



# San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

## **BOARD OF DIRECTORS MEETING AGENDA**

**Wednesday, December 14, 2022– 9:30 a.m.**

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

**Call in (669) 900-6833, Meeting ID: 828 2351 1711**

To join the Zoom Meeting on <https://us02web.zoom.us/j/82823511711>

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

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

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### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

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#### **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:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

#### **GENERAL MANAGER**

Betsy Miller

1. **OATH OF OFFICE**

*Administration of Oaths of Office for reelected and reappointed Directors:*

David E. Raley, Division 2

John Longville, Division 4

Melody Henriques-McDonald, Division 5

2. **ELECTION OF BOARD OFFICERS**

1. Open Nominations for President and Vice President

2. Close Nominations and Call Vote

3. **GUEST RECOGNITION/SELF INTRODUCTIONS**

4. **CONSENT CALENDAR**

A. Approval of Board Minutes, November 9, 2022 .....6

B. Approval of Expenditure Report, November 2022 ..... 14

5. **COMMITTEE REPORTS /ACTION ITEMS**

**Committee Reports**

A. FINANCE & ADMINISTRATION COMMITTEE VERBAL REPORT - 10 minutes

**Presenter:** Finance & Administration Committee/Angie Quiroga

**Recommendation:** The chair of the Finance & Administration Committee will provide a verbal report on the meeting held on November 16.

B. AD HOC AUDIT COMMITTEE VERBAL REPORT - 10 minutes

**Presenter:** Ad Hoc Audit Committee/Angie Quiroga

**Recommendation:** The chair of the Ad Hoc Audit Committee will provide a verbal report on the meeting held on December 2.

**Action Items**

C. UNAUDITED FINANCIAL REPORTS, November 2022 – 5 minutes (M#1900) .....22

**Presenter:** Angie Quiroga/Betsy Miller

**Recommendation:** Review and approve the unaudited financial report for November 2022.

D. 1<sup>st</sup> QUARTER UNAUDITED FINANCIAL REPORTS FOR FY 2022-2023 – 5 minutes  
(M#1901) .....28

**Presenter:** Finance & Administration Committee/Angie Quiroga

**Recommendation:** The Finance & Administration Committee recommends approval of the first quarter unaudited financial report for FY 2022-2023 as presented.

E. APPROVAL OF THE ENHANCED RECHARGE PHASE 1B PLANS AND SPECIFICATIONS  
– 5 minutes (M#1902).....34

**Presenter:** Betsy Miller/Katelyn Scholte

**Recommendation:** Review and consider approval of the engineering plans and specifications for the Enhanced Recharge Project Phase 1B.

- F. FY22 DISTRICT AUDIT – 10 minutes (M#1903) .....37

**Presenter:** Betsy Miller

**Recommendation:** The Ad Hoc Audit Committee recommends the Board review and approve the 2022 Audit Report as presented and direct the General Manager to file the Audit with the County Clerk.

- G. 2023 PER DIEM RATE – 10 minutes (M#1904).....121

**Presenter:** Finance & Administration Committee

**Recommendation:** The Finance & Administration Committee recommends the Board increase the Board Per Diem Rate by \$4.00 to \$250.00 for calendar year 2023, and approve Resolution No. 604A.

## 6. INFORMATION ITEMS:

- A. Environmental Update – 5 Minutes..... 124
- B. Wash Plan Trails Status Report – 5 Minutes..... 127
- C. Engineering Update – 5 Minutes..... 128
- D. General Manager’s Report and Monthly Recharge Report – 5 Minutes..... 129
- E. Future Agenda Items & Staff Tasks – 5 Minutes

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

## 8. UPCOMING MEETINGS:

- |                                       |   |
|---------------------------------------|---|
| A. December 15, 2022                  | San Bernardino Valley Municipal Water District<br>Resources Workshop, 2:00 p.m. at Valley Municipal                   |
| B. December 20, 2022                  | San Bernardino Valley Municipal Water District Board of<br>Directors Meeting, 2:00 p.m. at Valley Municipal           |
| C. December 21, 2022                  | USAR WIFA Meeting, 8:30 a.m. via<br>Zoom/Teleconference   |
| D. December 23 & December<br>26, 2022 | Office Closed in Observance of Christmas Eve &<br>Christmas Day   |
| E. December 30, 2022                  | Office Closed in Observance of New Year’s Eve   |
| F. January 2, 2023                    | Office Closed in Observance of New Year’s Day   |
| G. January 16, 2023                   | Office Closed in Observance of Martin Luther King, Jr.<br>Birthday  |
| H. January 18, 2023                   | Conservation Trust, 2:00 p.m. at Conservation District  |
| I. January 19, 2023                   | Upper Santa Ana River Division I Water Forum, 9:00<br>a.m., at Hilton Garden Inn, Fontana                             |
| J. January 24, 2023                   | Operations Committee, 9:00 a.m. at Conservation District<br>(Zoom Meeting ID: 838 9508 0893)                          |
| K. January 25, 2023                   | Finance & Administration Committee Meeting, 1:30 p.m.<br>at Conservation District<br>(Zoom Meeting ID: 832 1145 1794) |

L. January 30, 2023	Basin Technical Advisory Committee, 1:30 p.m. at Valley Municipal
M. January 31, 2023	Big Bear Watermaster Committee, 10:00 a.m. at Conservation District
N. February 6, 2023	Basin Technical Advisory Committee, 1:30 p.m. at Valley Municipal
O. February 9, 2023	Ad Hoc Trails Committee, 9:00 a.m. at Conservation District (Zoom Meeting ID: 810 3537 2357)
P. February 9, 2023	Outreach Committee Meeting, 10:00 a.m. at Conservation District (Zoom Meeting ID: 882 2303 8405)
Q. February 14, 2023	Active Recharge Transfer Projects Policy Committee, 9:00 a.m. at Conservation District
R. May 9-11, 2023	ACWA Spring Conference (Monterey, CA) <b>(Board Approval Required)</b>

9. **CLOSED SESSION**

1. The Board will meet in Closed Session under authority of Government Code §54956.9 (a), in order to discuss existing litigation, Endangered Habitats League et al. vs. U.S. Army Corps of Engineers, Central District Court Case no. Case No.: 2:16-cv-09178-MWF-E.
2. The Board may convene in Closed Session for Conference to discuss Real Property Negotiations pursuant to Government Code §54956.8; Owner: Southern California Edison East End Hydroelectric Generation Plant property located on various parcels and easements in Mill Creek and Santa Ana River Canyons, Negotiator: Betsy Miller and David Cosgrove Owner: Southern California Edison Negotiators Allison, Bahen, Property Manager and Steven Powell, Vice President.
3. The Board will meet in Closed Session under Government Code section 54956.8, to discuss the terms and conditions of potential acquisition of Federal properties as part of the Wash Plan land exchange with BLM, consisting of 327.5 acres of the Federal Exchange Parcel, and 90 acres of the Federal Equalization Parcels, in exchange for District property of Assessor Parcel Nos. 0291-151-01, -02, and-05. David Cosgrove and Betsy Miller are the District's negotiators, and Victoria Ramirez is the lead negotiator for BLM.
4. The Board will meet in Closed Session under authority of Government Code 54956.9 (d)(2), (d)(3) and (e)(1), to discuss exposure to litigation in one case.
5. The Board will meet in Closed Session under authority of Government Code §54956.9 (a), in order to discuss existing litigation, San Bernardino Valley Water Conservation District v. Mark J. Bacher dba Red Dragonfly Spa, SBCSC Case No. LLTVA 2103055.
6. The Board may convene in closed Session under authority of Government Code §54956.9 (a), (d)(2), and (e) (2), in order to discuss potential litigation regarding the DR Horton trespass.

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

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS MEETING

MINUTES OF NOVEMBER 9, 2022  
1:30 p.m.

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

ROLL CALL:

BOARD MEMBERS PRESENT:

Melody McDonald, President  
Richard Corneille, Vice President  
David E. Raley, Director  
Robert Stewart, Director  
John Longville, Director (Arrival 1:44 p.m.)

BOARD MEMBERS ABSENT:

None

STAFF PRESENT:

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

GUESTS PRESENT:

Paul Kielhold, San Bernardino Valley Municipal Water District  
June Hayes, San Bernardino Valley Municipal Water District  
Willow Green, Tetra Tech

1. PUBLIC PARTICIPATION

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

2. ADDITIONS/DELETIONS TO AGENDA

There were no additions or deletions to the posted agenda.

3. GUEST RECOGNITION/SELF INTRODUCTION

All those present in person and via Zoom made self-introductions.

4. CONSENT CALENDAR

**It was moved by Vice President Corneille and seconded by Director Raley to approve the Consent Calendar: Item A: Board Minutes, October 12, 2022; and Item B: Expenditure Report, October 2022. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.**

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORT, OCTOBER 2022

Ms. Quiroga introduced this item for discussion, beginning on package page 24, and noted that payment for the Enhanced Recharge Lease Agreement was received from San Bernardino Valley Municipal Water District (Valley Municipal) on November 4. In addition, \$6,100 was received for GL 4022-Groundwater Charge and \$1,840 was received for GL 4026-Groundwater Sustainability. She noted that GL 6300-Insurance will decrease \$10,550 due to prepayment for next fiscal year. The total overall costs for insurance increased by \$9,000 due to increased payroll, an increased rate modifier factor, and a decrease in Rate Stabilization Funds received for this year. Ms. Quiroga noted that GL 7126-ARTP Engineering and Professional Services were included in fixed assets which does not allow for them to be shown in detail. She indicated that these expenses will be revised to clearly show details in the monthly unaudited financials and will be moved back to fixed assets for auditing purposes. The amount expended for October for GL 7126 was \$341,098. Vice President Corneille asked why GL 4015-UBS Interest Income is negative. Ms. Quiroga noted that this is an unrealized loss on CD's. She noted that interest rates are increasing and that the District has received some interest income. The Board thanked Ms. Quiroga for her detailed report.

**It was moved by Director Stewart and seconded by Vice President Corneille to approve the Unaudited Financial Reports for October 2022. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.**

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

## B. ENGINEERING INVESTIGATION PLAN FOR 2023

Ms. Scholte reviewed this item beginning on package page 30. She indicated that the report will be completed by Ms. Torres with support from Anna Frey, Assistant Biologist. She noted that the District has followed the approach to preparing the Engineering Investigation developed in 2012 for several years and proposes to do so again for the upcoming report. Staff requested feedback from the Board on the presented plan. There were no suggested revisions to the Engineering Investigation Plan.

**It was moved by Vice President Corneille and seconded by Director Stewart to approve the Engineering Investigation Plan as presented. The motion carried 4-0, with all Board members present voting in the affirmative. Director Longville was noted absent from the vote.**

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

## C. 2<sup>ND</sup> AMENDMENT TO CONTRACT SERVICES AGREEMENT FOR EXPERT TECHNICAL CONSULTANT SERVICES TO PURSUE AND OBTAIN STATE AND SELECTED FEDERAL PERMITS FOR THE UPPER SANTA ANA RIVER WASH HABITAT CONSERVATION PLAN COVERED ACTIVITIES

Mr. Mitrovich reviewed this item, noting its inclusion on package page 37. He indicated that this amendment is necessary for the District to complete remaining programmatic permits required for the Covered Activities included within the Upper Santa Ana River Wash Habitat Conservation Plan (HCP). The second Amendment to contract services with AECOM is for an amount not to exceed \$36,091. Staff provided a handout on the status of the programmatic permits and reviewed the estimated project costs on package page 43. Ms. Miller said that the 404 permit may require additional time and costs to prepare a new cultural resource report because the version that was prepared for the HCP is not acceptable to the U.S. Army Corps of Engineers. The 2081 permit is pending California Department Fish & Wildlife (CDFW) approval. Vice President Corneille asked if the permits are delaying any projects. Ms. Miller indicated that additional mining has been delayed until permits are issued. Vice President Corneille requested an amendment with the full cost of the project included. Staff confirmed they will adopt this administrative practice moving forward. Director Raley requested the minutes of the last Wash Plan Task Force meeting. Director Stewart asked if AECOM or other consultants will be necessary to comply with requirements of issued permits. Ms. Miller indicated that the majority of this work will be completed by District staff. Director Raley asked if the District should consider hiring its own employee rather than outsourcing to AECOM. Ms. Miller stated that this option was evaluated for both permit issuance and permit compliance; the new Assistant Biologist role approved by the Board for this fiscal year will allow the District to complete the majority of permit compliance actions in-house.

**It was moved by Vice President Corneille and seconded by Director Longville to approve the Second Amendment to Contract Services Agreement from AECOM and authorize the General Manager, subject to concurrence by the Wash Plan Task Force, to complete the negotiation of services and fees and**



**execute a change order agreement in an amount not to exceed \$36,091. The motion carried 5-0, with all Board members present voting in the affirmative.**

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

**D. EXTENSION OF LEASE AGREEMENT WITH STEPS 4 LIFE**

Mr. Cosgrove reviewed this item, included on package page 45. He provided a brief history on the District's strategic partnership with Steps 4 Life Community Services (Steps 4 Life). Since the adoption of this lease agreement in 2018, fifty-three residents have graduated from the program and achieved self-sufficiency. In addition, District staff have received training and assistance in appropriately addressing issues with persons experiencing homelessness. The lease has reached its expiration and an extension has been prepared for Board consideration. President McDonald spoke in support of this item. Director Longville expressed his appreciation for Steps 4 Life and District staff. Mr. Cosgrove noted the District's gratitude to Steps 4 Life and the City of Redlands Homeless Coordinator in support of offering services to persons experiencing homelessness on District property. Director Longville asked if the District has hired any of its residents. Ms. Scholte indicated that Steps 4 Life occupants have provided volunteer support to field staff and Ms. Miller stated that to date the District has hired one resident for a paid internship. Vice President Corneille recommended periodically checking the status of the house. Mr. Cosgrove said that there is a provision in the lease which allows for site inspections.

**It was moved by Director Longville and seconded by Director Raley to approve Amendment to Memorandum of Understanding and Lease Agreement for the provision of transitional housing support services, extending its term to November 30, 2024, with three (3) potential additional one-year extensions. The motion carried 5-0, with all Board members present voting in the affirmative.**

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

**E. AMENDING GENERAL MANAGER CONTRACT AND RESOLUTION TO REMOVE DUTIES AS EXECUTIVE OFFICE/SECRETARY OF THE SAN BERNARDINO VALLEY CONSERVATION TRUST**

Mr. Cosgrove reviewed this item, beginning on package page 51, that was initiated in response to an action by the San Bernardino Valley Conservation Trust (Trust) to appoint the Land Resources Manager as the Executive Office/Secretary of the Trust. While these roles were previously held by the District's General Manager, Mr. Cosgrove indicated that this change improves both transparency and fit for this position related to employee duties. The Trust will reimburse the District for time worked by District staff. In order to move forward with this change, Mr. Cosgrove requested approval of Resolution No. 604 to revise the General Manager's employment contract to remove these duties. Vice President Corneille

asked if the resource agencies would prefer the Land Resources Manager as the Executive Officer rather than the General Manager. Ms. Miller indicated that the resource agencies are agreeable to this change with the caveat that they will be providing oversight to the Trust. Director Raley requested that the Finance & Administration Committee review the Tetra Tech and AECOM contracts and any crossover between the two at its next meeting. Vice President Corneille asked if these responsibilities have been added to the Land Resources Managers job description. Staff confirmed that these responsibilities will be added once approved by the Board and Trust.

**It was moved by Director Raley and seconded by Director Longville to approve Resolution No. 604, removing therefrom those duties related to serving as the Secretary and Executive Officer of the San Bernardino Valley Conservation Trust and approving a confirming amendment to the General Manager's employment contract. The motion carried 5-0, with all Board members present voting in the affirmative.**

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

#### F. ACWA REGION 9 CALL FOR CANDIDATES

This item is included on package page 58. There were no Board members interested at this time. Therefore, the Board took no action.

#### G. 2023 DISTRICT BOARD MEETING CALENDAR

Ms. Miller introduced this item for discussion, noting its inclusion on package page 67. She reviewed the draft 2023 Board Calendar and asked for Board feedback. No changes were recommended.

**It was moved by Vice President Corneille and seconded by Director Stewart to approve the proposed 2023 District Board Meeting Calendar as presented. The motion carried 5-0, with all Board members present voting in the affirmative.**

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

### 6. INFORMATION ITEMS

#### A. ENVIRONMENTAL UPDATE

Mr. Mitrovich provided an update on this item, noting its inclusion on package pages 69 to 71. He reviewed the Wash Plan implementation and management activities. Staff and various partner agencies performed a variety of outreach to persons experiencing homelessness on District lands. Mr. Mitrovich said that Michael Guizar, Field Operations Specialist, has been instrumental in offering services and support to these individuals. President McDonald expressed her appreciation for the staff's efforts. Mr.

Mitrovich indicated that field staff is building a gate to limit access for trespass and dumping and assisting BLM where possible. Notice to vacate District lands was provided to all occupants with a November 7 date to vacate. Director Stewart asked if staff keeps track of the environmental impacts that are limited through active stewardship. Ms. Miller and Mr. Mitrovich said that the annual report for the Wash Plan will be catalog efforts and attempt to quantify the benefits received from management actions. Mr. Mitrovich highlighted the work that District staff is performing out in the field, including biological monitoring for engineering and operations projects. Anna Frey, Assistant Biologist, and Chrissy Kent, Biology Intern, have been supporting these tasks primarily. Vice President Corneille inquired about the Preserve Management Committee, asking if those who attended were generally aware of the functions performed by the District. Ms. Miller believes those that participated were approving of the District's efforts. Mr. Mitrovich said this was an excellent opportunity to share information with engaged partners. The next Preserve Management Committee meeting will be in the spring. This item was received and filed.

#### B. WASH PLAN TRAILS STATUS REPORT

Ms. Miller introduced this item for discussion, noting its inclusion on package page 72. She said that we have reached out to the Cities of Redlands and Highland and are awaiting comments on the five-party agreement. Staff will continue to follow up with our contacts at both cities.

#### C. ENGINEERING UPDATE

This item is included on package page 73. Mr. Fogerson said that the Mentone Shop drawings are in preparation by the building manufacturer. He said that the gate for Mill Creek Diversion was delivered. The District is currently waiting for the 408 permit to be issued by the U.S. Army Corps of Engineers with project completion planned for spring. Mr. Fogerson reviewed the ARTP projects, noting that geotechnical work is currently being performed and the hydrologic model is expected to be ready for review at the next Operations Committee. Vice President Corneille noted that the preliminary financial report was reviewed by the ARTP Policy Committee and recommended the Board review it as well. Mr. Fogerson reviewed the preliminary financial report in detail. The projects feasible for completion within the next five years will be prioritized. Ms. Scholte reviewed the ARTP Cost Summary for November 2022. Vice President Corneille is supportive of staffs' process and indicated that it is a sound method for determining cost-effectiveness and feasibility of projects. The Board thanked Mr. Fogerson and Ms. Scholte for the detailed report.

#### D. GROUNDWATER COUNCIL RENEWAL UPDATE

Ms. Miller and Ms. Scholte provided a PowerPoint presentation for this item. Ms. Miller provided a brief update on the history and purpose of the Groundwater Council (GC), notably creating a collaborative partnership to fund purchase of State Project water to augment recharge in support of the safe yield of the basin. The GC actions and successes from 2018-2022 was reviewed in detail. Ms. Scholte provided an overview of the Equitable Allocation Model (EAM) that determines how costs are allocated among GC member agencies. Ms. Scholte reviewed the alternatives and methods reviewed to develop the EAM. She stated that \$696,800 (23% of total costs) was budgeted for FY22 for Operations and Maintenance and \$2,281,396 (77% of total costs) was budgeted for purchase of State Project water. Director Longville commended staff for their efforts in helping develop and implement the EAM. The GC members are meeting to evaluate renewal of the agreement, which expires in 2023, and determine any needed

revisions including removal of the base period production from the "gap" calculation, inclusion of local water recharge, and determining the amount of surface water recharge in active channels. A handout of the approved EAM was provided to the Board for review. Director Stewart asked how the water provided by the Sterling Natural Resources Center (SNRC) is accounted for. Ms. Scholte indicated that the GC envisioned that a GC member could contribute through monetary payments or alternative water source supply; therefore, EVWD could use the water from SNRC as their payment method if it is recharged into the basin. The Board thanked Ms. Scholte for the detailed update.

#### E. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Ms. Miller introduced this item for discussion, noting its inclusion on package page 74. She noted that the audit has been delayed due to staff turnover at Rogers, Anderson, Malody and Scott, and thanked Ms. Quiroga for her hard work in moving the process forward. She indicated that the District will utilize the Board's prior approval for President McDonald's delegation as its voting authority at the ACWA Fall Conference. There were no objections. Ms. Miller noted that Anna Frey began as our new Assistant Biologist on October 24. USGS presented the District's San Bernardino Kangaroo Rat monitoring protocol and Year 1 monitoring results at the National Habitat Conservation Planning Coalition Conference on October 27. Year 2 data collection was completed on October 28. She commended District and partner staff for providing outreach regarding services to those experiencing homelessness on District lands. Ms. Miller recognized Mr. Fogerson for his extensive work in preparing the initial cost estimates for ARTP. She noted that the Redlands Plaza eviction is now complete. The 1600 operations and maintenance permit has been signed and returned to the District. Ms. Miller has coordinated with researchers at the Center for Law Energy and Environment, UC Berkley School of Law, who were recently awarded the Environmental Protection Agency's Science To Achieve Results grant to provide history on the District's recharge efforts to inclusion in the team's research. Ms. Miller noted that the District's annual luncheon will be held on December 14 at 12 p.m. at Romano's Macaroni Grill in Redlands. Vice President Corneille said that he would like staff to review the Enhanced Recharge Project's next phase prior to final approval.

#### F. FUTURE AGENDA ITEMS & STAFF TASKS

These were included in prior discussions.

#### 7. MONTHLY BOARD MEMBER MEETING REPORTS

Director Stewart attended a meeting with the General Manager and Valley Municipal Policy Workshop on October 13. He attended the Valley Municipal Water Forum on Equity Aspects of Water on October 20, and ARTP Policy Committee on November 8.

Director Longville attended the Valley Municipal Policy Workshop on October 13, Valley Municipal Board Meeting on October 18, and Conservation Trust meeting on October 20. He attended the Grand Opening of Civil Rights Institute of Southern California on October 22, Valley Municipal Board meeting on November 1 and Valley Municipal Resources Workshop on November 3. He attended the Valley Municipal Engineering Workshop on November 8.

