



BEDFORD COLDWATER
Groundwater Sustainability Authority

**REGULAR BOARD MEETING
AGENDA**

**February 15, 2024
4:00 PM**

Temescal Valley Water District Administrative Offices
22646 Temescal Canyon Road, Temescal Valley, California 92883

CALL TO ORDER AND ROLL CALL: Directors Casillas, Harich, Ferguson

PUBLIC COMMENT

Any person may address the Board at this time upon any subject not identified on this Agenda, but within the jurisdiction of Bedford Coldwater Groundwater Sustainability Authority; however, any matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered.

I. Consent Calendar

- A. Approval of Minutes of the Regular Board Meeting of November 16, 2023
- B. Financial Statements for Period Ending December 2023
- C. Receive and File the Audited Financial Statements for Fiscal Year End June 30, 2023
- D. Ratification of Demands
- E. Outside Contracts Summary Report

II. Business Calendar

- A. Consider Adoption of Proposed Fiscal Year 2024-25 Budget
- B. Project Update: Investigation of Groundwater Surface Water Interactions at Temescal Wash

III. Administrator's Update

- A. Administrator's Update



BEDFORD COLDWATER
Groundwater Sustainability Authority

Meeting Agenda

February 15, 2024 4:00 PM

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- IV. Legal Counsel Report
- V. Comments of the Board
- VI. Adjourn

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22646 Temescal Canyon Road, Temescal Valley, California 92883

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BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 15, 2024

To: Board of Directors

From: Deputy Treasurer

**SUBJECT: APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF
NOVEMBER 16, 2023**

RECOMMENDATION:

1. Approve the Minutes of the Bedford-Coldwater Groundwater Sustainability Authority Regular Meeting of November 16, 2023

DISCUSSION:

Draft minutes are presented for consideration of approval.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL WORK STATUS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Draft Meeting Minutes

**MINUTES OF THE
REGULAR MEETING OF THE
BEDFORD COLDWATER
GROUNDWATER SUSTAINABILITY AUTHORITY**

November 16, 2023

Board Present

Jacque Casillas, City of Corona
Jack T. Ferguson, EVMWD
David Harich, TVWD

Staff Present

Jeff Pape, TVWD
Tom Moody, City of Corona
Christine Carson, Aleshire & Wynder, LLP
Parag Kalaria, EVMWD
Robert Hartwig, EVMWD
Corrine Nikolic, EVMWD
Christy Gonzalez, EVMWD
Terese Quintanar, EVMWD
Michael Cruikshank, Water Systems Consulting

CALL TO ORDER AND ROLL CALL

The meeting of the Bedford-Coldwater Groundwater Sustainability Authority was called to order by Chairperson Casillas at 4:01 p.m.

PUBLIC COMMENT– There were none.

I. BUSINESS CALENDAR

**A. Elect Chairperson and Vice Chairperson
(MO #49)**

ACTION: Director Harich made a motion, Director Ferguson seconded, to elect Director Casillas as Chairperson, and Director Ferguson made a motion to elect Director Harris as Vice- Chairman, and the motion carried unanimously.

**B. Appointment of ACWA JPIA Alternate Director
(MO #50)**

ACTION: Director Ferguson made a motion, Director Casillas seconded, to elect Director Harich as ACWA JPIA Alternate Director, and the motion carried unanimously.

C. Amendment to Contract with Water Systems Consulting (MO #51)

Parag Kalaria reported on this item and provided a brief overview of Water Systems Consulting scope of work for Fiscal Year 2022-2023, approved by the Board at the May 19, 2022 Board of Directors meeting. In February 2023, the Authority requested and obtained approval for a scope revision and project extension for the Groundwater Sustainability Plan (GSP) Development Project. This amendment allowed the BCGSA to achieve several key milestones. Specifically, it enabled the completion of the second annual report, made significant progress on two GSP projects, and facilitated the update of the project's website, ensuring the full utilization of available grant funds. The 2023 Grant Amendment allowed the BCGSA to utilize about \$95,000 of grant funds that would have been lost providing a great benefit to the community. Mr. Kalaria provided a breakdown of the Grant Administrator costs, by task.

Director Harich requested clarification regarding the request for additional funds; how the additional costs are justified in the additional scope of work, and asked where these costs are reflected in the financial statements. Mr. Kalaria explained that the term of the original contract was for five years, although the funding for each year is approved on an annual basis, based on the planned scope of services and actions planned in any given year. Categories for work included in the scope are limited to certain tasks and staff's goal was to maximize the grant funding to fund as much of this work as possible.

Director Harich and Chairperson Casillas requested several edits to the staff report within the packet:

1. Within the Background section: "The Authority's member agency staff reviewed the proposals and recommended the selection of Water Systems Consulting, Inc. WSC and the PSA was approved at the May 19, 2022 Board Meeting for a total of \$200,000, **annually.**"
2. Within the Discussion section: "Staff recommends approval of Amendment No. 1 to the PSA with WSC in the amount of \$149,400, bringing the total authorized amount not to exceed \$349,400 for FY 2023-2024 through ~~FY 2026-27.~~

Referencing slide 4 of the presentation, Mr. Kalaria explained costs associated with the work associated with the Management Actions, monitoring of groundwater levels, groundwater quality coordination (including sampling), tracking groundwater along the Temescal Wash, updates to the website, and monitoring of subsidence, monitoring contracts, overseeing contractors, and Permit Application review.

Director Harris asked that a clarification be made for the record, to reflect \$349,400 as the approved amount for fiscal year 2023-24, and additional funds for

the remaining term of the contract will be requested on an annual basis. He also asked for the clarification to be noted in the scope of work and attached as an exhibit to the Agreement.

ACTION: Director Harich made a motion, Director Ferguson seconded, and the motion carried unanimously to:

1. Approve Amendment No. 1 of Professional Services Agreement with Water Systems Consulting, Inc. (WSC). for Groundwater Sustainability Plan Administrator Services in the amount of \$149,400, in addition to the \$200,000 for a total amount not to exceed \$349,400 for Fiscal Year 2023-24; and
2. Authorize the Deputy Treasurer to execute the appropriate documents on behalf of Bedford Coldwater Groundwater Sustainability Authority

II. CONSENT CALENDAR

- A. **Approval of Minutes of the Special Meeting of May 18, 2023**
- B. **Approval of Minutes of the Regular Meeting of May 18, 2023**
- C. **Financial Statement**
- D. **Ratification of Demands**
- E. **Outside Contract Summary Report**

ACTION: Director Ferguson made a motion, Director Casillas seconded, and the motion carried unanimously to approve the Consent Calendar.

III. ADMINISTRATOR'S UPDATE

Mr. Cruikshank provided highlights on information provided in the meeting packet in the form of the PowerPoint presentation. There was quite a lot of work involved in the GSP Proposition 1 GWGP Closeout and Summary Reports. The GSP implementation was broken up into three projects and management actions. The Temescal Wash Ground Water/Surface Water Interaction Monitoring Plan has been drafted. The private domestic well survey has been completed, and work is getting started on the 2023 Annual Report, which will be the third annual report.

The Project and Grant Close Out reports were prepared, and amendments to the grant covered additional tasks, including the 2022 Annual Report, the private domestic well survey and the website update. These have all been completed over the past four years. Tasks were shifted in the last amendment to get additional tasks funded with grant funds.

Regarding projects and Management Actions, there are three projects in the GSP, including the Investigation of Groundwater and Surface Water Interaction at Temescal Wash and the installation of monitoring wells, initiation of a survey of active private wells,

and the evaluation of the effects of aggregate pits on groundwater flow and quality. The projects and five Management Actions will be included in the 2023 annual report.

The purpose of the Groundwater/Surface Water Interaction at Temescal Wash study is to reduce uncertainty regarding the riparian habitat and ultimately to improve the GSP's management threshold and protect groundwater-dependent ecosystems. For the Phase 1 Initial Feasibility Study and Monitoring, the Authority contracted with Rincon to develop a proposed monitoring plan and that will be presented at the February 2024 meeting. Phase 2 is the installation of monitoring facilities and is ongoing. Mr. Moody and Mr. Pape both explained that the interaction of groundwater and surface water is a huge issue and there are impacts to groundwater, and there are instances where additional protocols are needed for water treatment and disinfection.

Mr. Cruikshank explained that, regarding work being done on the Groundwater/Surface Water Interaction at the Temescal Wash, surface water is hard to measure. The Department of Water Resources (DWR) released an information sheet providing a schedule for releasing guidance documents on the technical aspects of the groundwater/surface water interactions sustainable management criteria. Staff will evaluate these recommendations to make sure future tasks align with DWR protocols.

The purpose of the Domestic Private Well Survey was to reduce the uncertainty regarding the existence of active private domestic wells in the Basin. The Survey identified Weirick Road and Leroy Road areas as locations with active private wells. Staff is strategizing next steps on outreach to the well owners. Discussion ensued regarding difficulties they might encounter with the interactions and reluctance for area residents to provide information.

The purpose of the study of the effects of aggregate pits on groundwater flow and quality is to develop a better understanding of the relationship between aggregate pit mining operations and groundwater which will be incorporated into the 5-year GSP update.

To conclude his report, Mr. Cruikshank reported that the 2023 Annual Report documents water conditions including: groundwater elevations and storage, water supplies and use, an updated water balance, and groundwater sustainability progress for water year 2023.

IV. Legal Counsel Report

Ms. Carson had no report.

V. Comments of the Board

Chairperson Casillas confirmed the next meeting date of February 15, 2024, and wished everyone a happy holiday season.

