



BEDFORD COLDWATER
Groundwater Sustainability Authority

**REGULAR BOARD MEETING
AGENDA**

**February 19, 2026
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, Dobler

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 20, 2025
 - B. Financial Statements for Periods Ending September 2025 and December 2025
 - C. Receive and File the Audited Financial Statements for Fiscal Year End June 30, 2025
 - D. Ratification of Demands
 - E. Outside Contracts Summary Report
- II. Business Calendar
 - A. Consider Adoption of Proposed Fiscal Year 2026-2027 and 2027-2028 Budget
- III. Administrator's Update
 - A. Administrator's Update



BEDFORD COLDWATER
Groundwater Sustainability Authority

Meeting Agenda

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IV. Legal Counsel Report

V. Comments of the Board

VI. Adjourn

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Authority's Administrative offices not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of all, of the members of Authority's Board, are available for public inspection in the office at
22646 Temescal Canyon Road, Temescal Valley, California 92883

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BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 19, 2026

To: Board of Directors

From: Deputy Treasurer

**SUBJECT: APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF
NOVEMBER 20, 2025**

RECOMMENDATION:

Approve the Minutes of the Bedford Coldwater Groundwater Sustainability Authority Meeting of November 20, 2025

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 20, 2025

Board Present

Jacque Casillas, City of Corona
Matthew Dobler, EVMWD
David Harich, TVWD

Staff Present

Jeff Pape, TVWD
Tom Moody, City of Corona
Alex Lemieux, Aleshire & Wynder, LLP
Ganesh Krishnamurthy, EVMWD
Parag Kalaria, EVMWD
Christy Gonzalez, 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 4:00 p.m.

PUBLIC COMMENT– There were none.

I. BUSINESS CALENDAR

**A. Elect Chairperson and Vice Chairperson
(MO #62)**

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

1. Elect Director Harich as Chairperson
2. Elect Director Casillas as Vice Chairperson

The new officers assumed their roles immediately.

**B. Consider Approval of Professional Services Agreement with Todd Groundwater, Inc. for Five-Year Periodic Evaluation and Annual Reports for Water Years 2025-2030
(MO #63)**

Mr. Cruikshank summarized the item by explaining that SGMA requires GSAs to complete a full evaluation of their GSP every five years, with the next basin review due to DWR by January 12, 2027. Annual reports remain due each year by April 1. Todd Groundwater has prepared these annual reports for several years and developed the

groundwater model used in the GSP. Basin conditions continue to follow expected trends, and DWR has approved the GSP, which will be discussed further in the Administrator's Report. The proposed PSA covers preparation of the five-year evaluation and the next five annual reports. It also includes optional pricing for a formal GSP amendment, though staff advised against pursuing that option now to avoid added cost and potential timing issues following the recent GSP approval. He noted that the Agency has set aside funds for this work over multiple budget cycles and that the total proposal of about \$434,125 fits within current budgeted amounts. Chair Harich noted minor fiscal year clarifications in the staff report and on confirming the contract term, which will run from execution through July 30, 2031. This term ensures completion and submittal of the Water Year 2030 annual report, due April 1, 2031, along with related close-out tasks. Director Casillas relayed her appreciation on staff's recommendation to not proceed with the additional task amendment at this time for cost savings purposes.

No public comments were received.

ACTION: Director Casillas made a motion, Director Dobler seconded, and the motion carried unanimously to:

1. Approve a Professional Services Agreement with Todd Groundwater, Inc. for the Five-Year Periodic Evaluation and Annual Reports for Water Years 2025 through 2030 in the amount of \$434,125, and
2. Authorize the Deputy Treasurer to execute the appropriate documents on behalf of the Authority.

C. Consider Approval of a Contract with Babcock Laboratories, Inc. to Conduct Annual Groundwater Quality Sampling and Analysis (MO #64)

Mr. Crukshihank summarized the item by explaining that one of the GSP management actions is to monitor selected groundwater quality constituents and coordinate with the Regional Board when appropriate. The Agency's groundwater quality monitoring network includes 19 wells that are sampled each year, with results incorporated into the GSP annual report and future periodic evaluations. Public water supply wells, such as those operated by Elsinore Valley MWD and the City of Corona, conduct their own regulatory sampling, so this contract applies only to Agency monitoring wells, including two dedicated monitoring wells and several non-potable wells in Temescal Valley. Babcock Laboratories has performed this work since 2021, providing field sampling and laboratory analysis. Their performance has been satisfactory, and they operate locally.

Board discussion focused on confirming that private domestic wells are not part of the current monitoring network, with staff noting that the existing network is adequate and that adding private wells is generally difficult. Staff confirmed that funding for these services is included in the budget.

ACTION: Director Dobler made a motion, Director Casillas seconded, and the motion carried unanimously to:

1. Approve a Contract with Babcock Laboratories, Inc. to conduct annual groundwater sampling and analysis for 2025, 2026, and 2027 in the amount of \$18,624, and
2. Authorize the Deputy Treasurer to execute the appropriate documents on behalf of the Authority.

II. CONSENT CALENDAR

A. Minutes of the Regular Meeting of February 20, 2025

B. Ratification of Demands

C. Outside Contract Summary Report

ACTION: Director Casillas made a motion, Director Dobler 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. He reported that DWR approved the basin's GSP on April 7, 2025, and outlined the three corrective actions recommended by the state. Staff described these items as minor clarifications common across many basins, including providing additional rationale for chronic groundwater level criteria, clarification on water quality degradation, and incorporating upcoming guidance related to the depletion of interconnected surface water. These items will be addressed in the Periodic Update due January 2027.

The Administrator also reviewed coordination with local aggregate operators identified in the GSP. The Chandler pit was sold to Martin Marietta in 2023, and staff continue working with the company and regional partners on data sharing and understanding groundwater connectivity. The Board discussed groundwater quality considerations, including potential impacts from below-water-table mining and the principle that new treatment needs should not fall on ratepayers. They also addressed reclamation practices and the importance of oversight related to inert fill, PFAS, TCP, and runoff from stockpiled materials during heavy rain. Staff will continue coordination with operators and agencies, refine data and monitoring needs, and fold new information into annual reports and the next periodic evaluation. Staff also shared that data collection for the 2025 annual report is underway, groundwater levels appear generally favorable, and a more detailed basin update will be provided at a future meeting.