Vice President Corneille attended the Valley Municipal Water Forum on Equity Aspects of Water on October 20, Redlands Rise N Shine on November 4. He attended the ARTP Policy Committee on November 8 and noted that he will not be attending the December 14 District Board meeting.

Director Raley made no report.

President McDonald attended the Valley Municipal Engineering Workshop on November 8, Valley Municipal Resources Workshop on November 3 and Valley Municipal Board meeting on November 1. She attended ACWA State Legislative Committee on October 28, Highland Area Chamber of Commerce Luncheon on October 25 and Valley Municipal Board meeting on October 18. She attended the Association of San Bernardino County Special Districts dinner meeting on October 17 and Valley Municipal Policy Workshop on October 13.

8. UPCOMING MEETINGS

No meetings were discussed.

9. CLOSED SESSION

**It was moved by Vice President Corneille and seconded by Director Longville to enter into Closed Session. The motion carried 5-0, with all Directors present voting in the affirmative.**

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

Mr. Cosgrove announced that the meeting would adjourn to a closed session to discuss items 1, 2, 4 and 5 on the posted agenda.

At 4:12 p.m. the meeting reconvened into open session. Mr. Cosgrove reported that while in Closed Session, the Board made no reportable action.

10. ADJOURN MEETING

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

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

At 4:15 p.m., the meeting adjourned to the regular Board meeting scheduled for 9:30 a.m. on December 14, 2022, via Zoom and in-person.

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Betsy Miller  
General Manager

# San Bernardino Valley Water Conservation District

## Expenditure Report

### November 2022

Num	Date	Name	Account	Class	Original Amount
PC 11.02.22	11/02/2022	Paychex	1012 · Citizens Busine...		-124.04
			6042 · Payroll Processing	4-General Fund Ent.	124.04
TOTAL					124.04
PC 11.16.22	11/16/2022	Paychex	1012 · Citizens Busine...		-127.38
			6042 · Payroll Processing	4-General Fund Ent.	127.38
TOTAL					127.38
PC 11.30.22	11/30/2022	Paychex	1012 · Citizens Busine...		-125.71
			6042 · Payroll Processing	4-General Fund Ent.	125.71
TOTAL					125.71
23826	11/10/2022	Aaron Pederson	1012 · Citizens Busine...		-35.00
	10/28/2022		6018 · Janitorial Services	4-General Fund Ent.	35.00
TOTAL					35.00
23827	11/10/2022	American Express	1012 · Citizens Busine...		-1,625.60
	10/24/2022		6425 · Meals	4-General Fund Ent.	79.27
			6430 · Lodging	4-General Fund Ent.	284.35
			6525 · Meals	4-General Fund Ent.	28.59
			6530 · Lodging	4-General Fund Ent.	552.06
			6530 · Lodging	1-Groundwater Ent.	429.38
			6530 · Lodging	3-Land Resources	245.36
			6525 · Meals	1-Groundwater Ent.	22.23
			6525 · Meals	3-Land Resources	12.71
TOTAL					1,653.95
23828	11/10/2022	American Power Security	1012 · Citizens Busine...		-970.00
	10/31/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	970.00
TOTAL					970.00
23829	11/10/2022	Bickerman Dispute Re...	1012 · Citizens Busine...		-2,121.07
	10/27/2022		5180 · Legal	3-Land Resources	2,121.07
TOTAL					2,121.07
23830	11/10/2022	California Tool & Weldi...	1012 · Citizens Busine...		-105.17
	10/28/2022		5210 · Equipment Maint...	1-Groundwater Ent.	105.17
TOTAL					105.17
23831	11/10/2022	Castro Landscaping Se...	1012 · Citizens Busine...		-250.00
	11/02/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**November 2022**

<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Class</u>	<u>Original Amount</u>
<b>23832</b>	<b>11/10/2022</b>	<b>DUDEK</b>	<b>1012 · Citizens Busine...</b>		<b>-1,960.00</b>
	10/10/2022		5120 · Misc. Profession...	3-Land Resources	1,375.00
	11/07/2022		5120 · Misc. Profession...	3-Land Resources	585.00
TOTAL					1,960.00
<b>23833</b>	<b>11/10/2022</b>	<b>Echelon Chem, Inc.</b>	<b>1012 · Citizens Busine...</b>		<b>-1,269.64</b>
	11/03/2022		5215 · Property Mainte...	1-Groundwater Ent.	1,015.71
			5215 · Property Mainte...	3-Land Resources	253.93
TOTAL					1,269.64
<b>23834</b>	<b>11/10/2022</b>	<b>Edison - 6256 (Redland...</b>	<b>1012 · Citizens Busine...</b>		<b>-133.73</b>
	10/31/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	133.73
TOTAL					133.73
<b>23835</b>	<b>11/10/2022</b>	<b>Edison - 9779</b>	<b>1012 · Citizens Busine...</b>		<b>-298.78</b>
	10/31/2022		5420 · Electricity	4-General Fund Ent.	83.66
			5420 · Electricity	1-Groundwater Ent.	59.76
			5420 · Electricity	2-Redlands Plaza/...	125.48
			5420 · Electricity	6-Active Recharge ...	29.88
TOTAL					298.78
<b>23836</b>	<b>11/10/2022</b>	<b>Empire Disposal</b>	<b>1012 · Citizens Busine...</b>		<b>-173.39</b>
	10/31/2022		5460 · Water / Trash / ...	4-General Fund Ent.	78.03
			5460 · Water / Trash / ...	1-Groundwater Ent.	60.68
			5460 · Water / Trash / ...	3-Land Resources	17.34
			5460 · Water / Trash / ...	6-Active Recharge ...	17.34
TOTAL					173.39
<b>23837</b>	<b>11/10/2022</b>	<b>FMB Truck Outfitters</b>	<b>1012 · Citizens Busine...</b>		<b>-989.28</b>
	10/10/2022		5310 · Vehicle Mainten...	1-Groundwater Ent.	989.28
TOTAL					989.28
<b>23838</b>	<b>11/10/2022</b>	<b>Frontier-4860</b>	<b>1012 · Citizens Busine...</b>		<b>-450.67</b>
	10/28/2022		5440 · Telephone	4-General Fund Ent.	189.41
			5440 · Telephone	1-Groundwater Ent.	78.92
			5440 · Telephone	6-Active Recharge ...	47.35
			5470 · Internet Services	4-General Fund Ent.	60.74
			5470 · Internet Services	1-Groundwater Ent.	33.75
			5470 · Internet Services	2-Redlands Plaza/...	6.75
			5470 · Internet Services	3-Land Resources	20.25
			5470 · Internet Services	6-Active Recharge ...	13.50
TOTAL					450.67



**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**November 2022**

Num	Date	Name	Account	Class	Original Amount
<b>23839</b>	<b>11/10/2022</b>	<b>Home Depot Credit Ser...</b>	<b>1012 · Citizens Busine...</b>		<b>-1,567.42</b>
	10/28/2022		5210 · Equipment Maint...	1-Groundwater Ent.	1,552.89
			6012 · Office Mainten...	4-General Fund Ent.	8.72
			6012 · Office Mainten...	2-Redlands Plaza/...	5.81
TOTAL					1,567.42
<b>23840</b>	<b>11/10/2022</b>	<b>Image Source</b>	<b>1012 · Citizens Busine...</b>		<b>-211.09</b>
	10/22/2022		6033 · Office Equipmen...	4-General Fund Ent.	158.32
			6033 · Office Equipmen...	1-Groundwater Ent.	10.55
			6033 · Office Equipmen...	2-Redlands Plaza/...	31.67
			6033 · Office Equipmen...	3-Land Resources	10.55
TOTAL					211.09
<b>23841</b>	<b>11/10/2022</b>	<b>Katelyn Scholte</b>	<b>1012 · Citizens Busine...</b>		<b>-339.00</b>
	11/08/2022		6087 · Educational Rei...	4-General Fund Ent.	339.00
TOTAL					339.00
<b>23842</b>	<b>11/10/2022</b>	<b>Lowe's Companies, Inc.</b>	<b>1012 · Citizens Busine...</b>		<b>-243.39</b>
	10/25/2022		5210 · Equipment Maint...	1-Groundwater Ent.	124.61
			6012 · Office Mainten...	4-General Fund Ent.	47.51
			6012 · Office Mainten...	2-Redlands Plaza/...	71.27
TOTAL					243.39
<b>23843</b>	<b>11/10/2022</b>	<b>Mikael Romich</b>	<b>1012 · Citizens Busine...</b>		<b>-9,775.90</b>
	09/06/2022		5123 · Habitat Manage...	5-Wash Plan	1,540.00
			5123 · Habitat Manage...	5-Wash Plan	720.00
			5120 · Misc. Profession...	3-Land Resources	7,515.90
TOTAL					9,775.90
<b>23844</b>	<b>11/10/2022</b>	<b>Netsteller</b>	<b>1012 · Citizens Busine...</b>		<b>-4,675.33</b>
	11/01/2022		6027 · Computer Softw...	4-General Fund Ent.	111.02
			6027 · Computer Softw...	1-Groundwater Ent.	25.82
			6027 · Computer Softw...	2-Redlands Plaza/...	38.73
			6027 · Computer Softw...	3-Land Resources	38.73
			6027 · Computer Softw...	6-Active Recharge ...	43.89
	11/01/2022		5160 · IT Support	4-General Fund Ent.	135.00
			5160 · IT Support	1-Groundwater Ent.	202.50
			5160 · IT Support	3-Land Resources	45.00
			5160 · IT Support	5-Wash Plan	22.50
			5160 · IT Support	6-Active Recharge ...	45.00
			6030 · Office Supplies	4-General Fund Ent.	130.47
			6030 · Office Supplies	1-Groundwater Ent.	8.16
			6030 · Office Supplies	2-Redlands Plaza/...	16.31
			6030 · Office Supplies	3-Land Resources	8.16
	11/07/2022		7210 · Computer Hardw...	4-General Fund Ent.	2,853.03
			7210 · Computer Hardw...	1-Groundwater Ent.	951.01
TOTAL					4,675.33



# San Bernardino Valley Water Conservation District

## Expenditure Report

### November 2022

Num	Date	Name	Account	Class	Original Amount
<b>23845</b>	<b>11/10/2022</b>	<b>O'Reilly</b>	<b>1012 · Citizens Busine...</b>		<b>-72.11</b>
	10/10/2022		5310 · Vehicle Mainten...	1-Groundwater Ent.	9.11
	10/28/2022		5310 · Vehicle Mainten...	1-Groundwater Ent.	13.78
	11/02/2022		5310 · Vehicle Mainten...	1-Groundwater Ent.	49.22
TOTAL					72.11
<b>23846</b>	<b>11/10/2022</b>	<b>Terminix</b>	<b>1012 · Citizens Busine...</b>		<b>-91.00</b>
	10/03/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	91.00
TOTAL					91.00
<b>23847</b>	<b>11/10/2022</b>	<b>Thompson Reuters</b>	<b>1012 · Citizens Busine...</b>		<b>-495.00</b>
	11/01/2022		5180 · Legal	4-General Fund Ent.	123.75
			5180 · Legal	1-Groundwater Ent.	74.25
			5180 · Legal	3-Land Resources	99.00
			5180 · Legal	6-Active Recharge ...	198.00
TOTAL					495.00
<b>23848</b>	<b>11/10/2022</b>	<b>WEX Bank-Shell</b>	<b>1012 · Citizens Busine...</b>		<b>-562.00</b>
	11/06/2022		5320 · Fuel	1-Groundwater Ent.	562.00
TOTAL					562.00
<b>23849</b>	<b>11/22/2022</b>	<b>ACWA/JPIA-Health</b>	<b>1012 · Citizens Busine...</b>		<b>-24,296.63</b>
	11/01/2022		6110 · Vision Insurance	4-General Fund Ent.	43.06
			6110 · Vision Insurance	1-Groundwater Ent.	149.06
			6110 · Vision Insurance	2-Redlands Plaza/...	13.25
			6110 · Vision Insurance	3-Land Resources	33.12
			6110 · Vision Insurance	5-Wash Plan	23.19
			6110 · Vision Insurance	6-Active Recharge ...	69.56
			6130 · Dental Insurance	4-General Fund Ent.	121.35
			6130 · Dental Insurance	1-Groundwater Ent.	420.07
			6130 · Dental Insurance	2-Redlands Plaza/...	37.34
			6130 · Dental Insurance	3-Land Resources	93.35
			6130 · Dental Insurance	5-Wash Plan	65.34
			6130 · Dental Insurance	6-Active Recharge ...	196.03
			6150 · Medical Insurance	4-General Fund Ent.	2,994.15
			6150 · Medical Insurance	1-Groundwater Ent.	10,364.36
			6150 · Medical Insurance	2-Redlands Plaza/...	921.28
			6150 · Medical Insurance	3-Land Resources	2,303.19
			6150 · Medical Insurance	5-Wash Plan	1,612.23
			6150 · Medical Insurance	6-Active Recharge ...	4,836.70
TOTAL					24,296.63
<b>23850</b>	<b>11/22/2022</b>	<b>AECOM Technical Serv...</b>	<b>1012 · Citizens Busine...</b>		<b>-12,553.50</b>
	11/11/2022		5122 · Wash Plan Profe...	5-Wash Plan	1,895.00
	11/16/2022		5123 · Habitat Manage...	5-Wash Plan	7,098.50
			5120 · Misc. Profession...	6-Active Recharge ...	1,512.73
			5120 · Misc. Profession...	3-Land Resources	2,047.27
TOTAL					12,553.50

# San Bernardino Valley Water Conservation District

## Expenditure Report

### November 2022

Num	Date	Name	Account	Class	Original Amount
<b>23851</b>	<b>11/22/2022</b>	<b>Athena Laroche</b>	<b>1012 · Citizens Busine...</b>		<b>-626.56</b>
	11/15/2022		6510 · Mileage	4-General Fund Ent.	250.62
			6510 · Mileage	1-Groundwater Ent.	156.64
			6510 · Mileage	3-Land Resources	62.66
			6510 · Mileage	6-Active Recharge ...	156.64
TOTAL					626.56
<b>23852</b>	<b>11/22/2022</b>	<b>CASC Engineering and...</b>	<b>1012 · Citizens Busine...</b>		<b>-19,435.30</b>
	11/15/2022		7126 · ARTP Engr/Prof ...	6-Active Recharge ...	19,435.30
TOTAL					19,435.30
<b>23853</b>	<b>11/22/2022</b>	<b>Citizens Business Bank</b>	<b>1012 · Citizens Busine...</b>		<b>-4,026.18</b>
	11/10/2022		5122 · Wash Plan Profe...	5-Wash Plan	260.00
			5180 · Legal	2-Redlands Plaza/...	245.00
			5215 · Property Mainte...	1-Groundwater Ent.	156.75
			5215 · Property Mainte...	3-Land Resources	168.49
			5310 · Vehicle Mainten...	1-Groundwater Ent.	107.88
			6001 · General Adminis...	4-General Fund Ent.	435.00
			6001 · General Adminis...	1-Groundwater Ent.	435.00
			6002 · Website Adminis...	4-General Fund Ent.	365.00
			6004 · Meeting Expenses	4-General Fund Ent.	15.21
			6004 · Meeting Expenses	3-Land Resources	15.20
			6027 · Computer Softw...	4-General Fund Ent.	103.18
			6027 · Computer Softw...	1-Groundwater Ent.	24.00
			6027 · Computer Softw...	2-Redlands Plaza/...	36.00
			6027 · Computer Softw...	3-Land Resources	36.00
			6030 · Office Supplies	4-General Fund Ent.	367.72
			6030 · Office Supplies	1-Groundwater Ent.	22.98
			6030 · Office Supplies	2-Redlands Plaza/...	45.96
			6030 · Office Supplies	3-Land Resources	22.98
			6039 · Postage and Ov...	4-General Fund Ent.	60.50
			6039 · Postage and Ov...	1-Groundwater Ent.	27.50
			6039 · Postage and Ov...	2-Redlands Plaza/...	11.00
			6039 · Postage and Ov...	3-Land Resources	11.00
			6425 · Meals	4-General Fund Ent.	15.74
			6530 · Lodging	4-General Fund Ent.	166.35
			6530 · Lodging	1-Groundwater Ent.	129.38
			6530 · Lodging	3-Land Resources	73.93
			6016 · Redlands Plaza ...	2-Redlands Plaza/...	627.63
			6027 · Computer Softw...	6-Active Recharge ...	40.80
TOTAL					4,026.18
<b>23854</b>	<b>11/22/2022</b>	<b>Corneille, Richard</b>	<b>1012 · Citizens Busine...</b>		<b>-43.75</b>
	10/31/2022		6410 · Mileage	4-General Fund Ent.	43.75
TOTAL					43.75
<b>23855</b>	<b>11/22/2022</b>	<b>David Cosgrove</b>	<b>1012 · Citizens Busine...</b>		<b>-192.50</b>
	11/17/2022		6510 · Mileage	4-General Fund Ent.	77.00
			6510 · Mileage	1-Groundwater Ent.	48.13
			6510 · Mileage	3-Land Resources	19.24
			6510 · Mileage	6-Active Recharge ...	48.13
TOTAL					192.50

# San Bernardino Valley Water Conservation District

## Expenditure Report

### November 2022

Num	Date	Name	Account	Class	Original Amount
23856	11/22/2022	Day Lite Maintenance, I...	1012 · Citizens Busine...		-34.89
	11/03/2022		6026 · Redlands Plaza ...	2-Redlands Plaza/...	34.89
TOTAL					34.89
23857	11/22/2022	Diamond Environment...	1012 · Citizens Busine...		-100.48
	11/07/2022		5460 · Water / Trash / ...	4-General Fund Ent.	45.22
			5460 · Water / Trash / ...	1-Groundwater Ent.	35.16
			5460 · Water / Trash / ...	3-Land Resources	10.05
			5460 · Water / Trash / ...	6-Active Recharge ...	10.05
TOTAL					100.48
23858	11/22/2022	DUDEK	1012 · Citizens Busine...		-1,295.68
	11/14/2022		5123 · Habitat Manage...	5-Wash Plan	1,295.68
TOTAL					1,295.68
23859	11/22/2022	Edison - 6493	1012 · Citizens Busine...		-67.55
	11/09/2022		5420 · Electricity	4-General Fund Ent.	18.91
			5420 · Electricity	1-Groundwater Ent.	13.51
			5420 · Electricity	2-Redlands Plaza/...	28.37
			5420 · Electricity	6-Active Recharge ...	6.76
TOTAL					67.55
23860	11/22/2022	Edison - 8958	1012 · Citizens Busine...		-385.49
	11/07/2022		5420 · Electricity	4-General Fund Ent.	107.94
			5420 · Electricity	1-Groundwater Ent.	77.10
			5420 · Electricity	2-Redlands Plaza/...	161.90
			5420 · Electricity	6-Active Recharge ...	38.55
TOTAL					385.49
23861	11/22/2022	Heemstra Signs	1012 · Citizens Busine...		-343.31
	11/22/2022		6016 · Redlands Plaza ...	3-Land Resources	343.31
TOTAL					343.31
23862	11/22/2022	Katelyn Scholte	1012 · Citizens Busine...		-258.59
	11/10/2022		6510 · Mileage	4-General Fund Ent.	90.23
			6510 · Mileage	1-Groundwater Ent.	56.40
			6510 · Mileage	3-Land Resources	22.56
			6510 · Mileage	6-Active Recharge ...	56.40
			6004 · Meeting Expenses	4-General Fund Ent.	16.50
			6004 · Meeting Expenses	3-Land Resources	16.50
TOTAL					258.59
23863	11/22/2022	Panoramic	1012 · Citizens Busine...		-1,250.00
	11/11/2022		5120 · Misc. Profession...	6-Active Recharge ...	1,250.00
TOTAL					1,250.00

**San Bernardino Valley Water Conservation District**  
**Expenditure Report**  
**November 2022**

Num	Date	Name	Account	Class	Original Amount
<b>23864</b>	<b>11/22/2022</b>	<b>Quill Corporation</b>	<b>1012 · Citizens Busine...</b>		<b>-34.34</b>
	11/10/2022		6030 · Office Supplies	4-General Fund Ent.	27.47
			6030 · Office Supplies	1-Groundwater Ent.	1.72
			6030 · Office Supplies	2-Redlands Plaza/...	3.43
			6030 · Office Supplies	3-Land Resources	1.72
TOTAL					34.34
<b>23865</b>	<b>11/22/2022</b>	<b>Rogers, Anderson, Mal...</b>	<b>1012 · Citizens Busine...</b>		<b>-4,050.00</b>
	10/31/2022		5170 · Audit	4-General Fund Ent.	1,215.00
			5170 · Audit	1-Groundwater Ent.	1,458.00
			5170 · Audit	2-Redlands Plaza/...	607.50
			5170 · Audit	3-Land Resources	769.50
TOTAL					4,050.00
<b>23866</b>	<b>11/22/2022</b>	<b>Sonsray Machinery</b>	<b>1012 · Citizens Busine...</b>		<b>-401.75</b>
	11/10/2022		5210 · Equipment Maint...	1-Groundwater Ent.	401.75
TOTAL					401.75
<b>23867</b>	<b>11/22/2022</b>	<b>The Gas Company</b>	<b>1012 · Citizens Busine...</b>		<b>-29.30</b>
	11/15/2022		5450 · Natural Gas	4-General Fund Ent.	14.65
			5450 · Natural Gas	1-Groundwater Ent.	8.79
			5450 · Natural Gas	6-Active Recharge ...	5.86
TOTAL					29.30
<b>23868</b>	<b>11/22/2022</b>	<b>Xerox Financial Services</b>	<b>1012 · Citizens Busine...</b>		<b>-337.44</b>
	11/02/2022		6033 · Office Equipmen...	4-General Fund Ent.	253.08
			6033 · Office Equipmen...	1-Groundwater Ent.	16.87
			6033 · Office Equipmen...	2-Redlands Plaza/...	50.62
			6033 · Office Equipmen...	3-Land Resources	16.87
TOTAL					337.44

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

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
11/2/2022	McDonald, M	Sep-22	\$ 1,230.00	\$ 107.62	\$ 1,122.38
11/16/2022	Corneile, R	Oct-22	\$ 1,230.00	\$ 147.67	\$ 1,082.33
11/16/2022	McDonald, M	Nov-22	\$ 1,230.00	\$ 107.63	\$ 1,122.37
11/30/2022	McDonald, M	Nov-22	\$ 738.00	\$ 64.57	\$ 673.43
11/30/2022	Stewart, R	Sept-Oct 22	\$ 1,722.00	\$ 286.03	\$ 1,435.97



## San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1900

**To:** Board of Directors

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

**Date:** December 14, 2022

**Subject:** Unaudited Financial Reports for November 2022

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### **RECOMMENDATION**

Review and approve the unaudited financial report for November 2022.

