030 · Office Supplies	2-Redlands Plaza/...	22.53
			6030 · Office Supplies	3-Land Resources	11.26
TOTAL					225.30
23910	12/20/2022	Manuel Colunga	1012 · Citizens Busine...		-262.10
	12/05/2022		6051 · Uniforms	4-General Fund Ent.	78.63
			6051 · Uniforms	1-Groundwater Ent.	183.47
TOTAL					262.10
23911	12/20/2022	Patton Sales Corp	1012 · Citizens Busine...		-1,850.79
	11/29/2022		5215 · Property Mainte...	1-Groundwater Ent.	1,480.63
			5215 · Property Mainte...	3-Land Resources	370.16
TOTAL					1,850.79
23912	12/20/2022	Quill Corporation	1012 · Citizens Busine...		-28.47
	10/07/2022		6030 · Office Supplies	4-General Fund Ent.	22.78
			6030 · Office Supplies	1-Groundwater Ent.	1.42
			6030 · Office Supplies	2-Redlands Plaza/...	2.85
			6030 · Office Supplies	3-Land Resources	1.42
TOTAL					28.47
23913	12/20/2022	Terminix	1012 · Citizens Busine...		-91.00
	11/01/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	91.00
TOTAL					91.00
23914	12/20/2022	The Gas Company	1012 · Citizens Busine...		-212.13
	12/15/2022		5450 · Natural Gas	4-General Fund Ent.	106.06
			5450 · Natural Gas	1-Groundwater Ent.	63.64
			5450 · Natural Gas	6-Active Recharge ...	42.43
TOTAL					212.13
23915	12/20/2022	Thompson Reuters	1012 · Citizens Busine...		-439.36
	12/04/2022		5180 · Legal	4-General Fund Ent.	109.84
			5180 · Legal	1-Groundwater Ent.	65.90
			5180 · Legal	3-Land Resources	87.87
			5180 · Legal	6-Active Recharge ...	175.75
TOTAL					439.36

San Bernardino Valley Water Conservation District Expenditure Report December 2022

Num	Date	Name	Account	Class	Original Amount
23916	12/20/2022	Xerox Financial Services	1012 · Citizens Busine...		-337.44
	12/02/2022		6033 · Office Equipmen...	4-General Fund Ent.	253.08
			6033 · Office Equipmen...	1-Groundwater Ent.	16.87
			6033 · Office Equipmen...	2-Redlands Plaza/...	50.62
			6033 · Office Equipmen...	3-Land Resources	16.87
TOTAL					337.44
100319N	12/06/2022	PERS	1012 · Citizens Busine...		-9,039.72
			6170 · PERS Retirement	4-General Fund Ent.	1,175.16
			6170 · PERS Retirement	1-Groundwater Ent.	4,067.87
			6170 · PERS Retirement	2-Redlands Plaza/...	361.59
			6170 · PERS Retirement	3-Land Resources	903.97
			6170 · PERS Retirement	5-Wash Plan	632.78
			6170 · PERS Retirement	6-Active Recharge ...	1,898.35
TOTAL					9,039.72
100320N	12/13/2022	PERS	1012 · Citizens Busine...		-8,941.22
			6170 · PERS Retirement	4-General Fund Ent.	1,162.36
			6170 · PERS Retirement	1-Groundwater Ent.	4,023.55
			6170 · PERS Retirement	2-Redlands Plaza/...	357.65
			6170 · PERS Retirement	3-Land Resources	894.12
			6170 · PERS Retirement	5-Wash Plan	625.89
			6170 · PERS Retirement	6-Active Recharge ...	1,877.65
TOTAL					8,941.22

San Bernardino Valley Water Conservation District
Director Fees Expenditure Payroll Report
December 2022

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
12/14/2022	Corneile, R	Nov-22	\$ 1,230.00	\$ 147.66	\$ 1,082.34
12/14/2022	McDonald, M	Nov-Dec 22	\$ 984.00	\$ 86.10	\$ 897.90
12/14/2022	Raley, D	Jun, Jul, Sept,Oct 22	\$ 3,690.00	\$ 1,621.62	\$ 2,068.38



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1905

To: Board of Directors

**From: Angie Quiroga, Senior Administrative Analyst
Betsy Miller, General Manager**

Date: January 11, 2023

Subject: Unaudited Financial Reports for December 2022

RECOMMENDATION

Review and approve the unaudited financial report for December 2022.

BACKGROUND

Staff presents the previous month's unaudited financial report at the subsequent Board meeting. The reports presented here include information through December 31, 2022.

DISCUSSION

GL 4010 Interest Income is currently above budget as funds were moved to higher yield investment options as they became available. Groundwater Charge revenue remains unchanged. Groundwater charge statements were mailed to producers at the end of December for the July-December 2022 bi-annual billing cycle, and payments are expected to be received beginning in January. Increased Cemex mining has resulted in higher GL 4032 income due to royalty payments. Nearly \$100,000 in property tax revenue was received into GL 4050 this month. GL 6093 Memberships is over budget but will be adjusted at year-end for pre-payments. Memberships such as California Special Districts Association (CSDA) provide benefits such as a representation for special districts in Sacramento and Washington D.C., as well as weekly legislative updates, governance training, Board Secretary training, and certifications. All other expenses are as expected. A quarterly report spreadsheet will be presented to the Finance & Administration Committee at its January 25, 2023, meeting.

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 December 2022 as presented.
2. Move to request this item be tabled and referred to the Finance & Administration Committee to reconsider specific issues discussed.

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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**

Betsy Miller

ATTACHMENTS OR MATERIALS

Graph Financials for December 2022
Profit & Loss to Date vs. Annual Budget

SBVWCD - All Enterprises Budget and Actual

December 2022

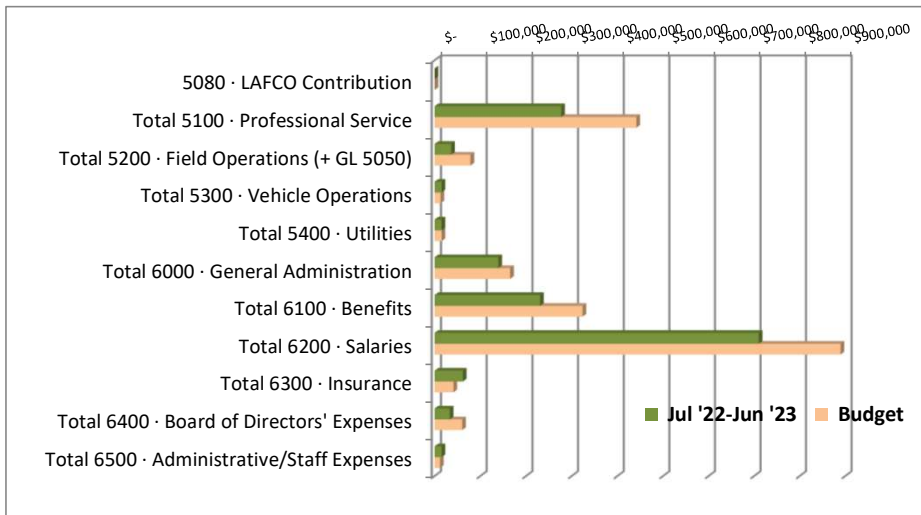
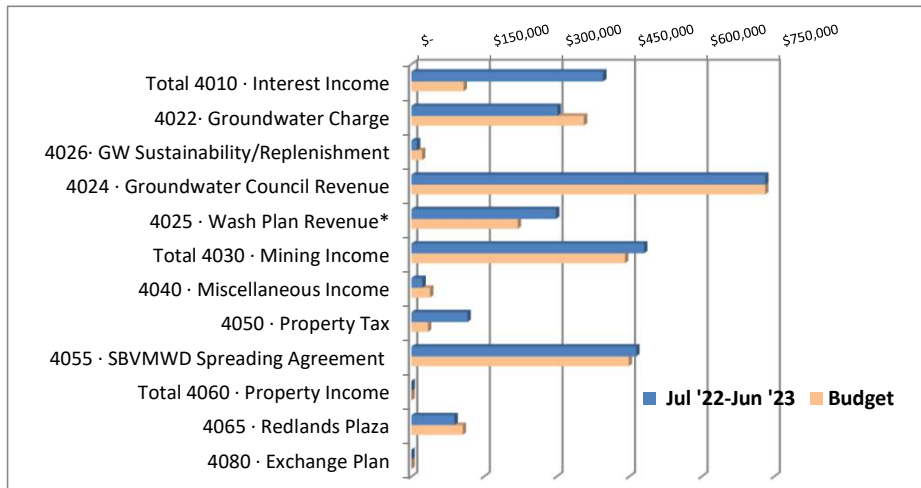
REVENUE	Jul '22-Jun '23	Budget
Total 4010 · Interest Income	\$ 396,097	\$ 107,819
4022 · Groundwater Charge	\$ 301,814	\$ 356,315
4026 · GW Sustainability/Replenishment	\$ 11,326	\$ 22,045
4024 · Groundwater Council Revenue	\$ 731,640	\$ 731,640
4025 · Wash Plan Revenue*	\$ 298,586	\$ 219,734
Total 4030 · Mining Income	\$ 480,881	\$ 441,500
4040 · Miscellaneous Income	\$ 22,635	\$ 38,500
4050 · Property Tax	\$ 115,822	\$ 34,340
4055 · SBVMWD Spreading Agreement	\$ 464,629	\$ 449,083
Total 4060 · Property Income	\$ 200	\$ -
4065 · Redlands Plaza	\$ 88,907	\$ 105,925
4080 · Exchange Plan	\$ -	\$ -

Total Revenue \$ 2,912,536 \$ 2,506,902

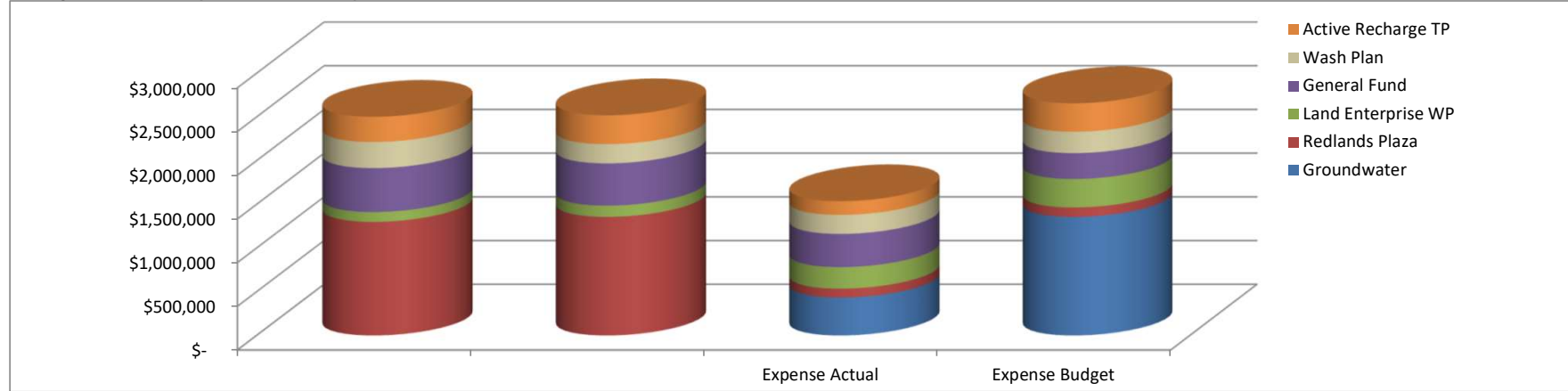
*District loans to the WP & State Permitting payments

EXPENSES Operating and Capital	Jul '22-Jun '23	Budget
5080 · LAFCO Contribution	\$ 57	\$ 100
Total 5100 · Professional Service	\$ 277,326	\$ 441,662
Total 5200 · Field Operations (+ GL 5050)	\$ 36,350	\$ 78,702
Total 5300 · Vehicle Operations	\$ 15,344	\$ 13,275
Total 5400 · Utilities	\$ 15,347	\$ 15,511
Total 6000 · General Administration	\$ 139,618	\$ 165,458
Total 6100 · Benefits	\$ 231,042	\$ 323,819
Total 6200 · Salaries	\$ 710,391	\$ 889,981
Total 6300 · Insurance	\$ 62,010	\$ 41,493
Total 6400 · Board of Directors' Expenses	\$ 33,546	\$ 60,559
Total 6500 · Administrative/Staff Expenses	\$ 15,486	\$ 12,000

Total Expense \$ 1,536,515 \$ 2,042,562



Enterprises to Date (December 2022)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 1,300,325	\$ 1,356,996	96%
Groundwater Expense	\$ 433,802	\$ 785,397	55%
Revenue -Expense	\$ 866,523	\$ 571,599	
Redlands Plaza Revenue	\$ 112,230	\$ 128,779	87%
Redlands Plaza Expense	\$ 102,129	\$ 107,766	95%
Revenue -Expense	\$ 10,101	\$ 21,012	
Land Enterprise Revenue	\$ 502,719	\$ 483,750	104%
Land Enterprise Expense	\$ 246,250	\$ 326,073	76%
Revenue -Expense	\$ 256,470	\$ 157,677	
General Fund Revenue *	\$ 434,468	\$ 309,671	140%
General Fund Expense	\$ 379,975	\$ 295,697	129%
Revenue -Expense	\$ 54,493	\$ 13,975	
Wash Plan Revenue	\$ 298,586	\$ 219,734	136%
Wash Plan Expense	\$ 217,556	\$ 244,977	89%
Revenue-Expense	81,030	(25,243)	
Active Recharge TP Revenue	\$ 288,862	\$ 330,075	88%
Active Recharge TP Expense	\$ 156,865	\$ 325,321	48%
Revenue-Expense	\$ 131,997	\$ 4,754	
Total All Revenue - Expense	\$ 1,400,614	\$ 743,774	

Cash Status	As of 7/1/2022	As of 12/31/22
LAIF	\$ 18,879,158.26	\$ 469,356.43
Cal Trust	\$ 3,200,472.16	\$ 3,234,795.01
Citizens Bank	\$ 833,594.25	\$ 1,055,701.76
UBS Financial Services	\$ 1,458,168.03	\$ 16,875,232.56
US Bank-CAMP	\$ 18,803,603.20	\$ 22,094,403.27
Total Cash	\$ 43,174,995.90	\$ 43,729,489.03
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Less ARTP Obligation	\$ (36,551,309.63)	\$ (35,911,752.45)
Cash Position	\$ 1,623,686.27	\$ 2,817,736.58

