



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

BOARD OF DIRECTORS MEETING AGENDA

Wednesday, December 11, 2024 – 9:00 AM

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

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

Call in (669) 900-6833, Meeting ID: 846 8609 6002

To join the Zoom Meeting on <https://us02web.zoom.us/j/84686096002>

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

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

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

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BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
Mark Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

1. DISTRICT COMMITTEE APPOINTMENTS

- a. Board President Appointments
 - i. ACWA Committee Appointments
 - ii. Appendix B-Standing Committees.....6
 - iii. Appendix C-Roster of Organizations and Committees with Assigned Representatives.....7

2. OATH OF OFFICE

- a. Administration of Oaths of Office for Re-elected and Elected Directors:
 - i. Richard Corneille, Division 1
 - ii. Mark Falcone, Division 2
 - iii. Robert Stewart, Division 3

3. ELECTION OF BOARD OFFICERS

- a. Open Nominations for President and Vice President
- b. Close Nominations and Call Vote

4. INTRODUCTIONS AND GUEST RECOGNITION

5. CONSENT CALENDAR

- a. Approval of Board Minutes, November 13, 202410
- b. Approval of Expenditure Report, November 2024.....25
- c. Report of Excused Absences

6. COMMITTEE REPORTS /ACTION ITEMS

Committee Reports

Action Items

- A. UNAUDITED FINANCIAL REPORTS FOR NOVEMBER 2024 – 5 Minutes (M#2073) .36

Presenter: Angie Quiroga

Recommendation: Review and approve the Unaudited Financial Report for November 2024.

- B. APPROVE FISCAL YEAR 2024 AUDIT – 5 Minutes (M#2074).....42

Presenter: Betsy Miller

Recommendation: The Ad Hoc Audit Committee recommends the Board review and approve the Fiscal Year 2024 Audit Report as presented and direct the General Manager to file the Audit Report with the County Clerk.

- C. TEMPORARY RESTRICTIVE COVENANT AND EQUITABLE SERVITUDE FOR SPECIES CONSERVATION FOR WASH PLAN COVERED ACTIVITY CRM.01 AGGREGATE MINING – 5 Minutes (M#2075).....139

Presenter: Betsy Miller

- D. December 31- January 1, 2025 Office Closed in Observance of New Year's Eve & New Year's Day
- E. January 8, 2025 Board of Directors Meeting, 1:30 PM at Conservation District
(Zoom Meeting ID: Meeting ID: 820 0301 2092)
- F. January 20, 2025 Office Closed in Observance of Martin Luther King, Jr. Birthday
- G. January 20, 2025 ASBCSD Monthly Dinner Meeting, 6:00 PM
- H. January 22, 2025 Finance and Administration Committee Meeting, 1:30 PM at Conservation District
(Teams Meeting ID: 265 903 923 917
Passcode: 9WJ7A3RK)
- I. January 29, 2025 Operations Committee Meeting, 9:00 AM at Conservation District
(Teams Meeting ID: 214 391 342 343
Passcode: yx2Xx9xH)

6. CLOSED SESSION

1. The Board may meet in Closed Session under Government Code section 54956.8, to discuss the terms and conditions of the 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 Dara Glass is the lead negotiator for BLM.
2. The Board may meet in closed session under authority of Government Code Section 54956.8 to discuss potential terms and conditions of the acquisition of real property, consisting of San Bernardino County Assessor parcel numbers 0298-251-04, 0298-251-05, and 0302-101-09. The District's negotiators are Betsy Miller and David Cosgrove. The party with whom the District is negotiating is Tom Robinson, Vantage One Real Estate.
3. The Board may meet in closed session under authority of Government Code Section 54956.9(d)(4), regarding the District's potential decision to initiate litigation, in one case.
4. The Board may meet in Closed Session under Government Code section 54956.8, to discuss the terms and conditions of a proposed restrictive covenant with the California Department of Fish and Wildlife and Robertson's Ready Mix on portions of San Bernardino County Assessor

Parcel Nos. 0291-131-01 and 0291-115-01. The District's negotiators are Betsy Miller and David B. Cosgrove. The CDFW's negotiators are Eric Chan and Kim Freeburn. Robertson's Ready Mix's negotiators are Bill Taylor and Kim Decker.

5. The Board may meet in closed session under authority of Government Code Section 54956.8 to discuss potential terms and conditions of the potential sale of a conservation easement over some 20.81 acres of District property, consisting of portions of San Bernardino County Assessor Parcel Nos. 0297-051-01 and 0297-071-08, in favor of the San Bernardino Valley Conservation Trust. The District's negotiators are Betsy Miller and David Cosgrove. The party with whom the District is negotiating is S-P Deerfield, LLC, Camille Bahri and Andrew Hertzell.

7. **ADJOURN MEETING.** The next regularly scheduled Board of Directors meeting will be on January 8, 2025, at 1:30 PM, via Zoom/teleconference.

APPENDIX “B”
BOARD COMMITTEES

STANDING COMMITTEES

COMMITTEE CHARTER

FINANCE/ADMINISTRATION

Chair – John Longville
Member – Robert Stewart
Alternate – Hillary Jenkins

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 – Hillary Jenkins

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 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/Corneille
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/Jenkins
9. SBVMWD Board Meetings	McDonald/Jenkins
9A. Resources & Engineering Workshop*** 9B. Policy & Administration Workshop***	McDonald/Corneille Longville/Stewart
10. East Valley Water District Board Meetings	Jenkins/McDonald
11. Wash Plan Task Force	Longville/Jenkins
12. Big Bear Watermaster Committee (Court Appointed Attendee-Scholte)	Stewart/Jenkins Corneille & Longville
13. San Bernardino Valley Conservation Trust	
14. Program for the Expansion of Recharge Capacity (PERC) Policy Committee	Corneille/McDonald
15. Meeting(s) Requested by the General Manager and/or Board President	All Board Limited
16. Any District Required/Mandated Training	All Board Limited
17. Director attendance at District offices or elsewhere for tasks as requested by District staff, for internal staff meetings or administrative matters such as review of agendas or staff reports incident to committee or Board meetings, review of warrants or financial statements, signing checks, or the like.	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 NOVEMBER 13, 2024
1:30 p.m.

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

ROLL CALL:

BOARD MEMBERS PRESENT:

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

BOARD MEMBERS ABSENT:

Hillary Jenkins, Director

STAFF PRESENT:

Betsy Miller, General Manager
David Cosgrove, District General Counsel
Angie Quiroga, Senior Administrative Analyst
Milan Mitrovich, Land Resources Manager
Allison Zecher, Board Secretary
John Lambie, Consulting Chief Engineer and Geohydrologist
Zach Blum, Intern
Randy Do, IT Contractor
Ashima Thomas, Executive Assistant (contractor)

GUESTS PRESENT:

David E. Smith, East Valley Water District
Joseph Aguirre, Tetra Tech
Mark Falcone, Highland Resident
Ellen Cross, Strategy Driver Inc
Maria Pascoal, Minds Illustrated

1. PUBLIC PARTICIPATION

There was no public participation.

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the posted agenda.

3. GUEST RECOGNITIONS/SELF INTRODUCTIONS

The Board, staff, and Zoom attendees introduced themselves.

4. CONSENT CALENDAR

It was moved by Vice President Stewart and seconded by Director Longville to approve the Consent Calendar: Item A, Board Minutes, October 9, 2024, with direction to staff to revise the second on the motion of Action Item A; and Item B: Expenditure Report, October 2024. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. FINANCE AND ADMINISTRATION COMMITTEE VERBAL UPDATE

Director Longville reported on the Finance and Administration Committee meeting held on October 30, 2024. The committee reviewed the first-quarter unaudited financials and the 2025 per diem in advance of their consideration by the full Board.

B. AD HOC AUDIT COMMITTEE VERBAL AUDIT

Director Corneille reported that the committee reviewed the draft audit, and discussed in detail the significant decrease in the District's net position due to the disposal of nearly \$3 million from work in progress for the PERC CIP feasibility studies from fiscal years 2019-20, 2020-21, and 2021-22. These funds had been held in work in progress following discussions with accounting consultants at the outset of the PERC projects; however, feasibility studies are not capitalized per GASB Cod. section 1400.143, and therefore these funds from previous years were disposed in FY24 in order to ensure the project is current and consistent with GASB 100, Accounting Changes and Error Corrections. The committee note that while this disposal significantly affected the District's net position for fiscal year 2023-34, it does not represent significant expenses incurred by the District in the current fiscal year. The committee requested that this disposal be highlighted and clearly explained in the report. After addressing these items, the report was approved to proceed to the Board.

C. OPERATIONS COMMITTEE VERBAL UPDATE

Director Corneille provided an update on key discussion items from the recent meeting. He commended Manuel for his detailed field operations presentation, which included photos illustrating ongoing activities. Highlights included:

- Updates on fire impacts, with Santa Ana water showing significant contamination, while Mill Creek water remains clear.
- Extensive work to clean basins.
- Removal of approximately 10,000 cubic yards of sand from stockpiles at Mill Creek to support fire reduction and habitat restoration work near our Santa Ana facilities.
- Progress on the Enhanced Recharge project construction, which is nearing completion.
- A status report on the PERC projects and upcoming PERC Policy Committee, with a thorough discussion on the of the multi-objective alternatives analysis being developed to prioritize the projects.
- Approval of the final Facilities Maintenance Plan for Mill Creek to guide planning, budgeting and implementation of maintenance.
- Discussion of funding support for the groundwater model calibration project led by San Bernardino Valley Municipal Water District.

Action Items

D. FIRST QUARTER UNAUDITED FINANCIAL REPORTS FOR FY25

Ms. Quiroga directed the meeting to Package Page 31 presenting the quarterly financial report for the period of July through September 30, 2024. Highlights are as follows:

- **Income:** Total interest income was \$865,185, approximately 52% of the annual budgeted amount. Overall income for the quarter totaled \$1.5 million, about 30% of the budget to date. Property tax revenue (GL 4050) and payments from the San Bernardino Valley Municipal Water District (GL 4055) are expected to be received soon. Groundwater revenue is approximately \$22,000 below budget for the January–June 2024 period.
- **Expenses:** Operating expenses for the quarter totaled \$831,689, which is lower than expected. Significant invoices are anticipated in the coming months.
- **Capital Projects:** As of September 30, \$192,608 has been expended of the \$4.8 million budgeted. Notable expenses include:
 - \$26,000 for the BLM cost recovery agreement and land exchange (GL 7120).
 - \$22,985 in progress payments to CS-NK for the Mentone shop (GL 7140).
 - \$49,710 for equipment purchases, including a drone, bobcat welder, brush cutter, and excavator parts (GL 7230).

- **Investments:** A net change of \$4.3 million was noted as of September 30, reflecting investments maturing and temporarily moved to the cash account. A \$2 million bond, initially set to mature in February 2027, matured early, and a \$2.5 million investment matured on September 26.

It was moved by Director Corneille and seconded by Director Longville to approve the First Quarter Unaudited Financial Reports for FY25. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

E. UNAUDITED FINANCIAL REPORTS FOR OCTOBER 2024

Ms. Quiroga provided a summary of key financial updates, as detailed below:

- **Revenue Highlights:**

- Upland Rock made a significant royalty payment of \$30,586 for September, which is higher than usual due to the processing underway at Mill Creek.
- Wash Plan revenue increased by \$62,000, mining revenue increased by \$30,600, and Land Enterprise revenue rose by \$30,000.
- Total revenue for the month increased by \$122,500.

- **Expense Highlights:**

- Significant Wash Plan expenses included \$14,494 to IERCD for the final conservation services agreement payment for the current contract and \$17,579 to Origin Biological Romich for San Bernardino kangaroo rat (SBKR) monitoring (GL 5123).
- Insurance costs (GL 6300) exceeded the budget due to increases in property insurance (GL 6310) and general liability insurance (GL 6320), including auto coverage. These increases will be incorporated into the FY25 budget.
- Two progress payments were made under GL 7126 for PERC Engineering Professional Services: \$22,240 to CASC Engineering and \$33,888 to Q3.
- Overall expenses totaled \$430,231 for the month, surpassing revenue.

- **General Fund:**

- Revenue increased by \$3,000 while expenses rose by \$126,786.
- Salaries accounted for an increase of \$166,000.

- **Net Results:**

- For the month ending, total revenue exceeded expenses by \$334,158.

Ms. Miller addressed a question posed by Vice President Stewart regarding the \$5 million prepaid royalty, explaining that it will be available when state permitting and land exchange processes are complete.

It was moved by Director Longville and seconded by Director Corneille to approve Unaudited Financial Reports for October 2024. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

F. INTEREST SHARING AGREEMENT WITH SAN BERNARDINO CONSERVATION TRUST

Ms. Miller provided an update on the funds loaned to the San Bernardino Valley Conservation Trust under the District's 2017 services agreement to support the Wash Plan from 2017 through its adoption in 2020. These funds, referred to as issuance costs, were recorded as a receivable in the District's financial statements under assets due from other funds in annual audits.

During the last fiscal year, the District recalled these funds along with interest earned under favorable market conditions as per the agreement between the entities. During preparation of the FY24 audit, staff and auditors identified the need for a specific agreement to authorize the District to collect interest on these funds. The fiscal impact of approving the recommended item is the acceptance of \$160,466.23 in interest revenue, recorded in GL 4999 Trust Reimbursable Plan.

Director Corneille inquired if the interest income was anticipated in the budget and about the agreement provisions for forbearance of monthly billing. Ms. Miller stated that the interest was received during the last fiscal year and noted that additional interest is not anticipated; however, the agreement Board includes language allowing for such arrangements in the future if needed. Mr. Cosgrove clarified that agreement provisions allow the District to bill the trust quarterly, annually, or in a lump sum.

It was moved by Director Corneille and seconded by Director Longville to approve the Interest Sharing Agreement between San Bernardino Conservation Trust and the San Bernardino Valley Water Conservation District. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

G. SECOND AMENDMENT TO THE CONTRACT SERVICES AGREEMENT FOR MANAGED INFORMATION TECHNOLOGY SERVICES WITH PCTRONICS

Ms. Miller presented a proposed amendment to the IT service contract with PCtronics, allowing them to directly purchase and manage hardware and software for the District, enabling bulk pricing and relieving staff workload. The amendment aligns with the FY25 budget and excludes possible cybersecurity grant work. Ms. Miller confirmed purchases would be budgeted, approved in advance, and the District retains the option to purchase directly.

It was moved by Director Corneille and seconded by Director Longville to approve the Second Amendment to the Contract Services Agreement for Managed Services and Information Technology Modernization with PCtronics in an amount not to exceed \$63,000. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

H. OUTREACH PLAN

Ms. Miller presented the Outreach Plan for Board review and approval, noting that it aligns with Board Priority #10 for 2024, which provides a detailed framework for communication actions tied to the Strategic Plan adopted in December 2023. The plan was reviewed by the Outreach Committee on September 25. She emphasized that the level of implementation directed by the Board would impact staffing and fiscal resources, with exact implementation requiring additional staff or consultants, while a guideline approach could be managed by current staff.

Director Corneille discussed the plan's comprehensive scope, and recommended use of the document as a framework to allow for implementation with existing staff resources. . Director Corneille also noted omissions related to water supply reliability goals. Discussion ensued on the plan and its use as a tool for new Board members and staff to understand strategic goals and responsibilities.

It was moved by Director Corneille and seconded by Director Longville to approve the Outreach Plan, directing staff to expand the list of elected contacts and include LAFCO as part of implementation of the plan as a guidance document. The motion carried 3-0-2, with all Board members present voting in the affirmative.

**President McDonald: Absent
Vice President Stewart: Yes
Director Jenkins: Absent**

Director Corneille: Yes
Director Longville: Yes

I. CONTRACT SERVICES AGREEMENT WITH GRIDDLE FOR PROFESSIONAL SERVICES FOR WEBSITE DESIGN

Ms. Miller reported that, in anticipation of a special focus on outreach in 2025, she solicited and reviewed quotes for companies to update the District's website. The timing of the proposed action is intended to ensure the website is completed early in 2025, ahead of expected increased traffic from major outreach efforts.

If approved, the contract would result in a total expenditure of \$39,500, allocated between GL6060 (Outreach) and GL5120 (Professional Services). Ms. Miller emphasized the benefit of starting the website update this year with highly qualified contractors identified, allowing the District to be well-prepared for upcoming outreach initiatives, and confirmed that the proposed expenditure aligns with the current budget.

It was moved by Director Corneille and seconded by Director Longville to approve the Contract Services Agreement for professional services for website design in an amount not-to-exceed \$39,500. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

J. FIRST AMENDMENT TO THE CONTRACT SERVICES AGREEMENT FOR PROFESSIONAL SERVICES WITH WATER SYSTEMS CONSULTING FOR GRANT FUNDING SUPPORT FOR PROGRAM FOR THE EXPANSION OF RECHARGE CAPACITY (PERC)

Ms. Miller presented a no-cost amendment to the existing agreement with WSC to provide grant application support for the PERC projects. To date, the District has been awarded a WaterSMART Applied Science Grant totaling \$361,000 in August for knowledge systems development and aquifer recharge modeling for the San Bernardino Basin. Additionally, the District is awaiting a decision on a WaterSMART Planning and Project Design Grant that could reimburse up to \$400,000 for the Mill Creek PERC design.

The proposed amendment extends the agreement's expiration date from December 31, 2024, to December 31, 2025, allowing additional time to expend the \$53,387.50 remaining in the contract as state or federal grant application processes are opened. Staff intend to review opportunities and deadlines during the FY26 budgeting process and will propose an additional amendment to the contract if appropriate. **It was moved by Director Longville and seconded by Director Corneille to approve the First Amendment to the Contract Services Agreement for**

Professional Services with Water Systems Consulting for Grant Funding Support for the Program for the Expansion of Recharge Capacity (PERC). The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

K. ADMINISTRATIVE ANALYST POSITION

Ms. Miller stated that she has begun review of the staffing and succession plan approved by the Board in 2022. During her review, she identified that a key District position, Senior Administrative Analyst, is eligible for retirement at the end of 2025. This role is critical to developing the groundwater charge, annual budget, and audit.

Ms. Miller sought feedback on recruiting a full-time Administrative Analyst in early 2025 to ensure maximum overlap and continuity. While her preference is typically to complete the update of the 2022 succession plan prior to proposing an action, she noted the importance of overlap for such a critical role. The proposed action would replace the part-time Administrative Assistant position included in the FY25 budgeted salaries with a full-time Administrative Analyst position; however, this would not increase the approved budget due to existing vacancies. Ms. Miller clarified that the new Administrative Analyst role would serve as an understudy to the Senior Administrative Analyst, preparing them to assume these responsibilities in the future.

It was moved by Director Longville and seconded by Vice President Stewart to amend the approved FY25 budget to replace the part-time Administrative Assistant with a full-time Administrative Analyst. The motion carried 3-0-2, with all Board members present voting in the affirmative.

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

L. 2025 PER DIEM RATE

Ms. Miller reported that the Finance and Administration Committee reviewed per diem options for 2025 and requested staff provide a comparison of rates and annual costs reflecting 2% and 2.5% increases, consistent with the annual Consumer Price Index (CPI), for Board review and discussion. The District has historically referenced CPI All West data for such adjustments.

Committee members referred to agenda package page 146, which outlines potential per diem increases from 0% to 5%. The page also includes estimated annual costs and differences from the current rate, calculated using actual meeting attendance over the past five years rather than maximum potential attendance.

Staff presented four options for consideration:

1. Two percent exact increase
2. Two percent increase rounded to the nearest dollar
3. 2.5% exact increase
4. 2.5% increase rounded to the nearest dollar

The resulting per diem rates ranged from \$275 to \$277, based on the current rate of \$270. Staff requested direction from the Board to finalize a rate and prepare a resolution for Board consideration at the December meeting. Committee members noted that historical CPI increases often lagged actual cost-of-living changes, eroding the real value of compensation over time. Discussion ensued on various rate changes, with comments centered on achieving a balanced and practical adjustment.

It was moved by Director Longville and seconded by Director Corneille to direct staff to prepare a Resolution to adjust the per diem rate 2025 to the rounded 2.5% increase or \$277 per meeting. The motion carried 4-0-1, with all Board members present voting in the affirmative.

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

M. ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY EXECUTIVE COMMITTEE NOMINATION

President McDonald, who has been engaged with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) since 1991, is seeking reelection to a four-year term on the Executive Committee in 2025. She requests the District Board's nomination and a resolution of support to complete the application process.

It was moved by Director Longville and seconded by Vice President Stewart to nominate President McDonald to serve on the ACWA JPIA Executive Committee, approve Resolution No. 626, and direct staff to prepare and submit a nomination form and prepare concurring nomination requests. The motion carried 4-0-1, with all Board members present voting in the affirmative.

President McDonald: Yes

Vice President Stewart: Yes
Director Corneille: Yes
Director Longville: Yes
Director Jenkins: Absent

**N. ASSOCIATION OF CALIFORNIA WATER AGENCIES 2024 MEMBERSHIP MEETING
VOTING REPRESENTATIVE**

It was moved by Director Longville and seconded by Vice President Stewart to appoint President McDonald as the District's authorized voting representative for ACWA's 2024 Fall Conference and direct staff to submit the Voting Representative Form by November 25, 2024. The motion carried 4-0-1, with all Board members present voting in the affirmative.

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

O. CALIFORNIA SPECIAL DISTRICT ASSOCIATION BYLAWS VOTE

Ms. Miller reported that, as outlined on Package Page 165, the California Special Districts Association (CSDA) has notified members of proposed bylaw changes. CSDA has requested that the District provide direction to staff on whether to vote in support of or against the proposed updates by November 20. Staff have reviewed the proposed amendments and are comfortable voting in support if directed by the Board. There is no fiscal impact associated with the approval of this item.

Director Vice President Stewart inquired whether the proposed changes were driven by new state legislation or litigation. Mr. Cosgrove responded that the origin of the changes is unknown but noted that the amendments are editorial and technical in nature. He highlighted one notable update, which formalizes a standard practice across committees, whereby an appointed member who is no longer affiliated with their District is removed from the committee. This ensures committees are not left with members who are no longer connected to their appointing Districts. Beyond this adjustment, the proposed changes are largely procedural.

It was moved by Vice President Stewart and seconded by Director Longville to direct staff to vote in support of the proposed California Special District's Association bylaw updates by November 20, 2024. The motion carried 4-0-1, with all Board members present voting in the affirmative.

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

Director Jenkins: Absent

P. DISTRICT BOARD AND STANDING COMMITTEE MEETING CALENDAR REVIEW FOR 2025

President McDonald reviewed the District Board and committee calendar, noting a potential conflict with the March and September meetings. Director Corneille noted that he may be unavailable for the June 11 meeting. Mr. Cosgrove noted that telecommuting is allowed in some circumstances.

Vice President Stewart inquired about telecommuting regulations. Mr. Cosgrove clarified that current statutes allow traditional teleconferencing with advance notice and public posting or up to two teleconferences per year under post-COVID rules for just cause or emergency circumstances. Mr. Cosgrove offered to provide a detailed briefing on teleconferencing regulations at the January Board meeting.

It was moved by Director Corneille and seconded by Vice President Stewart to approve the proposed 2025 District Board Meeting Calendar as presented. The motion carried 4-0-1, with all Board members present voting in the affirmative.

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

6. INFORMATION ITEMS

ENVIRONMENTAL UPDATE

Dr. Mitrovich provided an update on the Wash Plan implementation:

1. Wash Plan Implementation - Management Activities:

Dr. Mitrovich highlighted the progress of the BLM Fuels Management Grant. Following the Board's contract approval on October 9, work began promptly. Between October 16 and 28, approximately 10,000 cubic yards of material were moved from Mill Creek to the Wash Plan Preserve, with sand successfully spread. Scraping activities were completed on November 6.

2024 Wash Plan Annual Report:

The 2024 annual report was submitted to the US Fish and Wildlife Service on November 1. It summarizes fiscal year accomplishments and compliance with Wash Plan requirements by the Conservation District and its partners during the fourth year of implementation. Dr. Mitrovich noted that the report will be reviewed in detail during next

week's workshop, where the Land Resources team will provide insights and answer questions.

ENGINEERING UPDATE

Ms. Miller provided updates on the Mentone Shop and Enhanced Recharge projects:

1. **Mentone Shop:**

Three contractors toured the site, resulting in one submitted bid so far, with the possibility of additional bids being received. Staff will review the bids and prepare a contract to present to the Board at the December meeting.

2. **Enhanced Recharge - Phase 1B:**

Ms. Miller reported on the ongoing final grading and cleanup activities, with significant decommissioning work near the Borrow Pit. The project remains on track for completion by the end of the year, with water recharge continuing through the completion of construction.

Mr. Lambie provided the PERC (Active Recharge Transfer) Projects report. He noted that stakeholders and the Operations Committee provided valuable input on the multi-objective decision support system in late October 31 and early November. A revised draft will be prepared for review and discussion during a workshop in January.

1. **Flood District Projects:**

- Hydraulic analyses and modeling for Twin Creek are progressing, with a design underway to address water surface elevation concerns while incorporating an existing ruptured berm.
- Collaborative Joint Implementation Technical Committee meetings were held with the Flood District and Valley District, focusing on preliminary feedback and alignment on permit requirements and project objectives.

2. **Plunge Creek and Oak Creek Projects:**

- Work continues on hydrologic profiles and design storm testing for Plunge Creek, with simplified hydraulic modeling helping to accelerate progress.
- Designs have been updated to remove the possibility of triggering regulatory requirements related to jurisdictional dams for Oak Creek.

3. **Mill Creek Project:**

- Progress includes evaluating alternative scenarios, and continued coordination with Land Resources team to ensure alignment with operational and ecological goals.
- Mr. Lambie is actively managing project timelines to meet year-end completion targets.

President McDonald requested clarification on the term "jurisdictional dam," which Mr. Lambie explained involves specific height and volume thresholds governed by California's Division of Safety of Dams. The Board expressed appreciation for Mr. Lambie's detailed report.

GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller provided the General Manager's Report, noting key October 2024 highlights:

- The Redlands City Council approved the Trail MOU on October 15.
- The 2024 Wash Plan Annual Report was completed and submitted to agencies on November 1. This report will be reviewed in detail at the environmental workshop next week.
- The draft FY24 audit was completed and presented to the Ad Hoc Audit Committee on October 31.
- Over 13,000 cubic yards of stockpiled material were removed from the Mill Creek groundwater recharge site as part of a multi-benefit project funded partially by the Trust's BLM grant and 3,000 cubic yards processed by Upland Rock under their approved agreement.
- New staff members joined in October, including Allison Zecher, our Administrative Specialist and Board Secretary. Alan Salcedo and Yesenia Yangin also joined the District on October 14. Anna Frey celebrated her three-year anniversary at the District on October 4.
- Anna Frey was honored by Assemblymember Eloise Gómez Reyes' at her 30 Under 30 award ceremony; President McDonald and Ms. Miller attended the event to celebrate the award with Anna.
- Ms. Miller reported that recharge for the first month totaled nearly 5,000 acre-feet, with over half sourced from the State Water Project.
- The District partnered with IERCD to deliver water conservation education programs, presenting kindergarten and first-grade classes at Cole and Barton Elementary Schools and a third-grade class at Franklin Elementary. The District contributed a \$1,500 donation to the CSU San Bernardino Institute for Watershed Resiliency, supporting student learning and job readiness initiatives.
- The District issued its end-of-year press release, "Strengthening Water Security in the Southland: San Bernardino Valley Water Conservation District Captures 2.24 Billion Gallons," which garnered 127 pickups, 409 engagement actions, and over 3,500 views.

The District's recharge efforts were featured in the PBS program Sustaining US: How California is Testing Cloud-Seeding Weather Modification. The program aired on KLCS on October 28 and 30 and is expected to appear on the National PBS site. The Board expressed appreciation for the comprehensive updates and congratulated the District on its achievements and media recognition.

➤ FUTURE AGENDA ITEMS AND STAFF TASKS

Director Corneille proposed that the District support a project for the Day of Climate Action in Redlands on April 26, as they did in 2024. Vice President Stewart requested maps for the Board room showing District properties and facilities.

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

Vice President Stewart attended the following meetings:

- SBVWCD Board Meeting on October 9th

- General Manager and District Counsel Meeting on October 15th
- Conservation Trust Meeting on October 16th
- Operations Committee Meeting on October 21st
- Big Bear Water Master Meeting on October 22nd
- Loma Linda Trails Committee Meeting on October 24th
- Finance & Administration Committee Meeting on October 30th
- Operations Committee Meeting on November 5th

Director Corneille attended the following meetings:

- Redlands Chamber Rise and Shine on October 4th
- Redlands Council Meeting (MOU Approval) on October 15th
- Trust Meeting on October 16th
- Ad Hoc Mentone Shop Committee Meeting on October 21st
- Valley District Hydro Generation Plant Dedication on October 23rd
- Audit Committee Meeting on October 30th
- Redlands Chamber Horizon Rise and Shine on November 1st
- Operations Committee on November 5th

Director Longville attended the following meetings:

- SBVWCD Board Meeting on October 9th
- Ramos Foundation Lunch Event on October 25th
- Finance & Administration Committee Meeting on October 30th
- Ad Hoc Audit Committee Meeting (Maintenance Building) on October 31st
- Municipal Board Meeting on November 5th

President McDonald attended the following meetings:

- SBVWCD Board Meeting on October 9th
- Special District Association of San Bernardino County Meeting on October 15th
- Valley District Board of Directors Meeting on October 21st
- Special District Dinner Meeting on October 21st (featuring a presentation by Heather Dyer on investment in staff)
- Highland Chamber of Commerce Meeting on October 23rd (featuring Mayor Liz Brown's presentation)
- Valley District Hydro Generation Plant Dedication on October 23rd
- Valley District Board of Directors Meeting on November 5th
- District Policy and Admin Committee Meeting on November 7th
- Memorial for June Hayes on November 8th (featuring several speakers and reflections on her contributions)

8. UPCOMING MEETINGS

The list of upcoming meetings was reviewed.

9. CLOSED SESSION

Mr. Cosgrove announced that the meeting would adjourn to a closed session.

It was moved by President McDonald and seconded by Vice President Stewart to adjourn to Closed Session. The motion carried 4-0-1, with all Board members present voting in the affirmative.

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

At 3:19 p.m., the meeting reconvened to an open session. Under Government Code Section 54957.1, there was no other reportable action during Closed Session.

10. ADJOURN MEETING

It was moved by Director Longville and seconded by Vice President Stewart to adjourn and adjust the meeting time of the December Board of Directors meeting to 9:00 AM. The motion carried 4-0-1, with all Directors present voting in the affirmative.

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

At 4:07 p.m. the meeting adjourned to the Board meeting scheduled for 9:00 a.m. on December 11, 2024, in-person, teleconference, and Zoom meeting.