### **BACKGROUND**

Staff presents the previous month's unaudited financial report at the subsequent Board meeting. The reports presented here include information through November 30, 2022.

### **DISCUSSION**

Interest income is above budget as investment returns have improved. Groundwater revenue is slightly under budget due to a few remaining unpaid producers. All other revenue sources are as expected. Prepayments for GL 6093 Memberships and GL 6320 General Liability Insurance will be adjusted at yearend.

Progress is being made on GL 7126 Active Recharge Transfer Projects with expenses to date of \$477,906.21; substantial additional invoices from our consultants are expected in the upcoming months for these projects. All other expenses are as expected. December financials will form the performance basis used for the 2022-2023 preliminary budget beginning in January.

### **FISCAL IMPACT**

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

### **POTENTIAL MOTIONS**

1. Move approval of the unaudited financial report for November 2022 as presented.
2. Move to request this item be tabled and referred to the Finance & Administration Committee for reconsideration of specific issues discussed.

### **ATTACHMENTS OR MATERIALS**

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

#### **BOARD OF DIRECTORS**

Division 1:  
Richard Corneille

Division 2:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

#### **GENERAL MANAGER**

Betsy Miller

**SBVWCD - All Enterprises Budget and Actual**
**November 2022**

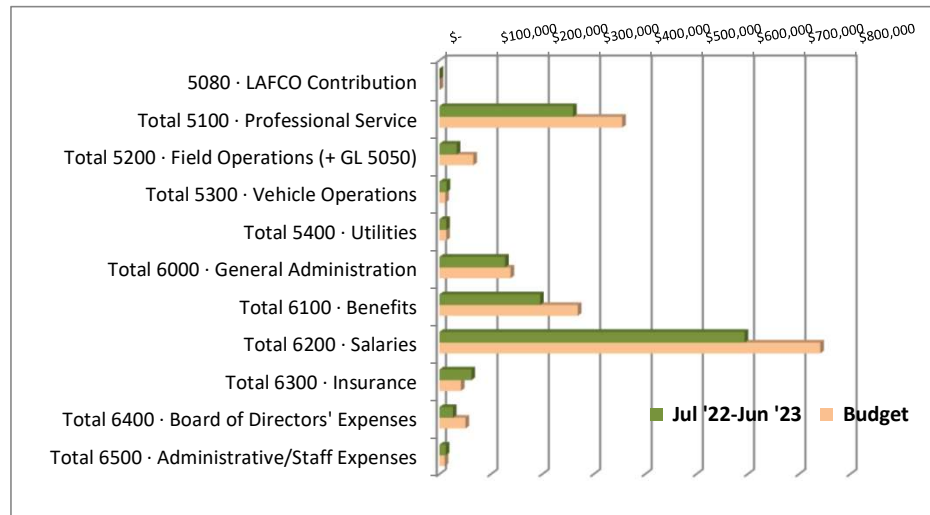
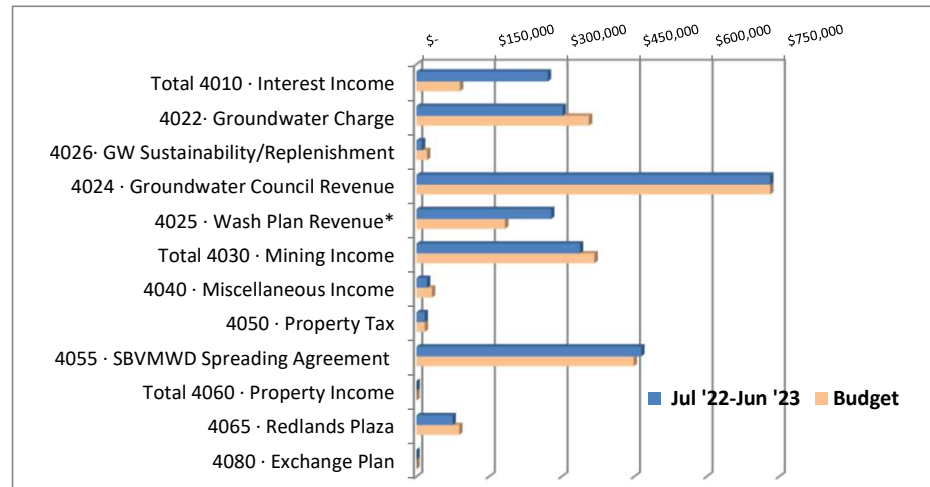
REVENUE	Jul '22-Jun '23	Budget
Total 4010 · Interest Income	\$ 271,387	\$ 89,969
4022 · Groundwater Charge	\$ 301,814	\$ 356,315
4026 · GW Sustainability/Replenishment	\$ 11,326	\$ 22,045
4024 · Groundwater Council Revenue	\$ 731,640	\$ 731,640
4025 · Wash Plan Revenue*	\$ 278,264	\$ 183,112
Total 4030 · Mining Income	\$ 337,828	\$ 367,917
4040 · Miscellaneous Income	\$ 21,747	\$ 32,083
4050 · Property Tax	\$ 16,995	\$ 17,170
4055 · SBVMWD Spreading Agreement	\$ 464,629	\$ 449,083
Total 4060 · Property Income	\$ 200	\$ -
4065 · Redlands Plaza	\$ 74,689	\$ 88,271
4080 · Exchange Plan	\$ -	\$ -

<b>Total Revenue</b>	<b>\$ 2,510,518</b>	<b>\$ 2,337,605</b>
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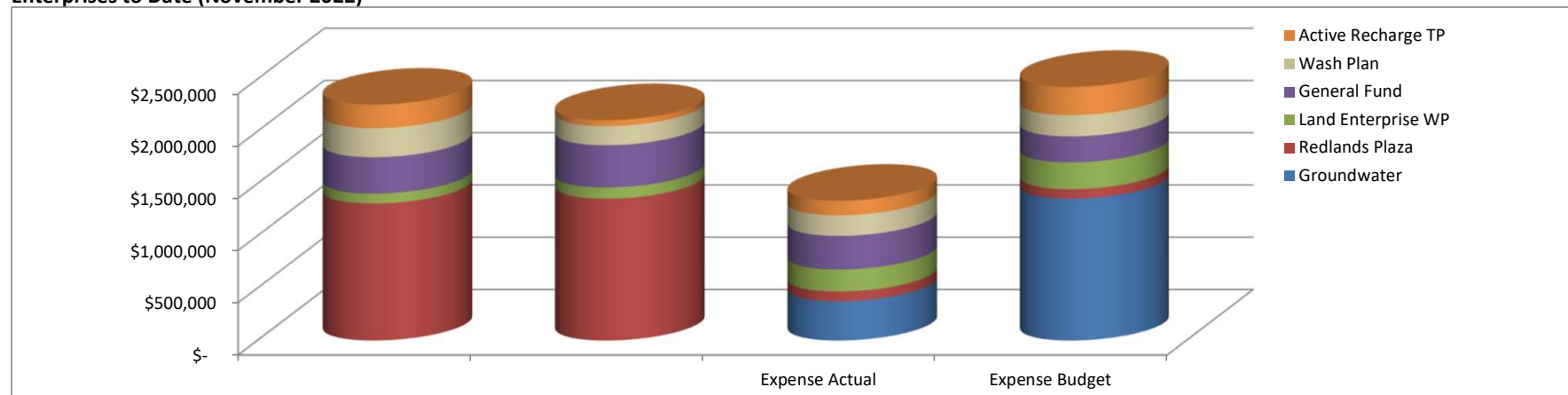
\*District loans to the WP & State Permitting payments

EXPENSES Operating and Capital	Jul '22-Jun '23	Budget
5080 · LAFCO Contribution	\$ 57	\$ 100
Total 5100 · Professional Service	\$ 259,716	\$ 355,298
Total 5200 · Field Operations (+ GL 5050)	\$ 33,423	\$ 65,583
Total 5300 · Vehicle Operations	\$ 13,659	\$ 11,063
Total 5400 · Utilities	\$ 13,172	\$ 12,926
Total 6000 · General Administration	\$ 127,486	\$ 138,124
Total 6100 · Benefits	\$ 195,422	\$ 268,811
Total 6200 · Salaries	\$ 593,896	\$ 741,651
Total 6300 · Insurance	\$ 62,010	\$ 41,493
Total 6400 · Board of Directors' Expenses	\$ 26,123	\$ 50,597
Total 6500 · Administrative/Staff Expenses	\$ 12,143	\$ 10,000

<b>Total Expense</b>	<b>\$ 1,337,108</b>	<b>\$ 1,695,646</b>
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## Enterprises to Date (November 2022)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 1,311,881	\$ 1,356,996	97%
Groundwater Expense	\$ 375,272	\$ 661,882	57%
Revenue -Expense	\$ 936,609	\$ 695,114	
Redlands Plaza Revenue	\$ 94,133	\$ 107,315	88%
Redlands Plaza Expense	\$ 93,727	\$ 91,228	103%
Revenue -Expense	\$ 406	\$ 16,088	
Land Enterprise Revenue	\$ 348,110	\$ 404,375	86%
Land Enterprise Expense	\$ 210,184	\$ 256,444	82%
Revenue -Expense	\$ 137,926	\$ 147,931	
General Fund Revenue *	\$ 274,863	\$ 280,414	98%
General Fund Expense	\$ 321,783	\$ 248,479	130%
Revenue -Expense	\$ (46,919)	\$ 31,935	
Wash Plan Revenue	\$ 278,264	\$ 183,112	152%
Wash Plan Expense	\$ 197,234	\$ 203,889	97%
Revenue-Expense	81,030	(20,777)	
Active Recharge TP Revenue	\$ 224,180	\$ 56,250	399%
Active Recharge TP Expense	\$ 138,907	\$ 270,324	51%
Revenue-Expense	\$ 85,273	\$ (214,074)	
Total All Revenue - Expense	\$ 1,194,323	\$ 656,217	

Cash Status	As of 7/1/2022	As of 11/30/22
LAIF	\$ 18,879,158.26	\$ 469,356.43
Cal Trust	\$ 3,200,472.16	\$ 3,223,530.59
Citizens Bank	\$ 833,594.25	\$ 4,125,442.43
UBS Financial Services	\$ 1,458,168.03	\$ 16,858,931.94
US Bank-CAMP	\$ 18,803,603.20	\$ 19,018,284.49
Total Cash	\$ 43,174,995.90	\$ 43,695,545.88
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Less ARTP Obligation	\$ (36,551,309.63)	\$ (35,853,591.47)
<b>Cash Position</b>	<b>\$ 1,623,686.27</b>	<b>\$ 2,841,954.41</b>

Increase (decrease) of  
Percent Increase \$1,218,268.14  
75.0%

\* General Fund Revenue shown here does not include overhead



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

	Jul - Nov 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Interest Income				
4012 · LAIF	54,851.22	2,157.43	52,693.79	2,542.43%
4013 · Caltrust Investment Income	23,058.43	16,000.00	7,058.43	144.12%
4015 · UBS Interest Income	-21,203.59	18,200.00	-39,403.59	-116.5%
4016 · Interest Income ARTP	214,681.29	180,000.00	34,681.29	119.27%
Total 4010 · Interest Income	271,387.35	216,357.43	55,029.92	125.44%
4017 · ARTP Capital Income	0.00	583,500.00	-583,500.00	0.0%
4020 · Groundwater Charge				
4022 · Groundwater Charge	301,813.62	712,630.95	-410,817.33	42.35%
4024 · Groundwater Council Revenue	731,640.00	731,640.00	0.00	100.0%
4026 · GW Sustainability/Replenishment	11,325.69	44,089.25	-32,763.56	25.69%
Total 4020 · Groundwater Charge	1,044,779.31	1,488,360.20	-443,580.89	70.2%
4025 · Wash Plan Revenue	278,263.90	439,469.00	-161,205.10	63.32%
4030 · Mining Income				
4031 · Plant Site - CEMEX	12,000.00	48,000.00	-36,000.00	25.0%
4032 · Cemex - Royalty / Lease	303,712.45	775,000.00	-471,287.55	39.19%
4036 · Aggregate Maintenance	22,115.50	60,000.00	-37,884.50	36.86%
Total 4030 · Mining Income	337,827.95	883,000.00	-545,172.05	38.26%
4040 · Miscellaneous Income				
4041 · Reimbursed Expenses	21,475.24	0.00	21,475.24	100.0%
4040 · Miscellaneous Income - Other	272.00	77,000.00	-76,728.00	0.35%
Total 4040 · Miscellaneous Income	21,747.24	77,000.00	-55,252.76	28.24%
4043 · Project Salary Reimbursement	3,252.40	15,000.00	-11,747.60	21.68%
4050 · Property Tax	16,995.05	137,358.53	-120,363.48	12.37%
4055 · SBVMWD Spreading Agreement Reim	464,628.62	449,083.42	15,545.20	103.46%
4060 · Property Income				
4062 · Mentone Property	200.00	100.00		
Total 4060 · Property Income	200.00	100.00		
4065 · Redlands Plaza	74,688.89	211,849.83	-137,160.94	35.26%
4066 · Redlands Plaza CAM	17,660.30	45,707.27	-28,046.97	38.64%
4080 · Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
Total Income	2,531,431.01	4,576,785.68	-2,045,354.67	55.31%
Gross Profit	2,531,431.01	4,576,785.68	-2,045,354.67	55.31%
Expense				
5040 · Regional Programs				
5080 · LAFCO Contribution	56.78	100.00	-43.22	56.78%
Total 5040 · Regional Programs	56.78	100.00	-43.22	56.78%
5050 · Basin Cleaning	0.00	50,000.00	-50,000.00	0.0%
5100 · Professional Service				
5120 · Misc. Professional Services	126,654.69	300,000.00	-173,345.31	42.22%
5122 · Wash Plan Professional Services	12,308.75	0.00	12,308.75	100.0%
5123 · Habitat Management-WP	85,741.29	274,219.00	-188,477.71	31.27%
5125 · Engineering Services	0.00	50,000.00	-50,000.00	0.0%
5126 · GW Sustainability/Replenishment	0.00	44,089.25	-44,089.25	0.0%
5127 · Project Accounting Services	0.00	5,000.00	-5,000.00	0.0%
5130 · Aerial Photography & Surveying	0.00	2,310.00	-2,310.00	0.0%
5155 · WP Trails Professional Services	0.00	100,000.00	-100,000.00	0.0%
5160 · IT Support	1,800.00	14,400.00	-12,600.00	12.5%
5170 · Audit	26,700.00	28,000.00	-1,300.00	95.36%
5175 · Legal - Wash Plan	0.00	10,000.00	-10,000.00	0.0%
5180 · Legal	6,511.48	25,000.00	-18,488.52	26.05%
Total 5100 · Professional Service	259,716.21	853,018.25	-593,302.04	30.45%
5133 · Regional River HCP Contribution	0.00	25,000.00	-25,000.00	0.0%
5200 · Field Operations				
5210 · Equipment Maintenance	5,380.30	7,416.00	-2,035.70	72.55%
5215 · Property Maintenance	4,089.57	40,000.00	-35,910.43	10.22%
5225 · Field Clean Up-Illegal dumping	23,953.13	60,000.00	-36,046.87	39.92%
Total 5200 · Field Operations	33,423.00	107,416.00	-73,993.00	31.12%
5223 · Temp. Field Labor	0.00	10,000.00	-10,000.00	0.0%
5300 · Vehicle Operations				
5310 · Vehicle Maintenance	6,099.86	8,400.00	-2,300.14	72.62%
5320 · Fuel	7,559.08	18,150.00	-10,590.92	41.65%
Total 5300 · Vehicle Operations	13,658.94	26,550.00	-12,891.06	51.45%
5400 · Utilities				
5410 · Alarm Service	626.00	1,800.00	-1,174.00	34.78%
5420 · Electricity	4,968.39	9,832.44	-4,864.05	50.53%
5430 · Mobile Phone	2,725.00	5,850.00	-3,125.00	46.58%

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

	Jul - Nov 22	Budget	\$ Over Budget	% of Budget
5440 · Telephone	2,177.96	6,000.00	-3,822.04	36.3%
5450 · Natural Gas	35.51	1,000.00	-964.49	3.55%
5460 · Water / Trash / Sewer	1,494.60	3,790.40	-2,295.80	39.43%
5470 · Internet Services	1,144.84	2,750.00	-1,605.16	41.63%
<b>Total 5400 · Utilities</b>	<b>13,172.30</b>	<b>31,022.84</b>	<b>-17,850.54</b>	<b>42.46%</b>
<b>6000 · General Administration</b>				
6001 · General Administration - Other	5,612.88	4,500.00	1,112.88	124.73%
6002 · Website Administration	2,001.94	6,000.00	-3,998.06	33.37%
6004 · Meeting Expenses	713.45	2,200.00	-1,486.55	32.43%
6006 · Permits	50.00	10,000.00	-9,950.00	0.5%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	270.00	1,709.00	-1,439.00	15.8%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	6,703.07	5,101.60	1,601.47	131.39%
6013 · Office Lease Payment	20,833.35	50,000.00	-29,166.65	41.67%
6015 · Mentone House Maintenance	44.75	3,850.00	-3,805.25	1.16%
6016 · Redlands Plaza Maintenance	5,175.86	35,000.00	-29,824.14	14.79%
6018 · Janitorial Services	3,375.00	10,400.00	-7,025.00	32.45%
6019 · Janitorial Supplies	219.39	375.00	-155.61	58.5%
6020 · Vacancy Marketing-Redlands Plaz	0.00	5,000.00	-5,000.00	0.0%
6026 · Redlands Plaza CAM expenses	15,199.11	41,612.65	-26,413.54	36.53%
6027 · Computer Software	10,306.98	34,314.12	-24,007.14	30.04%
6030 · Office Supplies	13,048.28	5,500.00	7,548.28	237.24%
6033 · Office Equipment Rental	2,930.04	9,500.00	-6,569.96	30.84%
6036 · Printing	5.00	2,500.00	-2,495.00	0.2%
6039 · Postage and Overnight Delivery	485.54	1,200.00	-714.46	40.46%
6042 · Payroll Processing	1,429.51	3,002.09	-1,572.58	47.62%
6045 · Bank Service Charges	417.77	750.00	-332.23	55.7%
6051 · Uniforms	1,449.80	3,025.00	-1,575.20	47.93%
6060 · Outreach	3,434.89	60,000.00	-56,565.11	5.73%
6087 · Educational Reimbursement	339.00	5,000.00	-4,661.00	6.78%
6090 · Subscriptions/Publications	1,260.70	2,400.00	-1,139.30	52.53%
6091 · Public Notices	0.00	3,200.00	-3,200.00	0.0%
6093 · Memberships	30,970.17	24,776.15	6,194.02	125.00%
<b>Total 6000 · General Administration</b>	<b>127,486.48</b>	<b>342,815.61</b>	<b>-215,329.13</b>	<b>37.19%</b>
<b>6100 · Benefits</b>				
6110 · Vision Insurance	1,372.28	3,776.71	-2,404.43	36.34%
6120 · Workers' Comp. Insurance	5,096.79	21,665.71	-16,568.92	23.53%
6130 · Dental Insurance	5,045.16	13,376.47	-8,331.31	37.72%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-14,512.27	-28,211.94	13,699.67	51.44%
6150 · Medical Insurance - Other	107,802.21	299,907.66	-192,105.45	35.95%
<b>Total 6150 · Medical Insurance</b>	<b>93,289.94</b>	<b>271,695.72</b>	<b>-178,405.78</b>	<b>34.34%</b>
6160 · Payroll Taxes-Employer	33,940.04	123,939.97	-89,999.93	27.38%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-21,651.07	-53,775.96	32,124.89	40.26%
6170.02 · 457 Plan Employee Contributions	-27,268.30			
6170 · PERS Retirement - Other	105,597.13	273,134.30	-167,537.17	38.66%
<b>Total 6170 · PERS Retirement</b>	<b>56,677.76</b>	<b>219,358.34</b>	<b>-162,680.58</b>	<b>25.84%</b>
<b>Total 6100 · Benefits</b>	<b>195,421.97</b>	<b>653,812.92</b>	<b>-458,390.95</b>	<b>29.89%</b>
<b>6200 · Salaries</b>				
6230 · Regular Salaries	593,895.68	1,779,962.83	-1,186,067.15	33.37%
<b>Total 6200 · Salaries</b>	<b>593,895.68</b>	<b>1,779,962.83</b>	<b>-1,186,067.15</b>	<b>33.37%</b>
<b>6300 · Insurance</b>				
6310 · Property/ Auto Insurance	6,071.24	5,070.18	1,001.06	119.74%
6320 · General Liability Insurance	55,938.44	36,423.19	19,515.25	153.58%
<b>Total 6300 · Insurance</b>	<b>62,009.68</b>	<b>41,493.37</b>	<b>20,516.31</b>	<b>149.45%</b>
<b>6400 · Board of Directors' Expenses</b>				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	-2,006.17	0.00	-2,006.17	100.0%
6401 · Directors' Fees - Other	21,156.00	100,800.00	-79,644.00	20.99%
<b>Total 6401 · Directors' Fees</b>	<b>19,149.83</b>	<b>100,800.00</b>	<b>-81,650.17</b>	<b>19.0%</b>
6410 · Mileage	1,027.93	4,400.00	-3,372.07	23.36%
6415 · Air Fare	521.96	3,125.00	-2,603.04	16.7%
6420 · Other Travel	120.74	550.00	-429.26	21.95%
6425 · Meals	657.68	3,850.00	-3,192.32	17.08%
6430 · Lodging	1,543.84	4,400.00	-2,856.16	35.09%
6435 · Conf/Seminar Registrations	3,101.46	5,500.00	-2,398.54	56.39%
<b>Total 6400 · Board of Directors' Expenses</b>	<b>26,123.44</b>	<b>122,625.00</b>	<b>-96,501.56</b>	<b>21.3%</b>

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

	Jul - Nov 22	Budget	\$ Over Budget	% of Budget
6500 · Administrative/Staff Expenses				
6510 · Mileage	2,421.68	2,500.00	-78.32	96.87%
6515 · Air Fare	188.98	4,500.00	-4,311.02	4.2%
6520 · Travel, Other (rental car, taxi)	39.00	1,500.00	-1,461.00	2.6%
6525 · Meals	907.44	3,500.00	-2,592.56	25.93%
6530 · Lodging	3,067.39	5,500.00	-2,432.61	55.77%
6535 · Conf/Seminar Registrations	5,519.00	6,500.00	-981.00	84.91%
Total 6500 · Administrative/Staff Expenses	12,143.49	24,000.00	-11,856.51	50.6%
6600 · Replenishment Water Purchase GC	0.00	44,089.25	-44,089.25	0.0%
9999 · Contribution to Capital Maint.	0.00	550,000.00	-550,000.00	0.0%
Total Expense	1,337,107.97	4,661,906.07	-3,324,798.10	28.68%
Net Ordinary Income	1,194,323.04	-85,120.39	1,279,443.43	-1,403.1%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00	12,000.00	-12,000.00	0.0%
Total 7000 · Construction	0.00	12,000.00	-12,000.00	0.0%
7100 · Land & Buildings				
7110 · Property Capital Repairs	1,428.63	529,971.00	-528,542.37	0.27%
7120 · Property-Land Purchase	31,291.91	0.00	31,291.91	100.0%
7126 · ARTP Engr/Prof Services	477,906.21	3,212,754.00	-2,734,847.79	14.88%
7130 · Mentone Property (House)-CapRep	0.00	7,000.00	-7,000.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	450,500.00	-450,500.00	0.0%
7150 · Mill Creek Diversion	4,195.00	1,400,000.00	-1,395,805.00	0.3%
7151 · Mill Creek Permitting	66,308.86	202,000.00	-135,691.14	32.83%
7160 · Mendoza Property	0.00	137,000.00	-137,000.00	0.0%
Total 7100 · Land & Buildings	581,130.61	5,939,225.00	-5,358,094.39	9.79%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	45,286.64	52,858.39	-7,571.75	85.68%
7220 · Computer Software	7,675.00	10,000.00	-2,325.00	76.75%
7230 · Field Equipment / Vehicles	1,888.70	149,973.07	-148,084.37	1.26%
7240 · Office Equipment	11,070.56	1,500.00	9,570.56	738.04%
Total 7200 · Equipment & Vehicles	65,920.90	214,331.46	-148,410.56	30.76%
7400 · Professional Services Capital				
7438 · Engineering Services-Other	0.00	125,000.00	-125,000.00	0.0%
Total 7400 · Professional Services Capital	0.00	125,000.00	-125,000.00	0.0%
Total Other Expense	647,051.51	6,290,556.46	-5,643,504.95	10.29%
Net Other Income	-647,051.51	-6,290,556.46	5,643,504.95	10.29%
Net Income	547,271.53	-6,375,676.85	6,922,948.38	-8.58%



**San Bernardino Valley  
Water Conservation District**

Helping Nature Store Our Water

Memorandum No. 1901

**To: Board of Directors**

**From: Finance & Administration Committee**  
**Angie Quiroga, Senior Administrative Analyst**

**Date: December 14, 2022**

**Subject: 1st Quarter Unaudited Financial Reports for FY 2022-2023**

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**RECOMMENDATION**

The Finance & Administration Committee recommends approval of the first quarter unaudited financial report for FY 2022-2023 as presented.

