SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

AGENDA

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

BOARD OF DIRECTORS' SPECIAL MEETING - POLICY/ADMINISTRATION WORKSHOP
2:00 PM Thursday, November 5, 2026

ZOOM INFORMATION
Online: https://sbvmwd.zoom/us/j88452499078
Telephone: (877) 853-5247 US Toll-free

Meeting ID: 884 5249 9078
PASSCODE: 3802026

If you are unable to participate online or by telephone, you may submit your comments and questions in writing for Board consideration by emailing comments@sbvmwd.com with the subject line Public Comment Item # (insert the agenda item number relevant to your comment) or Public Comment Non-Agenda Item. Submit your written comments no later than 6 p.m. the day prior to the meeting. All public comments will be provided to the Board President and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your identifier during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.

CALL TO ORDER

1) INTRODUCTIONS

2) 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.

3) PRESENTATION

3.1 Trees for Tomorrow Start Today

4) DISCUSSION AND POSSIBLE ACTION ITEMS

4.1 Quarterly Investment Portfolio Update with PFM Asset Management and Annual Review of the District's Investment Policy (20 min) - Page 3
Staff Memo - Quarterly Investment Portfolio Update with PFM Asset Management and Annual Review of the District's Investment Policy
1. PFM Asset Management presentation on the District's investments through September 2026
2. Memo from PFM Asset Management reviewing the District's Investment Policy
3. SBVMWD Investment Policy - PFM Asset Management Comments

4.2 SoCal STEAM Update (20 min) - Page 39
Staff Memo - SoCal STEAM Update

5) FUTURE BUSINESS

6) ADJOURNMENT

SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

DATE: November 5, 2026

TO: Board of Directors

FROM: Heather Dyer, Chief Executive Officer / General Manager
Cindy Saks, Chief Financial Officer / Deputy General Manager

SUBJECT: Quarterly Investment Portfolio Update with PFM Asset Management and Annual Review of the District's Investment Policy

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Staff Recommendation

Receive and file the quarterly portfolio update report from PFM and review the District's Investment Policy as required by California Government Code.

Summary

Tiffany Tint, Institutional Relationship Manager from PFM Asset Management, will be attending today's meeting to make a presentation on the status of the District's investments based on the current investment strategy, provide a brief market update, provide annual review, and suggest minor edits for the board's consideration to the District's Investment Policy.

Background

One of the specific tasks outlined by the Board is to meet quarterly with the investment advisor. The Board approved Investment Advisory services from PFM Asset Management and to continue with the investment strategy developed and adopted by the Board. Periodically over the years, the Board has reviewed the investment strategy. On February 10, 2022, the Board reviewed and directed staff to continue with the same investment strategy, which provides greater portfolio diversity with a slightly longer average maturity while not increasing risk, all of which is in accordance with the District's investment policy.

As required by the California Government Code (CGC), the District's investment policy needs to be reviewed and updated periodically to remain in compliance with current laws. The investment policy of the District is intended to provide guidelines for prudent investment of the District's cash as well as authorize types of investments that can be utilized by the District. Tiffany Tint and the

PFM Asset Management team has reviewed the District's Investment Policy and has suggested minor edits for the board discussion and consideration. PFM has provided a memo on their Investment Policy Review.

Fiscal Impact

There is no fiscal impact to receive and file the quarterly investment report and review the District's investment policy.

Attachments

1) PFM Asset Management presentation on the District's investments through September 2026
2) Memo from PFM Asset Management reviewing the District's Investment Policy
3) SBVMWD Investment Policy – PFM Asset Management Comments

pfm asset management

San Bernardino Valley Municipal Water District

Investment Performance Review
For the Quarter Ended September 30, 2026

Client Management Team

Tiffany Tint, CFA, Director, Senior Relationship Manager
Monique Spyke, Managing Director, Head of CA Practice

PFM Asset Management,
a division of U.S. Bancorp Asset Management Inc.

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Current Market Themes



- U.S. growth remains resilient, supported by consumer spending and AI investment
  - Core inflation remains sticky while elevated oil prices and rising input costs leave risks skewed to the upside
  - Labor-market conditions remain balanced, although hiring momentum continues to slow
  - AI-related investment continues to support domestic demand and potential productivity growth, although its long-term impact on employment and inflation remains uncertain



- Federal Reserve (Fed) hikes rates by 25 basis points
  - September dot plot shows 16 of 18 officials projecting one or more hikes this year
  - Economy viewed as strong enough to absorb the hike, allowing the Fed to continue to focus on inflation side of its mandate
  - Hike characterized as removing accommodation as opposed to tightening conditions



- Inflation, resilient growth, and a hawkish Fed lift yields to multi-year highs
  - All-in yields remain attractive, particularly on short end where market pricing reflects a more aggressive tightening path than our base case
  - Expanding fiscal deficits, heavy Treasury and corporate issuance, strong growth, and rising term premia pressure long-end yields
  - Credit spreads widen off historically tight levels amid a surge in rate volatility

Source: Details on market themes and economic indicators provided throughout the body of the presentation. Bloomberg Finance L.P., as of September 30, 2026.

September Hike Reinforces a Higher-for-Longer Policy Path

Hawkish Decision and Projections

- Unanimous vote to raise federal funds target range by 25 basis points to 3.75% - 4.00%
- Economic resilience allowed Fed to remain focused on inflation
- The "dot plot" showed 16 of 18 participants expect one or more hikes in 2026

Hawkish Press Conference

- Inflation has not moved toward the 2% target "clearly and at sufficient speed"
- The hike removes "a dose of accommodation" but is not yet restrictive
- Fed remains data-dependent

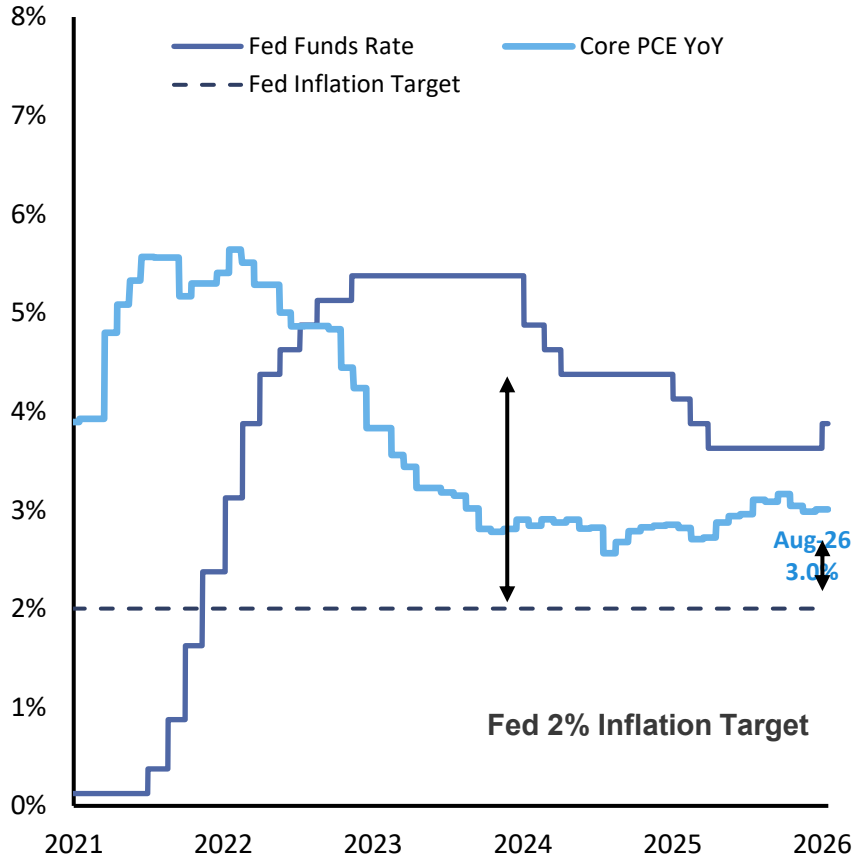
Potential Paths for Fed Policy

Category	No Additional Hikes	One Additional Hike	Two or More Hikes
Inflation	*Cooling Convincingly*	*Sticky, Moderating*	*Reaccelerating, Broadening*
Labor Market	*Cooling*	*Solid, Resilient*	*Tightening*
Consumer Spending	*Weakening*	*Resilient*	*Strong*
Growth	*Softening*	*Solid, Above-trend*	*Accelerating*

