



BOARD OF DIRECTORS MEETING AGENDA

Wednesday, February 14, 2018 – 1:30 p.m.

Location--1630 West Redlands Boulevard, Suite A, Redlands, California

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. ADDITIONS/DELETIONS TO AGENDA

Section 54954.2 provides that a legislative body may take action on items of business not appearing on the posted agenda under the following conditions: (1) an emergency situation exists, as defined in Section 54956.5; (2) a need to take immediate action and the need for action came to the attention of the District subsequent to the agenda being posted; and (3) the item was posted for a prior meeting occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

3. CONSENT CALENDAR

- A. Approval of Board Minutes, January 10, 2018..... 5
- B. Approval of Expenditure Report, January 2018 11
- C. Groundwater Assessment Report for July 1, 2017-December 31, 2017..... 19

4. COMMITTEE REPORTS /ACTION ITEMS

Committee Reports

- A. 2nd QUARTER ANNUAL UNAUDITED FINANCIALS REVIEW FOR 2017-2018 – 5 minutes (M#1549)33
Presenter: Vice President McDonald, Finance & Administration Committee Chair/Daniel Cozad
Recommendation: The Finance & Administration Committee recommends the Board receive and file the 2nd Quarter Annual Unaudited Financials for 2017-2018.
- B. BUDGET PLANNING FOR GROUNDWATER ENTERPRISE FOR FY 2018-2019 AND ADVERTISED GROUNDWATER CHARGE – 15 minutes (M#1550)38
Presenter: Vice President McDonald, Finance & Administration Committee Chair/Daniel Cozad
Recommendation: Review, discuss and approve issues for inclusion in the 2018-2019 Groundwater Enterprise Budget and provide direction to staff on Public Notice for the Groundwater Charge.
- C. MILL CREEK 408 PERMIT DIRECTION – 10 minutes (M#1551)54
Presenter: President Corneille, Operations Committee Chair/Daniel Cozad
Recommendation: On the recommendation of the Operations Committee, review project update for the Mill Creek Diversion Enhancement Project and authorize staff to expend an amount not to exceed \$75,000 for expedited US Army Corps of Engineers (Corps) 408 Permit Review.

Action Items

- D. UNAUDITED FINANCIAL REPORTS, JANUARY 2018 – 5 minutes (M#1552) 58
Presenter: Daniel Cozad
Recommendation: Review and approve the unaudited financials for January 2018.
- E. COOPERATIVE AUDIT OF CEMEX OPERATIONS – 10 minutes (M#1553)64
Presenter: Daniel Cozad
Recommendation: Receive and file staff’s presentation on the results of the cooperative audit of CEMEX operations.
- F. DRAFT ENGINEERING INVESTIGATION REPORT FOR 2018 (M#1554) – 15 minutes.....79
Presenter: Daniel Cozad
Recommendation: Receive and file staff’s presentation, provide any comments or changes to the Engineering Investigation Report (EI Report).
- G. GROUNDWATER COUNCIL FRAMEWORK AGREEMENT – 15 minutes (M#1555)81
Presenter: Daniel Cozad and David Cosgrove
Recommendation: It is recommended that the Board approve the Groundwater Council Framework Agreement to equitably share responsibility for basin management and to ensure the future sustainability of the San Bernardino Groundwater Basin.

- H. WASH PLAN UPDATE ON FINAL HABITAT CONSERVATION PLAN – 5 minutes (M#1556)118

Presenter: Jeff Beehler

Recommendation: Staff recommends that the Board direct staff to prepare a submission for Federal Register publication based on the Public Review Draft Upper Santa Ana River Wash Plan Habitat Conservation Plan.

- I. MITIGATE NEGATIVE DECLARATION FOR PLUNGE CREEK – 10 minutes (M#1557)120

Presenter: Jeff Beehler

Recommendation: Staff recommends that the Board; 1) adopt the draft Mitigated Negative Declaration for the Plunge Creek Conservation Project, and, 2) direct staff to file all required applications and notices, including a Notice of Determination with the State Clearinghouse.

- J. COUNTYWIDE RDA OVERSIGHT BOARD ALTERNATE – 5 minutes (M#1558)122

Presenter: Daniel Cozad

Recommendation: Staff is requesting that the Board reaffirm its December 2017 decision to nominate Director Harrison as the alternate member of the Special Districts representative for the Countywide RDA Oversight Board, authorize the Board President to sign required documents and direct staff to submit necessary paperwork to LAFCO.

5. **INFORMATION ITEMS:**

- A. General Manager’s Report and Monthly Recharge Report – 5 Minutes 129
- B. Santa Ana River Conservancy Plan Verbal Update – 5 Minutes
- C. Future Agenda Items & Staff Tasks

6. **MONTHLY BOARD MEMBER MEETING REPORTS, AND/OR BOARD MEMBER COMMENTS**

- A. Board Member Meeting Reports – 15 minutes

7. **UPCOMING MEETINGS:**

- A. February 19, 2018 Office Closed in Observance of President’s Day
- B. February 20, 2018 San Bernardino Valley Municipal Water District Board of Directors Meeting, 2:30 p.m. at Valley Municipal
- C. February 26, 2018 Association of San Bernardino County Special Districts Dinner, 6:00 p.m. at The Castaway (San Bernardino)
Speaker: Second District Supervisor Janice Rutherford
- D. March 9, 2018 Big Bear Watermaster Committee Meeting, 1:30 p.m. at Conservation District
- E. March 14, 2018 Board of Directors Meeting, 1:30 p.m. at Conservation District
- F. March 14, 2018 ***Form 700’s to be Submitted to District Office***

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING

MINUTES OF January 10, 2018
1:30 p.m.

President Corneille called the meeting of the Board of Directors to order at 1:30 p.m. All present stood for the Pledge of Allegiance, led by President Corneille.

ROLL CALL:

BOARD MEMBERS PRESENT:

Richard Corneille, President
Melody McDonald, Vice President
David E. Raley, Director
T. Milford Harrison, Director
John Longville, Director (Arrived at 2:26 p.m.)

BOARD MEMBERS ABSENT:

None

GENERAL COUNSEL PRESENT:

David Cosgrove, Rutan & Tucker, LLP

STAFF PRESENT:

Daniel Cozad, General Manager
Jeff Beehler, Land Resource Manager
Athena Monge, Administrative Services Specialist

GUESTS PRESENT:

James Folmer, Highland Community News
David Smith, East Valley Water District

1. PUBLIC PARTICIPATION

President Corneille announced this as the time for any persons present, who so desired, to make an oral presentation to the Board of Directors. Hearing none, the meeting continued with published agenda items.

2. ADDITIONS/DELETIONS TO AGENDA

There were none.

3. DISTRICT STANDING COMMITTEE APPOINTMENTS

It was moved by Vice President McDonald and seconded by Director Harrison to approve Appendix B-Standing Committees and Appendix C-Roster of Organizations and Committees with Assigned Representatives as presented. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

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

President Corneille appointed two ad hoc committees. He appointed Vice President McDonald and himself to an Ad Hoc General Manager Evaluation Committee and Director Raley and Longville to an Ad Hoc Audit Committee.

4. CONSENT CALENDAR

It was moved by Vice President McDonald and seconded by Director Raley to approve Consent Calendar Item A: Board Minutes, December 13, 2017; and Item B: Expenditure Report, December 2017. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

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

5. COMMITTEE REPORTS/ACTION ITEMS

A. UNAUDITED FINANCIAL REPORTS, DECEMBER 2017

Mr. Cozad introduced this item for discussion. He noted that interest income was inadvertently posted to the miscellaneous income general ledger account; this will be revised on next month's unaudited financial reports. Mr. Cozad said that approximately \$8,000 of Wash Plan staff costs that were not included in the reports will be updated next month as well.