IV. Legal Counsel Report

Mr. Lemieux provided a brief legislative update focused on SB 707 and Brown Act compliance.

V. Comments of the Board

The newly elected Chair Harich acknowledged the responsibility of the position and affirmed a commitment to serving the basin and the community. The other Directors offered their congratulations.

VI. Adjourn

There being no further business, the November 20, 2025, Regular Meeting of the Bedford-Coldwater Groundwater Sustainability Authority was adjourned at 4:55 p.m.

ATTEST:

APPROVED:

Matthew Dobler, Secretary

David Harich, Chairperson

Date: _____

Date: _____



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 19, 2026

To: Board of Directors

From: Deputy Treasurer

**SUBJECT: FINANCIAL STATEMENTS FOR PERIODS ENDING SEPTEMBER
2025 AND DECEMBER 2025**

RECOMMENDATION:

1. Receive and file Quarterly Financial Statements for Periods Ending September 2025 and December 2025

DISCUSSION:

The financial statements for periods ending September 30, 2025 and December 31, 2025 are attached for review.

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL WORK STATUS:

Not applicable

EXHIBITS/ATTACHMENTS:

September Quarterly Financial Report
December Quarterly Financial Report

Bedford Coldwater Groundwater Sustainability Authority
STATEMENT OF NET POSITION (Unaudited)
As of September 30, 2025 and September 30, 2024

<u>ASSETS</u>	<u>FY 2026</u>	<u>FY 2025</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 324,509	\$ 164,650
Investments	631,273	701,466
Accounts Receivable	122,750	-
Capital Assets	470,417	480,285
Total Assets	<u><u>\$ 1,548,949</u></u>	<u><u>\$ 1,346,402</u></u>
 <u>LIABILITIES & NET POSITION</u>		
<u>Current Liabilities:</u>		
Accounts Payable	1,605	4,046
Member Deposits	953,886	733,183
Total Liabilities	955,491	737,230
 <u>Net Position:</u>		
Net Investment in Capital Assets	470,417	480,285
Restricted for:		
Operating Reserve	25,791	25,759
Non-Operating Reserve	97,250	130,250
Total Net Position	593,458	636,294
 Total Liabilities & Net Position	<u><u>\$ 1,548,949</u></u>	<u><u>\$ 1,373,524</u></u>

Bedford Coldwater Groundwater Sustainability Authority
STATEMENT OF REVENUES & EXPENDITURES (Unaudited)
For the 3 Months Ended September 30, 2025

<u>REVENUE</u>	FY 2026 Actual	FY 2026 Budget	% of Budget
Member Contributions - CY	\$ 368,250	\$ 368,250	100%
Member Contributions Carry over - PY	735,356	315,571	233%
Other Revenue	-	19,000	0%
Interest Income	7,286	18,760	39%
TOTAL REVENUE	1,110,892	721,581	154%
 <u>JPA ADMINISTRATION EXPENSES</u>			
JPA Oversight/Management	6,000	36,000	17%
Consulting Expenses	-	45,000	0%
Legal Expenses	50	8,000	1%
ACWA Dues	-	4,685	0%
Insurance Premium	-	2,250	0%
Website Domain & Maintenance	-	2,800	0%
Bank Fees	652	2,760	24%
Auditing Services	1,605	1,670	96%
TOTAL JPA ADMINISTRATION EXPENSES	8,307	103,165	8%
 <u>GSP EXPENSES</u>			
<u>GSP Projects</u>			
Groundwater/Surface Water Interaction	-	43,000	0%
Private Wells Survey	-	9,000	0%
Effects of Aggregate Pits Evaluation	2,875	24,000	12%
<u>Management Actions</u>			
Annual GSP Report	3,965	60,000	7%
All Other Management Actions	3,105	44,000	7%
<u>Other</u>			
5-year GSP Updates	2,620	175,000	1%
Grant Mgmt & Opportunities	-	15,000	0%
Well Drilling Applications	-	19,000	0%
TOTAL GSP EXPENSES	12,565	389,000	3%
 TOTAL EXPENSES	 20,872	 492,165	 4%
 <u>TRANSFERS</u>			
Transfer to/(from) Reserves	(32,968)	(32,968)	100%
TOTAL TRANSFERS	(32,968)	(32,968)	100%
 MEMBER CONTRIBUTION AVAILABLE	 \$ 1,122,988	 \$ 262,384	 428%

Bedford Coldwater Groundwater Sustainability Authority
CASH RESERVE REPORT
For the 3 Months Ended September 30, 2025

OPERATING RESERVE

Operating Budget (FY 2026)	103,165
Operating Reserve	<u>25%</u>
Non-operating Reserve	25,791

NON-OPERATING RESERVE

Non-Operating Budget (FY 2026)	389,000
Non-Operating Reserve Target	<u>25%</u>
TOTAL NON-OPERATING RESERVE BALANCE	97,250

TOTAL RESERVE BALANCE	<u><u>\$ 123,041</u></u>
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Bedford Coldwater Groundwater Sustainability Authority
STATEMENT OF NET POSITION (Unaudited)
As of December 31, 2025 and December 31, 2024

<u>ASSETS</u>	<u>FY 2026</u>	<u>FY 2025</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 405,161	\$ 132,640
Investments	631,273	709,628
Interest Receivable	6,497	-
Capital Assets	467,949	477,818
Total Assets	<u><u>\$ 1,510,881</u></u>	<u><u>\$ 1,320,087</u></u>
 <u>LIABILITIES & NET POSITION</u>		
<u>Current Liabilities:</u>		
Accounts Payable	3,000	9,643
Member Deposits	916,891	676,617
Total Liabilities	919,891	686,260
 <u>Net Position:</u>		
Net Investment in Capital Assets	467,949	477,818
Restricted for:		
Operating Reserve	25,791	25,759
Non-Operating Reserve	97,250	130,250
Total Net Position	590,991	633,827
Total Liabilities & Net Position	<u><u>\$ 1,510,881</u></u>	<u><u>\$ 1,320,087</u></u>