VI. Adjourn

There being no further business, the November 16, 2023, Regular Meeting of the Bedford-Coldwater Groundwater Sustainability Authority was adjourned at 5:04 p.m.

ATTEST:

APPROVED:

Jack T. Ferguson, Secretary

Jacque Casillas, Chairperson

Date: _____

Date: _____

DRAFT



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 15, 2024

To: Board of Directors

From: Deputy Treasurer

SUBJECT: FINANCIAL STATEMENTS FOR PERIOD ENDING DECEMBER 2023

RECOMMENDATION:

1. Receive and File Quarterly Financial Statement for Period Ending December 2023

DISCUSSION:

The Financial Statements for period ending December 31, 2023 is attached for review.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL WORK STATUS:

Not applicable.

EXHIBITS/ATTACHMENTS:

December Quarterly Financial Report

Bedford Coldwater Groundwater Sustainability Authority
STATEMENT OF NET POSITION (Unaudited)
As of December 31, 2023 and June 30, 2023

ASSETS	<u>FY 2024</u>	<u>FY 2023</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 207,753	\$ 176,315
Investments	415,215	510,834
Accounts Receivable	-	83,951
Capital Assets	<u>487,687</u>	<u>492,622</u>
Total Assets	<u><u>\$ 1,114,641</u></u>	<u><u>\$ 1,263,722</u></u>
 <u>LIABILITIES & NET POSITION</u>		
<u>Current Liabilities:</u>		
Accounts Payable	44,688	154,558
Member Deposits	<u>486,547</u>	<u>470,312</u>
Total Liabilities	531,235	624,870
 <u>Net Position:</u>		
Net Investment in Capital Assets	487,687	492,622
Restricted for:		
Operating Reserve	21,469	12,230
Non-Operating Reserve	<u>74,250</u>	<u>134,000</u>
Total Net Position	583,406	638,852
 Total Liabilities & Net Position	 <u><u>\$ 1,114,641</u></u>	 <u><u>\$ 1,263,722</u></u>

Bedford Coldwater Groundwater Sustainability Authority
STATEMENT OF REVENUES & EXPENDITURES (Unaudited)
For the 6 Months Ended December 31, 2023

REVENUE	FY 2024 Actual	FY 2024 Budget	% of Budget
Member Contributions Carry over - PY	\$ 687,149	\$ 586,909	117
Grant Reimbursement	63,159	50,000	126
Other Revenue	-	11,000	0
Interest Income	9,582	4,000	240
TOTAL REVENUE	759,890	651,909	117
<u>JPA ADMINISTRATION EXPENSES</u>			
JPA Oversight/Management	12,000	30,000	40
Consulting Expenses	3,610	35,000	10
Legal Expenses	175	8,000	2
ACWA Dues	4,394	4,570	96
Insurance Premium	1,508	2,300	66
Website Domain & Maintenance	-	2,800	0
Bank Fees	1,239	1,600	77
Auditing Services	1,605	1,605	100
TOTAL JPA ADMINISTRATION EXPENSES	24,531	85,875	29
<u>GSP EXPENSES</u>			
<u>GSP Projects</u>			
Groundwater/Surface Water Interaction	61,970	166,000	37
Private Wells Survey	-	-	0
Effects of Aggregate Pits Evaluation	230	-	0
<u>Management Actions</u>			
Annual GSP Report	20,286	60,000	34
All Other Management Actions	-	35,000	0
<u>Other</u>			
	-	36,000	0
TOTAL GSP EXPENSES	82,487	297,000	28
TOTAL EXPENSES	107,017	382,875	28
<u>TRANSFERS</u>			
Transfer to/(from) Reserves	(50,511)	(50,511)	100
TOTAL TRANSFERS	(50,511)	(50,511)	
MEMBER CONTRIBUTION AVAILABLE	\$ 703,384	\$ 319,545	

Bedford Coldwater Groundwater Sustainability Authority
CASH RESERVE REPORT
For the 6 Months Ended December 31, 2023

OPERATING RESERVE

Operating Budget (FY 2024)	85,875	
Operating Reserve	25%	
Non-operating Reserve	21,469	

NON-OPERATING RESERVE

Non-Operating Budget (FY 2024)	297,000	
Non-Operating Reserve Target	25%	
TOTAL NON-OPERATING RESERVE BALANCE	74,250	

TOTAL RESERVE BALANCE	\$ 95,719	
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BEDFORD COLDWATER
Groundwater Sustainability Authority

Date:

To: Board of Directors

From: Deputy Treasurer

SUBJECT: RECEIVE AND FILE THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR END JUNE 30, 2023

RECOMMENDATION:

Receive and file the audited financial statements for fiscal year end June 30, 2023.

DISCUSSION:

The Bedford Coldwater Groundwater Sustainability Authority ("Authority") auditor, Roger, Anderson, Malody & Scott, LLP has completed its audit field work and provided an independent auditor's report expressing their opinion on the financial statements. The report indicates that no significant or material adjustments were encountered during the audit and that the financial statements present fairly, in all material respects, the financial position of the Authority as of June 30th, 2023, and the changes in financial position and cash flows for the year then ended in accordance with GAAP.

For the fiscal year ending June 30, 2023, the Authority increased net position by \$432 thousand, an increase of 210% over fiscal year ending 2022. This increase is due to the investment in capital assets of \$493 thousand and offset with a reduction in the operating and non-operating reserves of \$60 thousand. The reserves were adjusted to equal 25% of annual budgeted expenditures. Total Net Position as of June 30, 2023 is \$638,852.

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL WORK STATUS:

Not applicable

EXHIBITS/ATTACHMENTS:

FY 2023 Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY

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Independent Auditor's Report

To the Board of Directors
Bedford-Coldwater Groundwater Sustainability Authority
Lake Elsinore, California

PARTNERS

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bedford-Coldwater Groundwater Sustainability Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Report on Summarized Comparative Information

We have previously audited the Authority's 2022 financial statements, and we expressed an unmodified opinion on the respective financial statements in our report dated December 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
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
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Quality Center*

California Society of
Certified Public Accountants



Other Matter

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2022, from which such summarized information was derived.

Responsibilities of Management for the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2023 on our consideration of the Authority's 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 Authority's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 7, 2023

PROFILE OF THE AUTHORITY

The Bedford Coldwater Groundwater Sustainability Authority (“BCGSA”) is a Joint Powers Authority (“JPA”) that was formed on February 28, 2017. Its member agencies are the City of Corona, Elsinore Valley Municipal Water District, and Temescal Valley Water District. BCGSA was formed for the purpose of becoming the Groundwater Sustainability Agency (“GSA”) for the Bedford Coldwater Groundwater Sub-basin (“Sub-basin”), which is a sub-basin of the Elsinore Groundwater Basin. BCGSA is responsible for creating a Groundwater Sustainability Plan (“GSP”) to achieve long-term groundwater sustainability in the Sub-basin in accordance with the Sustainable Groundwater Management Act (“SGMA”), legislation that passed in California in 2014. SGMA was designed to give local control of the sustainable management of groundwater supplies. Each of BCGSA’s member agencies overlies a portion of the Sub-basin and exercise water management, water supply, or land use authority within a portion of the Sub-basin. Together as BCGSA, the three member agencies are working collaboratively to sustainably manage the groundwater resources.

MANAGEMENT’S DISCUSSION & ANALYSIS

This discussion and analysis of the Bedford-Coldwater Groundwater Sustainability Authority’s financial performance provides an overview of the Authority’s financial activities for the fiscal year ended June 30, 2023.

FINANCIAL STATEMENTS

BCGSA reports its activities as an enterprise fund and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded as liabilities when incurred. As an enterprise fund, BCGSA’s basic financial statements are comprised of two components: financial statements and notes to the financial statements.

The financial statements of BCGSA report information using the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. BCGSA’s financial statements consist of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows, and the notes to the basic financial statements.

- Statement of Net Position: This statement includes BCGSA’s assets less liabilities with the difference reported as net position. This statement also provides the basis for evaluating the capital structure of BCGSA and assessing its liquidity and financial flexibility.
- Statement of Revenues, Expenses and Changes in Net Position: This statement accounts for BCGSA’s revenues and expenses. This statement measures the success of BCGSA’s operations over the past year and determines whether BCGSA has recovered its costs through user fees and other charges.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Statement of Cash Flows: This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operations, non-capital financing, capital financing, and investing activities during the reporting period.
- Notes to the Basic Financial Statements: These notes provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise presented in the financial statements.

FINANCIAL HIGHLIGHTS

For fiscal year ending June 30, 2023, BCGSA's net position increased approximately \$432 thousand from the prior fiscal year. The increase is a combination of the investment in capital assets and the reduction of the operating and non-operating reserves funded through member contributions. Under the terms of BCGSA's agreement with member agencies, all administrative, operating, and other expenses incurred by BCGSA are funded through equal member contributions. The contributions are based on the annual budget and billed equally to and paid by each member. They are held in a deposit account and recognized as revenue when earned. The operating and non-operating reserves are set equal to 25% of annual budgeted expenditures and adjusted annually to meet the threshold. The yearly comparison of the changes in net position is shown in the following section.