It was moved by Director Raley and seconded by President Corneille to approve the Unaudited Financial Reports for December 2017. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

President Corneille: Yes

Vice President McDonald: Yes
Director Longville: Absent
Director Raley: Yes
Director Harrison: Yes

B. STATEMENT OF INVESTMENT POLICY 2018

Mr. Cozad introduced this item for discussion. He indicated that the Statement of Investment Policy is reviewed by the Board annually. There are no changes recommended by staff this year. The Finance & Administration Committee reviewed and concurred with the recommendation. Mr. Cozad said that staff continues to make investments in line with current policy. Director Harrison noted some minor verbiage changes needed in paragraph two.

It was moved by Director Raley and seconded by Director Harrison to approve the Statement of Investment Policy for 2018 with recommended revisions. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Absent
Director Raley: Yes
Director Harrison: Yes

C. DISTRICT BOARD PRIORITIES FOR 2018

Mr. Cozad reviewed Board Draft Priorities for 2018 included on package page 45. He incorporated the goals from the Community Strategic Plan (CSP) and some Board Priorities from 2017 into the 2018 draft.

Mr. Cozad began a review of the Board Priorities:

- Item 7: Wash Plan Implementation Preserve Work Plan is significant to staff. President Corneille requested that the language be changed to "Wash Plan Preserve Implementation Work Plan."
- Item 5: President Corneille said that the District would like to have at least one active trail by 2020.
- Item 9: President Corneille recommended that this item be changed to a priority 1 rather than priority 2.
- Item 11: President Corneille requested that the initial plan for the Mendoza Property be brought forward to the full Board for approval in 2018.

It was moved by Director Harrison and seconded by Director Raley to approve the District Board Priorities for 2018 with revisions. The motion carried 4-0 with all Directors present voting in the affirmative and Director Longville noted absent from the vote.

President Corneille: Yes
Vice President McDonald: Yes
Director Longville: Absent

Director Raley: Yes
Director Harrison: Yes

D. IMPACT OF THE UNITED WATER CONSERVATION DISTRICT COURT RULING ON CONSERVATION DISTRICTS

Mr. Cosgrove noted the inclusion of a memo on package page 47 detailing the recent court decision. He reviewed the City of Ventura and the United Water Conservation District (UWCD) court case. The District has been following the guidelines of Proposition 218 even though it did not believe that the statute applied to it. The UWCD charges the groundwater charge under the same statute that the District does. There are two major issues that impact the groundwater charge assessed by the Conservation District; 1) whether the groundwater charge is a property-related charge as outlined in Proposition 218 and 2) whether the District must have a higher non-agricultural rate than agricultural rate as required under Government Code §75594. Mr. Cosgrove discussed burdens versus benefits. Under the recent court decision, the court said that Proposition 218 did not apply to the UWCD groundwater charge and Government Code §75594 was found to be unconstitutional. The District is not required to adhere to Proposition 218, but Proposition 26 does apply. Under Proposition 26, there has to be proportionality between the benefits and burdens. Mr. Cosgrove recommended that, even though the groundwater notices are not required, the District should continue to send notices to its groundwater producers. However, the letter will no longer include the majority protest language. Mr. Cosgrove recommended that the District no longer have two separate rates for agricultural and non-agricultural usage. The facilities, staff, and water supplies are the same for both. He recommended having one unitary rate based on the District's costs.

Director Raley voiced concerned over raising the agricultural groundwater rate significantly; he proposed having a phase-in plan. President Corneille agreed with phasing as well. Mr. Cozad said that the District will send out notices to groundwater producers advising them of the recent court decision and how it will affect their groundwater rates. Staff suggested the District hold an informational workshop so that groundwater producers may voice their concerns and the District may answer any questions they may have before advertising a rate. Discussion ensued. Vice President McDonald also voiced concern over the adverse effect that any significant increase may have on agricultural groundwater producers. It was the consensus of the Board to direct staff to move forward with holding an informational workshop with groundwater producers, prepare a phase-in plan and bring back information to the Board at the next Board meeting.

6. INFORMATION ITEMS

A. WASH PLAN REPORT

Mr. Beehler presented a PowerPoint presentation on this item. He said that the package would be ready in February for posting in the Federal Register. Mr. Beehler said that the District is complying with AB-52 consultation requirements. He has met with the San Manuel Band of Mission Indians, Soboba, and Gabrieleño. They are primarily interested in recent cultural resources. No cultural monitors have been requested. The San Manuel Band of Mission Indians and Soboba tribes will be notified of any herbicide usage and ground-disturbing projects. This item was received and filed.

B. GENERAL MANAGER'S REPORT AND MONTHLY RECHARGE REPORT

Mr. Cozad indicated that the written General Manager's Report was included in the Board Package on pages 52 to 55. The Monthly Recharge Report was included on package page 56. Mr. Cozad noted that the US Army Corps of Engineers (USACOE) had received the permit application and plans for Mill Creek Diversion Improvement Project and the cost for expedited review is estimated by the USACOE at \$75,000. The project cannot move forward until the 408 permit is obtained. Staff recommends that the Operations Committee meet to review this project's costs and approach to 408 permitting. The regulatory entities will have a field visit to Plunge Creek on January 12. Mr. Cozad said that the Enhanced Recharge Project pipeline is currently being backfilled and should be done between June and July. He noted that Redlands Plaza parking lot striping had been delayed for a week due to weather. A copy of the proclamation presented by Vice President McDonald to Charles Roberts at his retirement party is included on package page 55. Mr. Cozad provided a handout of a newspaper article from Charles Roberts about the Wash Plan. He also provided a handout of a letter from Congressmen Cook & Aguilar supporting Senator Feinstein's request to move the Wash Plan Land Exchange Act forward for approval by Senate. The Santa Ana River HCP is estimated to be approved in 2020. This item was received and filed.

C. GROUNDWATER COUNCIL VERBAL REPORT

Mr. Cozad introduced this item for discussion. There have been no substantive changes to the draft agreement. Ms. Scholte made revisions to the Equitable Allocation Model (EAM). The next GC meeting will be held March 12. This item was received and filed.

D. FUTURE AGENDA ITEMS & STAFF TASKS

Vice President McDonald asked staff to verify the candidate filing period for November 2018 elections.

7. MONTHLY BOARD MEMBER COMMITTEE ACTIVITY REPORTS, AND/OR COMMENTS BY BOARD MEMBERS

Director Longville made no report.

Director Raley attended the Advisory Commission on December 14 and the Redlands Rise N Shine on January 5. He also attended the Valley Municipal Board Workshop on January 9.

Director Harrison attended the Valley Municipal Board Meeting on December 19, SBACC Koffee Klatch on December 20 and January 3. He also attended the Redlands Rise N Shine on January 5 and Valley Municipal Board Workshop on January 9.

President Corneille chaired the Advisory Commission on December 14. He noted that due to a conflict with Commission members' schedules, the Commission would no longer hold a meeting in December. He noted that he will be joining the Valley Municipal President to visit agencies that have not been regularly attending the Advisory Commission meetings to encourage participation.

Vice President McDonald attended the Baseline Feeder Committee Workshop on December 21 and the Water Use Efficiency Meeting on December 20. She also attended the Valley Municipal Board Meeting on December 19.

8. UPCOMING MEETINGS

Mr. Cozad noted that Governance Training would be held on February 5 in La Quinta; this is a mandatory Board training required to renew our CSDA Districts of Distinction and Transparency Certificates.