Increase (decrease) of \$1,194,050.31
 Percent Increase 73.5%

* General Fund Revenue shown here does not include overhead

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

	<u>Jul - Dec 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4010 · Interest Income				
4012 · LAIF	54,851.22	2,157.43	52,693.79	2,542.43%
4013 · Caltrust Investment Income	34,322.85	16,000.00	18,322.85	214.52%
4015 · UBS Interest Income	16,123.04	18,200.00	-2,076.96	88.59%
4016 · Interest Income ARTP	290,800.07	180,000.00	110,800.07	161.56%
Total 4010 · Interest Income	396,097.18	216,357.43	179,739.75	183.08%
4017 · ARTP Capital Income	0.00	583,500.00	-583,500.00	0.0%
4020 · Groundwater Charge				
4022 · Groundwater Charge	301,813.62	712,630.95	-410,817.33	42.35%
4024 · Groundwater Council Revenue	731,640.00	731,640.00	0.00	100.0%
4026 · GW Sustainability/Replenishment	11,325.69	44,089.25	-32,763.56	25.69%
Total 4020 · Groundwater Charge	1,044,779.31	1,488,360.20	-443,580.89	70.2%
4025 · Wash Plan Revenue	298,585.79	439,469.00	-140,883.21	67.94%
4030 · Mining Income				
4031 · Plant Site - CEMEX	20,000.00	48,000.00	-28,000.00	41.67%
4032 · Cemex - Royalty / Lease	438,755.68	775,000.00	-336,244.32	56.61%
4036 · Aggregate Maintenance	22,125.50	60,000.00	-37,874.50	36.88%
Total 4030 · Mining Income	480,881.18	883,000.00	-402,118.82	54.46%
4040 · Miscellaneous Income				
4041 · Reimbursed Expenses	21,613.48	0.00	21,613.48	100.0%
4040 · Miscellaneous Income - Other	1,022.00	77,000.00	-75,978.00	1.33%
Total 4040 · Miscellaneous Income	22,635.48	77,000.00	-54,364.52	29.4%
4043 · Project Salary Reimbursement	3,252.40	15,000.00	-11,747.60	21.68%
4050 · Property Tax	115,821.68	137,358.53	-21,536.85	84.32%
4055 · SBVMWD Spreading Agreement Reim	464,628.62	449,083.42	15,545.20	103.46%
4060 · Property Income				
4062 · Mentone Property	200.00	100.00		
Total 4060 · Property Income	200.00	100.00		
4065 · Redlands Plaza	88,907.08	211,849.83	-122,942.75	41.97%
4066 · Redlands Plaza CAM	21,401.09	45,707.27	-24,306.18	46.82%
4080 · Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4999 · Trust Reimbursement-Wash Plan	0.00	50,000.00	-50,000.00	0.0%
Total Income	2,937,189.81	4,626,785.68	-1,689,595.87	63.48%
Gross Profit	2,937,189.81	4,626,785.68	-1,689,595.87	63.48%
Expense				
5040 · Regional Programs				
5080 · LAFCO Contribution	56.78	100.00	-43.22	56.78%
Total 5040 · Regional Programs	56.78	100.00	-43.22	56.78%
5050 · Basin Cleaning	0.00	50,000.00	-50,000.00	0.0%
5100 · Professional Service				
5120 · Misc. Professional Services	142,029.69	300,000.00	-157,970.31	47.34%
5122 · Wash Plan Professional Services	12,308.75	0.00	12,308.75	100.0%
5123 · Habitat Management-WP	85,741.29	274,219.00	-188,477.71	31.27%
5125 · Engineering Services	0.00	50,000.00	-50,000.00	0.0%
5126 · GW Sustainability/Replenishment	0.00	44,089.25	-44,089.25	0.0%
5127 · Project Accounting Services	0.00	5,000.00	-5,000.00	0.0%
5130 · Aerial Photography & Surveying	0.00	2,310.00	-2,310.00	0.0%
5155 · WP Trails Professional Services	0.00	100,000.00	-100,000.00	0.0%
5160 · IT Support	2,250.00	14,400.00	-12,150.00	15.63%
5170 · Audit	27,550.00	28,000.00	-450.00	98.39%
5175 · Legal - Wash Plan	0.00	10,000.00	-10,000.00	0.0%
5180 · Legal	7,445.84	25,000.00	-17,554.16	29.78%
Total 5100 · Professional Service	277,325.57	853,018.25	-575,692.68	32.51%
5133 · Regional River HCP Contribution	0.00	25,000.00	-25,000.00	0.0%
5200 · Field Operations				
5210 · Equipment Maintenance	6,456.20	7,416.00	-959.80	87.06%
5215 · Property Maintenance	5,940.36	40,000.00	-34,059.64	14.85%
5225 · Field Clean Up-Illegal dumping	23,953.13	60,000.00	-36,046.87	39.92%
Total 5200 · Field Operations	36,349.69	107,416.00	-71,066.31	33.84%
5223 · Temp. Field Labor	61.05	10,000.00	-9,938.95	0.61%
5300 · Vehicle Operations				
5310 · Vehicle Maintenance	6,331.49	8,400.00	-2,068.51	75.38%
5320 · Fuel	9,012.35	18,150.00	-9,137.65	49.66%
Total 5300 · Vehicle Operations	15,343.84	26,550.00	-11,206.16	57.79%

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

	<u>Jul - Dec 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5400 · Utilities				
5410 · Alarm Service	626.00	1,800.00	-1,174.00	34.78%
5420 · Electricity	5,727.27	9,832.44	-4,105.17	58.25%
5430 · Mobile Phone	3,275.00	5,850.00	-2,575.00	55.98%
5440 · Telephone	2,382.60	6,000.00	-3,617.40	39.71%
5450 · Natural Gas	247.64	1,000.00	-752.36	24.76%
5460 · Water / Trash / Sewer	1,868.95	3,790.40	-1,921.45	49.31%
5470 · Internet Services	1,219.83	2,750.00	-1,530.17	44.36%
Total 5400 · Utilities	15,347.29	31,022.84	-15,675.55	49.47%
6000 · General Administration				
6001 · General Administration - Other	5,612.88	4,500.00	1,112.88	124.73%
6002 · Website Administration	2,001.94	6,000.00	-3,998.06	33.37%
6004 · Meeting Expenses	868.14	2,200.00	-1,331.86	39.46%
6006 · Permits	50.00	10,000.00	-9,950.00	0.5%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	270.00	1,709.00	-1,439.00	15.8%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	7,638.85	5,101.60	2,537.25	149.73%
6013 · Office Lease Payment	25,000.02	50,000.00	-24,999.98	50.0%
6015 · Mentone House Maintenance	44.75	3,850.00	-3,805.25	1.16%
6016 · Redlands Plaza Maintenance	5,223.48	35,000.00	-29,776.52	14.92%
6018 · Janitorial Services	4,175.00	10,400.00	-6,225.00	40.14%
6019 · Janitorial Supplies	278.08	375.00	-96.92	74.16%
6020 · Vacancy Marketing-Redlands Plaz	0.00	5,000.00	-5,000.00	0.0%
6026 · Redlands Plaza CAM expenses	18,804.92	41,612.65	-22,807.73	45.19%
6027 · Computer Software	10,565.17	34,314.12	-23,748.95	30.79%
6030 · Office Supplies	12,512.26	5,500.00	7,012.26	227.5%
6033 · Office Equipment Rental	3,481.76	9,500.00	-6,018.24	36.65%
6036 · Printing	5.00	2,500.00	-2,495.00	0.2%
6039 · Postage and Overnight Delivery	485.54	1,200.00	-714.46	40.46%
6042 · Payroll Processing	1,680.94	3,002.09	-1,321.15	55.99%
6045 · Bank Service Charges	417.77	750.00	-332.23	55.7%
6051 · Uniforms	1,711.90	3,025.00	-1,313.10	56.59%
6060 · Outreach	5,009.89	60,000.00	-54,990.11	8.35%
6087 · Educational Reimbursement	339.00	5,000.00	-4,661.00	6.78%
6090 · Subscriptions/Publications	1,260.70	2,400.00	-1,139.30	52.53%
6091 · Public Notices	0.00	3,200.00	-3,200.00	0.0%
6093 · Memberships	30,970.17	24,776.15	6,194.02	125.0%
Total 6000 · General Administration	139,618.16	342,815.61	-203,197.45	40.73%
6100 · Benefits				
6110 · Vision Insurance	1,727.18	3,776.71	-2,049.53	45.73%
6120 · Workers' Comp. Insurance	5,096.79	21,665.71	-16,568.92	23.53%
6130 · Dental Insurance	6,142.76	13,376.47	-7,233.71	45.92%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-19,607.62	-28,211.94	8,604.32	69.5%
6150 · Medical Insurance - Other	130,961.68	299,907.66	-168,945.98	43.67%
Total 6150 · Medical Insurance	111,354.06	271,695.72	-160,341.66	40.99%
6160 · Payroll Taxes-Employer	40,118.32	123,939.97	-83,821.65	32.37%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-25,950.45	-53,775.96	27,825.51	48.26%
6170.02 · 457 Plan Employee Contributions	-31,024.96			
6170 · PERS Retirement - Other	123,578.07	273,134.30	-149,556.23	45.24%
Total 6170 · PERS Retirement	66,602.66	219,358.34	-152,755.68	30.36%
Total 6100 · Benefits	231,041.77	653,812.92	-422,771.15	35.34%
6200 · Salaries				
6230 · Regular Salaries	710,390.74	1,779,962.83	-1,069,572.09	39.91%
Total 6200 · Salaries	710,390.74	1,779,962.83	-1,069,572.09	39.91%
6300 · Insurance				
6310 · Property/ Auto Insurance	6,071.24	5,070.18	1,001.06	119.74%
6320 · General Liability Insurance	55,938.44	36,423.19	19,515.25	153.58%
Total 6300 · Insurance	62,009.68	41,493.37	20,516.31	149.45%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	-1,552.74	0.00	-1,552.74	100.0%
6401 · Directors' Fees - Other	27,060.00	100,800.00	-73,740.00	26.85%
Total 6401 · Directors' Fees	25,507.26	100,800.00	-75,292.74	25.31%
6410 · Mileage	1,050.43	4,400.00	-3,349.57	23.87%

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

	<u>Jul - Dec 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6415 · Air Fare	521.96	3,125.00	-2,603.04	16.7%
6420 · Other Travel	120.74	550.00	-429.26	21.95%
6425 · Meals	1,700.24	3,850.00	-2,149.76	44.16%
6430 · Lodging	1,543.84	4,400.00	-2,856.16	35.09%
6435 · Conf/Seminar Registrations	3,101.46	5,500.00	-2,398.54	56.39%
6440 · Election Fees / Re-Districting	0.00	0.00	0.00	0.0%
Total 6400 · Board of Directors' Expenses	33,545.93	122,625.00	-89,079.07	27.36%
6500 · Administrative/Staff Expenses				
6510 · Mileage	2,566.68	2,500.00	66.68	102.67%
6515 · Air Fare	188.98	4,500.00	-4,311.02	4.2%
6520 · Travel, Other (rental car, taxi)	88.25	1,500.00	-1,411.75	5.88%
6525 · Meals	2,562.37	3,500.00	-937.63	73.21%
6530 · Lodging	4,560.47	5,500.00	-939.53	82.92%
6535 · Conf/Seminar Registrations	5,519.00	6,500.00	-981.00	84.91%
Total 6500 · Administrative/Staff Expenses	15,485.75	24,000.00	-8,514.25	64.52%
6600 · Replenishment Water Purchase GC	0.00	44,089.25	-44,089.25	0.0%
9999 · Contribution to Capital Maint.	0.00	550,000.00	-550,000.00	0.0%
Total Expense	1,536,576.25	4,661,906.07	-3,125,329.82	32.96%
Net Ordinary Income	1,400,613.56	-35,120.39	1,435,733.95	-3,988.04%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00	12,000.00	-12,000.00	0.0%
Total 7000 · Construction	0.00	12,000.00	-12,000.00	0.0%
7100 · Land & Buildings				
7110 · Property Capital Repairs	1,428.63	529,971.00	-528,542.37	0.27%
7120 · Property-Land Purchase	31,291.91	0.00	31,291.91	100.0%
7126 · ARTP Engr/Prof Services	482,248.71	3,212,754.00	-2,730,505.29	15.01%
7130 · Mentone Property (House)-CapRep	0.00	7,000.00	-7,000.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	450,500.00	-450,500.00	0.0%
7150 · Mill Creek Diversion	4,195.00	1,400,000.00	-1,395,805.00	0.3%
7151 · Mill Creek Permitting	66,308.86	202,000.00	-135,691.14	32.83%
7160 · Mendoza Property	0.00	137,000.00	-137,000.00	0.0%
Total 7100 · Land & Buildings	585,473.11	5,939,225.00	-5,353,751.89	9.86%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	45,286.64	52,858.39	-7,571.75	85.68%
7220 · Computer Software	7,675.00	10,000.00	-2,325.00	76.75%
7230 · Field Equipment / Vehicles	1,888.70	149,973.07	-148,084.37	1.26%
7240 · Office Equipment	11,070.56	1,500.00	9,570.56	738.04%
Total 7200 · Equipment & Vehicles	65,920.90	214,331.46	-148,410.56	30.76%
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	651,394.01	6,290,556.46	-5,639,162.45	10.36%
Net Other Income	-651,394.01	-6,290,556.46	5,639,162.45	10.36%
Net Income	749,219.55	-6,325,676.85	7,074,896.40	-11.84%



**San Bernardino Valley
Water Conservation District**
Helping Nature Store Our Water

Memorandum No. 1906

To: Board of Directors
From: Betsy Miller, General Manager
Date: January 11, 2023
Subject: District Board Priorities for 2023

RECOMMENDATION

Review, provide feedback and consider approval of the 2023 District Board Priorities.

BACKGROUND AND DISCUSSION

Preparation of annual Board priorities provides an opportunity for Directors to discuss and provide direction on District projects, tasks and goals based on staff and financial considerations. Since 2012, the Board has adopted annual Board Priorities based on the Board’s Community Strategic Plan (CSP).

In 2022, staff completed Priority 1: Existing Groundwater Recharge Operations and Priority 8: 2020 Census-Based Redistricting, and made measurable progress on Priority 2: ARTP Feasibility Studies, Priority 6: Wash Plan State and Waters Permits (1600 and 401 permits were issued, 404 and 2081 permits are in progress), Priority 7: Wash Plan – Land Exchange Appraisal and ROW (appraisal is completed, ROW is in progress), Priority 9: Wash Plan Natural Resources Management Plan, and Priority 10: Mentone Shop Study Approved/Design/Permitting (study has been approved, design and permitting are in progress). Significant staff time was dedicated to the remaining priorities, with additional input needed from regulatory agencies in order to achieve project goals.

Staff has prepared a draft matrix of priorities for 2023 for review, discussion and ranking by our Directors with estimated resource needs and associated CSP goals. The priority projects for 2023 include the Active Recharge Transfer Projects, permitting and construction of the Mill Creek Diversion, permitting and construction of the Mentone Shop, Wash Plan implementation, permitting of groundwater recharge facilities, and updating the District’s 2017 Strategic Plan.

FISCAL IMPACT

The approved FY23 budget, including approved staff positions, includes the resources necessary to accomplish the plans as shown in the draft Board Priorities for 2023 with the potential exception of Priority 12: Five-Year Strategic Plan Update. Staff are currently meeting with strategic planning consultants and will request additional funds in a future Board action if necessary to achieve this goal.

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BOARD OF DIRECTORS

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John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

POTENTIAL MOTIONS

1. Move to approve the District Board Priorities for 2023 as presented, or with specific changes.
2. Move to provide direction to staff to evaluate specific changes for incorporation into the matrix and place the revised matrix on the February agenda for approval.
3. Move to table the item to a future meeting of the Board.