STATEMENT OF NET POSITION

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase/(Decrease)</u>	
			<u>Amount \$</u>	<u>Percent %</u>
Assets:				
Current Assets	\$ 771,100	\$ 493,066	\$ 278,034	56.4%
Capital Assets	492,622	493,444	(822)	-0.2%
Total Assets	<u>1,263,722</u>	<u>986,510</u>	<u>277,212</u>	<u>28.1%</u>
Liabilities:				
Current Liabilities	624,870	780,135	(155,265)	-19.9%
Net Position	<u><u>\$ 638,852</u></u>	<u><u>\$ 206,375</u></u>	<u><u>\$ 432,477</u></u>	<u><u>209.6%</u></u>

The following explains the significant changes in net position between fiscal years 2022-2023 and 2021-2022 as shown in the above table:

- Current assets increased by approximately \$278 thousand (56.4%) during the year. This was mainly due to the increase in cash related to grant reimbursements totaling \$409 thousand plus the increase in accounts receivable of \$84 thousand less the utilization of \$215 thousand in member contributions received in prior years.
- Capital assets decreased approximately \$1 thousand (0.2%) due to depreciation. Capitalized assets increased \$493 thousand while construction in progress decreased by the same \$493 thousand.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Current liabilities decreased by approximately \$155 thousand (19.9%) during the year. Member deposits decreased \$292 thousand due to the utilization of \$493 thousand for capital assets offset with \$201 thousand in member and grant revenues exceeding expenses incurred for the year. This decrease was offset with an increase of \$137 thousand in accounts payable from the prior year.
- Net position increased \$432 thousand (209.6%) for the fiscal year as a result of the investment in capital assets.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

As the following table shows, net position increased \$432 thousand in fiscal year 2022-2023.

	For the Fiscal Year ended		Increase/(Decrease)	
	June 30, 2023	June 30, 2022	Amount \$	Percent %
Operating Revenues:				
Member Contributions	\$ (141,086)	\$ (38,002)	\$ (103,084)	271.3%
Other Operating Revenue	5,500	-	5,500	100.0%
	<u>(135,586)</u>	<u>(38,002)</u>	<u>(97,584)</u>	<u>256.8%</u>
Non-Operating Revenues:				
Member's Contributed Capital	433,298	(17,850)	451,148	-2527.4%
Grant Reimbursement	493,237	255,892	237,345	92.8%
Interest Income	12,531	1,828	10,703	585.5%
	<u>939,066</u>	<u>239,870</u>	<u>699,196</u>	<u>291.5%</u>
Total Revenues	<u>803,480</u>	<u>201,868</u>	<u>601,612</u>	<u>298.0%</u>
Operating Expenses:				
Groundwater Sustainability Plan	289,541	174,467	115,074	66.0%
Consulting and Professional	47,754	25,896	21,858	84.4%
Administration Fees	18,000	12,000	6,000	50.0%
Legal Fees	7,595	1,620	5,975	368.8%
Bank Fees	418	1,364	(946)	-69.3%
Other Fees	6,873	4,371	2,502	57.3%
Depreciation	822	-	822	100.0%
Total Expenses	<u>371,003</u>	<u>219,718</u>	<u>151,285</u>	<u>68.9%</u>
Net Income/(Loss)	<u>432,477</u>	<u>(17,850)</u>	<u>450,327</u>	<u>-2522.8%</u>
Beginning Net Position	206,375	224,225	(17,850)	-8.0%
Ending Net Position	<u>\$ 638,852</u>	<u>\$ 206,375</u>	<u>\$ 432,477</u>	<u>209.6%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

As previously stated, the operations of BCGSA are accounted for as an enterprise fund, which is financed and operated in a manner like a private business enterprise. The cost of providing services for the member agencies are recovered through equal member contributions.

The following explains some of the significant differences between fiscal year 2022-2023 and 2021-2022 as shown on the table above

- Operating revenues decreased approximately \$98 thousand (256.8%) from the prior year. The decrease is directly related to the increase in grant reimbursements. As more grant reimbursements are received, less member contributions are recognized as revenue.
- Operating expenses increased approximately \$151 thousand (68.9%) from the prior year. The increase is primarily due to the \$115 thousand increase in costs related to the development and preparation of the GSP as well as an increase in consulting and professional fees of \$22 thousand, an increase in administration fees of \$6 thousand, and an increase in legal fees of \$6 thousand.
- Non-operating revenues increased by \$699 thousand (291.5%) from the prior year due to an increase in Member's contributed capital of \$451 thousand, an increase in grant reimbursements received from the Department of Water Resources of the State of California related to the 2017 Proposition 1 Sustainable Groundwater Planning (SGWP) Grant of \$237 thousand, and an increase in interest income of \$11 thousand.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents (Note 2)	\$ 176,315	\$ 118,751
Investments (Note 3)	510,834	374,315
Accounts Receivable	83,951	-
Total current assets	771,100	493,066
<u>Noncurrent Assets:</u>		
Capital Assets (Note 4)	492,622	493,444
Total noncurrent assets	492,622	493,444
Total Assets	\$ 1,263,722	\$ 986,510

LIABILITIES & NET POSITION

<u>Current Liabilities:</u>		
Accounts Payable	\$ 154,558	\$ 17,610
Member Deposits (Note 5)	470,312	762,525
Total Liabilities	624,870	780,135
<u>Net Position (Note 6):</u>		
Net Investment in Capital Assets	492,622	-
Unrestricted Net Position	146,230	206,375
Total Net Position	638,852	206,375
Total Liabilities & Net Position	\$ 1,263,722	\$ 986,510

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>OPERATING REVENUES:</u>		
Member Contributions	\$ (141,086)	\$ (38,002)
Other Operating Revenue	5,500	-
	(135,586)	(38,002)
<u>OPERATING EXPENSES:</u>		
Consulting and Professional	47,754	25,896
Administration Fees	18,000	12,000
Legal Fees	7,595	1,620
Bank Fees	418	1,364
General Liability and Property Insurance	2,438	1,508
Dues, Licenses, and Fees	4,435	2,863
Depreciation	822	-
	81,462	45,251
Sub-Total Operating Expenses	81,462	45,251
Groundwater Sustainability Plan	289,541	174,467
	371,003	219,718
Total Operating Expenses	371,003	219,718
	(506,589)	(257,720)
Total Operating Income/(Loss)	(506,589)	(257,720)
<u>NON-OPERATING REVENUE/(EXPENSES):</u>		
Interest Income	12,531	1,828
Member's Contributed Capital	433,298	(17,850)
Grant Reimbursements	493,237	255,892
	939,066	239,870
Total Non-Operating Revenue/(Expenses)	939,066	239,870
	432,477	(17,850)
Increase/(Decrease) in Net Position	432,477	(17,850)
NET POSITION - BEGINNING OF THE YEAR	206,375	224,225
NET POSITION - END OF THE YEAR	\$ 638,852	\$ 206,375

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received From Member Agencies	\$ -	\$ 325,000
Cash Payments to Suppliers For Goods and Services		
Groundwater Sustainability Plan	(160,424)	(194,483)
Consulting and Professional	(41,600)	(20,252)
Administration Fees	(15,000)	(12,000)
Legal Fees	(7,570)	(1,620)
Bank Fees	(1,349)	(1,364)
Other Fees	(7,291)	(6,137)
Other Operating Income	5,500	-
Net Cash Provided By (Used For) Operating Activities	(227,734)	89,144
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Grant Reimbursement	409,286	255,892
Capital Assets	-	(475,149)
Net Cash Provided By (Used for) Capital and Related Financing Activities	409,286	(219,257)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest Income	1,012	432
Sale/(Purchase) of Investments	(125,000)	44,000
Net Cash Provided By (Used for) Investing Activities	(123,988)	44,432
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,564	(85,681)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	118,751	204,432
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 176,315	\$ 118,751

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(With Comparative Amounts for the Fiscal Year Ended June 30, 2022)

<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>	<u>2023</u>	<u>2022</u>
Operating Income (Loss)	<u>\$ (506,589)</u>	<u>\$(257,720)</u>
<u>Adjustments to reconcile operating loss to net cash provided by operating activities:</u>		
Depreciation	822	-
Member's Contributed Capital	433,298	(17,850)
<u>Changes in operating assets and liabilities:</u>		
(Inc)/Dec in accounts receivable	-	100,000
Inc/(Dec) in accounts payable	136,948	(16,138)
Inc/(Dec) in member deposits	<u>(292,213)</u>	<u>280,852</u>
Total adjustments	<u>278,855</u>	<u>346,864</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (227,734)</u></u>	<u><u>\$ 89,144</u></u>

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. Reporting Entity - The Bedford-Coldwater Groundwater Sustainability Authority (“BCGSA”) was organized on February 28, 2017 pursuant to the Joint Exercise of Powers Agreement by and among the City of Corona (“Corona”), Elsinore Valley Municipal Water District (“District”) and the Temescal Valley Water Authority (“TVWD”) for the management of the Bedford-Coldwater Sub-Basin of the Elsinore Basin. BCGSA was formed with the purpose and intent of jointly fulfilling the role and legal obligations of a Groundwater Sustainability Agency (“GSA”) as required by the Sustainable Groundwater Management Act (“SGMA”), including complying with SGMA and ensuring sustainable groundwater management throughout the Bedford-Coldwater Sub-Basin of the Elsinore Basin (“Sub-Basin”) so that the Members may collaboratively and cost-effectively develop, adopt, and implement a Groundwater Sustainability Plan (“GSP”) for the Sub-Basin in accordance with pertinent regulatory timelines. BCGSA may also represent the Members, as appropriate, in discussions and transactions with other local agencies, to include (but not limited to) the development of inter-basin coordination agreements with other GSAs in Riverside County, and agreements with other local agencies or GSAs as may be required to ensure compliance with SGMA for the Sub-Basin.
- B. Basis of Accounting - The financial statements of BCGSA are presented as an enterprise fund. All BCGSA’s transactions are accounted for using the economic measurement focus and accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recorded as liabilities when incurred.
- C. Cash & Cash Equivalents - For the purpose of the statement of cash flows, all cash and investments have been classified as cash and cash equivalents.
- D. Use of Estimates - The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from those amounts.
- E. Operating Revenues and Expenses - BCGSA’s operating revenues and expenses generally result from providing service in connection with BCGSA’s principal ongoing operations. The principal operating revenues of BCGSA are member contributions. Operating expenses include the costs associated with the development of the Groundwater Sustainability Plan and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Net Position Flow Assumption - It is BCGSA's policy to apply restricted net position when an expense is incurred for the restricted purpose before applying unrestricted net position.

2. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents of \$176,315 at June 30, 2023 consist of cash in the bank. The carrying amount of BCGSA'S cash is covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, BCGSA 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. As of June 30, 2023, BCGSA does not have any deposits with financial institutions that are not covered by FDIC depository insurance or are uncollateralized.

3. INVESTMENTS:

Investments of \$510,834 at June 30, 2023 represent amounts deposited with the Local Agency Investment Fund ("LAIF").

The following table identifies investment types that are authorized for BCGSA by California Government Code and/or BCGSA's investment policy. The table also identifies certain provisions of the California Government Code (or BCGSA's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. INVESTMENTS (CONTINUED):

<u>Authorized Investment Type</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>
State and Local Instruments	Yes	5 Years	10%
U.S. Treasury Obligations	Yes	5 Years	None
Specified Federal Agencies	Yes	5 Years	60%
Banker's Acceptances	Yes	180 Days	20%
Commercial Paper	Yes	270 Days	20%
Non-Negotiable CDs	Yes	None	10%
Negotiable CDs	Yes	3 Years	20%
Repurchase Agreements	Yes	90 Days	5%
Medium Term Notes	Yes	5 Years	30%
Supranational Obligation	Yes	5 Years	10%
Mutual Funds	Yes	None	10%
Local Government Investment Pools (LGIPs)	Yes	None	None
Local Agency Investment Fund (LAIF)	Yes	None	None
Other Local Agency Instrument	Yes	5 Years	25%

Investment Pools

BCGSA is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of BCGSA's investment in this pool is reported in the accompanying financial statements at amounts based upon BCGSA's pro-rata share of the fair value provided 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. Included in LAIF's investment portfolio are mortgage-backed securities, other asset backed securities, loans to certain state funds, securities with interest rates that vary according to changes in rates greater than a one-for-one basis, and structured notes.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

3. INVESTMENTS (CONTINUED):

Custodial Credit Risk

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.

BCGSA is currently not subject to the following risks: credit, concentration of credit, or interest rate risk.

4. CAPITAL ASSETS:

Capital assets of \$492,622 as of June 30, 2023 consist of the following,

	Balance June 30, 2022	Additions	Retirements/ Transfers	Balance June 30, 2023
Capital Assets not being depreciated:				
Construction in Progress	\$493,444	\$ -	\$ (493,444)	\$ -
Capital Assets being depreciated:				
Monitoring Well	-	493,444	-	493,444
Less Accumulated Depreciation				
Monitoring Well	-	(822)	-	(822)
Capital Assets, Net	\$493,444	\$492,622	\$ (493,444)	\$492,622

5. MEMBER DEPOSITS:

Pursuant to the Joint Powers Agreement, BCGSA established an operating fund to cover all costs of the JPA. Each Authority member provides an equal contribution to the fund, which is used to pay all administrative, operating, and other expenses incurred by BCGSA. The rate or amount of the contributions is established in the annual Operating Budget and based upon an equal contribution by each member. The balance as of June 30, 2023 is \$470,312.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

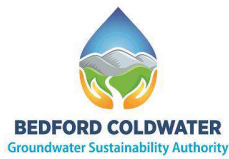
6. NET POSITION:

The following is a detailed breakdown of net position. Also shown below is a listing of the breakdown of unrestricted net position.

	<u>2023</u>	<u>2022</u>
Capital Assets, net	\$ 492,622	\$ 493,444
Less:		
Member Deposits Liability	-	(493,444)
Net Investment in Capital Assets	492,622	-
Unrestricted Net Position	146,230	206,375
Total Net Position	<u>\$ 638,852</u>	<u>\$ 206,375</u>

Although not legally restricted, unrestricted net position has been designated for various purposes. These designations have been established and maintained to provide sound financial management. The June 30, 2023 and June 30, 2022 unrestricted net position amounts consist of the following:

	<u>2023</u>	<u>2022</u>
Operating Reserve	\$ 12,230	\$ 31,000
Non-operating Reserve	134,000	175,375
Total Unrestricted Net Position	<u>\$ 146,230</u>	<u>\$ 206,375</u>



Print Date: 02/06/2024

Payment Ratification Report

Cash Disbursements for 11/01/2023 through 01/31/2024

Check or Reference #	Payment Date	Paid to Vendor	Payment Description	Pmt Type	Payment Amount
350	11/09/2023	ELSINORE VALLEY MWD	ADMINISTRATION FEE OCT 2023	CHECK	2,000.00
351	11/09/2023	ROGERS, ANDERSON, MALODY & SCO	FINANCIAL AND SINGLE AUDIT SERVICES SEPT 2023	CHECK	1,605.00
352	11/30/2023	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT OCT 2023	CHECK	1,531.25
353	12/14/2023	ACWA ASSOC OF CA WATER AGENCY	ANNUAL AGENCY DUES 2024	CHECK	4,394.00
354	12/14/2023	ELSINORE VALLEY MWD	ADMINISTRATION FEE NOV 2023	CHECK	2,000.00
355	12/14/2023	ACWA JOINT POWERS INS AUTH	AUTO & GENERAL LIABILITY ANNUAL PROGRAM 10/01/23-10/01/24	CHECK	1,508.00
356	12/21/2023	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT MAR 2023	CHECK	10,781.25
357	12/28/2023	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT JUN 2022	CHECK	3,181.25
358	01/04/2024	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT NOV 2023	CHECK	1,646.25
359	01/04/2024	WATER SYSTEMS CONSULTING, INC.	GROUNDWATER SUSTAINABILITY PLAN ADMINISTRATOR SERVICES JUN 2023	CHECK	41,041.94
360	01/18/2024	ELSINORE VALLEY MWD	ADMINISTRATION FEE DEC 2023	CHECK	2,000.00
361	01/25/2024	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT DEC 2023	CHECK	1,411.25

Current Payments Issued: \$73,100.19

Reviewed By: 

Date: Feb 7, 2024

Outside Contracts Summary Report

As of February 07, 2024



Consultant Name	Start Date	End Date	Project Description	Total Contract Amount	Paid To Date	Contract Balance	Balance Remaining
Rincon Consultants, Inc.	02/17/23	09/30/23	Temescal Wash Ground/Surface Wtr Invstgtn	153,434.00	153,164.89	269.11	0.2%
Goliath Graphix	03/18/18	01/31/24	Website Maintenance	15,000.00	6,025.00	8,975.00	60%
Babcock Laboratories	11/02/22	02/28/25	Groundwater Sampling & Analysis	12,700.00	4,148.00	8,552.00	67%
Todd Groundwater	06/01/19	06/30/26	GSP Preparation & 5 Annual Updates	827,175.00	695,742.50	131,432.50	16%
Todd Groundwater	09/15/22	06/30/26	Well Drilling Application Evaluation	30,000.00	1,947.50	28,052.50	94%
Water Systems Consulting	05/19/22	06/20/24	GSP Administrator	349,400.00	262,683.53	86,716.47	25%



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 15, 2024

To: Board of Directors

From: Deputy Treasurer

SUBJECT: CONSIDER ADOPTION OF PROPOSED FISCAL YEAR 2024-25 BUDGET

RECOMMENDATION:

1. Approve the proposed BCGSA FY 2024-25 Budget; and,
2. Approve the annual member contribution per agency for FY 2024-25 in the amount of \$122,750.

DISCUSSION:

Annually, BCGSA analyzes current financial activities and projects future expenditure requirements in order to develop a proposed budget for the following year. The total proposed budget for FY 2024-25 is \$684,325 which includes \$103,035 in administration costs for the Authority, \$521,000 in Groundwater Sustainability Plan (GSP) implementation costs and \$60,290 in required reserves.

All expenses outlined in the proposed FY 2024-25 Budget are anticipated to be covered by member-agency contributions. By the end of the fiscal year, it is estimated that the carryover from member contributions will amount to \$461,299. According to the proposed budget, there will be a total shortfall of \$189,266 for FY 2024-25, requiring each member agency to contribute \$63,089 to cover this deficit.

Over the span of five years, the projected total member contribution needed is estimated at \$553,932. In order to standardize the annual contribution from member agencies and ensure consistency, staff recommends that the Board approves an annual member contribution per agency for FY 2024-25 in the amount of \$122,750. This contribution from members is essential to adequately fund the budgeted expenses for FY 2024-25.

As per the reserve policy adopted by the Board on May 16, 2019, the Operating and Non-Operating Reserves have both been set at 25% of the proposed budgets. The reserve requirements for FY 2024-25 have been incorporated in the proposed budget.

FISCAL IMPACT:

Established in the attached proposed Budget.