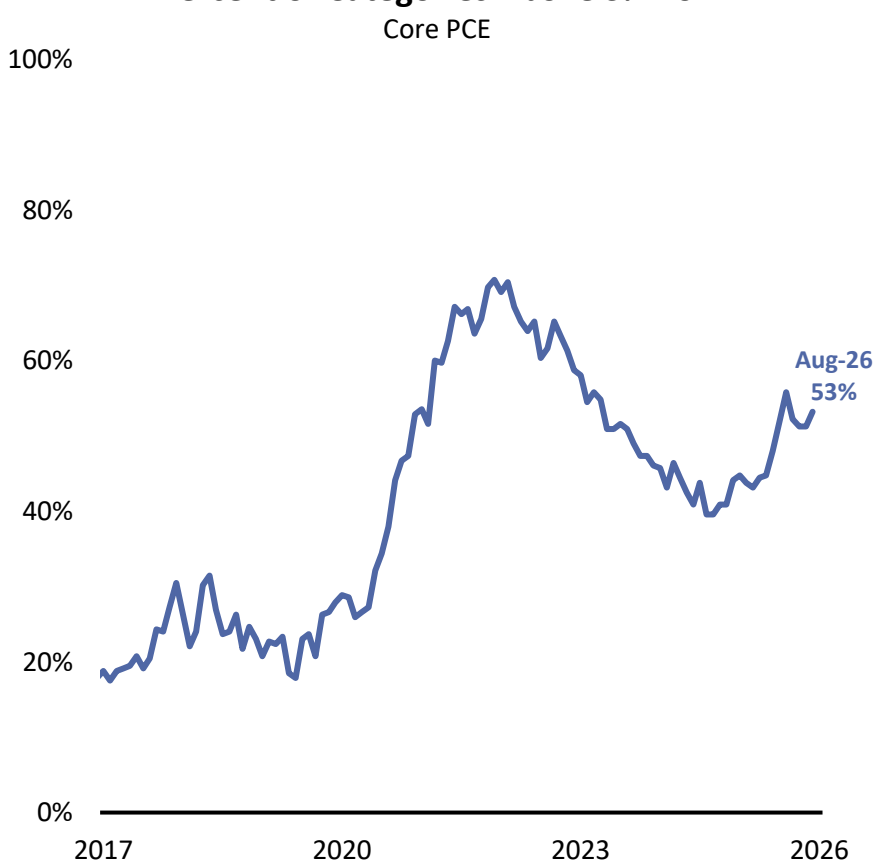
Source: Bloomberg Finance L.P., Federal Reserve, and Kevin Warsh. As of September 30, 2026.

Price Pressures Persist and Focus On Broadening

Core PCE vs. Fed Funds



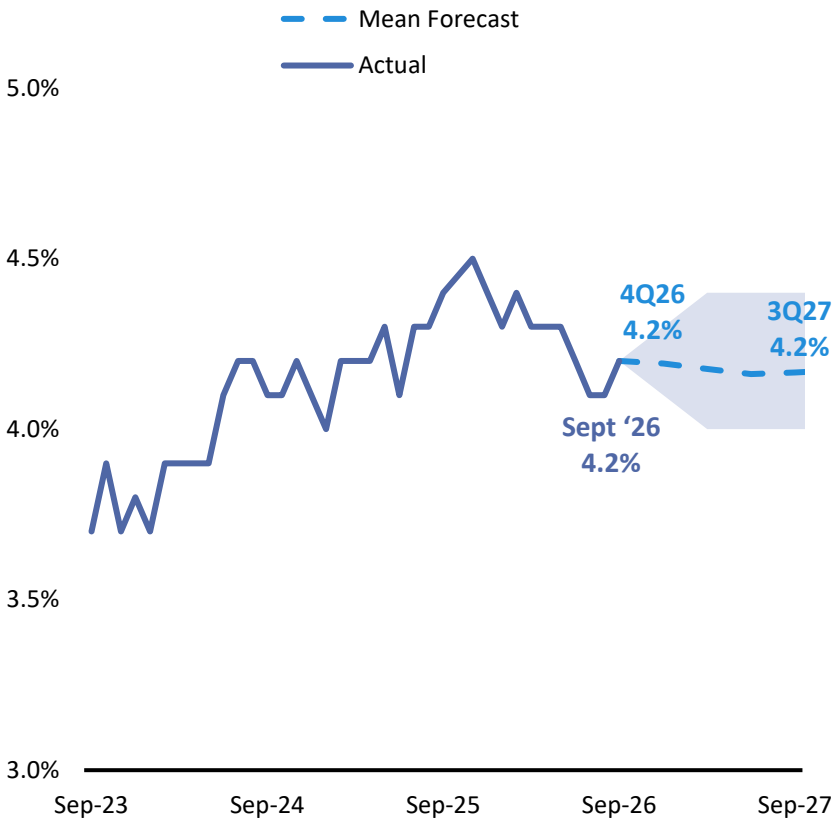
Percent of Categories Above 3% YoY



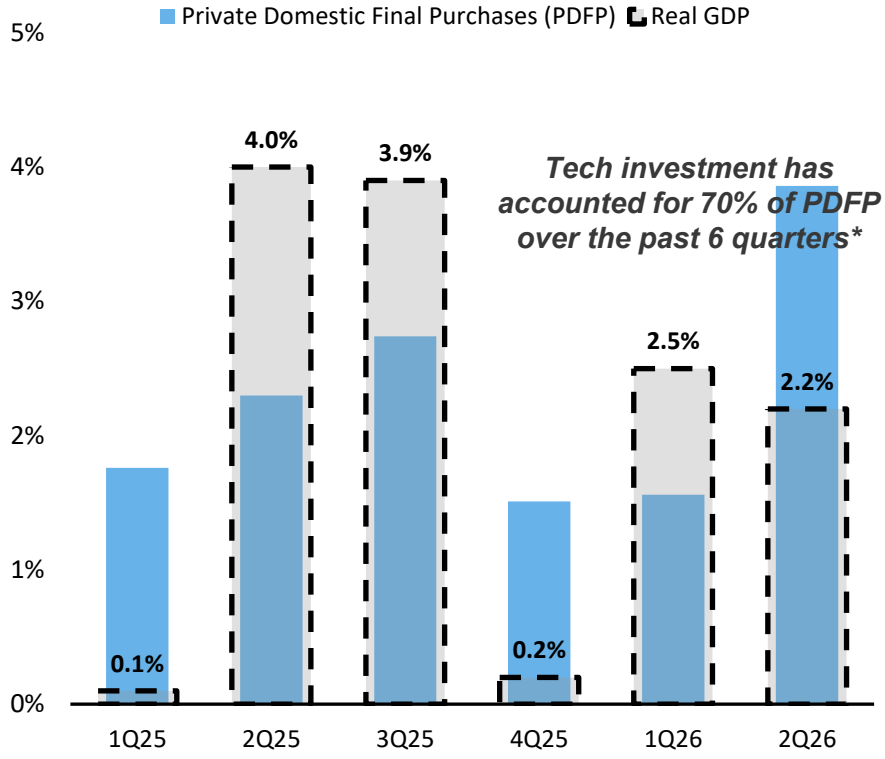
Source: FOMC Chair Kevin Warsh Press Conference, September 16, 2026. Bureau of Economic Analysis as of August 2026. Bloomberg Finance L.P. as of September 30, 2026.

Fed Hikes Amid Labor Market Stability and Strong Private Demand

Unemployment Rate



Private Demand Drives Economic Resilience



*Sources: FOMC Chair Kevin Warsh Press Conference, September 16, 2026. Bloomberg Finance L.P., Bureau of Labor Statistics as of September 2026, and Bureau of Economic Analysis as of June 2026. Survey responses after September 25, 2026, included in mean and forecast range. Shading represents the central 80% of the forecasts. PDFP include contributions to Real GDP from personal consumption and private fixed investment. *Tech investment contains contributions to GDP from computers and peripheral equipment, information processing equipment, and software.*

Factors Shaping Our Economic Outlook

Negative

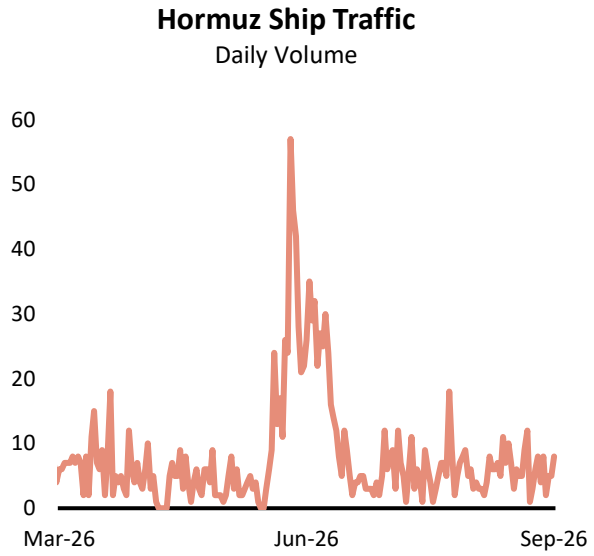
- Persistent inflation which may require additional tightening
- Fiscal deficits and higher rates
- Geopolitical uncertainty and supply chain disruptions