ATTACHMENTS OR MATERIALS

2022 Final Priorities Report
Draft 2023 Priority Task Matrix

SBVWCD Board Priorities 2022

No.	Area or Item	Current Status as of 12/31/21	Board Priority	Early Completion	Likely Completion	Resource Needs	Links to	Plan Goal #
1	Existing Groundwater Recharge Operations		1	On-going	On-going	👤👤👤 \$\$\$	➡	1
2	Active Recharge Transfer Projects Feasibility Studies	Significant progress; on schedule/budget	1	Aug-23	Dec-23	👤👤👤 \$\$\$	➡	1
3	ARTP Final Design (selected site)	Pending results of feasibility studies	1	Nov-23	Mar-24	👤👤👤 \$\$\$	➡	1
4	Mill Creek Diversion Permits (408, 401, 404, 1600, ESA)	408, 401 pending	1	Mar-23	Jun-23	👤👤👤 \$\$\$	➡	2
5	Mill Creek Diversion Construction	Pending permits	1	Jun-23	Jul-23	👤👤 \$\$\$	NEW	1
6	Wash Plan Permit State and Waters Permits Issued	1600, 401 issued; 2081, 404 pending	1	May-23	Aug-23	👤👤👤 \$\$	NEW	1
7	Wash Plan - Land Exchange MOU Appraisal and ROW	Appraisal complete; ROW in process	1	Jul-23	Oct-23	👤👤👤 \$\$	➡	4
8	2020 Census Based Redistricting	Complete	1	Complete	Complete	👤👤👤 \$	➡	4
9	Wash Plan Natural Resources Management Plan	In draft	1	Jun-23	Jul-23	👤👤 \$\$	➡	1
10	Mentone Shop Study Approved, Design, Permitting	Study approved; design/permitting in progress	2	Apr-23	Aug-23	👤👤👤 \$	➡	3
11	Mentone Shop Construction	Pending permits	2	May-23	Sep-23	👤👤 \$\$	➡	1
12	Mill Creek Operations Permitting	Permitting strategy complete	2	Dec-23	Dec-23	👤👤 \$\$	➡	4
13	Wash Plan Trails MOU Approval	Approved by City of Highland; awaiting Redlands approval	2	Mar-23	Jul-23	👤👤👤 \$	➡	3
14	Community Mitigation Conservation Easements	Awaiting CDFW approval	3	Jul-23	Nov-23	👤👤 \$\$	➡	2
15	ARTP Final Design (remaining sites)	Pending results of feasibility studies	3	Dec-25	Dec-26	👤👤👤 \$\$\$	➡	1/2
Priority Key			Staffing and Program Key					
1	Must Do in 2021/22 <i>as noted</i>	Relative Staffing Need	👤 -- 👤👤👤	👤 -- 👤👤👤	Groundwater			
2	Do based on resources	Relative Financial Cost	\$ -- \$\$\$	\$ -- \$\$\$	Land/Wash Plan			
3	If possible, as needed	Ongoing or New Links	➡ or NEW	➡ or NEW	District/GFE			

SBVWCD Board Priorities 2023

Priorities are special efforts or emphasis items for the General Manager and staff. These are in addition to core mission elements such as water spreading, conservation, and policy principals such as collaboration, transparency, sustainability and safety.*

No.	Project	Board Priority	Projected Completion	Resource Needs	Links to	Plan Goal #
1	Existing Groundwater Recharge Operations	1	Ongoing	👤👤👤 \$\$\$	⇒	1
2	Active Recharge Transfer Projects Feasibility Studies	1	Dec-23	👤👤👤 \$\$\$	⇒	1
3	Mill Creek Diversion Permits (408, 401, 404, 1600, ESA)	1	May-23	👤👤 \$\$	⇒	1
4	Mill Creek Diversion Construction Complete	1	Dec-23	👤👤👤 \$\$	NEW	1
5	Wash Plan State and Waters Permits Issued	1	Jul-23	👤👤 \$\$	⇒	4
6	Wash Plan - Land Exchange and ROW	1	Sep-23	👤👤👤 \$\$	⇒	4
7	Wash Plan Natural Resources Management Plan	1	Jul-23	👤 \$	⇒	4
8	Mill Creek Operations Permitting	1	Dec-23	👤👤👤 \$\$\$	⇒	1
9	Five-Year Strategic Plan	1	Jul-23	👤👤 \$\$	NEW	N/A
10	Mentone Shop Design and Permitting	2	Jun-23	👤👤 \$\$	⇒	1
11	Mentone Shop Construction Complete	2	Dec-23	👤👤👤 \$\$\$	NEW	1
12	Wash Plan Trails MOU Approval	2	May-23	👤👤 \$	⇒	3
13	Community Mitigation Conservation Easements	3	Oct-23	👤👤 \$\$	⇒	4
14	Initiate ARTP Final Design	3	Dec-23	👤👤 \$\$\$	NEW	1/2

Priority Key		Staffing and Program Key		
1	Must Do in 2022/23 as noted	Relative Staffing Need	👤 -- 👤👤👤	Groundwater
2	Do based on resources	Relative Financial Cost	\$ -- \$\$\$	Land/Wash Plan
3	If possible, as needed	Ongoing or New Links	⇒ or NEW	District/GFE

* District Mission and Policy Principles are shown on the District website, boardroom and offices.



**San Bernardino Valley
Water Conservation District**
Helping Nature Store Our Water

Memorandum No. 1907

To: Board of Directors

From: Betsy Miller, General Manager

Date: January 11, 2023

Subject: Statement of Investment Policy for 2023

RECOMMENDATION

Finance & Administration Committee recommends the Board approve the Statement of Investment Policy as presented and renew their delegation of authority for investment management responsibility to the General Manager for 2023.

BACKGROUND AND DISCUSSION

In accordance with Section 16 of the Statement of Investment Policy, the Board reviews the Statement of Investment Policy annually. In addition, the Board evaluates its delegation of authority for investment management responsibility to the General Manager on an annual basis in compliance with Section 4 of the Policy, and renews such delegation if desired in accordance with Section C.4 of Resolution 604 which defines the responsibility and authorities of the General Manager.

The current policy was significantly revised in 2016 with additional updates in 2019 to appropriately invest funds associated with the Active Recharge Transfer Projects. Minor revisions, limited to 1) replacement of a reference to City with a reference to District and 2) removal of reference to California Government Code that has expired, were presented to the Finance and Administration Committee on November 16, 2022. Given significant recent market changes, the General Manager has requested a review of the Investment Policy by PFM in Q1 of 2023, the cost of which is within her discretionary expenditure authority.

Following review at their November 16, 2022, meeting, the Finance and Administration Committee recommends the Board review and approve the Statement of Investment Policy presented today which is substantially consistent with the Policy adopted for 2022. Staff also recommends that the Board renew their delegation of authority to the General Manager to invest District reserves and fiduciary assets for 2023 in accordance with the Statement of Investment Policy and Agreement for Employment of the General Manager. Following PFM's forthcoming review of the Policy, staff will return with a future Board item if needed to amend the Policy to incorporate any recommended changes.

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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

Betsy Miller

FISCAL IMPACT

There is no significant cost to review and approve the Statement of Investment Policy for FY23. In the case of a lapse in the Statement of Investment Policy, losses in investment income may occur.

POTENTIAL MOTIONS

1. Move to approve the Statement of Investment Policy for 2023.
2. Move to refer Statement of Investment Policy to the Finance & Administration Committee to discuss potential revisions.

ATTACHMENTS OR MATERIALS

Policy 0005-19-2 Statement of Investment Policy

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT STATEMENT OF INVESTMENT POLICY Originally Approved: April 24, 2019

POLICY

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

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

1. SCOPE

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

2. PRUDENCE

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

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

3. OBJECTIVES

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

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

4. DELEGATION OF AUTHORITY

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

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

5. ETHICS AND CONFLICTS OF INTEREST

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

6. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

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

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

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

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

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

7. AUTHORIZED AND SUITABLE INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

8. PROHIBITED INVESTMENTS

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

9. INVESTMENT POOLS

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

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

10. COLLATERALIZATION

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

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

11. SAFEKEEPING AND CUSTODY

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

12. MAXIMUM MATURITIES

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

The purchase of U.S. Treasuries, Federal Agencies and Municipals with maturities in excess of five years is permitted, subject to the following constraints: U.S. Treasuries, Federal Agencies and Municipals shall have a maximum maturity at time of purchase of eleven years or less. This change to the investment policy approved by the Board of Directors on April 24, 2019.

13. INTERNAL CONTROLS

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

14. PERFORMANCE STANDARDS

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

15. REPORTING REQUIREMENTS

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

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

16. INVESTMENT POLICY ADOPTION AND REVIEW

The District's Investment Policy is hereby adopted by the District's Board of Directors. This Policy will be reviewed annually by the Board of Directors and any modifications made thereto must be approved by the Board of Directors.

17. GLOSSARY

See attached **Appendix A**.

APPENDIX A GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

PORTFOLIO: Collection of securities held by an investor.

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

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

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

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

APPENDIX A

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

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



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1908

To: Board of Directors

From: David B. Cosgrove, General Counsel
Betsy Miller, General Manager

Date: January 11, 2023

Subject: Upland Rock Material Processing License Update

RECOMMENDATION

Review and approve the Material Processing License Extension with Upland Rock.

BACKGROUND

For a number of years, the District has contracted with Upland Rock for the processing of sand, gravel, and rock that is stockpiled in and around the District’s spreading basins, as part of routine maintenance and cleaning, or material that is stockpiled on District property in connection with the District’s cooperation on other projects. Upland Rock has occupied and operated on the District’s property under a “Mineral Processing License,” which contains defined royalty rates, and includes the District’s standard insurance requirements, reservations, and indemnifications. To date, this License has served to support the District’s groundwater recharge operations through removal of stockpiled material from its properties as well as royalty revenues of approximately \$100,000 annually over the last two calendar years.. Upland currently occupies the property under an extension of its last license, which expires on January 15, 2023.

DISCUSSION

Staff proposes to extend Upland Rock’s license for another calendar year, through 2023. The proposed license extension contains most of the terms of the prior license, with some notable changes. First, the currently proposed extension eliminates any royalty amount for the sale or export of stockpiled fill sand for 2023. Under the present regional market, there simply is little to no demand for this product from District property, due to availability of other supplies in the area. Second, the extension reduces the period Upland has to sell or remove materials it processes on the District property, after expiration or earlier termination of the license, from one year down to six months for stockpiles on locations previously approved by the District, or three months otherwise, except for stockpiles in the Borrow Pit, where the Licensee will have one (1) year following termination. The renewal also clarifies its non-exclusivity, and the District’s reserved authority to contract with other parties for the removal of materials as may be needed for groundwater spreading operations, maintenance, or other requirements.

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Redlands, CA 92373
Phone: 909.793.2503
Fax: 909.793.0188
www.sbvwc.org Email: info@sbvwcd.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**

Betsy Miller

Staff recommends a one-year extension with Upland because Upland is already mobilized on the site, and because over the time it has worked with the District under license, it has been timely in payments, and responsive in the field to operational needs and constraints. Alternatively, the Board may allow the existing license period to expire, and request Upland to quit the site. In that event, the Board may consider providing direction to staff to develop a new request for proposals for material processing on its lands, inviting bids and testing the market. Finally, the District could contract with haulers to remove material, resulting in millions in unbudgeted expenditures at prevailing rates.

Staff does not recommend expiration of the License or contracts for removal at this time, however, due to Upland's demonstrated experience and cooperation in its works on District property, including their process of completing maintenance and operations permits and understanding of the environmental sensitivity of surrounding areas.

If the Board approves the Extension, staff recommends the Board also find the issuance of this Mineral Processing License Extension is exempt from CEQA under CEQA Regulations 15301, Existing Facilities, because it will entail no or negligible expansion from the present use.

FISCAL IMPACT

District royalties under this License were \$111,729 for FY22, and are estimated at approximately \$95,000 for FY23 (December royalties have not yet been received). Revenues from the proposed extension are expected to be slightly lower, due to the revision in the license removing royalty payments from sand and other influences from market conditions. Staff cannot at this time fix a revenue estimate with any precision, but for conservative planning purposes and based on potential recessionary economic pressures, is using a 25% reduction factor for a working budgetary estimate of \$77,500.

POTENTIAL MOTIONS

1. Move to approve the attached 2023 "Mineral Processing License Extension" to provide an additional year of material stockpile processing by Upland Rock.
2. Reject the "Mineral Processing License Extension" and direct staff to prepare a request for proposals for processing pf materials on its property.
3. Reject the "Mineral Processing License Extension" and direct staff to secure estimates for removal of stockpiled material from District property, as necessary or beneficial for groundwater recharge operations.
4. Provide other direction to staff.

ATTACHMENTS

Material Processing License Extension

MATERIAL PROCESSING LICENSE EXTENSION

THIS MATERIAL PROCESSING LICENSE (“License”) EXTENSION is made and entered into as of January 11, 2023, by and between the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, a California water conservation district formed and operating under the Water Conservation District Law of 1931, Water Code Section 74000, *et seq.* (“District”) and Upland Rock, Inc. (“Licensee”).

SECTION ONE: FUNDAMENTAL LICENSE TERMS

1.1 **License:** Under this extension to the original License issued January 15, 2017 and Amendment signed July 17, 2017, District hereby issues to Licensee a License to enter upon those portions of real property which Licensor owns or otherwise has access to within those areas depicted on the map included as Section 4 hereto and incorporated herein by this reference (“Premises”), for the purpose or activity specified in Paragraph 1.2.

1.2 **Use of Premises:** For and during the term of this License, and any extension or renewal thereof, Licensee shall use the Premises for the following purpose(s) or activity (ies):

(a) for the crushing (such crushing to occur in the Borrow Pit Only), cleaning, sorting, stockpiling, and processing of, and sale of, previously excavated sand and gravel material located on the Premises, from the stockpiles existing on the Premises as of the date of this License extension and as depicted in Section 4 hereinafter; and

(b) for the cleaning, sorting, stockpiling, and processing of, and sale of, sand, silt, rock, debris, gravel, or other materials (collectively “Material” herein) taken during the effective period of this License from District’s groundwater spreading basins located on the Premises, as, where, and when such material is stockpiled by District or its contractors; and

(c) for the cleaning, sorting, stockpiling, and processing of, and sale of, for the removal of Material that District or Licensee may import onto the Premises, provided, District provides Licensee written notice that such imported Materials are subject to this License.

The District reserves the right to remove Material within and around its recharge basins and canals using its own forces or contractors, and may be convenient or necessary for its groundwater recharge operations. The District also reserves the right to stockpile material in the Seven Oaks Dam Borrow Pit as necessary for District operations or District improvement projects. The Licensee shall conduct all of its operations on the Premises in such a way as to cooperate with the District to ensure Licensee’s operations function without unreasonable interference with District’s groundwater recharge operations, including specifically District’s groundwater recharge basin maintenance, and without cost to the District or its contractors.

Such uses may include Licensee bringing such equipment on the Premises as is necessary to accomplish the purposes of the License, provided, however, that any construction of structures,

roadways, improvements, or fixtures, apart from transportable and removable equipment or personal property, shall require the prior, written approval of the District. Additional Material may become available upon District approval for import to the Premises from nearby public works or other projects in the vicinity of the Premises during the effective period of this License, but such imported material shall only be considered Material subject to this License agreement, and available to Licensee for processing or sale, upon District's written notice to Licensee of the location, type, and estimated quantity of such Material, and certification by District that such Material is available to Licensee.

