



SAN BERNARDINO
VALLEY | A REGIONAL WATER
AGENCY SINCE 1954

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Email Public comments to **comments@sbvmwd.com**



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CALL TO ORDER

Board of Directors' Special Meeting – Resources/
Engineering Workshop

Tuesday, July 14, 2026

Chair – Director Longville

Vice-Chair – Director Velasquez



www.SBVMWD.com



comments@SBVMWD.com

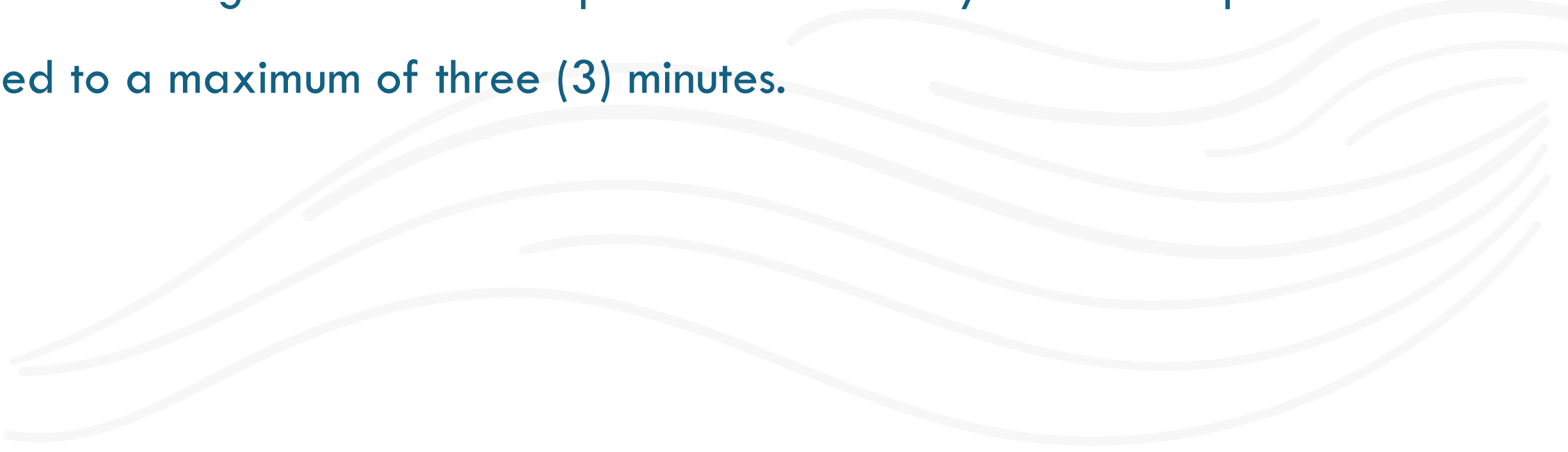
Introductions

Following the introduction of Directors and District staff, participants may use this time to state their name and agency/affiliation in order to be included in the formal record of attendees.

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Public Comment

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

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Discussion and Possible Action Items





Discussion Item 3.1 (pg. 3)

Kelly Malloy, MPA – Manager of Strategic Communications & Special Initiatives

2027-2029 California Special Districts Association Southern Network Election

CSDA Election

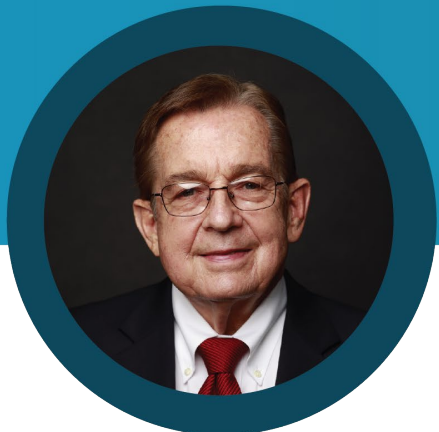


**California Special
Districts Association**

Districts Stronger Together

- Board of Directors Election Ballot - Term 2027 - 2029
 - Seat C - Southern Network
- Ballot is due July 24, 2026
 - CEO/ General Manager will submit on behalf of the Agency
- Candidates:
 - Nikki Winslow, District Director, Altadena Library District (Incumbent)
 - Jason Dafforn, General Manager, Valley Sanitary District
 - John Horst, Director, Trabuco Canyon Water District
 - Melinda Sedmak, Trustee, Twentynine Palms Public Cemetery District

BOARD MOTION & ROLL CALL VOTE



T. Milford Harrison
President



Gil J. Botello
Vice President



Susan Longville
Treasurer



Paul Kielhold
Director



Jose Velasquez
Director

Staff Recommendation:

Provide direction to staff regarding the California Special Districts Association (CSDA) Board of Directors Election Ballot - Term 2027 - 2029; Seat C - Southern Network.



Discussion Item 3.2 (pg. 21)

Heather Dyer, MS, MBA – CEO/General Manager

Greg Woodside, PG, C.H.g – Chief of Planning and Watershed Resilience

Cindy Saks, CPA – Chief Financial Officer/Deputy General Manager

Workshop Report Regarding State Water Contract Fund Budget and
Potential Ad Valorem Tax Rate for Fiscal Year 2026-2027



Purpose

- Annually the Board is required to set a property tax rate for the State Water Contract (SWC) Fund for the new fiscal year.
- The tax rate for the Fiscal Year that ended June 30, 2026, was \$0.1100 per \$100 of assessed property value.
- The monies generated from the SWC property tax rate are restricted to pay for costs associated with the State Water Contract.