9. CLOSED SESSION

There was none.

10. ADJOURN MEETING

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

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

At 3:45 p.m., the meeting adjourned to the Board of Directors meeting scheduled for 1:30 p.m. February 14, 2018, at District Headquarters, 1630 W. Redlands Blvd., Redlands, Calif.

Daniel B. Cozad
General Manager

San Bernardino Valley Water Conservation District Expenditure Report January 2018

Num	Date	Name	Account	Class	Original Amount
Tax Liab	01/22/2018	Paychex	1012 · Citizens Busine...		-2,093.19
			6160 · Payroll Taxes-E...	4-General Fund Ent.	336.17
			6160 · Payroll Taxes-E...	1-Groundwater Ent.	1,064.81
			6160 · Payroll Taxes-E...	2-Redlands Plaza/...	106.75
			6160 · Payroll Taxes-E...	3-Land Resources	353.75
			6160 · Payroll Taxes-E...	5-Wash Plan	231.71
TOTAL					2,093.19
PC 12.29.17	01/03/2018	Paychex	1012 · Citizens Busine...		-82.06
			6042 · Payroll Processing	4-General Fund Ent.	82.06
TOTAL					82.06
PC 1.12.18	01/17/2018	Paychex	1012 · Citizens Busine...		-291.29
			6042 · Payroll Processing	4-General Fund Ent.	291.29
TOTAL					291.29
PC 1.31.18	01/31/2018	Paychex	1012 · Citizens Busine...		-82.06
			6042 · Payroll Processing	4-General Fund Ent.	82.06
TOTAL					82.06
ACH0125	01/10/2018	Melody McDonald	1012 · Citizens Busine...		-95.26
			6410 · Mileage	4-General Fund Ent.	95.26
TOTAL					95.26
ACH0126	01/10/2018	T. Milford Harrison	1012 · Citizens Busine...		-13.91
			6410 · Mileage	4-General Fund Ent.	13.91
TOTAL					13.91
ACH0128	01/30/2018	Melody McDonald	1012 · Citizens Busine...		-62.15
			6410 · Mileage	4-General Fund Ent.	62.15
TOTAL					62.15
ACH0129	01/30/2018	T. Milford Harrison	1012 · Citizens Busine...		-69.76
			6410 · Mileage	4-General Fund Ent.	69.76
TOTAL					69.76
21023	01/09/2018	AAA Alarm Systems, Inc.	1012 · Citizens Busine...		-129.00
	01/01/2018		5410 · Alarm Service	4-General Fund Ent.	64.50
			5410 · Alarm Service	1-Groundwater Ent.	64.50
TOTAL					129.00

San Bernardino Valley Water Conservation District
Expenditure Report
January 2018

02/06/18

Num	Date	Name	Account	Class	Original Amount
21024	01/09/2018	ACWA JPIA - Workers ...	1012 · Citizens Busine...		-2,481.41
	01/09/2018		6120 · Workers' Comp. ...	4-General Fund Ent.	398.51
			6120 · Workers' Comp. ...	1-Groundwater Ent.	1,262.30
			6120 · Workers' Comp. ...	2-Redlands Plaza/...	126.55
			6120 · Workers' Comp. ...	3-Land Resources	419.36
			6120 · Workers' Comp. ...	5-Wash Plan	274.69
TOTAL					2,481.41
21025	01/09/2018	ACWA/JPIA-Health	1012 · Citizens Busine...		-13,657.84
	01/05/2018		6110 · Vision Insurance	4-General Fund Ent.	26.60
			6110 · Vision Insurance	1-Groundwater Ent.	84.25
			6110 · Vision Insurance	2-Redlands Plaza/...	8.45
			6110 · Vision Insurance	3-Land Resources	27.99
			6110 · Vision Insurance	5-Wash Plan	18.33
			6130 · Dental Insurance	4-General Fund Ent.	112.73
			6130 · Dental Insurance	1-Groundwater Ent.	357.07
			6130 · Dental Insurance	2-Redlands Plaza/...	35.80
			6130 · Dental Insurance	3-Land Resources	118.62
			6130 · Dental Insurance	5-Wash Plan	77.70
			6150 · Medical Insurance	4-General Fund Ent.	2,054.12
			6150 · Medical Insurance	1-Groundwater Ent.	6,506.42
			6150 · Medical Insurance	2-Redlands Plaza/...	652.31
			6150 · Medical Insurance	3-Land Resources	2,161.56
			6150 · Medical Insurance	5-Wash Plan	1,415.89
TOTAL					13,657.84
21026	01/09/2018	Assoc. San Bernardino...	1012 · Citizens Busine...		-101.00
	01/02/2018		6425 · Meals	4-General Fund Ent.	37.00
			6425 · Meals	4-General Fund Ent.	64.00
TOTAL					101.00
21027	01/09/2018	Athena Monge	1012 · Citizens Busine...		-13.11
	01/09/2018		6510 · Mileage	4-General Fund Ent.	13.11
TOTAL					13.11
21028	01/09/2018	Castro Landscaping Se...	1012 · Citizens Busine...		-250.00
	12/30/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	250.00
TOTAL					250.00
21029	01/09/2018	Day Lite Maintenance, I...	1012 · Citizens Busine...		-144.00
	01/01/2018		6026 · Redlands Plaza ...	2-Redlands Plaza/...	144.00
TOTAL					144.00
21030	01/09/2018	Edison - 8812	1012 · Citizens Busine...		-124.52
	12/30/2017		5420 · Electricity	4-General Fund Ent.	34.87
			5420 · Electricity	1-Groundwater Ent.	24.90
			5420 · Electricity	2-Redlands Plaza/...	64.75
TOTAL					124.52

San Bernardino Valley Water Conservation District
Expenditure Report
January 2018

Num	Date	Name	Account	Class	Original Amount
21031	01/09/2018	Edison - Redlands Plaza	1012 · Citizens Busine...		-222.13
	12/30/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	222.13
TOTAL					222.13
21032	01/09/2018	Frontier-4860	1012 · Citizens Busine...		-484.57
	12/28/2017		5440 · Telephone	4-General Fund Ent.	237.71
			5440 · Telephone	1-Groundwater Ent.	101.87
			5470 · Internet Services	4-General Fund Ent.	72.50
			5470 · Internet Services	1-Groundwater Ent.	43.50
			5470 · Internet Services	2-Redlands Plaza/...	7.25
			5470 · Internet Services	3-Land Resources	21.74
TOTAL					484.57
21033	01/09/2018	Frontier-7275	1012 · Citizens Busine...		-145.32
	12/19/2017		5440 · Telephone	4-General Fund Ent.	49.23
			5440 · Telephone	1-Groundwater Ent.	21.10
			5470 · Internet Services	4-General Fund Ent.	37.50
			5470 · Internet Services	1-Groundwater Ent.	22.50
			5470 · Internet Services	2-Redlands Plaza/...	3.75
			5470 · Internet Services	3-Land Resources	11.24
TOTAL					145.32
21034	01/09/2018	Home Depot Credit Ser...	1012 · Citizens Busine...		-259.26
	12/28/2017		5210 · Equipment Maint...	1-Groundwater Ent.	149.97
			5215 · Property Mainte...	1-Groundwater Ent.	87.43
			5215 · Property Mainte...	3-Land Resources	21.86
TOTAL					259.26
21035	01/09/2018	Kelly Associates Mana...	1012 · Citizens Busine...		-1,565.00
	01/02/2018		5120 · Misc. Profession...	4-General Fund Ent.	456.51
			5120 · Misc. Profession...	1-Groundwater Ent.	325.99
			5120 · Misc. Profession...	3-Land Resources	782.50
TOTAL					1,565.00
21036	01/09/2018	Nossaman LLP	1012 · Citizens Busine...		-245.00
	12/29/2017		5120 · Misc. Profession...	4-General Fund Ent.	71.47
			5120 · Misc. Profession...	1-Groundwater Ent.	51.03
			5120 · Misc. Profession...	3-Land Resources	122.50
TOTAL					245.00
21037	01/09/2018	O'Reilly	1012 · Citizens Busine...		-82.84
	12/27/2017		5310 · Vehicle Mainten...	1-Groundwater Ent.	82.84
TOTAL					82.84