Betsy Miller
General Manager

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
Online PYMT	11/04/2024	WEX Bank-Va...	1012 · Citizens Busin...		-1.00
			6001 · General Admini...	1-Groundw...	1.00
TOTAL					1.00
PC 11.13-2	11/13/2024	Paychex	1012 · Citizens Busin...		-108.33
			6042 · Payroll Process...	4-General ...	108.33
TOTAL					108.33
PC 11.13.24	11/13/2024	Paychex	1012 · Citizens Busin...		-144.05
			6042 · Payroll Process...	4-General ...	144.05
TOTAL					144.05
PC 11.27.24	11/27/2024	Paychex	1012 · Citizens Busin...		-144.05
			6042 · Payroll Process...	4-General ...	144.05
TOTAL					144.05
ACH0286	11/04/2024	Citizens Busi...	1012 · Citizens Busin...		-6,983.58
	10/11/2024		5210 · Equipment Mai...	1-Groundw...	36.75
			5215 · Property Mainte...	1-Groundw...	486.70
			5215 · Property Mainte...	3-Land Re...	121.67
			6001 · General Admini...	4-General ...	93.43
			6001 · General Admini...	1-Groundw...	93.43
			6002 · Website Admini...	4-General ...	128.97
			6004 · Meeting Expen...	4-General ...	35.84
			6004 · Meeting Expen...	3-Land Re...	35.83
			6009 · Licenses	4-General ...	5.23
			6009 · Licenses	1-Groundw...	41.79
			6009 · Licenses	6-Active R...	5.23
			6027 · Computer Soft...	4-General ...	274.22
			6027 · Computer Soft...	1-Groundw...	72.16
			6027 · Computer Soft...	2-Redlands...	108.24
			6027 · Computer Soft...	3-Land Re...	108.24
			6027 · Computer Soft...	5-Wash Plan	36.08
			6027 · Computer Soft...	6-Active R...	122.68
			6039 · Postage and O...	4-General ...	55.00
			6039 · Postage and O...	1-Groundw...	25.00
			6039 · Postage and O...	2-Redlands...	10.00
			6039 · Postage and O...	3-Land Re...	10.00
			6051 · Uniforms	4-General ...	105.13
			6051 · Uniforms	1-Groundw...	245.30
			6060 · Outreach	4-General ...	16.35
			6060 · Outreach	1-Groundw...	10.90
			6060 · Outreach	3-Land Re...	16.35
			6060 · Outreach	5-Wash Plan	2.72
			6060 · Outreach	6-Active R...	8.17
			6090 · Subscriptions/P...	4-General ...	16.30
			6435 · Conf/Seminar ...	4-General ...	2,697.00
			6525 · Meals	4-General ...	101.17
			6525 · Meals	1-Groundw...	78.69
			6525 · Meals	3-Land Re...	44.97
			6530 · Lodging	4-General ...	258.32
			6530 · Lodging	1-Groundw...	200.91
			6530 · Lodging	3-Land Re...	114.81
			6535 · Conf/Seminar ...	4-General ...	522.00

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
			6535 · Conf/Seminar ...	1-Groundw...	406.00
			6535 · Conf/Seminar ...	3-Land Re...	232.00
TOTAL					6,983.58
25303	11/05/2024	Aaron Peders...	1012 · Citizens Busin...		-40.00
	10/30/2024		6018 · Janitorial Servi...	4-General ...	40.00
TOTAL					40.00
25304	11/05/2024	ACWA/JPIA	1012 · Citizens Busin...		-66,116.91
	10/28/2024		6320 · General Liabilit...	4-General ...	3,305.85
			6320 · General Liabilit...	1-Groundw...	49,587.67
			6320 · General Liabilit...	2-Redlands...	9,917.54
			6320 · General Liabilit...	3-Land Re...	3,305.85
TOTAL					66,116.91
25305	11/05/2024	Allison Zecher	1012 · Citizens Busin...		-471.20
	10/26/2024		6510 · Mileage	4-General ...	61.31
			6510 · Mileage	1-Groundw...	38.33
			6510 · Mileage	3-Land Re...	15.33
			6510 · Mileage	6-Active R...	38.33
			6535 · Conf/Seminar ...	4-General ...	128.25
			6535 · Conf/Seminar ...	1-Groundw...	99.75
			6535 · Conf/Seminar ...	3-Land Re...	57.00
			6520 · Travel, Other (r...	4-General ...	14.81
			6520 · Travel, Other (r...	1-Groundw...	8.23
			6520 · Travel, Other (r...	3-Land Re...	9.86
TOTAL					471.20
25306	11/05/2024	American Exp...	1012 · Citizens Busin...		-672.51
	10/24/2024		6002 · Website Admini...	4-General ...	365.00
			6425 · Meals	4-General ...	33.24
			6525 · Meals	4-General ...	123.42
			6525 · Meals	1-Groundw...	96.00
			6525 · Meals	3-Land Re...	54.85
TOTAL					672.51
25307	11/05/2024	American Po...	1012 · Citizens Busin...		-732.00
	10/31/2024		6026 · Redlands Plaza...	2-Redlands...	732.00
TOTAL					732.00
25308	11/05/2024	California Spe...	1012 · Citizens Busin...		-9,073.00
	10/01/2024		6093 · Memberships	4-General ...	9,073.00
TOTAL					9,073.00
25309	11/05/2024	Corneille, Ric...	1012 · Citizens Busin...		-28.40
	10/31/2024		6425 · Meals	4-General ...	15.00
			6510 · Mileage	4-General ...	13.40
TOTAL					28.40

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
25310	11/05/2024	CPS HR Cons...	1012 · Citizens Busin...		-135.00
	10/28/2024		5120 · Misc. Professio...	4-General ...	135.00
TOTAL					135.00
25311	11/05/2024	Diamond Envi...	1012 · Citizens Busin...		-244.78
	10/21/2024		5460 · Water / Trash / ...	4-General ...	110.15
			5460 · Water / Trash / ...	1-Groundw...	85.67
			5460 · Water / Trash / ...	3-Land Re...	24.48
			5460 · Water / Trash / ...	6-Active R...	24.48
TOTAL					244.78
25312	11/05/2024	Edison - 6256 ...	1012 · Citizens Busin...		-83.65
	10/29/2024		6026 · Redlands Plaza...	2-Redlands...	83.65
TOTAL					83.65
25313	11/05/2024	Edison - 9779	1012 · Citizens Busin...		-297.32
	10/29/2024		5420 · Electricity	4-General ...	83.25
			5420 · Electricity	1-Groundw...	59.46
			5420 · Electricity	2-Redlands...	124.88
			5420 · Electricity	6-Active R...	29.73
TOTAL					297.32
25314	11/05/2024	Eide Bailly LLP	1012 · Citizens Busin...		-1,579.52
	10/30/2024		5120 · Misc. Professio...	4-General ...	1,079.52
			5120 · Misc. Professio...	6-Active R...	500.00
TOTAL					1,579.52
25315	11/05/2024	Empire Dispo...	1012 · Citizens Busin...		-225.03
	10/31/2024		5460 · Water / Trash / ...	4-General ...	101.26
			5460 · Water / Trash / ...	1-Groundw...	78.76
			5460 · Water / Trash / ...	3-Land Re...	22.50
			5460 · Water / Trash / ...	6-Active R...	22.51
TOTAL					225.03
25316	11/05/2024	Frontier-4860	1012 · Citizens Busin...		-470.38
	10/28/2024		5440 · Telephone	4-General ...	177.05
			5440 · Telephone	1-Groundw...	73.78
			5440 · Telephone	6-Active R...	44.27
			5470 · Internet Services	4-General ...	78.88
			5470 · Internet Services	1-Groundw...	43.82
			5470 · Internet Services	2-Redlands...	8.76
			5470 · Internet Services	3-Land Re...	26.29
			5470 · Internet Services	6-Active R...	17.53
TOTAL					470.38

San Bernardino Valley Water Conservation District
Expenditure Report
November 2024

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
25317	11/05/2024	Frontier-7275	1012 · Citizens Busin...		-179.71
	10/19/2024		5440 · Telephone	4-General ...	26.70
			5440 · Telephone	1-Groundw...	11.13
			5440 · Telephone	6-Active R...	6.68
			5470 · Internet Services	4-General ...	60.84
			5470 · Internet Services	1-Groundw...	33.80
			5470 · Internet Services	2-Redlands...	6.76
			5470 · Internet Services	3-Land Re...	20.28
			5470 · Internet Services	6-Active R...	13.52
TOTAL					179.71
25318	11/05/2024	Frontier-9942	1012 · Citizens Busin...		-78.34
	10/15/2024		5470 · Internet Services	4-General ...	35.25
			5470 · Internet Services	1-Groundw...	19.59
			5470 · Internet Services	2-Redlands...	3.92
			5470 · Internet Services	3-Land Re...	11.75
			5470 · Internet Services	6-Active R...	7.83
TOTAL					78.34
25319	11/05/2024	Hamilton Raye	1012 · Citizens Busin...		-4,364.15
	10/28/2024		5120 · Misc. Professio...	4-General ...	480.06
			5120 · Misc. Professio...	1-Groundw...	2,313.00
			5120 · Misc. Professio...	3-Land Re...	1,571.09
TOTAL					4,364.15
25320	11/05/2024	Home Depot ...	1012 · Citizens Busin...		-548.82
	10/28/2024		5210 · Equipment Mai...	1-Groundw...	501.01
			6019 · Janitorial Suppl...	4-General ...	28.69
			6019 · Janitorial Suppl...	1-Groundw...	19.12
TOTAL					548.82
25321	11/05/2024	Intertelligence	1012 · Citizens Busin...		-1,376.64
	11/04/2024		5120 · Misc. Professio...	4-General ...	1,376.64
TOTAL					1,376.64
25322	11/05/2024	Katelyn Scholte	1012 · Citizens Busin...		-416.10
	11/01/2024		6170.01 · PERS Empl...	4-General ...	416.10
TOTAL					416.10
25323	11/05/2024	Lowe's Comp...	1012 · Citizens Busin...		-307.73
	10/25/2024		5123 · Habitat Manage...	5-Wash Plan	79.47
			6016 · Redlands Plaza...	2-Redlands...	228.26
TOTAL					307.73

San Bernardino Valley Water Conservation District
Expenditure Report
November 2024

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
25324	11/05/2024	Milan Mitrovich	1012 · Citizens Busin...		-730.01
	10/26/2024		6525 · Meals	4-General ...	49.87
			6525 · Meals	1-Groundw...	38.78
			6525 · Meals	3-Land Re...	22.16
			6530 · Lodging	4-General ...	235.44
			6530 · Lodging	1-Groundw...	183.12
			6530 · Lodging	3-Land Re...	104.64
			6520 · Travel, Other (r...	4-General ...	43.20
			6520 · Travel, Other (r...	1-Groundw...	33.60
			6520 · Travel, Other (r...	3-Land Re...	19.20
TOTAL					730.01
25325	11/05/2024	PCtronics	1012 · Citizens Busin...		-3,213.30
	11/01/2024		6027 · Computer Soft...	4-General ...	271.05
			6027 · Computer Soft...	1-Groundw...	71.33
			6027 · Computer Soft...	2-Redlands...	107.00
			6027 · Computer Soft...	3-Land Re...	107.00
			6027 · Computer Soft...	5-Wash Plan	35.67
			6027 · Computer Soft...	6-Active R...	121.25
	11/01/2024		5160 · IT Support	4-General ...	750.00
			5160 · IT Support	1-Groundw...	1,125.00
			5160 · IT Support	3-Land Re...	250.00
			5160 · IT Support	5-Wash Plan	125.00
			5160 · IT Support	6-Active R...	250.00
TOTAL					3,213.30
25326	11/05/2024	Q3 Consultin...	1012 · Citizens Busin...		-33,888.00
	10/23/2024		7126 · PERC Engr/Pro...	6-Active R...	33,888.00
TOTAL					33,888.00
25327	11/05/2024	Quill Corporat...	1012 · Citizens Busin...		-38.05
	10/14/2024		6030 · Office Supplies	4-General ...	11.41
			6030 · Office Supplies	1-Groundw...	7.61
			6030 · Office Supplies	2-Redlands...	3.81
			6030 · Office Supplies	3-Land Re...	5.71
			6030 · Office Supplies	5-Wash Plan	1.90
			6030 · Office Supplies	6-Active R...	7.61
TOTAL					38.05
25328	11/05/2024	Redlands For...	1012 · Citizens Busin...		-555.48
	10/23/2024		5310 · Vehicle Mainte...	1-Groundw...	555.48
TOTAL					555.48
25329	11/05/2024	Redlands Tire...	1012 · Citizens Busin...		-187.84
	10/15/2024		5210 · Equipment Mai...	1-Groundw...	187.84
TOTAL					187.84

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
25330	11/05/2024	Rutan & Tucker	1012 · Citizens Busin...		-300.00
	10/23/2024		5180 · Legal	4-General ...	75.00
			5180 · Legal	1-Groundw...	75.00
			5180 · Legal	3-Land Re...	150.00
TOTAL					300.00
25331	11/05/2024	Santa Ana Wa...	1012 · Citizens Busin...		-1,973.47
	10/17/2024		5223 · Temp. Field La...	1-Groundw...	1,973.47
TOTAL					1,973.47
25332	11/05/2024	Tetra Tech	1012 · Citizens Busin...		-21,811.42
	11/06/2024		7126 · PERC Engr/Pro...	6-Active R...	21,811.42
TOTAL					21,811.42
25333	11/05/2024	Thompson Re...	1012 · Citizens Busin...		-561.43
	11/01/2024		5180 · Legal	4-General ...	140.36
			5180 · Legal	1-Groundw...	140.36
			5180 · Legal	3-Land Re...	112.29
			5180 · Legal	6-Active R...	168.42
TOTAL					561.43
25334	11/05/2024	Unlimited Ser...	1012 · Citizens Busin...		-1,075.00
	10/30/2024		6016 · Redlands Plaza...	2-Redlands...	275.00
	11/01/2024		6018 · Janitorial Servi...	4-General ...	800.00
TOTAL					1,075.00
25335	11/05/2024	Visual Edge I...	1012 · Citizens Busin...		-282.14
	10/22/2024		6033 · Office Equipme...	4-General ...	211.61
			6033 · Office Equipme...	1-Groundw...	14.11
			6033 · Office Equipme...	2-Redlands...	42.31
			6033 · Office Equipme...	3-Land Re...	14.11
TOTAL					282.14
25336	11/19/2024	ACWA/JPIA-H...	1012 · Citizens Busin...		-18,391.59
	11/01/2024		6110 · Vision Insurance	4-General ...	38.33
			6110 · Vision Insurance	1-Groundw...	87.31
			6110 · Vision Insurance	2-Redlands...	8.52
			6110 · Vision Insurance	3-Land Re...	29.81
			6110 · Vision Insurance	5-Wash Plan	2.13
			6110 · Vision Insurance	6-Active R...	46.84
			6130 · Dental Insurance	4-General ...	118.09
			6130 · Dental Insurance	1-Groundw...	268.98
			6130 · Dental Insurance	2-Redlands...	26.24
			6130 · Dental Insurance	3-Land Re...	91.85
			6130 · Dental Insurance	5-Wash Plan	6.56
			6130 · Dental Insurance	6-Active R...	144.32
			6150 · Medical Insura...	4-General ...	3,154.07
			6150 · Medical Insura...	1-Groundw...	7,184.27
			6150 · Medical Insura...	2-Redlands...	700.90
			6150 · Medical Insura...	3-Land Re...	2,453.17

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
			6150 · Medical Insura...	5-Wash Plan	175.23
			6150 · Medical Insura...	6-Active R...	3,854.97
TOTAL					18,391.59
25337	11/19/2024	AECOM Tech...	1012 · Citizens Busin...		-2,455.18
	11/08/2024		7151 · Mill Creek Per...	1-Groundw...	2,455.18
TOTAL					2,455.18
25338	11/19/2024	Burgeson's H...	1012 · Citizens Busin...		-149.00
	11/14/2024		6012 · Office Maintena...	4-General ...	59.60
			6012 · Office Maintena...	2-Redlands...	89.40
TOTAL					149.00
25339	11/19/2024	Day Lite Main...	1012 · Citizens Busin...		-174.00
	11/01/2024		6026 · Redlands Plaza...	2-Redlands...	174.00
TOTAL					174.00
25340	11/19/2024	Diamond Envi...	1012 · Citizens Busin...		-100.48
	11/04/2024		5460 · Water / Trash / ...	4-General ...	45.22
			5460 · Water / Trash / ...	1-Groundw...	35.16
			5460 · Water / Trash / ...	3-Land Re...	10.05
			5460 · Water / Trash / ...	6-Active R...	10.05
TOTAL					100.48
25341	11/19/2024	E-PUR LLC	1012 · Citizens Busin...		-26,840.00
	11/15/2024		5120 · Misc. Professio...	1-Groundw...	2,062.50
			5120 · Misc. Professio...	6-Active R...	24,777.50
TOTAL					26,840.00
25342	11/19/2024	Edison - 6493	1012 · Citizens Busin...		-73.63
	11/07/2024		5420 · Electricity	4-General ...	20.62
			5420 · Electricity	1-Groundw...	14.73
			5420 · Electricity	2-Redlands...	30.92
			5420 · Electricity	6-Active R...	7.36
TOTAL					73.63
25343	11/19/2024	Edison - 8958	1012 · Citizens Busin...		-354.38
	11/05/2024		5420 · Electricity	4-General ...	99.23
			5420 · Electricity	1-Groundw...	70.88
			5420 · Electricity	2-Redlands...	148.83
			5420 · Electricity	6-Active R...	35.44
TOTAL					354.38

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
25344	11/19/2024	Geoscience	1012 · Citizens Busin...		-27,160.00
	11/08/2024		5120 · Misc. Professio...	3-Land Re...	27,160.00
TOTAL					27,160.00
25345	11/19/2024	Horizon Water	1012 · Citizens Busin...		-14.25
	11/05/2024		5460 · Water / Trash / ...	4-General ...	6.40
			5460 · Water / Trash / ...	1-Groundw...	4.99
			5460 · Water / Trash / ...	3-Land Re...	1.43
			5460 · Water / Trash / ...	6-Active R...	1.43
TOTAL					14.25
25346	11/19/2024	Larry Jacinto ...	1012 · Citizens Busin...		-200,940.00
	10/31/2024		5050 · Basin Cleaning	1-Groundw...	130,415.00
			5120 · Misc. Professio...	3-Land Re...	70,525.00
TOTAL					200,940.00
25347	11/19/2024	Minds Illustr...	1012 · Citizens Busin...		-900.00
	11/05/2024		5120 · Misc. Professio...	4-General ...	180.00
			5120 · Misc. Professio...	1-Groundw...	720.00
TOTAL					900.00
25348	11/19/2024	O'Reilly	1012 · Citizens Busin...		-253.23
	11/05/2024		5210 · Equipment Mai...	1-Groundw...	81.55
	11/18/2024		5210 · Equipment Mai...	1-Groundw...	171.68
TOTAL					253.23
25349	11/19/2024	Q3 Consultin...	1012 · Citizens Busin...		-18,559.00
	11/12/2024		7126 · PERC Engr/Pro...	6-Active R...	18,559.00
TOTAL					18,559.00
25350	11/19/2024	Quill Corporat...	1012 · Citizens Busin...		-311.61
	11/12/2024		6030 · Office Supplies	4-General ...	55.30
			6030 · Office Supplies	1-Groundw...	36.88
			6030 · Office Supplies	2-Redlands...	18.44
			6030 · Office Supplies	3-Land Re...	27.66
			6030 · Office Supplies	5-Wash Plan	9.22
			6030 · Office Supplies	6-Active R...	36.88
			6019 · Janitorial Suppl...	4-General ...	76.34
			6019 · Janitorial Suppl...	1-Groundw...	50.89
TOTAL					311.61
25351	11/19/2024	Redlands Loc...	1012 · Citizens Busin...		-60.00
	11/12/2024		6016 · Redlands Plaza...	2-Redlands...	60.00
TOTAL					60.00

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
25352	11/19/2024	Rogers, Ande...	1012 · Citizens Busin...		-9,500.00
	10/31/2024		5170 · Audit	4-General ...	1,425.00
			5170 · Audit	1-Groundw...	4,180.00
			5170 · Audit	2-Redlands...	475.00
			5170 · Audit	3-Land Re...	1,520.00
			5170 · Audit	6-Active R...	1,900.00
TOTAL					9,500.00
25353	11/19/2024	Rutan & Tucker	1012 · Citizens Busin...		-262.50
	11/14/2024		5180 · Legal	4-General ...	65.63
			5180 · Legal	1-Groundw...	65.63
			5180 · Legal	3-Land Re...	52.50
			5180 · Legal	6-Active R...	78.74
TOTAL					262.50
25354	11/19/2024	Terminix	1012 · Citizens Busin...		-202.00
	09/16/2024		6026 · Redlands Plaza...	2-Redlands...	101.00
	10/14/2024		6026 · Redlands Plaza...	2-Redlands...	101.00
TOTAL					202.00
25355	11/19/2024	The Gas Com...	1012 · Citizens Busin...		-19.82
	11/14/2024		5450 · Natural Gas	4-General ...	9.91
			5450 · Natural Gas	1-Groundw...	5.95
			5450 · Natural Gas	6-Active R...	3.96
TOTAL					19.82
25356	11/19/2024	WEX Bank-Sh...	1012 · Citizens Busin...		-1,138.43
	11/06/2024		5320 · Fuel	1-Groundw...	1,138.43
TOTAL					1,138.43
25357	11/19/2024	Xerox Financi...	1012 · Citizens Busin...		-337.44
	11/02/2024		6033 · Office Equipme...	4-General ...	253.08
			6033 · Office Equipme...	1-Groundw...	16.87
			6033 · Office Equipme...	2-Redlands...	50.62
			6033 · Office Equipme...	3-Land Re...	16.87
TOTAL					337.44
100370N	11/01/2024	PERS	1012 · Citizens Busin...		-9,130.94
			6170 · PERS Retirem...	4-General ...	1,643.57
			6170 · PERS Retirem...	1-Groundw...	3,743.68
			6170 · PERS Retirem...	2-Redlands...	365.24
			6170 · PERS Retirem...	3-Land Re...	1,278.33
			6170 · PERS Retirem...	5-Wash Plan	91.31
			6170 · PERS Retirem...	6-Active R...	2,008.81
TOTAL					9,130.94

San Bernardino Valley Water Conservation District Expenditure Report November 2024

Num	Date	Name	Account	Class	Original Amount
100371N	11/01/2024	PERS	1012 · Citizens Busin...		-9,122.44
			6170 · PERS Retirem...	4-General ...	1,642.04
			6170 · PERS Retirem...	1-Groundw...	3,740.20
			6170 · PERS Retirem...	2-Redlands...	364.90
			6170 · PERS Retirem...	3-Land Re...	1,277.14
			6170 · PERS Retirem...	5-Wash Plan	91.22
			6170 · PERS Retirem...	6-Active R...	2,006.94
TOTAL					9,122.44
100372N	11/22/2024	PERS	1012 · Citizens Busin...		-8,801.22
			6170 · PERS Retirem...	4-General ...	1,584.22
			6170 · PERS Retirem...	1-Groundw...	3,608.50
			6170 · PERS Retirem...	2-Redlands...	352.05
			6170 · PERS Retirem...	3-Land Re...	1,232.17
			6170 · PERS Retirem...	5-Wash Plan	88.01
			6170 · PERS Retirem...	6-Active R...	1,936.27
TOTAL					8,801.22

San Bernardino Valley Water Conservation District
Director Fees Expenditure Payroll Report

Nov 2024

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
11/13/2024	McDonald, M	Nov-24	\$ 810.00	\$ 70.87	\$ 739.13
11/13/2024	Corneille, R	Oct-24	\$ 1,620.00	\$ 213.55	\$ 1,406.45
11/27/2024	Stewart, R	Sept-Oct 24	\$ 2,970.00	\$ 616.75	\$ 2,353.25



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2073

To: Board of Directors
From: Angie Quiroga, Senior Administrative Analyst
Date: December 11, 2024
Subject: Unaudited Financial Report for November 2024

RECOMMENDATION

Review and approve the Unaudited Financial Report for November 2024.

BACKGROUND AND DISCUSSION

Staff presents the previous month’s Unaudited Financial Report at the subsequent Board meeting. The reports presented here include information through November 30, 2024.

Initial payments of GL 4050 Property Tax revenue have been received. Interest income remains above budget due to positive investment returns. Payment in the amount of \$493,880.24 was received from San Bernardino Valley Municipal Water District for GL 4055 SBVMWD Spreading Agreement. All other revenue sources are as expected. Prepayments for GL 6093 Memberships and GL 6320 General Liability Insurance will be adjusted at year-end.

Significant work is in progress under GL 5050 Basin Cleaning. Payments totaling \$77,971.33 were made to three consultants (CASC Engineering, Q3 Consulting, Tetra Tech) for work completed on the PERC feasibility studies under GL 7126 PERC Engr/Prof Services. All other expenses are as expected. The December financials will form the performance basis used for the 2025-2026 preliminary budget beginning in January.

FISCAL IMPACT

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

POTENTIAL MOTIONS

1. Approve the Unaudited Financial Report for November 2024 as presented.
2. Refer this item to the Finance & Administration Committee for consideration of specific issues as directed.

ATTACHMENTS

Graph Financials for November 2024
Profit & Loss to Date vs. Annual Budget

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BOARD OF DIRECTORS

Division 1:
Richard Corneille
Division 2:
Mark Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

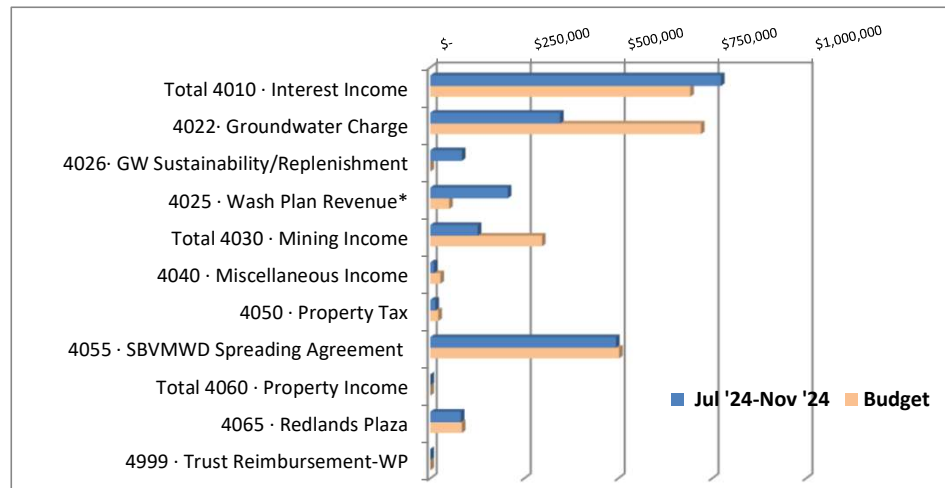
Betsy Miller

SBVWCD - All Enterprises Budget and Actual

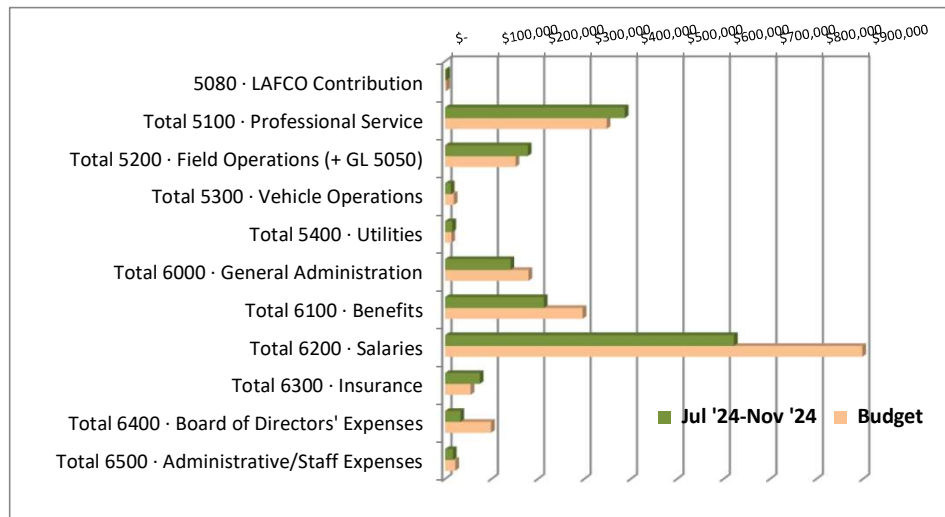
Nov 2024

REVENUE	Jul '24-Nov '24	Budget
Total 4010 · Interest Income	\$ 773,369	\$ 691,667
4022· Groundwater Charge	\$ 345,233	\$ 720,175
4026· GW Sustainability/Replenishment	\$ 83,965	\$ -
4025 · Wash Plan Revenue*	\$ 206,141	\$ 50,106
Total 4030 · Mining Income	\$ 126,021	\$ 297,083
4040 · Miscellaneous Income	\$ 9,706	\$ 26,667
4050 · Property Tax	\$ 13,529	\$ 21,222
4055 · SBVMWD Spreading Agreement	\$ 493,880	\$ 502,542
Total 4060 · Property Income	\$ 200	\$ 100
4065 · Redlands Plaza	\$ 81,096	\$ 83,818
4999 · Trust Reimbursement-WP	\$ -	\$ -
Total Revenue	\$ 2,133,140	\$ 2,393,380

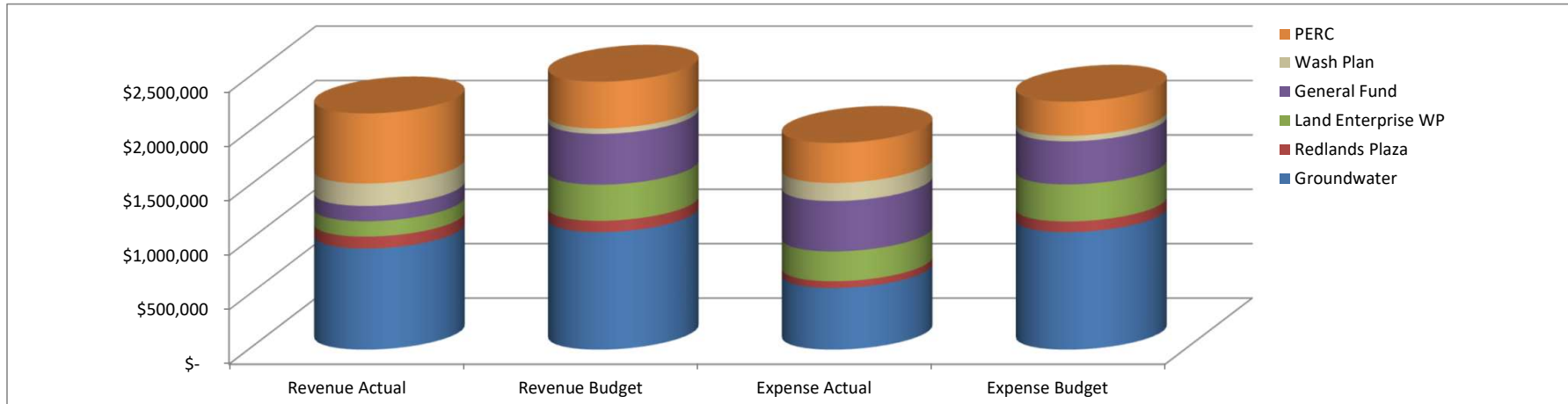
*District loans to the WP & State Permitting payments



EXPENSES Operating and Capital	Jul '24-Nov '24	Budget
5080 · LAFCO Contribution	\$ 2,580	\$ 2,580
Total 5100 · Professional Service	\$ 387,366	\$ 348,372
Total 5200 · Field Operations (+ GL 5050)	\$ 178,275	\$ 152,058
Total 5300 · Vehicle Operations	\$ 12,646	\$ 19,011
Total 5400 · Utilities	\$ 15,736	\$ 13,807
Total 6000 · General Administration	\$ 141,183	\$ 180,020
Total 6100 · Benefits	\$ 213,131	\$ 296,720
Total 6200 · Salaries	\$ 622,645	\$ 899,057
Total 6300 · Insurance	\$ 74,909	\$ 55,256
Total 6400 · Board of Directors' Expenses	\$ 33,201	\$ 99,212
Total 6500 · Administrative/Staff Expenses	\$ 16,895	\$ 22,115
Total Expense	\$ 1,698,568	\$ 2,088,209