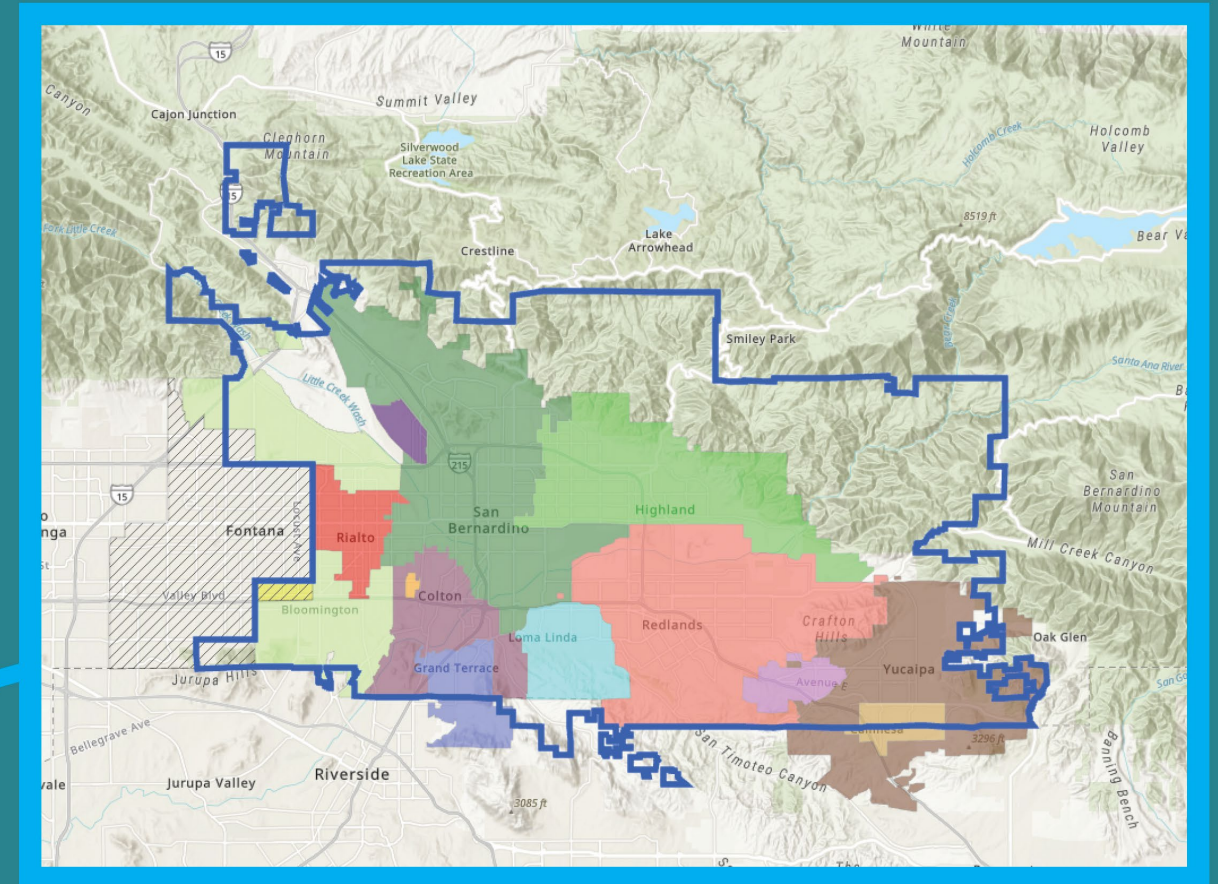
Imported Water: State Water Project



Perspective.



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San Bernardino Valley and the SWC

- State Water Project (SWP) is operated by the Department of Water Resources (DWR)
- The system is financed primarily through long-term contracts with 29 public water agencies (contractors) who pay all capital and maintenance costs
- SWP allocations fluctuates year-to-year based on rain and snowpack
 - Like a retail water system, most charges are fixed irrespective of the amount of water allocated/delivered



Regional Water Agency Funds

State Water Contract Fund

Property Tax Revenue

- ✓ State Water Project (SWP) Debt Service
- ✓ SWP Capital Expenses
- ✓ SWP Operating Expenses
- ✓ SWP Repair & Replacement