San Bernardino Valley Water Conservation District
Expenditure Report
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Num	Date	Name	Account	Class	Original Amount
21038	01/09/2018	ReadyRefresh by Nestle	1012 · Citizens Busine...		-93.74
	12/26/2017		5460 · Water / Trash / ...	4-General Fund Ent.	46.87
			5460 · Water / Trash / ...	1-Groundwater Ent.	37.50
			5460 · Water / Trash / ...	3-Land Resources	9.37
TOTAL					93.74
21039	01/09/2018	Redlands Plumbing, Inc.	1012 · Citizens Busine...		-3,109.00
	12/27/2017		6016 · Redlands Plaza ...	2-Redlands Plaza/...	3,109.00
TOTAL					3,109.00
21040	01/09/2018	Schubert Landscaping,...	1012 · Citizens Busine...		-295.00
	12/20/2017		6015 · Mentone House ...	2-Redlands Plaza/...	295.00
TOTAL					295.00
21041	01/09/2018	Stanley Convergent Se...	1012 · Citizens Busine...		-357.12
	01/02/2018		6026 · Redlands Plaza ...	2-Redlands Plaza/...	357.12
TOTAL					357.12
21042	01/09/2018	Terminix	1012 · Citizens Busine...		-66.00
	12/26/2017		6026 · Redlands Plaza ...	2-Redlands Plaza/...	66.00
TOTAL					66.00
21043	01/09/2018	U.S. Bank Equipment F...	1012 · Citizens Busine...		-421.84
	12/15/2017		6033 · Office Equipmen...	4-General Fund Ent.	316.38
			6033 · Office Equipmen...	1-Groundwater Ent.	21.09
			6033 · Office Equipmen...	2-Redlands Plaza/...	63.28
			6033 · Office Equipmen...	3-Land Resources	21.09
TOTAL					421.84
21044	01/09/2018	Valero Marketing & Su...	1012 · Citizens Busine...		-755.51
	12/29/2017		5320 · Fuel	1-Groundwater Ent.	755.51
TOTAL					755.51
21045	01/09/2018	Wilbur's	1012 · Citizens Busine...		-44.97
	10/18/2017		5210 · Equipment Maint...	1-Groundwater Ent.	44.97
TOTAL					44.97
21046	01/12/2018	Clerk of the Board of S...	1012 · Citizens Busine...		-2,330.75
			5124 · Plunge Creek Pr...	3-Land Resources	2,330.75
TOTAL					2,330.75

San Bernardino Valley Water Conservation District
Expenditure Report
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02/06/18

Num	Date	Name	Account	Class	Original Amount
21047	01/24/2018	AAA Alarm Systems, Inc.	1012 · Citizens Busine...		-258.00
	02/01/2018		5410 · Alarm Service	4-General Fund Ent.	129.00
			5410 · Alarm Service	1-Groundwater Ent.	129.00
TOTAL					258.00
21048	01/24/2018	American Power Security	1012 · Citizens Busine...		-475.00
	01/06/2018		6026 · Redlands Plaza ...	2-Redlands Plaza/...	475.00
TOTAL					475.00
21049	01/24/2018	Citizens Business Bank	1012 · Citizens Busine...		-1,188.19
	01/14/2018		6001 · General Adminis...	4-General Fund Ent.	66.01
			6001 · General Adminis...	1-Groundwater Ent.	66.00
			6002 · Website Adminis...	4-General Fund Ent.	225.00
			6004 · Meeting Expenses	4-General Fund Ent.	10.48
			6004 · Meeting Expenses	1-Groundwater Ent.	10.48
			6030 · Office Supplies	4-General Fund Ent.	597.94
			6030 · Office Supplies	1-Groundwater Ent.	37.37
			6030 · Office Supplies	2-Redlands Plaza/...	74.74
			6030 · Office Supplies	3-Land Resources	37.37
			6036 · Printing	4-General Fund Ent.	2.15
			6036 · Printing	1-Groundwater Ent.	1.72
			6036 · Printing	3-Land Resources	0.43
			6425 · Meals	4-General Fund Ent.	27.50
			6525 · Meals	4-General Fund Ent.	13.95
			6525 · Meals	1-Groundwater Ent.	10.85
			6525 · Meals	3-Land Resources	6.20
TOTAL					1,188.19
21050	01/24/2018	Edison - 7241	1012 · Citizens Busine...		-50.25
	01/11/2018		5420 · Electricity	4-General Fund Ent.	14.07
			5420 · Electricity	1-Groundwater Ent.	10.05
			5420 · Electricity	2-Redlands Plaza/...	26.13
TOTAL					50.25
21051	01/24/2018	Edison -5552	1012 · Citizens Busine...		-245.46
	01/10/2018		5420 · Electricity	4-General Fund Ent.	61.11
			5420 · Electricity	1-Groundwater Ent.	43.65
			5420 · Electricity	2-Redlands Plaza/...	113.48
			6020 · Vacancy Marketi...	2-Redlands Plaza/...	27.22
TOTAL					245.46
21052	01/24/2018	IERCD	1012 · Citizens Busine...		-900.00
	12/31/2017		6060 · Outreach	4-General Fund Ent.	450.00
			6060 · Outreach	1-Groundwater Ent.	180.00
			6060 · Outreach	3-Land Resources	270.00
TOTAL					900.00

San Bernardino Valley Water Conservation District
Expenditure Report
January 2018

02/06/18

Num	Date	Name	Account	Class	Original Amount
21053	01/24/2018	Image Source	1012 · Citizens Busine...		-331.51
	01/13/2018		6033 · Office Equipmen...	4-General Fund Ent.	248.62
			6033 · Office Equipmen...	1-Groundwater Ent.	16.58
			6033 · Office Equipmen...	2-Redlands Plaza/...	49.73
			6033 · Office Equipmen...	3-Land Resources	16.58
TOTAL					331.51
21054	01/24/2018	Jericho Systems, Inc.	1012 · Citizens Busine...		-12,825.00
	01/16/2018		5124 · Plunge Creek Pr...	3-Land Resources	12,825.00
TOTAL					12,825.00
21055	01/24/2018	Katelyn Scholte	1012 · Citizens Busine...		-56.14
	01/23/2018		6510 · Mileage	4-General Fund Ent.	22.46
			6510 · Mileage	1-Groundwater Ent.	28.07
			6510 · Mileage	3-Land Resources	5.61
TOTAL					56.14
21056	01/24/2018	Kelly Associates Mana...	1012 · Citizens Busine...		-926.25
	12/01/2017		5120 · Misc. Profession...	4-General Fund Ent.	270.19
			5120 · Misc. Profession...	1-Groundwater Ent.	192.94
			5120 · Misc. Profession...	3-Land Resources	463.12
TOTAL					926.25
21057	01/24/2018	Netsteller	1012 · Citizens Busine...		-450.00
	01/18/2018		5160 · IT Support	4-General Fund Ent.	180.00
			5160 · IT Support	1-Groundwater Ent.	225.00
			5160 · IT Support	3-Land Resources	45.00
TOTAL					450.00
21058	01/24/2018	Quill Corporation	1012 · Citizens Busine...		-118.28
	01/08/2018		6030 · Office Supplies	4-General Fund Ent.	94.62
			6030 · Office Supplies	1-Groundwater Ent.	5.91
			6030 · Office Supplies	2-Redlands Plaza/...	11.84
			6030 · Office Supplies	3-Land Resources	5.91
TOTAL					118.28
21059	01/24/2018	The Gas Company	1012 · Citizens Busine...		-135.80
	01/16/2018		5450 · Natural Gas	4-General Fund Ent.	81.48
			5450 · Natural Gas	1-Groundwater Ent.	54.32
TOTAL					135.80