Bedford Coldwater Groundwater Sustainability Authority
STATEMENT OF REVENUES & EXPENDITURES (Unaudited)
For the 6 Months Ended December 31, 2025

<u>REVENUE</u>	<u>FY 2026 Actual</u>	<u>FY 2026 Budget</u>	<u>% of Budget</u>
Member Contributions - CY	\$ 368,250	\$ 368,250	100%
Member Contributions Carry over - PY	735,356	315,571	233%
Other Revenue	-	19,000	0%
Interest Income	14,542	18,760	78%
TOTAL REVENUE	1,118,148	721,581	155%
 <u>JPA ADMINISTRATION EXPENSES</u>			
JPA Oversight/Management	18,000	36,000	50%
Consulting Expenses	-	45,000	0%
Legal Expenses	550	8,000	7%
ACWA Dues	4,394	4,685	94%
Insurance Premium	1,508	2,250	67%
Website Domain & Maintenance	-	2,800	0%
Bank Fees	1,453	2,760	53%
Auditing Services	1,605	1,670	96%
TOTAL JPA ADMINISTRATION EXPENSES	27,510	103,165	27%
 <u>GSP EXPENSES</u>			
<u>GSP Projects</u>			
Groundwater/Surface Water Interaction	-	43,000	0%
Private Wells Survey	-	9,000	0%
Effects of Aggregate Pits Evaluation	9,741	24,000	41%
<u>Management Actions</u>			
Annual GSP Report	5,913	60,000	10%
All Other Management Actions	3,565	44,000	8%
<u>Other</u>			
5-year GSP Updates	18,395	175,000	11%
Grant Mgmt & Opportunities	-	15,000	0%
Well Drilling Applications	-	19,000	0%
TOTAL GSP EXPENSES	37,614	389,000	10%
 TOTAL EXPENSES	 65,124	 492,165	 13%
 <u>TRANSFERS</u>			
Transfer to/(from) Reserves	(32,968)	(32,968)	100%
TOTAL TRANSFERS	(32,968)	(32,968)	100%
 MEMBER CONTRIBUTION AVAILABLE	 \$ 1,085,992	 \$ 262,384	 414%

Bedford Coldwater Groundwater Sustainability Authority
CASH RESERVE REPORT
For the 6 Months Ended December 31, 2025

OPERATING RESERVE

Operating Budget (FY 2026)	103,165
Operating Reserve	<u>25%</u>
Non-operating Reserve	25,791

NON-OPERATING RESERVE

Non-Operating Budget (FY 2026)	389,000
Non-Operating Reserve Target	<u>25%</u>
TOTAL NON-OPERATING RESERVE BALANCE	97,250

TOTAL RESERVE BALANCE	<u><u>\$ 123,041</u></u>
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BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 19, 2026

To: Board of Directors

From: Deputy Treasurer

SUBJECT: RECEIVE AND FILE THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR END JUNE 30, 2025

RECOMMENDATION:

Receive and file the audited financial statements for fiscal year end June 30, 2025.

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, 2025, 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, 2025, the Authority increased net position by \$50 thousand, an increase of 8.7% over fiscal year ending 2024. This increase is due to an increase in operating and non-operating reserves of \$60 thousand offset with a decrease in the investment in capital assets of \$10 thousand. The reserves were increased to equal 25% of annual budgeted expenditures and the investment in capital assets decreased due to depreciation. Total Net Position as of June 30, 2025 is \$628,893.

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL WORK STATUS:

Not applicable

EXHIBITS/ATTACHMENTS:

FY2025 Audited Financials

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Bedford-Coldwater Groundwater Sustainability Authority (the Authority), as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for 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 (*Government Auditing Standards*) and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 2024 financial statements, and we expressed an unmodified opinion on the respective financial statements in our report dated October 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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, 2024, from which such summarized information was derived.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2025 on our consideration of 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 the Authority's 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 Authority's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, CA
November 10, 2025

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, 2025.

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, 2025, BCGSA’s net position increased approximately \$50 thousand from the prior fiscal year. The increase is the result of the increase in operating and non-operating reserves funded through member contributions and the decrease in the investment in capital assets. Under the terms of BCGSA’s agreement with member agencies, all administrative, operating, and other expenses incurred by BCGSA are funded through contributions provided by each member. 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.

CONDENSED STATEMENT OF NET POSITION

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase/(Decrease)</u>	
			<u>Amount \$</u>	<u>Percent %</u>
Assets:				
Current Assets	\$ 735,356	\$ 524,808	\$ 210,548	40.1%
Capital Assets	472,884	482,753	(9,869)	-2.0%
Total Assets	<u>1,208,240</u>	<u>1,007,561</u>	<u>200,678</u>	<u>19.9%</u>
Liabilities:				
Current Liabilities	579,347	429,089	150,258	35.0%
Net Position	<u>\$ 628,893</u>	<u>\$ 578,472</u>	<u>\$ 50,421</u>	<u>8.7%</u>

The following explains the significant changes in net position between fiscal years 2024-2025 and 2023-2024 as shown in the above table:

- Current assets increased approximately \$211 thousand (or 40.1%) during the year. This was due to the receipt and investment of member contributions approved through the fiscal year operating budget of \$368 thousand less the utilization of funds totaling \$157 thousand.
- Capital assets decreased approximately \$10 thousand (or 2.0%) due to depreciation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Current liabilities increased approximately \$150 thousand (or 35.0%) during the year. Member Deposits increased \$141 thousand due to \$368 thousand received from members offset by \$227 thousand in the utilization of funds for reserves and expenses incurred. Accounts Payable also increased \$9 thousand from the prior year.
- Net position increased \$50 thousand (or 8.7%) for the fiscal year as a result of the decrease in the net investment in capital assets and the increase in the non-operating and operating reserves.