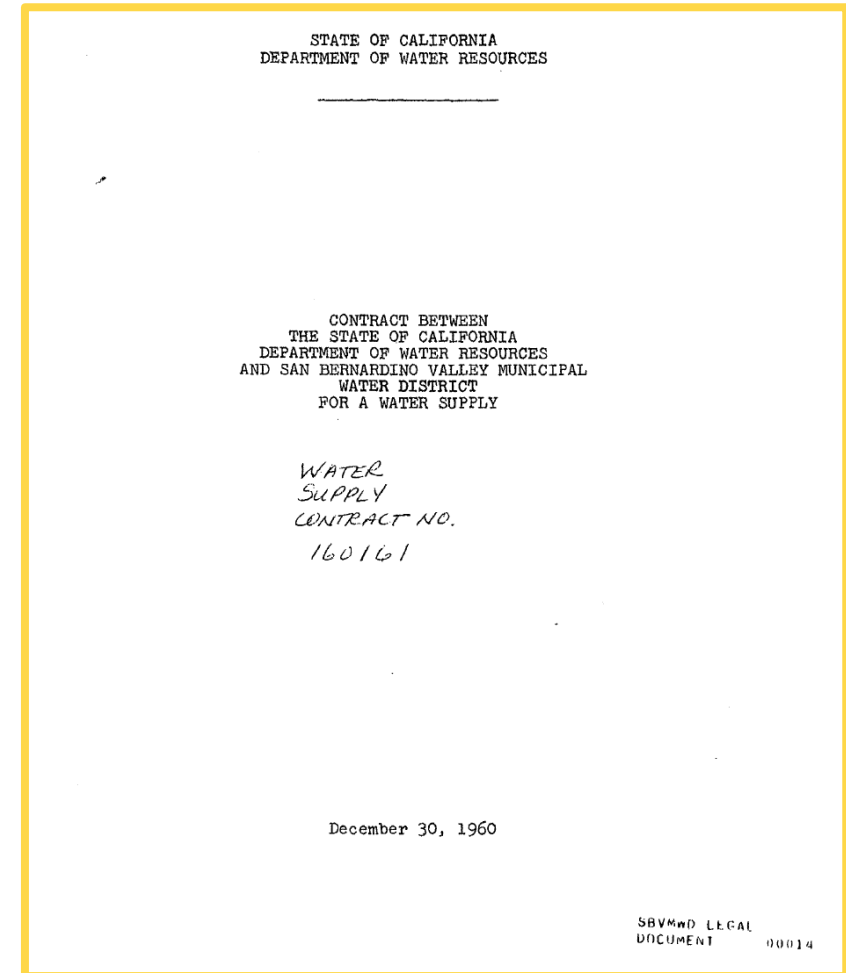
General Fund

Water Rate, Portion of Countywide 1%

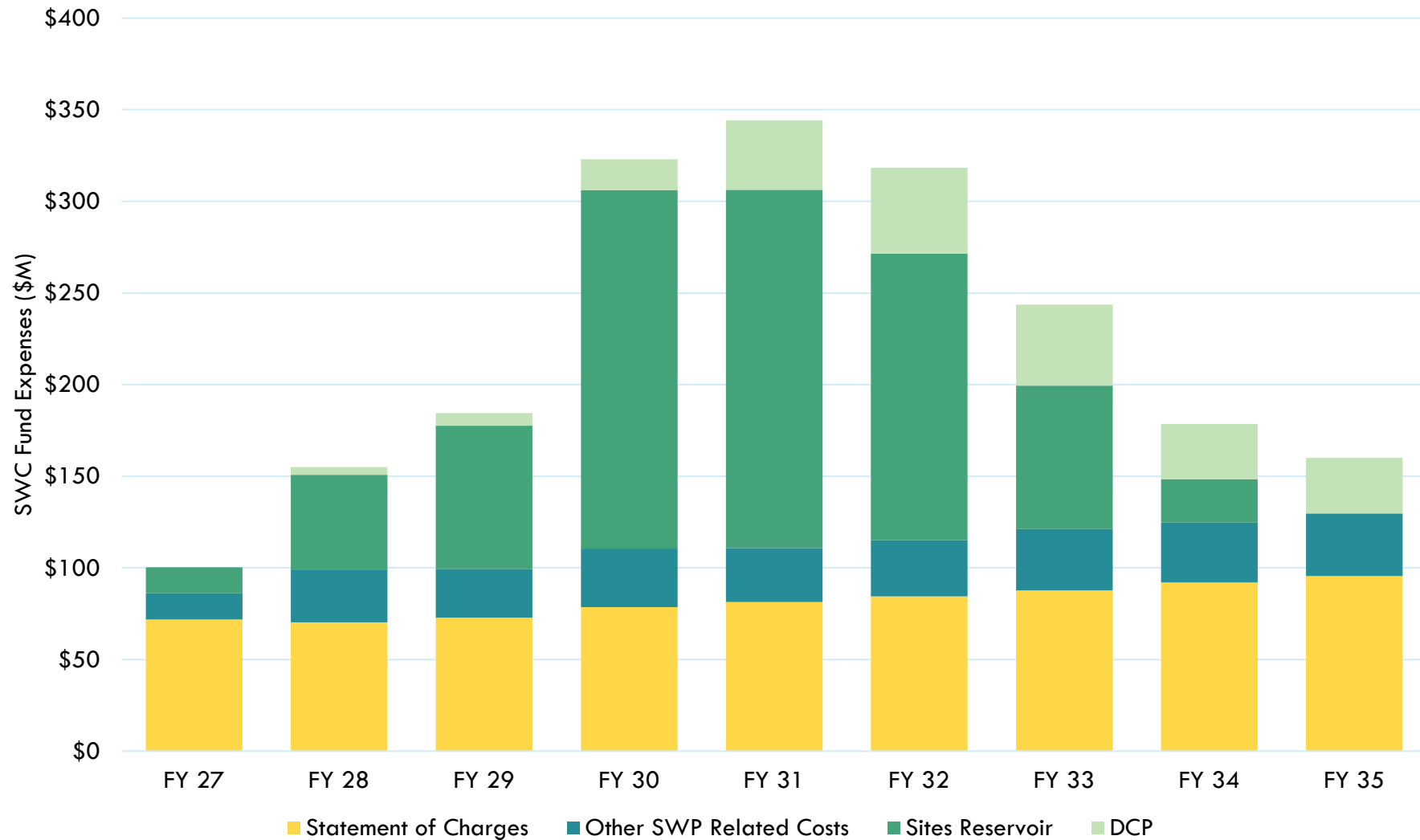
- ✓ Watermaster & Groundwater Management
- ✓ Surface Water Rights and Related Activities
- ✓ Regional Water Supply Projects
- ✓ Regional Recycled Water
- ✓ Demand Management Programs
- ✓ Habitat Conservation Plan & Projects Permitting
- ✓ Local Expenses

Summary of Key Steps in Approval of State Water Project

- Voters of California approved financing, construction and ongoing management of the State Water Project in November 1960 election ('Burns Porter Act')
- San Bernardino Valley and CA DWR executed agreement for San Bernardino Valley's participation in State Water Project in December 1960