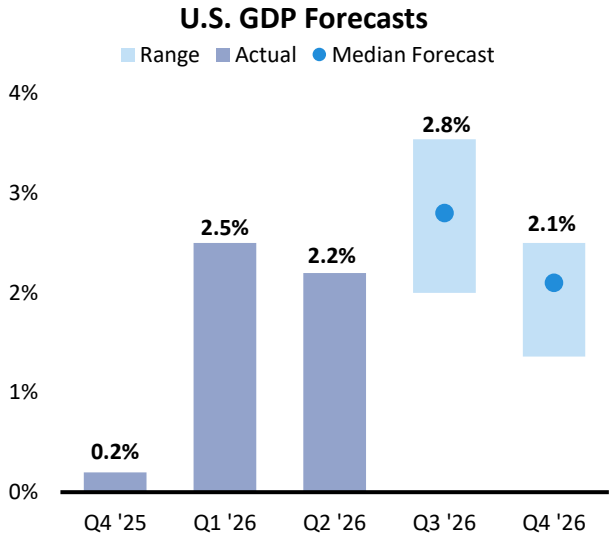
Neutral

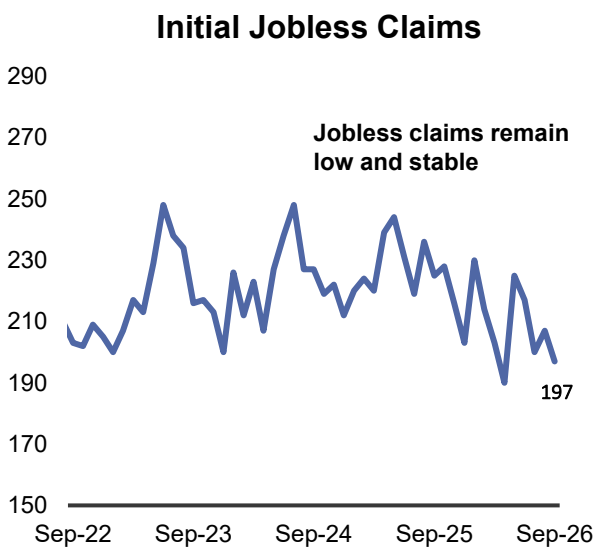
- Core inflation passthrough from energy shock modest thus far
- U.S. growth near trend with support from the consumer and AI investment

Positive

- Resilient domestic demand
- Low-hire, low-fire labor market
- Strong corporate fundamentals
- Supportive fiscal policy

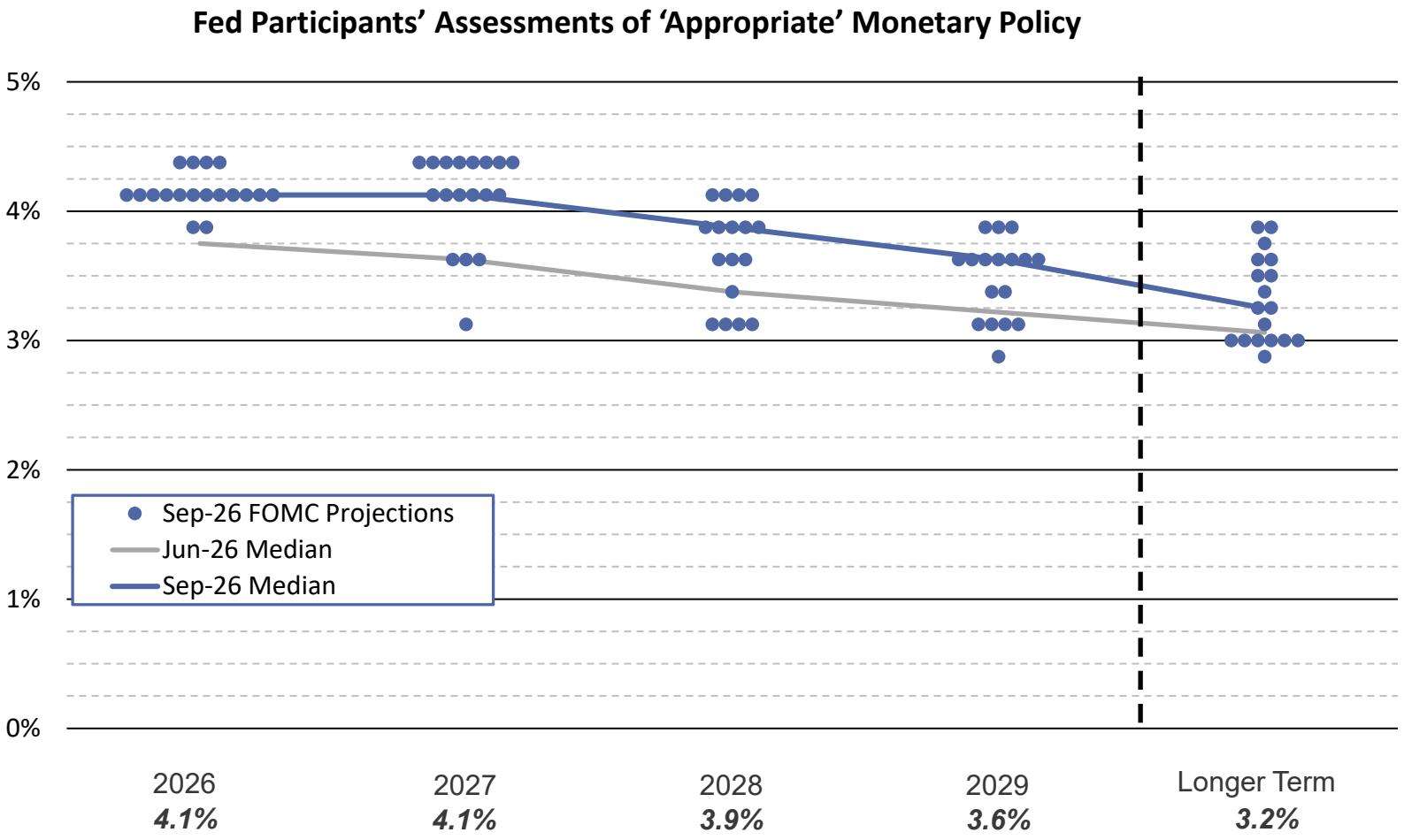






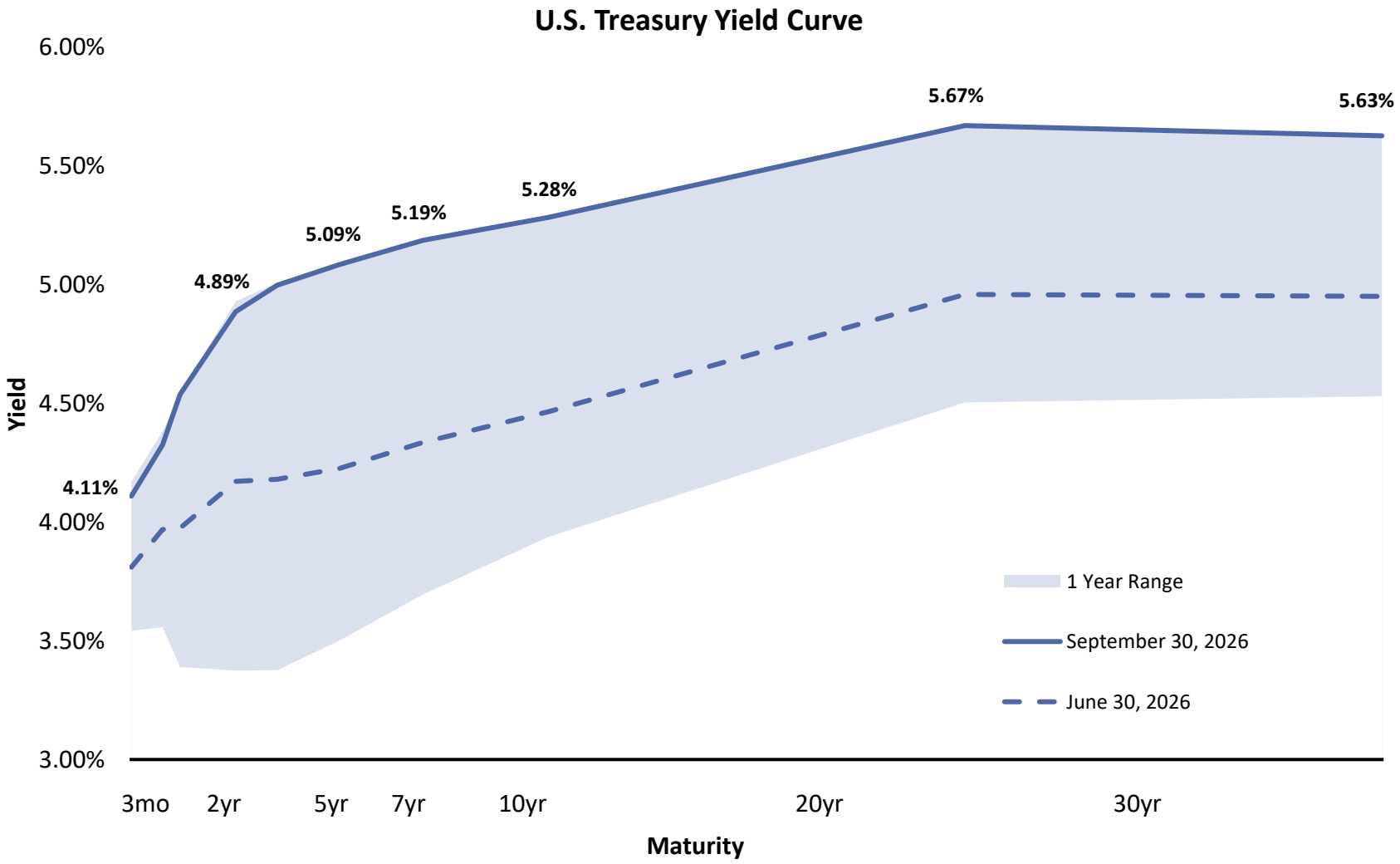
Sources: Bloomberg Finance L.P. as of September 30, 2026, Bureau of Economic Analysis as of June 30, 2026, and Department of Labor as of September 26, 2026. Survey responses after September 25, 2026, included in median and forecast range. Shading represents the central 80% of the forecasts.