1.3 Term and Holdover Rights:

a) This License shall commence on January 15, 2023 and subject to the holdover rights defined herein, and compliance with the compensation provisions of 1.4 below, shall continue on to January 15, 2024. This License and the Licensee's rights hereunder may not be extended beyond the Expiration Date unless such extension is set forth in writing and signed by both Licensor and the Licensee.

b) Notwithstanding the foregoing or any other provision of this License, either District or Licensee may terminate this License with or without cause, or for any reason, at any time, by giving the other party a thirty (30) day written notice of termination.

c.) In the event of any such termination by District without cause and without breach by Licensee, or in the event Licensee has stockpiles of Materials previously processed by Licensee, which stockpiles remain on the Premises at the end of the term of the License on January 15, 2024, Licensee shall have the right to utilize those portions of the Premises necessary to sell or remove such previously processed stockpiles, as follows: (1) For such previously processed stockpiles within the Seven Oaks Dam Borrow Pit, a period of one (1) year from the termination or expiration of the License; (2) For such previously processed stockpiles elsewhere on the Premises in location(s) previously approved by the District, a period of one hundred eighty (180) days from the termination or expiration of the License. Any stockpiles placed or processed by Licensee on locations not approved by District on the Premises shall be immediately removed or relocated by Licensee upon the termination or expiration of the License. Licensee shall have not rights to process or import any Materials onto the Premises during the holdover period, but all other obligation of Licensee hereunder, including all insurance, indemnity, compensation, and priorities of District operations, shall continue in full force and effect..

d). As used herein, "processed" Material is that which has been crushed, cleaned, stockpiled, and sorted by Licensee, whether such Material is native to the Premises or imported and otherwise made subject to this License but shall not extend to Material that has simply been excavated or relocated by Licensee. After such period has ended, all rights to any Material left on the Premises shall forfeited by Licensee, and such Material shall be the exclusive property of District, and Licensee shall have no claim thereto.

BY PLACING ITS INITIALS HERE, LICENSEE ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE PROVISIONS OF THIS LICENSE THAT ALLOW DISTRICT TO TERMINATE THIS LICENSE AT ANY TIME WITH OR WITHOUT CAUSE AS SET FORTH HEREINABOVE, AND THE LIMITATION ON ANY RIGHT LICENSEE HAS TO REMOVE PREVIOUSLY PROCESSED MATERIAL UNDER ANY SUCH TERMINATION.

Licensee: _____

1.4 License Consideration: As consideration for the issuance of this License, Licensee shall pay to District a monthly fee for the occupancy of the Premises in the amount set forth in Section Five hereunder. In addition, Licensee shall pay to District a Tonnage License Fee, which fee shall be paid on a per-ton basis for all Material sold from the Premises, or from any sale of Material processed in any manner on the Premises. The Tonnage License Fee shall be paid on a monthly basis, and shall be calculated based on the removal of all Material processed on the Premises, whether such Material originated on the Premises or not, and whether such Material was sold directly from the Premises, or exported from the Premises for sale elsewhere. Licensee shall keep accurate monthly records of any Material removed from the Premises, and shall remit the tally of all such Material removed, and the corresponding Tonnage License Fee, to District, in writing, and signed under penalty of perjury. District shall have the right at all times to audit the books and records of Licensee to confirm the accuracy of the tallies of Material removed from the Premises, and shall likewise at all times have the right, at its own expense, to have the inspectors or other personnel on site on the Premises during Licensee’s operations, to monitor Licensee for compliance with the terms of this License, and for confirmation of the accuracy of the tallies provided by Licensee. Any Monthly Fee for Occupancy of the Premises and the Tonnage License Fee, are collectively referred to herein as the “License Fee.”

1.5 Notices and Payments: All payments, notices and other writings required to be delivered under this License to either party shall be delivered in accordance with the provisions of Section Two (“General Provisions”) to District at the address set forth in Section Two, and to Licensee at the address set forth in this Section One.

1.6 Attachments: This License incorporates by reference the following Attachments to this License:

- Section One: Fundamental License Terms
- Section Two: General License Provisions
- Section Three: Special License Provisions
- Section Four: Map of the Premises

1.7 Integration: Notwithstanding the fact that this is an extension of a previous License between the parties, this License Extension and its terms represent the entire understanding of District and Licensee as to the License and all other matters contained herein. No prior oral or written understanding shall be of any force or effect with regard to those matters covered by this License. This License supersedes and cancels any and all previous negotiations,

arrangements, agreements or understandings, if any, between the parties, and none shall be used to interpret this License.

IN WITNESS WHEREOF, the parties have executed and entered into this License as of the date first set forth above.

<p>SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT</p> <p>By: _____ Betsy Miller General Manager</p>	<p>By: _____ Name: Neal Grabowski Title: President</p> <p>Licensee Information:</p> <hr/> <p>Upland Rock Inc. 8780 119th Street #373 Alta Loma, California 91701 (909) 981-2700</p>
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SECTION TWO:
GENERAL LICENSE PROVISIONS

2.1 Payment of License Fee

2.1.1. Transmittal of Payments: Licensee shall make all License Fee payments on a monthly basis, due and payable on the 20th of each month following the last day of the month being paid (Net 20th of Month) and pay all other sums due under this License, in lawful money of the United States, by check payable to "SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT," and shall personally deliver or mail all payments without any notice or demand to District at the address set forth in Paragraph 2.7.1 below. Licensee assumes all risk of loss or late payment if any payment is made by mail.

2.1.2. No Offsets: All License Fees and other sums due under this License shall be paid without offset or deduction, and shall be deemed payments on account. Neither the payment by Licensee nor the acceptance by District of any License Fee or other sum in an amount which is less than the amount due and payable pursuant to this License, nor the issuance of any statement showing as due and payable an amount less than is properly due and payable pursuant to the terms of this License, shall constitute an agreement by District modifying this License or a waiver of District's right to receive all sums provided for in this License. No endorsement or statement on any check or any letter accompanying any check or payment shall be deemed an accord or satisfaction, and District shall accept all checks and payments from Licensee without prejudice to District's right to recover the balance of the amount due or to pursue any other remedy in this License or otherwise provided by law.

2.2 Charges for Delinquent Payment of License Fee

2.2.1. If any payment of any License Fee or any other sum due District is not received by District within ten (10) days after the due date, Licensee shall be deemed delinquent in its License Fee payment and a late charge of one and one-half percent (1.5%) of the delinquent amount, plus the sum of One Hundred Dollars (\$100.00), shall become immediately due and payable to District. An additional charge of one and one-half percent (1.5%) of such delinquent License Fee payment (excluding late charges) shall be added for each additional calendar month (or portion thereof) that the delinquent sum remains unpaid.

2.2.2. Licensee and District hereby acknowledge and agree that such late charges do not represent and shall not be deemed to be an interest payment, but that such late charges represent a fair and reasonable estimate of the costs and expenses that District will incur by reason of Licensee's late payment.

2.2.3. Acceptance by District of any delinquent License Fee payment or late charge shall in no way constitute a waiver of Licensee's default with respect to such overdue and delinquent payment, or in any way impair, prevent or restrict District from exercising any of its rights or remedies set forth in this License or otherwise provided at law.

2.3 Use of Premises

2.3.1. Conditions of Use: For and during the term of this License, and any extension or renewal thereof, Licensee's use of the Premises shall be subject to the following conditions, covenants and restrictions:

2.3.1.1 Except as provided in this License, the Premises shall be used only for the purposes specified in Paragraph 1.2 above, and the Premises shall not be used for any other use or purpose whatsoever, without the prior written consent of District. Licensee shall not import material, nor allow material to be imported, onto the Premises, without the prior express written consent of District. Any such imported Material shall still be subject to approval by the District under Section 1.2 (c) above, making such Material subject to the provisions of this License. The location of stockpiles of any Material imported to the Premises by Licensee must have the prior written approval of District, and if such prior written approval of District is not obtained, Licensee shall, upon request, immediately move any unapproved stockpiles upon request by District, at Licensee's sole cost and expense.

2.3.1.2 Licensee shall not cause, permit or suffer any "hazardous material," "hazardous waste," or "hazardous chemicals" as those terms are used in CERCLA (42 U.S.C. § 9061(14)) or SARA (42 U.S.C. § 11021(E)) or any Federal, State or local environmental law, statute, ordinance, regulation or order, or otherwise determined by District, to be brought upon, left, used or abandoned on the Premises, including but not limited to asphalt, scrap, metal, tires, trash or other waste.

2.3.1.3 Licensee shall not maintain, commit or permit the maintenance or commission of any waste or any nuisance (as defined in California Civil Code section 3479) on the Premises, and Licensee shall not use or permit the use of the Premises for any unlawful purpose.

2.3.1.4 District or its authorized representative shall have the right at all reasonable times to enter upon the Premises and inspect the general condition of the Premises to determine if Licensee is complying with the terms, conditions, requirements and provisions of this License.

2.3.2. Utilities and Services: Licensee shall be solely responsible for obtaining all required utility service and for the payment of all utility charges, including but not limited to water and power, supplied to the Premises.

2.3.3. Permits and Approvals: Licensee shall obtain at its own sole cost and expense, any and all governmental permits, approvals, licenses or other authorizations which may be required in connection with the use of the Premises as set forth in this License, including but not limited to approvals for business licenses, use permits, or any approvals that may be required under the California Environmental Quality Act, Surface Mining and Reclamation Act, any rules or restrictions relating to environmental protection or protection of endangered species, or other provision of law. District has advised Licensee that portions of property within the Seven Oaks Dam borrow pit upon which Material has been imported, stockpiled, or otherwise placed is owned by the United States Bureau of Land Management, and any required access rights, rights of way,

or permissions that may be required for Licensee to exercise the rights granted by this License over such areas shall be the exclusive responsibility of Licensee to acquire, at Licensee's sole cost and expense. Licensee shall maintain active valid California Contractors licenses for the type of work performed. No approval or consent given under this License by District shall affect or limit Licensee's obligations hereunder, nor shall any approvals or consents given by District, in its capacity as a party to this License, be deemed to be approval as to compliance or conformance with any applicable governmental codes, laws, orders, rules or regulations.

2.4 Insurance: Without limiting Licensee's indemnification obligations, Licensee shall not enter or occupy the Premises until Licensee has obtained all of the insurance required herein from a company or companies acceptable to District, and Licensee shall maintain all such insurance in full force and effect at all times during the term of this License and any extension or renewal thereof. Insurance shall be placed with insurers having a current A.M. Best rating of no less than A:VII or equivalent or as otherwise approved by District.

2.4.1. Licensee shall at a minimum take out and maintain the following insurance:

2.4.1.1 Workers' Compensation and Employer's Liability Insurance: Licensee shall cover or insure under the applicable laws relating to workers' compensation insurance all of its employees working on or about the Premises, in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Licensee shall provide worker's compensation insurance and employer's liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence. Such policy of workers compensation insurance shall contain the following separate endorsements:

(a) "Insurer waives all rights of subrogation against the San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives and volunteers."

(b) "This insurance policy shall not be suspended, voided, reduced in coverage or in limits, cancelled, limited, non-renewed or materially changed for any reason by the insurer until thirty (30) days after receipt by the San Bernardino Valley Water Conservation District of a written notice of such cancellation, limitation or reduction of coverage."

2.4.1.2 Commercial General Liability Insurance providing coverage in the following minimum limits:

(a) Combined single limit of Two Million Dollars (\$2,000,000) per occurrence for Bodily Injury, Personal Injury or Death and Property.

(b) Damage Coverage shall be at least as broad as Insurance Services Office (ISO) Commercial General Liability coverage (occurrence Form CG 0001).

(c) If Commercial General Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to

the project/location (with the ISO CG 2503 or ISO CG 2504, or insurer's equivalent endorsement provided to District), or the general aggregate limit shall be twice the required occurrence limit.

2.4.1.3 Comprehensive Automobile Liability Insurance, including owned, non-owned, leased, hired, and borrowed automobiles and similar vehicles, providing the following minimum limits:

(a) Combined single limit of Two Million Dollars (\$2,000,000) per occurrence for Bodily Injury or Death and Property Damage.

(b) Coverage shall be at least as broad as Insurance Services Office (ISO) Business and Auto Coverage (Form CA 0001) covering any auto.

2.4.2. Endorsements: The policies of liability insurance provided for in Paragraphs 2.4.1.2 and 2.4.1.3 shall specify that this specific License is insured and that coverage for injury to participants resulting from Licensee's activities is not excluded, and shall be in a form satisfactory to District and contain the following separate endorsements:

(a) "The San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives and volunteers, are declared to be additional insureds on all of the above policies with respects to the operations and activities of the named insured at or from the premises of the San Bernardino Valley Water Conservation District. The coverage shall contain no special limitations on the scope of protection afforded to the San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives and volunteers."

(b) "This insurance policy shall not be suspended, voided, reduced in coverage or in limits, canceled, limited, non-renewed, or materially changed for any reason until thirty (30) days after receipt by the San Bernardino Valley Water Conservation District of a written notice of such cancellation, limitation or reduction of coverage."

(c) "This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon or looked to cover a loss under said policy; the San Bernardino Valley Water Conservation District shall not be liable for the payment of premiums or assessments on this policy."

(d) "Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the San Bernardino Valley Water Conservation District, its officers, directors, employees, representatives, or volunteers."

(e) "This insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability."

2.4.3. Evidence of Coverage: Licensee shall at the time of the execution of the License present to District the original policies of insurance required by this Paragraph 2.4 or a certificate of the insurance, with separate endorsements (Insurance Services Office Form CG 2026, or equivalent), showing the issuance of such insurance and the additional insured and other provisions and endorsements required herein and copies of all endorsements signed by the insurer's representative. All policies shall contain the Licensee's name and location of the Premises on the certificate. At least thirty (30) days prior to the expiration of any such policy, a signed complete certificate of insurance, with all endorsements provided herein, showing that such insurance coverage has been renewed or extended, shall be filed with District. Licensee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2.4.4. Review of Coverage: District shall have the right at any time to review the coverage, form, and limits of insurance required under this License. If, in the sole and absolute discretion of District, the insurance provisions in this License do not provide adequate protection for District, District shall have the right to require Licensee to obtain insurance sufficient in coverage, form and limits to provide adequate protection and Licensee shall promptly comply with any such requirement. District's requirements shall not be unreasonable, but shall be adequate in the sole opinion of District to protect against the kind and extent of risks which may exist at the time a change of insurance is required, or thereafter.

2.4.5. Deductibles: Any and all deductibles must be declared and approved by District prior to execution of this License.

2.4.6. License Contingent Upon Coverage: Notwithstanding any other provision of this License, this License shall be null and void at all times when the above-referenced original policies of insurance or Certificate of Insurance or Renewal Certificates or Endorsements are not on file with District.

2.5 Indemnification

2.5.1. District Not Liable: District shall not be liable at any time for any loss, damage or injury whatsoever to the person or property of any person or entity whatsoever, including but not limited to any employee, agent or contractor of Licensee, resulting from or arising out of any act or omission of Licensee or of any person or entity holding under Licensee, or the occupancy or use of the Premises or any part thereof by or under Licensee, the physical condition or state of the Premises, or any act or omission in the exercise of any right or the performance of any obligation under this License, or directly or indirectly from any state or condition of the Premises, or any part thereof.