REVENUES, EXPENSES, AND CHANGES IN NET POSITION

As the following table shows, net position increased \$50 thousand in fiscal year 2024-2025.

	For the Fiscal Year ended		Increase/(Decrease)	
	June 30, 2025	June 30, 2024	Amount \$	Percent %
Operating Revenues:				
Member Contributions	\$ 166,929	\$ 95,600	\$ 71,329	74.6%
	166,929	95,600	71,329	74.6%
Non-Operating Revenues:				
Member's Contributed Capital	60,290	(50,511)	110,801	219.4%
Grant Reimbursement	-	163,159	(163,159)	-100.0%
Interest Income	30,934	18,723	12,211	65.2%
	91,224	131,371	(40,147)	-30.6%
Total Revenues	258,153	226,971	31,182	13.7%
Operating Expenses:				
Groundwater Sustainability Plan	106,326	192,214	(85,888)	-44.7%
Consulting and Professional	40,384	41,126	(742)	-1.8%
Administration Fees	36,000	30,000	6,000	20.0%
Laboratory Fees	4,148	4,049	99	2.4%
Legal Fees	2,575	1,675	900	53.7%
Bank Fees	2,528	2,516	12	0.5%
Other Fees	5,902	5,902	-	0.0%
Depreciation	9,869	9,869	-	0.0%
Total Expenses	207,732	287,351	(79,619)	-27.7%
Net Income/(Loss)	50,421	(60,380)	110,801	183.5%
Beginning Net Position	578,472	638,852	(60,380)	-9.5%
Ending Net Position	\$ 628,893	\$ 578,472	\$ 50,421	8.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following explains some of the significant differences between fiscal year 2024-2025 and 2023-2024 as shown on the table above.

- Operating revenues increased approximately \$71 thousand (or 74.6%) from the prior year. The increase is directly related to the decrease in grant reimbursements. As less grant reimbursements are received, more member contributions are recognized as revenue.
- Operating expenses decreased approximately \$80 thousand (or 27.7%) from the prior year. The decrease is primarily due to the \$86 thousand decrease in costs related to the development and preparation of the GSP offset with an increase in Administration Fees of \$6 thousand.
- Non-operating revenues decreased by \$40 thousand (or 30.6%) from the prior year due to a decrease 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 \$163 thousand, offset with an increase in members contributed capital of \$111 thousand and an increase in interest income of \$12 thousand.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)

ASSETS

	<u>2025</u>	<u>2024</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents (Note 2)	\$ 110,904	\$ 197,598
Investments (Note 3)	624,452	327,210
Total current assets	735,356	524,808
<u>Noncurrent Assets:</u>		
Capital Assets (Note 4)	472,884	482,753
Total noncurrent assets	472,884	482,753
Total Assets	\$ 1,208,240	\$ 1,007,561

LIABILITIES & NET POSITION

<u>Current Liabilities:</u>		
Accounts Payable	\$ 13,092	\$ 3,866
Member Deposits (Note 5)	566,255	425,223
Total Liabilities	579,347	429,089
<u>Net Position (Note 6):</u>		
Net Investment in Capital Assets	472,884	482,753
Unrestricted Net Position	156,009	95,719
Total Net Position	628,893	578,472
Total Liabilities & Net Position	\$ 1,208,240	\$ 1,007,561

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, 2025
(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)**

	<u>2025</u>	<u>2024</u>
<u>OPERATING REVENUES:</u>		
Member Contributions	\$ 166,929	\$ 95,600
Total Operating Revenues	166,929	95,600
<u>OPERATING EXPENSES:</u>		
Consulting and Professional	40,384	41,126
Administration Fees	36,000	30,000
Laboratory Testing	4,148	4,049
Legal Fees	2,575	1,675
Bank Fees	2,528	2,516
General Liability and Property Insurance	1,508	1,508
Dues, Licenses, and Fees	4,394	4,394
Depreciation	9,869	9,869
Sub-Total Operating Expenses	101,406	95,137
Groundwater Sustainability Plan	106,326	192,214
Total Operating Expenses	207,732	287,351
Total Operating Income/(Loss)	(40,803)	(191,751)
<u>NON-OPERATING REVENUE/(EXPENSES):</u>		
Interest Income	30,934	18,723
Member's Contributed Capital	60,290	(50,511)
Grant Reimbursements	-	163,159
Total Non-Operating Revenue/(Expenses)	91,224	131,371
Increase/(Decrease) in Net Position	50,421	(60,380)
NET POSITION - BEGINNING OF THE YEAR	578,472	638,852
NET POSITION - END OF THE YEAR	\$ 628,893	\$ 578,472

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Cash Received From Member Agencies	\$ 368,250	\$ -
Cash Payments to Suppliers For Goods and Services		
Groundwater Sustainability Plan	(139,954)	(316,414)
Consulting and Professional	(4,677)	(70,642)
Administration Fees	(33,000)	(31,000)
Legal Fees	(2,575)	(1,700)
Bank Fees	(2,528)	(2,516)
Other Fees	(5,902)	(5,902)
Other Operating Income	-	-
Net Cash Provided By (Used For) Operating Activities	179,614	(428,174)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Grant Reimbursement	-	247,110
Net Cash Provided By (Used for) Capital and Related Financing Activities	-	247,110
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest Income	1,692	2,347
Sale/(Purchase) of Investments	(268,000)	200,000
Net Cash Provided By (Used for) Investing Activities	(266,308)	202,347
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(86,694)	21,283
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	197,598	176,315
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 110,904	\$ 197,598

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(With Comparative Amounts for the Fiscal Year Ended June 30, 2024)

<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>	<u>2025</u>	<u>2024</u>
Operating Income (Loss)	<u>\$ (40,803)</u>	<u>\$(191,751)</u>
<u>Adjustments to reconcile operating loss to net cash</u> <u>provided by operating activities:</u>		
Depreciation	9,869	9,869
Member's Contributed Capital	60,290	(50,511)
<u>Changes in operating assets and liabilities:</u>		
Inc/(Dec) in accounts payable	9,226	(150,692)
Inc/(Dec) in member deposits	<u>141,032</u>	<u>(45,089)</u>
Total adjustments	<u>220,417</u>	<u>(236,423)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 179,614</u></u>	<u><u>\$(428,174)</u></u>

See accompanying Notes to Financial Statements

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2025

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 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
For the year ended June 30, 2025

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 \$110,904 at June 30, 2025 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, 2025, BCGSA does not have any deposits with financial institutions that are not covered by FDIC depository insurance or are uncollateralized.