The Latest Fed "Dot Plot"



Source: Federal Reserve; Bloomberg Finance L.P. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end. As of September 2026.

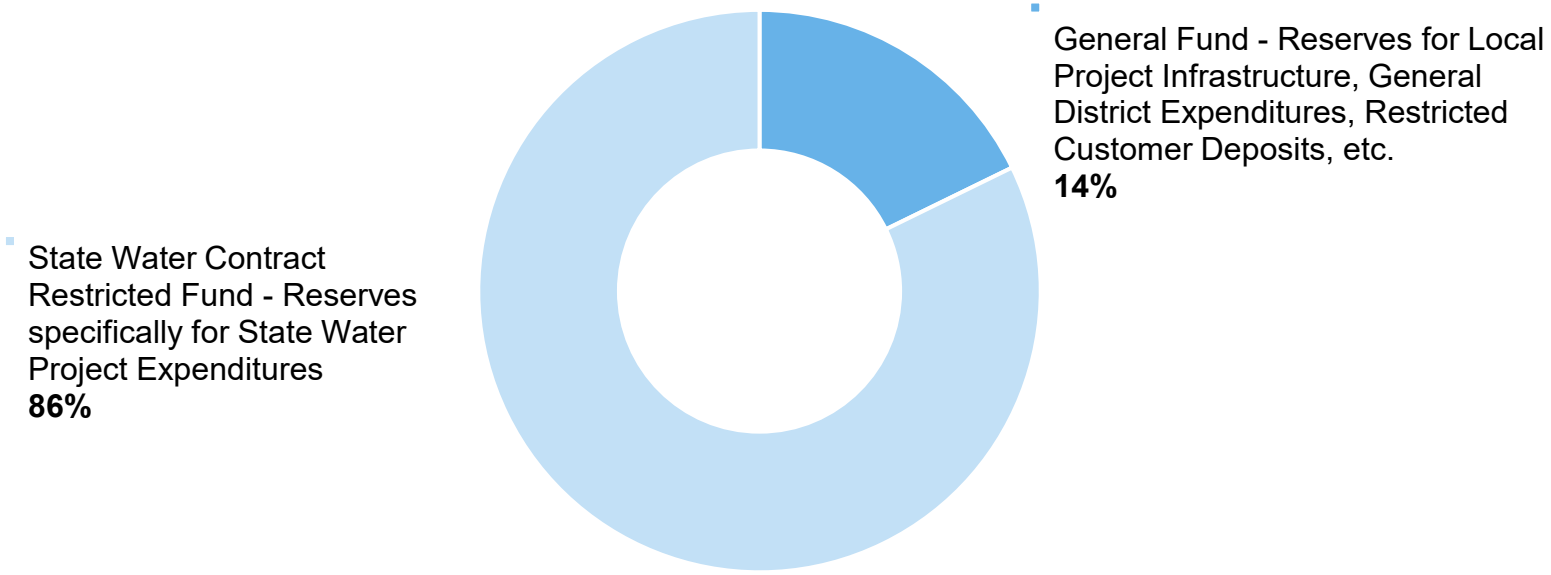
Treasury Yields Rise Across the Curve



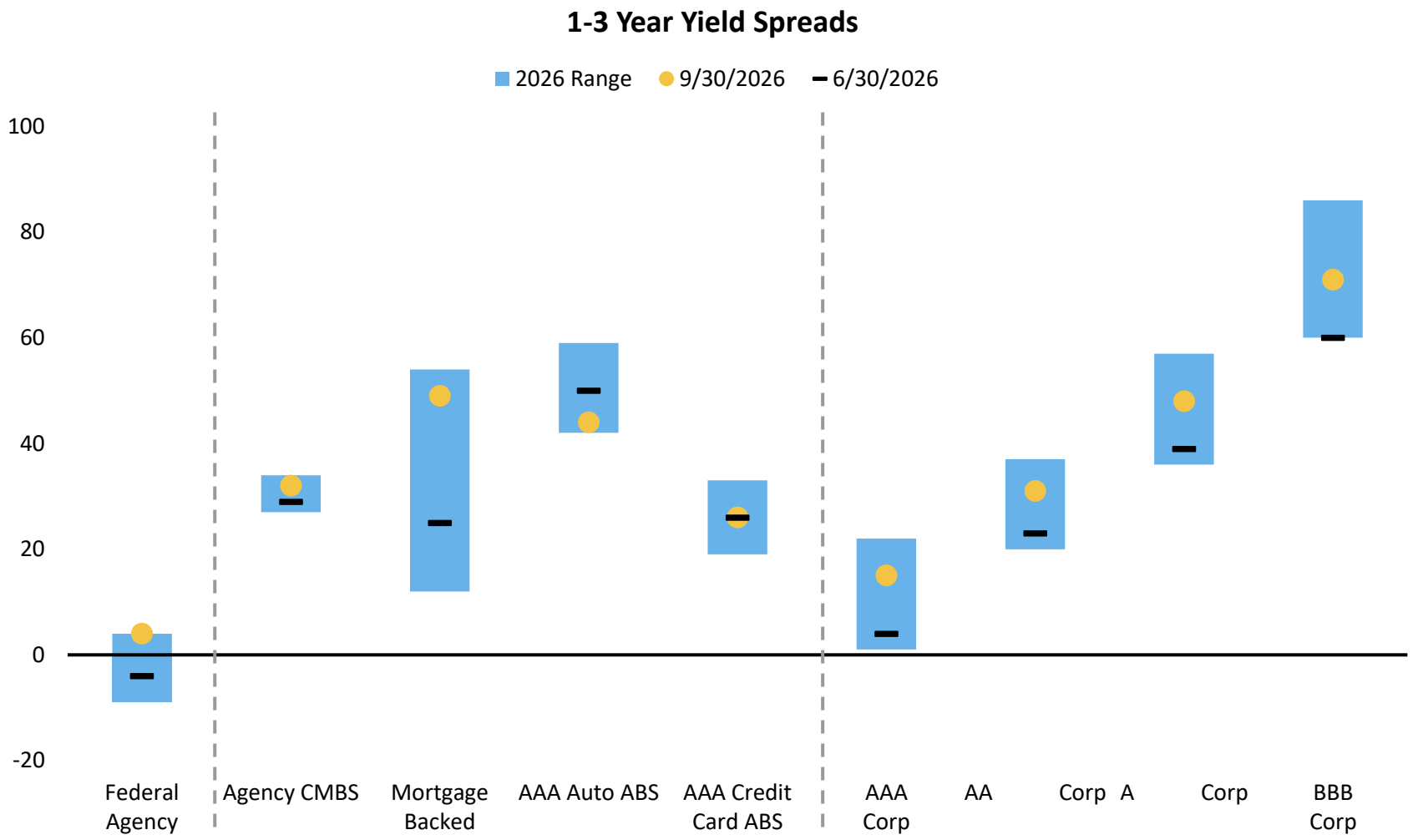
Source: Bloomberg Finance L.P., as of September 30, 2026.