San Bernardino Valley Water Conservation District
Expenditure Report
January 2018

02/06/18

Num	Date	Name	Account	Class	Original Amount
21060	01/24/2018	U.S. Bank Equipment F...	1012 · Citizens Busine...		-336.18
	01/11/2018		6033 · Office Equipmen...	4-General Fund Ent.	252.13
			6033 · Office Equipmen...	1-Groundwater Ent.	16.81
			6033 · Office Equipmen...	2-Redlands Plaza/...	50.43
			6033 · Office Equipmen...	3-Land Resources	16.81
TOTAL					336.18
21061	01/30/2018	Ryan Edwards, Notary	1012 · Citizens Busine...		-35.00
	01/30/2018		5120 · Misc. Profession...	4-General Fund Ent.	10.21
			5120 · Misc. Profession...	1-Groundwater Ent.	7.29
			5120 · Misc. Profession...	3-Land Resources	17.50
TOTAL					35.00
100185N	01/23/2018	PERS	1012 · Citizens Busine...		-5,525.09
			6170 · PERS Retirement	4-General Fund Ent.	887.33
			6170 · PERS Retirement	1-Groundwater Ent.	2,810.61
			6170 · PERS Retirement	2-Redlands Plaza/...	281.78
			6170 · PERS Retirement	3-Land Resources	823.24
			6170 · PERS Retirement	5-Wash Plan	722.13
TOTAL					5,525.09

San Bernardino Valley Water Conservation District

Director Fees Expenditure Payroll Report

January 2018

Pay Date	Name	For Period	Director Fees	Taxes Withheld	Check Amt
1/3/2018	Harrison, T. M.	Dec-17	\$ 412.00	\$ 43.56	\$ 368.44
1/3/2018	McDonald, M	Dec-17	\$ 1,854.00	\$ 196.98	\$ 1,657.02
1/3/2018	Raley, D. E.	Nov-Dec 17	\$ 1,030.00	\$ 170.17	\$ 859.83
1/31/2018	Harrison, T.M.	Dec-17	\$ 1,296.00	\$ 217.65	\$ 1,078.35
1/31/2018	McDonald, M	Jan-17	\$ 1,512.00	\$ 130.79	\$ 1,381.21
1/31/2018	Raley, D. E.	Jan-17	\$ 1,512.00	\$ 365.44	\$ 1,146.56

SBVWCD Groundwater Assessment Re

GWA Number **49**

Period July 1, 2017 to December 31, 2017

AgRate **\$3.36**

NonAgRate **\$12.08**

Owner	RecordationNumber	StateWellNumber	LocalName	Ag Production	Ag Pymt	Non-Ag Production	Non-Ag Pymt	Amount Paid
AHD Limited								
	3601632	2S3W05A02S	Clock Canyon/Marcum Wel					
Arrowhead Country Club								
	3601925	1N4W23E	1	250.00	\$840.00	0.00	\$0.00	
					\$840.00		\$0.00	\$840.00
Bear Valley Mutual Water Company								
	3600023	1S3W24C	Judson 1	0.00	\$0.00	0.00	\$0.00	
	3601585	1S3W23A03S	San Bernardino Ave. 1	4.00	\$13.44	0.00	\$0.00	
					\$13.44		\$0.00	\$13.44
Calvary Chapel Packinghouse								
	3603919		Calvary Well	0.00	\$0.00	39.12	\$472.57	
	3600449	01S03W20A	Bell Well	0.00	\$0.00	0.19	\$2.30	
					\$0.00		\$474.87	\$474.87
Cemex USA								
	3601420	1S3W09E02S	Alabama Street 2	0.00	\$0.00	75.50	\$912.04	
	3603653	1S3W10J2S	Orange Street	0.00	\$0.00	326.40	\$3,942.91	
					\$0.00		\$4,854.95	\$4,854.95
Crafton Water Company								
	3600272	1S2W29N	Fifth Ave. 1	8.35	\$28.06	0.00	\$0.00	
	3602186	1S2W21L02S	Garnet/2 Zanja Well	0.00	\$0.00	0.00	\$0.00	
					\$28.06		\$0.00	\$28.06

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
Cram Patterson Well Co.								
	3600188	1S2W16C	Cram-Patterson 2	63.40	\$213.02	0.00	\$0.00	
					\$213.02		\$0.00	\$213.02
Doug Guyette								
	3600458	1N4W36M01S	PS & B2	0.00	\$0.00	0.00	\$0.00	
	3610007		Well 5	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	\$0.00
DRC Industrial CBC 1, LP (So Cal Real Estate Serv								
	3601352	1S3W19N	Langford	0.00	\$0.00	4.23	\$51.10	
					\$0.00		\$51.10	\$51.10
East Valley Water District								
	3600220	1S3W01H	PL 142	0.00	\$0.00	215.99	\$2,609.16	
	3603247	1S3W06P18S	PL 141 / McDaniel	0.00	\$0.00	934.67	\$11,290.81	
	3603774	1S3W3R4S	PL 146A	0.00	\$0.00	224.96	\$2,717.52	
	3603583	1S3W02N02S	PL 143 / Abbey Way	0.00	\$0.00	259.28	\$3,132.10	
	3601184	1N3W33F01S	PL 94 / Corwin	0.00	\$0.00	0.00	\$0.00	
	3601639	1S3W03R01S	PL 146	0.00	\$0.00	62.74	\$757.90	
	3603904	01S03W05D03S	PL 132/Cull 5	0.00	\$0.00	984.80	\$11,896.38	
	3603734	1S3W02P06S	PL 147	0.00	\$0.00	700.98	\$8,467.84	
	3603926	01S03W06L06S	PL 151	0.00	\$0.00	1424.45	\$17,207.36	
	3601987	1S3W04G	PL 136 / Dunkirk 1	0.00	\$0.00	0.00	\$0.00	
	3602274	1N3W30J05S	PL 39	0.00	\$0.00	532.22	\$6,429.22	
	3600680	1S3W02J	PL 120/Cram	0.00	\$0.00	0.00	\$0.00	
	3602564	1S4W12B07S	PL 28A	0.00	\$0.00	497.30	\$6,007.38	