**BACKGROUND AND COMMITTEE DISCUSSION**

At their November 16, 2022, meeting, the Finance and Administration Committee reviewed the first quarter unaudited financial report and recommended Board approval of the materials as presented.

Interest income has been increasing. Property tax revenue is expected in the second quarter. Total groundwater revenue is in line with the budget with a minor adjustment to the Groundwater Sustainability component, which was estimated based on current revenue received. Active Recharge Transfer Project expenses are low for the first quarter with pending invoices for work completed to date. Remaining expenses are as expected.

**FISCAL IMPACT**

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

**POTENTIAL MOTIONS**

1. Move approval of the first quarter unaudited financial report for FY 2022-2023 as Committee recommended.
2. Move to request this item be tabled and referred to the Finance & Administration Committee to reconsider specific issues discussed.

**ATTACHMENTS OR MATERIALS**

2022-2023 First Quarter Rolled Up Budget Worksheet  
SBVWCD Quarterly Investment Report

**BOARD OF  
DIRECTORS**

Division 1:  
Richard Corneille

Division 2:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

**GENERAL  
MANAGER**

Betsy Miller

**SBVWCD - All Enterprises Budget and Actual**
**November 2022**

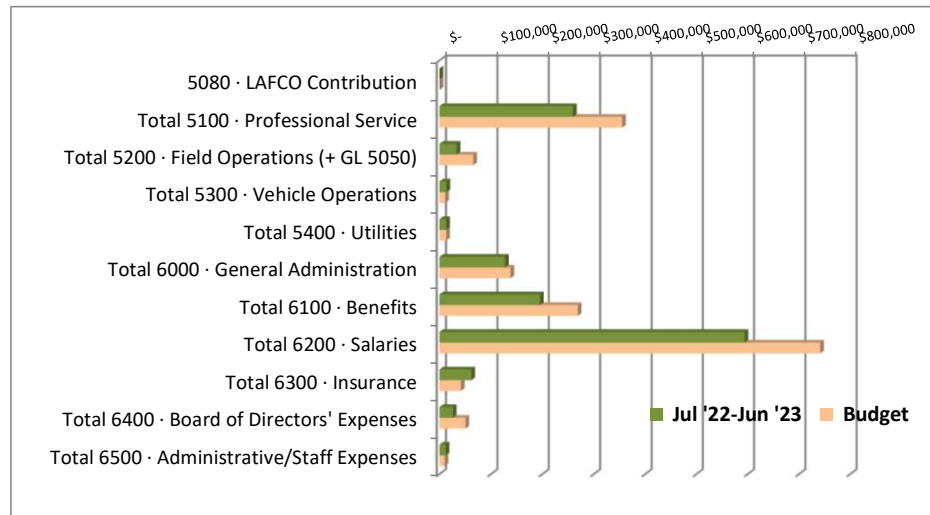
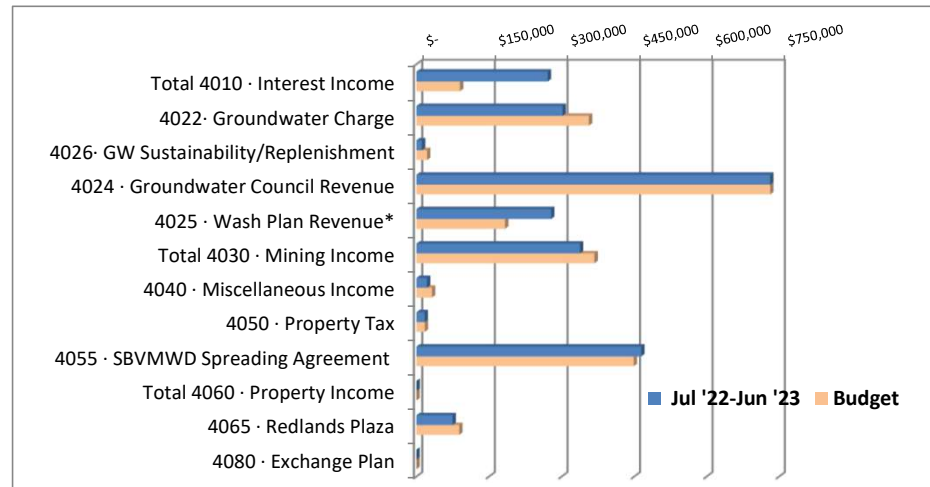
REVENUE	Jul '22-Jun '23	Budget
Total 4010 · Interest Income	\$ 271,387	\$ 89,969
4022 · Groundwater Charge	\$ 301,814	\$ 356,315
4026 · GW Sustainability/Replenishment	\$ 11,326	\$ 22,045
4024 · Groundwater Council Revenue	\$ 731,640	\$ 731,640
4025 · Wash Plan Revenue*	\$ 278,264	\$ 183,112
Total 4030 · Mining Income	\$ 337,828	\$ 367,917
4040 · Miscellaneous Income	\$ 21,747	\$ 32,083
4050 · Property Tax	\$ 16,995	\$ 17,170
4055 · SBVMWD Spreading Agreement	\$ 464,629	\$ 449,083
Total 4060 · Property Income	\$ 200	\$ -
4065 · Redlands Plaza	\$ 74,689	\$ 88,271
4080 · Exchange Plan	\$ -	\$ -

<b>Total Revenue</b>	<b>\$ 2,510,518</b>	<b>\$ 2,337,605</b>
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\*District loans to the WP & State Permitting payments

EXPENSES Operating and Capital	Jul '22-Jun '23	Budget
5080 · LAFCO Contribution	\$ 57	\$ 100
Total 5100 · Professional Service	\$ 259,716	\$ 355,298
Total 5200 · Field Operations (+ GL 5050)	\$ 33,423	\$ 65,583
Total 5300 · Vehicle Operations	\$ 13,659	\$ 11,063
Total 5400 · Utilities	\$ 13,172	\$ 12,926
Total 6000 · General Administration	\$ 127,486	\$ 138,124
Total 6100 · Benefits	\$ 195,422	\$ 268,811
Total 6200 · Salaries	\$ 593,896	\$ 741,651
Total 6300 · Insurance	\$ 62,010	\$ 41,493
Total 6400 · Board of Directors' Expenses	\$ 26,123	\$ 50,597
Total 6500 · Administrative/Staff Expenses	\$ 12,143	\$ 10,000

<b>Total Expense</b>	<b>\$ 1,337,108</b>	<b>\$ 1,695,646</b>
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GL ACCT: GL DESCRIPTION:		Approved 2022-2023 Budget	Expended/ Received to Date as of 9/30/22	Actual Over/Under Budget	Projected Annual Costs (7/1/22- 6/30/23)	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE			ACTIVE RECHARGE TRANSFER PROJECTS			WASH PLAN and TRUST SUPPORT		
Approved 2022-2023 Budget						2022 BUDGET:	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:	2022 Budget	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:
INCOME:																							
4012-15	INTEREST INCOME	216,357.43	58,651.71	-157,705.72	325,914.84	81,357.43			0.00			0.00			0.00			135,000.00			0.00		
4016	INTEREST INCOME ARTP	180,000.00	103,457.15	-76,542.85	180,000.00	45,000.00	25.00%	1.2% of 18 M	0.00	0.00%		0.00	0.00%		0.00	0.00%		135,000.00	75%		0.00		
4021-24	GROUNDWATER	1,488,360.20	1,033,187.11	-455,173.09	1,477,337.89	0.00			1,488,360.20			0.00			0.00			0.00			0.00		
4022	GROUNDWATER CHARGE	712,630.95	292,911.50	-419,719.45	712,630.95	0.00			712,630.95	100.00%	PROPOSED	0.00			0.00			0.00			0.00		
4024	GROUNDWATER COUNCIL REVENUE	731,640.00	731,640.00	0.00	731,640.00	0.00		5% increase	731,640.00	100.00%	PROPOSED	0.00			0.00			0.00			0.00		
4026	GW SUSTAINABILITY/REPLENISHMENT	44,089.25	8,635.61	-35,453.64	33,066.94	0.00			44,089.25	100.00%		0.00			0.00			0.00			0.00		
4031-34	MINING	823,000.00	108,970.51	-714,029.49	823,000.00	0.00			0.00			0.00			823,000.00			0.00			0.00		
4036,40,80	MISCELLANEOUS	152,000.00	30,861.22	-121,138.78	152,000.00	7,500.00			30,000.00			0.00			144,500.00			0.00			0.00		
4036	AGGREGATE MAINTENANCE	60,000.00	10,559.50	-49,440.50	60,000.00	0.00			0.00			0.00			60,000.00	100.00%	EST FROM 2010	0.00			0.00		
4050	PROPERTY TAX	137,358.53	0.00	-137,358.53	137,358.53	137,358.53	100.00%	+5%	0.00			0.00			0.00			0.00			0.00		
4055	SBVMWD LEASE AGREEMENT	449,083.42	0.00	-449,083.42	464,628.62	202,087.54	45.00%	+1.6% CPI	246,995.88	55.00%		0.00			0.00		Land Lease Cost	0.00			0.00		
4062-66	RENTALS	257,657.10	56,553.31	-201,103.79	257,657.10	0.00			0.00			257,657.10			0.00			0.00			0.00		
4080	EXCHANGE PLAN	30,000.00	0.00	-30,000.00	30,000.00	0.00			30,000.00	100.00%	HISTORIC	0.00			0.00			0.00			0.00		
4025	WASH PLAN REVENUE * from Reserves	439,469.00	162,753.81	-276,715.19	439,469.00	0.00		State and Waters done	0.00			0.00			0.00			0.00			439,469.00	100.00%	Inc. State Permittin
4999	TRUST REIMBURSEMENT WASH PLAN	50,000.00	0.00	-50,000.00	50,000.00	0.00			0.00			0.00			0.00			0.00			50,000.00	100.00%	From Trust proceed
TOTAL INCOME:		4,626,785.68	1,450,977.67	-3,175,808.01	4,740,865.98	486,653.50			1,765,356.08			257,657.10			967,500.00			660,150.00			489,469.00		
EXPENSES:																							
5000	MISCELLANEOUS	300,100.00	79,089.47	-221,010.53	300,056.78	20,100.00			85,500.00			0.00			190,000.00			4,500.00			0.00		
5100	PROFESSIONAL SERVICES	878,018.25	130,083.35	-747,934.90	878,018.25	38,970.00			198,649.25			4,200.00			330,320.00			20,940.00			284,939.00		
5120	MISC. PROFESSIONAL SERVICES	300,000.00	79,032.69	-220,967.31	300,000.00	20,000.00			85,500.00		Consulting Services	0.00	0.00%		190,000.00			4,500.00			0.00		
5123	HABITAT MANAGEMENT-WP	274,219.00	24,345.25	-249,873.75	274,219.00	0.00			0.00			0.00			0.00			0.00			274,219.00	100.00%	Per Wash Plan Budge
52-53	FIELD OPERATIONS	193,966.00	37,883.68	-156,082.32	198,640.84	0.00			161,966.00			0.00			32,000.00			0.00			0.00		
5400	UTILITIES	31,022.85	8,628.49	-22,394.36	31,022.85	11,978.77			9,425.63			4,267.13			1,376.54			3,974.79			0.00		
GENERAL ADMINISTRATION:																							
6000	GENERAL ADMINISTRATION	342,815.61	82,091.24	-260,724.37	353,272.59	124,523.25			48,426.11			100,765.73			43,767.12			21,133.40			4,200.00		
6100	BENEFITS	535,605.53	118,437.58	-417,167.95	466,682.49	69,628.72			302,164.24			26,859.04			67,147.61			141,009.98			47,003.33		
6160	PAYROLL TAXES - EMPLOYER	104,028.85	19,282.15	-84,746.70	104,028.85	13,523.75	13%	Consolidated costs 2014	57,111.84	45%	Based on percent of hours	5,076.61	4%		12,691.52	10%		26,652.19	21%		8,884.06	7%	
6170	PERS RETIREMENT	229,254.91	69,503.08	-159,751.83	229,254.91	29,803.14	13%	Noticed Increase	125,860.95	45%	Based on percent of hours	11,187.64	4%		27,969.10	10%		58,735.11	21%		19,578.37	7%	
6170.01	PERS EMPLOYEE CONTRIBUTION	-53,775.95	-11,372.69	42,403.26	-53,775.95	-6,990.87	13%		-24,199.18	45%		-2,151.04	4%		-5,377.60	10%		-11,292.95	21%		-3,764.32	7%	
6170.02	457 Plan EMPLOYEE CONTRIBUTION	0.00	-17,230.76	-17,230.76	-68,923.04																		
SALARIES:								Overhead Offset 22%															
6200	SALARIES	1,495,757.37	312,644.01	-1,183,113.36	1,495,757.37	203,914.32			730,003.42			62,792.73			151,966.13			461,339.01			149,778.60		
6300	INSURANCE	41,493.36	19,806.90	-21,686.46	51,458.98	2,074.67			31,120.02			6,224.00			2,074.67			0.00			0.00		
6400	DIRECTOR EXPENSES	122,625.00	12,931.15	-109,693.85	122,625.00	122,625.00	8.00	0.00	0.00			0.00			0.00			0.00			0.00		
6500	ADMINISTRATIVE/STAFF EXPENSES	24,000.00	6,961.47	-17,038.53	24,000.00	10,000.00			6,875.00			0.00			4,880.00			2,245.00			0.00		
TOTAL EXPENSES:		4,259,493.22	737,149.65	-3,522,343.57	4,230,624.40	583,814.72			1,765,786.37			205,108.63			966,599.52			650,642.17			489,954.66		
Operating Revenue		4,626,785.68	1,450,977.67	-3,175,808.01	4,740,865.98	486,653.50			1,765,356.08			257,657.10			967,500.00			660,150.00			489,469.00		
NET OPERATING REVENUE		367,292.46	713,828.02	346,535.56		-97,161.22			-430.29			52,548.47			900.48			9,507.83			-485.66		
OVERHEAD																							
NET GENERAL FUND ANNUAL																							



GL ACCT:		GL DESCRIPTION:		Approved 2022-2023 Budget	Expended/ Received to Date as of 9/30/22	Actual Over/Under Budget	Projected Annual Costs (7/1/22- 6/30/23)	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE			REDLANDS PLAZA & LEASED PROPERTY- MENTONE HOUSE			LAND RESOURCE			ACTIVE RECHARGE TRANSFER PROJECTS			WASH PLAN and TRUST SUPPORT			
Approved 2022-2023 Budget		2022 BUDGET:	% BUDGET					BASIS:	2022 BUDGET:	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:	2022 Budget	% BUDGET	BASIS:	2022 BUDGET:	% BUDGET	BASIS:			
Multiyear Capital projects																										
7010	MATERIALS	12,000.00	0.00	-12,000.00	12,000.00	0.00			6,000.00	50.00%	Field Security Changes	0.00			6,000.00	50.00%		0.00			0.00			0.00		
7100	CAPITAL REPAIRS		0.00	-1,124,471.00	1,124,471.00	0.00			812,471.00			25,000.00			287,000.00			0.00			0.00			0.00		
7110	PROPERTY - CAPITAL REPAIRS	529,971.00	0.00	-529,971.00	529,971.00	0.00			361,971.00	68.30%	CIP #11 #15	18,000.00		Upgrade Security Camera	150,000.00	28.30%	CIP #14 #34	0.00			0.00			0.00		
7120	PROPERTY - LAND PURCHASE	0.00	0.00	0.00	0.00													0.00			0.00			0.00		
7130	MENTONE PROPERTY (HOUSE) CAPITAL R	7,000.00	0.00	-7,000.00	7,000.00	0.00			0.00			7,000.00	100.00%	curb/driveway	0.00			0.00			0.00			0.00		
7140	MENTONE PROPERTY (SHOP) CIP #3 b&c	450,500.00	0.00	-450,500.00	450,500.00	0.00			450,500.00	100.00%		0.00			0.00			0.00			0.00			0.00		
7160	MENDOZA PROPERTY CIP\ #12	137,000.00	0.00	-137,000.00	137,000.00										137,000.00	100.00%		0.00			0.00			0.00		
	EQUIPMENT & VEHICLES																									
7200	EQUIPMENT & VEHICLES		60,228.16	-154,103.30	224,831.46	43,143.79			136,193.05			0.00			33,994.61			0.00			1,000.00			0.00		
7230	FIELD EQUIPMENT / VEHICLES CIP #8 & #9	149,973.07	0.00	-149,973.07	149,973.07	0.00			119,978.46	80.00%		0.00			29,994.61	20.00%		0.00			0.00			0.00		
7126	ARTP ENGR/PROF SERVICES #23 #31	3,212,754.00	284,334.82	-2,928,419.18	3,212,754.00	0.00			0.00	0.00%		0.00	0.00%		0.00	0.00%		3,212,754.00	100%		0.00			0.00		
7150	MILL CREEK DIVERSION PROJECT CIP #1	1,400,000.00	0.00	-1,400,000.00	1,400,000.00	0.00		MultiYear Total Comtmt	1,400,000.00	100.00%	In WIP Acct until completi	0.00			0.00			0.00			0.00			0.00		
7151	MILL CREEK PERMITTING	202,000.00	0.00	-202,000.00	202,000.00	0.00			202,000.00	100.00%	One time permitting	0.00			0.00			0.00			0.00			0.00		
7438	ENGINEERING SERVICES-OTHER	125,000.00	0.00	-125,000.00	125,000.00	0.00		CIP #7	20,000.00	16.00%	Mill Creek O&M Plans	0.00			87,500.00	70.00%	Mill Creek O&M Plans	17,500.00	14%		0.00			0.00		
CAPITAL EXPENSE				6,290,556.46	344,562.98	-5,945,993.48	6,301,056.46	43,143.79			2,576,664.05			25,000.00		414,494.61		#####			1,000.00					
CAPTIAL REVENUE				550,000.00				0.00			225,000.00			0.00		325,000.00			0.00			0.00			0.00	
CAPITAL SUBTOTAL ANNUAL NET				-5,697,412.67				-43,143.79			-2,351,664.05			-25,000.00		-89,494.61			-3,230,254.00			-1,000.00				
RESERVE CONTRIBUTION OR (-USE)				-5,330,120.21				-140,305.01			-2,352,094.35	otal Multi year Pay Go Capital Projec	27,548.47			-88,594.13		#####	FROM CAPITAL	Reserve ARTP	-1,485.66					

# San Bernardino Valley Water Conservation District

## Quarterly Investment Report

Investment Instruments	Beginning Balance as of Jul 1, 2022	1st Quarter Balance thru Sept 30, 2022	Yield	Cumulative Unrealized Gain (Loss)
<b>Pooled Money Investment Accounts</b>				
LAIF	\$ 18,879,158.26	\$ 3,414,505.21	0.62%	\$ -
CalTRUST				
Short-Term Fund	\$ 3,200,472.16	\$ 3,209,100.87	0.74%	\$ (15,061.80)
<b>Investment Accounts</b>				
UBS Financial Services				
CDs/Bonds/Securities	\$ 1,455,692.93	\$ 12,388,482.69	3.61%	\$ (117,044.21)
Money Market	\$ -	\$ 4,424,760.00	3.40%	\$ 2,787.25
Cash Dep Acct	\$ 2,475.10	\$ 13,458.69		
CAMP				
Investment Pool	\$ 18,803,603.20	\$ 18,907,060.35	2.61%	
<b>OPEB-Other Postemployment Benefits</b>				
CERBT-CA Employers' Retiree Benefit Trust	\$ 553,877.08	\$ 513,568.87	-7.28%	\$ (40,186.99)
<b>TOTAL</b>	<b>\$ 42,895,278.73</b>	<b>\$ 42,870,936.68</b>		<b>\$ (169,505.75)</b>