San Bernardino Valley Estimated Future SWC Fund Expenditures



State Water Contract Costs

- Fixed charges
 - Bond repayment
 - Fixed infrastructure
 - Basic maintenance

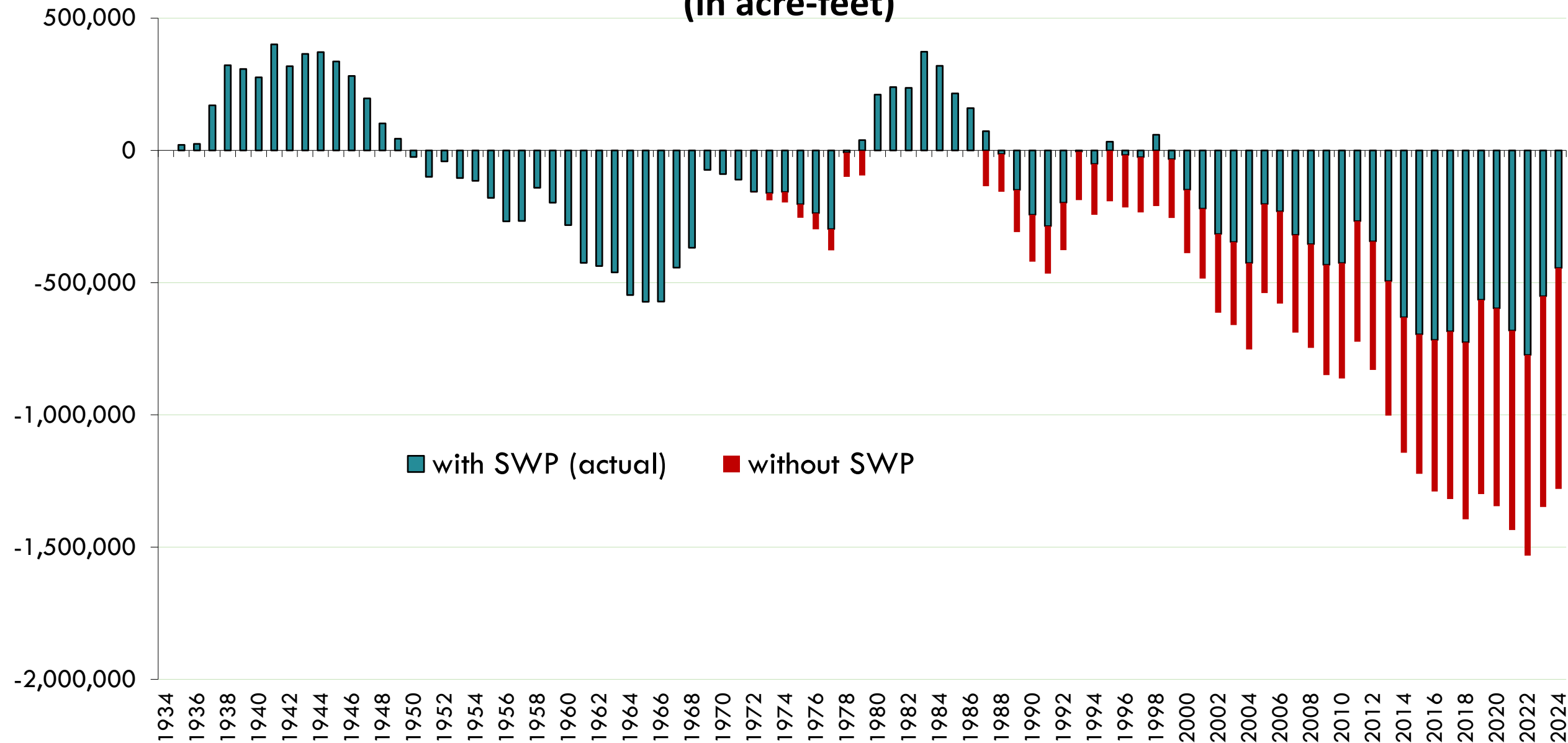
(Similar to retailers' base or meter charges)
- Conveyance charges
 - Tied to amount of water received and by delivery point

(Similar to retailers' volumetric charges)
- Capital charges
 - Share of payments for capital improvements to the SWP