3. INVESTMENTS:

Investments of \$624,452 on June 30, 2025 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
For the year ended June 30, 2025

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
For the year ended June 30, 2025

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 \$472,884 as of June 30, 2025 consist of the following,

	Balance June 30, 2024	Additions	Retirements/ Transfers	Balance June 30, 2025
Capital Assets being depreciated:				
Monitoring Well	\$ 493,444	\$ -	\$ -	\$ 493,444
Less Accumulated Depreciation				
Monitoring Well	(10,691)	(9,869)	-	(20,560)
Capital Assets, Net	<u>\$ 482,753</u>	<u>\$ (9,869)</u>	<u>\$ -</u>	<u>\$ 472,884</u>

5. MEMBER DEPOSITS:

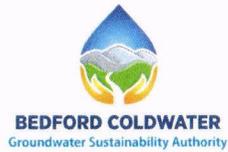
Pursuant to the Joint Powers Agreement, BCGSA established an operating fund to cover all costs of the JPA. Each Authority member provides an equal contribution to the fund, which is used to pay all administrative, operating, and other expenses incurred by BCGSA. The rate or amount of the contributions is established in the annual Operating Budget and based upon an equal contribution by each member. The balance as of June 30, 2025 is \$566,255.

BEDFORD-COLDWATER GROUNDWATER SUSTAINABILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2025

6. NET POSITION:

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, 2025 and June 30, 2024 unrestricted net position amounts consist of the following:

	2025	2024
Operating Reserve	\$ 25,759	\$ 21,469
Non-operating Reserve	130,250	74,250
Total Unrestricted Net Position	\$ 156,009	\$ 95,719



Print Date: 02/03/2026

AP Disbursement Report

Cash Disbursements for 11/01/2025 through 01/31/2026

Check or Reference #	Payment Date	Paid to Vendor	Payment Description	Pmt Type	Payment Amount
434	11/06/2025	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT SEPT 2025	CHECK	1,830.00
435	11/06/2025	WATER SYSTEMS CONSULTING, INC.	GROUNDWATER SUSTAINABILITY PLAN ADMIN SERVICES SEPT 2025	CHECK	6,778.00
436	11/06/2025	ACWA	ANNUAL AGENCY DUES 2026	CHECK	4,394.00
437	11/20/2025	ELSINORE VALLEY MWD	ADMINISTRATION FEES OCT 2025	CHECK	3,000.00
438	11/20/2025	ALESHIRE & WYNDER, LLP	LEGAL SERVICES OCT 2025	CHECK	125.00
439	12/04/2025	ELSINORE VALLEY MWD	ADMINISTRATION FEES NOV 2025	CHECK	3,000.00
440	12/04/2025	WATER SYSTEMS CONSULTING, INC.	GROUNDWATER SUSTAINABILITY PLAN ADMIN SERVICES OCT 2025	CHECK	7,423.00
441	12/11/2025	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT OCT 2025	CHECK	9,017.65
442	12/11/2025	ALESHIRE & WYNDER, LLP	LEGAL SERVICES NOV 2025	CHECK	375.00
443	01/08/2026	ELSINORE VALLEY MWD	ADMINISTRATION FEES DEC 2025	CHECK	3,000.00
444	01/22/2026	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT NOV 2025	CHECK	1,111.25
445	01/22/2026	WATER SYSTEMS CONSULTING, INC.	GROUNDWATER SUSTAINABILITY PLAN ADMIN SERVICES NOV 2025	CHECK	4,760.00
446	01/29/2026	TODD GROUNDWATER	BEDFORD COLDWATER BASIN GSP DEVELOPMENT DEC 2025	CHECK	437.50

Current Payments Issued: \$45,251.40

Reviewed By: 

Date: 2-3-26

Outside Contracts Summary Report

As of January 29, 2026



Consultant Name	Start Date	End Date	Project Description	Total Contract Amount	Paid To Date	Contract Balance	Balance Remaining
Babcock Laboratories	11/20/25	11/20/28	Groundwater Sampling & Analysis	18,624.00	-	18,624.00	100%
Todd Groundwater	06/01/19	06/30/26	GSP Preparation & 5 Annual Updates	827,175.00	773,457.51	53,717.49	6%
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	08/30/26	GSP Administrator	549,400.00	446,431.02	102,968.98	19%
Todd Groundwater	08/01/24	06/30/25	Bedford-Coldwater Aggregate Pit Model	124,980.00	13,852.65	111,127.35	89%



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 19, 2026

To: Board of Directors

From: Deputy Treasurer

**SUBJECT: CONSIDER ADOPTION OF PROPOSED FISCAL YEAR 2026-2027
AND 2027-2028 BUDGET**

RECOMMENDATION:

1. Approve Option 1 or 2 of the proposed BCGSA budget:
 - a. Option 1: One-Year Budget (FY 2026–27)
 - b. Option 2: Biennial Budget (FY 2026–27 and FY 2027–28); and
2. Approve the annual member contribution per agency in the amount of \$73,280.

DISCUSSION:

Each year, administrative staff for the Bedford Coldwater Groundwater Sustainability Authority (BCGSA) reviews current financial activity and projects future expenditure requirements to develop a proposed budget for the upcoming fiscal year. The proposed budget is used to determine the annual member contribution necessary to fund all budgeted expenses in accordance with the Joint Powers Agreement (JPA).

To promote consistency and predictability in member contributions, the Board has historically approved uniform annual contribution amounts. Consistent with this practice, staff have prepared two budget options for Board consideration: a one-year budget and a two-year (biennial) budget, each with equal proposed annual contributions.