Combined Portfolio – Balances (Includes Accrued Interest)

Fund	June 30, 2026	September 30, 2026
General Fund	$119,554,825	$116,570,912
State Water Contract Fund	$725,223,175	$700,846,205
Total	**$844,778,000**	**$817,417,117**



Sector Yield Spreads



Source: ICE BofA 1-3 year Indices via Bloomberg Finance L.P. as of September 30, 2026. Spreads on ABS and MBS are option-adjusted spreads based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries.
CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

Combined Portfolio - Sector Allocations

Security Type	Market Value as of June 30, 2026	% of Portfolio	Market Value as of September 30, 2026	% of Portfolio	Quarter Change	Sector Limits
U.S. Treasury	$274,575,956	32.7%	$242,591,975	29.8%	-2.8%	100%
Federal Agency CMBS	$0	0.0%	$9,867,723	1.2%	1.2%	100%
Municipal	$1,006,682	0.1%	$1,002,172	0.1%	0.0%	30%
Negotiable CDs	$10,703,609	1.3%	$3,596,644	0.4%	-0.8%	30%
Commercial Paper	$6,839,635	0.8%	$6,543,879	0.8%	0.0%	40%
Asset-Backed Security	$4,942,500	0.6%	$33,830,738	4.2%	3.6%	20%
Corporate Notes	$111,521,275	13.3%	$111,749,854	13.8%	0.5%	30%
Securities Sub-Total	**$409,589,658**	**48.7%**	**$409,182,985**	**50.3%**		
Accrued Interest	$3,858,412		$3,837,551			
Securities Total	**$413,448,070**		**$413,020,536**			
LAIF	$72,520,086	8.6%	$73,228,009	9.0%	0.4%	$75 Million
Money Market Fund	$119,872	0.0%	$49,689	0.0%	0.0%	20.0%
CAMP	$358,689,973	42.7%	$331,118,883	40.7%	-2.0%	50.0%
Total Liquidity	**$431,329,930**	**51.3%**	**$404,396,581**	**49.7%**		
Total Investments	**$844,778,000**	**100.0%**	**$817,417,117**	**100.0%**		

Certificate of Compliance

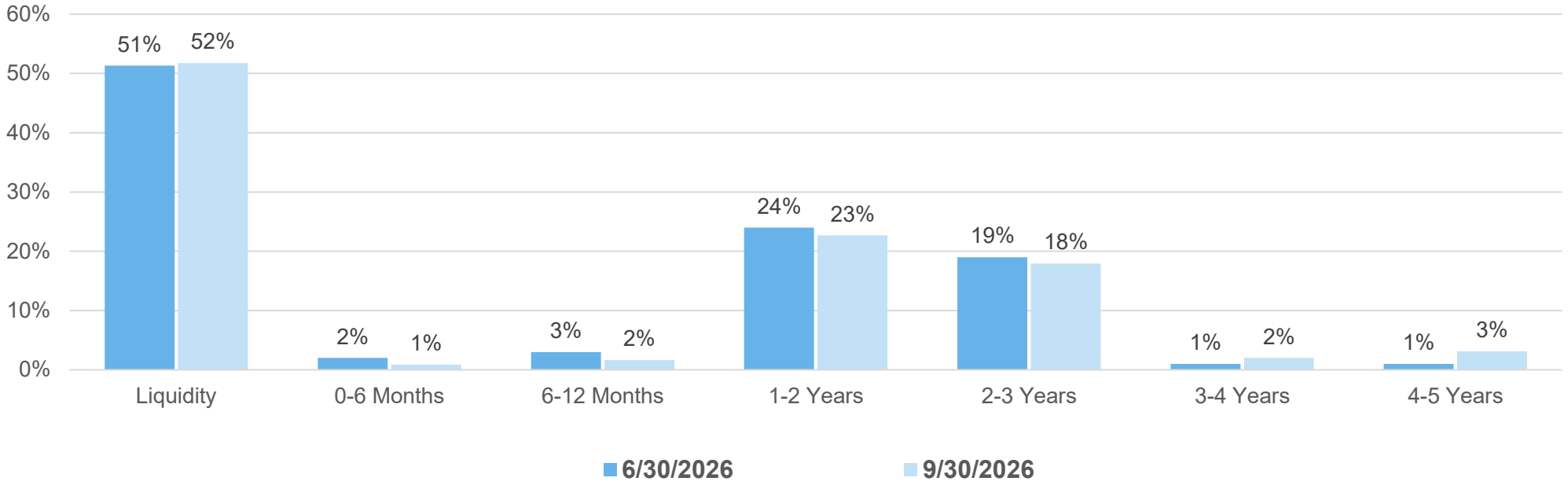
During the reporting period for the quarter ended September 30, 2026, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Financial LP Asset and Investment Management ("AIM").

Combined Portfolio - Maturity Distribution

- The District maintains ample liquidity in the LAIF/CAMP.
- For the managed portfolio, we continue to emphasize maturities in the 1-3-year range, consistent with the strategies for the portfolios.



Weighted Average Maturity (Years)	June 30, 2026	September 30, 2026
Overall	0.95	1.01
Managed Portfolio with Cash	1.94	2.10

Managed Portfolio Total Performance

- Higher interest rates pressured market values, while strong portfolio earnings helped offset some of the decline.
- Total return expresses annualized rate of return over a specified period and incorporates all changes in value in the portfolio, including market value changes, cash flows, and interest earned plus realized gains/losses.

BofAML Indices	Duration (years)	Quarter	Past 12 Months	Past 5 Years	Past 10 Years
General Fund	**1.38**	**0.18%**	**2.44%**	**2.27%**	**1.95%**
State Water Contract Fund	**1.79**	**-0.15%**	**1.83%**	**2.23%**	**2.07%**
ICE BofAML 1-3 Year UST Index (G1O2)	1.80	-0.13%	1.67%	1.90%	1.77%

ICE BofAML Indices provided by Bloomberg Finance L.P.
The District's portfolios are not managed on a total return basis, so the indices are shown for information only. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
Periods less than one year are on an unannualized basis. Periods greater than one year are on an annualized basis. The lesser of 10 years or since inception is shown. Portfolio inception date as of June 30, 2012.

Combined Portfolio - Market Value and Accrual Basis Earnings

Market Value Earnings	3 Months	1 Year	3 Years	5 Years	10 Years[1]
Interest Earned[2]	$4,053,090	$19,525,735	$46,808,047	$55,671,150	$85,580,117
Change in Market Value	($4,507,914)	($7,809,751)	$2,355,285	($15,159,120)	($12,735,510)
Total Dollar Return	**($454,824)**	**$11,715,985**	**$49,163,332**	**$40,512,031**	**$72,844,607**

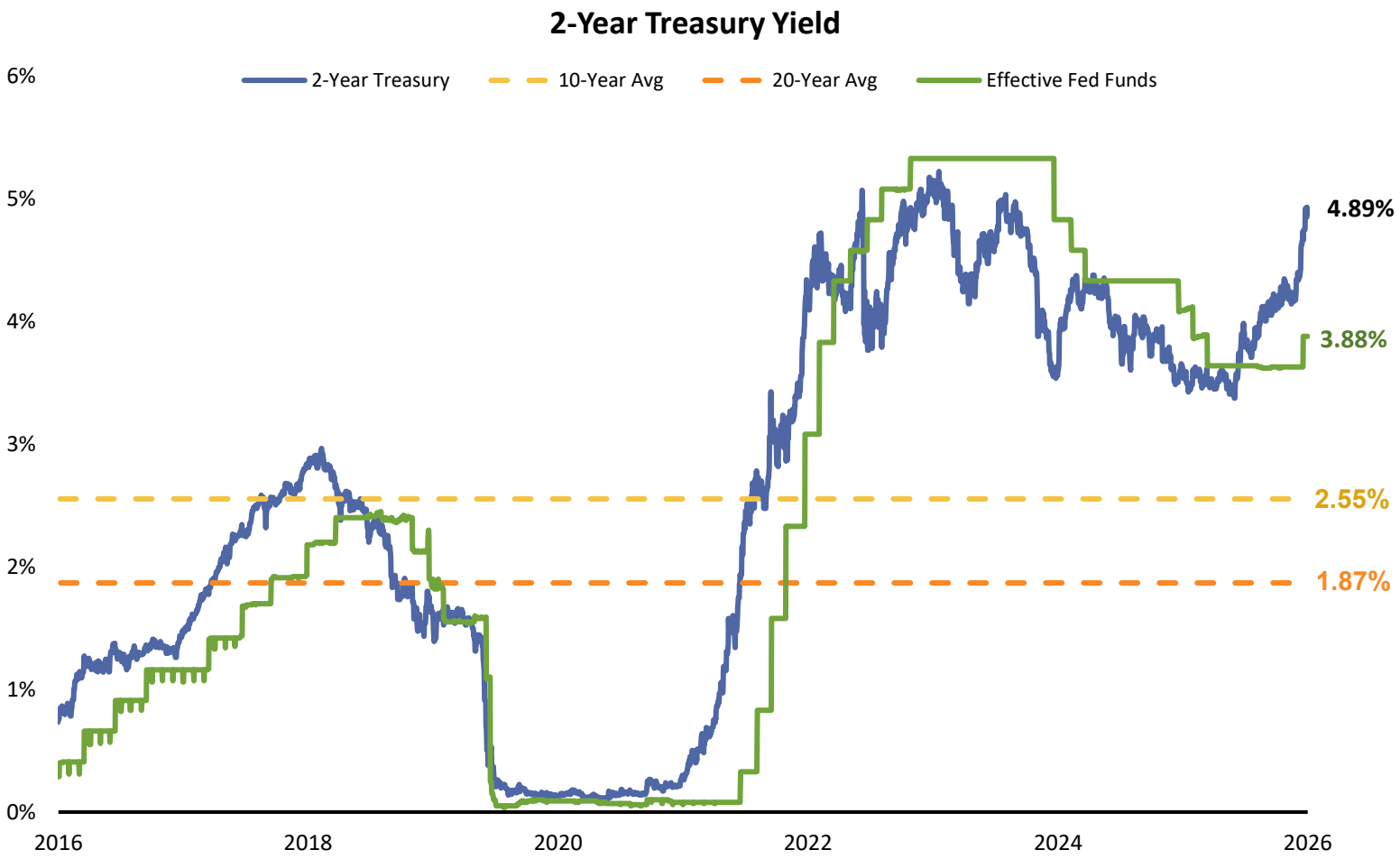
Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years[1]
Interest Earned[2]	$4,053,090	$19,525,735	$46,808,047	$55,671,150	$85,580,117
Realized Gains / (Losses)[3]	($252,735)	$893,900	($4,133,320)	($7,721,798)	($4,557,780)
Change in Amortized Cost	$128,016	$584,357	$2,114,626	$1,563,776	$1,205,376
Total Dollar Earnings	**$3,928,371**	**$21,003,992**	**$44,789,354**	**$49,513,129**	**$82,227,712**