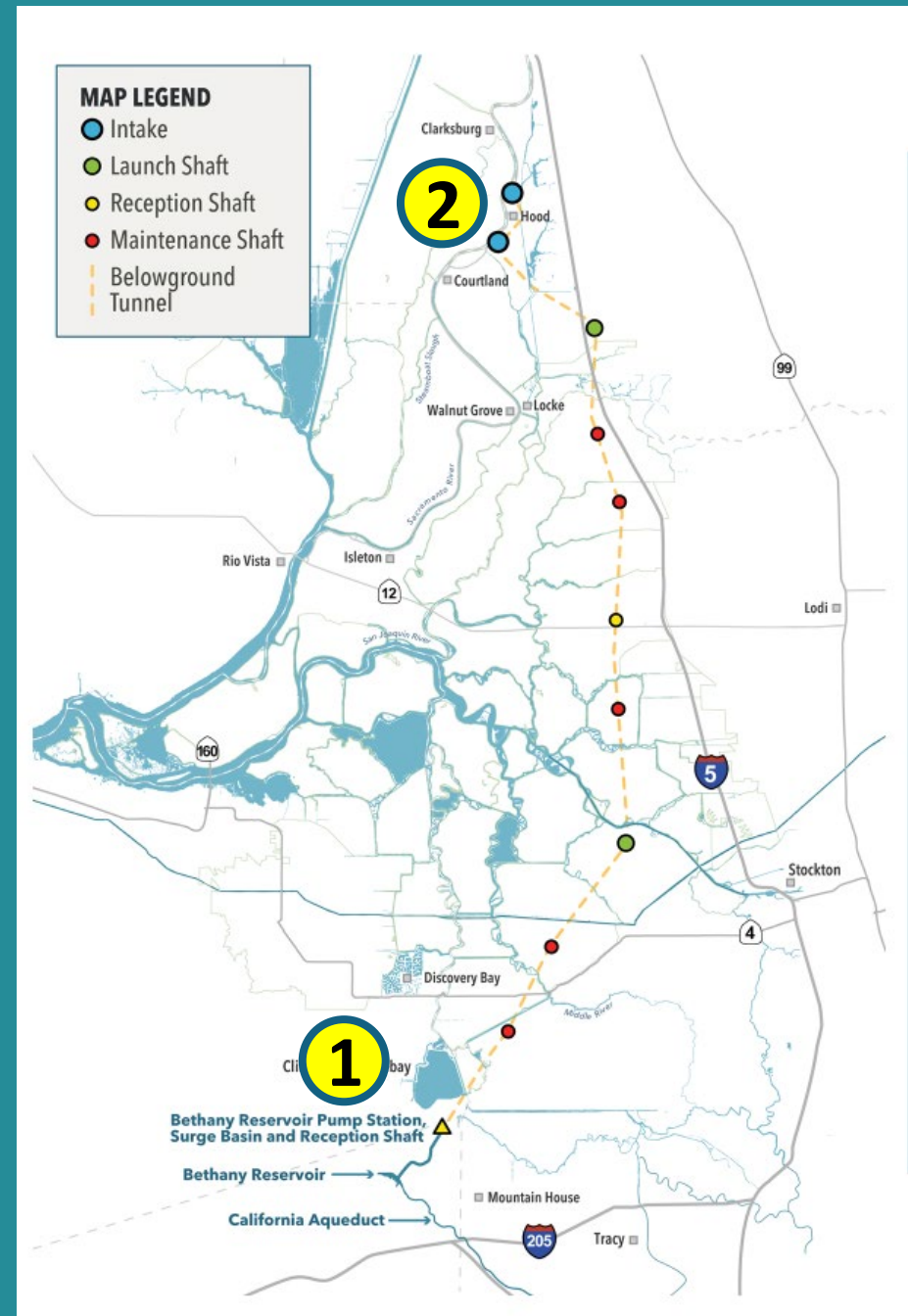
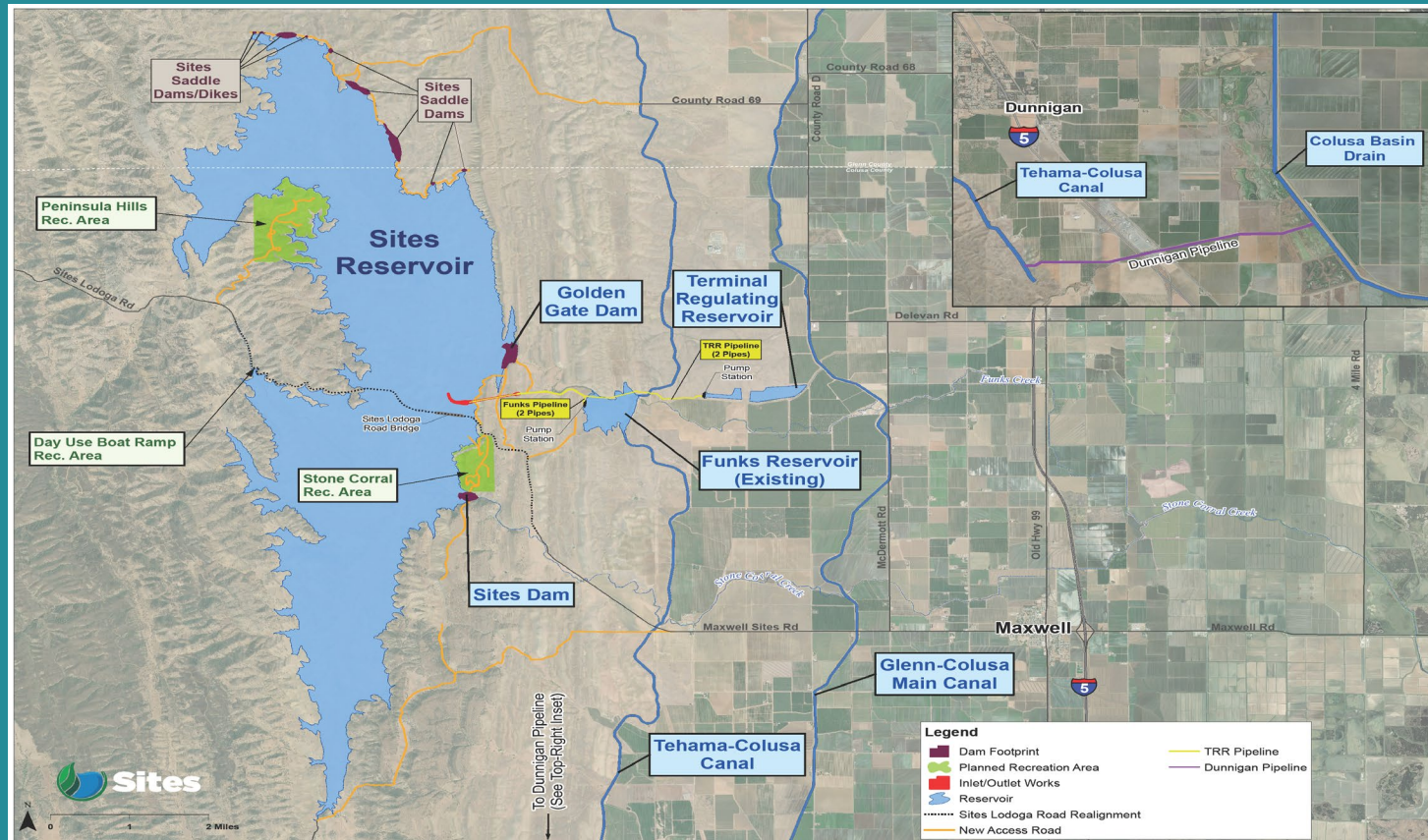
SWC Costs Expected to be Recovered Under the Statement of Charges		Estimated Amount
FY 2026-2027		\$86.0 million
FY 2027-2028		\$140.7 million

*Recovering these charges
on a volumetric basis would result in
significantly higher wholesale water rates*

Cumulative Change in Storage for the San Bernardino Basin Area (in acre-feet)



Capital Projects Assumptions



Sites Reservoir (Sites) and Delta Conveyance Project (DCP)

In 2017, the Board established a policy (Resolution No. 1060) to cash finance DCP to the extent feasible to limit debt obligations and reduce financing costs