**Net Change**

**\$ (24,342.05)**  
**-0.06%**

Banking Institutions	Beginning Balance as of July 1, 2022	1st Quarter Balance ending Sep 30, 2022
Citizen's Business Bank	\$ 833,594.25	\$ 1,074,222.16
<b>Cash and Cash Equivalents</b>	<b>\$ 833,594.25</b>	<b>\$ 1,074,222.16</b>
Change in Value		\$ 240,627.91



Description	NAV	Annual Yield	Average Maturity	Shares
LAIF	N/A	0.62%	.82 years (299.3 days)	
CalTrust Short-Term Fund	\$9.97	0.74%	.91 years (332.15 days)	321,875.714
CERBT	\$17.83			28,795.870
UBS-CD's, Bonds, Securities-see below				

#### UBS Investments

Certificates of Deposit (CDs), Bonds & Securities		Price	Rate	Maturity	Shares	Purchase Price	Market Value as of 09/30/22	CD Length
1. FHLB Bond 4 Yr Step-Up 0.300% Due 09/09/25	Callable 120921 (Cusip: 3130ANRAO)	\$0.949	0.30%	9/9/2025	250,000	\$250,005.25	\$228,085.00	4 yr
2. FHLB Bond	Bond (Cusip: 3130APNR2)	\$0.956	1.00%	11/22/2024	250,000	\$250,005.25	\$231,937.50	3 yr
3. Sallie Mae Bank UT US	fixed rate CD (Cusip: 795451BA0)	\$0.945	1.00%	12/16/2024	245,000	\$245,000.00	\$228,043.55	3 yr
4. FFCB Bond-2.24%	fixed rate CD (Cusip: 3133ENSK7)	\$0.980	1.00%	3/21/2025	252,000	\$252,000.00	\$238,271.04	3 yr
5. FHLB Bond	fixed rate CD (Cusip: 3130ARLN9))	\$0.994	3.00%	4/25/2025	250,000	\$250,005.25	\$240,050.00	3 yr
6. FHLB Bond 4 Yr Step-Yield 2.07%	fixed rate CD (Cusip: 3130ARLZ2))	\$0.992	2.05%	4/21/2026	250,000	\$250,005.25	\$241,700.00	4 yr
7. FHLB NTS Govt Security	(Cusip: 3130ATCB1)	\$1.000	3.625%	6/28/2023	4,500,000	\$4,500,005.25	\$4,501,260.00	.75 yr
8. FHLB NTS Govt Security	(Cusip: 3130ATCV7)	\$1.000	3.80%	9/29/2023	2,500,000	\$2,500,005.25	\$2,487,800.00	1 yr
9. FHLMC MED TERM NTS	(Cusip: 3134GX2P8)	\$1.000	4.125%	9/30/2024	4,000,000	\$4,000,005.24	\$3,982,840.00	2 yr
Average		\$0.98	2.21%	Total Interest Withdrawals	\$0.00	TOTAL	\$12,497,036.74	\$12,388,482.69
							\$8,495.60	Accrued Interest
Money Market		Price	Rate	Maturity	Shares	Purchase Price	Market Value as of 09/30/22	
1. US Treasury Bill	(Cusip: 912796YL7)	\$ 0.983	3.4%	3/16/2023	4,500,000	\$4,421,972.75	\$4,424,760.00	.5 yr
TOTAL						\$4,421,972.75	\$4,424,760.00	



## San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1902

**To:** Board of Directors

**From:** Betsy Miller, General Manager  
Katelyn Scholte, Principal Engineer

**Date:** December 14, 2022

**Subject:** Approval of the Enhanced Recharge Phase 1B Plans and Specifications

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### **RECOMMENDATION**

Review and consider approval of the engineering plans and specifications for the Enhanced Recharge Project Phase 1B.

### **BACKGROUND**

The San Bernardino Valley Water Conservation District (Conservation District) Board approved the Collaborative Agreement to Develop and Operate Enhanced Recharge Facilities (Agreement) in partnership with San Bernardino Valley Municipal Water District (Valley District) and Western Municipal Water District (Western) in October 2012. The Agreement, which was recorded on October 15, 2013, with an initial term of twenty-five years, leverages contributions from each agency to develop this critical component of the region's reliable water supply strategy. The Enhanced Recharge Facilities have been designed by Valley District and Western with input from the Conservation District, will be constructed by Valley District and Western on lands owned by the Conservation District, and will be operated over the long-term by Conservation District staff specializing in groundwater recharge. The proposed project, including both new construction and enhancements to the existing basins and basin connections, is anticipated to increase recharge capacity to 500 cubic feet per second.

The parties have worked closely to ensure that the terms of the Agreement have been fulfilled to date. For example, the Conservation District has recharged water of the parties during all available seasons of diversion to maximize productivity of existing facilities. Additionally, the parties have shared draft project plans and discussed methods to optimize recharge and minimize long-term maintenance costs of the new facility.

### **DISCUSSION**

Per Agreement section 2(a)(3), the Conservation District shall approve the design of any facilities or improvements on the property leased to construct, operate, maintain, repair, reconstruct and rehabilitate diversion facilities, recharge basins, pumps, and other ancillary facilities or equipment for the purposes of recharging water. In support of this requirement, District staff has reviewed the Enhanced Recharge Phase 1B plans and specifications prepared by TetraTech under contract to San Bernardino Valley Municipal Water District, and recommended revisions including, but not limited to, addition of spillways to each basin to improve safety and overall facility integrity. The plans and specifications have been revised to address the Conservation District's comments. In addition, the project design team met with Conservation District staff on October 27, 2022, to review the draft operations plan, including

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#### **BOARD OF DIRECTORS**

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Richard Corneille

Division 2:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

#### **GENERAL MANAGER**

Betsy Miller

a document overview, potential changes to system operations to address varying flows, and model results demonstrating the function of the overflow and diversion under various flow conditions. The Conservation District staff's conclusion is that these final designs are reasonable and appear to be effective for the intended purpose.

The Phase 1B portion of the project includes:

New Basins:

Twenty new basins will be constructed with two-foot berms and a single vehicular access ramp to facilitate maintenance of the basin bottoms.

Basin Connections:

Basin interconnections will be installed between all basins, and five channel-basin connections will be installed. Inter-basin connections will be installed between all new proposed basins, as well as between existing basins 10, 11, 12, 13, and 14. The basin interconnections and channel-basin connections will consist of 48-inch reinforced concrete pipes. Emergency overflow outlets will be installed at the southwestern corner of Basins N through R.

A new channel will be constructed immediately east of Cone Camp Road with an approximate uniform bottom width of 12 feet, with 3:1 side slopes, and reinforced with un-grouted rip rap on the channel slopes and bottom. An emergency overflow will be constructed at the very western extent of the new channel, allowing flow to extend to the west into existing Dike D.

Roads:

Existing roads will be used, where available. Two new east-west access roads will be installed at the northern and southern extent of the basins west of Cone Camp Road. Four new culverts will be installed under the existing railroad line to convey emergency overflows from the new basins. New roads around basins will also be constructed.

**FISCAL IMPACT**

Fiscal impact related to the Enhanced Recharge Project has previously been approved as part of the Collaborative Agreement to Develop and Operate Enhanced Recharge Facilities.

**POTENTIAL MOTIONS**

1. Approve the Enhanced Recharge in the Santa Ana River – Phase 1B plans and specifications.
2. Approve the Enhanced Recharge in the Santa Ana River – Phase 1B plans and specifications with direction to staff to provide additional comments to Valley District and Western.
3. Defer approval of the Enhanced Recharge in the Santa Ana River – Phase 1B plans and specifications with directions to staff to provide additional comments to Valley District and Western.
4. Table and defer action to a future meeting or committee.

**ATTACHMENTS OR MATERIALS**

Enhanced Recharge Phase 1B Plan Set

Enhanced Recharge Phase 1B Specifications

CONSTRUCTION PLANS AND SPECIFICATIONS  
FOR THE ENHANCED RECHARGE PROJECT  
PHASE 1B ARE TOO LARGE FOR INCLUSION INTO THE AGENDA  
PACKET, BUT AVAILABLE FOR REVIEW DIGITALLY BEFORE THE  
BOARD MEETING BY  
CONTACTING THE DISTRICT OFFICES AT 909-793-2503  
DURING NORMAL DISTRICT BUSINESS HOURS AND MAKING  
ARRANGEMENTS WITH KATELYN SCHOLTE.



## San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No.1903

**To:** Board of Directors  
**From:** Betsy Miller, General Manager  
**Date:** December 14, 2022  
**Subject:** FY22 District Audit

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### **RECOMMENDATION**

The Ad Hoc Audit Committee recommends the Board review and approve the 2022 Audit Report as presented and direct the General Manager to file the Audit with the County Clerk.

### **BACKGROUND AND DISCUSSION**

The Ad Hoc Audit Committee met on August 3, 2022, to discuss the audit and anticipated schedule, and again on December 2, 2022, for a presentation on the draft report by the auditor. Staff has worked closely with the auditor to produce the materials for the audit. In general, the audit was similar to previous years', with the adoption of GASB 87 standards for District leases in the current audit. The District's net position increased by \$1,744,319 during the period covered by the audit. No material misstatements were identified in the audit.

### **FISCAL IMPACT**

The audit was conducted within the budget approved for GL5170-Audit.

### **POTENTIAL MOTIONS**

1. Move to approve the FY22 Audit Report as presented.
2. Move to table the item to a future meeting of the Board or another committee.

### **ATTACHMENTS AND MATERIALS**

2022 Audit Report, Transmittal Letter and Financial Statements

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Division 5:  
Melody McDonald

#### **GENERAL MANAGER**

Betsy Miller



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

December 7, 2022

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

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Certified Public Accountants



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We have audited the financial statements of San Bernardino Valley Water Conservation District (the District) as of and for the year ended June 30, 2022 and have issued our report thereon dated December 7, 2022. 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 July 12, 2022, 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 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 entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the 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, our firm have complied with all relevant ethical requirements regarding independence.

## **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.

*Revenue recognition* – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

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 Entity'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 West Basin is included in Note 1 to the financial statements. The District adopted GASB Statement No. 87, *Leases*, during fiscal year. 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*

Accounting estimates 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 financial statements are:

Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The estimate of the net pension liability and related deferred inflows and outflows of resources is 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 financial statements taken as a whole.

The estimate of the net other post-employment benefit liability and any related deferred inflow and outflows are based on actuarial reports provided by the District using the alternative calculation method as allowed by the Governmental Accounting Standards Board. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of amortization of deferred inflows of resources related to leases is based on the remaining number of years of lease terms. We evaluated the key factors and assumptions used to develop the estimated lease terms in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *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 accumulated depreciation in the notes to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of the net pension liability and related pension information in the notes to the financial statements is based on actuarial assumptions which will differ from actual amounts in future periods.

The disclosure of the net other post-employment benefit liability and related information in the notes to the financial statements is based on actuarial assumptions, using the alternative calculation method, which will differ from actual amounts in future periods.

#### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you any significant unusual transactions identified during our audit. We identified no such significant or unusual transactions during our audit.

#### **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. Management has corrected all such misstatements. In addition, none of the misstatements detected as the 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.

## **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 7, 2022.

## **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, operating and regulatory conditions affecting the entity, 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 in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

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 District and is not intended to be and should not be used by anyone other than these specified parties.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
December 7, 2022

December 07, 2022

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 financial statements of the San Bernardino Valley Water Conservation District (the District) as of June 30, 2022 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 District 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 that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

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 07, 2022:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 12, 2022, 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 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 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.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 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, 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 are available is appropriately disclosed and net position is properly recognized under the policy.
- 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 our lease agreements and have given you our assessment as to whether each lease agreement is subject to GASB Statement No. 87, *Leases*.
- 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 year end closing services that you provided, 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, including monitoring ongoing activities.

### **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.
    - A written acknowledgement of all documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report.
    - A final version of the annual report (including all the documents that together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- 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 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 if necessary, our analysis of management's plans, and our ability to achieve those plans. We have no reason to believe the District will not continue as a going concern for twelve months beyond the financial statement date, including any currently know information that may raise substantial doubt shortly thereafter.

- 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 District'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 District'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 District 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 District is contingently liable.
- 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 District 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 calculation of the net pension liability, net OPEB liability and related deferred items 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.

#### **Pension and Postretirement Benefits**

- 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.

#### **Supplementary Information in Relation to the Financial Statements as a Whole**

With respect to the letter of transmittal and 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 any applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.
- 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, as listed in the table of contents, accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP and any applicable Governmental Accounting Standards Board Statements.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with any applicable criteria.
- The methods of measurement or presentation have not changed from those used in the prior period.

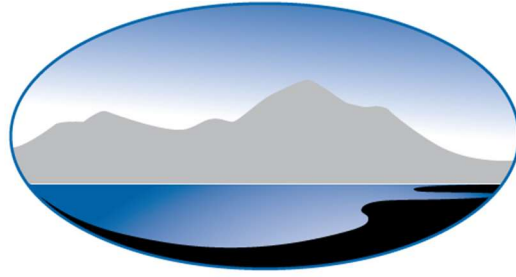
Betsy Miller

Name

General Manager

Title





# **San Bernardino Valley Water Conservation District**

Helping Nature Store Our Water

## **ANNUAL FINANCIAL REPORT**

**JUNE 30, 2022**





**SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT**

**ANNUAL FINANCIAL REPORT**

**For the year ended June 30, 2022**

**San Bernardino Valley Water Conservation District**  
**Annual Financial Report**  
**For the year ended June 30, 2022**

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## **INTRODUCTORY SECTION**

December 07, 2022

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, 2022, 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: 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.

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

### **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 local landowners joined together to form 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 a five-member publicly elected Board of Directors representing the District's service area. The previously seven-member Board was reduced to five in December 2013 in an effort to limit expenses and support focus and efficiency in District operations. The General Manager reports to the Board and manages all day-to-day operations following powers established in Resolution 587 and the policies, procedures, strategies, goals,

values, and priorities established by the Board of Directors. In addition to the General Manager, the District 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 one Intern, one Administrative Assistant, one Senior Engineer (retired annuitant), and one General Counsel role filled in a part-time capacity.

The District's Board of Directors meets at publicly-noticed meetings, generally once per month. While in-person meetings have resumed, we continue to provide remote attendance options – in addition to in-person attendance – to support public engagement.

In 2013, the Board approved the District's first Community Strategic Plan, which was developed with input from stakeholders in water, mining, environment, and local government. This strategic plan focuses the District's efforts and services in support of our communities, ratepayers, and partners. The Board approved an updated Community Strategic Plan in 2017. Each January, the Board approves a list of annual work priorities for staff based on the Community Strategic Plan.

### **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 in two recharge facilities, or spreading grounds, located on over 3,600 acres owned, leased and/or managed by the District along Mill Creek and the Santa Ana River. In 2021, both the Inland Empire and California as a whole received below-average precipitation. Between October 1, 2021, and September 30, 2022, the District recharged 10,030 acre feet or approximately 3.2 billion gallons from Santa Ana River and Mill Creek stormflows as well as imported water funded through the Groundwater Council. In addition, the limited winter rains provided the flows through the Plunge Creek Conservation Project, resulting in over 870 acre feet of groundwater recharge and restoration of upland and wetland habitats within the project area as shown below.

### **Significant Initiatives**

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

#### **Partnership for Active Recharge Transfer Projects**

In 2018, the District approved a partnership agreement to provide conservation easements to San Bernardino Valley Municipal Water District (SBVMWD) on behalf of the Upper Santa Ana River Habitat Conservation Plan (River HCP). This agreement allows the River HCP to record conservation easements on up to 295 acres owned by the District for habitat mitigation purposes. The agreement obligates revenue from the conservation easements for the development of new recharge facilities and related uses, termed the Active Recharge Transfer Projects (ARTPs). SBVMWD has funded purchase of conservation easements for all of the

acreage at this time, and these funds have been used to prepare the conceptual engineering and feasibility studies necessary to evaluate development of new and expanded recharge facilities on lands held by the District and the San Bernardino County Flood Control District (Flood Control). To support this work, the District and Flood Control executed an MOU to partner in the assessment and development of these facilities. The ARTP Policy Committee, consisting of Board members from the District and SBVMWD, meets quarterly to provide direction on policy issues related to the agreement, and receive contracting, design and general progress updates. This program directly fulfills the Board's top strategic plan goal to increase groundwater recharge and is considered one of the most significant projects in the District's history.

#### *Bunker Hill Basin Groundwater Council*

In 2015, the District collaboratively established this voluntary council in partnership with the San Bernardino Valley Municipal Water District, which began operations in 2018. Together, the Council's member agencies contribute to purchase and recharge imported State Project water into the Bunker Hill Groundwater Basin. The Groundwater Council revenues replace the District's Groundwater Charge for member agencies, ensuring that the District's Groundwater Enterprise costs are covered in an equitable fashion by all groundwater users. In 2021, in response to a request from the Groundwater Council, the District evaluated, developed, and added a sustainability and replenishment component to the Groundwater Charge for groundwater producers within the District's boundary. With the initial agreement set to expire in 2023, Council members have been coordinating closely to prepare a new agreement that will begin at that time.

#### *Mill Creek Diversion Debris Management Project*

This capital improvement project was developed to address long-term maintenance issues with high storm flows and debris at the District's Mill Creek Diversion. The project will alter the existing facility to allow bypass of large debris in order to minimize the need for repairs and maintain the designed recharge capacity during severe storms while reducing costs and improving management alternatives under novel climate scenarios. Project design and CEQA compliance are complete and Regional Water Quality Control Board permits have been issued, with the U.S. Army Corps of Engineers 404 and 408 permits pending. The gates to be installed as part of the construction have been purchased and delivered, with construction planned to begin following the current rainy season.

#### *Upper Santa Ana River Wash Habitat Conservation Plan*

The Upper Santa Ana River Wash Habitat Conservation Plan (Wash Plan) is a long-term environmental and infrastructure planning and permitting effort led by the District in consortium with a Task Force of local agencies. The 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 on July 13, 2020. The 30-year Wash Plan and ITP require significant restoration of habitat to support several endangered species such as San Bernardino kangaroo rat and Santa Ana River woolly star, while also allowing development of expanded water conservation facilities, mining, transportation, and trails. During the second 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 the state and federal components of the Clean Water Act. Permits under these regulations are expected to be issued in Fiscal Year 2023.

### **Pension and Post-Employment Benefits**

The District's Board approved an initial payoff of the Unfunded Accrued Actuarial Liability (UAAL) to CalPERS in Fiscal Year 2016, and has continued to approve paying any UAAL identified by CalPERS in each subsequent year. The Board continues to review CalPERS costs as their actuarial assumptions and returns change in order to fund this benefit liability fully; in the District's budget, these amounts are projected and budgeted 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 2019, the District Board funded explicit cost and implicit subsidy contained in unitary medical insurance premiums from the Association of California Water Agency's Joint Powers Insurance Authority. OPEB annuals costs are calculated by actuarial consultants using age, estimates of investment returns, and other assumptions to identify the most likely cost of benefits.

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.

### **2021 Economic Condition**

The local and regional economy in the area served by the District has been strong based on population growth and residential, commercial, and public development projects in recent years. Significant inflation affected all sectors through 2021, including increased costs for materials from steel gates to gasoline, construction contracts, and labor for District projects and employees.

### **2021-2022 Economic Outlook**

Global economic activity dropped in the first two quarters of 2022, with significant inflation expected to affect economic growth. The federal government is increasing interest rates with associated results on growth sectors. Locally, District initiatives such as the Wash Plan and increased groundwater recharge support local economic activities and contribute to increases

in assessment values for San Bernardino County and local cities. For example, the Wash Plan provides permits for construction of several long-term infrastructure projects that will benefiting the region over the next few years. The Wash Plan also facilitated development of the Community Mitigation Program, in partnership with the San Bernardino Valley Conservation Trust, to help local public and private projects mitigate impacts and comply with CEQA and other regulatory requirements while providing income to the District from conservation easement sales. The District expects continued cost increases due to inflation, while also recognizing significant interest revenue from investments due to higher interest rates.

### **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: (1) The cost of a control should not exceed the benefits likely to be derived; and (2) The valuation of costs and benefits requires estimates and judgments by management. 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, approved by the Board in 2018, 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 is consistent with the accrual basis of accounting and financial statements. The District issues licenses to reduce operating costs through public-private partnerships where possible.

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 revises – where necessary – 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 Active Recharge Transfer Project 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 invested in the State Treasurer's Local Agency Investment Fund, the CalTrust Joint Powers Authority, California Asset Management



Program, various certificates of deposit, and a California Credit Union Mutual Fund. 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 the District boundaries. The Groundwater Charge, which has historically been the primary component of the District's revenue, has been replaced in part by more stable income received through the Groundwater Council; the Groundwater Charge, which was revised to include a sustainability and replenishment component in 2021, continues to be assessed on all producers who are not members of the Groundwater Council. The sustainability and replenishment funds collected as part of the District's Groundwater Charge are kept in reserve until State Project water is available from SBVMWD for recharge purposes. The District also has agreements with other entities for payment or reimbursement for the cost of recharge of water on their behalf.

Royalties on 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 is also working with another leaseholder, Robertson's Ready Mix, to begin mining on District land after Wash Plan and other permits are obtained in order to retire the prepaid royalty.

### **District Investments**

The District's General Manager authorized changes to reserves and investments during the year in accordance with the Statement of Investment Policy. In particular, staff moved investment funds primarily as higher interest rates became available and as Certificated of Deposit (CD) terms expired. Funds on loan to the Wash Plan via the Trust, to be repaid by Wash Plan Participating Entities upon permit issuance, were reviewed and will be repaid to the District when the loan is called. Additionally, as costs for capital projects such as the ARTP feasibility studies have been realized, funds are deladdered in the District's portfolio. The District will continue to monitor rates of investment returns and opportunities to generate funds through investments.

### **Audit and Financial Reporting**

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

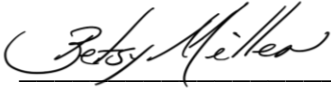
### **Other References**

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. 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,

A handwritten signature in cursive script, reading "Betsy Miller".