1 The lesser of 10 years or since inception is shown. Performance inception date is June 30, 2012.

2 Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3 Realized gains / (losses) are shown on an amortized cost basis.

2-Year Treasury Yield Surges Higher



Source: Bloomberg Finance L.P., as of September 30, 2026.

Important Disclosures

- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.

- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis**. Past performance is not indicative of future returns.**

- ICE Bank of America Indices provided by Bloomberg Financial Markets.

- Money market fund/cash balances are included in performance and duration computations.

- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.

- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.

- MBS maturities are represented by expected average life.

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com.

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pfm asset management

October 23, 2026

Memorandum

To: Cindy Saks, Chief Financial Officer/Deputy General Manager
San Bernardino Valley Municipal Water District

From: Tiffany Tint, CFA, Director, Senior Relationship Manager
Monique Spyke, Managing Director, Head of CA Practice
PFM Asset Management a division of U.S. Bancorp Asset Management, Inc.

RE: 2026 Investment Policy Review

We have reviewed the Investment Policy for the San Bernardino Valley Municipal Water District.

Based on our review, the Policy remains in compliance with the applicable provisions of the California Government Code governing the investment of public funds by local agencies. We do, however, recommend the updates summarized below.

Recommendations for Code and Policy Language Changes

- Under Section XIII, *Authorized and Acceptable Investments*, subsection D, *Commercial Paper*, we recommend increasing the maximum maturity for eligible commercial paper from 270 days to **397 days** to reflect the change enacted by Senate Bill 595.

- Also under Section XIII, subsection D, *Commercial Paper*, we recommend expanding eligible issuers to include entities organized within the U.S. as a **federally or state-chartered bank or a federally or state-licensed branch of a foreign bank**, consistent with Senate Bill 1438.

- Under Section XIII, subsection N, *Supranational Obligations*, we recommend expanding eligible issuers to include the **Inter-American Investment Corporation,** consistent with Senate Bill 1438.

- In addition, we recommend updating the Policy's statutory references to reflect the Government Code reorganization enacted by Senate Bill 1438. Effective January 1, 2027, the Code provisions governing permissible investment instruments will move from **Section 53601 to Section 53603**, along with other statutory renumbering. The applicable changes are identified throughout the attached redline.

The District is also encouraged to review the potential impacts of Senate Bills 827 and 852.

SB 827 expands ethics-training requirements for certain local agency officials and establishes a new requirement for covered local agency officials to complete at least **two hours of fiscal and financial training every two years.** The required subject areas include financial administration, budgeting, reporting, capital financing, debt management, pensions, cash management and investments, fiscal and financial planning, procurement and contracting, and related laws.

SB 852 adds **public officials who manage public investments** to the individuals for whom the California Fair Political Practices Commission is the filing officer and requires those officials to electronically file their Statements of Economic Interest, **Form 700**, with the Commission.

Please let us know if you have any questions regarding these recommendations or if we can provide any additional information.

Thank you.

San Bernardino Valley Municipal Water District

STATEMENT OF INVESTMENT POLICY

Reviewed, Revised and Adopted on ~~November 4~~, xxx, xx 202~~5~~6

I. POLICY

This Statement of Investment Policy (Policy) is intended to provide guidelines for the prudent investment of San Bernardino Valley Municipal Water District (SBVMWD)'s temporary idle cash, and outline the policies for maximizing the effectiveness and efficiency of SBVMWD's cash management system. The goal is twofold; one is to preserve SBVMWD's capital resources while maximizing investment earnings pursuant to the "Prudent Investor Standard", the second is to provide guidelines for authorized investments.

II. SCOPE

All moneys entrusted to SBVMWD shall be pooled in an actively managed portfolio. The Chief Executive Officer (CEO) / General Manager or their designee is authorized to invest funds in accordance with California Government Code (CGC) Section 53600 et seq. This Policy applies to all financial assets and investment activities of SBVMWD and includes, but is not limited to, the following funds:

General Funds
State Water Contract Funds
Capital Project Funds
Enterprise Funds, and any new fund, unless specifically exempted.

This Policy, however, specifically excludes the employees' retirement and deferred compensation funds. In accordance with CGC Section ~~53601 (m)~~53603(n), bond proceeds will be invested according the applicable bond documents. If the bond documents are silent as to the investment of the proceeds, the proceeds will be invested according to this Policy.

III. PRUDENCE

SBVMWD shall follow the standards within the content of the Prudent Investor Standard as set forth in CGC Section ~~53600.3~~ 53602(b) that states in part: "When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill and prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency."

Commented [TT1]: No Change

Commented [TT2]: New Code Section

Commented [TT3]: New Code Section

IV. OBJECTIVES

SBVMWD's cash management system is designed to monitor and forecast expenditures and revenues, thus enabling the SBVMWD to invest funds to the fullest extent possible. The SBVMWD attempts to obtain the highest yield available, while investments meet the criteria established for safety, liquidity, and yield, in that order of priority.

A. SAFETY

Safety of principal is the foremost objective of the SBVMWD. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, rating downgrades, broker-dealer defaults, or erosion of market value. SBVMWD shall seek the preservation of capital by mitigating two types of risk; credit risk and market risk.

1. Credit risk - is the risk of loss due to failure of the issuer and is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the cash flow of the agency.

2. Market risk - is the risk of market value fluctuations due to changes in the general level of interest rates, and shall be mitigated by structuring the portfolio so maturing securities match cash outflows, eliminating the need to sell securities prior to their maturity. Market risk shall also be mitigated by limiting the maturity of the SBVMWD investment portfolio to the terms described in Section C subparagraph V in this policy.

It is recognized that within a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall return on the investment.

B. LIQUIDITY

SBVMWD will endeavor to invest in a manner consistent with its anticipated cash flow requirements. SBVMWD's investment portfolio will remain satisfactorily liquid, enabling the agency to meet all anticipated and operating cash flow requirements.

C. RETURN ON INVESTMENTS

SBVMWD's investment portfolio shall be designed to attain a market rate of return over budgetary and economic cycles. Whenever possible with respect to budgetary and cash flow requirements, and consistent with risk limitations and prudent investment principles, the CEO / General Manager or their designee shall seek to augment returns above the market rate of return.

SBVMWD will operate in an active capacity in the investment strategy. The basis of the strategy used by the CEO / General Manager or their designee to determine whether market yields are achieved shall be the State of California Local Agency Investment Fund (L.A.I.F.).

V. MAXIMUM MATURITIES

The longer the maturity of securities, the greater the market price volatility. Therefore, it is the general policy of SBVMWD to limit the potential effects from erosion in market values by adhering to the following guidelines:

A. All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

B. Maturity dates for longer-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

C. All longer-term securities will be purchased with the intent to hold all investments to maturity under then-prevailing economic conditions. However, economic or market conditions may change, making it in SBVMWD's best interest to sell or trade a security prior to maturity.

D. Per CGC Sections ~~53601~~53602(e) et seq. where a maximum maturity is not stated, the maximum maturity of any investment shall not exceed five (5) years, without specific approval of the SBVMWD Board of Directors of the investment or of an investment program, not less than three months prior to initiating that investment or program.