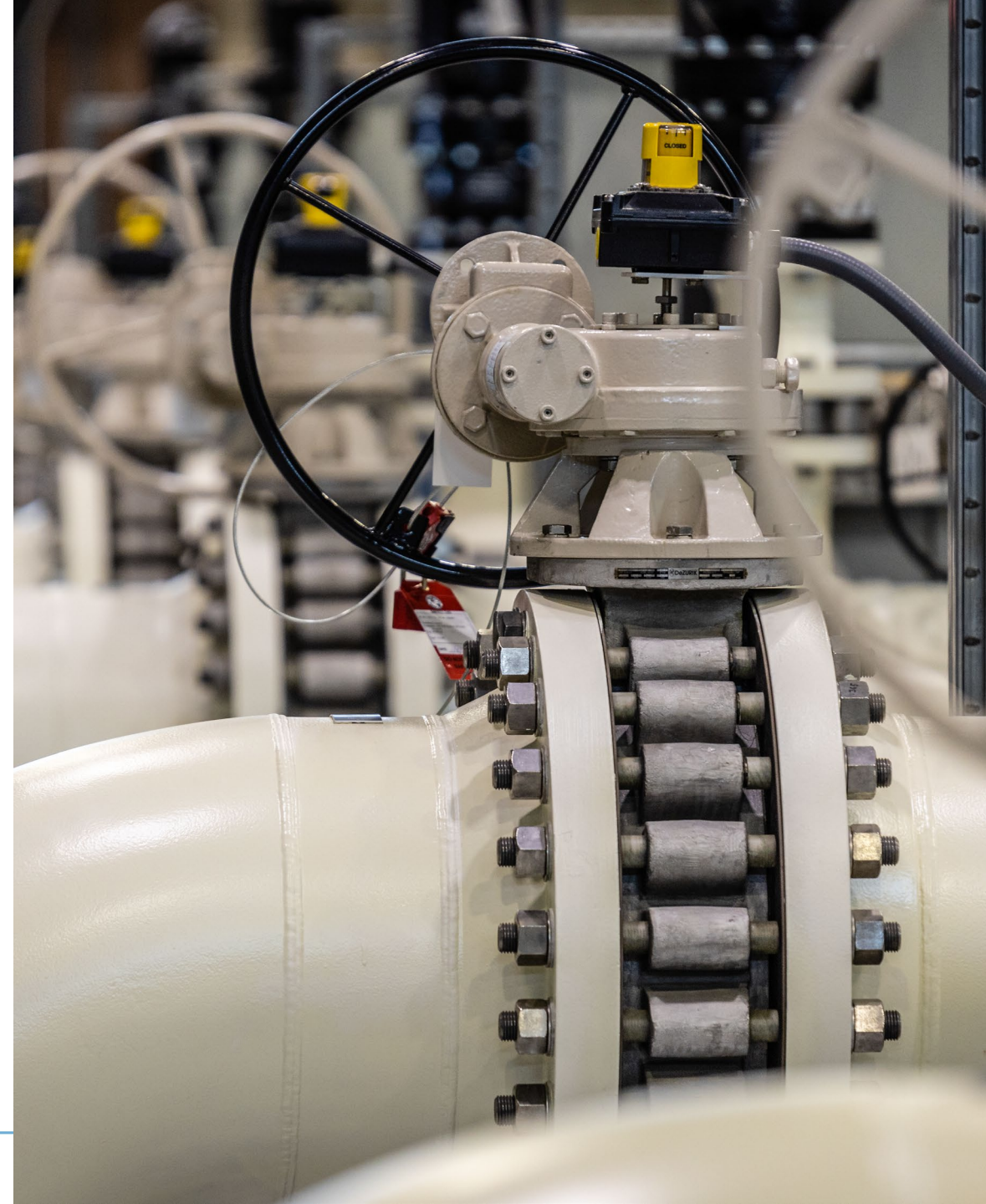
- The policy received unanimous support of the Advisory Commission on Water Policy

San Bernardino Valley's share of big infrastructure projects

- Sites construction is expected to occur between 2027 and 2033-2035; San Bernardino Valley's cost share is estimated at \$800 million
- DCP's construction timeline is currently estimated at 2029-2032 to 2045-2049; San Bernardino Valley's cost share is estimated at \$600 million

Reflecting the New Reserve Policy in the Tax Rate

- Adopted July 7, 2026
- Established range targets for reserve funds
- Aligns with expected costs
- Best use of the existing reserves in combination with setting tax rate