2.5.2. Indemnification: Irrespective of any insurance carried by Licensee for the benefit of District, and notwithstanding any other provision or statement of precedence of this License to the contrary, Licensee shall indemnify and hold District, its officers, directors, employees, representatives and volunteers (collectively "District Personnel") harmless from and against any and all actions, claims, demands, judgments, attorneys fees, costs, damages to persons or property, penalties, obligations, expenses or liabilities of any kind that may be asserted or claimed by any person or entity (including, but not limited to, any employee, agent or contractor

of Licensee) in any way arising out of or in connection with this License, the operations carried on by Licensee on the Premises or any lands to which Licensee has access hereunder, or the occupation or use of the Premises by Licensee or any person or entity holding under Licensee (collectively, "Claims"), whether or not there is concurrent active or passive negligence on the part of District, and/or acts for which the District would be held strictly liable, but excluding the sole active negligence or willful misconduct of District. In connection therewith:

2.5.2.1 Licensee shall defend and hold District and District Personnel harmless from any and all Claims, whether caused in whole or in part by District's active or passive negligence, and/or acts for which District and/or District Personnel would be held strictly liable, but excluding any Claim that results from the sole active negligence or willful misconduct of District or District Personnel; and Licensee shall pay all expenses and costs, including attorneys' fees, incurred in connection therewith.

2.5.2.2 Licensee shall promptly pay any judgment rendered against Licensee or District covering any Claim, and hold and save District and District Personnel harmless therefrom, whether such Claim was caused in whole or in part by District and/or District Personnel's active or passive negligence, and/or acts for which District and/or District Personnel would be held strictly liable, but excluding the sole active negligence and willful misconduct of District and/or District Personnel.

2.5.2.3 In the event District is made a party to any action or proceeding filed or prosecuted for or arising out of or in connection with any Claim, Licensee shall pay to District any and all costs and expenses incurred by District in any such action or proceeding, together with reasonable attorneys' fees.

2.5.2.4 All the indemnity obligations of Licensee under this Paragraph 2.5.2, or as otherwise set forth in this License, shall survive the expiration or earlier termination of this License.

2.6 Legal Relations and Responsibilities

2.6.1. Nature of Relationship: District and Licensee understand and agree that the only relationship between them created by this License is that of Licensor and Licensee, and that this License is a revocable license and not a lease, profit a prendre, or any other interest in the Premises, and does not create, and shall not be construed to create, any agency, partnership, joint venture, landlord-tenant or other relationship between District and Licensee. Except as provided in paragraph 1.3 above, with respect to Licensee's ninety-day right to sell or dispose of processed Material upon termination, Licensee shall have no right or property interest in or to any Material on the Premises, and all such ownership interest is and shall remain in the District upon expiration or earlier termination of this License.

2.6.2. Compliance with Laws: Licensee shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the activities of Licensee under this License, or the possession or use of the Premises by Licensee, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Licensee shall at all times observe and comply with all

such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, District, its officers, directors, employees and agents and District Personnel against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Licensee or any person or entity holding under Licensee.

2.6.3. Assignment: The License granted hereby is personal to Licensee and any assignment of said License by Licensee, voluntarily or by operation of law, shall automatically terminate this License, unless Licensee has obtained the prior written consent of District, which may be withheld, in the District's sole and absolute discretion, for any reason or no reason at all.

2.6.4. Acknowledgment of District's Title: Licensee hereby acknowledges the title of District in and to the Premises, including the real property fixtures and improvements existing or erected thereon, excepting those areas within the Premises identified by the District as owned by the United States Bureau of Land Management and so reflected on the map in Section 4 hereunder. Licensee hereby covenants and promises never to assail, contest or resist District's title to the Premises.

2.6.5. Liens: Licensee shall maintain the Premises free from and clear of any claims, obligations, liabilities, liens, encumbrances and charges, including but not limited to any claims, liens or charges arising out of or in connection with the furnishing of materials or the performance of labor on the Premises. Licensee further shall protect and indemnify District and the Premises from and hold them, and each of them, harmless against any and all such claims, obligations, liabilities, liens, encumbrances and charges.

2.6.6. Taxation: A possessory interest subject to property taxation may be created by this License. It is understood and agreed that if such a possessory interest is created, Licensee shall be responsible for the payment of all property taxes levied on such interest, and that District shall have no responsibility therefor. Licensee shall be solely responsible for any second allotted taxes or charges that may be revised or imposed on Licensee's activities taken hereunder, including any severance or other taxes.

2.6.7. Condemnation. In the event the Premises or any portion of the Premises is acquired under the power of eminent domain, or transferred by way of negotiated agreement in lieu of, or under threat of eminent domain, District shall receive and be entitled to all just compensation that may be awarded for the taking, including but not limited to just compensation for the property taken, any damage for injury to the remainder, and damage for any loss of business goodwill, excepting only damages or compensation specifically awarded for any relocation benefits that may be available to Licensee, and any compensation for tangible personal property losses or improvements pertaining to the realty owned by Licensee, all of which shall be recoverable by Licensee.

2.6.8. District's Reservations

2.6.8.1 District hereby reserves the right to grant easements and rights-of-way for pole or tower lines for transmission of electricity, and easements, leases and rights-of-way for telephone, telegraph, telecommunication facilities, gas, water, sewer and oil lines, for

roads and highways, and for other similar uses over and across the Premises at any location or locations within the Premises. In the event Licensee determines that the granting or exercise of any such easement, lease, or right-of-way significantly interferes with Licensee's possession or use of the Premises, Licensee's only remedy shall be to terminate this License upon no less than ten (10) days written notice to District, without further damage claim or other remedy against District. Licensee shall not interfere with any easements or rights-of-way pertaining to or affecting the Premises.

2.6.8.2 District hereby reserves the right to sell, transfer or otherwise dispose of any portion of the Premises at any time. In the event of such sale, transfer or disposition, and notwithstanding any other provision of this License, this License shall, upon the close of escrow or the conveyance of title, terminate as to the portions of the Premises sold, transferred or disposed of, and Licensee shall release the same from the terms of this License and from any encumbrance which results from this License, and immediately remove all of Licensee's equipment or improvement thereon, and shall promptly quit the Premises, in accordance with Sections 2.6.9 and 2.6.10 below.

2.6.8.3 District reserves the right unto itself to perform any and all work involved in protecting, replenishing and/or conserving the basin groundwater supply and any other work necessary to the functions or purposes of District, as set forth in the Water Conservation District Law of 1931, as amended, Water Code Section 74000, *et seq.*, upon any portion, or all, of the Premises, at any time. Such work may be performed without incurring any liability of any nature whatsoever to Licensee and Licensee hereby releases District from, and covenants not to sue District for, any such liability. District further reserves unto itself the rights of ingress and egress over all or any portion of the Premises, for any purpose.

2.6.8.4 This License is nonexclusive. A portion or all of the Premises may be subject to preexisting licenses or other encumbrances, or may be required by District for the performance of clearing, grubbing, scarifying, removal of sand, silt, debris, or other material, or other maintenance of District's roads, trails, spreading basins, canals or conveyance facilities, or any other District facilities, and the District hereby reserves the right to issue licenses to third parties for joint usage of any portion of the Premises for any period of time during the term of this License. The District may issue such licenses without incurring any liability of any nature whatsoever to Licensee and Licensee hereby releases District from, and covenants not to sue District for, any such liability. In the event Licensee determines that the granting or exercise of any said license significantly interferes with Licensee's possession or use of the Premises, Licensee's only remedy shall be to terminate this License upon no less than ten (10) days written notice to District.

2.6.8.5 District reserves the right to remove from, or relocate within, the Premises any stockpile of any material at any time, as may be necessary or convenient for its facilities maintenance activities, to assure capacity within its water spreading, storage, or conveyance facilities. Except in cases of emergency threatening immediate damage to persons or property, in the event District wishes to move or relocate a stockpile of material that Licensee has previously processed, District shall so notify Licensee, and Licensee shall have ninety (90) days from such notice to sell, move to a location previously approved by the District on the Premises, or remove such stockpile from the Premises. In the event Licensee fails to do so, District may

remove such stockpile from, or relocate such stockpile within, the Premises, without further obligation or liability to Licensee.

2.6.9. Surrender of Possession: At the expiration or termination of this License, whether with or without cause, and subject only to any rights Licensee may have under Section 1.3 above, Licensee shall promptly quit and surrender the Premises in a good state of repair, and shall remove any and all fixtures, structures, equipment, or fixtures placed on the Premises by Licensee, at Licensee's sole cost and expense.

2.6.10. Disposition of Abandoned Property: If Licensee abandons or quits the Premises or is dispossessed thereof by process of law or otherwise, title to any personal property left on the Premises for fifteen (15) or more days after such event shall at District's option, including any Material processed by Licensee, shall be deemed to have been abandoned and transferred to District. District shall have the right to remove and dispose of any and all such property without liability therefor to Licensee or to any person or entity claiming under Licensee, and District shall have no duty to account for such property. Licensee agrees to reimburse District for any and all costs associated with District transferring or disposing of Licensee's personal property pursuant to this Section.

2.6.11. Premises "As-Is": Licensee acknowledges that the Premises are being provided to Licensee on an "as-is" basis, and Licensee takes and occupies the Premises without reliance upon any representation by District, or any of its officers, employees, agents or representatives, or any other person, concerning the Premises, its state of title or fitness for Licensee's intended use or any other particular purpose of use, their income-producing history, potential or capabilities, their value, or any other promise, representation or inducement not expressly set forth in this License.

2.6.12. Disputes: In the event that any action is commenced by a party to this License against the other to enforce its rights or obligations arising from this License or seeking to interpret this License, the prevailing party in such action, in addition to any other relief and recovery ordered by the court, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees. Should District be named in any suit brought by any third party against Licensee in connection with or in any way arising out of Licensee's occupancy or use of the Premises under this License, Licensee shall indemnify, defend, and hold District harmless therefor, and shall pay to District its costs and expenses incurred in such suit, including reasonable attorneys' fees.

2.6.13. No Obligation to Third Parties: Execution and issuance of this License shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than District and Licensee.

2.6.14. Waiver: Any waiver by any party of a breach of any provision of this License shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or of another provision hereof.

2.6.15. District's Liability on Termination: Licensee hereby waives all damages or claims for damage that may be caused by any action of District in terminating this License (either with or without cause), or taking possession of the Premises as provided in this License or at law,

and Licensee waives all claims for damages to or loss of such property of Licensee as may be in or upon the Premises upon the termination of this License.

2.7 Miscellaneous

2.7.1. Notices: Any notice, payment or instrument required or permitted to be given or delivered by this License may be given or delivered by personal delivery or by depositing the same in any United States mail depository, first class postage prepaid, and addressed as follows:

If to District: SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT
1630 West Redlands Blvd., Suite A
Redlands, California 92373
Attn: General Manager

If to Licensee: Upland Rock, Inc.
8780 19th St., #373
Alta Loma, CA 91701

or such other person or address as either party may direct in writing to the other; provided, however, that such new or different person or address shall not become effective until acknowledged in writing by the party to who directed. Except where service is by personal delivery or by registered or certified mail, return receipt requested, service of any instrument or writing shall be deemed completed forty-eight (48) hours after deposit in a United States mail depository.

2.7.2. Warranty of Authority: Each officer of District and Licensee affixing his or her signature to this License warrants and represents by such signature that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this License, that his or her respective party has the full legal right, power, capacity and authority to enter into this License and perform all of its provisions and obligations, and that no other approvals or consents are necessary in connection therewith.

2.7.3. Headings: The titles and headings of Sections and Paragraphs of this License, as herein set forth, have been inserted for the sake of convenience only, and are not to be taken, deemed or construed to be any part of the terms, covenants or conditions of this License, or to control, limit or modify any of the terms, covenants or conditions hereof.

2.7.4. Time of Essence: Time is of the essence of this License. Failure to comply with any requirement, including but not limited to any time requirement, of this License shall constitute a material breach of this License.

2.7.5. Construction and Amendment: This License shall be construed, interpreted, governed and enforced in all respects according to the laws of the State of California and as if drafted by both District and Licensee. No amendment, change or modification of this document shall be valid unless in writing, stating that it amends, changes or modifies this License, and signed by all of the parties hereto.

2.7.6. Successors: Subject to the provisions of Paragraph 2.6.3 above, this License, and all of the terms, conditions and provisions herein, shall inure to the benefit of, and be binding upon, District, Licensee, and their respective successors and assigns.

2.7.7. Partial Invalidity: If any term, covenant, condition, or provision of this License is held by a court of competent jurisdiction to be invalid, void, illegal, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way affect, impair, or invalidate any other term, covenant, condition or provision contained in this License.

2.7.8. Further Assurances: Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties hereto.

2.7.9. Precedence: In the event of any conflict between Parts of this License, Part I shall prevail over Parts II, III and IV, and Part III shall prevail over Part II.

[END GENERAL LICENSE PROVISIONS]

SECTION THREE:
SPECIAL LICENSE PROVISIONS

3.1 Subject only to Licensee's rights under Section 1.3 above, processed material and/or aggregate on the Premises shall remain the property of District until such time as it is sold or exported from the Premises, in such a way as to be subject to the Tonnage License Fee.

3.2 Licensee shall furnish its own equipment for the processing of Material from the Premises.

3.3 Licensee shall at all times control dust created during Licensee's use of the Premises. Dust control shall be by watering the area where dust may be created and Licensee shall have a water truck on the Premises at all times to carry out the intent of this paragraph. Licensee is responsible for obtaining its own water supply at its own cost and expense.

3.4 Licensee shall not deposit Material or aggregates, including sand, gravel and rock, on any public roadway(s) or District maintenance roads, and shall be responsible for cleaning such roadway(s) of any such Material or aggregates. In the event that Licensee fails to comply with this paragraph and the responsible City, the County of San Bernardino, or Santa Ana Regional Water Quality Control Board requires the District to remove said material or aggregates, District shall invoice Licensee for any cost incurred plus 10% for administrative cost.

3.5 Licensee may only process material between the hours of 6:00 a.m. to 6:00 p.m., Monday through Friday, excluding holidays.