Enterprises to Date (November 2024)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 928,584	\$ 1,079,443	86%
Groundwater Expense	\$ 565,542	\$ 905,385	62%
Revenue -Expense	\$ 363,041	\$ 174,058	
Redlands Plaza Revenue	\$ 109,567	\$ 103,732	106%
Redlands Plaza Expense	\$ 62,944	\$ 97,747	64%
Revenue -Expense	\$ 46,623	\$ 5,985	
Land Enterprise Revenue	\$ 140,918	\$ 331,875	42%
Land Enterprise Expense	\$ 273,690	\$ 340,790	80%
Revenue -Expense	\$ (132,772)	\$ (8,915)	
General Fund Revenue *	\$ 141,165	\$ 467,672	30%
General Fund Expense	\$ 462,988	\$ 396,686	117%
Revenue -Expense	\$ (321,823)	\$ 70,986	
Wash Plan Revenue	\$ 206,141	\$ 50,106	411%
Wash Plan Expense	\$ 166,271	\$ 50,068	332%
Revenue-Expense	39,870	39	
PERC Revenue	\$ 644,334	\$ 429,688	150%
PERC Expense	\$ 368,257	\$ 314,200	117%
Revenue-Expense	\$ 276,077	\$ 115,488	
Total All Revenue - Expense	\$ 271,016	\$ 357,640	

Cash Status	As of 7/1/2024	As of 11/30/2024
LAIF	\$ 1,026.17	\$ 1,050.06
Citizens Bank	\$ 601,274.36	\$ 690,601.13
UBS Financial-Gen	\$ 5,618,122.33	\$ 3,361,437.90
UBS Financial-PERC	\$ 28,215,679.82	\$ 24,967,242.22
US Bank-CAMP Gen	\$ 4,307,416.23	\$ 3,736,604.62
US Bank-CAMP PERC	\$ 5,188,179.38	\$ 10,710,987.84
Total	\$ 43,931,698.29	\$ 43,467,923.77
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Less PERC Obligation	\$ (35,292,240.70)	\$ (35,567,085.75)
Cash Position	\$ 3,639,457.59	\$ 2,900,838.02

Increase (decrease) of -\$738,619.57

Percent Increase -20.3%

* General Fund Revenue shown here does not include overhead

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

4:25 PM
 11/30/2024
 Accrual Basis

	Jul - Nov 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Interest Income				
4012 · LAIF	12.31	0.00	12.31	100.0%
4015 · UBS Interest Income	521,359.98	1,275,000.00	-753,640.02	40.89%
4016 · Interest Income CAMP	251,996.85	385,000.00	-133,003.15	65.45%
Total 4010 · Interest Income	773,369.14	1,660,000.00	-886,630.86	46.59%
4020 · Groundwater Charge				
4022 · Groundwater Charge	345,233.00	1,440,349.41	-1,095,116.41	23.97%
4026 · GW Sustainability/Replenishment	83,965.07	0.00	83,965.07	100.0%
Total 4020 · Groundwater Charge	429,198.07	1,440,349.41	-1,011,151.34	29.8%
4025 · Wash Plan Revenue	206,140.66	120,255.44	85,885.22	171.42%
4030 · Mining Income				
4031 · Plant Site - CEMEX	0.00	48,000.00	-48,000.00	0.0%
4032 · Cemex - Royalty / Lease	69,662.40	600,000.00	-530,337.60	11.61%
4036 · Aggregate Maintenance	56,358.59	65,000.00	-8,641.41	86.71%
Total 4030 · Mining Income	126,020.99	713,000.00	-586,979.01	17.68%
4040 · Miscellaneous Income				
4041 · Reimbursed Expenses	8,395.74	0.00	8,395.74	100.0%
4040 · Miscellaneous Income - Other	1,310.00	64,000.00	-62,690.00	2.05%
Total 4040 · Miscellaneous Income	9,705.74	64,000.00	-54,294.26	15.17%
4043 · Project Salary Reimbursement	14,296.64	52,373.50	-38,076.86	27.3%
4050 · Property Tax	13,529.36	169,775.15	-156,245.79	7.97%
4051 · Wash Plan Trails	0.00	66,000.00	-66,000.00	0.0%
4055 · SBVMWD Spreading Agreement Reim	493,880.24	502,542.31	-8,662.07	98.28%
4060 · Property Income				
4062 · Mentone Property	200.00	100.00	100.00	200.0%
Total 4060 · Property Income	200.00	100.00	100.00	200.0%
4065 · Redlands Plaza	81,095.88	201,162.26	-120,066.38	40.31%
4066 · Redlands Plaza CAM	23,271.32	47,553.84	-24,282.52	48.94%
4999 · Trust Reimbursement-Wash Plan	0.00	0.00	0.00	0.0%
Total Income	2,170,708.04	5,037,111.91	-2,866,403.87	43.09%
Gross Profit	2,170,708.04	5,037,111.91	-2,866,403.87	43.09%
Expense				
5040 · Regional Programs				
5080 · LAFCO Contribution	2,579.88	2,579.88	0.00	100.0%
Total 5040 · Regional Programs	2,579.88	2,579.88	0.00	100.0%
5050 · Basin Cleaning	140,453.40	250,000.00	-109,546.60	56.18%
5100 · Professional Service				
5120 · Misc. Professional Services	257,922.82	477,500.00	-219,577.18	54.02%
5123 · Habitat Management-WP	79,148.17	87,589.78	-8,441.61	90.36%
5125 · Engineering Services	0.00	35,000.00	-35,000.00	0.0%
5127 · Project Accounting Services	0.00	7,500.00	-7,500.00	0.0%
5130 · Aerial Photography & Surveying	0.00	2,546.78	-2,546.78	0.0%
5155 · WP Trails Professional Services	0.00	100,000.00	-100,000.00	0.0%
5160 · IT Support	14,093.75	34,500.00	-20,406.25	40.85%
5170 · Audit	29,212.00	31,350.00	-2,138.00	93.18%
5180 · Legal	6,988.95	25,000.00	-18,011.05	27.96%
Total 5100 · Professional Service	387,365.69	800,986.56	-413,620.87	48.36%
5133 · Regional River HCP Contribution	0.00	30,000.00	-30,000.00	0.0%
5200 · Field Operations				
5210 · Equipment Maintenance	8,370.99	15,000.00	-6,629.01	55.81%
5215 · Property Maintenance	5,062.42	40,000.00	-34,937.58	12.66%
5225 · Field Clean Up-Illegal dumping	24,388.15	60,000.00	-35,611.85	40.65%
Total 5200 · Field Operations	37,821.56	115,000.00	-77,178.44	32.89%
5223 · Temp. Field Labor	1,973.47	10,000.00	-8,026.53	19.74%

	Jul - Nov 24	Budget	\$ Over Budget	% of Budget
5300 · Vehicle Operations				
5310 · Vehicle Maintenance	4,030.76	10,626.00	-6,595.24	37.93%
5320 · Fuel	8,615.48	35,000.00	-26,384.52	24.62%
Total 5300 · Vehicle Operations	12,646.24	45,626.00	-32,979.76	27.72%
5400 · Utilities				
5410 · Alarm Service	1,614.81	1,260.00	354.81	128.16%
5420 · Electricity	6,085.27	11,032.00	-4,946.73	55.16%
5430 · Mobile Phone	2,325.00	7,507.51	-5,182.51	30.97%
5440 · Telephone	1,695.19	3,240.00	-1,544.81	52.32%
5450 · Natural Gas	24.52	2,350.00	-2,325.48	1.04%
5460 · Water / Trash / Sewer	2,249.70	4,489.72	-2,240.02	50.11%
5470 · Internet Services	1,741.22	3,257.38	-1,516.16	53.46%
Total 5400 · Utilities	15,735.71	33,136.61	-17,400.90	47.49%
6000 · General Administration				
6001 · General Administration - Other	4,186.88	6,000.00	-1,813.12	69.78%
6002 · Website Administration	2,007.94	6,300.00	-4,292.06	31.87%
6004 · Meeting Expenses	1,014.06	2,500.00	-1,485.94	40.56%
6006 · Permits	0.00	15,000.00	-15,000.00	0.0%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	332.25	2,000.00	-1,667.75	16.61%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	6,233.19	10,000.00	-3,766.81	62.33%
6013 · Office Lease Payment	20,833.35	50,000.00	-29,166.65	41.67%
6015 · Mentone House Maintenance	89.16	4,000.00	-3,910.84	2.23%
6016 · Redlands Plaza Maintenance	509.19	20,000.00	-19,490.81	2.55%
6018 · Janitorial Services	4,055.66	10,560.00	-6,504.34	38.41%
6019 · Janitorial Supplies	468.14	450.00	18.14	104.03%
6020 · Vacancy Marketing-Redlands Plaz	0.00	5,000.00	-5,000.00	0.0%
6024 · Computer Equip Maint.	0.00	3,150.00	-3,150.00	0.0%
6026 · Redlands Plaza CAM expenses	19,696.04	47,553.84	-27,857.80	41.42%
6027 · Computer Software	6,877.52	23,250.00	-16,372.48	29.58%
6030 · Office Supplies	3,059.52	10,000.00	-6,940.48	30.6%
6033 · Office Equipment Rental	3,450.60	8,100.00	-4,649.40	42.6%
6036 · Printing	284.31	2,500.00	-2,215.69	11.37%
6039 · Postage and Overnight Delivery	610.00	1,200.00	-590.00	50.83%
6042 · Payroll Processing	1,743.86	5,000.00	-3,256.14	34.88%
6045 · Bank Service Charges	813.34	10,000.00	-9,186.66	8.13%
6051 · Uniforms	1,547.91	3,209.23	-1,661.32	48.23%
6060 · Outreach	19,599.28	130,000.00	-110,400.72	15.08%
6087 · Educational Reimbursement	225.00	5,000.00	-4,775.00	4.5%
6090 · Subscriptions/Publications	1,728.34	3,150.00	-1,421.66	54.87%
6091 · Public Notices	327.26	4,000.00	-3,672.74	8.18%
6093 · Memberships	40,280.58	37,582.60	2,697.98	107.18%
Total 6000 · General Administration	141,183.38	437,405.67	-296,222.29	32.28%
6100 · Benefits				
6110 · Vision Insurance	1,277.64	3,734.85	-2,457.21	34.21%
6120 · Workers' Comp. Insurance	4,938.64	27,435.32	-22,496.68	18.0%
6130 · Dental Insurance	4,380.08	14,299.40	-9,919.32	30.63%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-11,965.04	-39,230.38	27,265.34	30.5%
6150 · Medical Insurance - Other	109,980.74	328,026.84	-218,046.10	33.53%
Total 6150 · Medical Insurance	98,015.70	288,796.46	-190,780.76	33.94%
6160 · Payroll Taxes-Employer	35,204.67	138,848.71	-103,644.04	25.36%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-23,572.81	-85,805.46	62,232.65	27.47%
6170.02 · 457 Plan Employee Contributions	-23,682.37	0.00	-23,682.37	100.0%
6170 · PERS Retirement - Other	116,569.86	333,292.72	-216,722.86	34.98%
Total 6170 · PERS Retirement	69,314.68	247,487.26	-178,172.58	28.01%
Total 6100 · Benefits	213,131.41	720,602.00	-507,470.59	29.58%

	Jul - Nov 24	Budget	\$ Over Budget	% of Budget
6200 · Salaries				
6230 · Regular Salaries	622,645.15	2,157,738.33	-1,535,093.18	28.86%
Total 6200 · Salaries	622,645.15	2,157,738.33	-1,535,093.18	28.86%
6300 · Insurance				
6310 · Property/ Auto Insurance	9,322.64	8,036.04	1,286.60	116.01%
6320 · General Liability Insurance	65,586.57	47,220.40	18,366.17	138.9%
Total 6300 · Insurance	74,909.21	55,256.44	19,652.77	135.57%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	1,987.54	0.00	1,987.54	100.0%
6401 · Directors' Fees - Other	25,650.00	110,600.00	-84,950.00	23.19%
Total 6401 · Directors' Fees	27,637.54	110,600.00	-82,962.46	24.99%
6410 · Mileage	474.36	5,324.00	-4,849.64	8.91%
6415 · Air Fare	659.96	4,882.81	-4,222.85	13.52%
6420 · Other Travel	0.00	665.50	-665.50	0.0%
6425 · Meals	435.69	4,658.50	-4,222.81	9.35%
6430 · Lodging	546.78	5,324.00	-4,777.22	10.27%
6435 · Conf/Seminar Registrations	3,447.00	6,655.00	-3,208.00	51.8%
6440 · Election Fees / Re-Districting	0.00	50,000.00	-50,000.00	0.0%
Total 6400 · Board of Directors' Expenses	33,201.33	188,109.81	-154,908.48	17.65%
6500 · Administrative/Staff Expenses				
6510 · Mileage	1,100.22	3,025.00	-1,924.78	36.37%
6515 · Air Fare	736.12	6,750.00	-6,013.88	10.91%
6520 · Travel, Other (rental car, taxi)	367.10	1,500.00	-1,132.90	24.47%
6525 · Meals	1,359.37	4,725.00	-3,365.63	28.77%
6530 · Lodging	2,699.97	8,800.00	-6,100.03	30.68%
6535 · Conf/Seminar Registrations	10,632.06	28,275.00	-17,642.94	37.6%
Total 6500 · Administrative/Staff Expenses	16,894.84	53,075.00	-36,180.16	31.83%
9999 · Contribution to Capital Maint.	0.00	50,000.00	-50,000.00	0.0%
Total Expense	1,700,541.27	4,949,516.30	-3,248,975.03	34.36%
Net Ordinary Income	470,166.77	87,595.61	382,571.16	536.75%
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	0.00	589,999.50	-589,999.50	0.0%
7120 · Property-Land Purchase	26,013.01	70,000.00	-43,986.99	37.16%
7126 · PERC Engr/Prof Services	198,150.73	2,419,256.35	-2,221,105.62	8.19%
7130 · Mentone Property (House)-CapRep	0.00	7,000.00	-7,000.00	0.0%
7140 · Mentone Property (Shop)-CapRep	22,985.49	854,204.37	-831,218.88	2.69%
7150 · Mill Creek Diversion	0.00	250,000.00	-250,000.00	0.0%
7151 · Mill Creek Permitting	26,886.75	187,101.11	-160,214.36	14.37%
7160 · Mendoza Property	0.00	137,000.00	-137,000.00	0.0%
Total 7100 · Land & Buildings	274,035.98	4,514,561.33	-4,240,525.35	6.07%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	0.00	10,000.00	-10,000.00	0.0%
7220 · Computer Software	5,416.67	5,000.00	416.67	108.33%
7230 · Field Equipment / Vehicles	49,710.41	140,000.00	-90,289.59	35.51%
7240 · Office Equipment	2,250.00	30,400.00	-28,150.00	7.4%
Total 7200 · Equipment & Vehicles	57,377.08	185,400.00	-128,022.92	30.95%
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	331,413.06	4,836,961.33	-4,505,548.27	6.85%
Net Other Income	-331,413.06	-4,836,961.33	4,505,548.27	6.85%
Net Income	138,753.71	-4,749,365.72	4,888,119.43	-2.92%



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 2074

To: Board of Directors
From: Betsy Miller, General Manager
Ad Hoc Audit Committee
Date: December 11, 2024
Subject: Approve Fiscal Year 2024 Audit

RECOMMENDATION

The Ad Hoc Audit Committee recommends the Board review and approve the Fiscal Year 2024 Audit Report as presented and direct the General Manager to file the Audit Report with the County Clerk.

BACKGROUND AND DISCUSSION

The Ad Hoc Audit Committee met on October 31, 2024, to review and discuss the draft FY24 audit following a presentation by the auditor. Staff dedicated significant time to prepare and provide materials needed for the audit, which identified no material misstatements. In general, the audit was similar to previous year reports, with incorporation of enhanced GASB requirements of disclosures and consistency in financial reporting and details in the Management’s Discussion and Analysis into the current audit.

The District’s net position decreased significantly in fiscal year 2023-24 by 262.8% or \$2,042,125 as the result of capital improvement projects (CIPs) including construction of the Mill Creek Diversion project and the PERC feasibility studies. In addition to expenses incurred in fiscal year 2023-24, the District disposed \$2,969,651 held in work in progress for the PERC CIP feasibility studies from fiscal years 2019-20, 2020-21, and 2021-22, where they had been placed following discussions with accounting consultants at the outset of the PERC projects. However, feasibility studies are not capitalized per GASB Cod. section 1400.143, and therefore these funds were disposed in this single fiscal year in order to ensure the project is current and consistent with GASB 100, Accounting Changes and Error Corrections. While this disposal significantly affected the District’s net position for fiscal year 2023-34, it is important to note that this does not represent significant expenses incurred by the District in the current fiscal year.

FISCAL IMPACT

Preparation of the FY24 Audit will result in costs of \$31,350 from GL 5170 Audit, including \$2,250 for implementation assistance for GASB No. 96.

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BOARD OF DIRECTORS

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Richard Corneille
Division 2:
Mark Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

POTENTIAL MOTIONS

1. Move to approve the FY24 Audit Report as presented.
2. Move to refer this item to the Finance & Administration Committee.
3. Provide other directions to staff.

ATTACHMENTS

Statement on Auditing Standards 114 Letter

Management Comment Letter

2024 Audit Report, Transmittal Letter, and Financial Statements



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December 4, 2024

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California Society of
Certified Public Accountants

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

We have audited the financial statements of San Bernardino Valley Water Conservation District (the District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 4, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 30, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the District. We have identified a threat to our independence (preparation of the District's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the District's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the San Bernardino Valley Water Conservation District is included in Note 1 to the financial statements. The District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections* during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the District's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 4, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the entity's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

December 4, 2024

Rogers, Anderson, Malody & Scott, LLP
735 E Carnegie Drive, Suite 100
San Bernardino, CA 92408

This representation letter is provided in connection with your audit of the basic financial statements of San Bernardino Valley Water Conservation District (the entity) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the entity in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 4, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 30, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.

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Division 3:
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John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All components of net position are properly classified.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls and a process to monitor the system of internal controls.
- There have been no changes or updates to legal information disclosed to you by our attorneys since the date of such legal response and now.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.

- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- We have disclosed to you all nonexchange financial guarantees under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.

- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Betsy Miller, General Manager



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December 4, 2024

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Terry P. Shea, CPA (Partner Emeritus)

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Quality Center*

California Society of
Certified Public Accountants

To the Management of the
San Bernardino Valley Water Conservation District
Redlands, California

In planning and performing our audit of the financial statements of San Bernardino Valley Water Conservation District (the entity) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 4, 2024, on the financial statements of the entity. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Observation 1:

During our audit of the District, we identified an instance where purchases made in a credit card exceeded the stated maximum limit.

Recommendation 1:

We recommend the District procedures to ensure that purchases made each month are within the District imposed limits to prevent potential circumvention of controls in place over normal account payable purchases.



Management Response 1:

Management appreciates the comment and has scheduled a review of the procedures related to credit card usage in order to develop and implement additional measures to ensure all purchases adhere to the District's imposed limits. Specifically, controls will be strengthened by reviewing and updating pre-authorization for purchase requirements, if needed, and regular monitoring of transactions to prevent instances where purchases exceed established limits.

We believe that the implementation of these recommendations will provide the entity with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Rogers, Anderson, Malody & Scott, LLP.



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

ANNUAL FINANCIAL REPORT

JUNE 30, 2024



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SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2024

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San Bernardino Valley Water Conservation District
Annual Financial Report
For the year ended June 30, 2024

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INTRODUCTORY SECTION

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San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

December 4, 2024

Board of Directors
San Bernardino Valley Water Conservation District

Introduction

On behalf of our team, it is my pleasure to submit the Annual Financial Report for the San Bernardino Valley Water Conservation District (District) for the fiscal year ending June 30, 2024, in accordance with Governmental Accounting Standards Board guidelines. The District is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures in this financial report, and we believe that the data presented here are accurate in all material respects.

This report is intended to enhance understanding of the District's financial position and activities for the Board and public. The Introduction offers general information about the District's organization and current District activities and summarizes significant financial results. The Financial chapter includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A) of the District's basic financial statements, and the District's audited basic financial statements with accompanying notes. This letter of transmittal complements the MD&A and should be read in conjunction with it.

Net Position Change

The San Bernardino Valley Water Conservation District's net position decreased significantly in fiscal year 2023-24 as the result of capital improvement projects (CIPs) including construction of the Mill Creek Diversion project and the PERC feasibility studies. In addition to expenses incurred in fiscal year 2023-24, the District disposed \$2,969,651 held in work in progress for the PERC CIP feasibility studies from fiscal years 2019-20, 2020-21, 2021-22, and 2022-23, where they had been placed following discussions with accounting consultants at the outset of the PERC projects. However, feasibility studies are not capitalized per GASB Cod. section 1400.143, and therefore these funds were disposed in this single fiscal year in order to ensure the project is current and consistent with GASB 100, *Accounting Changes and Error Corrections*. While this disposal significantly affected the District's net position for fiscal year 2023-24, it is important to note that this does not represent significant expenses incurred by the District in the current fiscal year.

District Structure and Leadership

The San Bernardino Valley Water Conservation District is an independent special district operating under Division 21 of the California Water Code. The District's origins date to 1909 when the local community formed the Water Conservation Association to voluntarily conserve water across the region. Following a vote of the people in 1932, the District was created to serve as a successor agency to the Water Conservation Association. The District is governed by five publicly-elected Directors representing the District's service area, with a General Manager reporting to the Board who manages day-to-day operations of the agency in accordance with powers established in Resolution 604 and the policies, procedures, strategies, goals, values, and priorities established by the Board. In addition to the General Manager, the District currently employs nine full-time employees, three in the field and six

in the office. The District also has part-time employees and interns that assist the District with specific tasks and efforts; at present, we have three interns, one Administrative Assistant, and one General Counsel role filled in a part-time capacity. Staff workloads focus on completion of the goals and objectives of the District's 2023 Strategic Plan as well as the Board's approved list of annual work priorities.

The District's Board of Directors meets at publicly-noticed, in-person meetings with remote attendance options to support public engagement, generally once per month.

District Services

The San Bernardino Valley Water Conservation District recharges groundwater to protect and augment the safe yield of the Bunker Hill Groundwater Basin by cities, water districts, and groundwater producers within and beyond the District's Service Area. To accomplish this mission, the District maintains 71 water percolation basins located on over 3,600 acres of land owned or managed by the District along Mill Creek and the Santa Ana River. In 2024, both the Inland Empire and California as a whole received significantly above-average precipitation. Between October 1, 2023, and September 30, 2024, the District recharged 74,958 acre feet or approximately 24 billion gallons from Santa Ana River and Mill Creek stormflows as well as imported State Project water funded through the Groundwater Council.

Significant Initiatives

The District leads or participates in several significant initiatives that shape our organizational and financial structures:

Partnership Program for Expansion of Recharge Capacity

In 2018, the District approved a Partnership Agreement for Joint Active Recharge Project Development under the Upper Santa Ana River Habitat Conservation Plan with San Bernardino Valley Municipal Water District. This five-year agreement created an important partnership between these agencies, providing conservation easements on Conservation District-owned lands to satisfy anticipated habitat mitigation requirements for the Upper Santa Ana River Habitat Conservation Plan in exchange for funds dedicated to increasing groundwater recharge in accordance with the Conservation District's mission; due to the success of the projects to date, this agreement was extended through 2029 in December 2023. These Agreement Transfer Projects were initially termed the Active Recharge Transfer Projects (ARTP) and are now referred to as the Program for the Expansion of Recharge Capacity (PERC).

Mill Creek Diversion Debris Management Project

This capital improvement project to upgrade the facility to maintain the designed recharge capacity during severe storms and limit maintenance costs by addressing large, storm-carried debris and improving operational flexibility under novel climate scenarios was completed in December 2023.

Upper Santa Ana River Wash Habitat Conservation Plan

The Upper Santa Ana River Wash Habitat Conservation Plan (Wash Plan) was approved by the District Board on July 8, 2020, and was issued an Incidental Take Permit (ITP) from the U.S. Fish and Wildlife Service in 2020. The 30-year Wash Plan and ITP require monitoring and habitat restoration to support five rare, threatened or endangered species while allowing development of expanded water conservation facilities, mining, transportation, and trails. During fourth year of implementation, the District conducted required biological monitoring and habitat management activities and pursued permits for Wash Plan Covered Activities under the California Endangered Species Act and federal components of the Clean Water Act. Permits under these regulations are expected to be issued in Fiscal Year 2025.

Pension and Post-Employment Benefits

The District's Board has approved payments for any Unfunded Accrued Actuarial Liability (UAAL) to CalPERS since Fiscal Year 2016, which are projected and included in the District's annual budget as a benefit expense. In 2016, the Board also converted the Other Post-Employment Benefits (OPEB) Reserve into a CalPERS Employer Trust, which irrevocably holds funds to pay for the limited cost of eligible employee's health care until Medicare. In 2021, additional funding was added to the OPEB Trust based on a GASB 75 compliant actuarial analysis for full UAAL payment. In 2022, the District Board approved participation in the California Employers' Pension Prefunding Trust (CEPPT) to pre-fund pension liabilities, which complies with IRS Section 115. Funds deposited in the CEPPT are irrevocable and may only be used for the specific purpose for which the trust was established.

Continued Policy Development

Most District policies and practices have been reviewed and updated within the past five years, and staff work together to improve District principles, policies, practices, and procedures wherever possible.

2024 Economic Condition

The economy within the area served by the District has shown resilience and moderate growth throughout 2024, underpinned by population increases and continued development in the residential and commercial sectors. Despite a steady economic pace, inflation and high interest rates have continued to impact costs, affecting materials, construction contracts, and labor expenses associated with District projects and employee wages. The Inland Empire, in particular, benefited from its logistics and supply chain hub status, though growth in these sectors has slowed compared to previous years.

2024-2025 Economic Outlook

The global economy demonstrated moderate growth in early 2024, with emerging markets contributing significantly to economic activity. Although certain sectors globally faced headwinds due to geopolitical tensions and fluctuating demand, emerging markets and the resilience of service sectors helped sustain growth. The U.S. Federal Reserve maintained higher interest rates, which tempered expansion across various growth sectors domestically, but contributed to increased returns on interest-based investments.

Locally, District initiatives such as the Wash Plan and expanded groundwater recharge efforts supported the regional economy and have positively impacted property assessments in San Bernardino County and neighboring cities. The Wash Plan, in particular, enabled permits for essential long-term infrastructure projects that will provide both immediate and lasting benefits to the community. While the District anticipates inflationary pressures to persist, which will likely lead to elevated costs for materials and labor, it also expects to capitalize on strong interest income due to the current high-rate environment.

Internal Control Structure

District executive management is responsible for establishing and maintaining internal control structures to ensure that District assets are protected from loss, theft, or misuse. This internal control structure is designed to provide reasonable assurance that these objectives are met with the District's limited staffing. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. In addition, the internal control structure also provides the necessary accounting data for preparation of financial statements in conformity with generally accepted accounting principles. Components of this structure include a consolidated Procurement and Purchasing Policy along with implementation of all auditor recommendations. The District improves the clarity of financial reports wherever possible to increase transparency and documents its practices to allow the highest level of control possible.

Budgetary Control

The District's Board of Directors adopts an annual operating and capital budget prior to each new fiscal year. The budget authorizes spending, provides the basis for reporting, and controls financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting standards utilized by the District are consistent with the accrual basis of accounting and financial statements. The District uses an enterprise model for financial management and reserve accounting in order to provide clear internal accountability as well as public transparency into District finances. The Board reviews and, if necessary, revises the reserve and other policies, target reserve levels, and investment of the reserves each fiscal year.

Investment Policy

In 2019, the Board of Directors updated the Statement of Investment Policy with support from PFM Financial Management to add appropriate investment options for the management of PERC capital funds. The Statement of Investment Policy assures safety, liquidity, and yield, and conforms to state law, District ordinances, and prudent money management principles. District funds are primarily invested in California Asset Management Program, various certificates of deposit, U.S. Treasuries, U.S. Agency Securities, and other instruments in compliance with the Policy. The Board receives quarterly reports on all investment balances and returns.

District Revenues

State law and District policy ensure that all revenues generated from District groundwater charges support District operations. Groundwater charge rates are set in accordance with California Water Code Section 75500 and are levied on all groundwater-producing facilities within District boundaries. From 2018-2024, the District was a member of the Groundwater Council, which disbanded on June 30, 2024. For the duration of the Groundwater Council, a portion of the revenue historically collected via the District's groundwater pumping rate was collected instead via the Groundwater Council. From 2021-2024, the District's groundwater charge included a sustainability and replenishment component that was assessed on producers who were not members of the Groundwater Council. The sustainability and replenishment funds collected as part of the District's groundwater charge were paid to San Bernardino Valley Municipal Water District to purchase State Project water for recharge purposes. With the cessation of the Groundwater Council, the sustainability and replenishment component has been suspended and all groundwater charge revenue will be collected directly from producers in the next fiscal year.

Royalties from aggregate mining, rent from property leases, sale of easements, property tax, and interest on reserves complete the non-rate revenues of the District. The District renewed its mining lease with CEMEX in 2020. Staff are also working with another leaseholder, Robertson's Ready Mix, to begin mining on District land after State permits are obtained in order to retire the prepaid royalty. Finally, the District issues licenses to reduce operating costs through public-private partnerships where possible.

District Investments

The District's General Manager authorized changes to reserves and investments during the year in accordance with the Statement of Investment Policy. Staff moved investment funds primarily as higher interest rates became available and as investments were called or Certificate of Deposit (CD) terms expired. The District will continue to monitor rates of investment returns and opportunities to generate funds through investments. Funds on loan to the Wash Plan via the Trust, to be repaid by Wash Plan Participating Entities upon permit issuance, were fully repaid. In addition, investments are made based on District cash-flow needs to ensure funds are available for capital projects such as the PERC feasibility studies.

Audit and Financial Reporting

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

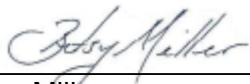
Other References

More information is contained in the MD&A section, along with Notes to the Basic Financial Statements documentation in the financial section of the report.

Acknowledgments

This report was prepared through the combined efforts of District staff, particularly Angie Quiroga and Becca Martin. We appreciate the dedicated efforts and professionalism shown by the team from Rogers, Anderson, Malody & Scott, LLP. We also wish to thank the Ad Hoc Audit Committee members and the Board of Directors for their continued support in the planning and implementation of the San Bernardino Valley Water Conservation District's fiscal policies.

Respectfully submitted,



Betsy Miller
General Manager



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

San Bernardino Valley Water Conservation District List of Elected and Appointed Officials as of June 30, 2024

<u>Name</u>	<u>Division</u>	<u>Title</u>	<u>Current Term Ending</u>
Melody Henriques-McDonald	5	President	December 14, 2026
Robert Stewart	3	Vice-President	December 11, 2024
Richard Corneille	1	Director	December 9, 2024
John Longville	4	Director	December 14, 2026
Hillary Jenkins	2	Director	November 5, 2024

San Bernardino Valley Water Conservation District
Betsy Miller, General Manager
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FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary fund of the San Bernardino Valley Water Conservation District (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the fiduciary fund of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for opinions

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



Report on Summarized Comparative Information

We have previously audited the District's 2023 financial statements, and we expressed an unmodified opinion in our report dated November 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of operating revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 4, 2024

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Bernardino Valley Water Conservation District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

The District's net position decreased 262.8% or \$2,042,125 in fiscal year 2023-24 as the result of capital improvement projects (CIPs) including the PERC feasibility studies and Mill Creek Diversion project, and significant maintenance following the highest recharge year in the District's history.

The District's operating revenues for fiscal year 2023-24 were \$2,160,179, which was \$2,940,351 less than its operating expenses of \$4,960,756. Depreciation and amortization expense was \$139,774 and net nonoperating income was \$898,226 resulting in a decrease in net position of \$2,042,125. The majority of the current year decrease in net position is due to disposal of work in progress for the PERC CIP feasibility studies in the amount of \$2,969,651 in fiscal year 2023-24. These expenses were held as work in progress following initial discussions with accounting consultants at the outset of the PERC projects; however, feasibility studies are not capitalized per GASB Cod. section 1400.143, and therefore these expenses from fiscal years 2019-20, 2020-21, 2021-22, and 2022-23 were disposed in this single fiscal year in order to ensure the project is current and consistent with GASB Cod. section 1400.143, and with GASB 100, *Accounting Changes and Error Corrections*. The difference is considered a change in estimate, which is reported prospectively by recognizing the change in accounting estimate in the reporting period in which the change occurs. While this disposal significantly affected the District's net position for fiscal year 2023-24, it is important to note that this does not represent significant expenses incurred by the District in the current fiscal year.