---

Betsy Miller  
General Manager



# San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

## San Bernardino Valley Water Conservation District Board of Directors as of June 30, 2022

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

**San Bernardino Valley Water Conservation District  
Betsy Miller, General Manager  
1630 West Redlands Blvd., Suite A  
Redlands, California 92373  
(909) 793-2503 - [www.sbvacd.org](http://www.sbvacd.org)**

## **FINANCIAL SECTION**



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

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscpa.net

## *Independent Auditor's Report*

### **PARTNERS**

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

### **MANAGERS / STAFF**

Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

### **MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

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Quality Center*

*Employee Benefit Plan  
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California Society of  
Certified Public Accountants



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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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities and the fiduciary fund of the District, as of June 30, 2022, 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, as well as the accounting systems prescribed by the State Controller's Office and state regulations governing Special Districts.

### ***Basis for opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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.

### ***Emphasis of Matter***

As discussed in Note 9 of the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

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

### ***Prior year Comparative Information***

We have previously audited the District's 2021 financial statements, and we expressed an unmodified opinion in our report dated September 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of operating revenues and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

### ***Other Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, 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.*

December 7, 2022  
San Bernardino, California



# **San Bernardino Valley Water Conservation District**

## **Management's Discussion and Analysis**

### **For the year ended June 30, 2022**

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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, 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

#### **Financial Highlights**

The District's net position increased 14.5% or \$1,663,260 in fiscal year 2021-22 as the result of overall operations.

The District's operating revenues for fiscal year 2021-22 were \$1,813,778, which was \$471,538 more than its operating expenses of \$1,342,240. Depreciation expense was \$101,648 and net nonoperating income was \$1,293,370 resulting in a net change in net position of \$1,663,260.

#### **Required Financial Statements**

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

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

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

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

# **San Bernardino Valley Water Conservation District**

## **Management's Discussion and Analysis**

### **For the year ended June 30, 2022**

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#### **Financial Analysis of the District**

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

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

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

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

#### **Notes to the Basic Financial Statements**

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

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2022**

**Condensed Statements of Net Position (in thousands)**

	2022	2021	2020	Change 2022		Change 2021	
				Amount	%	Amount	%
<b>Assets:</b>							
Current	\$ 45,917	\$ 27,925	\$ 27,273	\$ 17,992	64.4%	\$ 652	2.4%
Non-current	2,107	1,707	17	400	23.4%	1,690	9941.2%
Capital, net	8,347	7,390	6,235	957	12.9%	1,155	18.5%
Total assets	56,371	37,022	33,525	19,349	52.3%	3,497	10.4%
<b>Deferred outflow of resources</b>							
Pension	959	683	281	276	40.4%	402	143.1%
OPEB	197	180	200	17	9.4%	(20)	0.0%
Total deferred outflow of resources	1,156	863	481	293	34.0%	382	79.4%
Total assets and deferred outflow	57,527	37,885	34,006	19,642	51.8%	3,879	11.4%
<b>Liabilities:</b>							
Current	564	248	244	316	127.4%	4	1.6%
Other non-current	41,897	24,169	23,881	17,728	73.4%	288	1.2%
Total liabilities	42,461	24,417	24,125	18,044	73.9%	292	1.2%
<b>Deferred inflow of resources</b>							
Pension	232	88	98	144	163.6%	(10)	-10.2%
OPEB	141	245	133	(104)	-42.4%	112	0.0%
Leases	1,541	1,646	-	(105)	-6.4%	1,646	0.0%
Total deferred inflow of resources	1,914	1,979	231	(65)	-3.3%	1,748	756.7%
Total liabilities and deferred outflow	44,375	26,396	24,356	17,979	68.1%	2,040	8.4%
<b>Net position (restated):</b>							
Net investment in capital assets	8,347	7,390	6,235	957	12.9%	1,155	18.5%
Unrestricted	4,805	4,099	3,413	706	17.2%	686	20.1%
Total net position	\$ 13,152	\$ 11,489	\$ 9,648	\$ 1,663	14.5%	\$ 1,841	19.1%

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 \$13,152,296 and \$11,489,036 as of June 30, 2022, and 2021, respectively.

Capital assets represent 63.5% as of June 30, 2022, and 64.3% as of June 30, 2021, 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 2021-22 and 2020-21, the District showed a positive balance in its unrestricted net position of \$4,804,863 and \$4,099,105, 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, 2022**

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

	2022	2021	2020	Change 2022		Change 2021	
				Amount	%	Amount	%
<b>Revenues:</b>							
Operating	\$ 1,814	\$ 1,684	\$ 1,765	\$ 130	7.7%	\$ (81)	-4.6%
Nonoperating	1,461	1,922	1,784	(461)	-24.0%	138	7.7%
<b>Total revenues</b>	<u>3,275</u>	<u>3,606</u>	<u>3,549</u>	<u>(331)</u>	<u>-9.2%</u>	<u>57</u>	<u>1.6%</u>
<b>Expenses</b>							
Operating	1,342	1,653	2,137	(311)	-18.8%	(484)	-22.6%
Depreciation	102	84	37	18	21.4%	47	127.0%
Nonoperating	167	124	147	43	34.7%	(23)	-15.6%
<b>Total expenses</b>	<u>1,611</u>	<u>1,861</u>	<u>2,321</u>	<u>(250)</u>	<u>-13.4%</u>	<u>(460)</u>	<u>-19.8%</u>
<b>Change in net position</b>	<u>\$ 1,664</u>	<u>\$ 1,745</u>	<u>\$ 1,228</u>	<u>\$ (81)</u>	<u>-4.6%</u>	<u>\$ 517</u>	<u>42.1%</u>

Amounts may not foot due to rounding

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$1,663,260 and \$1,744,319 in fiscal years ended June 30, 2022, and 2021, respectively.

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

- The District's net position increased 14.5% or \$1,663,260 to \$13,152,296 in fiscal year 2021-22 as the result of operations. In 2021, the District's net position increased 17.9% or \$1,744,319 as a result of operations.
- The District's operating revenues increased by 7.7% or \$130,264 in 2022 primarily due to increased revenue from groundwater charge assessments. This was offset by the decreased operating revenues of 4.6% or \$81,004 due to reduced groundwater charge assessments in 2021.
- The District's nonoperating revenues decreased by 24.0% or \$461,570 in 2022 primarily due to a \$250,317 decrease in investment earnings, a \$201,765 increase in royalties income from existing contracts and a decrease in other nonoperating revenues of \$443,223 related to prior year completion of the Plunge Creek Water Recharge and Habitat Improvement project and project salary reimbursements. The District's nonoperating revenues increased by 7.71% or \$137,603 in 2021 primarily due to a \$405,346 decrease in investment earnings and a \$149,240 increase in royalties income from existing contracts and an increase in other nonoperating revenues of \$385,925 related to the Plunge Creek Water Recharge and Habitat Improvement project.

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2022**

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- The District's operating expenses decreased 18.8% or \$310,903 in 2022 primarily due to a decrease of \$642,054 in District operations related to the decrease in PERS contributions, legal fees, repairs and maintenance offset by an increase in General and administrative costs of \$333,014 related to state permitting fees, Director fees/expenses, outreach and field shop improvements. The District's operating expenses decreased 16.6% or \$354,690 in 2021 primarily due to a decrease of \$367,070 in District operations related to the decrease in repairs and maintenance.
- The District's nonoperating expenses increased 4.6% or \$42,910. The increase is primarily due to higher rental property expenses. In 2021, the District's nonoperating expenses decreased 15.4% or \$22,688. The decrease is primarily due to lower administrative costs of \$16,423 and several other smaller decreases in various expenses.

**Capital Asset Administration**

At the end of fiscal years 2021-22 and 2020-21, the District's net investment in capital assets amounted to \$8,347,433 and \$7,389,931, respectively. This investment in capital assets includes land, diversion facilities, recharge basins, buildings, equipment, and vehicles. Major capital asset additions during the year included progress of the Mill Creek Diversion Project and ARTP projects, field shop equipment, buildings improvements and purchase of office equipment. At June 30, 2022 total nondepreciable assets include land of \$4,162,862 and \$2,084,868 of construction in progress. Major capital asset additions in 2021 included construction of Plunge Creek Recharge improvements, buildings improvements and purchase of office equipment.

Changes in capital assets in 2022 were as follows:

	Balance 2021	Additions	Deletions	Balance 2022
Capital assets:				
Nondepreciable	\$ 5,181,919	\$ 1,065,811	\$ -	\$ 6,247,730
Depreciable	3,734,974	27,192	-	3,762,166
Accumulated depreciation	(1,526,962)	(135,501)	-	(1,662,463)
Totals	<u>\$ 7,389,931</u>	<u>\$ 957,502</u>	<u>\$ -</u>	<u>\$ 8,347,433</u>

Changes in capital assets in 2021 were as follows:

	Balance 2020	Additions	Deletions	Balance 2021
Capital assets:				
Nondepreciable	\$ 5,209,094	\$ 1,104,544	\$ (1,131,719)	\$ 5,181,919
Depreciable	2,551,922	1,248,007	(64,955)	3,734,974
Accumulated depreciation	(1,456,301)	(118,212)	47,551	(1,526,962)
Totals	<u>\$ 6,304,715</u>	<u>\$ 2,234,339</u>	<u>\$ (1,149,123)</u>	<u>\$ 7,389,931</u>

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2022**

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**District Cash Reserves**

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

<b>Reserve</b>	<b>Target</b>	<b>Balance</b>	<b>% Funded</b>
Groundwater Recharge Enterprise Reserve	\$ 1,250,000	\$ 1,668,612	133%
Groundwater ER Maintenance Reserve	250,000	350,000	140%
GWA Rate Stabilization	200,000	200,000	100%
GW Sustainability Charge Fund Reserve	28,007	24,470	87%
Redlands Plaza Reserve	81,418	(40,899)	-50%
Land Resources Reserve	816,743	(2,912,126)	-357%
General Liability Fund Reserve	1,250,000	506,832	41%
Self Insurance Reserve	50,000	40,000	80%
Compensated Absences Reserve	175,000	(11,274)	-6%
Capital Improvement/Equipment Reserve	750,000	2,424,334	323%
Prepaid Royalties Reserve	5,000,000	5,000,000	100%
Active Recharge Transfer Projects	36,875,000	35,685,297	97%
Total	<u>\$ 46,726,168</u>	<u>\$ 42,935,246</u>	92%

**San Bernardino Valley Water Conservation District**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2022**

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**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](http://www.sbvwd.org) or contact the District's General Manager at 1630 West Redlands Blvd., Suite A, Redlands, CA 92373.

## **BASIC FINANCIAL STATEMENTS**



**San Bernardino Valley Water Conservation District**  
**Statements of Net Position**  
**June 30, 2022 (with comparative data for 2021)**

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	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 19,495,043	\$ 2,762,299
Investments	23,440,203	22,474,361
Accrued interest receivable	57,387	3,784
Accounts receivable, net	334,004	377,302
Assessments receivable - groundwater charges	278,944	188,127
Notes receivable	1,086	1,086
Lease receivable	147,771	135,955
Due from other governments	2,119,186	1,941,550
Prepaid expenses	43,815	40,344
Total current assets	<u>45,917,439</u>	<u>27,924,808</u>
Noncurrent assets:		
Notes receivable	6,213	6,897
Lease receivable	1,441,328	1,536,920
Net other post-employment benefits asset	45,161	163,558
Net pension asset	614,710	-
Capital assets, not being depreciated:		
Land and land improvements	4,162,862	4,162,862
Construction in progress	2,084,868	1,019,057
Capital assets, being depreciated, net:		
Buildings and improvements	643,963	682,425
Vehicles and Equipment	1,307,754	1,333,274
Spreading basins	147,986	192,313
Total noncurrent assets	<u>10,454,845</u>	<u>9,097,306</u>
Total assets	<u>56,372,284</u>	<u>37,022,114</u>
<b>Deferred outflows of resources</b>		
Deferred outflows of resources - pension	958,697	682,857
Deferred outflows of resources - OPEB	196,665	180,491
Total deferred outflows of resources	<u>1,155,362</u>	<u>863,348</u>
Total assets and deferred outflows of resources	<u>57,527,646</u>	<u>37,885,462</u>

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

**San Bernardino Valley Water Conservation District****Statements of Net Position****(continued)****June 30, 2022 (with comparative data for 2021)**

	2022	2021
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 438,512	\$ 170,652
Accrued wages and related payables	25,207	17,525
Customer deposits for rentals	32,767	10,209
Compensated absences payable	67,480	49,400
Total current liabilities	563,966	247,786
Noncurrent liabilities:		
Unearned revenue	41,875,000	23,589,915
Net pension liability	-	421,265
Compensated absences payable	21,923	158,277
Total noncurrent liabilities	41,896,923	24,169,457
Total liabilities	42,460,889	24,417,243
<b>Deferred inflows of resources</b>		
Deferred inflows of resources - pension	232,378	88,266
Deferred inflows of resources - OPEB	140,671	244,701
Deferred inflows of resources - leases	1,541,412	1,646,216
Total deferred inflows of resources	1,914,461	1,979,183
<b>Net position</b>		
Net investment in capital assets	8,347,433	7,389,931
Unrestricted	4,804,863	4,099,105
Total net position	\$ 13,152,296	\$ 11,489,036

*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, 2022 (with comparative data for 2021)**

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	2022	2021
<b>Operating revenues</b>		
Groundwater assessments	\$ 1,351,967	\$ 1,238,311
Operating agreements	431,811	415,203
Services to other agencies	30,000	30,000
	<u>1,813,778</u>	<u>1,683,514</u>
Total operating revenues	<u>1,813,778</u>	<u>1,683,514</u>
<b>Operating expenses</b>		
District operations	789,195	1,431,249
Regional programs	2,419	4,282
General and administrative	550,626	217,612
	<u>1,342,240</u>	<u>1,653,143</u>
Total operating expenses	<u>1,342,240</u>	<u>1,653,143</u>
Operating loss before depreciation expense	471,538	30,371
Depreciation expense	101,648	83,902
	<u>369,890</u>	<u>(53,531)</u>
Operating income (loss)	<u>369,890</u>	<u>(53,531)</u>
<b>Nonoperating revenues and (expenses)</b>		
Property taxes	190,609	169,760
Investment earnings (loss)	(207,723)	42,594
Royalties	1,221,786	1,020,021
Rental property income	232,344	222,988
Rental property expense	(167,204)	(124,294)
Other nonoperating revenues and expenses	23,558	466,781
	<u>1,293,370</u>	<u>1,797,850</u>
Total nonoperating revenues/(expenses)	<u>1,293,370</u>	<u>1,797,850</u>
Change in net position	1,663,260	1,744,319
Net position, beginning of year, as restated	<u>11,489,036</u>	<u>9,744,717</u>
Net position, end of year	<u>\$ 13,152,296</u>	<u>\$ 11,489,036</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, 2022 (with comparative data for 2021)**

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	2022	2021
<b>Cash flows from operating activities</b>		
Cash received from groundwater assessments and other agencies	\$ 20,008,046	\$ 1,928,707
Cash payments for services and supplies	(847,504)	(510,710)
Cash payments to employees for salaries and wages	(1,510,449)	(1,377,067)
Proceeds from royalty income	1,265,084	978,767
Other lease revenue, net of expenses	16,747	131,266
Other operating	23,558	448,531
Net cash provided by for operating activities	18,955,482	1,599,494
<b>Cash flows from noncapital financing activities</b>		
Property taxes	190,609	169,760
Advances to Wash Plan	(177,636)	(559,668)
Net cash provided by (used) for noncapital financing activities	12,973	(389,908)
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(1,093,003)	(1,220,832)
Proceeds from disposal of capital assets	-	35,655
Payments for lease receivable	83,776	-
Net cash used for capital and related financing activities	(1,009,227)	(1,185,177)
<b>Cash flows from investing activities</b>		
Payments received on notes receivable	684	930
Purchase of investments	(322,583)	(80,904)
Proceeds from investments	(643,259)	1,457,075
Investment income	(261,326)	52,837
Net cash provided by (used) for investing activities	(1,226,484)	1,429,938
Net increase in cash and cash equivalents	16,732,744	1,454,347
Cash and cash equivalents, beginning of year	2,762,299	1,307,952
Cash and cash equivalents, end of year	<u>\$ 19,495,043</u>	<u>\$ 2,762,299</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, 2022 (with comparative data for 2021)**

	2022	2021
<b>Reconciliation of operating income (loss)</b>		
<b>to net cash provided by (used) for</b>		
<b>operating activities</b>		
Operating income (loss)	\$ 369,890	\$ (53,531)
Adjustments to reconcile operating income (loss)		
to net cash provided by (used) for operating activities:		
Depreciation	101,648	83,902
Royalty income	1,265,084	978,767
Rental revenue, net of expenses	16,747	131,266
Miscellaneous income	23,558	448,531
(Increase) decrease in assets and deferred		
outflows of resources:		
Assessments receivable - groundwater charges	(90,817)	91,992
Prepaid expenses	(3,471)	60,785
Net other post-employment benefits asset	118,397	(154,316)
Net pension asset	(614,710)	-
Deferred outflows of resources - pension	(275,840)	(402,341)
Deferred outflows of resources - OPEB	(16,174)	19,588
Increase (decrease) in liabilities and deferred		
inflows of resources:		
Accounts payable and accrued expenses	267,860	3,329
Accrued wages and related payables	7,682	(785)
Deferred revenues	18,285,085	153,201
Compensated absences payable	(118,274)	40,672
Net pension liability	(421,265)	97,081
Deferred inflows of resources - pension	144,112	(10,202)
Deferred inflows of resources - OPEB	(104,030)	111,555
 Net cash provided by operating activities	 <u>\$ 18,955,482</u>	 <u>\$ 1,599,494</u>
 <b>Noncash, investing, capital and financing activities</b>		
Change in fair value of investments	<u>\$ (41,910)</u>	<u>\$ (36,176)</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, 2022 (with comparative data for 2021)**

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	<u>2022</u>	<u>2021</u>
<b>Assets</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>		
Advances from District for Wash Plan	<u>2,119,186</u>	<u>1,941,550</u>
Total liabilities	<u>2,119,186</u>	<u>1,941,550</u>
<b>Net position (deficit)</b>	<u>\$ (2,119,186)</u>	<u>\$ (1,941,550)</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, 2022 (with comparative data for 2021)**

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	<u>2022</u>	<u>2021</u>
Additions	<u>\$ 535,096</u>	<u>\$ 139,374</u>
Deductions		
Professional services	480,360	438,211
Legal expenses	-	83,097
Allocated District expenses:		
Salaries and benefits	<u>232,372</u>	<u>177,734</u>
Total Deductions	<u>712,732</u>	<u>699,042</u>
Net position (deficit), beginning of year	<u>(1,941,550)</u>	<u>(1,381,882)</u>
Net position (deficit), end of year	<u><u>\$ (2,119,186)</u></u>	<u><u>\$ (1,941,550)</u></u>

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

# **San Bernardino Valley Water Conservation District**

## **Notes to Financial Statements**

**June 30, 2022 (with comparative data for 2021)**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***A. Reporting Entity***

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

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

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

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

#### ***B. Basis of Accounting***

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

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

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

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



# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### ***C. Accounting Pronouncements***

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

#### ***D. Net Position***

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

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

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

#### ***E. Use of Estimates***

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

#### ***F. Cash and Cash Equivalents***

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

# **San Bernardino Valley Water Conservation District**

## **Notes to Financial Statements**

**June 30, 2022 (with comparative data for 2021)**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### ***G. Investments***

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

#### ***H. Property Taxes and Assessments***

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

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

#### ***I. Compensated Absences***

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

#### ***J. Concentrations***

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

#### ***K. Receivables***

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

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### ***L. Capital Assets***

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

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

#### ***M. Budgetary Policies***

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

#### ***N. Net Pension Liability***

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

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *O. Other Postemployment Benefits (OPEB)*

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

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

### 2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 and 2021 are classified in the statements of net position as follows:

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 19,495,043	\$ 2,762,299
Investments	<u>23,440,203</u>	<u>22,474,361</u>
Total cash and investments	<u>\$ 42,935,246</u>	<u>\$ 25,236,660</u>

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

---

**2. CASH AND INVESTMENTS (continued)**

Cash and investments as of June 30, 2022 and 2021 consisted of the following:

	2022	2021
Deposits with financial institutions	\$ 858,946	\$ 2,331,640
Deposits held with California Local Agency Investment Fund	18,636,097	430,658
Certificates of deposit	1,453,718	498,024
Deposits held with fiscal agents:		
California Asset Management Program	18,786,013	18,753,929
CalTrust Short-term fund	3,200,472	3,222,409
 Total cash and investments	 <u>\$ 42,935,246</u>	 <u>\$ 25,236,660</u>

As of June 30, 2022 and 2021, the District's authorized deposits had the following average maturities:

	2022	2021
Deposits held with California Local Agency Investment Fund	311 days	291 days
Certificates of deposit	1060 days	205 days
Deposits held with fiscal agents:		
California Asset Management Program	60 days	66 days
CalTrust Short-term fund	332 Days	318 Days

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

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

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

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

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**2. CASH AND INVESTMENTS (continued)**

***B. Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code under the oversight of the Treasurer of the State of California. The District's investment in this pool is reported in the accompanying financial statements at amounts based on the District's pro rata share of the value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2022, the District's investment in LAIF was \$18,636,097. At June 30, 2021, the District's investment in LAIF was \$430,658. 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.

***C. Investment Trust of California (CalTrust)***

CalTrust is organized as a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. A Board of Trustees supervises and administers the investment program of the Trust. CalTrust has four pools: money market account, short-term, medium-term and long-term. The District has deposits in the Short-Term Fund as of June 30, 2022 and 2021. 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, 2022 was \$3,209,108, and its net asset value (withdrawal value) was \$3,200,472. The average cost of the District's investment in the Short-Term Fund as of June 30, 2021 was \$3,199,068, and its net asset value (withdrawal value) was \$3,222,409.

***D. California Asset Management Pool (CAMP)***

The District is a voluntary participant in the California Asset Management Program (CAMP), which was established as a nontaxable investment portfolio under provisions of the California Joint Exercise of Powers Act to provide California Public Agencies with comprehensive investment management services. There are no minimum deposit requirements or limits on deposits and withdrawals. Dividends from net investment income are declared on a daily basis and paid on the last day of the month. Dividends paid are automatically reinvested in each account by the purchase of additional shares. The contract creating the program specifies the types of investments that can be made by the investment portfolio with available cash: U.S. Government securities, securities of federally sponsored agencies, repurchase agreements, banker's acceptances, negotiable certificates of deposit and commercial paper. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by CAMP which was \$18,786,013 as of June 30, 2022. At June 30, 2021, the District investment in CAMP was \$18,753,929.