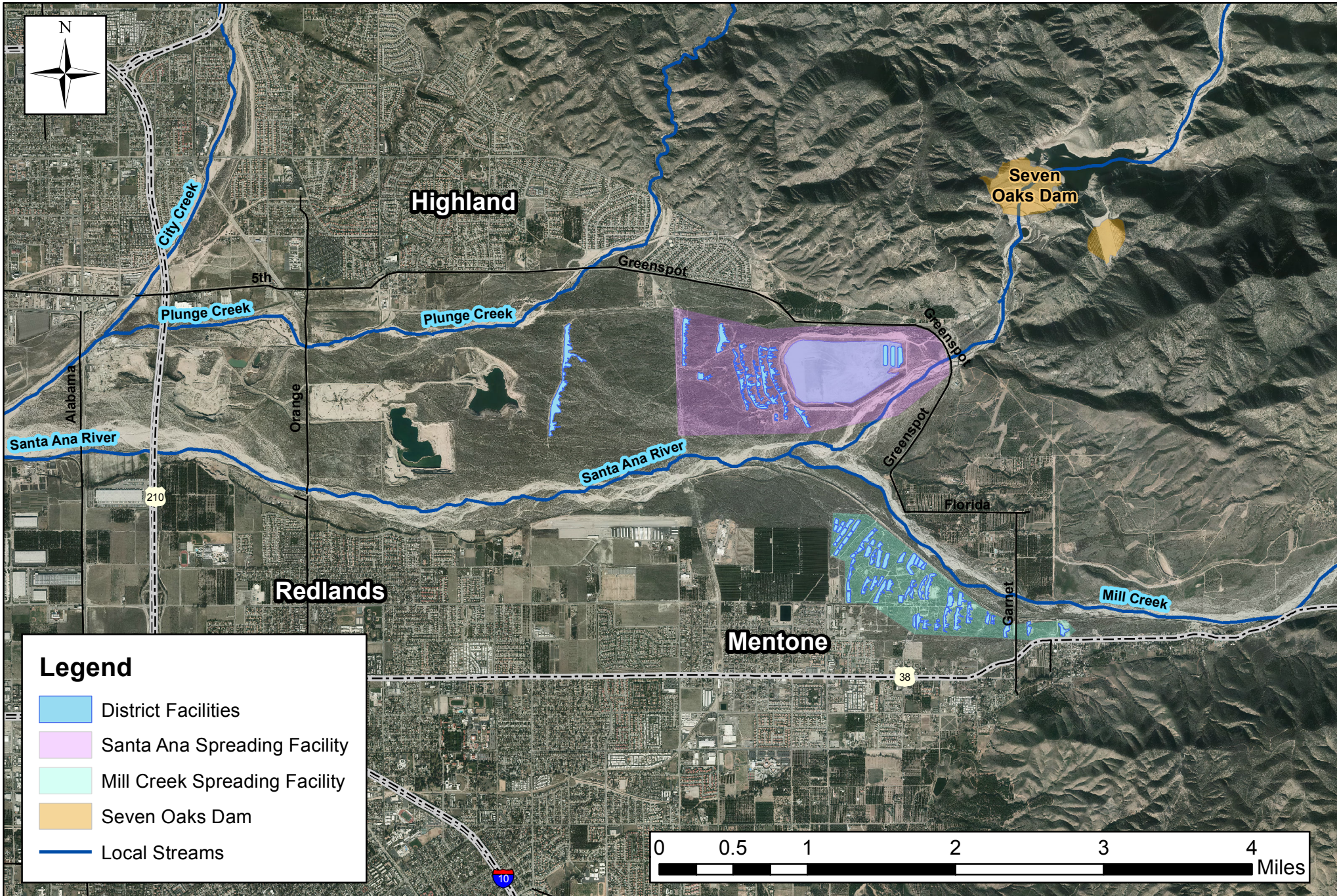
3.6 Licensee shall only process excavated and stockpiled materials from designated areas at surface grade level. Licensee shall not process any Material nor operate outside Premises.

SECTION FOUR:
MAP OF THE PREMISES

The Premises are shown on the attached maps. The Licensee may operate in Material Processing Areas designated on maps-Attachment 1 and Attachment 2a.

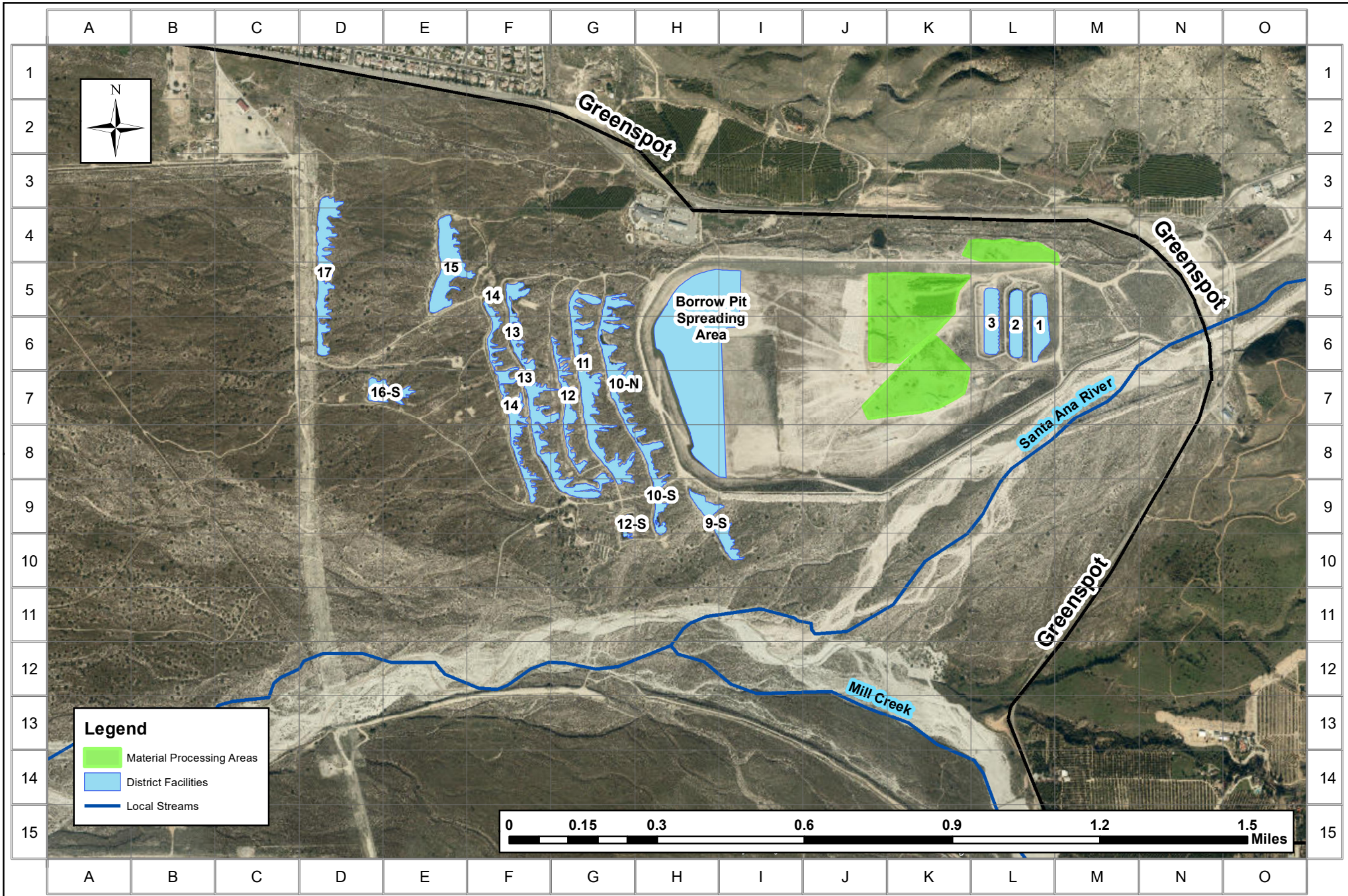
Attachment 1: Location Map

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD GIS
GIS Contact: Katelyn Scholte
August 12, 2016



Attachment 2a: Santa Ana Facility Material Processing Areas

Coordinate System:
 NAD 1983 StatePlane California V FIPS 0405 Feet
 Projection: Lambert Conformal Conic
 Datum: North American 1983
 Source: SBVWCD GIS
 GIS Contact: Katelyn Scholte
 August 12, 2016



[END MAP OF THE PREMISES]

SECTION FIVE:
SCHEDULE OF LICENSE FEES

1.	Native Material (per load)	<u>50% of Fee received</u>
2.	Fill Sand*	<u>\$0.00/ton</u>
3.	Aggregate less than 1”	<u>\$0.50/ton</u>
4.	Aggregate 1” to 4”	<u>\$0.50/ton</u>
5.	Aggregate 4” to 12”	<u>\$1.50/ton</u>
6.	Boulders	<u>\$1.50/ton</u>

*The Licensee may sell or otherwise dispose of fill sand without royalty payment to Licensor and with or without consideration to Licensee, as market conditions may warrant, during calendar year 2023. Licensor may contract with any other person or entity to remove fill sand from the Premises, throughout the term of this License, with or without consideration to Licensor, and without any liability to Licensee. All royalty prices per ton for the royalties may be adjusted up or down due to the market condition and as may be mutually agreed upon between Licensor and Licensee. Should total license fees fall below \$500 per month for more than two months a premises fee of not less than \$500 may be imposed by the District.



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1909

To: Board of Directors

From: David B. Cosgrove, General Counsel
Betsy Miller, General Manager

Date: January 11, 2023

Subject: Settlement Agreement and Release Regarding D.R. Horton Trespass

RECOMMENDATION

Review and approve the Settlement Agreement and Release with D.R. Horton (“Horton”), resolving issues regarding damage to 0.41 acres of District property next to the Vista Verde at Mediterra development.

BACKGROUND AND DISCUSSION

On or about July 29, 2021, District staff became aware of an incursion onto District property (APN 029701107) by contractors working for and under D.R. Horton. Some 0.41 acres of habitat were disturbed because of the trespass.

Staff immediately engaged Horton, and required Horton to deposit some \$48,025 to fund the District’s investigation of issues caused. Approximately \$32,500 of this deposit has been expended to date in efforts between the parties to understand the damage caused, the interventions likely required to satisfy the applicable regulatory agencies with jurisdiction over biological resources on the District property, and costs.

Ultimately, the parties agreed to a sum of an additional Two Hundred Thousand, Six Hundred Seventeen Dollars and Seventy-One Cents (\$200,617.71) as an appropriate payment by Horton, to the District, to cover both the anticipated remediation costs and associated future District’s staff time and overhead costs. This sum is in addition to the \$48,025 deposit previously remitted to the District, for a total of \$248,642.71.

The basis for this figure is the District’s own experience in dealing with Wash Plan and Plunge Creek permitting processes, and a consultant study prepared for Horton that calculated the costs associated with site restoration. Glenn Lukos Associates provided a report dated October 13, 2022, detailing an industry-standard five-year restoration scenario with implementation and monitoring costs of \$150,440. The parties used this study to guide expected restoration program liabilities and costs, with additional funds added for contingencies and future District time and overhead. District staff is confident that the work likely to be required can be performed at cost parameters within the agreed settlement amounts.

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

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John Longville

Division 5:
Melody McDonald

**GENERAL
MANAGER**

Betsy Miller

This settlement structure benefits both parties. Horton avoids long term liabilities and contingencies on closing out its development project. The District will work directly with the regulatory agencies to assure that restoration efforts are compatible with Wash Plan and Plunge Creek habitat efforts, as well as any potential economies of scale on related habitat work within the Wash.

FISCAL IMPACT

The short-term fiscal impact is a payment from Horton to the District of an additional \$200,617.71, for a total payment of \$248,642.71 (including the \$48,025 deposit paid in 2021 to cover District costs associated with reviewing the incursion and determining appropriate remediation). To date, the District has expended approximately \$32,500 of the initial \$48,025 deposit; the remainder of the initial deposit (\$15,525) plus the new payment of \$200,617.71 cover the restoration costs prepared by Glenn Lukos Associates in their report dated October 13, 2022, plus \$65,702 (44%) for project management and contingency fees.

POTENTIAL MOTIONS

1. Approve the Settlement Agreement and Release with D.R. Horton (“Horton”), resolving issues regarding damage to 0.41 acres of District property (APN 029701107) next to the Vista Verde at Mediterra development, and authorize the Board President to sign the agreement on behalf of the District, subject to any non-substantive clarifications in language approved by both the District’s General Manager and Counsel.
2. Reject the current Settlement Agreement and Release, with directions to staff to negotiate on any changes in terms the Board may require.
3. Provide other direction to Staff.
4. Table the item to a future meeting for consideration.

ATTACHMENTS

Map of Trespass Area on APN 029701107
Settlement Agreement and Release

Settlement Agreement and Release Regrading D.R. Horton Trespass: Attachment A

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD
GIS Contact: Anna Frey
M:\Horton\Horton Trespass Site
1/3/2023



SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (“Agreement”) is entered into this 11th day of January, 2023 by and between the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT (“District”), a California Water Conservation District and political subdivision of the State of California, and D.R. HORTON LOS ANGELES HOLDING COMPANY, INC., a California corporation (“Horton”), relative to portions of San Bernardino County Assessor Parcel No. 029-701-107. This Agreement is entered into in consideration of all of the following:

RECITALS

- A. District is a special district formed and duly existing under California Water code sections 74000 et seq., and as such, has the power to oversee and manage its publicly owned properties.
- B. Horton is the developer of a residential subdivision entitled Vista Verde at Mediterra, located at 30959 Campania Road, Highland, CA 92346. In connection with its real estate development activity, Horton, or subcontractors acting on Horton’s behalf, in and around July 29, 2021, trespassed upon a portion of the District’s adjacent property, causing grading and removal of natural surface material to occur. The District’s property is critical habitat for threatened and endangered species, and the District asserts that damage was done to approximately 0.41 acres of District’s property.
- C. The District and Horton conducted a series of “meet and confer” discussions and negotiations toward resolution of the trespass, and remediation of the District property to the satisfaction of the United States Fish and Wildlife Service and other regulatory agencies with jurisdiction over the biological resources on the District’s property. Toward that end, Horton made a deposit to the District in the amount of Forty-Eight Thousand Twenty-Five dollars (\$48,025.00), to partially offset District’s costs in reviewing, investigation, and attempting to resolve the matter.
- D. District and Horton have assessed the impacts to biological resources on the District’s affected property, and have concluded that District is in the best position to conduct, oversee, and assume responsibility for remedial measures necessitated by the disturbances occasioned by the trespass onto District property.
- E. As such, and in order to avoid the costs, delays, and uncertainties of litigation or administrative enforcement arising from such damage and impact to biological resources, the parties have negotiated an agreement whereby Horton will pay to District a defined sum of money, and District will assume the responsibility, as landowner, for addressing the remedial measures and activities that may be required by the applicable regulatory agencies arising from the trespass and purported damage that resulted, and waive any further claim or demand in connection therewith against Horton. District’s assertion of trespass and claim for payment and Horton’s response to such assertion and claim is

referred to herein as the “Dispute.” In furtherance of such agreement, the parties are entering into this “Settlement Agreement and Release,” to memorialize their terms, and respective rights and responsibilities.