Required Financial Statements

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

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

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2024

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

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

Financial Analysis of the District

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

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

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

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

Notes to the Basic Financial Statements

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

**San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the year ended June 30, 2024**

Condensed Statements of Net Position (in thousands)

	2024	2023	2022	Change 2023		Change 2022	
				Amount	%	Amount	%
Assets:							
Current	\$ 45,507	\$ 46,481	\$ 45,917	\$ (974)	-2.1%	\$ 564	1.2%
Non-current	1,537	1,470	2,108	67	4.6%	(638)	-30.3%
Capital, net	9,467	10,142	8,370	(675)	-6.7%	1,772	21.2%
Total assets	56,511	58,093	56,395	(1,582)	-2.7%	1,698	3.0%
Deferred outflow of resources							
Pension	664	829	959	(165)	-19.9%	(130)	-13.6%
OPEB	156	220	197	(64)	-29.1%	23	11.7%
Total deferred outflow of resources	820	1,049	1,156	(229)	-21.8%	(107)	-9.3%
Total assets and deferred outflow	57,331	59,142	57,551	(1,811)	-3.1%	1,591	2.8%
Liabilities:							
Current	969	700	568	269	38.4%	132	23.2%
Other non-current	42,333	42,162	41,910	171	0.4%	252	0.6%
Total liabilities	43,302	42,862	42,478	440	1.0%	384	0.9%
Deferred inflow of resources							
Pension	164	174	232	(10)	-5.7%	(58)	-25.0%
OPEB	163	193	141	(30)	-15.5%	52	36.9%
Leases	1,331	1,500	1,541	(169)	-11.3%	(41)	-2.7%
Total deferred inflow of resources	1,658	1,867	1,914	(209)	-11.2%	(47)	-2.5%
Total liabilities and deferred outflow	44,960	44,729	44,392	231	0.5%	337	0.8%
Net position (restated):							
Net investment in capital assets	9,453	10,119	8,354	(666)	-6.6%	1,765	21.1%
Restricted for OPEB asset	108	36	-	72	200.0%	36	100.0%
Unrestricted	2,810	4,258	4,805	(1,448)	-34.0%	(547)	-11.4%
Total net position	\$ 12,371	\$ 14,413	\$ 13,159	\$ (2,042)	-14.2%	\$ 1,254	9.5%

Amounts may not foot due to rounding

The total net position of the District may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of the District exceeded liabilities plus deferred inflows by \$12,370,821 and \$14,412,946 as of June 30, 2024, and 2023, respectively.

Capital assets represent 76.4% as of June 30, 2024, and 70.2% as of June 30, 2023, of the total net position. Capital assets such as basins and appurtenances are used to provide services to groundwater producers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2023-24 and 2022-23, the District showed a positive balance in its unrestricted net position of \$2,810,082 and \$4,257,603, respectively. The District's investment of cash reserve funds represents the largest portion of the District's net position which may be utilized in future years for capital projects or operations costs in accordance with the District's reserve policy.

San Bernardino Valley Water Conservation District
Management's Discussion and Analysis
For the year ended June 30, 2024

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

	2024	2023	2022	Change 2023		Change 2022	
				Amount	%	Amount	%
Revenues:							
Operating	\$ 2,160	\$ 2,014	\$ 1,814	\$ 146	7.2%	\$ 200	11.0%
Nonoperating	3,772	3,198	1,461	574	17.9%	1,737	118.9%
Total revenues	5,932	5,212	3,275	720	13.8%	1,937	59.1%
Expenses							
Operating	4,960	3,609	1,342	1,351	37.4%	2,267	168.9%
Depreciation	140	122	106	18	14.8%	16	15.1%
Nonoperating	2,873	227	167	2,646	1165.6%	60	35.9%
Total expenses	7,973	3,958	1,615	4,015	101.4%	2,343	145.1%
Change in net position	<u>\$(2,041)</u>	<u>\$ 1,254</u>	<u>\$ 1,660</u>	<u>\$(3,295)</u>	-262.8%	<u>\$ (406)</u>	-24.5%

Amounts may not foot due to rounding

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position decreased by \$2,042,125 and increased by \$1,254,191 in fiscal years ended June 30, 2024, and 2023, respectively.

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

- The District's net position decreased 14.17% or \$2,042,125 to \$12,370,821 in fiscal year 2023-24 as the result of CIPs including the PERC feasibility studies and Mill Creek Diversion project, and significant maintenance following the highest recharge year in the District's history. In 2023, the District's net position increased 9.5% or \$1,254,191 as a result of operations.
- The District disposed \$2,969,651 held in work in progress for the PERC CIP feasibility studies from fiscal years 2019-20, 2020-21, 2021-22 in fiscal year 2023-24. These funds were held as work in progress following initial discussions with accounting consultants at the outset of the PERC projects; however, feasibility studies are not capitalized per GASB Cod. section 1400.143, and therefore these funds were disposed in this single fiscal year in order to ensure the project is current and consistent with GASB Cod. section 1400.143, and with GASB 100, *Accounting Changes and Error Corrections*. The difference is considered a change in estimate, which is reported prospectively by recognizing the change in accounting estimate in the reporting period in which the change occurs.
- The District's operating revenues increased by 7.2% or \$145,713 in 2024 primarily due to increased revenue from groundwater sustainability and Groundwater Council pass-through revenue.

San Bernardino Valley Water Conservation District

Management's Discussion and Analysis

For the year ended June 30, 2024

- The District's nonoperating revenues decreased by 65.80% or \$2,104,201 in 2024 primarily due to a \$535,797 increase in investment earnings and a \$2,924,652 gain/loss on disposal of assets related to prior years PERC expenses previously held in work in progress. The District's nonoperating revenues increased by 118.98% or \$1,737,765 in 2023 primarily due to a \$1,783,571 increase in investment earnings and a \$83,657 decrease in royalties' income from existing contracts.
- The District's operating expenses increased 37.5% or \$1,351,988 in 2024 primarily due to costs of GW Sustainability and Groundwater Council Non-District Pass through of \$164,542, basin cleaning of \$525,830, increased salaries of \$91,803, \$415,125 associated with BLM land exchange, and PERC project of \$950,307. The District's operating expenses increased 168.9% or \$2,266,528 in 2023 primarily due to costs of \$1,442,122 for PERC Feasibility Studies, \$126,674 for Mill Creek Diversion and Debris Management Improvement Project construction, \$198,618 for Mill Creek Groundwater Recharge Facility environmental permitting and \$46,031 for the new Mentone Shop building.
- The District's nonoperating expenses decreased 13.7% or \$31,465. The decrease is primarily due to lower rental property expenses. In 2023, the District's nonoperating expenses increased 35.9% or \$59,698. The increase is primarily due to higher rental property expenses.

Capital Asset Administration

At the end of fiscal years 2023-24 and 2022-23, the District's capital assets, net of depreciation, amounted to \$9,467,075 and \$10,141,859, respectively. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles. Major capital asset additions during the year included building improvements, 2023 Ford F-250, office equipment, security alarm system with cameras, and purchase of field equipment. At June 30, 2024 total nondepreciable assets include land of \$4,194,154 and \$3,877,836 of construction in progress. Major capital asset additions in 2023 included progress of the Mill Creek Diversion Project and PERC projects, Mentone Shop, buildings improvements and purchase of office equipment. The current year deletion of \$3,003,604 includes the disposition of \$2,969,651 previously held in work in progress for the PERC CIP feasibility studies from fiscal years 2019-20, 2020-21, and 2021-22. These funds were held as work in progress following initial discussions with accounting consultants at the outset of the PERC projects; however, feasibility studies are not capitalized per GASB Cod. section 1400.143, and therefore these funds were disposed in fiscal year 2023-24 in order to ensure the project is current and consistent with GASB 100, *Accounting Changes and Error Corrections*. The difference is considered a change in estimate, which is reported prospectively by recognizing the change in accounting estimate in the reporting period in which the change occurs.

**San Bernardino Valley Water Conservation District
Management’s Discussion and Analysis
For the year ended June 30, 2024**

Changes in capital assets in 2024 were as follows:

	Balance 2023	Additions	Deletions	Balance 2024
Capital assets:				
Nondepreciable	\$ 8,071,990	\$ 2,272,676	\$ (3,003,604)	\$ 7,341,062
Depreciable	3,817,171	241,903	(17,275)	4,041,799
Accumulated depreciation and amortization	(1,747,302)	(185,759)	17,275	(1,915,786)
Totals	<u>\$ 10,141,859</u>	<u>\$ 2,328,820</u>	<u>\$ (3,003,604)</u>	<u>\$ 9,467,075</u>

Changes in capital assets in 2023 were as follows:

	Balance 2022	Additions	Deletions	Balance 2023
Capital assets:				
Nondepreciable	\$ 6,247,730	\$ 1,852,484	\$ (28,224)	\$ 8,071,990
Depreciable	3,789,415	103,703	(75,947)	3,817,171
Accumulated depreciation and amortization	(1,666,927)	(156,322)	75,947	(1,747,302)
Totals	<u>\$ 8,370,218</u>	<u>\$ 1,799,865</u>	<u>\$ (28,224)</u>	<u>\$ 10,141,859</u>

District Cash Reserves

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

**San Bernardino Valley Water Conservation District
Management’s Discussion and Analysis
For the year ended June 30, 2024**

<u>Reserve</u>	<u>Target</u>	<u>Balance</u>	<u>% Funded</u>
Groundwater Recharge Enterprise Reserve	\$ 1,250,000	\$ 1,104,450	88%
Groundwater ER Maintenance Reserve	250,000	350,000	140%
GWA Rate Stabilization	200,000	200,000	100%
Redlands Plaza Reserve	81,418	(144,450)	-177%
Land Resources Reserve	816,743	(666,898)	-82%
General Liability Fund Reserve	1,250,000	1,382,546	111%
Self Insurance Reserve	50,000	50,000	100%
Compensated Absences Reserve	175,000	123,027	70%
Capital Improvement/Equipment Reserve	750,000	635,968	85%
Prepaid Royalties Reserve	5,000,000	5,000,000	100%
PERC Projects-formerly Active Recharge TP	35,291,009	35,291,009	100%
DR Horton Trespass Reparations Deposit	205,278	205,278	100%
Total	<u>\$ 45,319,447</u>	<u>\$ 43,530,930</u>	96%

Conditions Affecting Current Financial Position

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

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

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San Bernardino Valley Water Conservation District
Statements of Net Position
June 30, 2024 (with comparative data for 2023)

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 450,788	\$ 746,796
Investments	8,016,141	8,729,392
Investments - restricted for PERC	35,064,001	33,394,494
Accrued interest receivable	249,267	191,476
Accounts receivable, net	176,398	320,029
Assessments receivable - groundwater charges	397,688	366,047
Notes receivable	1,086	-
Due from other entities	1,124,329	2,543,620
Prepaid expenses	26,949	33,761
Total current assets	45,506,647	46,325,615
Noncurrent assets:		
Notes receivable	4,778	6,579
Lease receivable	1,427,851	1,582,898
Net OPEB asset	104,726	35,933
Capital assets, not being depreciated:		
Land and land improvements	4,194,154	4,194,154
Construction in progress	3,146,908	3,877,836
Capital assets, being depreciated/amortized, net:		
Buildings and improvements	695,415	627,794
Vehicles and Equipment	225,515	181,104
Spreading basins	1,191,051	1,235,378
Right to use - Lease & SBITA	14,032	25,593
Total noncurrent assets	11,004,430	11,767,269
Total assets	56,511,077	58,092,884
Deferred outflows of resources		
Deferred outflows of resources - pension	663,394	829,034
Deferred outflows of resources - OPEB	156,369	219,656
Total deferred outflows of resources	819,763	1,048,690

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

San Bernardino Valley Water Conservation District
Statements of Net Position (continued)
June 30, 2024 (with comparative data for 2023)

	<u>2024</u>	<u>2023</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	\$ 559,715	\$ 340,320
Accrued wages and related payables	33,279	25,794
Customer deposits for rentals	244,052	230,348
Compensated absences payable	123,027	95,240
Leases Payable	3,638	3,598
SBITA Payable	4,893	4,789
	<u>968,604</u>	<u>700,089</u>
Noncurrent liabilities:		
Unearned revenue	41,875,000	41,876,873
Net pension liability	409,387	231,088
Compensated absences payable	43,509	39,544
Leases Payable	5,531	9,169
SBITA Payable	-	4,893
	<u>42,333,427</u>	<u>42,161,567</u>
Total liabilities	<u>43,302,031</u>	<u>42,861,656</u>
Deferred inflows of resources		
Deferred inflows of resources - pension	164,116	174,409
Deferred inflows of resources - OPEB	162,613	192,867
Deferred inflows of resources - leases	1,331,259	1,499,696
	<u>1,657,988</u>	<u>1,866,972</u>
Total deferred inflows of resources	<u>1,657,988</u>	<u>1,866,972</u>
Net position		
Net investment in capital assets	9,453,013	10,119,410
Restricted for net OPEB asset	107,726	35,933
Unrestricted	2,810,082	4,257,603
	<u>12,370,821</u>	<u>14,412,946</u>
Total net position	<u>\$ 12,370,821</u>	<u>\$ 14,412,946</u>

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

San Bernardino Valley Water Conservation District
Statements of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2024 (with comparative data for 2023)

	<u>2024</u>	<u>2023</u>
Operating revenues		
Groundwater assessments	\$ 1,680,218	\$ 1,513,837
Operating agreements	479,961	464,629
Services to other agencies	-	36,000
	<u>2,160,179</u>	<u>2,014,466</u>
Operating expenses		
District operations	3,433,771	3,244,753
Regional programs	2,048	57
General and administrative	1,524,937	363,958
	<u>4,960,756</u>	<u>3,608,768</u>
Total operating expenses	<u>4,960,756</u>	<u>3,608,768</u>
Operating loss before depreciation and amortization	(2,800,577)	(1,594,302)
Depreciation and amortization expense	<u>139,774</u>	<u>122,469</u>
Operating income (loss)	<u>(2,940,351)</u>	<u>(1,716,771)</u>
Nonoperating revenues/(expenses)		
Property taxes	233,245	213,834
Investment earnings	2,111,646	1,575,848
Royalties	1,171,885	1,138,129
Rental property income	254,856	253,269
Rental property expense	(195,579)	(226,902)
Interest expense	(333)	(475)
Other nonoperating revenues/(expenses)	<u>(2,677,494)</u>	<u>17,259</u>
Total nonoperating revenues/(expenses)	<u>898,226</u>	<u>2,970,962</u>
Change in net position	(2,042,125)	1,254,191
Net position, beginning of year	<u>14,412,946</u>	<u>13,158,755</u>
Net position, end of year	<u>\$ 12,370,821</u>	<u>\$ 14,412,946</u>

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

San Bernardino Valley Water Conservation District
Statements of Cash Flows
For the year ended June 30, 2024 (with comparative data for 2023)

	2024	2023
Cash flows from operating activities		
Cash received from groundwater assessments and other agencies	\$ 2,126,665	\$ 1,929,236
Cash payments for services and supplies	(2,706,436)	(1,230,807)
Cash payments to employees for salaries and wages	(1,690,990)	(1,464,206)
Proceeds from royalty income	1,315,516	1,152,104
Other lease revenue, net of expenses	(49,471)	79,069
Other operating	292,157	45,483
Net cash provided by (used) for operating activities	<u>(712,559)</u>	<u>510,879</u>
Cash flows from noncapital financing activities		
Property taxes	233,245	213,834
Advances to Wash Plan	1,419,291	(424,434)
Net cash provided by (used) for noncapital financing activities	<u>1,652,536</u>	<u>(210,600)</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,480,626)	(1,941,819)
Principal paid on lease/subscription	(8,387)	(8,245)
Interest paid on lease/subscription	(333)	(475)
Payments for lease receivable	155,047	143,217
Net cash used for capital and related financing activities	<u>(2,334,299)</u>	<u>(1,807,322)</u>
Cash flows from investing activities		
Payments received on notes receivable	715	720
Purchase of investments	(40,247,613)	(38,971,530)
Proceeds from investments	39,291,357	20,287,847
Investment income	2,053,855	1,441,759
Net cash provided by (used) for investing activities	<u>1,098,314</u>	<u>(17,241,204)</u>
Net increase (decrease) in cash and cash equivalents	(296,008)	(18,748,247)
Cash and cash equivalents, beginning of year	<u>746,796</u>	<u>19,495,043</u>
Cash and cash equivalents, end of year	<u>\$ 450,788</u>	<u>\$ 746,796</u>

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

San Bernardino Valley Water Conservation District
Statements of Cash Flows (continued)
For the year ended June 30, 2024 (with comparative data for 2023)

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income (loss)		
to net cash provided by (used) for		
operating activities		
Operating income (loss)	\$ (2,940,351)	\$ (1,716,771)
Adjustments to reconcile operating income (loss)		
to net cash provided by (used) for operating activities:		
Depreciation/Amortization	139,774	122,469
Royalty income	1,315,516	1,152,104
Rental revenue, net of expenses	(49,471)	79,069
Miscellaneous income	292,157	45,483
(Increase) decrease in assets and deferred		
outflows of resources:		
Assessments receivable - groundwater charges	(31,641)	(87,103)
Prepaid expenses	6,812	10,054
Net other post-employment benefits asset	(68,793)	9,228
Net pension asset	-	614,710
Deferred outflows of resources - pension	165,640	129,663
Deferred outflows of resources - OPEB	63,287	(22,991)
Increase (decrease) in liabilities and deferred		
inflows of resources:		
Accounts payable and accrued expenses	219,395	(98,192)
Accrued wages and related payables	7,485	587
Deferred revenues	(1,873)	1,873
Compensated absences payable	31,752	45,381
Net pension liability	178,299	231,088
Deferred inflows of resources - pension	(10,293)	(57,969)
Deferred inflows of resources - OPEB	(30,254)	52,196
Net cash provided by operating activities	<u>\$ (712,559)</u>	<u>\$ 510,879</u>
Noncash, investing, capital and financing activities		
Subscription liabilities	<u>\$ -</u>	<u>\$ 14,368</u>
Subscription acquisition	<u>\$ -</u>	<u>\$ (14,368)</u>

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

San Bernardino Valley Water Conservation District
Statements of Fiduciary Net Position - Fiduciary Fund
June 30, 2024 (with comparative data for 2023)

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 192,940	\$ 866,899
Investments	2,551,754	3,214,016
Accounts receivable	<u>10,099,704</u>	<u>7,930,623</u>
 Total assets	 <u>12,844,398</u>	 <u>12,011,538</u>
Liabilities		
Due to other entities for Wash Plan	1,124,329	2,543,620
Unearned revenue	<u>10,249,120</u>	<u>8,103,777</u>
 Total liabilities	 <u>11,373,449</u>	 <u>10,647,397</u>
 Net position	 <u>\$ 1,470,949</u>	 <u>\$ 1,364,141</u>

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

San Bernardino Valley Water Conservation District
Statements of Changes in Fiduciary Net Position - Fiduciary Fund
For the year ended June 30, 2024 (with comparative data for 2023)

	<u>2024</u>	<u>2023</u>
Additions		
Contributions	\$ 124,018	\$ 67,409
Investment Income	341,238	272,125
Other reimbursements	415,125	-
Total Additions	<u>880,381</u>	<u>339,534</u>
Deductions		
Wash Plan	763,679	490,843
Insurance	1,494	1,368
Bank fees	3,500	3,500
Other expenses	4,900	4,925
Total Deductions	<u>773,573</u>	<u>500,636</u>
Change in net position	106,808	(161,102)
Net position (deficit), previously reported	1,364,141	(2,119,186)
Adjustment - error correction	-	3,644,429
Net position, beginning of year	<u>1,364,141</u>	<u>1,525,243</u>
Net position, end of year	<u>\$ 1,470,949</u>	<u>\$ 1,364,141</u>

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

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San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. Basis of Accounting

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

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

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

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Accounting Pronouncements

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

D. Net Position

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

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

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

E. Use of Estimates

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

F. Cash and Cash Equivalents

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Investments

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

H. Property Taxes and Assessments

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

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

I. Compensated Absences

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

J. Concentrations

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

K. Receivables

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets

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

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

M. Budgetary Policies

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

N. Net Pension Liability

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

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

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Other Postemployment Benefits (OPEB)

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

GASB 75 require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD) June 30, 2023
 Measurement Date (MD) June 30, 2024
 Measurement Period (MP) July 1, 2023 to June 30, 2024

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 and 2023 are classified in the statements of net position as follows:

	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$ 450,788	\$ 746,796
Investments	8,016,141	8,729,392
Investments - restricted for PERC	<u>35,064,001</u>	<u>33,394,494</u>
 Total cash and investments	 <u>\$ 43,530,930</u>	 <u>\$ 42,870,682</u>

Cash and investments as of June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Deposits with financial institutions	\$ 449,762	\$ 746,796
Deposits held with California Local Agency Investment Fund	1,026	-
Certificates of deposit	2,913,747	476,005
US Treasuries	12,797,594	8,481,480
US Agency Securities	17,892,573	11,819,985
Deposits held with fiscal agents:		
California Asset Management Program	9,476,228	18,040,618
CalTrust Short-term fund	<u>-</u>	<u>3,305,798</u>
 Total cash and investments	 <u>\$ 43,530,930</u>	 <u>\$ 42,870,682</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS (continued)

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

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

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

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

B. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code under the oversight of the Treasurer of the State of California. The District's investment in this pool is reported in the accompanying financial statements at amounts based on the District's pro rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2024, the District's investment in LAIF was \$1,026. At June 30, 2023, the District's investment in LAIF was \$0. The District may invest up to \$75,000,000 in the LAIF fund. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS (continued)

C. Investment Trust of California (CalTrust)

CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees supervises and administers the investment program of the Trust. CalTrust has four pools: money market account, short-term, medium-term and long-term. The District is a voluntary participant in CalTrust. District's investments in these pools are reported in the accompanying financial statements at net asset value based on the District's pro rata share of the respective pools as reported by CalTrust. The average cost of the District's investment in the Short-Term Fund as of June 30, 2024 was \$0. The average cost of the District's investment in the Short-Term Fund as of June 30, 2023 was \$3,311,132, and its net asset value (withdrawal value) was \$3,305,798.

D. California Asset Management Pool (CAMP)

The District is a voluntary participant in the California Asset Management Program (CAMP), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the program specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by CAMP which was \$9,476,228 as of June 30, 2024. At June 30, 2023, the District investment in CAMP was \$18,040,618.

E. Custodial Credit Risk

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

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS (continued)

E. Custodial Credit Risk (continued)

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

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

F. Interest Rate Risk

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

As of June 30, 2024, the District had the following investments and maturities:

Investment type	Maturity in months				Total
	12 or less	13 to 24	25 to 36	36 - 60	
California Asset Management Program	\$ 9,476,228	\$ -	\$ -	\$ -	\$ 9,476,228
Certificate of Deposit	732,397	240,905	1,209,067	731,378	2,913,747
US Treasuries	3,109,470	6,450,972	2,237,360	999,792	12,797,594
US Agency Securities	7,214,355	2,304,785	6,362,753	2,010,680	17,892,573
Total investments	<u>\$ 20,532,450</u>	<u>\$ 8,996,662</u>	<u>\$ 9,809,180</u>	<u>\$ 3,741,850</u>	<u>\$ 43,080,142</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS (continued)

G. Credit Risk

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

Investment type	Amount	Minimum legal rating	Rating as of year end		
			A+	Aam	Not rated
California Asset Management Program	\$ 9,476,228	N/A	\$ -	\$ 9,476,228	\$ -
Certificate of Deposit	2,913,747	A/A-1	-	-	2,913,747
US Treasuries	12,797,594	N/A	-	-	12,797,594
US Agency Securities	17,892,573	N/A	17,892,573	-	-
Total investments	<u>\$ 43,080,142</u>		<u>\$ 17,892,573</u>	<u>\$ 9,476,228</u>	<u>\$ 15,711,341</u>

H. Concentrations of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer beyond that stipulated by the Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total District's investments are as follows:

Issuer	Investment type	Reported amount	Percentage of Portfolio
Federal Farm Credit Bank	US Agency Securities	\$ 4,749,815	11.03%
Federal Home Loan Bank	US Agency Securities	4,862,630	11.29%
Federal Home Loan Mortgage corporation	US Agency Securities	8,280,127	19.22%

3. FAIR VALUE MEASUREMENTS

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

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

3. FAIR VALUE MEASUREMENTS (continued)

The District has the following fair value measurements as of June 30, 2024:

Investments by Fair Value Level	Total	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Certificate of Deposit	\$ 2,913,747	\$ -	\$ 2,913,747	\$ -
US Treasuries	12,797,594	-	12,797,594	-
US Agency Securities	17,892,573	-	17,892,573	-
Total investments by fair value level	33,603,914	\$ -	\$ 33,603,914	\$ -
Investments not subject to the fair value hierarchy: California Asset Management Program	9,476,228			
Total	\$ 43,080,142			

4. COMPENSATED ABSENCES

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

	Balance at July 1, 2023	Net Change	Balance at June 30, 2024	Due within one year
Compensated absences	\$ 134,784	\$ 31,752	\$ 166,536	\$ 123,027

	Balance at July 1, 2022	Net Change	Balance at June 30, 2023	Due within one year
Compensated absences	\$ 89,403	\$ 45,381	\$ 134,784	\$ 95,240

5. UNEARNED REVENUE

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

The District entered into an agreement with another government in which the District received \$36,875,000. The monies are obligated for capital construction projects for the anticipated habitat mitigation requirements for the Upper Santa Ana River Habitat Conservation Plan (River HCP). Please see the agreement for additional details.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

6. CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	Balance at July 1, 2023	Additions	Deletions *	Balance at June 30, 2024
Capital assets not being depreciated:				
Land and land improvements	\$ 4,194,154	\$ -	\$ -	\$ 4,194,154
Construction in progress	3,877,836	2,272,676	(3,003,604)	3,146,908
Total capital assets not being depreciated	8,071,990	2,272,676	(3,003,604)	7,341,062
Capital assets being depreciated:				
Structures and improvements	1,261,044	29,000	(4,000)	1,286,044
Improvements	308,464	91,394	(6,686)	393,172
Vehicles and equipment	218,294	87,793	-	306,087
Office equipment	202,112	16,757	(5,190)	213,679
Field equipment	303,196	16,959	(1,399)	318,756
Equipment	20,533	-	-	20,533
Recharge basins and facilities	1,461,911			1,461,911
Right to use - Lease asset	16,183	-	-	16,183
Right to use - subscriptions asset	25,434	-	-	25,434
Total capital assets being depreciated	3,817,171	241,903	(17,275)	4,041,799
Less accumulated depreciation:				
Buildings and improvements	(941,714)	(52,773)	10,686	(983,801)
Equipment	(563,031)	(77,098)	6,589	(633,540)
Recharge basins and facilities	(226,533)	(44,327)	-	(270,860)
Right to use - Lease asset	(5,395)	(3,082)	-	(8,477)
Right to use - subscriptions asset	(10,629)	(8,479)	-	(19,108)
Total depreciation and amortization	(1,747,302)	(185,759)	17,275	(1,915,786)
Net capital assets being depreciated	2,069,869	56,144	-	2,126,013
Net capital assets	\$10,141,859	\$ 2,328,820	\$(3,003,604)	\$ 9,467,075

* In the current year, the District disposed of CIP projects in the sum of \$2,969,651, awaiting final decision on feasibility studies.

Depreciation expense was allocated as follows for the year ended June 30, 2024:

Depreciation expense:	
District operations	\$ 128,214
Redlands Plaza (included in property expense)	45,985
Amortization expense	11,560
Total depreciation/amortization expense	\$ 185,759

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

6. CAPITAL ASSETS (continued)

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

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land and land improvements	\$ 4,162,862	\$ 31,292	\$ -	\$ 4,194,154
Construction in progress	2,084,868	1,821,192	(28,224)	3,877,836
Total capital assets not being depreciated	<u>6,247,730</u>	<u>1,852,484</u>	<u>(28,224)</u>	<u>8,071,990</u>
Capital assets being depreciated:				
Structures and improvements	1,239,950	21,094	-	1,261,044
Improvements	307,035	1,429	-	308,464
Vehicles and equipment	235,891	-	(17,597)	218,294
Office equipment	168,186	66,812	(32,886)	202,112
Field equipment	328,660	-	(25,464)	303,196
Equipment	20,533	-	-	20,533
Recharge basins and facilities	1,461,911			1,461,911
Right to use - Lease asset	16,183	-	-	16,183
Right to use - subscriptions asset	11,066	14,368	-	25,434
Total capital assets being depreciated	<u>3,789,415</u>	<u>103,703</u>	<u>(75,947)</u>	<u>3,817,171</u>
Less accumulated depreciation:				
Buildings and improvements	(903,022)	(38,692)	-	(941,714)
Equipment	(577,235)	(61,743)	75,947	(563,031)
Recharge basins and facilities	(182,206)	(44,327)	-	(226,533)
Right to use - Lease asset	(2,312)	(3,083)	-	(5,395)
Right to use - subscriptions asset	(2,152)	(8,477)	-	(10,629)
Total accumulated depreciation	<u>(1,666,927)</u>	<u>(156,322)</u>	<u>75,947</u>	<u>(1,747,302)</u>
Net capital assets being depreciated	<u>2,122,488</u>	<u>(52,619)</u>	<u>-</u>	<u>2,069,869</u>
Net capital assets	<u>\$ 8,370,218</u>	<u>\$ 1,799,865</u>	<u>\$ (28,224)</u>	<u>\$ 10,141,859</u>

Depreciation expense was allocated as follows for the year ended June 30, 2023:

Depreciation expense:	
District operations	\$ 110,909
Redlands Plaza (included in property expense)	33,853
Amortization expense	<u>11,560</u>
Total depreciation expense	<u>\$ 156,322</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

The Plan’s provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-60	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.75%
Current required employer contribution rates	14.060%	7.680%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024, were \$122,932. The actual employer payments of \$122,291 made to CalPERS by the District during the measurement period ended June 30, 2023, differed from the District’s proportionate share of the employer’s contributions of \$228,454 by \$106,163, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term expected rate of return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

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

<u>Asset Class</u>	<u>Assumed asset allocation</u>	<u>Real Return^{1,2}</u>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	(0.59%)
Total	<u>100%</u>	

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

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

Pension Plan Fiduciary Net Position

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

Proportionate Share of Net Pension Liability (Asset)

As of June 30, 2024 and 2023, the District reported net pension liabilities for its proportionate share of the net pension liability of \$409,387 and \$231,088, respectively.