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E. The average maturity of the overall portfolio shall not exceed 1,275 days (3.5 years).

F. For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity.

VI. DELEGATION AND GRANTS OF AUTHORITY

Management responsibility for the investment program is delegated by the Board of Directors for a period of one-year to the CEO / General Manager or their designee who shall establish written procedures and policies for the operation of the investment program consistent with this Policy. Subject to review, the Board of Directors may renew the delegation of authority pursuant to this section each year.

No person shall engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Board of Directors. The CEO / General Manager or their designee shall establish a series of internal accounting controls to regulate and/or restrict the activities of subordinate representatives within the SBVMWD. As authorized by the Board of Directors, the CEO / General Manager or their designee may engage an investment advisor to assist with the SBVMWD's investment program. Under the direction of the CEO / General Manager or their designee, the investment advisor will have responsibility for providing recommendations for and managing designated funds and recommending procedures for executing day-to-day investment transactions. The investment advisor shall follow this investment policy and such other written instructions as are provided.

VII. INVESTMENT COMMITTEE

The SBVMWD Board of Directors shall act as the investment committee to provide general oversight and guidance concerning the investment policy related to the management of SBVMWD's investments. The committee shall meet as needed. The CEO / General Manager or their designee shall be responsible for the day-to-day investments of the agency.

VIII. ETHICS AND CONFLICT OF INTEREST

The CEO / General Manager and all investment personnel shall refrain from personal business activity which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. The CEO / General Manager and all investment personnel shall disclose to SBVMWD's legal counsel any material financial interests in financial institutions that conduct business within the jurisdiction, and shall disclose any material financial investment positions that could be related in a conflicting manner to the performance of the SBVMWD's investment portfolio.

The CEO / General Manager, Chief Financial Officer (CFO) / Deputy General Manager and Investment Advisor shall complete on an annual basis, State of California Form 700, Statement of Economic Interests disclosure.

IX. SAFEKEEPING AND CUSTODY AGREEMENTS

To protect against potential losses caused by collapse of individual securities dealers, all securities owned by SBVMWD shall be kept in safekeeping by a third party bank trust department, acting as agent for the SBVMWD under the terms of a custody agreement executed by the bank and the SBVMWD. All securities will be received and delivered using standard delivery versus payment procedures with the SBVMWD's custodial bank, and evidenced by safekeeping receipts. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) placement service CDs, (ii) LAIF, (iii) local government investment pools; and, (iv) money market mutual funds, since these securities are not deliverable. These investments shall be made in the name of the SBVMWD and the CEO / General Manager or their designee shall keep a record of any funds in any of these investments. Custodial statements shall be reconciled against transaction schedules on a monthly basis.

X. INTERNAL CONTROLS

Separation of duties among employees involved in cash management activities is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation shall be conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions shall be reviewed and balanced to appropriate general ledger accounts on a monthly basis.

An independent analysis by an external auditor shall be conducted annually to review internal control, account activity, and compliance with policies and procedures. The audit shall also include a review for compliance with SBVMWD's Statement of Investment Policy.

XI. FINANCIAL REPORTING

As recommended by CGC Section 53646, the CEO / General Manager or their designee shall render a monthly report to the SBVMWD Board of Directors, providing the type of investment, financial institution from which the investment was purchased, the date of maturity, the date upon which the investment becomes subject to redemption provisions, amount (to include both par and book value) of the investment. Additionally, the report shall also include the rate of interest and other data so required by the SBVMWD Board of Directors. The report shall include a statement denoting SBVMWD's ability to meet its expenditure requirements for the following six-month period, or an explanation as to why sufficient moneys will not be available. Additionally, the CEO / General Manager and their designee shall state whether the SBVMWD is in compliance with this Policy by signature required on the Treasurers' Report. As required by CGC Section ~~53607~~53602(o), the CEO / General Manager or their designee shall also provide a monthly list of transactions to the Board of Directors.

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XII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

Investments not purchased directly from the issuer, shall be purchased from banks, savings and loan institutions, and registered investment securities dealers. The dealers should either be primary dealers authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York, or regional dealers qualifying under the Securities and Exchange Commission Rule 15C3-1.

If the SBVMWD is utilizing financial dealers or institutions to execute transactions, the CEO / General Manager or their designee shall examine financial institutions that wish to perform business with the SBVMWD, in order to confirm whether the participating financial institutions are satisfactorily capitalized, are market makers in securities appropriate to the SBVMWD's financial investment universe and agree to comply by the conditions set forth in SBVMWD's Policy. The CEO / General Manager or their designee shall send a copy of the current Statement of Investment Policy to all dealers approved to do business with the SBVMWD. Signed Dealer/Broker Confirmation Certificates shall be kept on file documenting the dealer/broker's understanding of SBVMWD's Policy.

If an investment advisor has been engaged to assist with SBVMWD's investment program, the investment advisor is authorized to use their own list of approved broker/dealers/issuers/ financial institutions to conduct investment transactions on SBVMWD's behalf subject to the provisions of SBVMWD's policy.

XIII. AUTHORIZED AND ACCEPTABLE INVESTMENTS

SBVMWD is subject to CGC Section ~~53601~~ 53602 and 53603 et seq. Within the context of the governing language, the following investments are authorized and accepted as defined below. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days ~~form~~from the time of investment. In the event an apparent discrepancy is found between this Policy and the CGC, the more restrictive

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parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased. In the event a security held by the SBVMWD is subject to a credit rating change that brings it below the minimum credit ratings specified in this Policy, the CEO / General Manager or their designee shall notify the Board of Directors of the change. The course of action to be followed will then be decided on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security.

A. United States Treasuries. United States Treasury Bills, Notes and Bonds, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest There is no limitation as to the percentage of the portfolio that can be invested within this category.

B. Federal Agencies. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Although there is no percentage limitation on "federal agency" issues, the prudent investor standard shall apply for a single agency name. Included here are agency mortgage-backed securities (MBS) and agency commercial mortgage-backed securities (CMBS).

C. Banker's Acceptances. Time drafts drawn on and accepted by a commercial bank, otherwise known as Banker's Acceptances (BAs). To be eligible for purchase, the issuer must have debt that is rated in a rating category of at least "A-1" short-term or "A" long-term by a Nationally Recognized Statistical Rating Organization (NRSRO). Eligible banker's acceptances shall have a maximum maturity of 180 days or less. Purchases of banker's acceptances may not exceed 40% of the market value of the portfolio.

D. Commercial Paper. Commercial Paper rated in the highest ranking or of the highest letter and number rating as provided for by a NRSRO and issued by a corporation organized and operating within the United States having assets exceeding five hundred million dollars ($500,000,000) and having debt other than commercial paper, if any, that is rated in a rating category of "A" or higher by an NRSRO. The issuing entity can also be organized within the United States as a federally or state-chartered bank or a federally or state-licensed branch of a foreign bank. Eligible commercial paper shall have a maximum maturity of ~~270~~ 397 days or less from the date of trade settlement. Purchases of commercial paper cannot exceed 25% of the market value of the portfolio.

Commented [TT8]: Expanded CP eligibility under SB 1438

E. Negotiable Certificates of Deposit (NCD). NCDs issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. To be eligible for purchase by the SBVMWD, the NCD must be issued by an issuer whose short-term debt is rated in a rating category of at least "A-1", or "A" long-term by a NRSRO. Purchases of NCDs may not exceed 30% of the market value of the portfolio. A maturity limitation of five (5) years is applicable on NCDs.

F. Placement Service Deposits. Deposits placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be

accrued during the maximum term of each deposit shall at all times be insured by federal deposit insurance. Placement service deposits shall meet all of the requirements of CGC ~~53601.8~~53604. Purchases of placement service deposits may not exceed 30% of the market value of the portfolio.

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G. Repurchase Agreements. Repurchase Agreements with banks and dealers with which the SBVMWD has entered into a Master Repurchase Agreement which specifies terms and conditions of Repurchase Agreements. A signed copy of the Master Repurchase Agreement shall be required from the authorized financial dealer prior to the execution of any applicable transaction. The maturity of Repurchase Agreements shall not exceed one year. In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for Repurchase Agreements, the only securities acceptable as collateral shall be eligible Negotiable Certificates of Deposit, eligible Banker's Acceptances, or securities that are fully guaranteed as to principal and interest by the United States or by any agency of the United States government. The market value of securities used as collateral for Repurchase Agreements shall be monitored daily and will not be allowed to fall below 102% of the value of the Repurchase Agreement as set forth in CGC Section ~~53601 (j)(2).~~53603(j)(2).

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H. Local Agency Investment Fund. The Agency may invest in the Local Agency Investment Fund (L.A.I.F.) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law.

I. Medium-Term Notes. Medium-term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-Term Notes eligible for investment shall be rated in a rating category of "A," or its equivalent, or better by a nationally recognized rating service. Purchases of medium-term notes may not exceed 30% of the market value of the portfolio.