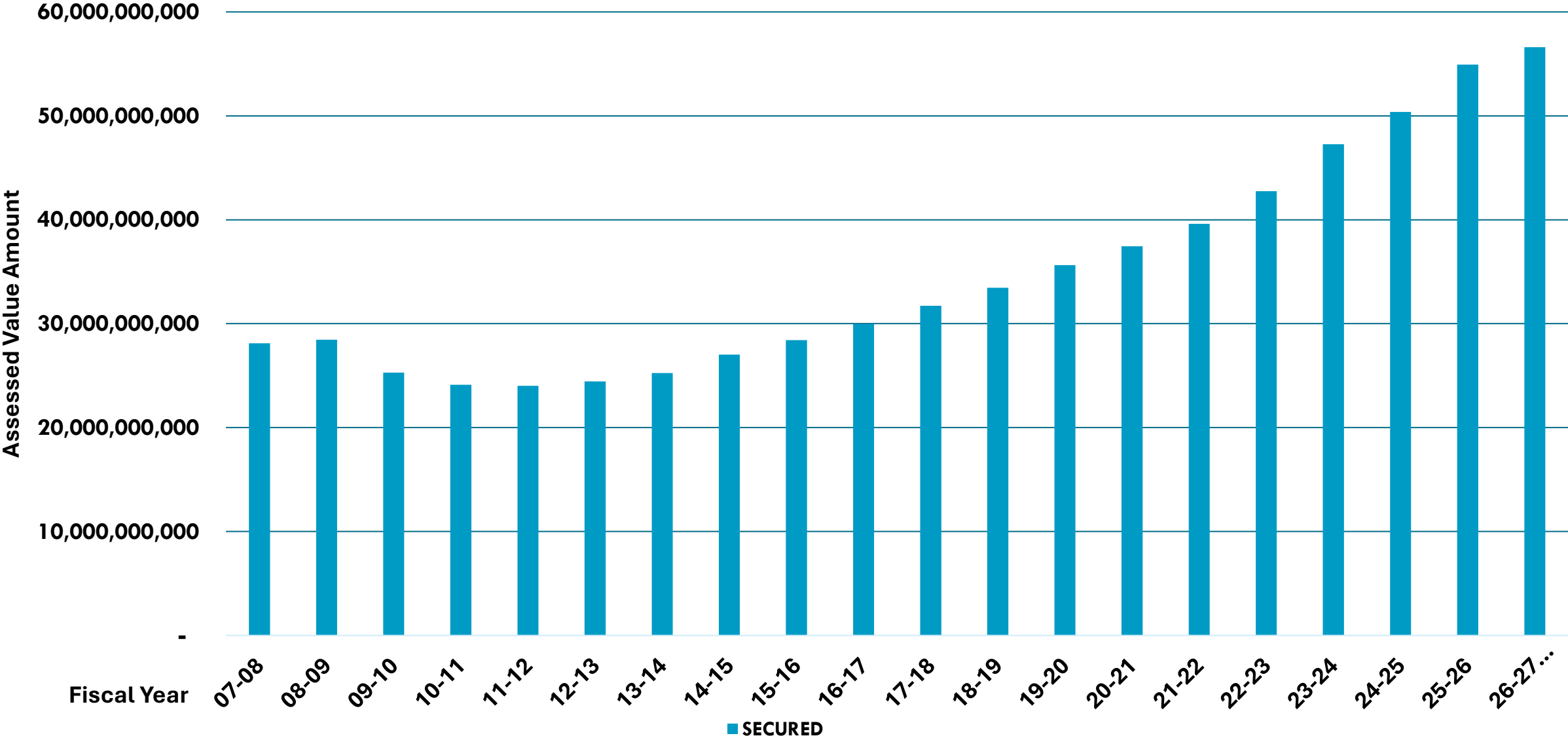


Property Tax Rate Considerations

- Setting tax rate to comply with Reserve Policy
- Setting tax rate at a level that will minimize rate volatility
- Recognize potential impacts to the water delivery rate to retailers and potential impacts to the San Bernardino Basin Area and other local groundwater basins
- Revenue Requirement Analysis

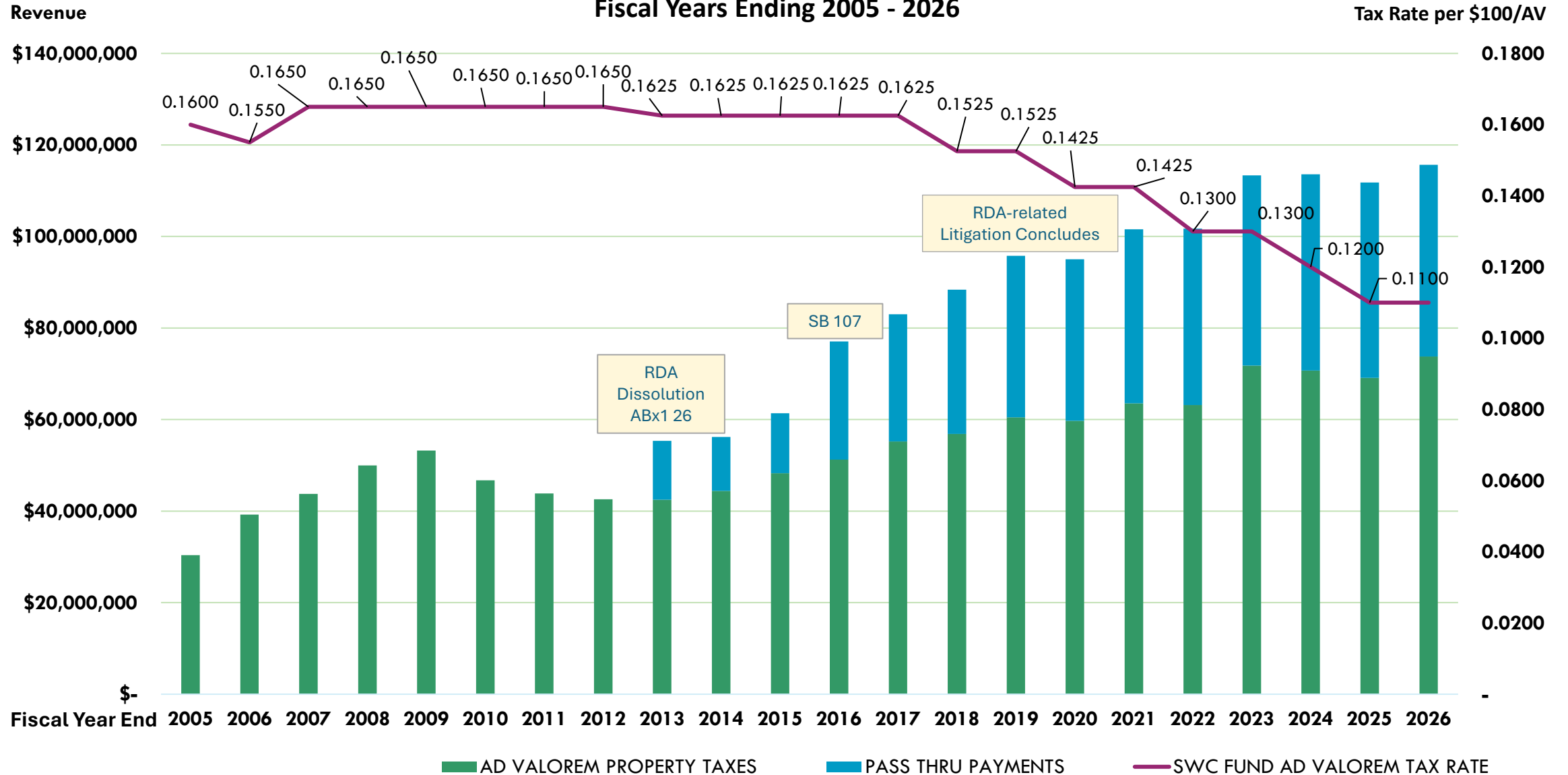


San Bernardino Valley Municipal Water District
San Bernardino County Secured
Assessed Values