	2024	2023
Total pension liability	\$ 5,904,800	\$ 5,141,541
Fiduciary net position	5,495,413	4,910,453
Net pension liability (asset)	\$ 409,387	\$ 231,088

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

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

	Plan total pension liability	Plan fiduciary net position	Plan net pension liability (asset)
Balance at: 6/30/2022 (Valuation Date)	\$ 5,141,541	\$ 4,910,453	\$ 231,088
Balance at: 6/30/2023 (Measurement Date)	5,904,800	5,495,413	409,387
Net change during 2022-23	<u>\$ 763,259</u>	<u>\$ 584,960</u>	<u>\$ 178,299</u>

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2021, 2022 and 2023 measurement dates was as follows:

	2024	2023
Proportionate share - June 30, 2021		-0.03237%
Proportionate share - June 30, 2022	0.00494%	0.00494%
Proportionate share - June 30, 2023	0.00819%	
Change	<u>0.00325%</u>	<u>0.03731%</u>

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

The following presents the District's proportionate share of the net pension liability of the miscellaneous plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rates that are one percentage point lower or one percentage point higher than the current rate, for fiscal year ended June 30, 2024 and 2023:

June 30, 2024	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's net pension liability (asset)	<u>\$ 1,207,986</u>	<u>\$ 409,387</u>	<u>\$ (247,929)</u>
June 30, 2023	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's net pension liability (asset)	<u>\$ 931,973</u>	<u>\$ 231,088</u>	<u>\$ (345,566)</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2022), the District net pension liability/(asset) was \$231,088. For the measurement period ending June 30, 2023, and June 30, 2022 (the measurement dates), the District incurred a pension expense (credit) of \$456,578 and \$1,039,783 respectively.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2024	
	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to the measurement date	\$ 122,932	\$ -
Difference in actual vs projected contributions	62,027	132,087
Changes in assumptions	24,717	-
Difference between expected and actual experience	17,669	-
Net difference between projected and actual earnings on pension plan investments	66,283	-
Changes in proportion	369,766	32,029
Totals	\$ 663,394	\$ 164,116

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$122,932 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ending June 30,	Amount
2025	\$ 205,430
2026	120,941
2027	48,073
2028	1,902
2029	-
Remaining	-

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

7. DEFINED BENEFIT PENSION PLAN (continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	<u>2023</u>	
	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Pension contributions subsequent to the measurement date	\$ 122,291	\$ -
Difference in actual vs projected contributions	150,636	96,625
Changes in assumptions	23,680	-
Difference between expected and actual experience	1,533	-
Net difference between projected and actual earnings on pension plan investments	42,329	-
Changes in proportion	<u>488,565</u>	<u>77,784</u>
Totals	<u>\$ 829,034</u>	<u>\$ 174,409</u>

The District reported \$122,291 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Payable to the Pension Plan

At June 30, 2024, the District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year then ended.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

8. OTHER POST-EMPLOYMENT BENEFITS

General Information about the Plan

Plan Description

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

Employees Covered by Benefit Terms

As of the June 30, 2023 valuation, the following current and former employees were covered by the benefit terms under the plan:

	<u>2024</u>
Active plan members	10
Retirees and beneficiaries receiving benefits	2
Separated plan members entitled to but not yet receiving benefits	<u>-</u>
Total	<u><u>12</u></u>

Benefits and Contributions

The contribution requirements of plan members and the District are established and may be amended by the District. Contributions are calculated using the alternative measurement method. The District contributes 100% of the retiree and dependent up to the current maximum cost of \$1,810 per month. For the fiscal year ended June 30, 2024, the District did not make any cash contributions to the trust. Other contributions included \$36,622 in unreimbursed benefits paid and \$30,563 in implicit contributions.

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Asset

The District's net OPEB asset was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2023. The data entered as economic assumptions and member data to calculate the actuarial present value of future benefits for each individual. This projection uses the assumed retirement age for members of the plan and the employer's portion of health insurance premiums for current retirees and spouses as a statistical base to forecast the cost of future benefits. The projections differentiate between members who are Medicare eligible and those who are not. Premiums are inflated using future insurance premium increase assumptions.

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

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

Discount rate	6.05%
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.05%
Mortality	CalPERS 2021 Experience Study
Pre-retirement turnover healthcare trend rate	10% and 6.8% for Pre and Post-Medicare, respectively in 2024 fluctuating down to an ultimate level of 3.9% by 2075.

Discount Rate

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

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

Asset class	Target allocation	Long-term expected rate of return
Global equity	49%	6.80%
Fixed income	23%	1.40%
Treasury inflation protected securities	5%	0.60%
Real estate investment trusts	20%	5.40%
Commodities	3%	3.20%
	100%	

Changes in the Net OPEB Asset

The changes in the net OPEB asset for the Plan are as follows as of June 30, 2024:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2023 (Valuation Date June 30, 2023)	\$ 621,657	\$ 657,590	\$ (35,933)
Changes recognized for the measurement period:			
Service cost	32,707	-	32,707
Interest	37,557	-	37,557
Expected Investment Income	-	39,774	(39,774)
Contributions - employer	-	67,185	(67,185)
Investment experience	-	32,432	(32,432)
Benefit payments	(67,185)	(67,185)	-
Administrative expenses	-	(334)	334
Net Changes	3,079	71,872	(68,793)
Balance at June 30, 2024 (Measurement Date June 30, 2024)	\$ 624,736	\$ 729,462	\$ (104,726)

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

The changes in the net OPEB asset for the Plan are as follows as of June 30, 2023:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2022 (Valuation Date June 30, 2022)	\$ 508,716	\$ 553,877	\$ (45,161)
Changes recognized for the measurement period:			
Service cost	28,640	-	28,640
Interest	32,752	-	32,752
Contributions - employer	-	134,724	(134,724)
Net investment income	-	38,196	(38,196)
Assumption changes	55,864	-	55,864
Plan experience	(82,450)	-	(82,450)
Investment experience	145,079	(1,986)	147,065
Benefit payments	(66,944)	(66,944)	-
Administrative expenses	-	(277)	277
Net Changes	112,941	103,713	9,228
Balance at June 30, 2023 (Measurement Date June 30, 2023)	\$ 621,657	\$ 657,590	\$ (35,933)

The following presents the net OPEB asset of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024 and 2023:

<u>2024</u>	<u>Discount rate -1%</u>	<u>Assumed discount rate</u>	<u>Discount rate +1%</u>
Net OPEB liability/(asset)	<u>\$ (60,702)</u>	<u>\$ (104,726)</u>	<u>\$ (144,588)</u>
<u>2023</u>	<u>Discount rate -1%</u>	<u>Assumed discount rate</u>	<u>Discount rate +1%</u>
Net OPEB liability/(asset)	<u>\$ 6,438</u>	<u>\$ (35,933)</u>	<u>\$ (74,309)</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

The following presents the net OPEB asset of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024 and 2023:

2024	Healthcare cost trend -1%	Healthcare cost trend assumed	Healthcare cost trend +1%
Net OPEB liability/(asset)	<u>\$ (150,587)</u>	<u>\$ (104,726)</u>	<u>\$ (51,451)</u>
2023	Healthcare cost trend -1%	Healthcare cost trend assumed	Healthcare cost trend +1%
Net OPEB liability/(asset)	<u>\$ (81,568)</u>	<u>\$ (35,161)</u>	<u>\$ 17,079</u>

Net OPEB Plan Fiduciary Net Position

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

Changes in Assumptions

There were no assumption changes in 2024.

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

8. OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Expense Related to Net OPEB Asset

For the fiscal year ended June 30, 2024 and 2023, the District recognized OPEB expense of \$31,425 and \$173,157 respectively. As of fiscal year ended June 30, 2024 and June 30, 2023, the District reported the following deferred outflows/inflows of resources related to its Net OPEB Asset:

2024	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 151,328	\$ -
Differences between expected and actual experience	-	162,613
Net difference between projected and actual earnings on investments	5,041	-
Total	\$ 156,369	\$ 162,613
2023	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 181,604	\$ -
Differences between expected and actual experience	-	192,867
Net difference between projected and actual earnings on investments	38,052	-
Total	\$ 219,656	\$ 192,867

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

Fiscal year ending June 30,	Amount
2025	\$ (1,705)
2026	19,366
2027	(6,066)
2028	(6,466)
2029	(4,114)
Thereafter	(7,259)

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

9. LEASE AGREEMENTS

Royalties

The District is the lessor in various lease agreements, providing for the excavation and removal of rock, gravel, sand, and other materials from District property. Monthly payments are generally based on tonnage of materials removed, subject to annual minimum royalties of \$550,000. In fiscal year ended June 30, 2024, the District and a lessee entered into a temporary agreement to provide one of the lessees a credit towards annual minimum royalties of \$190,773.

Leases Receivable

On July 1, 2021, the District entered into various leases as Lessor for the use of the Redlands Plaza ranging from 32 months to 98 months. An initial lease receivable was recorded in the amount of \$700,754. As of June 30, 2024, the value of the lease receivable is \$522,421. The lessees are required to make annual fixed payments of \$132,873. The leases have an interest rates ranging from 0.593% to 1.983%. The value of the deferred inflow of resources as of June 30, 2024 was \$467,993, and the District recognized lease revenue of \$135,963 during the fiscal year. The lessees have 1 extension option, ranging from 36 to 60 months.

On July 1, 2021, the District entered into a 360-month lease as Lessor for the use of the Cemex - Orange Street Plant Site. An initial lease receivable was recorded in the amount of \$972,121. As of June 30, 2024, the value of the lease receivable is \$905,430. The lessee is required to make annual fixed payments of \$48,000. The lease has an interest rate of 2.741%. The value of the deferred inflow of resources as of June 30, 2024 was \$863,266, and District recognized lease revenue of \$32,474 during the fiscal year.

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Lease Receivable				
Redlands Plaza	\$ 654,626	\$ -	\$ (132,205)	\$ 522,421
Cemex - Orange Street Site	928,272	-	(22,842)	905,430
Total Lease Receivable	<u>\$ 1,582,898</u>	<u>\$ -</u>	<u>\$ (155,047)</u>	<u>\$ 1,427,851</u>

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024
Deferred Inflow of Resources				
Redlands Plaza	\$ 603,956	\$ -	\$ (135,963)	\$ 467,993
Cemex - Orange Street Site	895,740	-	(32,474)	863,266
Total Deferred Inflow of Resources	<u>\$ 1,499,696</u>	<u>\$ -</u>	<u>\$ (168,437)</u>	<u>\$ 1,331,259</u>

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

10. LEASE AND SUBSCRIPTION LIABILITIES

The following amounts of lease/subscription liability were outstanding as of June 30, 2024:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Due within one year
Lease Liability	\$ 12,767	\$ -	\$ (3,598)	\$ 9,169	\$ 3,638
Subscription Liability	9,682	-	(4,789)	4,893	4,893
Total	\$ 22,449	\$ -	\$ (8,387)	\$ 14,062	\$ 8,531

Lease liability

On September 15, 2021, the District entered into a 63-month lease as Lessee for the use of a Xerox printer. An initial lease liability was recorded in the amount of \$17,113. As of June 30, 2024, the value of the lease liability is \$9,169. The District is required to make annual fixed payments of \$3,720. The lease has an interest rate of 1.10%. The value of the right to use asset as of June 30, 2024 of \$16,183 with accumulated amortization of \$8,477 is included with lease asset on the Capital assets note.

Subscription liability

On August 12, 2022, the District entered into a 36-month subscription for the use of ESRI - ArcGIS software. An initial subscription liability was recorded in the amount of \$14,368. As of June 30, 2024, the value of the subscription liability is \$4,893. The District is required to make annual fixed payments of \$5,000. The subscription has an interest rate of 2.18%. The value of the right to use asset as of June 30, 2024 of \$25,434 with accumulated amortization of \$19,108 is included with subscription asset on the Capital assets note.

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures and is a member of the ACWA Joint Powers Insurance Authority. The following is a summary of the insurance coverage carried by the District as of June 30, 2024:

- *General, Auto and Public Official Liability:* pooled self-insured up to \$5 million per claim with excess purchased insurance up to \$55 million. None of the policies has a deductible;
- *Property:* pooled self-insured up to \$10 million per claim with excess purchased insurance up to \$500 million. The property policy has a deductible of \$1,000 for real and personal property and mobile equipment. Licensed vehicles and trailers have a \$500 deductible. Boiler and machinery deductibles vary in accordance with the type of property;

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

11. RISK MANAGEMENT (continued)

- *Crime, Computer Fraud, Forgery, and Dishonesty Coverage: pooled self-insured up to \$100,000 per claim with a \$1,000 deductible;*
- *Workers' Compensation: pooled self-insured up to \$2 million per accident or employee by disease with excess from \$4 million to statutory requirements; and*
- *Cyber Liability: \$3 million per claim, \$5 million aggregate.*

12. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

The GASB has issued several pronouncements prior to June 30, 2024, that have effective dates that may impact future financial presentations.

GASB Statement No. 101 – Compensated Absences: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Statement No. 102, Certain Risk Disclosures: The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Statement No. 103, Financial Reporting Model Improvements: The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

Statement No. 104, Disclosure of Certain Capital Assets: The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

13. COMMITMENTS AND CONTINGENCIES

Litigation

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

San Bernardino Valley Water Conservation District
Notes to Financial Statements
For the year ended June 30, 2024

14. PRIOR PERIOD ADJUSTMENT

The Custodial fund's beginning net position for the year ended June 30, 2023, was restated to \$1,525,243 to present the assets and liabilities. This qualifies as a correction of error, under the guidance of GASB 100.

<u>Custodial Fund</u>	<u>Amount</u>
Net position, beginning of year 2023, as previously restated	\$ (2,119,186)
Error correction	<u>3,644,429</u>
Net position, beginning of year 2023, restated	<u><u>\$ 1,525,243</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Date	Employer's Proportion of the Collective Net Pension Liability (Asset) ¹	Employer's Proportionate Share of the Collective Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability (Asset) as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability (Asset)
6/30/2014	0.00892%	\$ 555,348	\$ 502,836	110.44%	83.03%
6/30/2015	0.01083%	743,026	553,862	134.15%	77.63%
6/30/2016	0.00239%	206,530	577,644	35.75%	93.94%
6/30/2017	0.00268%	266,161	689,423	38.61%	92.52%
6/30/2018	0.00248%	238,734	709,190	33.66%	93.48%
6/30/2019	0.00316%	324,184	758,985	42.71%	91.75%
6/30/2020	0.00387%	421,265	979,060	43.03%	90.14%
6/30/2021	-0.01137%	(614,710)	1,071,333	-57.38%	113.28%
6/30/2022	0.00200%	231,088	1,138,890	20.29%	95.51%
6/30/2023	0.00819%	409,387	1,141,439	35.87%	93.07%

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

San Bernardino Valley Water Conservation District
Schedule of Contributions – Pension Plan
Last 10 Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 52,231	\$ (52,231)	\$ -	\$ 553,862	9.43%
6/30/2016	88,829	(88,829)	-	577,644	15.38%
6/30/2017	69,418	(69,418)	-	689,423	10.07%
6/30/2018	69,728	(69,728)	-	709,190	9.83%
6/30/2019	78,252	(78,252)	-	758,985	10.31%
6/30/2020	119,349	(119,349)	-	979,060	12.19%
6/30/2021	146,727	(534,129)	(387,402)	1,071,333	13.70%
6/30/2022	137,480	(137,480)	-	1,138,890	12.07%
6/30/2023	122,291	(122,291)	-	1,141,439	10.71%
6/30/2024	122,932	(122,932)	-	1,211,721	10.15%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

San Bernardino Valley Water Conservation District
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last 10 Fiscal Years *

	Measurement period						
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability							
Service Cost	\$ 32,707	\$ 28,640	\$ 27,806	\$ 26,395	\$ 25,626	\$ 41,893	\$ 40,871
Interest	37,557	32,752	31,878	32,727	30,837	18,117	13,313
Plan experience	-	(82,450)	-	(50,909)	-	(165,000)	-
Changes in assumptions	-	55,864	-	6,665	-	245,741	-
Changes in benefit terms	-	145,079	-	-	-	-	-
Benefit payments	(67,185)	(66,944)	(27,195)	(31,485)	(24,824)	-	-
Net change in Total OPEB Liability	3,079	112,941	32,489	(16,607)	31,639	140,751	54,184
Total OPEB Liability - beginning	621,657	508,716	476,227	492,834	461,195	320,444	266,260
Total OPEB Liability - ending (a)	624,736	621,657	508,716	476,227	492,834	461,195	320,444
Plan Fiduciary Net Position							
Contribution - employer	67,185	134,724	27,195	31,485	168,356	218,507	37,767
Net investment income	72,206	36,210	(85,597)	137,991	15,439	22,971	4,900
Benefit payments	(67,185)	(66,944)	(27,195)	(31,485)	(24,824)	-	-
Administrative expenses	(334)	(277)	(311)	(282)	(184)	(126)	(35)
Net change in Plan Fiduciary Net Position	71,872	103,713	(85,908)	137,709	158,787	241,352	42,632
Plan Fiduciary Net Position - beginning	657,590	553,877	639,785	502,076	343,289	101,937	59,305
Plan Fiduciary Net Position - ending (b)	729,462	657,590	553,877	639,785	502,076	343,289	101,937
Net OPEB Liability (Asset) - ending (a) - (b)	\$ (104,726)	\$ (35,933)	\$ (45,161)	\$ (163,558)	\$ (9,242)	\$ 117,906	\$ 218,507
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	116.76%	105.78%	108.88%	134.34%	101.88%	74.43%	31.81%
Covered employee payroll	\$ 1,214,820	\$ 1,078,491	\$ 1,219,699	\$ 1,114,100	\$ 970,271	\$ 758,985	\$ 707,053
Net OPEB liability (asset) as a percentage of covered employee payroll	-8.62%	-3.33%	-3.70%	-14.68%	-0.95%	15.53%	30.90%

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

San Bernardino Valley Water Conservation District
Schedule of Contributions – OPEB
Last 10 Fiscal Years *

	Fiscal year						
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 33,092	\$ 23,051	\$ 22,508	\$ 22,311	\$ 43,693	\$ 54,851	\$ 37,767
Contributions in Relation to the Actuarially Determined Contribution	(67,185)	(134,724)	(27,195)	(31,485)	(168,356)	(218,507)	(37,767)
Contribution Deficiency (Excess)	<u>\$ (34,093)</u>	<u>\$ (111,673)</u>	<u>\$ (4,687)</u>	<u>\$ (9,174)</u>	<u>\$ (124,663)</u>	<u>\$ (163,656)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,214,820	\$ 1,078,491	\$ 1,219,699	\$ 1,114,100	\$ 970,271	\$ 758,985	\$ 707,053
Contributions as a Percentage of Covered Payroll	5.53%	12.49%	2.23%	2.83%	17.35%	28.79%	5.34%

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: None

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level % of payroll
Amortization period	30 years remain
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.05%
Mortality	CalPERS 2021 experience study
Pre-retirement turnover healthcare trend rate	10% / 6.8% Pre/Post- Medicare in 2024 fluctuating down to an ultimate level of 3.9% by 2075.
Mortality improvement	MacLeod Watts Scale 2022
Medical trend	Getzen model which was published by the Society of Actuaries.

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

SUPPLEMENTARY INFORMATION

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San Bernardino Valley Water Conservation District
Schedule of Operating Revenues and Expenses
For the year ended June 30, 2024 (with comparative data for 2023)

	<u>2024</u>	<u>2023</u>
Operating revenues		
Groundwater assessments		
Groundwater charge assessments - combined	\$ 1,680,218	\$ 1,513,837
Operating agreements		
Enhanced recharge agreement	479,961	464,629
Services to other agencies	-	36,000
	<u>2,160,179</u>	<u>2,014,466</u>
Operating expenses		
District operations		
Professional services	714,107	587,145
Field operations	665,781	168,252
Utilities	25,770	23,257
Salaries/staff	1,253,318	1,142,302
Benefits	774,795	1,323,797
Total District operations	<u>3,433,771</u>	<u>3,244,753</u>
Regional programs		
Regional programs LAFCO contribution	2,048	57
Total regional programs	<u>2,048</u>	<u>57</u>
General and administrative		
Directors' fees and expenses	93,360	101,264
Staff travel and education	49,007	27,825
Insurance	52,129	43,740
Other administrative	1,330,441	191,129
Total general and administrative	<u>1,524,937</u>	<u>363,958</u>
Total operating expenses	<u>4,960,756</u>	<u>3,608,768</u>
Operating income (loss) before depreciation and amortization	(2,800,577)	(1,594,302)
Depreciation expense	128,213	110,909
Amortization expense	11,561	11,560
	<u>139,774</u>	<u>122,469</u>
Total depreciation and amortization	<u>139,774</u>	<u>122,469</u>
Operating income (loss)	<u>\$ (2,940,351)</u>	<u>\$ (1,716,771)</u>

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REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

Independent Auditor's Report

Board of Directors
San Bernardino Valley Water Conservation District

PARTNERS

Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)
Terry P. Shea, CPA (Partner Emeritus)

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Evelyn Morentin-Barcena, CPA
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Bolim Han, CPA, MAcc
Anny Gonzalez, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the business-type activities and the fiduciary fund of the San Bernardino Valley Water Conservation District (District), and the related notes to the financial statements, and have issued our report thereon dated December 4, 2024.

Report on Internal Control over Financial Reporting

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

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



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

Report on Compliance and Other Matters

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

We noted certain matters that we have reported to management of the entity in a separate letter dated December 4, 2024.

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

December 4, 2024
San Bernardino, California



San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 2075

To: Board of Directors

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

Date: December 11, 2024

Subject: Temporary Restrictive Covenant and Equitable Servitude for Species Conservation for Wash Plan Covered Activity CRM.01 Aggregate Mining

RECOMMENDATION

Approve the temporary Restrictive Covenant and Equitable Servitude for Species Conservation, and authorize the General Manager and General Counsel to 1) append as Exhibit A thereto an appropriate legal description suitable to the District and the California Department of Fish and Wildlife (CDFW) for recording with the County Recorder, and 2) prepare a final Attachment C, Termination and Release of Restrictive Covenant and Equitable Servitude for Species Conservation, following the enclosed template acceptable to the District and CDFW.

BACKGROUND AND DISCUSSION

On July 8, 2020, the Board approved the Upper Santa Ana River Wash Habitat Conservation Plan (Wash Plan), a federal Habitat Conservation Plan which permits specified Covered Activities under the Federal Endangered Species Act (ESA). While the Wash Plan provides permits under the Federal ESA, additional Federal and State regulations apply to certain Wash Plan Covered Activities, which will require applicable permits prior to construction.

On April 28, 2020, the Wash Plan Task Force voted for the District to apply for permits for under the State Lake and Streambed Alteration Program (Fish and Game Code section 1602) and the California Endangered Species Act (Fish and Game Code section 2081) for most Wash Plan Covered Activities. To implement this request, the Board approved submission of a permit application and associated fees under the California Endangered Species Act (CESA) on December 9, 2020. Under this authorization, District staff prepared and submitted an initial and revised applications to CDFW on December 31, 2020, October 13, 2021, and December 21, 2021, followed by a site visit with CDFW staff on June 14, 2022. Unfortunately, CDFW was unable to issue a comprehensive CESA permit for all Wash Plan Covered Activities following these and other efforts; however, CDFW provided a draft CESA permit to Robertson’s Ready-Mix for a portion of their planned mining footprint on January 5, 2024, with a revised draft provided on May 30, 2024.

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BOARD OF DIRECTORS

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Division 2:
Mark Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

In order to support implementation of the draft CESA permit for Robertson's Ready-Mix, the Board approved the Amendment to 2003 Agreement with Robertson's Ready-Mix to include advanced transfer premises under the 1992 lease on January 10, 2024. In additional discussions since that time, CDFW and Robertson's Ready-Mix have requested that the District consider recordation of a temporary Restrictive Covenant and Equitable Servitude for Species Conservation (Exhibit A) on lands within the Wash Plan Preserve (Exhibit B) to allow Robertson's Ready-Mix to meet their CESA permit requirements 1) without the need for a \$7,595,100 bond and 2) to begin mining before the specific long-term conservation location is identified.

The proposed temporary Restrictive Covenant and Equitable Servitude for Species Conservation would be placed on land already obligated for conservation under the Wash Plan, which will also be used to meet CESA mitigation requirements. The Covenant would be placed over all applicable lands within the Wash Plan Preserve to allow CDFW to complete their required evaluation process to select 91.3 acres for long-term mitigation as required by Robertson's Ready-Mix's CESA permit, without delaying mining until this process is complete. After 91.3 acres within the larger Wash Plan Preserve is approved by CDFW as mitigation for the Robertson's Ready-Mix CESA permit, the temporary Covenant on the larger acreage will be removed, and a conservation easement(s) will be recorded on the 91.3 acres to allow this land to serve as mitigation for both the Wash Plan and CESA permits.

The District and the San Bernardino Valley Conservation Trust are supportive of efforts to begin mining expeditiously to support payment of the outstanding approximately \$4,000,000 from Robertson's Ready-Mix for the Wash Plan endowment and use of the \$5,000,000 previously provided by Robertson's Ready-Mix for mining to the District per the 1992 lease.

While there has been significant work on an expedited permit for a subset of the planned mining area in 2024, a comprehensive CESA permit for Wash Plan Covered Activities remains a critical objective of the District and Wash Plan Participating Entities. In an attempt to achieve this goal, the District applied for a Consistency Determination on July 2, 2024, which was denied on August 8, 2024. The District is currently conducting regular meetings with CDFW senior management from the region level and Sacramento in order to deliver this important outcome for our District and our partners.

Staff seeks Board feedback on this proposed action and direction on next steps, which include various options such as 1) approval of the form of the temporary Restrictive Covenant and Equitable Servitude for Species Conservation, with authorization of the General Manager and General Counsel to prepare the final documents including appropriate legal descriptions acceptable to the District and CDFW, 2) approval of the form of the temporary Covenant with direction to return to the Board for approval of the final documents following additional coordination with CDFW and receipt of the legal description, or 3) provide direction to return to the Board with specific revisions to the proposed approach and/or the form or language of the temporary Covenant.

FISCAL IMPACT

Approval of the recommended action would result in an expenditure of approximately \$15,000 to prepare legal descriptions and recording costs from GL 6006, Permits, much of which will be reimbursed per the Wash Plan Task Force vote to obtain State permits. Approval of the recommended item may also expedite receipt of approximately \$4,000,000 by the San Bernardino Valley

Conservation Trust into the Wash Plan endowment to fund Wash Plan requirements, some of which have been funded by a loan from the District to the Trust while these funds were outstanding. In addition, approval of the recommended item may also expedite the release of \$5,000,000 in previously paid mining royalties from Robertson's Ready-Mix to the District under the 1992 lease.

POTENTIAL MOTIONS

1. Approve the temporary Restrictive Covenant and Equitable Servitude for Species Conservation, and authorize the General Manager and General Counsel to 1) append as Exhibit A thereto an appropriate legal description suitable to the District and the California Department of Fish and Wildlife (CDFW) for recording with the County Recorder, and 2) prepare a final Attachment C, Termination and Release of Restrictive Covenant and Equitable Servitude for Species Conservation following the enclosed template acceptable to the District and CDFW.
2. Approve the form of the temporary Restrictive Covenant and Equitable Servitude for Species Conservation, and direct staff to return to the Board for approval of the final Covenant, attachments, and legal description.
3. Direct staff to prepare specific revisions to the proposed approach and/or the form or language of the temporary Covenant, and return to the Board for approval of the updated documents.

ATTACHMENTS

Restrictive Covenant and Equitable Servitude for Species Conservation
Map of Wash Plan Preserve

RECORDING REQUESTED BY AND)
 WHEN RECORDED MAIL TO:)
)
 San Bernardino Valley Water)
 Conservation District)
 1630 West Redlands Boulevard)
 Suite A)
 Redlands, CA 92373)
 Attn: Land Resources Manager)
)
)
)
)
)
 WITH COPY TO:)
)
 State of California)
 Department of Fish and Wildlife)
 Habitat Conservation Planning Branch)
 1010 Riverside Parkway)
 West Sacramento, CA 95605)

Free Recording Requested under Government Code Section 6103
 Space Above Line for Recorder's Use Only

RESTRICTIVE COVENANT AND EQUITABLE SERVITUDE
FOR SPECIES CONSERVATION
(Including Third-Party Beneficiary)

THIS RESTRICTIVE COVENANT AND EQUITABLE SERVITUDE FOR SPECIES CONSERVATION ("Covenant") is dated and effective as of _____, 2024, by the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT ("Declarant"), with reference to the following facts:

RECITALS

A. Declarant is the sole owner in fee simple of certain real property containing approximately *[insert number]* acres of land, located in the County of San Bernardino, State of California, designated Assessor's Parcel Number(s) _____ ("Property"). The Property is legally described and depicted in Exhibit A attached to this Covenant and incorporated in it by this reference.

B. The Property is in an unimproved natural condition and possesses wildlife and

habitat values of great importance to the people of the State of California. The Property provides high quality habitat for the following species: Santa Ana River woollystar (*Eriastrum densifolium* ssp. *sanctorum*) [Endangered]; slender-horned spineflower (*Dodecahema leptoceras*) [Endangered]; and San Bernardino Kangaroo Rat (*Dipodomys merriami parvus*) [Endangered] (collectively, the “Covered Species”), and contains habitat quality and characteristics appropriate for the support and potential recovery of the Covered Species. Individually and collectively, these wildlife and habitat values comprise the “Conservation Values” of the Property.

C. The California Department of Fish and Wildlife (“CDFW”) has jurisdiction, pursuant to Fish and Game Code section 1802, over the conservation, protection, and management of fish, wildlife, native plants and the habitat necessary for biologically sustainable populations of those species.

E. This Covenant provides mitigation for certain impacts of [*describe project*] located within the City of Redlands, San Bernardino County, State of California, pursuant to [California Endangered Species Act Incidental Take Permit No. 2081-2020-060-06, issued to Robertson’s Ready Mix, Ltd. (“Permittee”) dated _____ (the “ITP”).

F. Declarant and CDFW intend for this Covenant to restrict use of the Property until a conservation easement approved by CDFW and in substantially the same form as what appears in Exhibit B, is granted over some two hundred (200) acres of the Property, as may be approved by Declarant and CDFW as fulfilling Condition 9 of the ITP (the “CE Property”). The CE Property will be taken from the larger Property, once its biological characteristics and condition of title are reviewed and accepted by CDFW as meeting the requirements of Condition 9 of the ITP, and once the conditions of the Declarant regarding compensation from the Permittee are resolved.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

In consideration of the above recitals and the covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of California, including Civil Code Section 815 et seq., Declarant hereby declares the Property and every part thereof or interest therein, is now and shall hereafter for the duration of this Covenant be held, transferred, conveyed, leased, occupied or otherwise disposed of, and used subject to the following restrictive covenants (and incorporating the above recitals herein by this reference), which shall run with the land, and be binding on Declarant’s successors in interest, administrators, assigns, lessees, or other occupiers and users of the Property, or any portion of such sites.

1. Purposes. The purposes of this Covenant are to ensure the Property will be retained in its natural, restored, or enhanced condition and to prevent any use of the Property that will impair or interfere with the Conservation Values of the Property until a conservation easement is granted over the CE Property. Declarant intends that this Covenant will confine the use of the Property to activities that are consistent with such purposes, including, without limitation, those involving the preservation, restoration, and enhancement of native species and their habitats.

2. CDFW's Rights. To accomplish the purposes of this Covenant, Declarant hereby grants and conveys the following rights to CDFW as a third-party beneficiary of this Covenant:

- (a) To preserve and protect the Conservation Values of the Property;
- (b) To enter the Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Covenant, and for scientific research by CDFW or its designees, provided that CDFW not shall unreasonably interfere with Declarant's authorized use and quiet enjoyment of the Property;
- (c) To prevent any activity on or use of the Property that is inconsistent with the purposes of this Covenant and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purposes of this Covenant;
- (d) To require that all mineral, air, and water rights as CDFW deems necessary to preserve, protect, and sustain the biological resources and Conservation Values of the Property shall remain a part of and be put to beneficial use upon the Property, consistent with the purposes of this Covenant; and
- (e) All present and future development rights appurtenant to, allocated, implied, reserved or inherent in the Property; such rights are hereby terminated and extinguished, and may not be used on or transferred to any portion of the Property, nor any other property adjacent or otherwise.