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3602338	1S3W04N03S	PL 40A	0.00	\$0.00	0.00	\$0.00	
	3601978	1S3W04N01S	PL 40	0.00	\$0.00	0.00	\$0.00	
	3601675	1N4W25A01S	PL 27	0.00	\$0.00	0.00	\$0.00	
	3601663	1S4W02Q08S	PL 12	0.00	\$0.00	0.00	\$0.00	
	3602034	1S4W01Q08	PL 12A	0.00	\$0.00	0.00	\$0.00	
	3602560	1S3W04G03S	PL 136 / Dunkirk 2	0.00	\$0.00	0.00	\$0.00	
	3602370	1N4W25F04S	PL 107	0.00	\$0.00	0.00	\$0.00	
	3602337	1N4W26A03S	PL 24B	0.00	\$0.00	1110.54	\$13,415.32	
	3601671	1N4W26A02S	PL 24A	0.00	\$0.00	104.87	\$1,266.83	
	3602563	1S4W02Q09S	PL 11A	0.00	\$0.00	395.27	\$4,774.86	
	3601660	1S3W06H04S	PL 9A	0.00	\$0.00	1.91	\$23.07	
	3602799	1S2W07F01S	PL 125	0.00	\$0.00	539.60	\$6,518.37	
	3601673	1N4W25C02S	PL 25A	0.00	\$0.00	458.46	\$5,538.20	
					\$0.00		\$102,052.32	\$102,052.32
Gage Canal Company								
	3600798	1S4W23G01S	Cowlane	0.00	\$0.00	0.00	\$0.00	
	3602331	1S4W23G03S	66-1	559.00	\$1,878.24	525.00	\$6,342.00	
	3600796	1S4W23A05S	51-1	349.00	\$1,172.64	525.00	\$6,342.00	
	3600790	1S4W23K02S	29-1	0.00	\$0.00	412.00	\$4,976.96	
	3600789	1S4W23K01S	27-2	337.00	\$1,132.32	525.00	\$6,342.00	
	3600788	1S4W23H01S	27-1	474.00	\$1,592.64	525.00	\$6,342.00	
	3600787	1S4W23A02S	26-1	408.00	\$1,370.88	525.00	\$6,342.00	
					\$7,146.72		\$36,686.96	\$43,833.68

GWA Number 49

Period July 1, 2017 to December 31, 2017

AgRate \$3.36

NonAgRate \$12.08

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
George & Diane Everett								
	WP0003068		Everett Well	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	\$0.00
George Meadows								
	WP0002552	E085386	Meadows Well					
Gladysta Well & Water Company								
	3600182	1S3W20H02S						
Greenspot Mutual Well Company								
	3600266	1S2W16C01S	Greenspot Mutual					
Happe Mutual Well Company								
	3600238	1S2W29M01S	1	5.07	\$17.04	0.00	\$0.00	
	3603921	01S04W13G04S	Gauge 46-1R	0.00	\$0.00	0.00	\$0.00	
					\$17.04		\$0.00	\$17.04
Inland Valley Development Agency								
	0000086	1S4W12B	Local 2A					
J.G. Golfing Enterprises, Inc.								
	3601478	1S4W22B03S	Thorn 10 & 11	12.50	\$42.00	0.00	\$0.00	
					\$42.00		\$0.00	\$42.00
Jack Dangermond								
	3602188	01S02W29K01	Rancho Ladera Roladera	0.00	\$0.00	0.00	\$0.00	

GWA Number 49

Period July 1, 2017 to December 31, 2017

AgRate \$3.36

NonAgRate \$12.08

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
					\$0.00		\$0.00	\$0.00
Laranni Gunter Well								
	3600160	1S3W32G01S	Gunter					
Larry Jacinto Construction								
	3602020	1S2W20K	F A R	33.00	\$110.88	0.00	\$0.00	
					\$110.88		\$0.00	\$110.88
Loma Linda University Power Plant								
	3602781	1S4W25D06S	Anderson 2	0.00	\$0.00	0.24	\$2.90	
	3602855	1S4W25D07S	Anderson 3	0.00	\$0.00	37.76	\$456.14	
			Anderson 4	0.00	\$0.00	506.52	\$6,118.76	
					\$0.00		\$6,577.80	\$6,577.80
Loma Linda, City of								
	3603721	1S4W24D08S	Mt. View #4					
Meeks & Daley Water Co.								
	3603903	1S4W22H04S	Warren 1	0.00	\$0.00	892.40	\$10,780.19	
	3602863	1S4W22H02S	Warren 4	0.00	\$0.00	840.90	\$10,158.07	
	3603905	1S4W14N115S	Raub 8	0.00	\$0.00	291.90	\$3,526.15	
	3602864	1S4W14N10S	Raub 6	0.00	\$0.00	303.00	\$3,660.24	
			Raub 7	0.00	\$0.00	1215.60	\$14,684.45	
	3601887	1S4W15L03S	Station 59	0.00	\$0.00	0.00	\$0.00	
	3603215	1S4W15M11S	Station 91	0.00	\$0.00	0.00	\$0.00	
	3603906	1S4W14N09S	Raub 5	0.00	\$0.00	0.00	\$0.00	

GWA Number **49**

Period July 1, 2017 to December 31, 2017

AgRate **\$3.36**NonAgRate **\$12.08**

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
					\$0.00		\$42,809.10	\$42,809.10
Mentone Citrus Growers								
	3602280	1S2W18Q	2	417.60	\$1,403.13	0.00	\$0.00	
	3600139	1S2W18R01S	1 - PRH Ranch	57.60	\$193.53	0.00	\$0.00	
					\$1,596.66		\$0.00	\$1,596.66
Monte LLC (Dangermond)								
	3600493	01S03W29K	New Well	30.24	\$101.61	0.00	\$0.00	
					\$101.61		\$0.00	\$101.61
Montecito Memorial Park and Mortuary								
	3600119	1S4W26F01S	1					
Mountain View Mortuary & Cemetery								
	3600742	1N4W26N	2	0.00	\$0.00	79.00	\$954.32	
	3600743	1N4W26M	1	0.00	\$0.00	87.00	\$1,050.96	
					\$0.00		\$2,005.28	\$2,005.28
Mountainview Generating Station								
	3601014	1S3W18N03S	SB STPM 66 (DW#2)	0.00	\$0.00	126.90	\$1,532.95	
	3601015	1S3W18N02S	SB STMP2 67 (DW#1)	0.00	\$0.00	1.50	\$18.12	
	3603796	01S03W18N01S	Edison Mid Aquifer Well B	0.00	\$0.00	549.20	\$6,634.34	
	3603795	01S03W18N06S	Edison Mid Aquifer Well A	0.00	\$0.00	275.20	\$3,324.42	
					\$0.00		\$11,509.83	\$11,509.83
National Orange Show								
	3601924	1S4W15D		0.00	\$0.00	23.10	\$279.05	
					\$0.00		\$279.05	\$279.05

GWA Number **49**

Period July 1, 2017 to December 31, 2017

AgRate **\$3.36**NonAgRate **\$12.08**

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
New England Water Co.								
	3602320	1S3W16L		135.28	\$454.54	0.00	\$0.00	
					\$454.54		\$0.00	\$454.54
Patton State Hospital								
	3600924	1N3W29M01S	2	0.00	\$0.00	1.00	\$12.08	
	3602381	1N3W29M	14	0.00	\$0.00	0.00	\$0.00	
	3600931	1N3W29N01S	Patton 10	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$12.08	\$12.08
Pioneer Mutual Water Company								
	3600642	1S3W14P01S	San Bernardino 1	14.00	\$47.00	0.00	\$0.00	
					\$47.00		\$0.00	\$47.00
Ramirez, J.J. Citrus Mgmt								
	3601046	1S3W21A	1 Stowe					
Ramirez, Laura								
	3601649	1S3W28M	Hoover					
Raught Mutual Well Company								
	3602193	1S3W14R01S	Raught	108.76	\$365.43	0.00	\$0.00	
					\$365.43		\$0.00	\$365.43
Redland-Branson Development								
	3602917	1S3W33D01S	Stater Well	0.00	\$0.00	5.68	\$68.69	
					\$0.00		\$68.69	\$68.69
Redlands Custom Estates, LLC								