ENVIRONMENTAL WORK STATUS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Proposed FY 2024-25 Budget

Bedford-Coldwater Groundwater Sustainability Authority
Proposed Budget - FY 2024-25

	YTD Actuals	Approved	Proposed	Projected				5 Yr Total
	2023-24	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
JPA Administration								
GSP Administrator	\$3,610	\$35,000	\$45,000	\$45,700	\$46,400	\$47,100	\$47,900	\$ 232,100
JPA Oversight/Management	12,000	30,000	36,000	36,000	36,000	36,000	36,000	180,000
Website Domain & Software	-	2,000	2,000	2,000	2,000	2,000	2,000	10,000
Website Content Design and Maintenance	-	800	800	1,000	1,000	1,000	1,000	4,800
Legal Expenses	175	8,000	8,000	8,100	8,200	8,300	8,400	41,000
Auditing Services	1,605	1,605	1,605	1,700	1,800	1,900	2,000	9,005
Insurance	1,508	2,300	2,300	2,400	2,500	2,600	2,700	12,500
Bank Fees	1,239	1,600	2,760	2,760	2,760	2,760	2,760	13,800
Dues/Memberships	4,394	4,570	4,570	4,700	4,800	4,900	5,000	23,970
Total JPA Administration Costs	24,531	85,875	103,035	104,360	105,460	106,560	107,760	\$ 527,175
GSP Implementation Costs*								
Management Actions	20,286	95,000	95,000	95,000	95,000	95,000	95,000	475,000
Projects	62,200	166,000	217,000	183,000	47,000	297,000	47,000	791,000
Programs and Initiatives	-	36,000	209,000	209,000	34,000	34,000	34,000	520,000
Total GSP Implementation Costs	82,486	297,000	521,000	487,000	176,000	426,000	176,000	\$ 1,786,000
Reserve Requirement**								
Operating Reserve (25%)	9,239	9,239	4,290	331	275	275	300	5,471
Non-Operating Reserve (25%)	-	-	56,000	-	-	62,500	-	118,500
Total Reserve Requirement	9,239	9,239	60,290	331	275	62,775	300	123,971
Total Budget	\$ 116,256	\$ 392,114	\$ 684,325	\$ 591,691	\$ 281,735	\$ 595,335	\$ 284,060	\$ 2,437,146

*Detailed GSP Implementation Cost breakdown on page 2.

**Reserve totals and calculations on page 4

Bedford-Coldwater Groundwater Sustainability Authority
Proposed Budget - GSP Implementation Costs

	Proposed	Projected				5 Yr Total
	2024-25	2025-26	2026-27	2027-28	2028-29	
<u>Management Actions:</u>						
# 1 Annual Report	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000
# 2 All Other Management Actions	35,000	35,000	35,000	35,000	35,000	175,000
Total Management Actions	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 475,000
<u>Projects:</u>						
# 1 Investigate Groundwater/Surface Water Interaction	\$ 43,000	\$ 150,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 235,000
# 2 Private Wells Investigation	24,000	9,000	9,000	9,000	9,000	60,000
# 3 Aggregate Pits Investigation	150,000	24,000	24,000	274,000	24,000	496,000
Total Projects	\$ 217,000	\$ 183,000	\$ 47,000	\$ 297,000	\$ 47,000	\$ 791,000
<u>Programs and Initiatives:</u>						
# 1 5-Year GSP Updates	\$ 175,000	\$ 175,000	\$ -	\$ -	\$ -	\$ 350,000
# 2 Grant Opportunities & Management	15,000	15,000	15,000	15,000	15,000	75,000
# 3 Well Drilling Application Evaluations	19,000	19,000	19,000	19,000	19,000	95,000
Total Other	\$ 209,000	\$ 209,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 520,000
Total GSP Implementation Costs	\$ 521,000	\$ 487,000	\$ 176,000	\$ 426,000	\$ 176,000	\$ 1,786,000

Bedford-Coldwater Groundwater Sustainability Authority
Proposed Member Contribution

	Proposed	Projected				
	2024-25	2025-26	2026-27	2027-28	2028-29	5 Yr Total
Revenue						
Grant Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0
Member Contribution Carryover	461,299	0	0	0	0	461,299
Interest Income	14,760	14,260	13,760	13,760	13,760	70,300
Cost Recovery-Well Drilling Application	19,000	19,000	19,000	19,000	19,000	95,000
Non-Operating Reserves	0	8,500	77,750	0	62,500	148,750
Total Revenue	\$495,059	\$41,760	\$110,510	\$32,760	\$95,260	\$775,349
Total Budget	\$684,325	\$591,691	\$281,735	\$595,335	\$284,060	\$2,437,146
Member Contribution						
Member Contribution Carryover	\$0	\$0	\$0	\$0	\$0	\$0
Member Contribution	\$189,266	\$549,931	\$171,225	\$562,575	\$188,800	\$1,661,797
Member Contribution per Agency	\$63,089	\$183,310	\$57,075	\$187,525	\$62,933	\$553,932
Alternate Member Contribution per Agency Level Over 5 years	\$122,750	\$122,750	\$122,750	\$122,750	\$62,933	\$553,932

Bedford-Coldwater Groundwater Sustainability Authority
 Proposed Reserves Carryover/Budget

Reserve Carryover/ Budget						
	Approved	Proposed	Projected			
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Operating Budget	85,875	103,035	104,360	105,460	106,560	107,760
Operating Reserve Require - 25%	21,469	25,759	26,090	26,365	26,640	26,940
Increase/(Reduction)	9,239	4,290	331	275	275	300
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Non-Operating Budget	297,000	521,000	487,000	176,000	426,000	176,000
Non-Operating Reserve Requirement - 25%	74,250	130,250	121,750	44,000	106,500	44,000
Increase/(Reduction)	(59,750)	56,000	(8,500)	(77,750)	62,500	(62,500)



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 15, 2024

To: Board of Directors

From: GSP Administrator

**SUBJECT: PROJECT UPDATE: INVESTIGATION OF GROUNDWATER
SURFACE WATER INTERACTIONS AT TEMESCAL WASH**

RECOMMENDATION:

1. Receive a presentation from Rincon Consultants, Inc. regarding the Investigation of Groundwater/Surface water Interactions at Temescal Wash Project

BACKGROUND:

The Sustainable Groundwater Management Act (SGMA), effective January 1, 2015, was enacted in California to regulate and sustainably manage groundwater basins throughout the state. SGMA provides a framework to guide local public agencies and newly created Groundwater Sustainability Agencies (GSAs) in the management of their underlying groundwater basins, especially those considered critically affected as defined by the Department of Water Resources (DWR). The Bedford-Coldwater Groundwater Sustainability Authority (BCGSA) prepared a Groundwater Sustainability Plan (GSP) to maintain long-term groundwater sustainability in the Bedford-Coldwater Groundwater Subbasin

The Bedford-Coldwater GSP was prepared from June 2018 through December 2021 with active outreach and public participation throughout the process. The GSP was adopted by BCGSA on December 18, 2021 and was submitted to the California Department of Water Resources (DWR) in January 2022. The 2022 GSP provides the basic information, analytical tools, and projects and management actions for continued groundwater management, guided by SGMA and by locally defined sustainability goals, objectives, and metrics.

DISCUSSION:

There are number of components that are required in the Groundwater Sustainability Plan (GSP) implementation, including monitoring of groundwater levels, groundwater extractions, total water (import, surface water, and groundwater) use, change in groundwater storage, groundwater quality, subsidence, and changes in surface flow resulting from groundwater extraction in the basin. This investigation corresponds directly to Project 1 – Investigate Groundwater/Surface Water Interaction at Temescal Wash, listed in Chapter 8, Projects and Management Actions, in the GSP.

The purpose of this study is to reduce uncertainty regarding the riparian habitat and ultimately to improve the GSP’s management threshold and protect groundwater-dependent ecosystems. This project will be initiated in two phases: an initial feasibility study and permitting review, and a second phase of installation of monitoring facilities and on-going vegetation and shallow groundwater monitoring.

The Project Team from Rincon will provide a presentation of the conclusion of the first phase which addressed uncertainties in the GSP such as investigating the interaction of groundwater and surface water and assessing the health of the riparian vegetation. The scope of work included data collection and review, a vegetation, hydrology and constrains analysis and reporting. The Project Team will provide recommendations for the second phase of work.

FISCAL IMPACT:

Not applicable.