3. Prohibited Uses. Any activity on or use of the Property that is inconsistent with the purposes of this Covenant is prohibited. Without limiting the generality of the foregoing, the following uses and activities by Declarant, Declarant's agents, and third parties are expressly prohibited:

- (a) Unseasonable watering; use of chemical fertilizers, pesticides, biocides, herbicides, rodenticides, fungicides or other agents; weed abatement activities; incompatible fire protection activities; and any and all other activities and uses which may adversely affect the Conservation Values of the Property or otherwise interfere with the purposes of this Covenant;
- (b) Use of off-road vehicles and use of any other motorized vehicles except on existing roadways;
- (c) Agricultural activity of any kind;
- (d) Recreational activities including, but not limited to, horseback riding, biking, hunting or fishing;
- (e) Commercial, industrial, institutional, or residential structures or uses;
- (f) Any legal or de facto division, subdivision, or partitioning of the Property, including a request for a certificate of compliance pursuant to the Subdivision Map Act (Gov. Code section 66499.35);
- (g) Construction, reconstruction, expansion, location, relocation, installation, or placement of any building, billboard or sign, or any other structure or improvement of any kind;

- (h) Deposit or accumulation of soil, trash, ashes, refuse, waste, bio-solids, or any other materials;
- (i) Planting, introduction, or dispersion of non-native or exotic plant or animal species;
- (j) Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sands, gravel, rocks, or other material on or below the surface of the Property, or granting or authorizing surface entry for any such purpose;
- (k) Altering the surface or general topography of the Property, including building roads or trails, or paving or otherwise covering any portion of the Property;
- (l) Removing, disturbing, altering, destroying, or cutting of trees, shrubs or other vegetation, except as required by law and in conformance with a management plan approved by CDFW for (1) fire breaks, (2) maintenance of existing foot trails or roads, or (3) prevention or treatment of disease;
- (m) Manipulating, impounding, or altering any natural water course, body of water or water circulation on the Property, and activities or uses detrimental to water quality, including but not limited to degradation or pollution of any surface or sub-surface waters;
- (n) Without the prior written consent of CDFW, which CDFW may withhold, transferring, encumbering, selling, leasing, or otherwise separating the mineral, air, or water rights for the Property; changing the place or purpose of use of the water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, groundwater rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (1) riparian water rights; (2) appropriative water rights; (3) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (4) any water from wells that are in existence or may be constructed in the future on the Property; and
- (o) Any activity or use that may violate or fail to comply with relevant federal, state, or local laws, regulations, or policies applicable to Declarant, the Property, or the activity or use in question.

4. Declarant's Duties. Declarant shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Property. In addition, Declarant shall undertake all necessary actions to perfect the rights of CDFW under Section 2 of this Covenant.

5. Reserved Rights. Declarant reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from its ownership of the Property, including the right to engage in or to permit or invite others to engage in all uses of the Property that are not expressly prohibited or limited by, and are consistent with the purposes of, this Covenant.

6. CDFW's Remedies.

(a) If CDFW determines that a violation of the terms of this Covenant has occurred or is threatened, CDFW shall give written notice to Declarant of such violation and

demand in writing the cure of such violation ("Notice of Violation"). Notice shall be provided in accordance with Section 19 of this Covenant.

(b) If Declarant fails to cure the violation within fifteen (15) days after receipt of the Notice of Violation, or if the cure reasonably requires more than fifteen (15) days to complete and Declarant fails to begin the cure within the fifteen (15)-day period or fails to continue diligently to complete the cure, CDFW may bring an action at law or in equity in a court of competent jurisdiction for any or all of the following: to recover any damages to which CDFW may be entitled for violation of the terms of this Covenant or for any injury to the Conservation Values of the Property; to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies; to pursue any other legal or equitable relief, including, but not limited to, the restoration of the Property to the condition in which it existed prior to any such violation or injury; or to otherwise enforce this Covenant. Without limiting the liability of Declarant, CDFW may apply any damages recovered to the cost of undertaking any corrective action on the Property.

(c) If CDFW, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate injury to the Conservation Values of the Property, CDFW may pursue its remedies under this Covenant without prior notice to Declarant or without waiting for the period provided for cure to expire. CDFW's rights under this section apply equally to actual or threatened violations of the terms of this Covenant.

(d) Declarant agrees that CDFW's remedies at law for any violation of the terms of this Covenant are inadequate and that CDFW shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which CDFW may be entitled, including specific performance of the terms of this Covenant, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. CDFW's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in Civil Code section 815, *et seq.*

(e) If at any time in the future Declarant or any subsequent transferee uses or threatens to use the Property for purposes inconsistent with this Covenant then, despite the provisions of Civil Code section 815.7, the California Attorney General, any person and any entity with a justiciable interest in the preservation of this Covenant has standing as an interested party in any proceeding affecting this Covenant.

7. Costs of Enforcement. Declarant shall bear all costs incurred by CDFW, where it is a prevailing party in enforcing the terms of this Covenant against Declarant. These costs include, but are not limited to, the following: costs of suit and attorneys' and experts' fees, and any costs for restoration necessitated by Declarant's negligence or breach of this Covenant.

8. Discretion of CDFW. Enforcement of the terms of this Covenant by CDFW shall be at its discretion, and any forbearance by CDFW to exercise its rights under this Covenant in the event of any breach of any term of this Covenant shall not be deemed or construed to be a waiver by CDFW of such term or of any subsequent breach of the same or any other term of this Covenant or of any rights of CDFW under this Covenant. No delay or omission by CDFW in

the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

9. Acts Beyond Declarant's Control. Nothing contained in this Covenant shall be construed to entitle CDFW to bring any action against Declarant for any injury to or change in the Property resulting from (i) any natural cause beyond Declarant's control, including, without limitation, fire not caused by Declarant, flood, storm, and earth movement, or any prudent action taken by Declarant under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes; or (ii) acts by CDFW or its employees.

10. Access. This Covenant does not convey a general right of access to the public.

11. Costs and Liabilities. Declarant retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Declarant agrees that CDFW shall have no duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Declarant, the public or any third parties from risks relating to conditions on the Property. Declarant remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use permitted by this Covenant, including those required from CDFW acting in its regulatory capacity, and any activity or use shall be undertaken in accordance with all applicable federal, state, local and administrative agency statutes, codes, ordinances, rules, regulations, orders, and requirements.

12. Taxes; No Liens. Declarant shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Covenant, and shall furnish CDFW with satisfactory evidence of payment upon request. Declarant shall keep the Property free from any liens (other than a security interest that is expressly subordinate to this Covenant as provided in Section 19(j)), including those arising out of any obligations incurred by Declarant for any labor or materials furnished or alleged to have been furnished to or for Declarant at or for use on the Property.

13. Hold Harmless. Declarant shall hold harmless, protect, and indemnify CDFW and its directors, officers, employees, agents, contractors and representatives, and the heirs, personal representatives, successors and assigns of each of them (each a "CDFW Indemnified Party" and, collectively, "CDFW's Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), arising from or in any way connected with: (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except that this indemnification shall be inapplicable to CDFW's Indemnified Parties with respect to any Claim due solely to the negligence of CDFW; (2) the obligations specified in Sections 4, 11, and 12, and (3) the existence or administration of this Covenant. If any action or proceeding is brought against any of the CDFW's Indemnified Parties by reason of any such Claim, Declarant shall, at the election of and upon written notice from CDFW, defend such action or proceeding by counsel reasonably acceptable to the CDFW Indemnified Party or reimburse

CDFW for all charges incurred for services of the California Attorney General in defending the action or proceeding.

14. Extinguishment or Termination.

(a) If circumstances arise in the future that render the purposes of this Covenant impossible to accomplish, then except as provided in Section 14(b) of this Covenant, this Covenant can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

(b) This Covenant shall automatically terminate if a conservation easement in substantially the same form as what appears in Exhibit B is approved by CDFW, granted over the CE Property and is recorded in the County in which the CE Property is located.

(c) If this Covenant is terminated under Section 14(b) of this Covenant, then Declarant shall sign and record a termination and release of restrictive covenant in substantially the same form as what appears in Exhibit C.

15. Condemnation. Pursuant to Code of Civil Procedure section 1240.055, this Covenant is “property appropriated to public use,” as used in Article 6 (commencing with section 1240.510) and Article 7 (commencing with section 1240.610) of Chapter 3 of Title 7 of the Code of Civil Procedure. A person authorized to acquire property for public use by eminent domain shall seek to acquire the Property, if at all, *only* as provided in Code of Civil Procedure section 1240.055. CDFW is a public entity that imposed conditions on approval of a project that were satisfied, in whole or in part, by the creation of this Covenant.

16. Transfer of Property. Declarant agrees that during the effective period of this Covenant, it will not transfer the Property, or any interest in the Property, without the prior written consent of CDFW. Declarant also agrees to incorporate the terms of this Covenant by reference in any deed or other legal instrument by which Declarant divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Declarant further agrees to give written notice to CDFW of the intent to transfer any interest at least sixty (60) days prior to the date of such transfer. CDFW shall have the right to prevent subsequent transfers in which prospective subsequent claimants or transferees are not given notice of the terms, covenants, conditions, and restrictions of this Covenant. The failure of Declarant or CDFW to perform any act provided in this section shall not impair the validity of this Covenant or limit its enforceability in any way.

17. Notices. Any notice, demand, request, consent, approval, or other communication that any party desires or is required to give to the other party shall be in writing and be served personally or sent by recognized overnight courier that guarantees next-day delivery or by first class United States mail, postage fully prepaid, and addressed as follows:

To Declarant: San Bernardino Valley Water Conservation District
1630 West Redlands Boulevard, Suite A
Redlands, CA 92373
Attn: General Manager

To CDFW: California Department of Fish and Wildlife
Inland Deserts Region

3602 Inland Empire Boulevard, Suite C-220
Ontario, CA 91764
Attn: Regional Manager

Copy to: Department of Fish and Wildlife
Office of the General Counsel
PO Box 944209
Sacramento, California 94244-2090
Attn: General Counsel

or to such other address as Declarant or CDFW shall designate by written notice to the other party. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

18. Amendment. Declarant may not amend this Covenant except with the prior written approval from CDFW. Any such amendment shall be consistent with the purposes of this Covenant and California law governing Covenants and shall not affect its duration. Any such amendment shall be recorded in the Official Records of the county in which the Property is located.

19. Additional Provisions.

(a) Controlling Law. The interpretation and performance of this Covenant shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such state.

(b) Liberal Construction. Despite any general rule of construction to the contrary, this Covenant shall be liberally construed to accomplish the purposes of this Covenant and the policy and purpose of Civil Code section 815, *et seq*. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Covenant that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If a court of competent jurisdiction voids or invalidates on its face any provision of this Covenant, such action shall not affect the remainder of this Covenant. If a court of competent jurisdiction voids or invalidates the application of any provision of this Covenant to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(d) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Covenant and supersedes all prior discussions, negotiations, understandings, or agreements of the parties relating to the Covenant. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 18.

(e) No Forfeiture. Nothing contained in this Covenant will result in a forfeiture or reversion of Declarant's title in any respect.

(f) Successors. The covenants, terms, conditions, and restrictions of this Covenant shall be binding upon, and inure to the benefit of, the parties and their respective

personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property.

(g) Termination of Rights and Obligations. All parties' rights and obligations under this Covenant terminate upon the recordation of a conservation easement, in substantially the form attached as Exhibit B, on the CE Property. In the event no such Conservation Easement is recorded on the CE Property, a party's rights, and obligations under this Covenant terminate upon the approved transfer of the party's interest in the Covenant or Property, except that liability for acts, omissions, or breaches occurring prior to transfer shall survive transfer.

(h) Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(i) No Hazardous Materials Liability.

(1) Declarant represents and warrants to CDFW that it has no knowledge or notice of any Hazardous Materials (defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Declarant under Section 13 of this Covenant, Declarant hereby releases and agrees to indemnify, protect and hold harmless the CDFW's Indemnified Parties (each as defined in Section 13) from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from, or about, or otherwise associated with the Property at any time, except that this indemnification shall be inapplicable to the CDFW's Indemnified Parties with respect to any Hazardous Materials placed, disposed, or released by CDFW. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of, or other failure to comply with, any Environmental Laws (defined below). If any action or proceeding is brought against any of the CDFW's Indemnified Parties by reason of any such Claim, Declarant shall, at the election of and upon written notice from CDFW, defend such action or proceeding by counsel reasonably acceptable to the CDFW Indemnified Party or reimburse CDFW for all charges incurred for services of the California Attorney General in defending the action or proceeding.

(3) Despite any contrary provision of this Covenant, the parties do not intend this Covenant to be, and this Covenant shall not be, construed such that it creates in or gives to CDFW any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. section 9601, *et seq.*; hereinafter, "CERCLA"); or

(B) The obligations or liabilities of a person described in 42 U.S.C. section 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws; or

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Declarant's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(4) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive, or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, *et seq.*; hereinafter "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. section 5101, *et seq.*; hereinafter "HTA"); the Hazardous Waste Control Law (Health & Saf. Code section 25100, *et seq.*; hereinafter "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Saf. Code section 25300, *et seq.*; hereinafter "HSA"), and in the regulations adopted and publications promulgated pursuant to them, or any other applicable Environmental Laws now in effect or enacted after the date of this Covenant.

(5) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, local or administrative agency statute, code, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Declarant represents, warrants and covenants to CDFW that activities upon and use of the Property by Declarant, its agents, employees, invitees, and contractors will comply with all Environmental Laws.

(j) Warranty. Declarant represents and warrants that Declarant is the sole owner of fee simple title to the Property; and that except as has been previously disclosed to CDFW by way of Declarant providing a preliminary title report to CDFW, the Property is not subject to any other Covenant; and there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Covenant and which have not been expressly subordinated to this Covenant by a written, recorded Subordination Agreement approved by CDFW.

(k) Additional Easements. Declarant shall not grant any additional easements, rights of way, or other interests in the Property (other than a security interest that is expressly subordinated to this Covenant), or grant, transfer, abandon, or relinquish (each a "Transfer") any mineral, air, or water right, or any water associated with the Property, without first obtaining the written consent of CDFW. CDFW may withhold such consent if it determines that the proposed interest or Transfer is inconsistent with the purposes of this Covenant or may impair or interfere with the Conservation Values of the Property. This section shall not limit the provisions of Sections 2(d) or 3(n), nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Covenant and complies with Section 16. Declarant shall provide a certified copy of any recorded or unrecorded grant or Transfer document to CDFW.

(l) Recording. Declarant shall record this Covenant in the Official Records of the county in which the Property is located, and CDFW may re-record it at any time as it deems necessary to preserve its rights in this Covenant.

(m) Exhibits. The following Exhibit(s) referenced in this Covenant are attached to and incorporated by reference in this Covenant:

EXHIBIT A – Legal Description and Map of Property

EXHIBIT B – Form of Conservation Easement

EXHIBIT C – Termination and Release of Covenant

IN WITNESS WHEREOF Declarant has executed this Covenant as of the day and year first above written.

DECLARANT:

[Insert full legal name of Declarant]

BY: _____

NAME: _____

TITLE: _____

DATE: _____

[NOTE: ATTACH EXHIBIT(S) AND FORM OF NOTARY ACKNOWLEDGMENT]

EXHIBIT A – Legal Description and Map of Property

In Preparation

EXHIBIT B

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

San Bernardino Valley Conservation Trust
1630 West Redlands Boulevard Suite A
Redlands, Ca 92373
Attn: Executive Officer

WITH A COPY TO:

State of California
Department of Fish and Wildlife
Habitat Conservation Planning Branch
Post Office Box 944209
Sacramento, CA 94244-2090
Attn: Sr. Land Agent

Space Above for Recorder’s Use Only

**CONSERVATION EASEMENT DEED
(Including Third-Party Beneficiary)**

THIS CONSERVATION EASEMENT DEED (“Conservation Easement”) is made as of _____, 2024, by the San Bernardino Valley Water Conservation District (“Grantor”), in favor of the San Bernardino Valley Conservation Trust (“Grantee”), with reference to the following facts:

RECITALS

A. Grantor is the sole fee owner of certain real property containing approximately [*insert acreage*] acres of land, located in the County of San Bernardino State of California, consisting of a portion of the property designated Assessor’s Parcel Number(s) [*insert APN*] (“Property”). The Property is legally described and depicted in Exhibit A attached to this Conservation Easement, and incorporated in it by this reference. The Property is depicted in the map shown as Exhibit B attached to this Conservation Easement, and incorporated in it by this reference.

B. The Property is in an unimproved natural condition and possesses wildlife and habitat values of great importance to Grantee, the California Department of Fish and Wildlife (“CDFW”), and the people of the State of California. The Property provides high quality habitat

for the San Bernardino Kangaroo Rat and contains Riversidean alluvial fan sage scrub habitat. Collectively, these wildlife and habitat values comprise the "Conservation Values" of the Property.

C. Grantee is authorized to hold conservation easements pursuant to Civil Code section 815.3. Specifically, Grantee is a tax-exempt nonprofit organization qualified under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and qualified to do business in California which has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open-space condition or use.

D. CDFW has jurisdiction, pursuant to Fish and Game Code section 1802, over the conservation, protection, and management of fish, wildlife, native plants, and the habitat necessary for biologically sustainable populations of those species, and CDFW is authorized to hold conservation easements for these purposes pursuant to Civil Code section 815.3, Fish and Game Code section 1348, and other provisions of California law.

E. This Conservation Easement provides mitigation for certain impacts of the [describe Project] ("Project"). The Project is located in the County of San Bernardino, State of California. Such mitigation is pursuant to *California Endangered Species Act Incidental Take Permit No. 2081-[enter permit number and name], dated [date] (the "ITP")*. The Permittee of the ITP is the [name of Permittee] ("Permittee").

F. .

Grantor's management of the Property shall be subject to the LMPT, a copy of which is incorporated herein by this reference. The LMPT may be amended without amending this Conservation Easement. The LMPT shall not replace, modify, or amend any of the terms, covenants, or conditions of this Conservation Easement. Except as expressly set forth in this Conservation Easement, in the event of any inconsistencies the Conservation Easement shall govern over the LMPT. Final approved copies of the LMPT and any amendments thereto shall be kept on file at the respective offices of CDFW. If Grantee or Permittee or any of their successors or assigns, requires an official copy of the LMPT or any amendment, it should request a copy from one of these agencies at its address for notices listed in Section 22 of this Conservation Easement.

COVENANTS, TERMS, CONDITIONS AND RESTRICTIONS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to California law, including Civil Code section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity over the Property.

1. Purposes. The purposes of this Conservation Easement are to ensure the Property will be retained forever in its natural, restored, or enhanced condition and to prevent any use of the Property that will impair or interfere with the Conservation Values of the Property. Grantor intends that this Conservation Easement will confine the use of the Property to activities that are consistent with such purposes, including, without limitation, those involving the

preservation, restoration, and enhancement of native species and their habitats.

2. Grantee's Rights. To accomplish the purposes of this Conservation Easement, Grantor hereby grants and conveys the following rights to Grantee and to CDFW as a third-party beneficiary of this Conservation Easement:

- (a) To preserve and protect the Conservation Values of the Property;
- (b) To enter the Property at reasonable times and upon reasonable notice, not less than forty eight (48) hours except in cases of emergency, and at access points designated by Grantor, in order to access the Property to monitor compliance with and otherwise enforce the terms of this Conservation Easement, and for scientific research and interpretive purposes by Grantee or its designees and CDFW or its designees, provided that neither Grantee nor CDFW shall unreasonably interfere with Grantor's authorized use and quiet enjoyment of the Property consistent with the terms of this Conservation Easement;
- (c) To prevent any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity that is inconsistent with the purposes of this Conservation Easement;
- (d) To require that all mineral, air and water rights as Grantee or CDFW deems necessary to preserve, protect, and sustain the biological resources and Conservation Values of the Property shall remain a part of and be put to beneficial use upon the Property, consistent with the purposes of this Conservation Easement; and
- (e) All present and future development rights appurtenant to, allocated, implied, reserved or inherent in the Property; such rights are hereby terminated and extinguished, and may not be used on or transferred to any portion of the Property, nor any other property adjacent or otherwise.
- (f) To implement land management in a manner consistent with the LMPT, in order to support integrated management across conserved landscapes, including habitat modifications, maintenance, monitoring, and reporting, as well as prevention of trespass or encampment on the Property.

3. Prohibited Uses. Any activity on or use of the Property that is inconsistent with the purposes of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following uses and activities by Grantor, Grantor's agents, and third parties are expressly prohibited:

- (a) Unseasonable watering; use of chemical fertilizers, pesticides, biocides, herbicides, rodenticides, fungicides or other agents; weed abatement activities; incompatible fire protection activities; and any and all other activities and uses which may adversely affect the Conservation Values of the Property or otherwise interfere with the purposes of this Conservation Easement;
- (b) Use of off-road vehicles and use of any other motorized vehicles except on existing roadways;
- (c) Agricultural activity of any kind, except such grazing activities as may be authorized for weed and non-native plant control under the LTMP;

- (d) Recreational activities including, but not limited to, horseback riding, biking, except such activities as are consistent with the purposes of this Conservation Easement and carried out in accordance with the LTMP;
- (e) Commercial, industrial, institutional, or residential structures or uses;
- (f) Any legal or de facto division, subdivision or partitioning of the Property, including a request for a certificate of compliance pursuant to the Subdivision Map Act (Gov. Code section 66499.35);
- (g) Construction, reconstruction, expansion, location, relocation, installation, or placement of any building, billboard or sign, or any other structure or improvement of any kind;
- (h) Deposit or accumulation of soil, trash, ashes, refuse, waste, bio-solids or any other materials;
- (i) Planting, introduction, or dispersion of non-native or exotic plant or animal species;
- (j) Filling, dumping, excavating, draining, dredging, mining, drilling, removing or exploring for or extracting minerals, loam, soil, sands, gravel, rocks or other material on or below the surface of the Property, or granting or authorizing surface entry for any such purpose;
- (k) Altering the surface or general topography of the Property, including building roads or trails, or paving or otherwise covering any portion of the Property;
- (l) Removing, disturbing, altering, destroying, or cutting of trees, shrubs or other vegetation, except as required by law and in conformance with the LMPT for (1) fire breaks, (2) maintenance of existing foot trails or roads, or (3) prevention or treatment of disease;
- (m) Except as may be permitted under the LMPT or an approved water management plan, manipulating, impounding or altering any natural water course, body of water or water circulation on the Property, and activities or uses detrimental to water quality, including but not limited to degradation or pollution of any surface or sub-surface waters;
- (n) Without the prior written consent of Grantee and CDFW, which Grantee and CDFW each may withhold in the exercise of reasonable discretion, transferring, encumbering, selling, leasing, or otherwise separating the mineral, air, or water rights for the Property; changing the place or purpose of use of the water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (1) riparian water rights; (2) appropriative water rights; (3) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (4) any water from wells that are in existence or may be constructed in the future on the Property; and
- (o) Any activity or use that may violate or fail to comply with relevant federal, state, or local laws, regulations, or policies applicable to Grantor, the Property, or the activity or use in question.

4. Grantor's Duties. Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Property. In addition, Grantor shall undertake all necessary actions to perfect the rights of Grantee and CDFW under Section 2 of this Conservation Easement.

5. Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from its ownership of the Property, including the right to engage in or to permit or invite others to engage in all uses of the Property that are not expressly prohibited or limited by, and are consistent with the purposes of, this Conservation Easement.

6. Grantee's Remedies.

(a) CDFW, as a third-party beneficiary of this Conservation Easement, shall have the same rights and remedies as Grantee under this Section 6. If Grantee determines that a violation of the terms of this Conservation Easement has occurred or is threatened, Grantee shall give written notice to Grantor of such violation and demand in writing the cure of such violation ("Notice of Violation"). At the time of giving any such notice, Grantee shall give a copy of the notice to CDFW (or, if CDFW gives a Notice of Violation it shall also give a copy of the notice to Grantee). Notice shall be provided in accordance with Section 20 of this Conservation Easement.

(b) If Grantor fails to cure the violation within thirty (30) days after receipt of the Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and Grantor fails to begin the cure within the thirty (30)-day period or fails to continue diligently to complete the cure, Grantee may bring an action at law or in equity in a court of competent jurisdiction for any or all of the following: to recover any damages to which Grantee may be entitled for violation of the terms of this Conservation Easement or for any injury to the Conservation Values of the Property; to enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies; to pursue any other legal or equitable relief, including, but not limited to, the restoration of the Property to the condition in which it existed prior to any such violation or injury; or to otherwise enforce this Conservation Easement. Without limiting the liability of Grantor, Grantee may apply any damages recovered to the cost of undertaking any corrective action on the Property.

(c) If Grantee, in its sole discretion, determines that emergency or urgent circumstances require immediate action to prevent or mitigate immediately threatened injury to the Conservation Values of the Property, Grantee may pursue its remedies under this Conservation Easement without prior notice to Grantor or without waiting for the period provided for cure to expire. The Grantor's rights under this section apply equally to actual or threatened violations of the terms of this Conservation Easement.

(d) Grantor agrees that Grantee's remedies at law for any violation of the terms of this Conservation Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section

shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in Civil Code section 815, *et seq.*

(e) If at any time in the future Grantor or any subsequent transferee uses or threatens to use the Property for purposes inconsistent with this Conservation Easement then, despite the provisions of Civil Code section 815.7, the California Attorney General, any person and any entity with a justiciable interest in the preservation of this Conservation Easement has standing as an interested party in any proceeding affecting this Conservation Easement.

7. Costs of Enforcement. Grantor shall bear all costs reasonably incurred by Grantee or CDFW, where either of the latter is a prevailing party in enforcing the terms of this Conservation Easement against Grantor. These costs include, but are not limited to, the following: costs of suit and attorneys' and experts' fees, and any proportionate costs for restoration necessitated by Grantor's negligence or breach of this Conservation Easement.

8. Discretion of Grantee and CDFW. Enforcement of the terms of this Conservation Easement by Grantee or CDFW shall be at the reasonable discretion of the enforcing party, and any forbearance by Grantee or CDFW to exercise its rights under this Conservation Easement in the event of any breach of any term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee or CDFW of such term or of any subsequent breach of the same or any other term of this Conservation Easement or of any rights of Grantee or CDFW under this Conservation Easement. No delay or omission by Grantee or CDFW in the exercise of any right or remedy shall impair such right or remedy or be construed as a waiver.

9. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee or CDFW to bring any action against Grantor for any injury to or change in the Property resulting from (i) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, and earth movement, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes; or (ii) acts by Grantee or its employees or CDFW or its employees.

10. CDFW Right of Enforcement. All rights and remedies conveyed to Grantee under this Conservation Easement shall extend to and are enforceable by CDFW. These rights are in addition to, and do not limit, the rights of enforcement CDFW may have against Permittee as permittee under the ITP.

11. Intentionally Omitted.

12. Access. This Conservation Easement does not convey a general right of access to the public.

13. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Within the Property, Grantor shall have the land management responsibilities to comply with the LTMP and otherwise preserve the Conservation Values of the Property. Grantor agrees that neither Grantee nor CDFW shall have any duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Except for those duties imposed upon the Permittee as permittee under the ITP, which remain the responsibility of the Permittee, Grantor remains solely

responsible for obtaining any applicable governmental permits and approvals required for any activity or use permitted by this Conservation Easement, including those required from CDFW acting in its regulatory capacity, and any activity or use shall be undertaken in accordance with all applicable federal, state, local and administrative agency statutes, codes, ordinances, rules, regulations, orders and requirements.

14. Taxes; No Liens. Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property, by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantee and CDFW with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinate to this Conservation Easement as provided in Section 22(j)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

15. Hold Harmless. Grantor shall hold harmless, protect, and indemnify Grantee and its directors, officers, employees, agents, contractors, and representatives and the heirs, personal representatives, successors and assigns of each of them (each a "Grantee Indemnified Party") and, collectively, "Grantee's Indemnified Parties") and CDFW and its directors, officers, employees, agents, contractors and representatives, and the heirs, personal representatives, successors and assigns of each of them (each a "CDFW Indemnified Party") and, collectively, "CDFW's Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), arising from or in any way connected with: (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except that this indemnification shall be inapplicable (a) to Grantee's Indemnified Parties with respect to any Claim due to the negligence of Grantee and (b) to CDFW's Indemnified Parties with respect to any Claim due to the negligence of CDFW; (2) the obligations specified in Sections 4, 13, and 14 and (3) the existence or administration of this Conservation Easement. If any action or proceeding is brought against any of the CDFW's Indemnified Parties by reason of any such Claim, except an enforcement action on the ITP, Grantor shall, at the election of and upon written notice from CDFW, defend such action or proceeding by counsel reasonably acceptable to the CDFW Indemnified Party or reimburse CDFW for all charges incurred for services of the California Attorney General in defending the action or proceeding.

16. Extinguishment. If circumstances arise in the future that render the purposes of this Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

17. Condemnation. Pursuant to Code of Civil Procedure section 1240.055, this Conservation Easement is "property appropriated to public use," as used in Article 6 (commencing with section 1240.510) and Article 7 (commencing with section 1240.610) of Chapter 3 of Title 7 of the Code of Civil Procedure. A person authorized to acquire property for public use by eminent domain shall seek to acquire the Property, if at all, *only* as provided in Code of Civil Procedure section 1240.055. CDFW is a public entity that imposed conditions on

approval of a project that were satisfied, in whole or in part, by the creation of this Conservation Easement. If any person seeks to acquire the Property for public use, Grantee shall provide notice to CDFW and comply with all obligations of the holder of a conservation easement under Code of Civil Procedure section 1240.055. If the Conservation Easement is condemned, the net proceeds from the condemnation shall be used in compliance with Government Code section 65966(j).

18. Transfer of Easement. This Conservation Easement may be assigned or transferred by Grantee only to CDFW or another entity or organization authorized to acquire and hold conservation easements pursuant to Civil Code section 815.3: and Government Code section 65967 (and any successor or other provisions then applicable) or the laws of the United States. Grantee shall require the assignee to record the assignment in the county where the Property is located. The failure of Grantee to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforcement in any way.

19. Transfer of Property. Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee and CDFW of the intent to transfer any interest at least sixty (60) days prior to the date of such transfer. Grantee or CDFW shall have the right to prevent subsequent transfers in which prospective subsequent claimants or transferees are not given notice of the terms, covenants, conditions and restrictions of this Conservation Easement. The failure of Grantor, Grantee, or CDFW to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

20. Notices. Any notice, demand, request, consent, approval, or other communication that any party desires or is required to give to the other parties shall be in writing and be served personally or sent by recognized overnight courier that guarantees next-day delivery or by first class United States mail, postage fully prepaid, and addressed as follows:

To Grantor: San Bernardino Valley Water Conservation District
1630 West Redlands Boulevard Suite A
Redlands, CA 92373
[Attn: Land Resources Manager]

To Grantee: San Bernardino Valley Conservation Trust
1630 West Redlands Boulevard, Suite A
Redlands, Ca 92373
[Attn: Executive Officer]

To CDFW: Department of Fish and Wildlife
[Name of Region]
[Region's address]
[Region's City, State Zip]
Attn: Regional Manager

Copy to: Department of Fish and Wildlife
Office of the General Counsel

Post Office Box 944209
Sacramento, California 94244-2090
Attn: General Counsel

or to such other address as Grantor, Grantee, or CDFW shall designate by written notice to the other parties. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

21. Amendment. This Conservation Easement may be amended by Grantor and Grantee only by mutual written agreement and subject to the prior written consent of CDFW. Any such amendment shall be consistent with the purposes of this Conservation Easement and California law governing conservation easements and shall not affect its perpetual duration. Any such amendment shall be recorded in the Official Records of the county in which the Property is located.

22. Additional Provisions.

(a) Controlling Law. The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such state.

(b) Liberal Construction. Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the purposes of this Conservation Easement and the policy and purpose of Civil Code sections 815, *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(d) Entire Agreement. This instrument and the ITP set forth the entire agreement of the parties with respect to the Conservation Easement and supersede[s] all prior discussions, negotiations, understandings, or agreements of the parties relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 21.

(e) No Forfeiture. Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's title in any respect. Notwithstanding the foregoing, if CDFW reasonably determines that this Conservation Easement is not being held, monitored, or stewarded for conservation purposes in accordance with the requirements of Government Code section 65967(e), then pursuant to Government Code section 65967(e) the Conservation Easement shall revert to CDFW or to another public agency, governmental entity, special district, or nonprofit organization approved in advance in writing by CDFW.