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601126	1S2W30H	1					
Redlands Unified School District								
	3601641	1S2W30C01S	Opal St.					
Redlands, City of								
	3603761	01S03W18R	California St. IRR	0.00	\$0.00	76.70	\$926.54	
	3602082	02S03W03K01S	36 (Irrigation)	0.00	\$0.00	61.20	\$739.30	
	3600054	1S3W31A03S	Bryn Mawr 2	0.00	\$0.00	0.00	\$0.00	
	3602065	1S3W32J02S	Lee Well	0.00	\$0.00	0.00	\$0.00	
	3603766	01S03W10K01S	N. Orange #1	0.00	\$0.00	1555.70	\$18,792.86	
	3602109	1S3W31B01S	Bryn Mawr 4	0.00	\$0.00	0.00	\$0.00	
	3603767	01S03W10K02S	N. Orange #2	0.00	\$0.00	747.20	\$9,026.18	
	3601295	1S3W35H04S	14	0.00	\$0.00	0.00	\$0.00	
	3601298	01S03W21H01S	Well #32 IRR	0.00	\$0.00	0.00	\$0.00	
	3601291	1S3W35G08S	10	0.00	\$0.00	0.00	\$0.00	
	3600748	1S3W24A01S	Mentone Acres #1	72.54	\$243.73	0.00	\$0.00	
	3602792	01S02W19A01S	Agate #2 IRR.	0.00	\$0.00	0.00	\$0.00	
	3603655	1S3W29Q01S	38	0.00	\$0.00	591.00	\$7,139.28	
	3601287	1S2W21B02S	East Lugonia 3	0.00	\$0.00	27.50	\$332.20	
	3602896	1S2W20D01S	Madeira	0.00	\$0.00	395.20	\$4,774.02	
	3601290	1S2W21D01S	East Lugonia 6	0.00	\$0.00	22.70	\$274.22	
	3601284	1S2W21E01S	Maguet 2	0.00	\$0.00	22.20	\$268.18	

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601299	1S4W24K01S	34	0.00	\$0.00	0.00	\$0.00	
	3603762	1S3W13M01S	Airport 2	0.00	\$0.00	54.60	\$659.57	
	3600019	1S3W23A05S	Rees Well 1	0.00	\$0.00	597.60	\$7,219.01	
	3601281	1S2W36F01S	Maguet 1	0.00	\$0.00	0.00	\$0.00	
	3601283	1S2W22C02S	East Lugonia 2	0.00	\$0.00	0.00	\$0.00	
	3600756	1S3W19L01S	Mission 1	0.00	\$0.00	0.00	\$0.00	
	3601298	1S3W21H01S	32	0.00	\$0.00	0.00	\$0.00	
	3603760	1S3W29Q02S	Well #39	0.00	\$0.00	0.00	\$0.00	
	3600053	1S3W31A02S	Bryn Mawr 1	0.00	\$0.00	0.00	\$0.00	
	3601292	1S3W35G07S	11 IRR	0.00	\$0.00	81.60	\$985.73	
	3600055	1S3W31A06S	Bryn Mawr	0.00	\$0.00	0.00	\$0.00	
	3602032	1S3W22A02S	35	0.00	\$0.00	0.00	\$0.00	
	3602036	1S3W21H07S	31-A	0.00	\$0.00	0.00	\$0.00	
	3602654	1S2W19J02S	Crafton	57.90	\$194.54	0.00	\$0.00	
	3602792	1S2W19A01S	Agate 2	0.00	\$0.00	0.00	\$0.00	
	3601294	1S3W35G09S	13	0.00	\$0.00	0.00	\$0.00	
	3602791	1S2W20B01S	East Lugonia 4	0.00	\$0.00	0.00	\$0.00	
	3601296	1S3W35H03S	16 IRR	35.30	\$118.61	0.00	\$0.00	
	3601308	1S2W19K01S	Agate 1	0.00	\$0.00	0.00	\$0.00	
	3602031	1S3W21H06S	30-A	0.00	\$0.00	366.00	\$4,421.28	
	3602346	1S3W28J02S	New York St. IRR	421.40	\$1,415.90	0.00	\$0.00	
	3600918	2S3W01E01S	Redlands Heights IRR	0.00	\$0.00	228.40	\$2,759.07	
	3602895	1S3W13H02S	Airport 1	0.00	\$0.00	884.30	\$10,682.34	

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601301	1S3W28H01S	41	59.00	\$198.24	0.00	\$0.00	
	3602211	1S3W26C01S	37 Sylvyn	0.00	\$0.00	0.00	\$0.00	
	3600628	1S3W15G	Redlands Trap & Skeet	0.00	\$0.00	0.00	\$0.00	
	3600749	1S3W13Q	Mentone Acres #2	0.00	\$0.00	574.60	\$6,941.17	
	3603656	1S3W14E01S	Church St	0.00	\$0.00	178.90	\$2,161.11	
	3601586	1S3W15F01S	Orange St.	0.00	\$0.00	559.30	\$6,756.34	
					\$2,171.02		\$84,858.40	\$87,029.42
Riverside, City of								
	3602773	1S4W27A10S	Hunt 11	0.00	\$0.00	0.00	\$0.00	
	3601465	1S4W02Q03S	Garner 2	0.00	\$0.00	0.00	\$0.00	
	3601467	1S4W02Q06S	Garner 4	0.00	\$0.00	2.30	\$27.78	
	3601464	1S4W02P06S	Garner 1	0.00	\$0.00	3.30	\$39.86	
	3602771	1S4W27A11S	Hunt 6	0.00	\$0.00	0.20	\$2.42	
	3310031	01S04W11D0	Cooley J	0.00	\$0.00	1280.60	\$15,469.65	
	3601489	1S4W02L01S	Scheuer	0.00	\$0.00	1422.50	\$17,183.80	
	3601227	1S4W02N02S	Cooley G	0.00	\$0.00	0.00	\$0.00	
	3602484	1S4W14N09S	Raub 5	0.00	\$0.00	2062.30	\$24,912.58	
	3601470	1S4W22B07S	Thorn 12	0.00	\$0.00	1757.30	\$21,228.18	
	3603555	1S4W14N10S	Raub 8	0.00	\$0.00	998.80	\$12,065.50	
	3601476	1S4W22G19S	Thorn 8	0.00	\$0.00	0.00	\$0.00	
	3601231	1S4W22H01S	Warren 2	0.00	\$0.00	0.00	\$0.00	
	3601230	1S4W22H03S	Warren 3	0.00	\$0.00	0.00	\$0.00	
	3602772	1S4W27A09S	Hunt 10	0.00	\$0.00	575.60	\$6,953.25	

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
	3601238	1S4W23C03S	Raub 4	0.00	\$0.00	205.90	\$2,487.27	
	3601475	1S4W22G17S	Thorn 7	0.00	\$0.00	0.00	\$0.00	
	3601474	1S4W22G18S	Thorn 6	0.00	\$0.00	0.00	\$0.00	
	3601473	1S4W22G16S	Thorn 5	0.00	\$0.00	0.00	\$0.00	
	3602499	1S4W22A01S	Paine					
	3601479	1S4W22B05S	Thorn 11	12.50	\$42.00	0.00	\$0.00	
	3601229	1S4W11D03S	Cooley I	0.00	\$0.00	183.90	\$2,221.51	
	3601431	1S4W27H01S	Stewart 20	0.00	\$0.00	0.00	\$0.00	
	3601243	1S4W22H02S	Warren 4	0.00	\$0.00	190.50	\$2,301.24	
	3602778	1S4W14N10S	Raub 6	0.00	\$0.00	0.00	\$0.00	
	3601228	1S4W11D02S	Cooley H	0.00	\$0.00	238.40	\$2,879.87	
	3601463	1S4W02A03S	Stiles	0.00	\$0.00	424.20	\$5,124.34	
	3302794	1S4W02Q11S	Garner 7	0.00	\$0.00	1660.20	\$20,055.22	
	3601468	1S4W02P01S	Garner 5	0.00	\$0.00	931.10	\$11,247.69	
	3603254	1S4W02P09S	Garner 6	0.00	\$0.00	1205.60	\$14,563.65	
					\$42.00		\$158,763.81	\$158,805.81
San Bernardino County (Dave Lovell)								
	3603900	1S2W8A2	Seven Oaks Dam Domestic Lovell Fire Suppression Wel				\$3.00	
							\$3.00	
San Bernardino Valley MWD								
	3603116	1S3W13Q01S	SB Ave. 1/Big Bear					