ENVIRONMENTAL WORK STATUS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Presentation



RINCON CONSULTANTS, INC. SINCE 1994

Bedford-Coldwater GSA Investigation of Groundwater/Surface Water Interactions

Project Completion Summary

February 15, 2024 | Kiernan Brtalik



Overview of Project

Address uncertainties identified in GSP

- Investigate interaction of surface water and groundwater
- Assess health of riparian vegetation
- Develop monitoring plan
- Deliver clear path forward to regulatory requirements



Work Completed

Data Collection and Review

- Historical Imagery
- Aerial Orthoimagery
- LiDAR Digital Elevation Model (DEM)
- Vegetation Mapping

Vegetation, Hydrology, and Constraints Analysis

- Vegetation Health Assessment
- Reach-by-Reach Hydrology Analysis
- Site monitoring locations
- Environmental Permitting and Planning Constraints Analysis

Technical and Monitoring Reports

- Monitoring Well Design and Specifications
- Monitoring Workplan



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Historical Imagery, Aerial Orthoimagery, Vegetation Mapping

Historical Satellite and Aerial Imagery Analysis

Data Collected/Evaluated

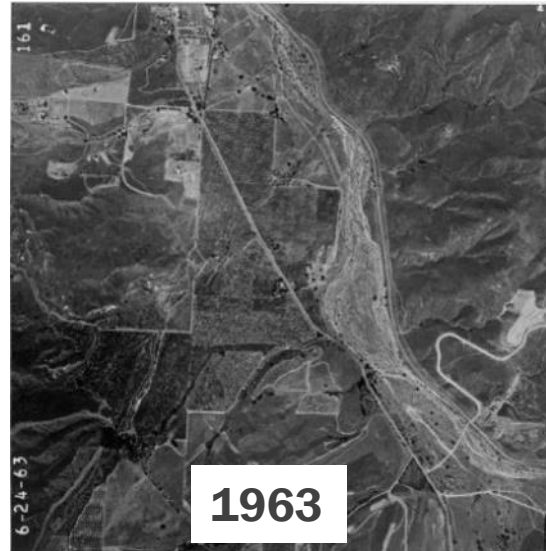
- Historical imagery from 1931 through 2003

Reason Collected/Evaluated

- Assess changes in land use, riparian vegetation, and channel morphology



Historical Satellite and Aerial Imagery Analysis (cont'd)



Aerial Orthoimagery

Data Collected/Produced

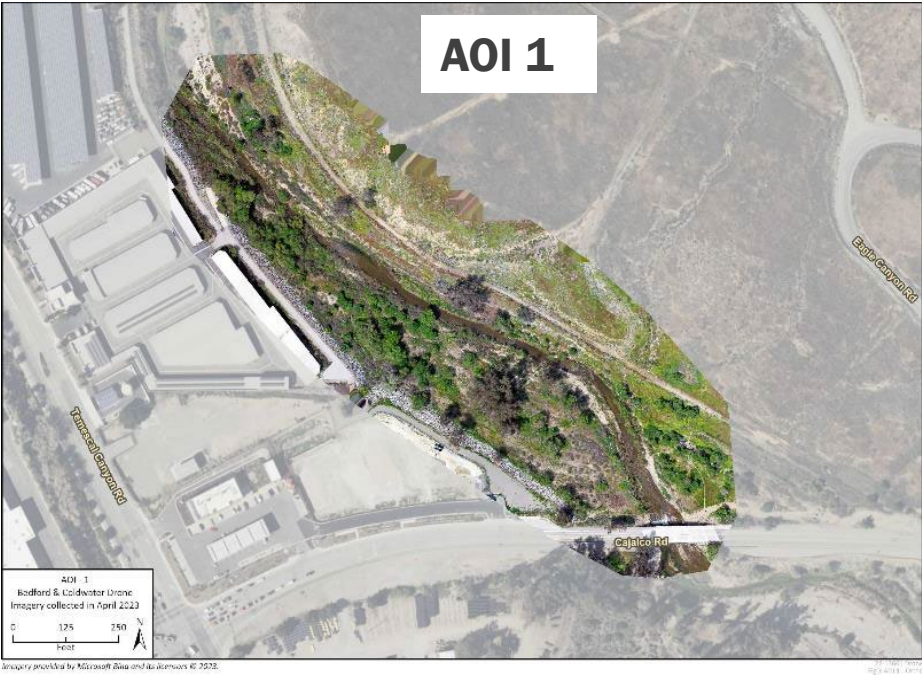
- Drone Orthoimagery at 3 Areas of Interest
 - Aerial UAV imagery (orthoimage)
 - Digital Terrain Model (DTM)

Reason Collected/Produced

- Support Vegetation Mapping, Health Assessment, and Reach-by-Reach Hydrology Analysis



Aerial Orthoimagery (cont'd)



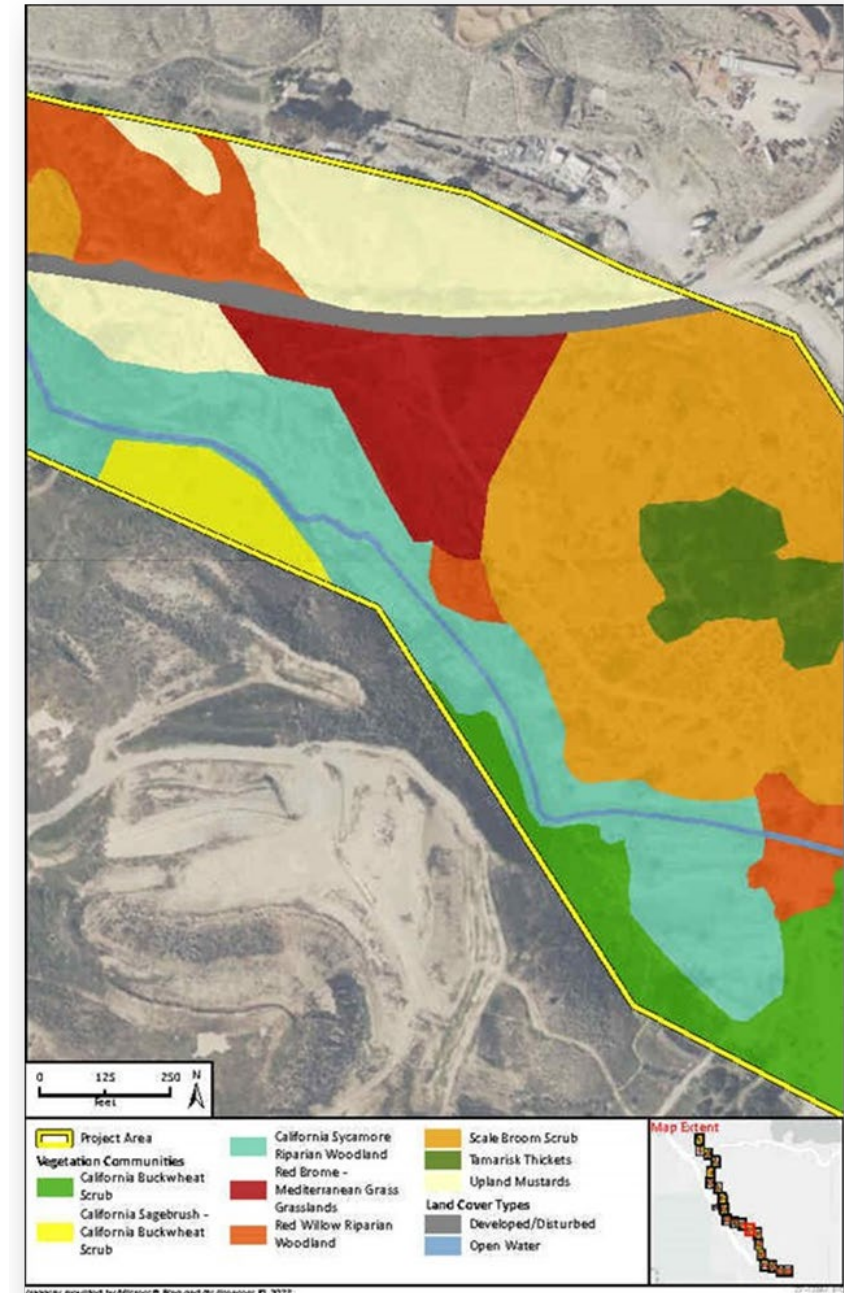
Vegetation Mapping and Classification

Data Collected

- Vegetation Communities in the Riparian Corridor

Reason Collected

- Understand the composition of vegetation
- Evaluate susceptibility to changing groundwater conditions





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Reach-by-Reach Hydrology Analysis, Site Monitoring Locations, Environmental Constraints

Reach-by-Reach Hydrology Analysis and Site Monitoring Locations

Data Used for Analysis

- LiDAR-derived DEM
- Groundwater Model Outputs
- Geology
- Vegetation Density

Key Takeaways

- Six potential monitoring well locations, with four prioritized



Environmental Permitting and Planning Constraints Analysis

Data Used for Analysis

- Land Ownership
- Agency Databases and Literature (CDFW, CNPS, USFWS, USGS)
- Environmental Databases (GeoTracker, EnviroStor, Cortese)
- Rincon Field Surveys

Key Takeaways

- Sensitive habitat and species in some of the proposed monitoring locations
- Identified a streamlined schedule and cost by fine-tuning locations and project timing





Monitoring Workplan



Monitoring Workplan



Groundwater/Surface Water Interactions at Temescal Wash Monitoring Workplan

Bedford-Coldwater Groundwater Subbasin

prepared for

Bedford-Coldwater Groundwater Sustainability Authority
31315 Chaney Street
Lake Elsinore, California 92531

prepared by

Rincon Consultants, Inc.
250 East 1st Street, Suite 1400
Los Angeles, California 90012

January 2024



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Appendices

- Appendix A Historical Satellite and Aerial Imagery Analysis
- Appendix B Vegetation Mapping Survey and Classification
- Appendix C Hydrologic Reach-by-Reach Analysis
- Appendix D Environmental Planning and Permitting Constraints Analysis

Workplan Components (Data Collection and Evaluation)

Summarized in Table 2 (Section 2)

- NDVI and NDMI Analysis
- Continuous Groundwater Level Monitoring
- Surface Water Flow Monitoring
- Satellite Imagery and Aerial Orthoimagery
- Ground Photography
- Climatic Data
- Data Collected by Other Agencies
 - Upper Temescal Valley SNMP
 - Groundwater pumping
 - WWTF effluent rates
 - Agency groundwater levels





Level of Effort Alternatives and Recommendations

Level	Description
Level 1 Remotely Sensed Data, Only	NDVI, NDMI, Satellite Imagery, Agency and Public Data, accessed and analyzed 1x per year
Level 2 Minimal Field Effort (Aerial Orthoimagery and Ground Photography)	Level 1 + semiannual drone flights for orthoimagery and ground photography to be further analyzed by botanist/biologist
Level 3 Moderate Field Effort (+ Synoptic Flow)	Level 2 + monthly stream discharge measurements at up to 3 monitoring locations
Level 4 Enhanced Field Effort (+ Continuous Surface Water Level)	Level 3 + continuous stream level data loggers to inform changing surface water conditions
Level 5 Full Implementation (+ Continuous Surface Water Flow and New Groundwater Wells)	Level 4 + conversion of continuous level to flow and installation of pressure transducers in up to three new groundwater monitoring wells and downloaded twice per year



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Thank you!