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 2. CASH AND INVESTMENTS (continued)

#### ***E. Custodial Credit Risk***

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

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

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

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

#### ***F. Interest Rate Risk***

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

#### ***G. Credit Risk***

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

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 2. CASH AND INVESTMENTS (continued)

#### G. Credit Risk (continued)

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

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

#### H. Concentrations of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer beyond that stipulated by the Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the District's total investments at June 30, 2022.

### 3. FAIR VALUE MEASUREMENTS

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

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

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



# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 4. COMPENSATED ABSENCES

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

	Balance July 1, 2021	Net Change	Balance June 30, 2022	Due within one year
Compensated absences	<u>\$ 207,677</u>	<u>\$ (118,274)</u>	<u>\$ 89,403</u>	<u>\$ 67,480</u>

	Balance July 1, 2020	Net Change	Balance June 30, 2021	Due within one year
Compensated absences	<u>\$ 167,005</u>	<u>\$ 40,672</u>	<u>\$ 207,677</u>	<u>\$ 49,400</u>

### 5. UNEARNED REVENUE

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

The District entered into an agreement with another government in which the District received \$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**  
**June 30, 2022 (with comparative data for 2021)**

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**6. CAPITAL ASSETS**

Changes in capital assets for the year were as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets not being depreciated:				
Land and land improvements	\$ 4,162,862	\$ -	\$ -	\$ 4,162,862
Construction in progress	1,019,057	1,065,811	-	2,084,868
 Total capital assets not being depreciated	 5,181,919	 1,065,811	 -	 6,247,730
Capital assets being depreciated:				
Structures and improvements	1,239,950	-	-	1,239,950
Improvements	307,035	-	-	307,035
Vehicles and equipment	235,891	-	-	235,891
Office equipment	146,947	21,239	-	168,186
Field equipment	322,707	5,953	-	328,660
Equipment	1,152,252	-	-	1,152,252
Recharge basins and facilities	330,192	-	-	330,192
 Total capital assets being depreciated	 3,734,974	 27,192	 -	 3,762,166
Less accumulated depreciation:				
Buildings and improvements	(864,560)	(38,462)	-	(903,022)
Equipment	(524,523)	(52,712)	-	(577,235)
Recharge basins and facilities	(137,879)	(44,327)	-	(182,206)
 Total accumulated depreciation	 (1,526,962)	 (135,501)	 -	 (1,662,463)
 Net capital assets being depreciated	 2,208,012	 (108,309)	 -	 2,099,703
 Net capital assets	 \$ 7,389,931	 \$ 957,502	 \$ -	 \$ 8,347,433

Depreciation expense was allocated as follows for the year ended June 30, 2022:

Depreciation expense:	
District operations	\$ 82,574
Redlands Plaza (included in property expense)	52,927
 Total depreciation expense	 \$ 135,501

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
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**6. CAPITAL ASSETS (continued)**

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

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets not being depreciated:				
Land and land improvements	\$ 4,120,341	\$ 42,521	\$ -	\$ 4,162,862
Construction in progress	1,088,753	1,062,023	(1,131,719)	1,019,057
 Total capital assets not being depreciated	 5,209,094	 1,104,544	 (1,131,719)	 5,181,919
Capital assets being depreciated:				
Structures and improvements	1,239,950	-	-	1,239,950
Improvements	298,550	8,485	-	307,035
Vehicles and equipment	224,296	76,550	(64,955)	235,891
Office equipment	146,947	-	-	146,947
Field equipment	291,454	31,253	-	322,707
Equipment	20,533	1,131,719	-	1,152,252
Recharge basins and facilities	330,192	-	-	330,192
 Total capital assets being depreciated	 2,551,922	 1,248,007	 (64,955)	 3,734,974
Less accumulated depreciation:				
Buildings and improvements	(825,765)	(38,795)	-	(864,560)
Equipment	(530,697)	(41,377)	47,551	(524,523)
Recharge basins and facilities	(99,839)	(38,040)	-	(137,879)
 Total accumulated depreciation	 (1,456,301)	 (118,212)	 47,551	 (1,526,962)
 Net capital assets being depreciated	 1,095,621	 1,129,795	 (17,404)	 2,208,012
 Net capital assets	 \$ 6,304,715	 \$ 2,234,339	 \$(1,149,123)	 \$ 7,389,931

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

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

**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](http://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**  
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**7. DEFINED BENEFIT PENSION PLAN (continued)**

The Plan's provisions and benefits in effect at June 30, 2022 are summarized as follows:

	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2.5% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.75%
Current required employer contribution rates	12.200%	7.590%

***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 the 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, 2022 were \$137,480. The actual employer payments of \$534,129 made to CalPERS by the District during the measurement period ended June 30, 2021 differed from the District's proportionate share of the employer's contributions of \$206,274 by \$327,855, 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**7. DEFINED BENEFIT PENSION PLAN (continued)**

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Mortality Rate Table (1)	Derived using CALPERS' membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

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

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

***Long-term expected rate of return***

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

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

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**7. DEFINED BENEFIT PENSION PLAN (continued)**

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

<b>Asset Class<sup>1</sup></b>	<b>Assumed asset allocation</b>	<b>Real return years 1 - 10<sup>2</sup></b>	<b>Real return years 11+<sup>3</sup></b>
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92%)
Total	100%		

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

<sup>2</sup> An expected inflation of 2.0% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

*Change of Assumptions*

There was no change of assumptions for measurement date June 30, 2021.

*Discount Rate*

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

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 7. DEFINED BENEFIT PENSION PLAN (continued)

#### *Subsequent Events*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

#### *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](http://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, 2022 and 2021, the District reported net pension liabilities for its proportionate share of the net pension liability (asset) of \$(614,710) and \$421,265, respectively.

	2022	2021
Total pension liability	\$ 4,629,789	\$ 4,270,343
Fiduciary net position	5,244,499	3,849,078
Net pension liability (asset)	<u>\$ (614,710)</u>	<u>\$ 421,265</u>



# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

### 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: 6/30/2020 (Valuation Date)	\$ 4,270,343	\$ 3,849,078	\$ 421,265
Balance at: 6/30/2021 (Measurement Date)	4,629,789	5,244,499	(614,710)
Net change during 2020-21	<u>\$ 359,446</u>	<u>\$ 1,395,421</u>	<u>\$ (1,035,975)</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](http://www.calpers.ca.gov). The District's proportionate share of the net pension liability for the Miscellaneous Plan as of the June 30, 2019, 2020 and 2021 measurement dates was as follows:

	2022	2021
Proportionate share - June 30, 2019		0.00810%
Proportionate share - June 30, 2020	0.00999%	0.00999%
Proportionate share - June 30, 2021	-0.03237%	
Change	<u>-0.04236%</u>	<u>0.00189%</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 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
June 30, 2022			
District's net pension liability (asset)	<u>\$ (3,435)</u>	<u>\$ (614,710)</u>	<u>\$ (1,120,042)</u>
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
June 30, 2021			
District's net pension liability (asset)	<u>\$ 989,543</u>	<u>\$ 421,265</u>	<u>\$ (48,286)</u>

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**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 5-year straight-line amortization  
projected and actual earnings  
on pension plan investments

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

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

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 7. DEFINED BENEFIT PENSION PLAN (continued)

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

As of the start of the measurement period (July 1, 2020), the District net pension liability was \$421,265. For the measurement period ending June 30, 2021, and June 30, 2020 (the measurement dates), the District incurred a pension expense (credit) of \$(1,030,221) and \$218,665, respectively.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2022	
	Deferred outflows of resources	Deferred inflows of resources
Pension contributions subsequent to the measurement date	\$ 137,480	\$ -
Difference in actual vs projected contributions	239,245	39,905
Changes in assumptions	-	-
Difference between expected and actual experience	-	68,933
Net difference between projected and actual earnings on pension plan investments	536,609	-
Changes in proportion	45,363	123,540
Totals	<u>\$ 958,697</u>	<u>\$ 232,378</u>

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 7. DEFINED BENEFIT PENSION PLAN (continued)

The amounts above are net of outflows and inflows recognized in the 2020-21 measurement period expense. Contributions subsequent to the measurement date of \$137,480 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
2023	\$ 141,558
2024	150,512
2025	148,478
2026	148,291
2027	-
Remaining	-

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

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

The District reported \$534,129 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, 2022, 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**  
**June 30, 2022 (with comparative data for 2021)**

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**8. OTHER POST-EMPLOYMENT BENEFITS**

***General Information about the Plan***

*Plan Description*

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

*Employees Covered by Benefit Terms*

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

	2022
Active plan members	9
Retirees and beneficiaries receiving benefits	1
Separated plan members entitled to but not yet receiving benefits	-
	<u>10</u>

*Benefits and Contributions*

The contribution requirements of plan members and the District are established and may be amended by the District. Contributions are calculated using the alternative measurement method. The District contributes 100% of the retiree and dependent up to the current maximum cost of \$1,702 per month. For the fiscal year ended June 30, 2022, the District's cash contributions were \$0 in payments to the trust. Other contributions included \$20,485 in unreimbursed benefits paid and \$6,710 in implicit contributions.

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

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**8. OTHER POST-EMPLOYMENT BENEFITS (continued)**

***Net OPEB Asset***

The District's net OPEB asset was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021. The data entered as economic assumptions and member data to calculate the actuarial present value of future benefits for each individual. This projection uses the assumed retirement age for members of the plan and the employer's portion of health insurance premiums for current retirees and spouses as a statistical base to forecast the cost of future benefits. The projections differentiate between members who are Medicare eligible and those who are not. Premiums are inflated using future insurance premium increase assumptions.

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

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

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

***Discount Rate***

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

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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### 8. OTHER POST-EMPLOYMENT BENEFITS (continued)

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

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

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

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**8. OTHER POST-EMPLOYMENT BENEFITS (continued)**

***Changes in the Net OPEB Asset***

The changes in the net OPEB asset for the Plan are as follows as of June 30, 2022:

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability/(Asset) (c)= (a) - (b)</b>
<b>Balance at June 30, 2021</b> (Valuation Date June 30, 2021)	<u>\$ 476,227</u>	<u>\$ 639,785</u>	<u>\$ (163,558)</u>
<b>Changes recognized for the measurement period:</b>			
Service cost	27,806	-	27,806
Interest	31,878	-	31,878
Contributions - employer	-	27,195	(27,195)
Net investment income	-	41,576	(41,576)
Assumption changes	-	-	-
Plan experience	-	-	-
Investment experience	-	(127,173)	127,173
Benefit payments	(27,195)	(27,195)	-
Administrative expenses	-	(311)	311
<b>Net Changes</b>	<u>32,489</u>	<u>(85,908)</u>	<u>118,397</u>
<b>Balance at June 30, 2022</b> (Measurement Date June 30, 2022)	<u><u>\$ 508,716</u></u>	<u><u>\$ 553,877</u></u>	<u><u>\$ (45,161)</u></u>



**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**8. OTHER POST-EMPLOYMENT BENEFITS (continued)**

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

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

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

The following presents the net OPEB asset of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022 and 2021:

	<b>Discount rate -1%</b>	<b>Assumed discount rate</b>	<b>Discount rate +1%</b>
<b>2022</b>			
Net OPEB liability/(asset)	<u><u>\$ (16,020)</u></u>	<u><u>\$ (45,161)</u></u>	<u><u>\$ (74,594)</u></u>
<b>2021</b>			
Net OPEB liability/(asset)	<u><u>\$ (135,349)</u></u>	<u><u>\$ (163,558)</u></u>	<u><u>\$ (189,189)</u></u>

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**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, 2022 and 2021:

<u>2022</u>	<u>Healthcare cost trend -1%</u>	<u>Healthcare cost trend assumed</u>	<u>Healthcare cost trend +1%</u>
Net OPEB liability/(asset)	<u>\$ (77,499)</u>	<u>\$ (45,161)</u>	<u>\$ (7,687)</u>
<u>2021</u>	<u>Healthcare cost trend -1%</u>	<u>Healthcare cost trend assumed</u>	<u>Healthcare cost trend +1%</u>
Net OPEB liability/(asset)	<u>\$ (193,831)</u>	<u>\$ (163,558)</u>	<u>\$ (128,477)</u>

***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](http://www.calpers.ca.gov).

***Changes in Assumptions***

None.

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**8. OTHER POST-EMPLOYMENT BENEFITS (continued)**

***Net OPEB Expense Related to Net OPEB Asset***

For the fiscal year ended June 30, 2022 and 2021, the District recognized OPEB expense of \$25,388 and \$8,312 respectively. As of fiscal year ended June 30, 2022 and June 30, 2021, the District reported the following deferred outflows/inflows of resources related to its Net OPEB Asset:

<u>2022</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in assumptions	\$ 156,016	\$ -
Differences between expected and actual experience	-	140,671
Net difference between projected and actual earnings on investments	40,649	-
Total	<u>\$ 196,665</u>	<u>\$ 140,671</u>
 <u>2021</u>	 <u>Deferred outflows of resources</u>	 <u>Deferred inflows of resources</u>
Changes in assumptions	\$ 180,491	\$ -
Differences between expected and actual experience	-	162,363
Net difference between projected and actual earnings on investments	-	82,338
Total	<u>\$ 180,491</u>	<u>\$ 244,701</u>

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

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2023	\$ 6,969
2024	9,451
2025	7,145
2026	28,216
2027	2,783
Remaining	1,430

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

### 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.

#### *Leases Receivable*

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

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, 2022, the value of the lease receivable is \$638,602. 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, 2022, was \$613,198, and the District recognized lease revenue of \$124,509 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, 2022, the value of the lease receivable is \$950,497. 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, 2022, was \$928,214, and District recognized lease revenue of \$32,474 during the fiscal year.

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
<b>Lease Receivable</b>				
Redlands Plaza	\$ 700,754	\$ 52,179	\$ (114,331)	\$ 638,602
Cemex - Orange Street Site	972,121	-	(21,624)	950,497
<b>Total Lease Receivable</b>	<u>\$ 1,672,875</u>	<u>\$ 52,179</u>	<u>\$ (135,955)</u>	<u>\$ 1,589,099</u>
	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022
<b>Deferred Inflow of Resources</b>				
Redlands Plaza	\$ 685,528	\$ 52,179	\$ (124,509)	\$ 613,198
Cemex - Orange Street Site	960,688	-	(32,474)	928,214
<b>Total Deferred Inflow of Resources</b>	<u>\$ 1,646,216</u>	<u>\$ 52,179</u>	<u>\$ (156,983)</u>	<u>\$ 1,541,412</u>

**San Bernardino Valley Water Conservation District**  
**Notes to Financial Statements**  
**June 30, 2022 (with comparative data for 2021)**

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**10. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured for a variety of potential exposures and is a member of the ACWA Joint Powers Insurance Authority. The following is a summary of the insurance coverage carried by the District as of June 30, 2022:

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

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

The GASB has issued several pronouncements prior to June 30, 2022 that have effective dates that may impact future financial presentations.

*Government Accounting Standards Board Statement No. 91*

*GASB Statement No. 91, Conduit Debt Obligations* is effective for periods beginning after December 15, 2021.

*Government Accounting Standards Board Statement No. 94*

*GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for periods beginning after June 15, 2022.

*Government Accounting Standards Board Statement No. 96*

*GASB Statement No. 96, Subscription-Based Information Technology Arrangements* is effective for periods beginning after June 15, 2022.

*Government Accounting Standards Board Statement No. 98*

*GASB Statement No. 98, The Annual Comprehensive Financial Report* is effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

# San Bernardino Valley Water Conservation District

## Notes to Financial Statements

June 30, 2022 (with comparative data for 2021)

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

*Government Accounting Standards Board Statement No. 99*

*GASB Statement No. 99, Omnibus 2022 has varying implementation dates with the earliest being effective for fiscal years beginning after June 15, 2022.*

*Government Accounting Standards Board Statement No. 100*

*GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 is effective for fiscal years beginning after June 15, 2023.*

### 12. COMMITMENTS AND CONTINGENCIES

#### *Litigation*

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

### 13. PRIOR PERIOD ADJUSTMENT

Net position was restated due to a correction of error of construction in progress expensed in prior years and as a result of the implementation of GASB87, *Leases* for a net effect as follows:

District	Amount
Net position, beginning of year 2021, as previously restated	\$ 11,359,770
Prior period adjustment	<u>129,266</u>
Net position, beginning of year 2021, restated	<u>\$ 11,489,036</u>
Net position, beginning of year 2020, as previously stated	\$ 9,648,451
Prior period adjustment	<u>96,266</u>
Net position, beginning of year 2020, restated	<u>\$ 9,744,717</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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Measurement Date	Employer's Proportion of the Collective Net Pension Liability (Asset) <sup>1</sup>	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%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

<sup>1</sup> 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 \***

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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%

\* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

*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, 2020 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in 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				
	6/30/2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Total OPEB Liability</b>					
Service Cost	\$ 27,806	\$ 26,395	\$ 25,626	\$ 41,893	\$ 40,871
Interest	31,878	32,727	30,837	18,117	13,313
Actual and expected experience difference	-	(50,909)	-	(165,000)	-
Changes in assumptions	-	6,665	-	245,741	-
Benefit payments	(27,195)	(31,485)	(24,824)	-	-
<b>Net change in Total OPEB Liability</b>	32,489	(16,607)	31,639	140,751	54,184
<b>Total OPEB Liability - beginning</b>	476,227	492,834	461,195	320,444	266,260
<b>Total OPEB Liability - ending (a)</b>	508,716	476,227	492,834	461,195	320,444
<b>Plan Fiduciary Net Position</b>					
Contribution - employer	27,195	31,485	168,356	218,507	37,767
Net investment income	(85,597)	137,991	15,439	22,971	4,900
Benefit payments	(27,195)	(31,485)	(24,824)	-	-
Administrative expense	(311)	(282)	(184)	(126)	(35)
<b>Net change in Plan Fiduciary Net Position</b>	(85,908)	137,709	158,787	241,352	42,632
<b>Plan Fiduciary Net Position - beginning</b>	639,785	502,076	343,289	101,937	59,305
<b>Plan Fiduciary Net Position - ending (b)</b>	553,877	639,785	502,076	343,289	101,937
<b>Net OPEB Liability (Asset) - ending (a) - (b)</b>	<u>\$ (45,161)</u>	<u>\$ (163,558)</u>	<u>\$ (9,242)</u>	<u>\$ 117,906</u>	<u>\$ 218,507</u>
Plan fiduciary net position as a percentage of the total OPEB liability	108.88%	134.34%	101.88%	74.43%	31.81%
Covered employee payroll	\$ 1,219,699	\$ 1,114,100	\$ 970,271	\$ 758,985	\$ 707,053
Net OPEB liability as a percentage of covered employee payroll	-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, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 22,508	\$ 22,311	\$ 43,693	\$ 54,851	\$ 37,767
Contributions in Relation to the Actuarially Determined Contribution	(27,195)	(31,485)	(168,356)	(218,507)	(37,767)
Contribution Deficiency (Excess)	<u>\$ (4,687)</u>	<u>\$ (9,174)</u>	<u>\$ (124,663)</u>	<u>\$ (163,656)</u>	<u>\$ -</u>
Covered Payroll	\$ 1,219,699	\$ 1,114,100	\$ 970,271	\$ 758,985	\$ 707,053
Contributions as a Percentage of Covered Payroll	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	Market value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.50%
Mortality	CalPERS 2017 experience study
Pre-retirement turnover healthcare trend rate	5.7% in 2022 fluctuating down to an ultimate level of 4.0% by 2076
Mortality improvement	MacLeod Watts Scale 2020.
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**

**San Bernardino Valley Water Conservation District**  
**Schedule of Operating Revenues and Expenses**  
**For the year ended June 30, 2022 (with comparative data for 2021)**

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	2022	2021
<b>Operating revenues</b>		
Groundwater assessments		
Groundwater charge assessments - agricultural	\$ -	\$ 121,142
Groundwater charge assessments - nonagricultural	-	1,117,169
Groundwater charge assessments - combined	1,351,967	-
Operating agreements		
Enhanced recharge agreement	431,811	415,203
Services to other agencies	30,000	30,000
	<u>1,813,778</u>	<u>1,683,514</u>
<b>Operating expenses</b>		
District operations		
Professional services	423,092	205,032
Field operations	112,749	126,022
Utilities	23,007	21,876
Salaries/staff	1,050,995	708,425
Benefits	(820,648)	369,894
<b>Total District operations</b>	<u>789,195</u>	<u>1,431,249</u>
Regional programs		
Regional programs LAFCO contribution	2,419	4,282
<b>Total regional programs</b>	<u>2,419</u>	<u>4,282</u>
General and administrative		
Directors' fees and expenses	109,440	78,973
Staff travel and education	15,640	4,916
Insurance	32,062	29,423
Other administrative	393,484	104,300
<b>Total general and administrative</b>	<u>550,626</u>	<u>217,612</u>
Total operating expenses	<u>1,342,240</u>	<u>1,653,143</u>
Operating income (loss) before depreciation expense	471,538	30,371
Depreciation expense	101,648	83,902
Operating income (loss)	<u>\$ 369,890</u>	<u>\$ (53,531)</u>

## **REPORT ON INTERNAL CONTROL AND COMPLIANCE**



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

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

**PARTNERS**

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

*Independent Auditor's Report*

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

**MANAGERS / STAFF**

Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Bernardino Valley Water Conservation District (District), and the related notes to the financial statements, and have issued our report thereon dated December 7, 2022.

***Internal Control over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rogers, Anderson, Malody & Scott, LLP.*

December 7, 2022  
San Bernardino, California





## San Bernardino Valley Water Conservation District

Helping Nature Store Our Water

Memorandum No. 1904

**To:** Board of Directors

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

**Date:** December 14, 2022

**Subject:** 2023 Per Diem Rate

---

### **RECOMMENDATION**

The Finance & Administration Committee recommends the Board increase the Board Per Diem Rate by \$4.00 to \$250.00 for calendar year 2023, and approve Resolution No. 604A.

### **BACKGROUND**

In 2021, the Board increased the per diem rate by 5% (from \$235-\$246) for 2022 after reviewing the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI-U) and the range of allowable increases per the California Water Code. The CPI-U West Region for the 12-month period ending October 2021 was 6.0%.

### **DISCUSSION**

The Finance & Administration Committee met on November 16, 2022, to discuss the current CPI-U West Region of 8.1% for the 12-month period ending in October. The Committee recommends an increase of 1.61% to \$250 to the per diem rate for 2023, and requested feedback and discussion by the Board prior to final approval.