NOW, THEREFORE, in consideration of all the foregoing, the parties do hereby agree as follows:

1. Payment by Horton to District. Horton shall, on or before thirty (30) days after this Agreement is approved by District’s legislative body, pay to the District the sum of Two Hundred Thousand Six Hundred Seventeen Dollars and Seventy-One Cents (\$200,617.71). Such payment shall be in addition to the prior deposited funds Horton paid to the District, which the parties agree shall be retained by the District, without any deduction or offset. Such payment shall be made by way of wire transfer or cashier’s check made out to the San Bernardino Valley Water Conservation District and provided by certified or overnight mail to the following addressee: Betsy Miller, General Manager, 1630 Redlands Boulevard, Suite A, Redlands, CA 92373. The parties acknowledge that the amount of the payment provided for hereunder is their best negotiated settlement of the matter based on their respective assessments of the scope of responsibilities and costs for remediating the conditions caused by the trespass, and that the actual cost of such remediation may be higher or lower, but the amounts provided for hereunder shall be the limit of Horton’s financial or other commitment to the District in connection with the Dispute.
2. Assumption of Remediation Interface and Disposition. Upon receipt of payment provided for in Paragraph 1 above by District, District shall assume full and sole responsibility for all measures required by the regulatory agencies with jurisdiction over the biological resources on the District’s property, and each of them, in connection with addressing and remediating conditions for the biological resources on the District property impacted by the trespass. Such responsibility may include, but is not limited to, advancing and securing any required approvals of any remediation action plan; conducting surveys or site inspections; controlling non-native or invasive species; collecting or planting seeds; monitoring site conditions, and preparing studies or reports, all as may be required by the applicable regulatory agencies.
3. Full And Complete Settlement. The parties mutually acknowledge that the compensation amounts described and to be paid to the District under this Agreement constitute the full and complete settlement of any and all of District’s claims or demands against Horton, by reason of any matter or thing arising out of or in any way related to the Dispute. Each party waives any claim which it has or may have against the other for any payment or compensation, apart from the payments specifically stated in this Agreement, for any damage to persons or property arising out of the Dispute. This waiver includes, but is not limited to, claims for compensation, damages, loss of or damage to improvements on the District’s property, impairment of access, and any and all other claims that either party may have against the other in connection with, or arising from, the Dispute, whether or not specifically mentioned here. Each party agrees for itself and its heirs and assigns, present, past and future owners, parents, subsidiaries, affiliates, officers, directors, employees, shareholders, representatives, agents, attorneys, successors, administrators, partners, spouses, guarantors, insurers, and indemnitors, to unconditionally and irrevocably release and forever discharge the other party and such other party’s heirs and assigns, present, past

and future owners, parents, subsidiaries, affiliates, officers, directors, employees, shareholders, representatives, agents, attorneys, successors, administrators, partners, spouses, guarantors, insurers and indemnitors from any and all claims, demands, causes of action, rights of action, suits, debts, damages, costs, legal fees, expenses and any other liabilities whatsoever arising from or relating to the Dispute. This waiver extends to all claims known or unknown by either party, and both expressly waive the benefits of Civil Code § 1542 in connection with the releases and waivers stated herein, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

4. No Admission of Liability. This Agreement is entered into in the spirit of compromise to resolve a disputed claim. None of the provisions of this Agreement shall be used or construed as an admission of liability or default for any purpose.
5. Corporate Authority. This instrument shall be binding on and inure to the benefit of the heirs, executors, administrators, successors and assigns of District and Horton. Horton warrants to the District that the person whose signature appears below on its behalf has the legal authority to bind Horton to the terms of this Agreement, and that by doing so Horton is not in breach of any other contract or agreement. There are no third party beneficiaries to this agreement.
6. Severability. The provisions of this Agreement are severable, and if any provision is invalid or otherwise held unenforceable, the parties intend that all other provisions shall remain in full force and effect.
7. Attorney's Fees. In the event of any controversy, claim, or dispute relating to this Agreement or any breach or enforcement thereof, the prevailing party shall be entitled to recover, in addition to any other relief available at law or in equity, its reasonable attorney's fees, costs and expenses. Such attorney's fees shall include all costs, expert witness fees, fees for professional legal services, and fees involved in the pursuit of discovery and production of evidence. Such fees shall be awarded whether or not the matter is prosecuted to final judgment, and in any proceeding arising out of the breach of this Agreement, or to enforce same, the court or other finder of fact shall be requested to name a prevailing party for the purposes of an award of fees under this paragraph.
8. Entire Agreement. This Agreement contains the entire understanding of the parties, and supersedes all prior negotiations and representations, written or oral, in connection with the subject matter covered herein. This Agreement may only be amended by a written instrument, signed by both parties.

9. Counterparts. This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first set forth hereinabove.

Dated: _____

D.R. HORTON LOS ANGELES
HOLDING COMPANY, INC.,
a California corporation

By: _____
Todd Funk, Vice President and
SoCal North Division President

Address: 2280 Wardlow Circle, Suite 100
Corona, CA 92878
Telephone: (951) 272-9000

Dated: _____

SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT

By: _____
Its: _____

Address: 1630 Redlands Blvd, Ste A
Redlands, CA 92373
Telephone: (909)-793-2503

APPROVED AS TO FORM:

By: _____

Date: _____



**San Bernardino Valley
Water Conservation District**
Helping Nature Store Our Water

Memorandum No. 1910

To: Board of Directors
From: Milan Mitrovich, Land Resources Manager
Date: January 11, 2023
Subject: California Department of Fish and Wildlife Endangered Species Conservation and Recovery Grant Program Application

RECOMMENDATION

Staff recommends the Board authorize use of expenditures for the San Bernardino kangaroo rat (*Dipodomys merriami parvus*; SBKR) monitoring program planned for the Wash Plan Preserve from 2024-2026 as matching funds for the California Department of Fish and Wildlife’s Endangered Species Conservation and Recovery Grant Program in an amount not to exceed \$235,000, and authorize the General Manager to prepare and sign a letter of commitment for these matching funds for submittal with the range-wide SBKR monitoring proposal prepared for the Program’s Proposal Solicitation.

BACKGROUND AND DISCUSSION

The Wash Plan, adopted by the Board on July 8, 2020, is a federal Habitat Conservation Plan which provides permitting for a range of defined “Covered Activities” under the Federal Endangered Species Act while requiring specific monitoring, management, and restoration actions related to Covered Species. In compliance with the Wash Plan, the District contracted with U.S. Geological Survey’s Biological Resource Division (USGS) to prepare site-specific methods for an SBKR Monitoring Program, which was implemented by the District and our consultants in 2021 and 2022. Following discussions with the Preserve Management Committee and USGS, the District plans to continue annual SBKR monitoring using these methods in 2023, 2024, and 2025.

Following presentation of the results of the District’s 2021 monitoring results to the regional conservation community, the District and the San Bernardino Valley Conservation Trust (Trust) were invited to join discussions on application of this protocol to SBKR populations across the species’ range. The wildlife agencies have indicated their support for a range-wide monitoring program along with noting the potential fit of such a project with the 2023 Endangered Species Conservation and Recovery Grants, administered by the CDFW on behalf of the USFWS.

The project proposed for grant-funding consists of expanding the Wash Plan monitoring methods to implement a range-wide (Santa Ana River, Lytle-Cajon, and San Jacinto washes) percent area occupied

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

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David E. Raley

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Robert Stewart

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Melody McDonald

GENERAL MANAGER

Betsy Miller

(PAO) survey for SBKR as well as analysis of the resulting data. Project management would be provided by Trust staff, working closely with the USFWS, CDFW, and USGS, as well as other entities¹ who manage occupied SBKR habitat. Approximately \$75,000 of District staff time for grant project management activities would be funded by the grant, if awarded. The data collected through this project will provide updated information on the current range of SBKR and the habitat factors indicative of SBKR populations, and provide insight into which areas may benefit from restoration activities. Reliable data on the larger SBKR population will significantly improve the District's ability to successfully manage the Wash Plan Preserve and achieve the Wash Plan's SBKR goals and objectives.

The proposed District matching funds, expected to total \$235,000 over the three-year grant period, includes 1) \$60,000 in planned contract work by biological consultants to trap SBKR in the Wash Plan Preserve in the fall of 2024 and 2025, 2) \$100,000 in planned contract work by USGS to support District staff in data analysis, and 3) \$75,000 in planned in-kind services by District staff collecting SBKR habitat assessment data in the Wash Plan Preserve. Matching fund commitments from other project partners are unknown at this time.

Consistent with the terms and conditions of the 2023 Endangered Species Conservation and Recovery Grants published by the State of California Natural Resources Agency and the Department of Fish and Wildlife, a minimum non-federal match of 25% of the total project cost is required and must be provided by project applicants. Matching funds must be contributed during the grant term and be described in the project proposal to be eligible. The grant performance period is not to exceed 3 years from the project start date, currently estimated as fall/winter 2023. At the present stage of proposal development, the total project cost (including matching funds) is estimated at approximately \$700,000.

FISCAL IMPACT

The proposed action would obligate planned expenditures of up to \$160,000 of cash funds from the Wash Plan endowment in FY24, FY25, and FY26 budgets, and up to \$75,000 of planned in-kind professional services completed by District staff during the three-year grant period. If awarded, the grant would provide a minimum of \$75,000 in salary reimbursement for District staff time associated with project management over the three-year grant period.

POTENTIAL MOTIONS

1. Move to authorize use of expenditures for the San Bernardino kangaroo rat (*Dipodomys merriami parvus*; SBKR) monitoring program planned for the Wash Plan Preserve from 2024-2026 as matching funds for the California Department of Fish and Wildlife's Endangered Species Conservation and Recovery Grant Program in an amount not to exceed \$235,000, and authorize the General Manager to prepare and sign a letter of commitment for these matching funds for submittal with the range-wide SBKR monitoring proposal prepared for the Program's Proposal Solicitation.
2. Move to authorize use of expenditures for the San Bernardino kangaroo rat (*Dipodomys merriami parvus*; SBKR) monitoring program planned for the Wash Plan Preserve from 2024-2026 as matching funds for the California Department of Fish and Wildlife's Endangered Species Conservation and Recovery Grant Program in an amount specified by the Board, and authorize the General Manager to prepare and sign a letter of commitment for these matching



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1911

To: Board of Directors

From: Betsy Miller, General Manager

Date: January 11, 2023

Subject: Association of San Bernardino County Special Districts Board Nominations

RECOMMENDATION

If any Director wishes to serve, consider nominating a Board member for election to the Association of the San Bernardino County Specials Districts Board (ASBCSD) and authorize the President of the Board of Directors to submit a letter of recommendation.

BACKGROUND AND DISCUSSION

ASBCSD has notified the District that Board of Director elections will be held in February, and solicited letters of support for any District Director interested in serving on the ASBCSD Board. Staff solicits Board direction on your desired response to ASBCSD.

FISCAL IMPACT

Costs for one Director to participate in monthly ASBCSD meetings are included in the approved budget, so no additional expense would be incurred if the nominated member is or becomes the primary representative to ASBCSD. If a second Board member is elected to participate these meetings, additional costs are estimated at approximately \$3,000 for Director's fees and average meal costs, with additional costs for mileage.

POTENTIAL MOTIONS

1. Move to nominate a Board member for election to the Association of the San Bernardino County Specials Districts Board (ASBCSD) and authorize the President of the Board of Directors to submit a letter of recommendation.
2. Provide notice to staff that no Director wish to be nominated for the Association of the San Bernardino County Specials Districts Board (ASBCSD) at this time.
3. Provide other direction to staff.

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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

Betsy Miller



Environmental Update

as of January 3, 2023

Wash Plan Implementation – Monitoring Activities

- SBKR Monitoring Program
 - The District and Trust are working with the USFWS, CDFW, USGS, and other partners to apply for a Section 6 grant funded by the federal Cooperative Endangered Species Conservation Fund to advance development and extend implementation of the SBKR monitoring protocol developed for and used by the Wash Plan Preserve to conserved areas located across the full extent of the species range within mapped Critical Habitat Units. Grant application details were shared by CDFW on December 16 and the application is due on January 27.
 - On December 28, results of soil tests conducted by the BYU College of Life Sciences Environmental Analytical Lab on soil samples collected in Spring 2022 from SBKR monitoring plots located throughout the Wash Plan Preserve, were received by the District. Results of the soil composition and texture analyses performed by the university will be treated as additional site covariates that may help to predict SBKR presence and abundance in the Wash when analyses are conducted this winter by the USGS and District.

Wash Plan Implementation – Management Activities

- Slender-horned Spineflower Restoration Program
 - A fully executed copy of the Scientific, Educational, or Management Permit (2081(a)-22-008-RP) was received on November 22, allowing planned work tied to bulking activities to begin immediately.
 - Dudek is actively coordinating initiation of the bulking program with California Botanic Garden. Enough seeds were sown to propagate 500 plants at the botanical garden on December 2, with evidence of successful germination occurring as of December 13. Plants will be grown in 2-inch containers and then transferred to 4-inch containers prior to being planted in the field in March.
 - On December 20, District staff assisted Dudek Geologist with installation of Microclimate data stations and loggers at 3 sites. The first site is located just east of CEMEX operations, near the largest extant spineflower population and where plants established from the germination trials are expected to be transplanted. The second site is on BLM property near Rail Line Road, where no spineflower have been observed but suitable habitat appears to be present; this area is being evaluated for seeding to expand the population in the future. The third site is on BLM property just west of Orange Street with extant spineflower populations. The climate stations will collect data on air temperature, relative humidity, soil moisture, soil temperature and soil electrical conductivity which will support restoration efforts included in the 2081(a) and inform development of the spineflower restoration plan required by the Wash Plan.



- Clean-up of existing debris fields associated with the abandoned encampments and illegal dumping that has occurred on District property west of Orange Street were initiated on December 12 and continued through the 15. Clean-up activities were conducted by Northwind Construction Services working under contract with the District. Activities were coordinated with BLM and overseen by District staff.

Wash Plan Implementation – Organizational Structure & Planning

- Monthly coordination meeting with the USFWS was held on December 20. A field visit by the USFWS staff to the Wash Plan Preserve and Mill Creek is scheduled for February 28.

Wash Plan Programmatic Permits

- USACE 404 Programmatic Individual Agreement – Public Notice was posted by the Corps on July 1 regarding application by the District for a long-term standard individual permit under Section 404 of the Clean Water Act. The public comment period ended on July 31. Responses to comments were prepared and submitted to the Corps on August 26. The consultant team shared a draft Environment Assessment (EA) with the District on September 2. Following review by the District, the draft EA was finalized by AECOM and shared with the Corps on September 30. District staff and AECOM continue to meet with USACE weekly in support of completion of the EA and issuance of the standard individual permit.
- On December 13, a fully executed Streambed Alteration Agreement (EPIMS-SBR-23918-R6) for construction permitting was issued by CDFW.
- District staff met with CDFW on November 16 to discuss next steps tied to advancement of the 2081 Incidental Take Permit (ITP). In December, District staff continued coordination with CDFW, emphasizing the importance of completing this permit in early 2023.
- On December 15, District staff hosted a meeting of the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force. A progress report on the remaining Wash Plan permits was provided by District staff and the contract amendment allowing AECOM to provide continued technical consultant services in support of obtaining remaining state and federal permits was approved by members of the Task Force.

Mill Creek Programmatic Permits

- An annotated outline for a Safe Harbor Agreement (SHA) with the USFWS meant to address issues tied to endangered and threatened species associated with ongoing operations and maintenance activities at Mill Creek was submitted to the Service on November 9 for review and comment.
- To advance planning supporting development of the SHA for Mill Creek, an internal working session involving District staff was conducted on December 6, followed by an in-person working session between District staff and AECOM on December 19.
- An in-person meeting between the District staff and the USFWS at their Palm Springs office is scheduled for January 12, 2023. The purpose of the meeting is to discuss the framework of the future SHA, including the clear conservation benefits of such an agreement for the Covered Species, SBKR, cactus wren, and California gnatcatcher.