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 15, 2024
To: Board of Directors
From: Michael Cruikshank, PG, CHG, GSP Administrator
SUBJECT: BCGSA ADMINISTRATOR'S REPORT

RECOMMENDATION:

1. Presentation from the BCGSA Administrator

BACKGROUND:

The Sustainable Groundwater Management Act (SGMA), effective January 1, 2015, was enacted in California to regulate and sustainably manage groundwater basins throughout the state. SGMA provides a framework to guide local public agencies and newly created Groundwater Sustainability Agencies (GSAs) in the management of their underlying groundwater basins, especially those considered critically affected as defined by the Department of Water Resources (DWR). The Bedford-Coldwater Groundwater Sustainability Authority (BCGSA) prepared a Groundwater Sustainability Plan (GSP) to maintain long-term groundwater sustainability in the Bedford-Coldwater Groundwater Subbasin.

The Bedford-Coldwater GSP was prepared from June 2018 through December 2021 with active outreach and public participation throughout the process. The GSP was adopted by BCGSA on December 18, 2021 and was submitted to the California Department of Water Resources (DWR) in January 2022. The 2022 GSP provides the basic information, analytical tools, and projects and management actions for continued groundwater management, guided by SGMA and by locally defined sustainability goals, objectives, and metrics.

DISCUSSION:

The Administrator's Update presentation provides an overview of the implementation activities of the Bedford Coldwater GSP with an emphasis on the ongoing projects and

management actions. Progress has been made on all three of the projects identified in the GSP: 1) Groundwater/Surface Water Interaction at Temescal Wash, 2) Initiate a Survey of Private Wells and 3) Evaluation of the Effects of Aggregate Pits on Groundwater Flow and Quality. The BCGSA Agencies have been collecting data associated with the management actions listed in the GSP and are in the progress of preparing the Bedford Coldwater Water Year 2023 Annual Report.

Projects

Groundwater Surface Water Interactions at Temescal Wash

The purpose of this study is to reduce uncertainty regarding the riparian habitat and ultimately to improve the GSP's management threshold and protect groundwater-dependent ecosystems. This project will be initiated in two phases: an initial feasibility study and permitting review and a second phase of installation of monitoring facilities and on-going vegetation and shallow groundwater monitoring. BCGSA staff is currently in the process of reviewing a draft monitoring plan, and a more detailed report is presented at the February Board Meeting. DWR is working on guidance to facilitate compliance with GSP Regulations by Summer 2024, aligning with the forthcoming 5-Year GSP Update. Implementation of Phase 2 is expected to be dependent on the guidance from DWR. The Project Team from Rincon will provide a presentation of the first phase and provide recommendations for the second phase of work.

Private Well Survey

The purpose of the private well survey was to reduce the uncertainty regarding the existence of active private domestic wells in the Basin. Specific areas, namely Weirick Road and Leroy Road, have been identified for further investigation in relation to the effectiveness of the sustainable management criteria outlined in the GSP. BCGSA Staff is currently strategizing the next steps for engaging the property owners to gauge their interest in participating in a groundwater data collection effort.

Evaluation of the Effects of Aggregate Pits on Groundwater Flow and Quality

During the development of the GSP the BCGSA identified the need to better understand the relationship between the aggregate pit mining operations and groundwater. Significant aggregate (sand and gravel) resources mining occurs south of Corona within and along Temescal Wash and north of Lake Elsinore which has been active since the late 1940s. The BCGSA continues to evaluate and improve the understanding of the hydrogeologic conceptual model in the vicinity of aggregate pits which will be incorporated into the 5-year GSP update. BCGSA will pursue grant opportunities to fund the next phase of the project.

Management Actions

Management actions defined in the GSP are focused on data collection, storage, and reporting necessary to monitor sustainability and assess when additional tasks may be required (e.g., when minimum thresholds are approached or exceeded). The five Management Actions identified in the GSP were:

- Provide for Collection, Compilation, and Storage of Information Required for Annual Reports and Submit Annual Reports
- Routinely Record Groundwater Levels and Take Action if Necessary
- Monitor Selected Groundwater Quality Constituents and Coordinate with the Regional Water Quality Control Board as Appropriate
- Track Trends in Groundwater Levels near Temescal Wash and Take Action
- Review Interferometric Synthetic Aperture Radar (InSAR) Data on the California Department of Water Resources (DWR) Data Viewer During 5-Year Updates

The BCGSA has initiated the data collection effort identified in the management actions and will be used in the development of Bedford Coldwater Water Year 2023 Annual Report.

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL WORK STATUS:

Not applicable

EXHIBITS/ATTACHMENTS:

Administrator's Update Presentation

February 15, 2024

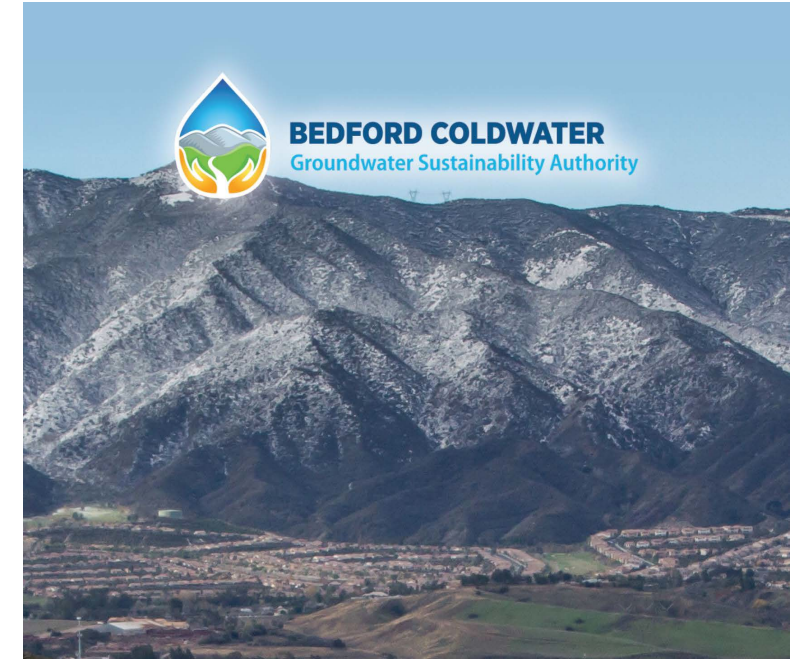
BCGSA Administrator's Update



Michael Cruikshank, PG, CHG

Administrator's Update

- BCGSA GSP Status
“Review in Progress”
- GSP Implementation
 - Projects and Management Actions
 - Temescal Wash GW/SW Interaction Monitoring Plan
 - 2023 Annual Report – 3rd Annual Report

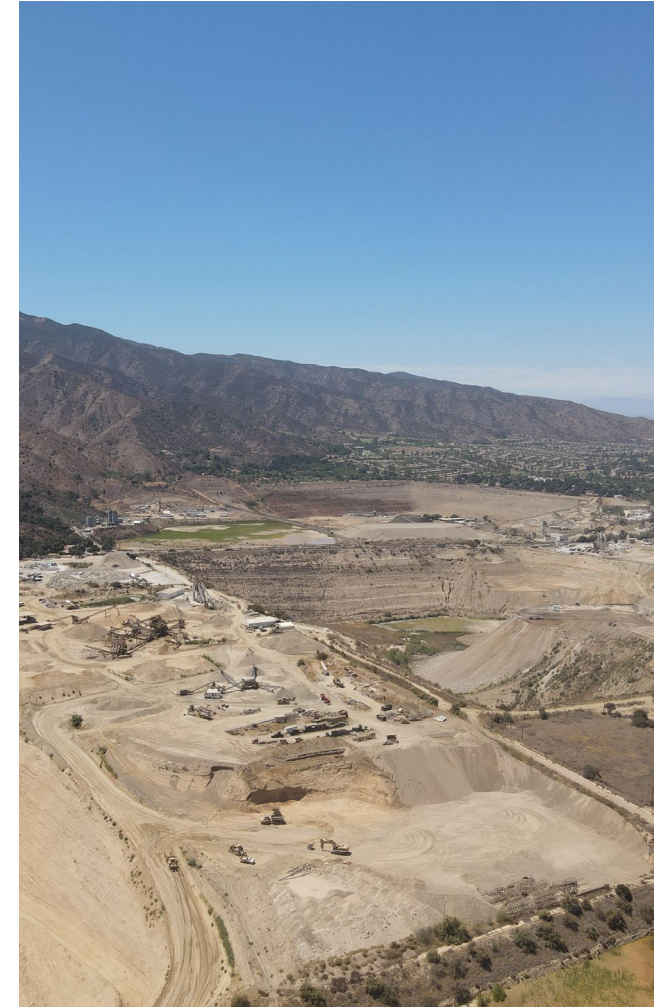


Basin	GSP Local ID	Current Status	Last Updated
> 8-004.02 BEDFORD-COLDWATER	Single Plan	Review In Progress	-