At the direction of the Finance & Administration Committee, staff prepared and attached two resolutions for review and consideration: Resolution 604A approving an increase to the per diem rate by 1.61% to \$250 as recommended by the Committee, and Resolution 604B approving an increase to the per diem rate of 5% to \$258 for calendar year 2023, to be effective as of January 1, 2023. The California Water Code section 20202 limits the increase in rate up to 5% per year, which would be an increase of \$12 to \$258; the budget approved by the Board in May included a 5% increase in the per diem.

### **POTENTIAL MOTIONS**

1. Move approval of a new per diem rate of \$250 for Calendar Year 2023 and approve Resolution No. 604A.
2. Move approval of a new per diem rate of \$258 for Calendar Year 2023 and approve Resolution No. 604B.
3. Move to table the item to a future meeting of the Board or the Finance & Administration Committee.

### **ATTACHMENTS**

Resolution No. 604A

Resolution No. 604B

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

#### **BOARD OF DIRECTORS**

Division 1:  
Richard Corneille

Division 2:  
David E. Raley

Division 3:  
Robert Stewart

Division 4:  
John Longville

Division 5:  
Melody McDonald

#### **GENERAL MANAGER**

Betsy Miller

**RESOLUTION NO. 605A**

**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 1.61%**

**WHEREAS**, the Board of Directors of the San Bernardino Valley Water Conservation District adopted Ordinance 2014-1 amending District Policy as to how to process changes to rates previously set annually at the May 14, 2014 Board meeting; and

**WHEREAS**, the Board of Directors voted to increase 2022 per diem rate compensation by five percent for the calendar year of 2022 on December 8, 2022; and

**WHEREAS**, the Finance & Administration Committee met to review and discuss the current per diem rate and have recommended an increase in the Directors' per diem compensation to \$250 per meeting; 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 forty six dollars (\$246) 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 1.61% effective January 1, 2023; from Two Hundred Forty Six Dollars (\$246) to Two Hundred Fifty Dollars (\$250);

Section 3. Each director shall receive per diem compensation in an amount of Two Hundred and Fifty dollars (\$250) per meeting for calendar year 2023 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 14th day of December, 2022, by the following vote:

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

---

Melody McDonald, President

ATTEST:

---

Betsy Miller, Secretary

**RESOLUTION NO. 605B**

**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 5%**

**WHEREAS**, the Board of Directors of the San Bernardino Valley Water Conservation District adopted Ordinance 2014-1 amending District Policy as to how to process changes to rates previously set annually at the May 14, 2014 Board meeting; and

**WHEREAS**, the Board of Directors voted to increase 2022 per diem rate compensation by five percent for the calendar year of 2022 on December 8, 2022; and

**WHEREAS**, the Board of Directors would like to keep increases in line with current CPI-U and recommend an increase in the Directors' per diem compensation to \$258 per meeting; 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 forty six dollars (\$246) 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 5% effective January 1, 2023; from Two Hundred Forty Six Dollars (\$246) to Two Hundred Fifty Eight Dollars (\$258);

Section 3. Each director shall receive per diem compensation in an amount of Two hundred and Fifty Eight dollars (\$258) per meeting for calendar year 2023 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 14th day of December, 2022, by the following vote:

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

---

Melody McDonald, President

ATTEST:

---

Betsy Miller, Secretary



# Environmental Update

as of December 2, 2022

## Wash Plan Implementation – Monitoring Activities

- SBKR Monitoring Program
  - Through ongoing conversations with the U.S. Fish and Wildlife Service and U.S. Geological Survey and established success in implementing the SBKR Monitoring Program for the Wash Plan Preserve, the District is positioned to support the USFWS in applying for a Section 6 grant (funded by the federal Cooperative Endangered Species Conservation Fund) to advance the SBKR monitoring protocol and implement coverage across the full-extent of mapped critical habitat that is in conservation across the region. The District, USGS, and USFWS are awaiting grant application details, expected to be delivered by CDFW sometime in early December.

## Wash Plan Implementation – Management Activities

- Slender-horned Spineflower Restoration Program
  - District staff toured prospective direct seeding sites for slender-horned spineflower on BLM property with the BLM state botanist on November 18. As a precursor to bringing in seed to the federal property, BLM is proposing to work with the District and California Botanic Garden to conduct genetic testing on monitored extant populations within the Wash to better understand the relatedness among populations and identify potential opportunities and constraints for mixing seed from different colonies in the restoration efforts.
  - District staff submitted a 2081(a) research permit application to conduct seed bulking and direct seeding activities for review and approval by CDFW's Native Plant Program on October 7. Questions concerning the application were received from CDFW on October 28. Responses to questions were provided by the District to CDFW on November 2. A fully executed copy of the Scientific, Educational, or Management Permit (2081(a)-22-008-RP) was received on November 22, allowing planned work tied to bulking activities to move forward this fall/winter.
  - District staff visited the proposed seed-bulking site located on District property just east of CEMEX operations on December 1. Prior to visiting the site, District staff updated CEMEX and Robertson's on the new permit. Dudek is actively coordinating initiation of the bulking program with California Botanic Garden.
- On November 7, consistent with the 30-day notice provided in October, District biologists working with the Operations Team assessed the status of the unhoused previously present in encampments located on District property west of Orange Street. Most of the encampments appeared abandoned and further clean-up of existing debris fields were scheduled.



- On November 15, the Operations Team completed installation of a new gate on BLM property to limit future illegal access to BLM and District property west of Orange Street. Repairs to the fence and rock barrier to the north of the gate were completed on November 30.
- Clean-up activities coordinated with BLM of the existing debris fields associated with the illegal dumping that has occurred in the area are scheduled for December 12 through December 23.

### Wash Plan Implementation – Organizational Structure & Planning

- Monthly coordination meeting with the USFWS was held on November 15. One of the items addressed in the meeting was the Certificate of Inclusion application for the Enhanced Recharge Project Phase 1B submitted to Service on October 6. Following the conclusion of the meeting, the Service provided written approval of the issuance of the Certificate of Inclusion, recognizing Valley District's compliance with the terms and conditions of the Wash Plan.

### Wash Plan Programmatic Permits

- USACE 404 Programmatic Individual Agreement – Public Notice was posted by the Corps on July 1 regarding application by the District for a long-term standard individual permit under Section 404 of the Clean Water Act. The public comment period ended on July 31. Responses to comments were prepared and submitted to the Corps on August 26. The consultant team shared a draft Environment Assessment (EA) with the District on September 2. Following review by the District, the draft EA was finalized by AECOM and shared with the Corps on September 30. District staff and AECOM continue to meet with USACE weekly in support of completion of the EA and issuance of the standard individual permit.
- On November 30, AECOM entered what is expected to be the final few edits to a revised draft of the Streambed Alteration Agreement (EPIMS-SBR-23918-R6) for construction permitting, received from CDFW. If they are accepted, District staff expects CDFW to issue a final revised version ready for signature by the District within the next few weeks.
- District staff met with CDFW on November 16 to discuss next steps tied to advancement of the 2081 Incidental Take Permit. During the discussion, CDFW indicated they are working to define the next steps in the permit process and should be reaching out to the District in the near future with a list of specific items that need to be addressed.
- RWQCB 401 Water Quality Certification and Order for the Upper Santa Ana River Wash Habitat Conservation Plan, Covered Activities (SARWQCB WDID # 362021-07) was issued on July 29, 2022. The Order will remain valid for the next twenty years.
- CDFW Streambed Alteration Agreement for Routine Maintenance (1600-2021-0005-R6) was signed and became effective on November 9, 2022. The Agreement will remain valid for the next five years.

### Mill Creek Programmatic Permits

- An annotated outline for a Safe Harbor Agreement with the USFWS meant to address issues tied to endangered and threatened species associated with ongoing operations and maintenance activities at Mill Creek was submitted to the Service on November 9 for review and comment.



- In order to advance the planning supporting development of a Safe Harbor Agreement for Mill Creek, an internal working session involving District staff has been scheduled for December 6, followed by an in-person working session between District staff and AECOM on December 19, and in-person meeting between the District staff and the USFWS at their Palm Springs office on January 13, 2023.

### Community Mitigation Program

- District staff submitted a Long-term Management Plan (LTMP) and Property Analysis Record (PAR) to CDFW on September 22 for the District-owned and managed 4.2-acre offsite mitigation area for San Bernardino County Transportation Authority (SBCTA) SR-210 Mixed Flow Lane Addition Project. In November, District staff continued to work with SBCTA contractor VCS Environmental to be positioned to successfully move through the escrow process when directed by CDFW.
- On October 26, District staff shared a draft LTMP and PAR with San Bernardino County Flood Control District (SBCFCD). The LTMP and PAR covers the District-owned and managed 0.64-acre onsite mitigation area for the SBCFCD Elder Creek Channel Improvement Project. In November, District staff continued to work with SBCFCD in support of the County submitting the items tied to the identified habitat management lands consistent with their state permits in early December.

### MOU with San Bernadino County

- District staff met with SBCFCD on November 4 to discuss the draft MOU that is to cover the long-term management and permanent protection of 185 acres of Flood Control District property to be protected consistent with the Wash Plan. The MOU is to define roles of the District and Trust in managing and protecting the property in perpetuity. A PAR is to be included in the MOU to assist with calculation of the SBCFCD endowment.

### Active Recharge Transfer Project (ARTP)

- Following-up on construction monitoring activities tied to soil borings performed in October for Waterman Basins, Twin Creek, and Lynwood Basins, on November 1, 2, 3, 4, 7, 9, 10, 14, and 15, District biologists performed construction monitoring of soil percolation tests at the same locations consistent with requirements of the project-specific Streambed Alteration Agreement (EPIMS-SBR-26323-R6) issued by CDFW.

### Partnership Activities

- District staff participated in a planning session on November 29 for the Santa Ana River Science and Conservation Symposium sponsored by Valley District and scheduled for February 1 and 2, 2023 at ESRI, Redlands.

# Wash Plan Trails Status Report

December 2022



## Project Management Approach / Work Plan

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



## Current Status

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

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

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





# Engineering Update

as of December 1, 2022

## Mentone Shop

- Architect completed floor plan, District has approved with input from Operations.
- Building manufacturer has provided a draft of the shop drawings.
- Architect/contractor is handling permits with the County.

## Mill Creek Diversion and Debris Management Project

- Staff met with the Corps 408 team on September 1 to discuss construction of the original structure, and the EA is now being processed based on the discussion. Corps legal counsel accepted the approach so the permit could be issued.
- Operations Committee recommended holding construction till summer 2023 to ensure capture of any winter storms for WY22-23.
- New gates have been delivered to the Mentone Shop.

## Active Recharge Transfer Projects

### Waterman, Twin Creek, and Lynwood Basins

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

### Plunge and Oak Creeks

- Ongoing coordination with Flood Control regarding the hydrology study. Flood accepted flow rates will be used as the input for the Q100 and FEMA flow rates. Smaller storms, including average annual, will use the flows as calculated in the hydrology study.
- Oak Creek geotechnical work is anticipated to start the week of December 12.
- Plunge Creek geotechnical work is on hold pending the land exchange with BLM.

### Mill, Bledsoe, and Cook Creeks

- Existing condition hydrology and hydraulic models for the basins are being refined with initial results reviewed by District staff.
- Hydraulics and hydrology for Mill Creek is in process.
- The fault study for Cook Creek was completed and reviewed by the ARTP Policy Committee including the plan for seismic refraction prepared by Q3. Costs associated with this additional testing are anticipated to be mitigated by field staff support on the Mill Creek geotechnical testing.



# General Manager's Report

From November 9, 2022, to December 14, 2022  
Betsy Miller



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

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

1. **Water Conservation – Plan Goal 1** – Santa Ana River, Mill, and Plunge Creeks received some rainfall during the month of November. Mill Creek's total recharge for the Water Year is currently 420 AF. The Santa Ana River recharge is currently 400 AF. Plunge Creek recharge is 20 AF. The total recharge is 840 AF for the Water Year beginning October 2022.
2. **Facility Maintenance and Cleanout – Plan Goal 1** – Normal dry-condition water operations are underway with all facilities are in good working order. Removal of excess sand from Mill Creek basins began October 31 and staff are reviewing cost-effective alternatives for off-site removal of material.
3. **Aggregate Management – Plan Goal 1** – Upland Rock continues screening and selling sand and rock from District basin cleaning efforts which supporting land management efforts and associated costs.
4. **Personnel/Administration/Staff** – Athena Laroche attended CSDA's Board Secretary Training on November 7 and 8. On November 17, District staff received training in first aid and other safety practices. David Cosgrove and Betsy Miller, along with District Board members, attended the fall ACWA conference from November 29-December 1.
5. **Finance/Budget/Audit** – The Ad Hoc Audit Committee met on December 2; based on their recommendation, the FY22 audit will be presented to the Board at their December meeting. Staff expects large invoices for the Active Recharge Transfer Projects to continue through Q1.
6. **Mill Creek Diversion Engineering – Plan Goals 1/4** – Please refer to the Engineering Update.
7. **Plunge Creek Conservation Project – Plan Goals 1/4** – Total project recharge for this water year is currently 20 AF.
8. **Enhanced Recharge Project – Plan Goal 1** – The Enhanced Recharge Phase 1A is completed. Engineering design for Phase 1B has been completed and will be presented to the Board at their December meeting. The District has issued a Wash Plan Certificate of Inclusion for this project following concurrence by USFWS.
9. **Active Recharge Transfer Project Partnership – Plan Goals 1, 2, and 4** – Please refer to the Engineering Update.
10. **Edison Divestiture – Plan Goals 1/4** – The consortium submitted a bid in early September; an update call is scheduled for December 8.
11. **Groundwater Council – Plan Goal 1** – Staff continues to work with Groundwater Council partners to develop an updated agreement to begin in 2023.

- 12. Shop Facilities for Field Staff** – *Plan Goals 1* – Please refer to the Engineering Update.
- 13. Wildland Trails** – *Plan Goal 3* – Please refer to the Trails Status Update.
- 14. Wash Plan** – *Plan Goal 4* – Please refer to the Environmental Update.
- 15. Santa Ana River Wash Plan Land Exchange Act Implementation** – *Plan Goal 4* – S.-47 was passed and signed by the President, becoming PL 119-6. The appraisals have been approved by BLM, along with costs for the equalization parcels. BLM is reviewing the legal descriptions in the Binding Exchange Agreement to address Conservation District comments. The District is coordinating closely with BLM to address property issues, with a site clean-up scheduled for December.
- 16. Conservation Trust** – *Plan Goal 4* – The Conservation Trust Board of Directors met on October 19. Significant work has been completed towards CDFW approval of the SBCTA mitigation lands, as well as in support of Flood Control’s Elder Creek project mitigation.
- 17. Property/Redlands Plaza** – Staff continues to manage Redlands Plaza tenants and maintenance issues. A water leak was discovered in the parking lot and repaired September 23<sup>rd</sup>. Staff is evaluating the need to replace the main water lines to the building in FY24. The church continues to work with the City on the changes needed for their CUP. The trial regarding Red Dragonfly Spa is complete.
- 18. Mining** – Mining efforts by CEMEX contractors continue at the Plant Site quarry. Mining continues to be above the guaranteed minimum resulting in additional revenue to the Land Enterprise.
- 19. Public Outreach and Legislative** – *Plan Goal 5* IERCD presented water conservaton programs on behalf of the Conservation District in November at Smiley Elementary and Clement Middle School in Redlands and at Barton Elementary School in San Bernardino.
- 20. Current Board Action Implementation** – Significant staff resources are allocated to the ARTP and Wash Plan implementation projects. Staff and District Counsel are continuing to work closely on EHL/CBD v. USACOE settlement-related studies.
- 21. Future Board Activities** – Expected short-term items for consideration or note:
- Agreement for aggregate processing.
  - Contract for strategic plan update.
- 22. District Successes**
- Enhanced Recharge plan review has been completed.
  - The District received ACWA JPIA’s President’s Special Recognition Award for maintaining a loss ratio of 20% or less.
  - The CDFW Streambed Alteration Agreement for Wash Plan Covered Activities (Construction) was issued on December 7.
  - All persons experiencing homelessness on District property have been provided with vouchers for housing or enrolled in housing programs through programs provided by the cities and County in advance of the Christmas holiday.
  - Manuel Colunga, Tommy Purvis, and Michael Guizar each received JPIA’s H.R. LaBounty Safety Award for their work, in conjunction with District engineers, to prepare and document safe use practices for the shop’s crane.

# San Bernardino Valley Water Conservation District

## Monthly Recharge Report

From: 11/1/2022  
To: 11/30/2022



	November				
	Avg Daily Recharge	Monthly Recharge	Recharge WYTD	10yr Avg Recharge*	BTAC Max**
Santa Ana River	11.6	347	403	9,896	176,625
Mill Creek	4.8	144	420	3,079	105,975
Plunge Creek	0.8	22.9	23	488	#N/A
State Water Project	0.0	-	-	6,638	#N/A
In River Channel Recharge***	0.0	-	186	#N/A	#N/A
<b>Total</b>	<b>17</b>	<b>513</b>	<b>1,031</b>	<b>20,101</b>	<b>282,600</b>

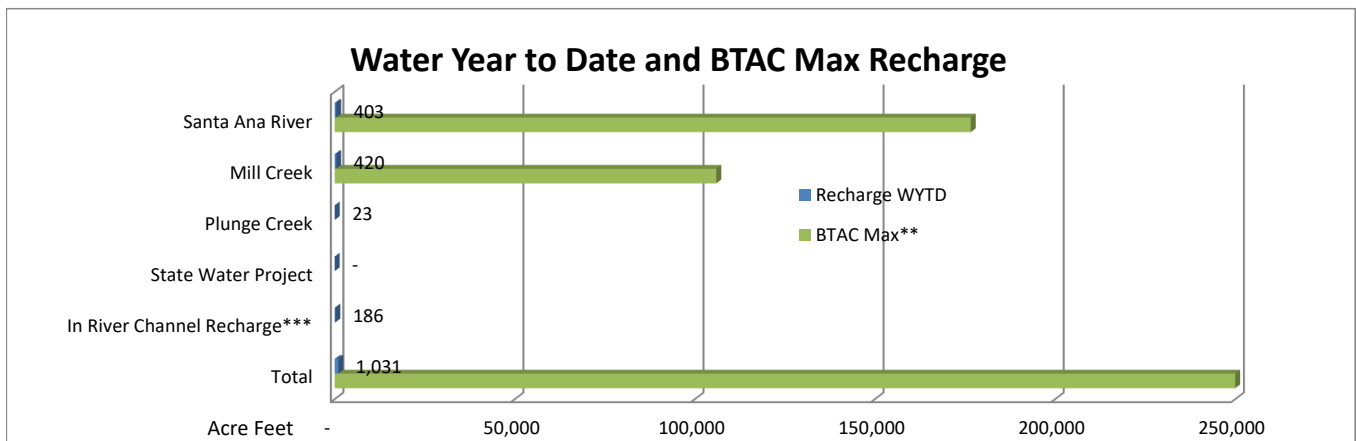
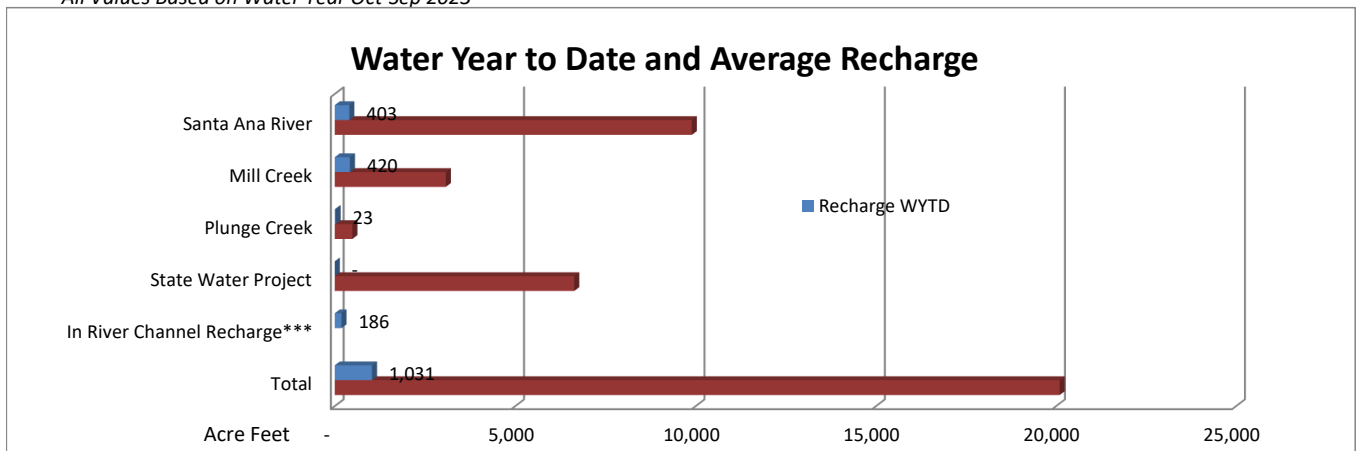
Values in Acre Feet

\* Plunge Creek only has 2 years of available data

\*\*BTAC Revised Max in December 2021

\*\*\*Monitoring began in Mid-April 2011

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



## 2023 Board Calendar - San Bernardino Valley Water Conservation District

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

Jan. 11 Board Meeting  
Jan. 24 Operations Committee Mtg.  
Jan. 25 2<sup>nd</sup> Qtr. Finance & Admin Mtg.

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

Feb. 8 Board Meeting  
Feb. 9 Ad Hoc Trails Committee  
Feb. 13 Outreach Committee

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

Mar. 8 Board Meeting  
Engineering Investigation Report Presentation  
Mar. 22 3<sup>rd</sup> Qtr. Finance & Admin Mtg.  
Mar. 28 Operations Committee Mtg.

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

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

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

May 17 Board Meeting

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

Jun. 14 Board Meeting

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

Jul. 12 Board Meeting  
Jul. 25 Operations Committee Mtg.  
Jul. 26 4<sup>th</sup> Qtr. Finance & Admin Mtg.

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

Aug. 9 Board Meeting

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

Sept. 13 Board Meeting

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

Oct. 10 Operations Committee Mtg.  
Oct. 11 Board Meeting

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

Nov. 8 Board Meeting  
Nov. 15 1<sup>st</sup> Qtr. Finance & Admin Mtg.

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

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