(f) Successors. The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties and their

respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property.

(g) Termination of Rights and Obligations. A party's rights and obligations under this Conservation Easement terminate upon transfer of the party's interest in the Conservation Easement or Property, except that liability for acts, omissions, or breaches occurring prior to transfer shall survive transfer.

(h) Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon its construction or interpretation.

(i) No Hazardous Materials Liability.

(1) Grantor represents and warrants to Grantee and CDFW that it has no knowledge or notice of any Hazardous Materials (defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 15 of this Conservation Easement, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Grantee's Indemnified Parties and the CDFW's Indemnified Parties (each as defined in Section 15 from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from, or about, or otherwise associated with the Property at any time, except that (A) this indemnification shall be inapplicable to the Grantee's Indemnified Parties with respect to any Hazardous Materials placed, disposed, or released by Grantee and (B) this indemnification shall be inapplicable to the CDFW's Indemnified Parties with respect to any Hazardous Materials placed, disposed, or released by CDFW. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of, or other failure to comply with, any Environmental Laws (defined below). If any action or proceeding is brought against any of the CDFW's Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from CDFW, defend such action or proceeding by counsel reasonably acceptable to the CDFW Indemnified Party or reimburse CDFW for all charges incurred for services of the California Attorney General in defending the action or proceeding.

(3) Despite any contrary provision of this Conservation Easement, the parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed such that it creates in or gives to Grantee or CDFW any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. section 9601, *et seq.*; hereinafter, "CERCLA"); or

(B) The obligations or liabilities of a person described in 42 U.S.C. section 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws; or

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(4) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, *et seq.*; hereinafter "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. section 5101, *et seq.*; hereinafter "HTA"); the Hazardous Waste Control Law (Health & Saf. Code section 25100, *et seq.*; hereinafter "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Saf. Code section 25300, *et seq.*; hereinafter "HSA"), and in the regulations adopted and publications promulgated pursuant to them, or any other applicable Environmental Laws now in effect or enacted after the date of this Conservation Easement.

(5) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, local or administrative agency statute, code, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Permittee, Grantee and CDFW that activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(j) Warranty. Grantor represents and warrants that Grantor is the sole owner of fee simple title to the Property; that the Property is not subject to any other conservation easement; and there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Conservation Easement and which have not been expressly subordinated to this Conservation Easement by a written, recorded Subordination Agreement approved by Grantee and CDFW.

(k) Additional Easements. Grantor shall not grant any additional easements, rights of way, or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), or grant, transfer, abandon, or relinquish (each a "Transfer") any mineral, air, or water right, or any water associated with the Property, without first obtaining the written consent of Grantee and CDFW. Grantee or CDFW may withhold such consent if it determines that the proposed interest or Transfer is inconsistent with the purposes of this Conservation Easement or may impair or interfere with the Conservation Values of the Property. This section shall not limit the provisions of Sections 2(d) or 3(n), nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section. Grantor shall provide a certified copy of any recorded or unrecorded grant or Transfer document to Grantee and CDFW.

(l) Recording. Grantee shall record this Conservation Easement in the Official Records of the county in which the Property is located, and Grantee or CDFW may re-record it at any time as it deems necessary to preserve its rights in this Conservation Easement.

(m) Exhibits. The following Exhibits referenced in this Conservation Easement are attached to and incorporated by reference in this Conservation Easement:

EXHIBIT A – Legal Description of Property

EXHIBIT B –Map of Property

IN WITNESS WHEREOF Grantor has executed this Conservation Easement as of the day and year first above written.

GRANTOR:

SAN BERNARINO VALLEY WATER CONSERVATION DISTRICT

BY: _____

NAME: _____

TITLE: _____

DATE: _____

[NOTE: ATTACH EXHIBITS AND FORM OF NOTARY ACKNOWLEDGMENT]

EXHIBIT C

**RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:**

Space Above This Line for Recorder's Use Only

**TERMINATION AND RELEASE OF RESTRICTIVE COVENANT AND EQUITABLE
SERVITUDE FOR SPECIES CONSERVATION**

This TERMINATION AND RELEASE OF RESTRICTIVE COVENANT AND EQUITABLE SERVITUDE FOR SPECIES CONSERVATION (this "Termination of Covenant") is dated and effective as of _____, 20__ (the "Effective Date") by _____, ("Declarant"), with reference to the following facts:

Recitals

A. Declarant is the sole owner in fee simple of _____ in the County of _____, State of California, legally described in Exhibit A attached hereto and incorporated herein by reference as if fully set forth at length (the "Property");

B. Declarant recorded the "Restrictive Covenant and Equitable Servitude for Species Conservation" dated _____, 202__, against the Property as Document No. _____ in the _____ County Official Records on _____, 202__ (the "Covenant"). The Covenant has not been amended, modified or revised by Declarant;

C. Capitalized terms used in this Termination of Covenant and not otherwise defined shall have the same meanings as set forth in the Covenant. In the event of any conflict or inconsistency between the conditions, covenants, provisions and terms of this Termination of Covenant and the Covenant, this Termination of Covenant shall control, govern, take precedence and prevail;

D. The Covenant is being terminated and otherwise extinguished pursuant to Section 14, of the Covenant;

E. Based upon the foregoing, Declarant now desires to terminate the Covenant pursuant to this Termination of Covenant.

NOW, THEREFORE, in consideration of the foregoing, Declarant declares as follows:

Termination and Release of Covenant

1. Incorporation of the Recitals. The “Recitals” portion of this Termination of Covenant is incorporated herein by reference as if fully set forth at length, and shall be deemed a material part of the terms of this Termination of Covenant.

2. Termination of the Covenant. The Covenant is hereby terminated, and shall be of no further force or effect, or act as burden or encumbrance on title against the Property upon the recordation of this Termination of Covenant in the ___ County Official Records as of the Effective Date. Declarant shall not have any further rights, or duties, obligations or responsibilities under the Covenant as of the Effective Date.

[SIGNATURE ON THE NEXT PAGE; REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Declarant executed and acknowledged, and then delivered this Termination of Covenant as of the date of the acknowledgement below, but effective as of the Effective Date.

DATED: _____, 20____

Declarant

By: _____
[Print:] _____
Its: _____

[ACKNOWLEDGMENT BELOW]

DRAFT

EXHIBIT A

Legal Description of the Property

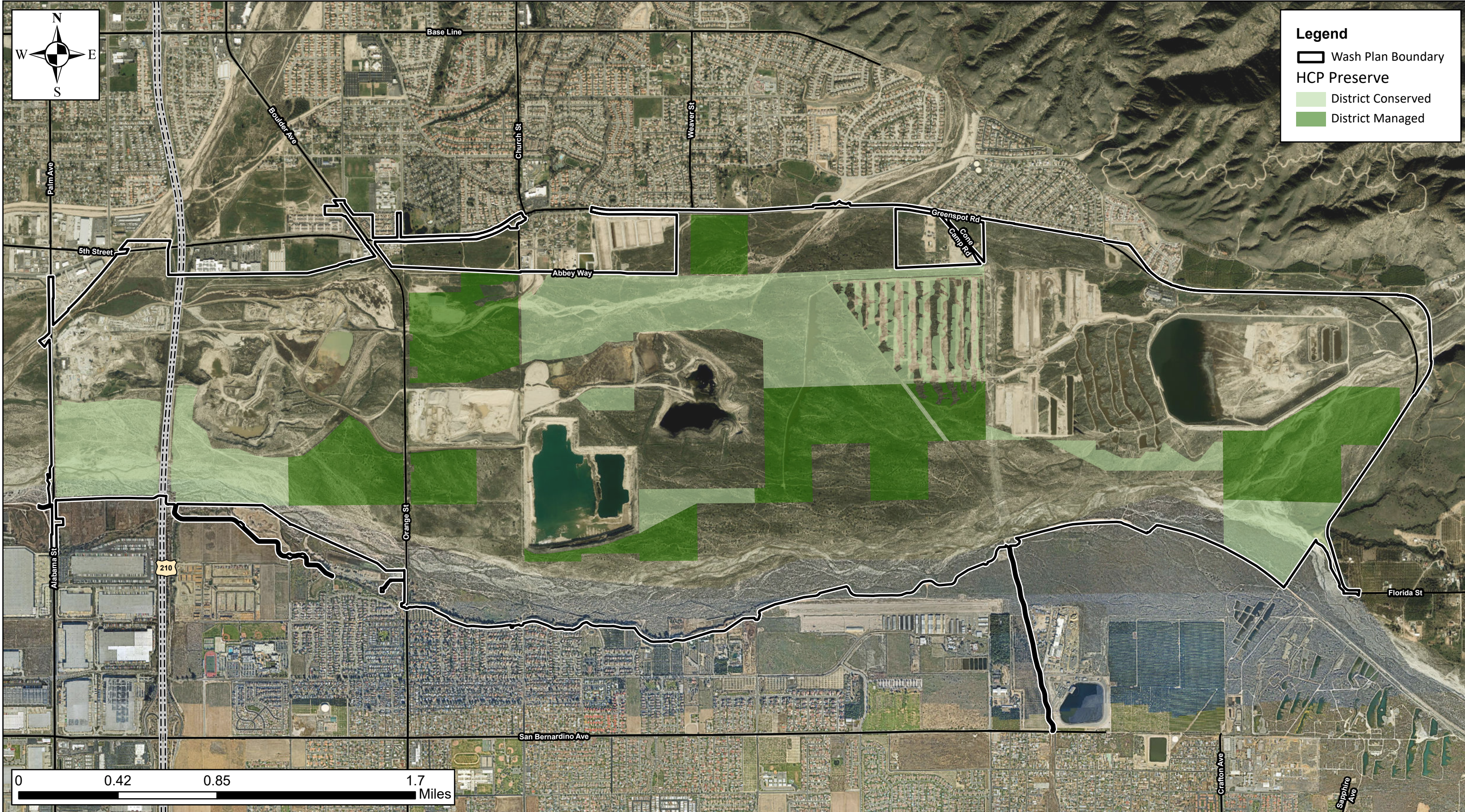
DRAFT

Map of Wash Plan Preserve

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD, CASIL, SBVMWD
GIS Contact: Anna Frey
M:\Wash Plan\Land Ownership\RRM COI\CDFW Mitigation
December 05 2024



San Bernardino Valley
Water Conservation District
Helping Nature Store Our Water





San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 2076

To: Board of Directors
From: Betsy Miller, General Manager
Date: December 11, 2024
Subject: Plan to Prepare the 2025 Engineering Investigation Report

RECOMMENDATION

Review and consider approval of the Plan to Prepare the 2025 Engineering Investigation Report.

BACKGROUND AND DISCUSSION

Under California Water Code §75523, the District is required to prepare an annual Engineering Investigation Report (EI) as the technical basis for our Groundwater Charge. Under the statute, the EI must provide information on groundwater conditions, a supply and demand analysis, and cost considerations. Most specifically, the EI includes an analysis of groundwater levels, extraction rates, recharge activities, and overall groundwater availability; a detailed assessment of the water available for recharge and the projected needs for sustainable management; and estimates of costs associated with groundwater recharge, conservation, or other management programs financed through the Groundwater Charge. Preparation of this analysis on an annual basis ensures that the Groundwater Charge aligns with the District's goals for sustainable groundwater management, equitable cost allocation, and compliance with state law, and provides a transparent foundation for rate setting to inform interested parties and decision-makers.

Approximately ten years ago, District staff developed a standardized approach to prepare the District's annual Engineering Investigation, referred to as the Plan to Prepare the Engineering Investigation Report. This approach is based on collaborative discussions with the Basin Technical Advisory Committee and other parties interested in the local groundwater resources and incorporates feedback received on EIs prepared to date as well as changes to streamline the final report. Staff seeks Board feedback and approval on the attached Plan prior to preparing the 2025 Report.

FISCAL IMPACT

The EI Report (including data acquisition, management, analysis, and document preparation) is completed in-house by District staff. Costs to prepare the 2025 EI are estimated at approximately \$15,500 in salary charges to the Groundwater Recharge Enterprise, based on staff time to prepare the 2024 Report.

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

BOARD OF DIRECTORS

Division 1:
Richard Corneille

Division 2:
Mark Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

ATTACHMENTS

2025 Engineering Investigation Report Plan

2025 Engineering Investigation Report Plan

1 Goals

Staff proposes to utilize the approach from previous years to prepare the 2025 Engineering Investigation (EI) and achieve the following goals:

1. Develop and present accurate statements of the statute-required estimates based on sound science, judgment, and policy.
2. Utilize ongoing collaborative mechanisms to provide early opportunities to plan and review the report prior to the hearing process, and ensure the process supports other needs in the region where feasible.
3. Create a clear understanding of the report and options to be considered by the District and gain feedback prior to generating the report.
4. Ensure report production efforts are focused on meeting statutory requirements to minimize costs to groundwater users.
5. Provide a report summary that using clear, non-technical language to increase transparency and provide the report on the District's website for ease of access.

2 Assumptions

This Plan uses the general process and assumptions used in the 2022-2023 report that was prepared in 2024. The District will offer to present the 2023-2024 EI to the BTAC for review and input.

2.1 Water Year

As required by Water Code section 75574, the following water years will be included in the report:

Preceding Water Year (July 1, 2023 to June 30, 2024)

Current Water Year (July 1, 2024 to June 30, 2025)

Ensuing Water Year (July 1, 2025 to June 30, 2026)

The report will identify various water years used by the region (i.e., surface water year October 1 to September 30, groundwater year Fall to Fall with last readings commonly in November, etc.), and data will be included and summarized for comparison and clarity while preserving the required EI Water Year.

3 Process and Tasks

The following process and tasks for report preparation are outlined in order to allow review prior to report preparation to meet the statutory requirements for the EI shown below:

75574. The board shall, before the levy of the ground water charge, find and determine all of the following:

- (a) The average annual overdraft for the immediate past 10 water years.*
- (b) The estimated annual overdraft for the current water year.*
- (c) The estimated annual overdraft for the ensuing water year.*
- (d) The accumulated overdraft as of the last day of the preceding water year.*
- (e) The estimated accumulated overdraft as of the last day of the current water year.*



- (f) The estimated amount of agricultural water to be withdrawn from the ground water supplies of the District for the ensuing water year.*
- (g) The amount of water other than agricultural water to be drawn from the ground water supplies of the District for the ensuing water year.*
- (h) The estimated amount of water necessary for surface distribution for the ensuing water year.*
- (i) The amount of water which is necessary for the replenishment of the ground water supplies of the District.*
- (j) The amount of water the District is obligated by contract to purchase.*

The intent of the District is to use the cooperative capacity of the agencies in the basin to prepare the report and reduce costs. The main elements of the EI are shown below for review.

3.1 Data Request

Request agencies provide formatted digital data include the cities of Colton, Devore, Loma Linda, Redlands, Rialto, Riverside, & San Bernardino; EVWD, EVMWD (Meeks & Daley), WVWD, SBVMWD, Riverside-Highland Water Company, Fontana Water Company, Gage Canal, Big Bear Valley Mutual, USGS, Southern California Edison, Lockheed Martin; as well as SBVMWD and Steve Mains (Watermaster Services) for data comparison. Where data are available in an aggregated format from a Watermaster or other projects, it will be used as available.

The appendices will list the sources of each data element utilized in the report, including source and agency/contact person. Examples follow:

- Rainfall station C, Chris O'Neil, USGS
- Water production Santa Ana A1, George Hanson, BBWM table Z
- Stream Diversion X, SBVWCD (report A, table X)
- Stream Diversion Y, USGS station # XXXXXXXX

Estimated or questionable data will be flagged.

3.2 Assess Water Elevation for Change in Storage Assessment (Appendix A)

As in prior reports, Change in Storage reporting will represent **Fall 2023 to Fall 2024 time period**. In this task the District would use the same process as in 2023 and endeavor to collect and include **Fall 2023 to Fall 2024 (Current) water level data**. This will require the fall water level to be reported by February 1st at the latest for inclusion in the report **otherwise, the District will default to the prior year with changes**.

3.3 Accumulated Change in Storage for the last day of the preceding year ending June 2024

This section will include a 15-year summary table.

Appendix B will contain BTAC recommended Key Wells, which are actively measured. Key Wells are needed for several wells that are no longer monitored, especially in the farthest western areas of the Bunker Hill Basin. The District will use existing Key Wells as performed in 2022-2023 EI (last year).

3.4 Estimate of Annual Change in Storage for Ensuing Water Year (July 1, 2025 to June 30, 2026)



The District will continue to collect data from the historic precipitation stations. These data are used for the Regression Analysis, which will forecast the estimated annual change in storage. These data will be updated in Appendix D.

3.5 Average Annual Change in Storage for the Immediate Past 10 Water Years

Ten years, as reported in previous reports and required by the water code will be covered at a minimum and if no significant work is needed to complete for 15 years, the additional information will be included.

3.6 Estimated Amount of Agricultural Water and Non-Agricultural to be withdrawn for the Ensuing Water Year (July 1, 2025 to June 30, 2026)

The District has used its Groundwater Assessment database for calculating the preceding water year's Agriculture and Non-Agricultural uses. The District proposes to continue to use this data; however, because the data is not compiled by month, it introduces errors due to differing water years. Providers of this data summarize it for the first six months and the second six months only. The report would continue to estimate future uses based on **Preceding Water Year (July 1, 2023 to June 30, 2024)**. **At this time**, no users of the report have requested the District require data from the producers on a monthly basis.

3.7 Estimated Amount of Water for Surface Water Diversions (Table 8)

The Surface Water diversion will use the existing data compiled by area agencies with a review of compiled numbers during the January timeframe to ensure any new diversions are reflected. **These will be calculated up to June 30th, 2024**. For information only, if complete data are available, diversions will also be reported as of **September 30th, 2024**, based on last year's reporting method.

3.8 Estimated Amount of Water for Replenishment of Groundwater Supplies for Ensuing Water Year (July 1, 2025 to June 30, 2026),

Water Quality Data: The District has historically requested and received TDS and Nitrate data along with the other Water elevations and monthly active well production values. This has not been included in EI reports since 2005. The District will collect existing water quality data provided by participants. The District will not use the data for reporting into the EI Report.

4 Analysis Methods

4.1 GIS Analysis

The District will utilize Excel spreadsheets with GIS compatible field naming conventions based on existing well databases or other standard information to allow geo-referencing. The District has also begun requesting coordinate data for wells as of the 2018 report, in order to update the GIS database.

4.2 Calculation of Change in Storage Analysis

The District will continue the methodology historically used for estimating the Change in Storage based on averaging the wells reported for each subbasin. The District uses wells by subbasins that are somewhat different than those in the groundwater model used by SBVMWD. We will work with SBVMWD to run the basin wells we use once the data is compiled and validated as was done last year.



4.3 Cross-Check Calculation Spreadsheet

The District will again use the cross-check spreadsheet prepared for the integration of all entered data and calculations for users of the report to check calculations in the preliminary state without the entire report being drafted.

5 Proposed Table of Contents

The proposed table of contents shown below is similar to last year's document.

- 1.0 Executive Summary
- 2.0 Introduction
 - 2.1 Purpose and Scope
 - 2.2 Location, Topography and Climate
 - 2.3 Definition of Terms
 - 2.4 Sources of Data
- 3.0 **Fall 2023 and Fall 2024** Groundwater Elevation Contours
 - 3.1 Hydrographs for Key Wells in the Bunker Hill Basin
- 4.0 Task 1 Annual Change in Storage (**Fall 2023 to Fall 2024**)
 - 4.1 Hydrologic Sub-Areas
 - 4.2 Area and Storativity
 - 4.3 Groundwater level Elevation Changes
 - 4.4 Change in Groundwater Storage
- 5.0 Task 2 – Accumulated Change in Storage approximate 30 Year Trend (**Fall 1992 to Fall 2024**)
- 6.0 Task 3 – Total Groundwater Production for the **Preceding Water Year (July 1, 2023 to June 30, 2024)**
- 7.0 Task 4 – **Estimate** of the Annual Change in Storage for the **Current Water Year (July 1, 2024 to June 30, 2025)**
- 8.0 Task 5 – **Estimate** of the Annual Change in Storage for the **Ensuing Water Year (July 1, 2025 to June 30, 2026)**
- 9.0 Task 6 – Average Annual Change in Storage for the Immediate Past ten Years (**Fall 2014 to Fall 2024**)
- 10.0 Task 7 – **Estimated** Amount of Agricultural Water and Other Than Agricultural Water to be Withdrawn for the **Ensuing Water Year (July 1, 2025 to June 30, 2026)**
- 11.0 Task 8 – **Estimated** Amount of Water for Surface Distribution for the **Ensuing Water Year (July 1, 2025 to June 30, 2026)**
- 12.0 Task 9 - Estimated Amount of Water for Replenishment of the Groundwater Supplies for the **Ensuing Water Year (July 1, 2025 to June 30, 2026)**
- 13.0 Estimated Groundwater use in the District
- 14.0 General Findings
- 15.0 Conclusions

6 Document Compilation and Distribution

Other notes on document preparation and distribution:

- Document content will be based on analysis results with the addition of draft review information from the BTAC and USAWRA for efficiency
- Maps and figures will be updated using previous year's templates
- Appendices will be similar to last year but posted on-line only
- Appendices will be included as links to documents on the District Website to reduce production cost and allow ease of reference and update.
- Cross-check spreadsheet and draft document compilation review steps will be utilized



- Final document printing as summary only for Board review with all other publication materials available via the website

7 Quality Assurance and Quality Control

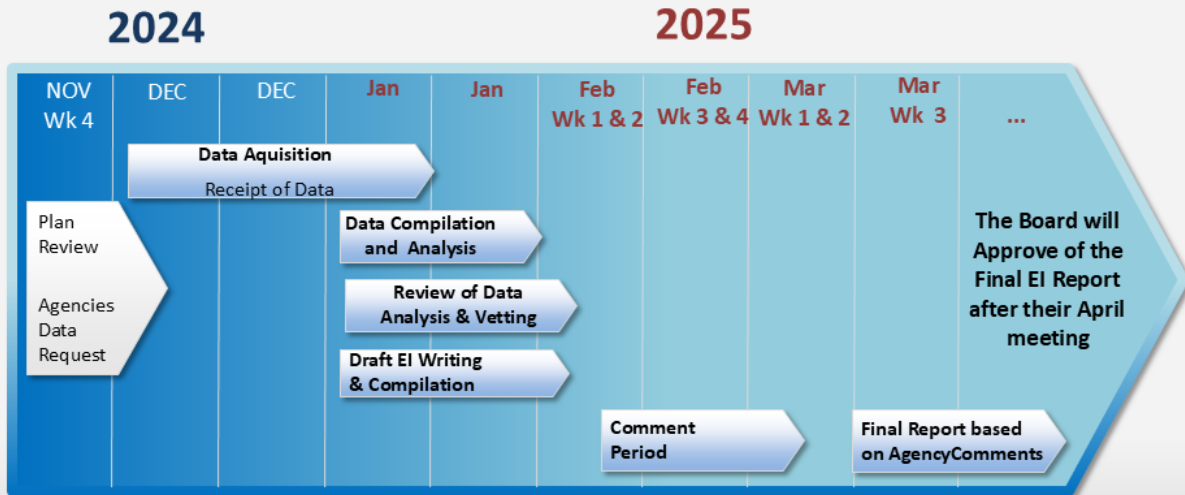
Virtually all information is provided by other programs and agencies that have their own QA/QC processes, and the EI relies on them to provide accurate data. Therefore, this section will briefly discuss the QA/AC process and standards for the following topics:

- Process and Method
- Data Accuracy
- Calculation Accuracy
- Comparability
- Approval

8 Schedule

Engineering Investigation 2024-TIMELINE

November 1, 2024 - March 1, 2025*



*Schedule assumes Change in Storage Calculations will use 2024-2025 water elevation comparisons as done prior to 2014-2015 report

X:\Engineering Investigation\2025 EI\Schedule

9 Water Year Comparisons

For reference, the Plan provides this overview of Water Year for the EI:



Engineering Investigation Report (EI 2023-2024)



X:\Engineering Investigation\2025 EI\Schedule



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2077

To: Board of Directors
From: Betsy Miller, General Manager
Date: December 11, 2024
Subject: 2025 Per Diem Rate

RECOMMENDATION

Increase the Board per diem rate by \$7.00 to \$277.00 for Calendar Year 2025, and approve Resolution No. 627.

BACKGROUND AND DISCUSSION

On November 13, 2024, the Board discussed per diem rate increases between two and two-and-a-half percent for Calendar Year 2025. Following this discussion, the Board selected a per diem rate increase of \$7.00 (2.5% rounded to the nearest dollar) and directed staff to prepare Resolution No. 627 for consideration at the December Board meeting.

This rate increase was selected based on the Consumer Price Index, which is 2.4% for the CPI-U West Region for the 12-month period ending September 2024 with the higher mid-year CPI of 2.5% that was used for District staff COLAs for FY25. In 2023, the Board increased the per diem rate by 5% (from \$258 to \$270) for 2024 after reviewing the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI-U) West Region for the 12-month period ending October 2023, which was 3.3%.

The proposed increase, which was discussed by the Finance and Administration Committee on October 30, is consistent with California Water Code section 20202, which limits rate increases to 5% per year or less, and the District's approved FY25 budget, which included a 5% increase in per diem.

POTENTIAL MOTIONS

1. Move approval of a new per diem rate of \$277 for Calendar Year 2025 and approve Resolution No. 627.
2. Move to approve a different per diem increase for Calendar Year 2025, consistent with California Water Code section 20202, and direct staff to revise the resolution accordingly.
3. Move to table the item to a future meeting of the Board or the Finance & Administration Committee.

ATTACHMENTS

Resolution No. 627

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

BOARD OF DIRECTORS

Division 1:
Richard Corneille
Division 2:
Mark Falcone

Division 3:
Robert Stewart

Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller

RESOLUTION NO. 627

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
AMENDING DISTRICT POLICY TO ALLOW
FOR AN INCREASE IN PER DIEM COMPENSATION OF 2.5%
FOR CALENDAR YEAR 2025**

WHEREAS, the Board of Directors of the San Bernardino Valley Water Conservation District at the May 14, 2014, Board meeting adopted Ordinance 2014-1 amending District Policy process for selecting per diem compensation rates of Directors; and

WHEREAS, upon recommendation of the Finance & Administration Committee, the Board of Directors voted to increase 2025 per diem rate compensation by two-and-a-half percent for the Calendar Year of 2025 on December 11, 2024; and

WHEREAS, the Board of Directors wishes to stay in compliance with Water Code section 20202 by limiting increases in per diem rates to no more than five percent (5%) per year; and

WHEREAS, the District's current policy allows for a director to attend ten meetings per month and receive compensation at a per diem rate of two hundred and seventy dollars (\$270) per meeting;

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

Section 1. Each director shall receive compensation for meetings set forth in the Board Policy Manual;

Section 2. The Board per diem rate shall increase by roughly 2.5% effective January 1, 2025, from Two Hundred Seventy Dollars (\$270) to Two Hundred Seventy-Seven Dollars (\$277), an increase of two and a half percent (2.5%)

Section 3. Each director shall receive per diem compensation in an amount of Two Hundred and Seventy-Seven Dollars (\$277) per meeting for calendar year 2025 for attendance at each regular, adjourned, or special meeting of the Board of Directors, as provided for and under the conditions specified in the Board Policy Manual;

PASSED, APPROVED, AND ADOPTED at the regular meeting of the Board of Directors of the San Bernardino Valley Water Conservation District this 11th day of December 2024, by the following vote:

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

Melody McDonald, President

ATTEST:

Betsy Miller, Secretary



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 2078

To: Board of Directors
From: Betsy Miller, General Manager
Date: December 11, 2024
Subject: National Habitat Conservation Planning Coalition 2024 Annual Meeting Voting Representative

RECOMMENDATION

Appoint an authorized voting representative for the National Habitat Conservation Planning Coalition’s 2024 Annual Meeting.

BACKGROUND AND DISCUSSION

The National Habitat Conservation Planning Coalition (NHCPC) has notified members of updated voting procedures for its 2025 Board of Director elections held during the 2024 Annual Meeting on December 10-12 in Palm Springs, California. To streamline elections and ensure fairness and consistency, member organizations may select one representative to vote in Board of Director elections. Votes will be cast by the voting representative via a secure voting link between 8:00 AM on December 10 and 8:00 AM on December 12, and election results will be presented at the NHCPC Business Meeting on the morning of December 12; please note that the slate of candidates is has not yet been published. Staff seeks Board direction on the desired voting representative for the District for this vote.

FISCAL IMPACT

There is no fiscal impact from approval of the recommended item.

POTENTIAL MOTIONS

1. Appoint the General Manager as the authorized voting representative for NHCPC’s 2024 Annual Meeting.
2. Appoint the Board President as the authorized voting representative for NHCPC’s 2024 Annual Meeting.
3. Appoint another Director or District employee as the authorized voting representative for NHCPC’s 2024 Annual Meeting.
4. Take no action.

ATTACHMENTS

None.

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Division 5:
Melody McDonald

GENERAL MANAGER

Betsy Miller



Environmental Update

as of November 29, 2024

Wash Plan Implementation – Monitoring Activities

- San Bernardino Kangaroo Rate (SBKR) Monitoring Program
 - As of November 15, all fall trapping of SBKR had been completed by District consultants in the Wash Plan Preserve and at Mill Creek Facilities, consistent with requirements of the Wash Plan and Conservation Benefit Agreement, respectively.

Wash Plan Implementation – Management Activities

- Slender-horned Spineflower (SHSF) Restoration Program
 - On November 6 and 7, District staff sowed SHSF seed bulked in 2024 at the new SHSF out-planting site located west of Railroad Line Road and the out-planting blocks in Plunge Creek and Cone Camp established in 2023.
 - The professional services agreement with California Botanic Garden was submitted for final signature on November 13. The agreement supports efforts by the District to conduct a second round of SHSF out-planting trials in 2024 and a third round of seed bulking activities in the Wash Plan Preserve in 2025.
- BLM Fuels Management Grant
 - On November 6, Nakae & Associates, working with Origin Biological, completed enhancement of sand spreading and light scraping activities at the receiver site in the Wash Plan Preserve where sand had been delivered from the Mill Creek Facilities in October.

Wash Plan Implementation – Organizational Structure, Planning, and Reporting

- In November, District staff continued to support planning by the City of Highland/SBCTA and City of Redlands tied to permitting Covered Activity High.23 (new construction of the Highland/Redlands Regional Connector) and Redl.13 (new construction of a well on Orange Street), respectively.
- On November 4, District staff met with Valley District to discuss and stay coordinated on implementation activities supporting the Wash Plan and advancement of the River HCP.
- On November 19, District staff met with USFWS for their monthly Wash Plan coordination meeting.
- On November 20, District staff hosted an Environmental Workshop for the Board of Directors. Accomplishments of the Conservation District and Participating Entities in the Wash Plan's fourth year of implementation were highlighted, with special focus on monitoring and management of the San Bernardino kangaroo rat, slender-horned spineflower, and California gnatcatcher within the Wash Plan Preserve.



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

Wash Plan Programmatic Permits

- USACE 404 Programmatic Individual Agreement – District staff and AECOM continue to meet with USACE weekly in support of completion of the Environmental Assessment (EA) and eventual issuance of the standard individual permit estimated to be completed by the end of 2024.
- On November 21, Santa Ana Regional Water Quality Control Board notified the District that the requested amendment to the Clean Water Act 401 Certification and Order, allowing for adaptive management of the Plunge Creek Conservation Project and supporting finalization of the 404 individual permit, is expected to be issued in December.
- Discussions among District staff, CDFW, and representatives of both Robertson’s Ready Mix and CEMEX continued through November with the goal of identifying an appropriate state permitting process that allows mining activities covered under the Wash Plan to move forward in early 2025.

Partnership Activities

- On November 18, District staff met with representatives from San Bernardino County Department of Public Works to discuss the temporary stockpiling of materials from future forecast debris flow from Line Fire-scarred areas to be captured in existing County-managed basins on City Creek, Oak Creek, and Elder Creek.