Projects and Management Actions

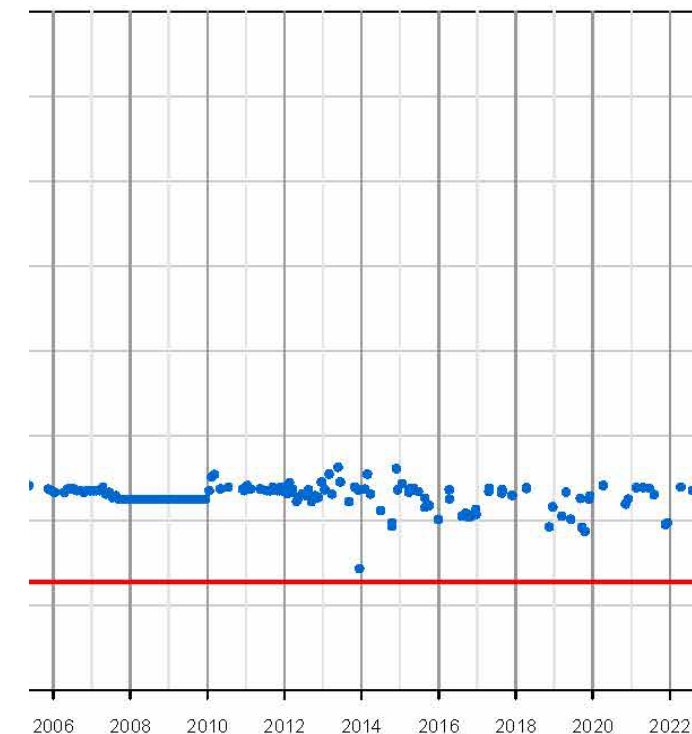
- **Project 1** – Investigate Groundwater/Surface Water Interaction at Temescal Wash and Install Monitoring Wells.
- **Project 2** – Initiate a Survey of Active Private Wells.
- **Project 3** – Evaluation of the Effects of Aggregate Pits on Groundwater Flow and Quality





Projects and Management Actions

- **Action 1** – Provide for Collection, Compilation, and Storage of Information Required for Annual Reports and Submit Annual Reports
- **Action 2** – Routinely Record Groundwater Levels and Take Action if Necessary
- **Action 3** – Monitor Selected Groundwater Quality Constituents and Coordinate with the Regional Water Quality Control Board as Appropriate
- **Action 4** – Track Trends in Groundwater Levels near Temescal Wash and Take Action as Necessary
- **Action 5** – Review Interferometric Synthetic Aperture Radar (InSAR) Data on the California Department of Water Resources (DWR) Data Viewer During 5-Year Updates



Groundwater/Surface Water Interaction at Temescal Wash

- Purpose of this study is to reduce uncertainty regarding the riparian habitat and ultimately to improve the GSP's management threshold and protect groundwater-dependent ecosystems.
 - Phase 1 Initial Feasibility Study and Monitoring Plan (Completed)
 - Phase 2 Installation of Monitoring Facilities and ongoing Monitoring (2025/26 --if needed)
- DWR is providing [guidance documents](#) later this year



Temescal Wash

Domestic Private Well Survey



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Groundwater Sustainability Authority

- Purpose of the private well survey was to reduce the uncertainty regarding the existence of active private domestic wells in the Basin.
- BCGSA Staff is strategizing next steps on outreach to the well owners

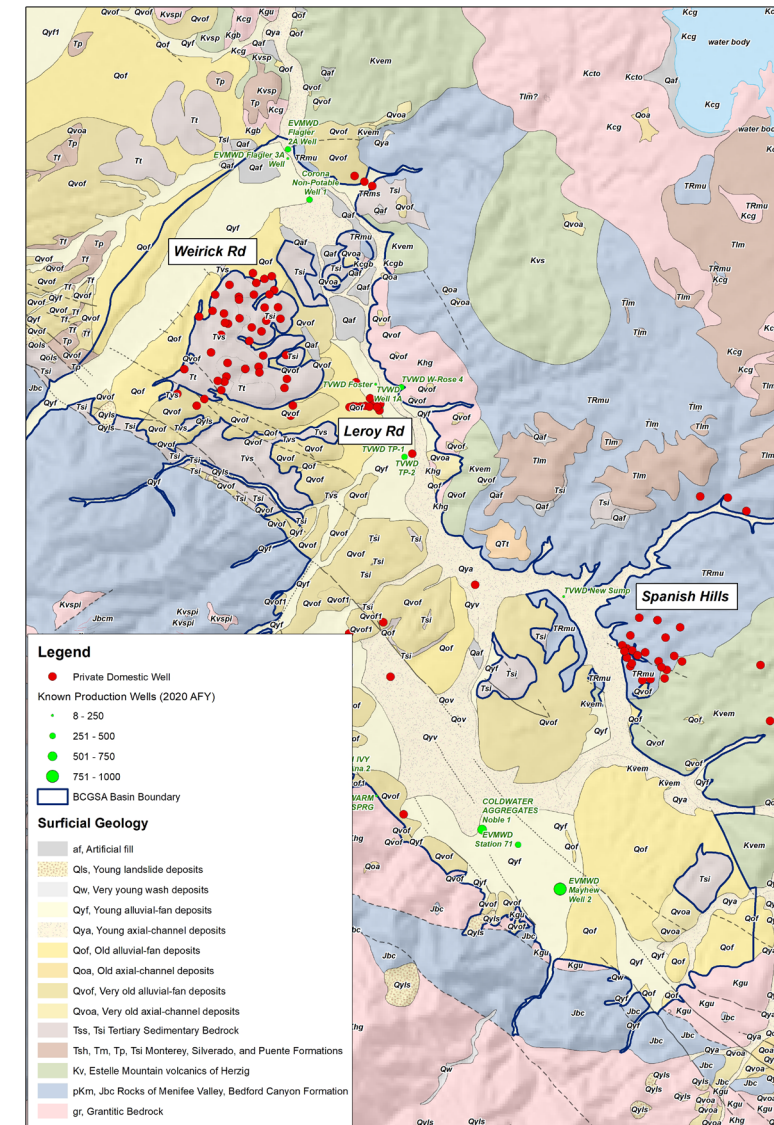
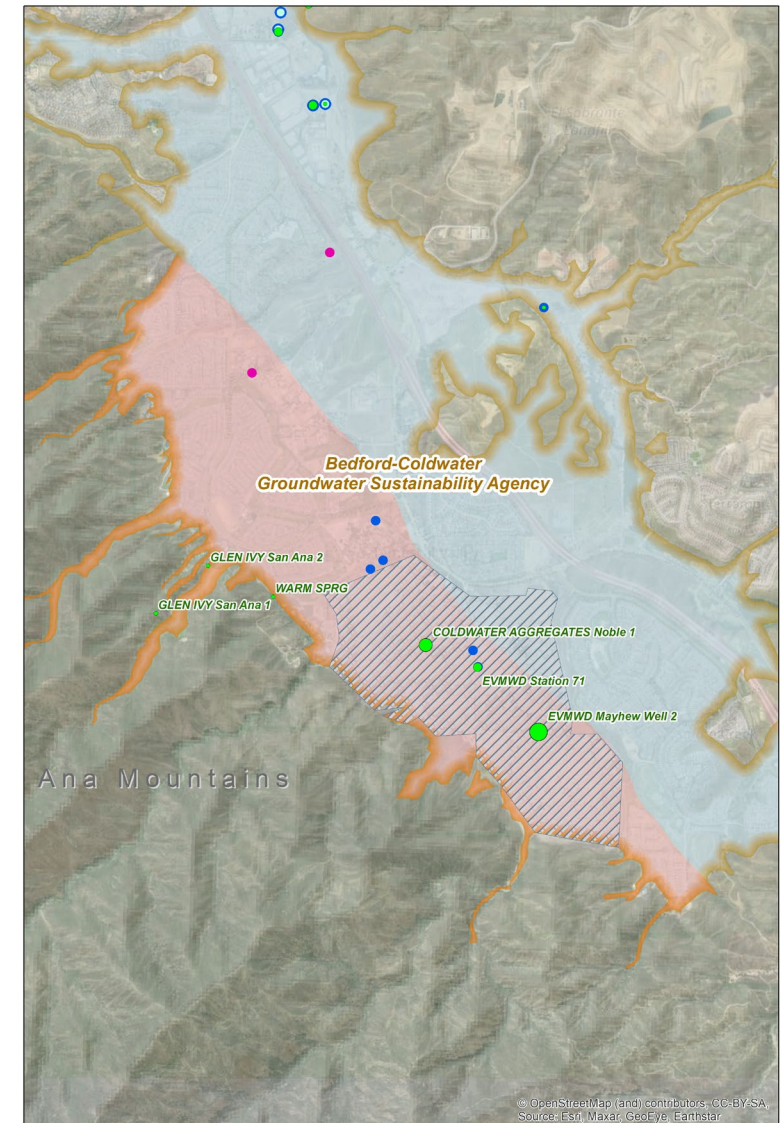


Figure 3
Surfacial Geology and Active Production Wells
June 2023



Effects of Aggregate Pits on GW Flow and Quality

- Purpose is to develop a better understanding of the relationship between aggregate pit mining operations and groundwater which will be incorporated into the 5-year GSP update.
- Pursue grant opportunities to fund project



2023 Annual Report

- Documents water conditions including:
 - groundwater elevations and storage
 - water supplies and use
 - an updated water balance, and
 - groundwater sustainability progress for water year 2023.
- Due to DWR on April 1st, 2024
 - Provide and overview at the May Board Meeting





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