Community Mitigation Program

- District staff submitted a Long-term Management Plan (LTMP) and Property Analysis Record (PAR) to CDFW on September 22 for the District-owned and managed 4.2-acre offsite mitigation area for San Bernardino County Transportation Authority (SBCTA) SR-210 Mixed Flow Lane Addition Project. In December, District staff continued to work with SBCTA contractor VCS Environmental to be positioned to successfully complete through the escrow process when directed by CDFW.
- On December 19, District staff shared the final LTMP and PAR with San Bernardino County Flood Control District (SBCFCD) for District-owned and managed 0.64-acre onsite mitigation area for the SBCFCD Elder Creek Channel Improvement Project.

MOU with San Bernadino County

- District staff will be participating in monthly coordination meetings beginning in January with SBCFCD to advance development of the draft MOU that is to cover the long-term management and permanent protection of 185 acres of Flood Control District property to be protected consistent with the Wash Plan. The MOU is to define roles of the District and Trust in managing and protecting the property in perpetuity. A PAR is to be included in the MOU to assist with calculation of the SBCFCD endowment.

Active Recharge Transfer Project (ARTP)

- On December 12, 13, and 14, District biologist performed construction monitoring services in support of geotechnical feasibility studies at the Oak Creek/Plunge Creek ARTP site consistent with the work overseen by District engineers.

Wash Plan Trails Status Report

January 2023



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Project Management Approach / Work Plan

- a. Develop/obtain support from Cities on trails MOU
- b. Complete trail permitting, including 1) Wash Plan HCP Certificate of Inclusion and 2) State/waters permits
- c. Record public access easements, if necessary
- d. Install signs/fencing
- e. Open trail(s) that do not require ancillary facilities such as trailheads or parking lots
- f. Obtain grant funding for ancillary trail facilities such as trailheads and parking lots
- g. Bid construction of/build ancillary trail facilities



Current Status

District staff continues to coordinate with the City of Redlands to adopt the Trail MOU. Prior to approval of the MOU, Redlands has requested a five-party agreement between the cities, mining companies, and the District to clarify implementation items such as payment. District Counsel provided a draft agreement for review by the parties in April 2022; on November 28, 2022, Redlands staff indicated that they expect to provide comments in late February or early March of 2023.

The City of Highland adopted the Trail MOU in January 2022, and has scheduled approval of the five-party agreement for February 2023.

CEMEX and Robertson's are reviewing the five-party agreement and are coordinating with the District team to discuss details further.

Trails were included in the Wash Plan state and waters permitting applications which were submitted to the regulatory agencies in 2021. Trail opening will be dependent upon receipt of these permits, as well as final approval from USFWS, which included conditional approval in the Wash Plan HCP.



Engineering Update

as of January 2, 2023

Mentone Shop

- Architectural drawings and building manufacturer drawings/calculations are 95 percent complete.
- Structural foundation plan in process.
- Architect/contractor is handling permits with the County.

Mill Creek Diversion and Debris Management Project

- Staff met with the Corps 408 team on September 1 to discuss construction of the original structure, and the EA is now being processed based on the discussion. Corps legal counsel accepted the approach so the permit could be issued.
- Operations Committee recommended holding construction until Summer 2023 to ensure capture of any winter storms for WY22-23.
- New 5 ft x 5 ft gates have been delivered to the Mentone Shop. New 5 ft x 17 ft has not yet arrived.

Active Recharge Transfer Projects

Waterman, Twin Creek, and Lynwood Basins

- Ongoing coordination with Flood Control regarding the hydrology study. Flood accepted flow rates will be used as the input for the Q100 and FEMA flow rates. Smaller storms, including average annual, will use the flows as calculated in the hydrology study.
- Geotechnical field testing was completed on November 16.

Plunge and Oak Creeks

- Ongoing coordination with Flood Control regarding the hydrology study. Flood accepted flow rates will be used as the input for the Q100 and FEMA flow rates. Smaller storms, including average annual, will use the flows as calculated in the hydrology study.
- Oak Creek geotechnical work is in process.
- Plunge Creek geotechnical work is on hold pending the land exchange with BLM.

Mill, Bledsoe, and Cook Creeks

- Existing condition hydrology and hydraulic models for the basins are substantially complete and proposed condition models are being developed.
- The fault study for Cook Creek was completed and reviewed by the ARTP Policy Committee, including the plan for seismic refraction prepared by Q3. Costs associated with this additional testing are anticipated to be mitigated by field staff support on the Mill Creek geotechnical testing.

General Manager's Report

From December 15, 2023, to January 10, 2023

Betsy Miller



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

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

1. **Water Conservation – Plan Goal 1** – Santa Ana River, Mill, and Plunge Creeks received rainfall in December and January. Mill Creek's total recharge for the Water Year is currently 625 AF. The Santa Ana River recharge is currently 670 AF. Plunge Creek recharge is 85 AF. The total recharge is 1,380 AF for the Water Year beginning October 2022.
2. **Facility Maintenance and Cleanout – Plan Goal 1** – Normal water recharge operations are underway with all facilities are in good working order. Removal of excess sand from Mill Creek basins was completed in November and staff are reviewing cost-effective alternatives for off-site removal of material to optimize on-going operations. Jacinto cleaned dry basins in Mill Creek in early January with material placed in piles to be moved off-site as a pilot of future operational protocols.
3. **Aggregate Management – Plan Goal 1** – Upland Rock continues screening and selling sand and rock from District basin cleaning efforts which support land management efforts.
4. **Personnel/Administration/Staff** – Katelyn Scholte's appointment as the Big Bear Watermaster was finalized by the court on December 6, 2022. Staff enjoyed time off over the District's winter holidays, with many scheduling vacation time off to spend additional time with family.
5. **Finance/Budget/Audit** – The Finance and Administration Committee is scheduled to meet on January 25. Staff expects large invoices for the Active Recharge Transfer Projects to continue through Q1.
6. **Mill Creek Diversion Engineering – Plan Goals 1/4** – Please refer to the Engineering Update.
7. **Plunge Creek Conservation Project – Plan Goals 1/4** – Total project recharge for this water year is currently 85 AF.
8. **Enhanced Recharge Project – Plan Goal 1** – The Enhanced Recharge Phase 1A is completed. Final engineering design for Phase 1B was approved by the Conservation District Board at their December meeting and bids are due to San Bernardino Valley Municipal Water District by February 7, 2023.
9. **Active Recharge Transfer Project Partnership – Plan Goals 1, 2, and 4** – Please refer to the Engineering Update.
10. **Edison Divestiture – Plan Goals 1/4** – The consortium submitted a revised bid, which incorporated requirements from SCE, on January 4, 2023.
11. **Groundwater Council – Plan Goal 1** – Staff continues to work with Groundwater Council partners to develop an updated agreement that will be signed in 2023.

12. **Shop Facilities for Field Staff** – *Plan Goals 1* – Please refer to the Engineering Update.
13. **Wildland Trails** – *Plan Goal 3* – Please refer to the Trails Status Update.
14. **Wash Plan** – *Plan Goal 4* – Please refer to the Environmental Update.
15. **Santa Ana River Wash Plan Land Exchange Act Implementation** – *Plan Goal 4* – The land exchange appraisal has been approved by BLM, along with costs for the equalization parcels. BLM has revised the legal description in the Binding Exchange Agreement to address Conservation District comments. The District coordinated closely with BLM on the site clean-up required for land transfer, which was completed in December. Staff from BLM and the Conservation District are scheduled to complete a final land inspection on January 10 (rescheduled from January 4 due to flash flood warnings).
16. **Conservation Trust** – *Plan Goal 4* – The Conservation Trust Board of Directors is scheduled to meet on January 18. Significant work has been completed towards CDFW approval of the SBCTA mitigation lands, as well as in support of Flood Control’s Elder Creek project mitigation. The Trust is collaborating with the U.S. Fish and Wildlife Service and U.S. Geological Survey to submit an application to expand the Wash Plan SBKR monitoring program in response to the 2023 Endangered Species Conservation and Recovery Grants Proposal Solicitation Notice.
17. **Property/Redlands Plaza** – Staff continues to manage Redlands Plaza tenants and maintenance issues. Engineering staff have determined that a water line replacement is not necessary to address Redlands Plaza leak issues experienced in 2022. The church continues to work with the City on the changes needed for their CUP. Staff is working with an interested party to lease currently vacant Suite K.
18. **Mining** – Mining efforts by CEMEX contractors continue at the Plant Site quarry. Mining continues to be above the guaranteed minimum resulting in additional revenue to the Land Enterprise.
19. **Public Outreach and Legislative** – *Plan Goal 5* None for this reporting period.
20. **Current Board Action Implementation** – Significant staff resources are allocated to the ARTP and Wash Plan implementation projects. Staff and District Counsel continue work on EHL/CBD v. USACOE settlement-related studies. A meeting is being scheduled with the Bear Valley team to discuss their comments on the Exchange Plan that were provided in December. Staff are meeting with consultants to evaluate their potential to support the update of the District’s Strategic Plan.
21. **Future Board Activities** – Expected short-term items for consideration or note:
 - Contract for strategic plan update.
 - Draft Engineering Investigation for 2023
 - Groundwater Council Budget for FY24
22. **District Successes**
 - Enhanced Recharge Phase 1B plans were approved by the District Board in December and the Request for Bid has been posted by Valley.
 - A settlement has been negotiated with D.R. Horton for habitat loss associated with a 2021 trespass incident.
 - Long-term Management Plan completed for the mitigation associated with County Flood Control’s Elder Creek project, which occurs on District-owned property and for which a Conservation Easement is being purchased, through an agreement with the San Bernardino Valley Conservation Trust.

San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 12/1/2022
To: 12/31/2022



	December				
	Avg Daily Recharge	Monthly Recharge	Recharge WYTD	10yr Avg Recharge*	BTAC Max**
Santa Ana River	8.6	268	671	9,896	176,625
Mill Creek	6.6	205	625	3,079	105,975
Plunge Creek	2.1	63.6	87	488	#N/A
State Water Project	0.0	-	-	6,638	#N/A
In River Channel Recharge***	0.3	9	195	#N/A	#N/A
Total	18	546	1,577	20,101	282,600

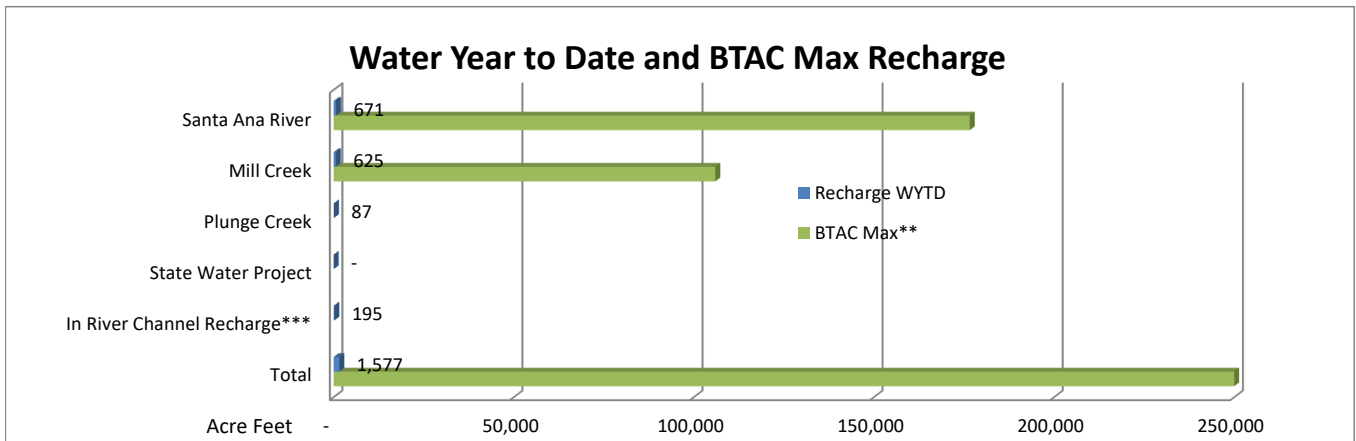
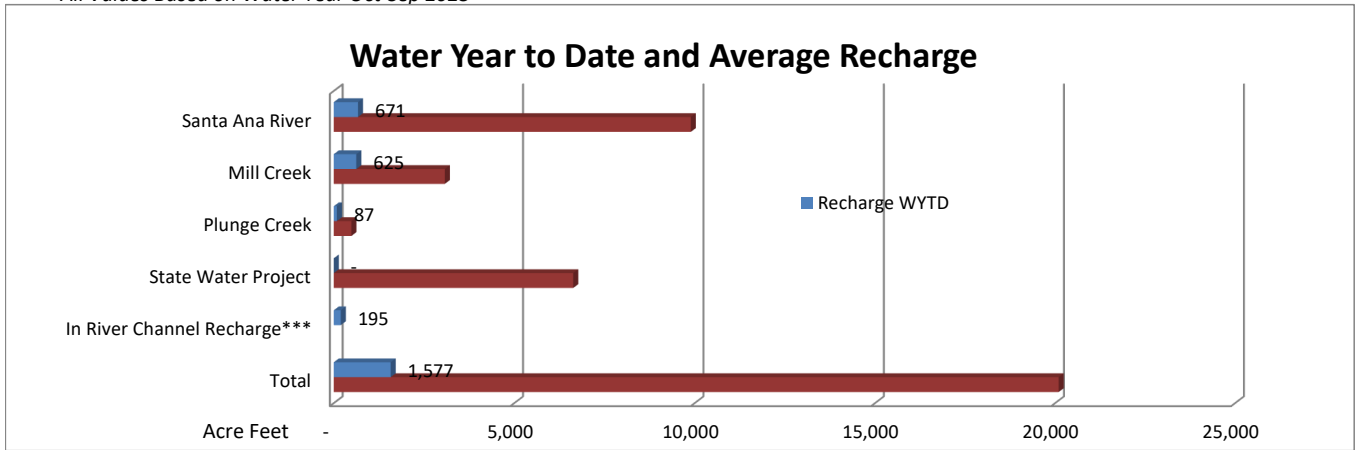
Values in Acre Feet

* Plunge Creek only has 2 years of available data

**BTAC Revised Max in December 2021

***Monitoring began in Mid-April 2011

**** All Values Based on Water Year Oct-Sep 2023



2023 Board Calendar - San Bernardino Valley Water Conservation District

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

Jan. 11 Board Meeting
 Jan. 24 Operations Committee Mtg.
 Jan. 25 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. 12 Board Meeting
 Jul. 25 Operations Committee Mtg.
 Jul. 26 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. 8 Board Meeting
 Feb. 9 Ad Hoc Trails Committee @ 9 am/
 Outreach Committee @ 10 am

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. 9 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. 8 Board Meeting
 Engineering Investigation Report Presentation
 Mar. 22 3rd Qtr. Finance & Admin Mtg.
 Mar. 28 Operations Committee 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. 13 Board Meeting

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

Apr. 12 Board Meeting
 Public Meeting/Groundwater Charge
 Apr. 26 Board Meeting
 Public Hearing/Groundwater Charge

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

Oct. 10 Operations Committee Mtg.
 Oct. 11 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 17 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	31	

Nov. 8 Board Meeting
 Nov. 15 1st Qtr. Finance & Admin Mtg.

JUNE						
S	M	T	W	Th	F	S
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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. 14 Board Meeting

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

Dec. 13 Board Meeting
 (@ 9:30 a.m.)
 Annual Luncheon