Engineering Update

as of December 2, 2024

Mentone Shop

- District staff met with three contractors who were interested in completing the Mentone Shop in October and November. One contract submitted a bid, which has been reviewed and selected for contract.

Enhanced Recharge Phase 1B

- Work is focused on cleaning the site and preparing sand for habitat restoration work.

PERC Projects Overview

The Program for the Expansion of Recharge Capacity (PERC) is advancing with multiple projects involving stakeholder collaboration, hydraulic modeling, and design refinement.

Active Recharge Transfer Projects (MODSS Development)

- Stakeholder workshops and Board committees in October and November have identified priorities using the Multiple Objectives Decision Support System (MODSS).
- A second draft of the MODSS is in preparation, incorporating comments received and developing initial weightings, with an additional stakeholder workshop planned for January 2025.

Waterman, Twin Creek, and Lynwood Basins

- Hydraulic modeling is focused on two alternatives at Waterman Percolation Basins (an operational and a grading alternative), three alternatives at Twin Creek Spreading Grounds (an operational alternative, a minor grading alternative, and a major grading alternative), and one operational alternative at Lynwood Basins.
- The analysis uses three hydrographs, including historical runoff data, balanced storm flow, and FIRO scenarios.
- Hydraulic modeling results are refining designs to route excess flows from Waterman Basins downstream to Twin Creek Spreading Grounds and Lynwood Basins.
- Grading designs and geotechnical analyses for flood control levee stability are being updated based on these modeling results.

Plunge and Oak Creeks

- Hydraulic modeling for three project alternatives is complete, and a technical percolation report is being developed based on the results.
- Conceptual designs are advancing for diversion structures at Oak and Plunge Creek basins, focusing on optimizing sediment transport and percolation performance.
- A geotechnical report is in preparation to address basin stability under forecasted conditions.



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

Mill Creek Spreading Grounds

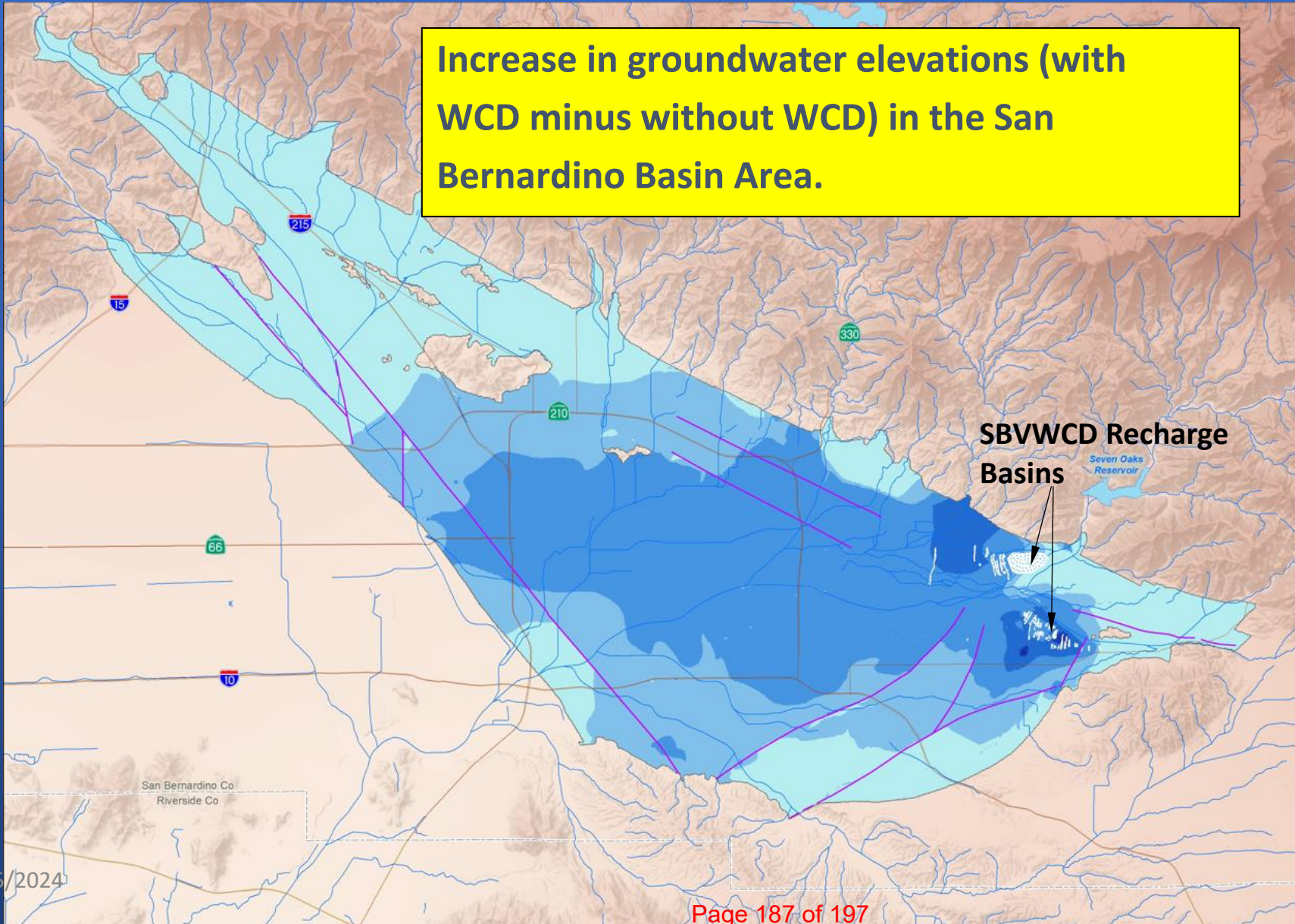
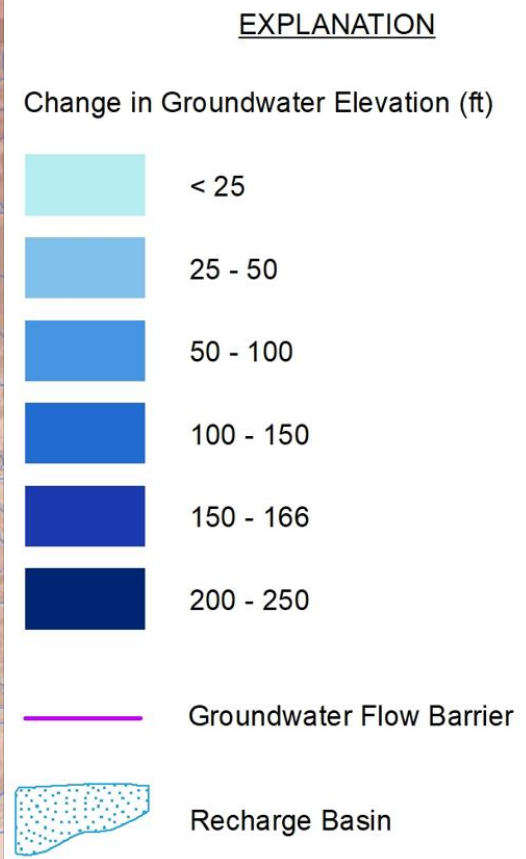
- The grading design for Alternative 3, the most extensive option, is nearly complete. It includes an expanded basin footprint and an inter-basin flow feature to enhance habitat and operations.
- Hydraulic modeling for Alternatives 1, 2, and 3 has revealed surplus flow scenarios at peak diversion rates (175 cfs), helping inform design adjustments.
- A maintenance rotation plan was developed to ensure continuous operation, allowing groups of basins to be cleaned while others remain active.
- Basin interconnection designs are projected to increase net percolation rates by approximately 70% under partial clogging conditions.
- Preliminary Plan Sheets and grading quantity takeoffs are in progress.

San Bernardino Basins Model Calibration Project

- A Request for Proposals (RFP) was issued in October, and the consultant selection process is on-going.

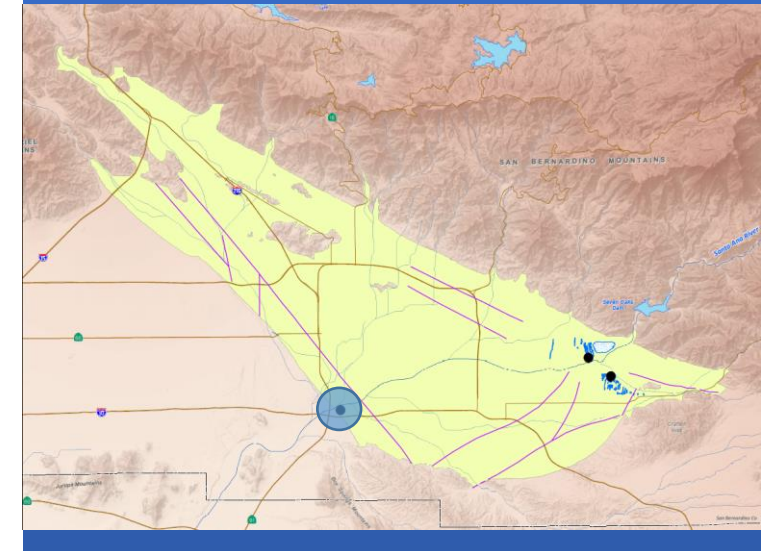
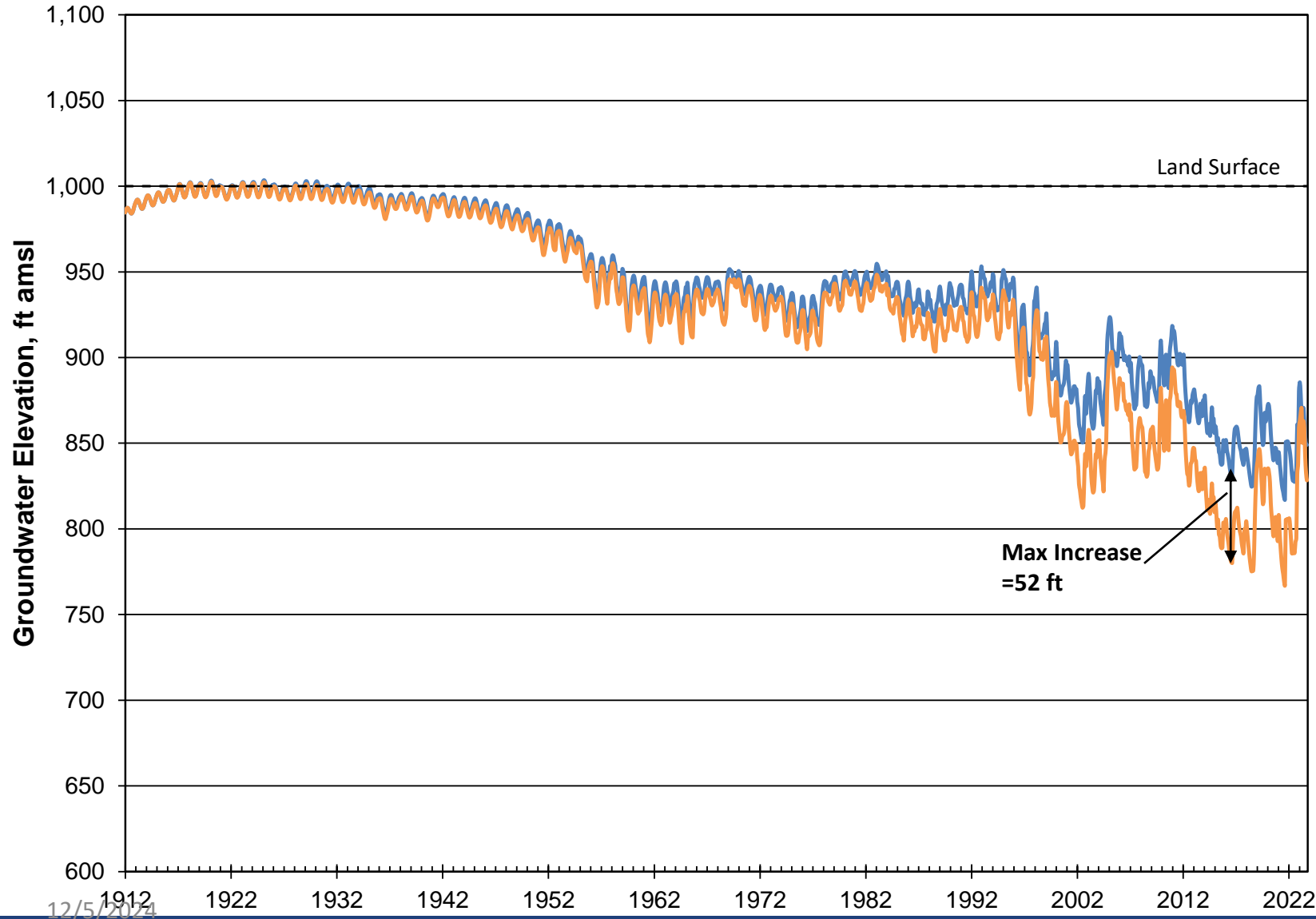
Change in Groundwater Elevation after 112 Years – Dec 2023 (with WCD minus without WCD)

Increase in groundwater elevations (with WCD minus without WCD) in the San Bernardino Basin Area.



Groundwater Model Results (1912-2023)

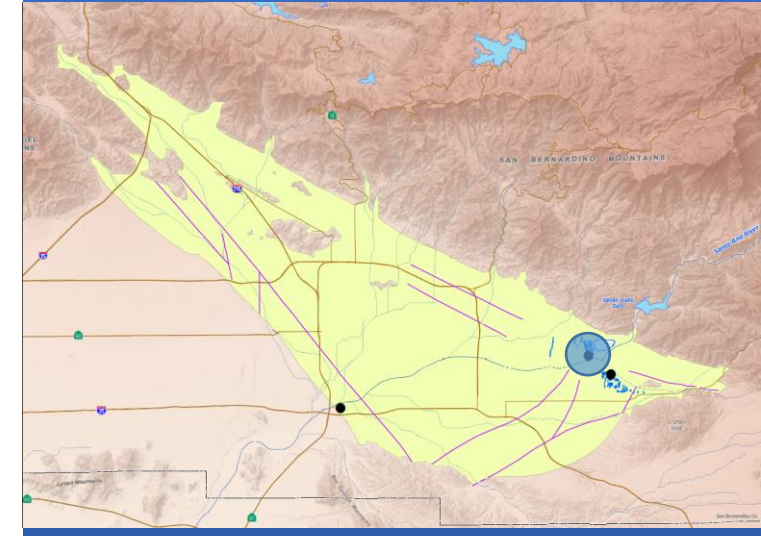
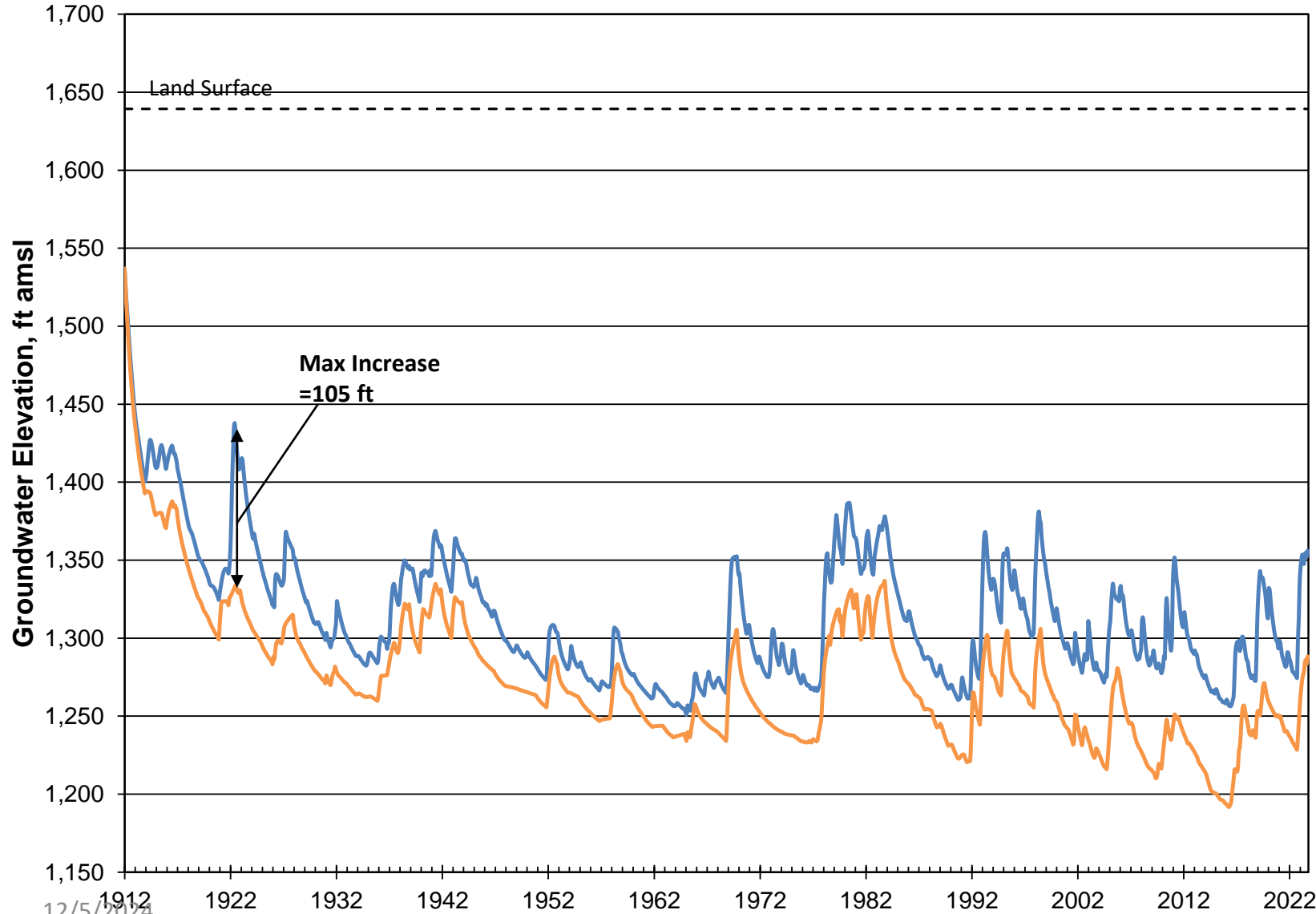
Commerce Center - 1S/4W-22J1 (Layer 5)



- Model-Calculated (with Conservation District diversions)
- Model-Calculated (without Conservation District diversions)

Groundwater Model Results (1912-2023)

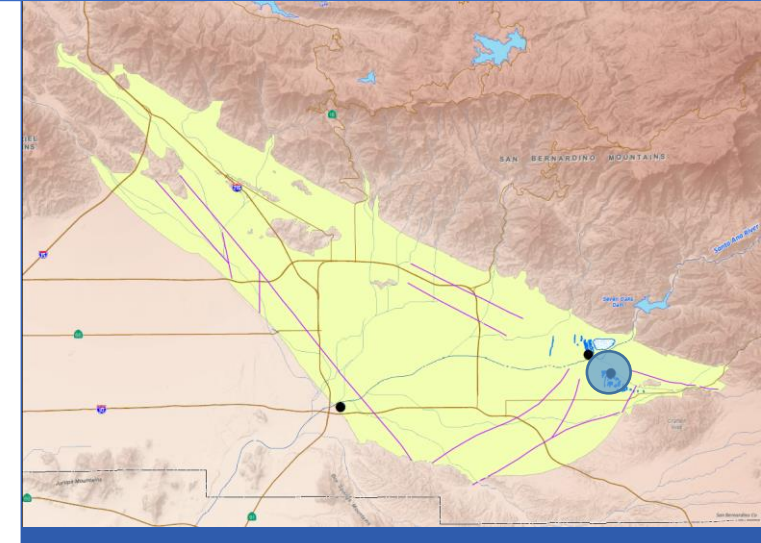
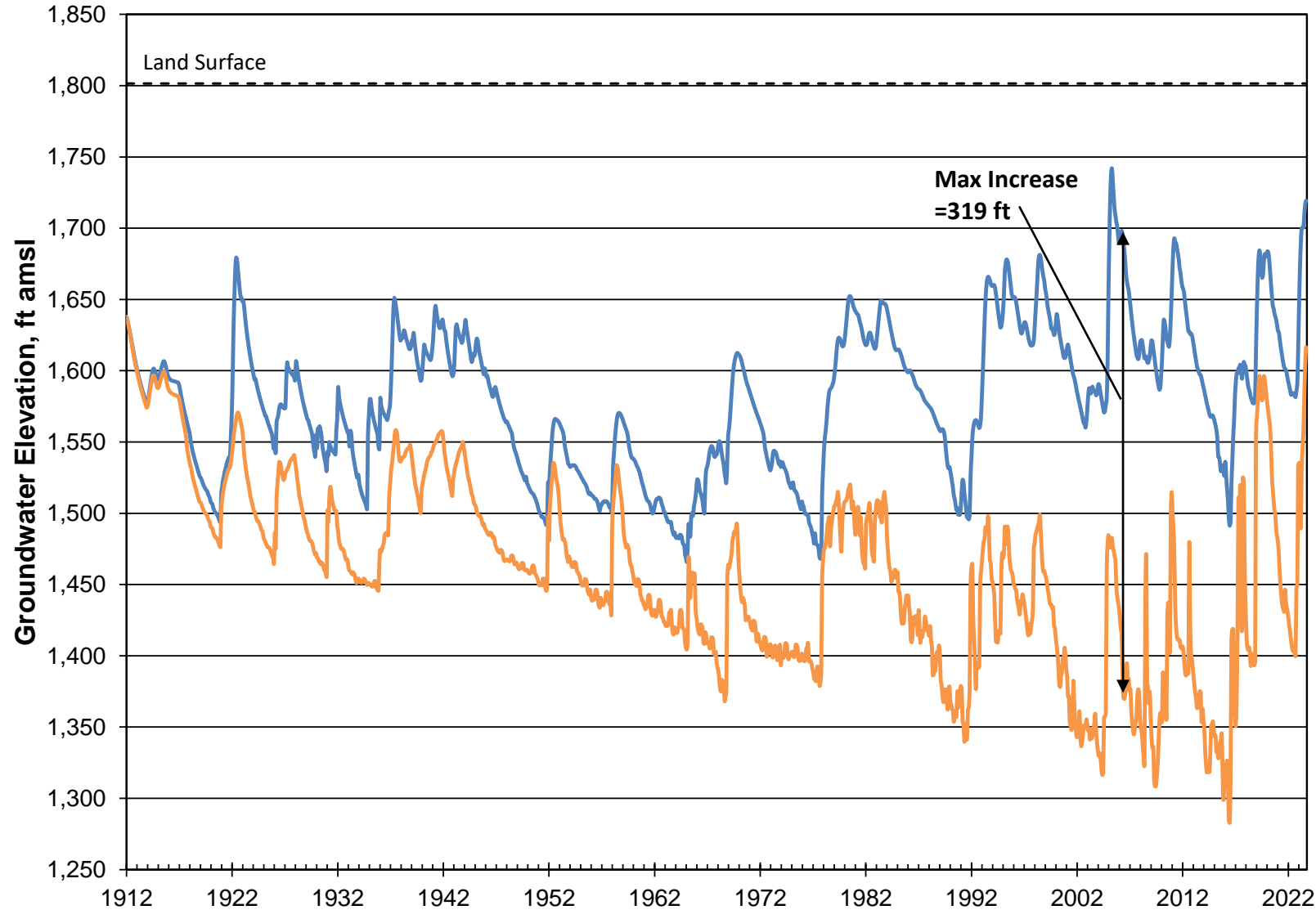
Cone Camp - 1S/2W-7Q2 (Layer 3)



- Model-Calculated (with Conservation District diversions)
- Model-Calculated (without Conservation District diversions)

Groundwater Model Results (1912-2023)

MC2 (Layer 2)



- Model-Calculated (with Conservation District diversions)
- Model-Calculated (without Conservation District diversions)

General Manager's Report



**San Bernardino Valley
Water Conservation District**

Helping Nature Store Our Water

December 2024

Betsy Miller, General Manager

To implement the Board’s Goals and directed actions, significant staff resources were allocated last month to PERC, facilities maintenance, and recruiting for vacant roles.

NOVEMBER 2024 HIGHLIGHTS

- FY24 Audit completed
- Outreach Plan approved
- ~10,000 cy of stockpiled materials removed from Mill Creek Groundwater Recharge site
- Modeling completed for quantification of District recharge effects on aquifer levels
- Mentone Shop contractor selected

💧 Water Conservation Update 💧

Santa Ana River and Mill Creek continue to receive flows from storms and the State Water Project (SWP). District recharge for WY24 is 9,216 AF to date, including 6,619 of SWP water.

NOVEMBER 2024 RECHARGE SUMMARY		
Mill Creek	Santa Ana River	Plunge Creek
276 AF <i>(0 AF SWP)</i>	3,810 AF <i>(including 3,633 AF SWP)</i>	87 AF

Administrative Updates

TOPIC	PERSONNEL	GOAL #	1
<u>Recruitments</u> <ul style="list-style-type: none"> • Interviews for Assistant Engineer were held on November 21, with second interviews held on December 2 • Job announcements for Senior Engineer and Principal Engineer were posted on November 21 			
TOPIC	FINANCE	GOAL #	1
<ul style="list-style-type: none"> • The FY24 Audit is complete and presented for Board consideration in December 			
TOPIC	PROPERTY	GOAL #	1

Redlands Plaza

- None

Project and Program Updates

PROJECT	PROGRAM FOR EXPANSION OF RECHARGE CAPACITY (PERC)	GOAL #	1, 2, 4
<ul style="list-style-type: none">• Refer to Engineering Update for details			
PROJECT	ENHANCED RECHARGE	GOAL #	1
<ul style="list-style-type: none">• Construction is nearing completion			
PROJECT	MENTONE SHOP CONSTRUCTION	GOAL #	2
<ul style="list-style-type: none">• Staff led tours of the Mentone Shop construction site for three interested contractors and developed a contract based on the selected bid for Board consideration in January			
PROJECT	GRANTS	GOAL #	6
<ul style="list-style-type: none">• District provided a letter of support for APEX Environmental & Water Resource’s grant application for the Water Research Foundation’s research project (RFP 5290), titled The Emergence of Artificial Intelligence: Opportunities and Challenges for Water Resources Planning; if awarded, the grant would use District case studies to explore AI-supported improvements in groundwater recharge management and ecological and hydrological impact analyses, with the District contributing our long-term datasets and staff expertise in recharge and conservation			
PROJECT	FORECAST-INFORMED RESERVOIR OPERATIONS	GOAL #	1
<ul style="list-style-type: none">• None			
PROJECT	PLUNGE CREEK CONSERVATION	GOAL #	1, 4
<ul style="list-style-type: none">• Total project recharge is 157 AF for this water year to date			
PROJECT	WASH PLAN HCP	GOAL #	4
<ul style="list-style-type: none">• Refer to Environmental Update for additional details			
<u>Santa Ana River Wash Plan Land Exchange Act Implementation</u>			
<ul style="list-style-type: none">• BLM staff have completed the required survey and are continuing to process the land exchange documents			

PROJECT	WILDLANDS TRAILS	GOAL #	3
<ul style="list-style-type: none"> • None 			

Operations & Maintenance Updates

TOPIC	FACILITIES	GOAL #	1
<p>Water recharge operations are focused on:</p> <ul style="list-style-type: none"> • Operation of the completed Enhanced Recharge basins • On-going recharge operations at existing facilities, with a focus on State Project Water • High priority maintenance at the Mill Creek recharge basins • Supporting removal of rock stockpiles at Mill Creek 			
TOPIC	AGGREGATE MANAGEMENT	GOAL #	1
<ul style="list-style-type: none"> • Upland Rock continues processing and selling sand/rock from District basin maintenance efforts to support efficient recharge operations 			

Partnership Updates

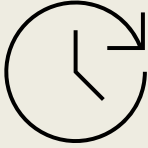
TOPIC	CONSERVATION TRUST	GOAL #	4
<ul style="list-style-type: none"> • None 			
TOPIC	MINING	GOAL #	N/A
<ul style="list-style-type: none"> • CEMEX continues to mine the Plant Site quarry under their lease with the District 			

Communication & Engagement Updates

TOPIC	EDUCATION	GOAL #	5
<ul style="list-style-type: none"> • IERCDC presented water conservation education programs on the District’s behalf to a first grade class at Barton Elementary in San Bernardino on November 11 			
TOPIC	CONFERENCES/TRAINING	GOAL #	5
<ul style="list-style-type: none"> • Mike Guizar completed the training Tactical Drone Concepts: Beyond the Basins to advance District capacity to efficiently monitor mining leases, materials processing activities, and habitat restoration efforts 			
TOPIC	MEDIA/LEGISLATIVE	GOAL #	5

- 2024 Annual Report completed

FUTURE ACTIVITIES



Expected short-term items for Board consideration:

- Mentone Shop contract
- Waterwise garden at San Bernardino County Museum
- Consider support of regional groundwater calibration work

Photo Gallery



First Day of Stockpile Processing at Mill Creek Pond 24 on October 22



Continuing Stockpile Processing at Mill Creek Pond 24 on November 5



Mill Creek Pond 45 Cleaned by the Operations Team



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

November 14, 2024

Ms. Lindsey Bloxom
Research Program Manager
Water Research Foundation (WRF)
6666 W. Quincy Ave.
Denver, CO 80235

Re: Commitment and Support Letter for APEX Environmental & Water Resources in response to WRF Request for Proposal No. 5290

Dear Ms. Bloxom,

On behalf of the San Bernardino Valley Water Conservation District (SBVWCD), I am pleased to confirm our commitment to supporting APEX Environmental & Water Resources in your research project, *The Emergence of Artificial Intelligence: Opportunities and Challenges for Water Resources Planning*. We are excited to collaborate as a participating utility and contribute our unique insights to this innovative endeavor.

SBVWCD’s successful mission to manage and recharge the Bunker Hill Groundwater Basin sustainably, while conserving critical habitats, for over a century will contribute a valuable long-term dataset that aligns seamlessly with the goals of this project. We recognize the transformative potential of artificial intelligence in addressing the complexities of modern water resource management, and we are eager to help advance this field by sharing our expertise and operational challenges.

Supporting the Research Objectives

As a participating utility, SBVWCD will actively collaborate with APEX to explore potential AI applications tailored to our specific needs. Two use cases we believe are particularly promising include:

- 1. **AI-Enhanced Groundwater Recharge Management:**
Leveraging AI to analyze real-time hydrological and meteorological data to optimize recharge operations, improve aquifer sustainability, and maximize water availability during critical periods.

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2. **Ecological and Hydrological Impact Analysis:**

Developing AI-driven tools to monitor and assess the success of conservation projects, such as the Plunge Creek Restoration Project, with a focus on habitat health, groundwater recharge effectiveness, and adaptive management strategies. APEX's ongoing experience with Orange County Water District on similar habitat management tools is instrumental for developing such programs.

Commitment to Implementation

We are particularly encouraged by APEX's commitment to delivering a comprehensive implementation plan at the conclusion of the project. We look forward to working together on:

- **Strategic Planning:** Ensuring the research outcomes align with SBVWCD's long-term objectives.
- **Funding Strategies:** Collaborating to identify resources for implementing AI tools.
- **Regulatory Compliance:** Navigating any regulatory considerations for incorporating AI into water resource operations.
- **Stakeholder Engagement:** Facilitating outreach and communication with community stakeholders and partners.
- **Cost/Benefit Analyses:** Assessing the financial and operational viability of proposed AI applications.

The SBVWCD is eager to support APEX Environmental & Water Resources in this important research initiative. We will provide equivalent to \$5,000 of staff time as in-kind contribution to this project. We believe this collaboration will contribute meaningful advancements to the water sector and support sustainable water management practices for generations to come.

Sincerely,



Betsy Miller

General Manager

San Bernardino Valley Water Conservation District