Option 1: One-Year Budget (FY 2026–27)

Under this option, staff proposed that the Board approve a one-year operating and non-operating budget for FY 2026–27 totaling \$306,750, including \$100,550 in administrative costs and \$206,200 in Groundwater Sustainability Plan (GSP) implementation costs. This represents a 38 percent decrease from the prior fiscal year due to the conclusion of the 5-year GSP Updates budgeted in fiscal year 2026.

In addition, to comply with the reserve policy adopted by the Board on May 16, 2019, operating and non-operating reserves would be reduced by \$46,354 to maintain reserve levels at 25 percent of budgeted expenses. Selection of this option would require the Board to revisit and adopt a separate budget for FY 2027–28 during the next annual budget cycle.

Option 2: Biennial Budget (FY 2026–27 and FY 2027–28)

Under this option, staff propose that the Board approve a biennial budget with consistent annual member contributions over the two-year period.

For FY 2026–27, the proposed budget totals \$306,750, consisting of \$100,550 in administrative costs and \$206,200 in GSP implementation costs, as described in Option 1 above. For FY 2027–28, the proposed budget totals \$350,100, including \$103,900 in administrative costs and \$246,200 in GSP implementation costs. This reflects a 14 percent increase compared to the FY 2026–27 proposed budget due to increased project costs related to the investigation of groundwater/surface water interactions at Temescal Wash and requires an increase to reserves totaling \$10,838.

The combined proposed operating and non-operating budgets for the biennial period total \$686,850.

Approval of this option would require the Board to adopt a biennial budget once every two years. However, to ensure the ongoing financial health and fiscal sustainability of BCGSA, staff would conduct an annual financial review during the off-budget cycle year and report the results to the Board.

Proposed Member Contributions and Carryover Balance

During the FY 2024–25 budget cycle, the Board approved uniform annual member contribution of \$122,750 for FY 2024–25 through FY 2028–29, resulting in a projected carryover balance of \$645,875 as of June 30th, 2026. This projected carryover balance is being used to offset proposed member funding contribution requirements for the two budget options presented above resulting in lower proposed member contributions for both options.

Based on revised funding requirements over the next five years totaling \$366,398 per agency, staff recommends reducing the annual member contribution to \$73,280 beginning in FY 2026–27 under either option to provide funding stability and consistency. Member contributions will continue to be invoiced to each member agency on July 1 of each fiscal year.

FISCAL IMPACT:

Established in the attached proposed Budget.

ENVIRONMENTAL WORK STATUS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Proposed Budgets

Bedford-Coldwater Groundwater Sustainability Authority
 FY 2026-27 & 2027-28
 Proposed Budget

	YTD Actuals	Approved	Proposed		Projected			5 Yr Total
	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	
Operating - JPA Administration								
GSP Administrator	\$8,690	\$45,000	\$46,125	\$48,300	\$50,500	\$52,800	\$55,200	\$ 252,925
JPA Oversight/Management	18,000	36,000	36,000	36,000	36,000	36,000	36,000	180,000
Website Domain & Software	-	2,000	2,000	2,100	2,200	2,300	2,500	11,100
Website Content Design and Maintenance	-	800	800	900	1,000	1,100	1,200	5,000
Legal Expenses	550	8,000	4,500	4,800	5,100	5,400	5,700	25,500
Auditing Services	1,605	1,670	1,780	1,900	2,100	2,300	2,500	10,580
Insurance	1,508	2,250	2,250	2,400	2,600	2,800	3,000	13,050
Bank Fees	1,453	2,760	2,940	3,100	3,300	3,500	3,700	16,540
Dues/Memberships	4,394	4,685	4,155	4,400	4,600	4,900	5,200	23,255
Total Operating - JPA Administration Costs	36,200	103,165	100,550	103,900	107,400	111,100	115,000	\$ 537,950
Non-Operating - GSP Implementation Costs*								
Management Actions	9,478	104,000	130,200	130,200	130,200	130,200	130,200	651,000
Projects	9,741	76,000	40,000	80,000	185,000	299,000	49,000	653,000
Programs and Initiatives	9,705	209,000	36,000	36,000	36,000	36,000	36,000	180,000
Total Non-Operating - GSP Implementation Costs	28,924	389,000	206,200	246,200	351,200	465,200	215,200	\$ 1,484,000
Total Operating & Non-Operating Budget	\$ 65,124	\$ 492,165	\$ 306,750	\$ 350,100	\$ 458,600	\$ 576,300	\$ 330,200	\$ 2,021,950

*Detailed GSP Implementation Cost breakdown on page 2.

Bedford-Coldwater Groundwater Sustainability Authority
 FY 2026-27 & 2027-28
 Proposed Budget - GSP Implementation Costs

	Proposed		Projected			5 Yr Total
	2026-27	2027-28	2028-29	2029-30	2030-31	
Management Actions:						
# 1 Annual Report	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 410,000
# 2 All Other Management Actions	48,200	48,200	48,200	48,200	48,200	241,000
Total Management Actions	\$ 130,200	\$ 651,000				
Projects:						
# 1 Investigate Groundwater/Surface Water Interaction	\$ 5,000	\$ 45,000	\$ 150,000	\$ 14,000	\$ 14,000	\$ 228,000
# 2 Private Wells Investigation	9,000	9,000	9,000	9,000	9,000	45,000
# 3 Aggregate Pits Investigation	26,000	26,000	26,000	276,000	26,000	380,000
Total Projects	\$ 40,000	\$ 80,000	\$ 185,000	\$ 299,000	\$ 49,000	\$ 653,000
Programs and Initiatives:						
# 1 Grant Opportunities & Management	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 85,000
# 2 Well Drilling Application Evaluations	19,000	19,000	19,000	19,000	19,000	95,000
Total Programs and Initiatives	\$ 36,000	\$ 180,000				
Total GSP Implementation Costs	\$ 206,200	\$ 246,200	\$ 351,200	\$ 465,200	\$ 215,200	\$ 1,484,000