J. Local Government Investment Pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to CGC 6509.7 that invests in the securities and obligations authorized in CGC Section ~~53601~~53603 (a) to (r) ~~subdivisions (a) to (r),~~ inclusive. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets the requirements of CGC ~~53601(p)~~53603(m). Investments are limited to pools that are rated in a rating category of "AA" or better. Purchases of local government investment pools may not exceed 50% of the market value of the portfolio.

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K. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). The company shall have met either of the following criteria: (i) Attain the highest ranking or the highest letter and numerical ranking provided by not less than two NRSROs; or (ii) Have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market

mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest (purchased pursuant to this subdivision shall not include any commission that these companies may charge. Purchases of money market funds may not exceed 20% of the market value of the portfolio.

L. All positions in pooled investment programs (per Sections H, J, and K above) shall be subject to periodic review by the CEO / General Manager, or a designee thereof, in order to ensure that the moneys in question are managed in a manner consistent with the standards and objectives set forth elsewhere in this Policy.

M. Bank Deposits. FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, or time certificates of deposits in financial institutions located in California. Any financial institution accepting SBVMWD funds for deposit must comply with the requirements of CGC 53630 et seq., including collateralization of deposits. The CEO / General Manager or their designee may waive the collateralization requirements for any portion of the deposit that is covered by Federal Deposit Insurance. As provided by CGC 53649, the SBVMWD shall have a signed contract with each financial institution that has SBVMWD funds on deposit. There is no limitation as to the percentage of the portfolio that may be invested in bank deposits; however, no more than 25% of the market value of the portfolio may be invested in time certificates of deposit.

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N. Municipal Bonds. Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by agency state or by a department, board, agency, or authority of any state.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

Purchases of municipal bonds may not exceed 30% of the market value of the portfolio.

M. **Asset-Backed Securities**. Equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in paragraph A and B of this section, the following limitations apply: The security shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this paragraph shall not exceed 20% of the investment portfolio.

N. **Supranational Obligations**. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, ~~or~~ Inter-American Development Bank, or Inter-American Investment Corporation with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under

Commented [TT16]: Expanded Supranational Issuer eligibility under SB 1438

this subdivision shall be rated in a rating category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization ("NRSRO"). A maximum of 30% of the portfolio may be invested in this category.

XIV. PROHIBITED INVESTMENTS

In accordance with CGC Section ~~53601.6~~53602(i), SBVMWD will not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages. The purchase of securities issued by companies organized outside the United States is prohibited. The SBVMWD may hold previously permitted but currently prohibited investments until their maturity dates.

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XV. LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations shall be incorporated into SBVMWD's Investment Policy, and supersede any and all previous applicable language.

XVI. INTEREST EARNINGS

All moneys earned and collected from investments authorized in this policy shall be allocated on a quarterly basis to various fund accounts where required by law, or other agreement, based on the cash balance in each fund as a percentage of the respective pooled portfolio. However, fiduciary accounts requiring full liquidity will receive their proportional distribution of moneys based on the lower of pooled or LAIF rates.

XVI. PORTFOLIO MANAGEMENT ACTIVITY

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principles. The objectives will be achieved by use of the following strategies:

A. Active Portfolio Management. Through active fund and cash flow management taking advantage of current economic and interest rate trends, the portfolio's yield may be enhanced with limited and measurable increases in risk.

B. Portfolio Maturity Management. When structuring the maturity composition of the portfolio, the SBVMWD shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

C. Competitive Bidding. It is the policy of the SBVMWD to require competitive bidding for investment transactions whenever practical.

D. Diversification. To promote diversification, no more than 5% of the market value of the portfolio may be invested in the securities of any one issuer, regardless of security type; with the exception of U.S. Treasuries, federal agencies, supranationals, and pooled investments such as LAIF, money market funds, or local government investment pools.

XVIII. INVESTMENT POLICY REVIEW

This Policy is intended to conform to all applicable statutes at the time of adoption. The Policy shall be reviewed and approved annually by the SBVMWD Board of Directors at a public meeting to ensure consistency with the SBVMWD's investment objectives and to ensure its compliance and relevance to the current law, financial and economic trends, and to meet the cash flow requirements of the SBVMWD.

GLOSSARY OF INVESTMENT TERMS

AGENCIES: Securities issued by any of several U. S. Government Agencies including, but not limited to, the Federal Home Loan Bank (FHLB), the Federal Farm Credit Bank (FFCB), and the Federal National Mortgage Association (FNMA or "Fannie Mae").

ASKED: The price at which securities are offered.

ASSET-BACKED SECURITIES: Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered for securities.

BROKER: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Certificate of Deposit may be issued in either negotiable or nonnegotiable form. Nonnegotiable certificates cannot be resold on the secondary market and may face penalties for early redemption whereas a negotiable CD may be resold.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

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

DEBENTURE: A bond secured only by the general credit of the issuer.

DERIVATIVE: A financial instrument created from, or whose value depends on (is derived from) the value of one or more underlying assets or indexes of asset values.

DISCOUNT: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

GLOSSARY OF INVESTMENT TERMS

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., twelve regional Banks and about 5,700 commercial banks that are members of the system.

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

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term pass-through is often used to describe Ginnie Mae's.

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

LOCAL AGENCY INVESTMENT FUND (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

GLOSSARY OF INVESTMENT TERMS

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

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

MUNICIPAL BONDS: Offered by state and local governments, these bonds are primarily issued to finance infrastructure improvements, such as highways or sewers.

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state - the so-called legal list. In other states the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

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

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

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

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

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

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

GLOSSARY OF INVESTMENT TERMS

SUPRANATIONAL INSTITUTIONS: International institutions formed by two or more governments that transcend boundaries to pursue mutually beneficial economic or social goals. There are three supranational institutions that issue obligations that are eligible investments for California local agencies: the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), ~~and~~ Inter-American Development Bank (IADB), and Inter-American Investment Corporation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than ten years.

TREASURY NOTES: Intermediate term coupon bearing U.S. Treasury securities having initial maturities of from one to ten years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

SAN BERNARDINO VALLEY | A REGIONAL WATER AGENCY SINCE 1954

DATE: November 5, 2026

TO: Board of Directors' Special Meeting – Policy / Administration

FROM: Kelly Malloy, Manager of Strategic Communications & Special Initiatives

SUBJECT: SoCal STEAM Challenge Update

Staff Recommendation

Receive and file.

Summary

The 2027 SoCal STEAM Challenge is scheduled for April 30 – May 2, 2027, at Yucaipa Regional Park. The event provides regional high school students with hands-on educational opportunities focused on science, technology, engineering, arts, mathematics, and water resource management. San Bernardino Valley has supported the program since 2008, and the Board approved $10,000 in sponsorship funding as part of the FY 2026–27 Budget. Staff and members of the SoCal STEAM Challenge Planning Committee will provide an update on event preparations, planned activities, and opportunities for Board participation.

Background

Established in 2008 as the Inland Solar Challenge, the SoCal STEAM Challenge provides regional high school students with hands-on learning opportunities focused on water resources, environmental stewardship, engineering, and innovation. Participating high school students construct solar-powered boats, prepare technical reports, and develop public service announcements. Students then compete in a three-day event designed to strengthen teamwork, problem-solving, and technical skills while introducing them to career opportunities within the water industry.

Preparation for the 2027 event is scheduled to begin November 13, with the distribution of boat-building materials to participating schools. The 2027 event will take place from April 30 to May 2 at Yucaipa Regional Park. The sprint and slalom races, along with the Public Service

Announcement presentations, will take place on May 1. The endurance race and award ceremony will be held on May 2. San Bernardino Valley Board members are invited to observe events, serve as judges, and/or serve as official race timers throughout the weekend.

Yucaipa Regional Park provides a convenient local venue for the competition, offering students an overnight camping experience, while allowing participating agencies to efficiently coordinate equipment, logistics, and staff support.

The event is organized by a volunteer group of staff members from local water retail agencies. The team commits countless hours of time to communicating with local school representatives, maintaining the 501c3 status, and organizing the event. The group is beginning a partnership with the Wyland Project, a foundation established to help students investigate their watershed through maps, research, and problem-solving. Students will be introduced to a virtual field station where they will research their watershed or the watershed of their choosing.

District Strategic Plan Application

The SoCal STEAM Challenge aligns with the District's mission of *working collaboratively to provide a reliable and sustainable water supply to support the changing needs of our region's people and environme*nt. By sponsoring the event it helps the Agency achieve its goal to *Build trust by being a collaborative and resourceful partner through effective communication and engagement.*

Fiscal Impact

There is no fiscal impact related to this update. The Board previously approved $10,000 in sponsorship funding for the SoCal STEAM Challenge as part of the FY 2026–27 Budget.