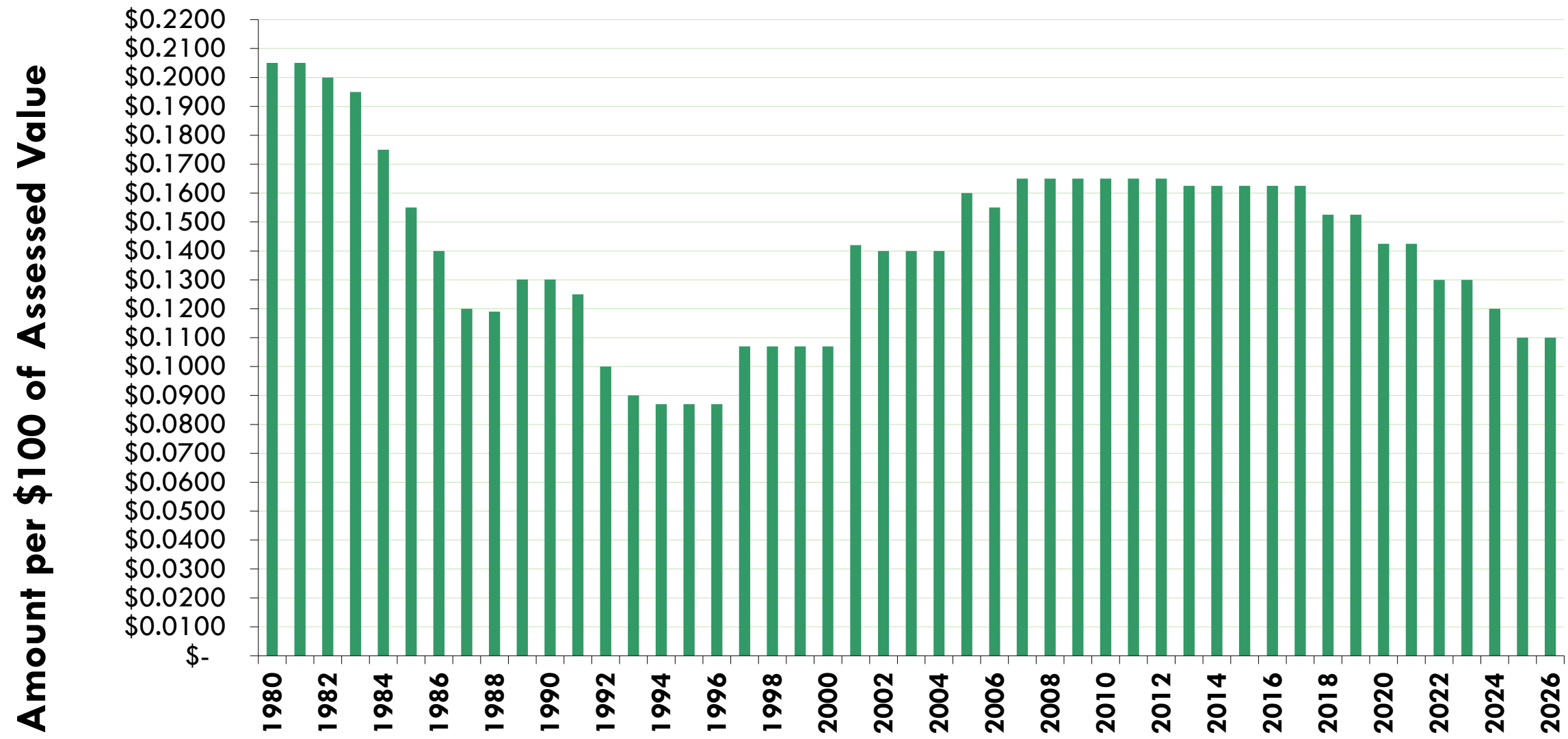


San Bernardino Valley Municipal Water District State Water Contract Fund Ad Valorem Property Tax and Pass Through Payments Revenue and Tax Rate per \$100 of Assessed Value

Fiscal Years Ending 2005 - 2026



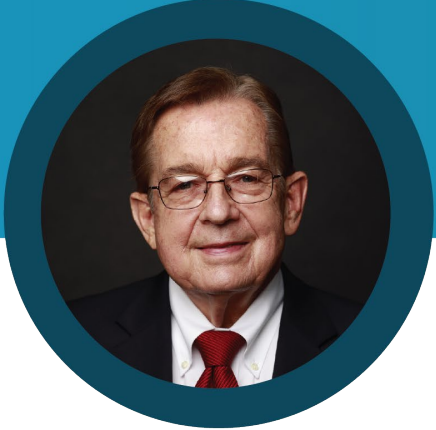
San Bernardino Valley Municipal Water District Tax Rate By Year



Conclusion and Next Steps

- Fiscal Year 2026-2027 rate consideration can ensure that current revenue and existing reserves are managed to pay for current costs, capital projects, and emergencies
- July 21 Regular Board Meeting
 - Staff will present additional information and a range of tax rates for Board consideration
 - Board will consider adopting a proposed resolution to set a tax rate for Fiscal Year 2026-2027

BOARD MOTION & ROLL CALL VOTE



T. Milford Harrison
President



Gil J. Botello
Vice President



Susan Longville
Treasurer



Paul Kielhold
Director



Jose Velasquez
Director

Staff Recommendation:

Receive the workshop presentation and provide policy direction on the framework for setting the Fiscal Year (“FY”) 2026-2027 State Water Contract (“SWC”) ad valorem property tax rate. Staff will return to the Board on July 21, 2026, with detailed cost documentation, revenue and reserve assumptions, and a proposed rate resolution for Board consideration.

Future Business



Closed Session



5.1 CONFERENCE WITH LEGAL COUNSEL -

ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code section 54956.9 (one potential case)



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Adjourn