Bedford-Coldwater Groundwater Sustainability Authority
 FY 2026-27 & 2027-28
 Proposed Member Contributions

	Proposed		Projected			5 Yr Total
	2026-27	2027-28	2028-29	2029-30	2030-31	
<u>Revenue</u>						
Estimated Member Contributions Carryover*	\$ 645,875	\$ 435,420	\$ 123,030	\$ -	\$ -	\$ 1,204,324
Interest Income	30,940	29,548	28,218	26,948	25,736	141,390
Cost Recovery-Well Drilling Application	19,000	19,000	19,000	19,000	19,000	95,000
Total Revenue	695,815	483,967	170,248	45,948	44,736	1,440,714
<u>Total Operating & Non-Operating Expenses</u>	306,750	350,100	458,600	576,300	330,200	2,021,950
<u>Reserve Requirements Rev/(Exp)</u>						
Operating Reserves	654	(838)	(875)	(925)	(975)	(2,959)
Non-Operating Reserves	45,700	(10,000)	(26,250)	(28,500)	62,500	43,450
Total Reserve Requirements	46,354	(10,838)	(27,125)	(29,425)	61,525	40,491
<u>Member Contribution</u>						
Member Contribution Carryover	(435,420)	(123,030)	-	-	-	(558,449)
Member Contribution	-	-	315,477	559,777	223,939	1,099,194
Member Contribution per Agency	-	-	105,159	186,592	74,646	366,398
Alternate Member Contribution per Agency (1)						
FY25 - FY29 approved in prior yr budget	122,750	122,750	122,750	(926)	(926)	366,398
Alternate Member Contribution per Agency (2)						
Level Over 5 years	73,280	73,280	73,280	73,280	73,280	366,398

*YTD cash balance less unspent budgeted expenses for the FY.

Bedford-Coldwater Groundwater Sustainability Authority
 FY 2026-27 & 2027-28
 Proposed Reserves Carryover/Budget

Reserve Carryover/ Budget						
	Approved	Proposed		Projected		
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Operating Budget	103,165	100,550	103,900	107,400	111,100	115,000
Operating Reserve Require - 25%	25,791	25,137	25,975	26,850	27,775	28,750
Increase/(Reduction)	33	(654)	838	875	925	975
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Non-Operating Budget	389,000	206,200	246,200	351,200	465,200	215,200
Non-Operating Reserve Requirement - 25%	97,250	51,550	61,550	87,800	116,300	53,800
Increase/(Reduction)	(33,000)	(45,700)	10,000	26,250	28,500	(62,500)



BEDFORD COLDWATER
Groundwater Sustainability Authority

Date: February 19, 2026
To: Board of Directors
From: Michael Cruikshank, PG, CHG, GSP Administrator
SUBJECT: BCGSA ADMINISTRATOR'S REPORT

RECOMMENDATION:

1. Receive a 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.

GSP Determination

On April 7, 2025, the BCGSA received a letter from DWR approving the submitted GSP. Along with its approval, DWR issued a GSP Assessment Staff Report that included comments and recommended corrective actions related to the Subbasin's 2022 GSP. DWR's recommended corrective actions are intended to enhance the GSP and support future DWR evaluations. The actions include: (1) providing additional rationale and clarifying language in the sustainable management criteria (SMC) for chronic lowering of groundwater levels, (2) adding clarifying language to the water quality degradation SMC, and (3) incorporating forthcoming DWR guidance related to the depletion of interconnected surface water SMC. The corrective actions are currently being addressed as part of the Periodic Update to be submitted to DWR in January 2027, as described in more detail below.

The BCGSA made significant progress in two of the three projects described in the GSP with the Groundwater Surface Water Interactions at Temescal Wash Workplan and the Private Well Survey in FY 2023/2024. In FY 2025/2026 the BCGSA is prioritizing the Evaluation and Effects of the Aggregate Pits on Groundwater Flow and Quality project. Updates on the following key projects are provided below: (1) Evaluation of Aggregate Pits' Effects on Groundwater Flow and Quality (2) Groundwater/Surface Water Interaction at Temescal Wash, (3) Private Well Survey. Additionally, BCGSA agencies have been actively collecting data related to the GSP's management actions and are in the process of preparing the Bedford-Coldwater Water Year 2025 Annual Report.

Periodic Evaluation

SGMA requires GSAs to conduct a comprehensive evaluation of their GSPs at least every five years. This five-year periodic evaluation provides a detailed assessment of the GSP's implementation progress and effectiveness. It serves to determine whether the GSP is on track to achieve sustainability goals by 2040 and to identify any necessary adjustments. The first five-year evaluation for the BCGSA is due to DWR on January 12, 2027. The BCGSA has kicked off the development of the Periodic Evaluation and will provide updates at future Board Meetings once further progress has been made.

Projects

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. Gaining this understanding will enable the BCGSA to refine the basin's conceptual and numerical models, supporting more effective and sustainable management of the Subbasin. The BCGSA has met with aggregate pit owners and operators and has scheduled field visits to learn more about ongoing mining activities and long-term plans. The parties have also agreed to share data to improve understanding of the effects of aggregate pit operations on both groundwater quality and quantity.

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. DWR has released three of four guidance documents to support compliance with GSP regulations, with the final document expected in 2026. Implementation of Phase 2 will be guided by forthcoming DWR guidance following preparation of the first Periodic Evaluation and will likely be incorporated into the second GSP Evaluation or a plan amendment if deemed necessary by the BCGSA.

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.

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 completed the data collection effort identified in the management actions and the information is being used to develop the Water Year 2025 Annual Report.

FISCAL IMPACT:

Not applicable

ENVIRONMENTAL WORK STATUS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Administrator's Update Presentation

February 19, 2026

BCGSA Administrator's Update



Michael Cruikshank, PG, CHG

Administrator's Update

GSP Implementation

- GSP Periodic Review
- 2025 Annual Report – 5th Annual Report
- Projects and Management Actions



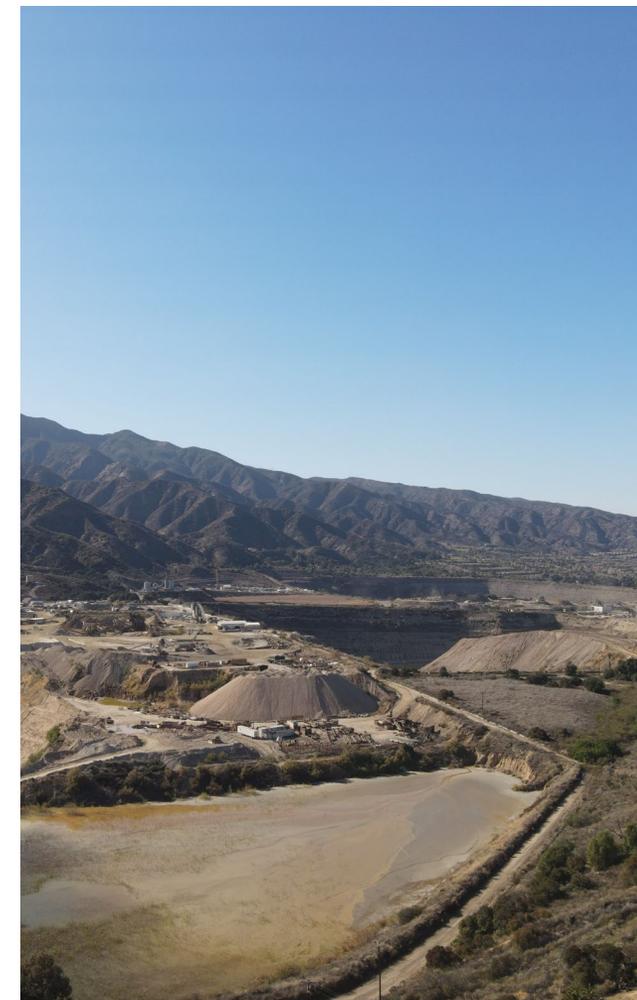
GSP Periodic Evaluation

- SGMA requires GSA's to conduct a comprehensive evaluation of their Groundwater Sustainability Plans (GSPs) at least every five years
- This five-year periodic evaluation provides a detailed assessment of the GSP's implementation progress and effectiveness. It serves to determine whether the GSP is on track to achieve sustainability goals by 2040 and to identify any necessary adjustments.
- The first five-year evaluation for the BCGSA is due to DWR on January 12, 2027.



GSP Periodic Evaluation

- Periodic Evaluation will address the corrective actions identified in the DWR Determination Letter
- Three (3) Recommended Corrective Actions:
 - 1) Provide additional rationale and clarifying language in the sustainable management criteria (SMC) for chronic lowering of groundwater levels
 - 2) Add clarifying language to the water quality degradation SMC
 - 3) Incorporate forthcoming DWR guidance related to the depletion of interconnected surface water SMC



Investigate Groundwater/Surface Water Interaction at Temescal Wash

- Finalized Monitoring Workplan
 - Vegetation, Hydrology and Constraints Analysis
 - Monitoring Well Design and Specifications
- DWR released Guidance on Interconnected Surface Water
 - [Depletions of ISW: An Introduction](#)
 - [Techniques for Estimating ISW Depletion Caused by Groundwater Use](#)
 - [Examples for Estimating ISW Depletion Caused by Groundwater Use](#)
 - **Guidance for Managing ISW Depletion** (Under Development)
- Inform the BCGSAs approach to installation of monitoring wells/stream gages and ongoing monitoring



Aggregate Pit Operations in Coldwater

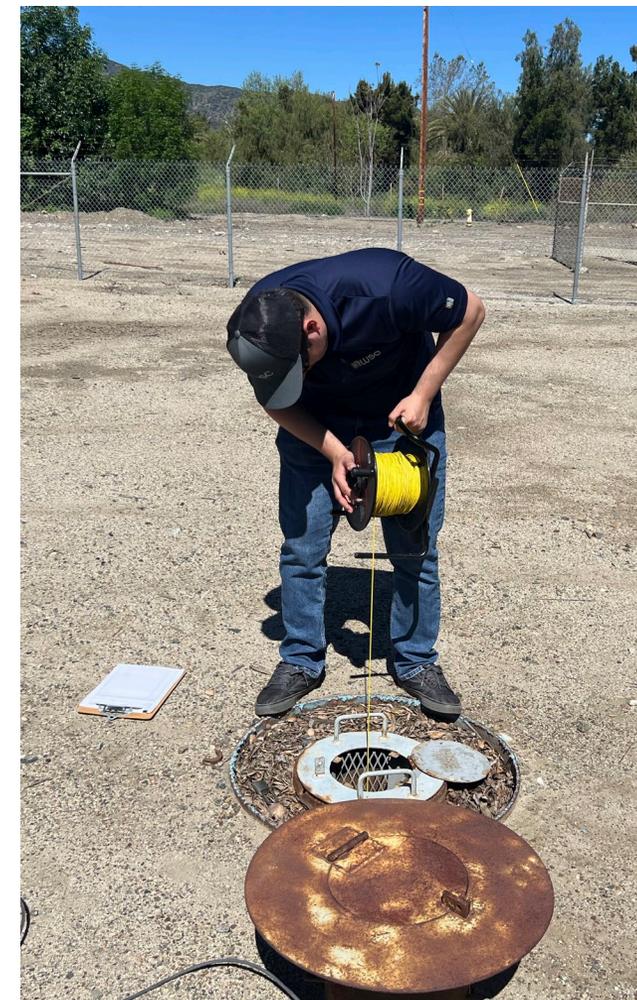
- Ongoing Coordination with the Aggregate Pit Operators
 - Discussion of Long-Term Site Plans
 - Data Request
 - Site Visits





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



WY 2025 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 2025.
- Due to DWR on April 1st, 2026
 - Provide and overview of the WY 2025 Annual Report at the May 2026 Board Meeting





BEDFORD COLDWATER
Groundwater Sustainability Authority