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
San Bernardino, City of								
	3600731	1S4W02K02S	Antil 5	0.00	\$0.00	0.00	\$0.00	
	3600729	1N4W35M03S	Gilbert St.	0.00	\$0.00	1827.80	\$22,079.82	
	3603581	1S4W22C05S	Century	0.00	\$0.00	0.00	\$0.00	
	3602066	1S4W02B	Van Loon 1	0.00	\$0.00	0.00	\$0.00	
	3601115	1N4W26P03S	Perris Hill 5	0.00	\$0.00	0.00	\$0.00	
	3601117	1N4W35C03S	Perris Hill 4	0.00	\$0.00	0.00	\$0.00	
	3601116	1N4W35C02S	Perris Hill 3	0.00	\$0.00	0.00	\$0.00	
	3601114	1N4W35C01S	Perris Hill 2	0.00	\$0.00	0.00	\$0.00	
	3602123	1S4W14J	Norman Road	0.00	\$0.00	0.00	\$0.00	
	3603649	1S3W7A6S	Local 11	0.00	\$0.00	0.00	\$0.00	
	3601316	1S4W23N	Inter City	0.00	\$0.00	0.00	\$0.00	
	3602126	1S4W24F	Gould 2 New	0.00	\$0.00	0.00	\$0.00	
	3602125	1S4W24F04S	Gould 1 Old	0.00	\$0.00	0.00	\$0.00	
	3600730	1S4W02K01S	Antil 3	0.00	\$0.00	0.00	\$0.00	
	3602128	1S4W14A	Gifford Park	0.00	\$0.00	0.00	\$0.00	
	3600727	1N4W26G	Lynwood	0.00	\$0.00	335.20	\$4,049.22	
	3602422	1S4W02K08S	Antil 6	0.00	\$0.00	0.00	\$0.00	
	3603582	1S4W15P05S	Chandler	0.00	\$0.00	580.00	\$7,006.40	
	3600732	1S4W02K05S	Antil 2	0.00	\$0.00	0.00	\$0.00	
	3600734	1S4W02K03S	Antil 4	0.00	\$0.00	0.00	\$0.00	
	3602124	1S4W14J	Central Ave.	0.00	\$0.00	0.00	\$0.00	
	3600733	1S4W02K04S	Antil 1	0.00	\$0.00	0.00	\$0.00	

GWA Number **49**

Period July 1, 2017 to December 31, 2017

AgRate **\$3.36**NonAgRate **\$12.08**

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
					\$0.00		\$33,135.44	<u>\$33,135.44</u>
San Bernardino, County of								
	3601171	1S3W20F03S	Crim 1	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Solono Well Company								
	3602003	1S2W16C	Solano 3	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Splash Kingdom Waterpark								
	3600415	1S3W29J01S						
Sun Life Financial								
	3600554	1S3W17R	Fairview 1					
Tennessee Mutual Well Company								
	3601161	1S3W16L	Pioneer 1	86.65	\$291.14	0.00	\$0.00	
					\$291.14		\$0.00	<u>\$291.14</u>
Tennessee Water Company								
	3600474	1S3W16L	1					
TIAA-CREF Financial Services								
	3600757	1S3W19L	Mission Marigold/Well 2	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Trojan Groves								
	3600451	1S3W15M						

GWA Number **49**

Period July 1, 2017 to December 31, 2017

AgRate **\$3.36**

NonAgRate **\$12.08**

Owner	RecordationNumber	StateWellNumber	LocalName	Ag-Production	Ag Pymt	Non-AgProduction	Non-Ag Pymt	Amount Paid
University of California, Riverside								
	3601244	1S4W27A09S	Hunt 10	0.00	\$0.00	0.00	\$0.00	
	3601222	1S4W27A11S	Hunt 6	0.00	\$0.00	0.00	\$0.00	
	3601245	1S4W27A10S	Hunt 11	0.00	\$0.00	0.00	\$0.00	
					\$0.00		\$0.00	<u>\$0.00</u>
Williams Well Corporation, LTD								
	3600828	1S3W16J	-	199.63	\$670.76	0.00	\$0.00	
					\$670.76		\$0.00	<u>\$670.76</u>
Total Ag Payment:		\$14,151.32	Total Non-Ag Payment:		\$484,142.68	Total Ag + Non-Ag Pay		<u>\$498,291.00</u>



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwd.org

Memorandum No. 1549

To: Board of Directors

From: Finance & Administration Committee/General Manager/Daniel Cozad

Date: February 14, 2018

Subject: 2nd Quarter Unaudited Financial Review for 2017-2018

RECOMMENDATION

The Finance & Administration Committee recommends the Board receive and file the 2nd Quarter Unaudited Financials for 2017-2018.

BACKGROUND

The Finance & Administration Committee met January 24, 2018 and reviewed the 2nd Quarter Unaudited Financials. The quarterly investment report in the consolidated format is attached for review. A correction was made in the attached report decreasing expenses by \$100,000 under GL 6400 Director's Expenses. The Committee and Staff discussed removal of election fee expenses as they will not be incurred this fiscal year.

FISCAL IMPACT

None.

ATTACHMENTS OR MATERIALS

2017-2018 2nd Quarter Rolled Up Budget Worksheet
SBVWCD Quarterly Investment Report

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

2ND QUARTER		2017-2018 Budget	Expended/ Received to Date as of 12/31/2017	Actual Over/Under Budget	Projected Annual Costs (7/1/17-6/30/18)	Notes	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE		REDLANDS PLAZA & LEASED PROPERTY-MENTONE HOUSE		LAND RESOURCE		WASH PLAN	
GL ACCT:	GL DESCRIPTION:						2017-2018 Budget	2016 BUDGET:	% BUDGET	BASIS:	2016 BUDGET:	% BUDGET	2016 BUDGET:	% BUDGET	2016 BUDGET:	% BUDGET	2016 BUDGET:
2017-2018 Budget																	
INCOME:																	
4012-15	INTEREST INCOME	64,300.00	42,220.29	-22,079.71	76,500.00	increased due to rates	64,300.00			0.00		0.00		0.00		0.00	
4021-23	GROUNDWATER	752,621.64	380,254.69	-372,366.95	752,000.00		0.00			752,621.64		0.00		0.00		0.00	
4021	GROUNDWATER CHARGE-AG	38,921.24	16,145.43	-22,775.81	32,000.00	Decreased actual	0.00			38,921.24	100.00%	0.00		0.00		0.00	
4023	GROUNDWATER CHARGE-NON AG	713,700.40	364,109.26	-349,591.14	720,000.00	Increased actual	0.00	Board Direction prior yr productio		713,700.40	100.00%	0.00		0.00		0.00	
4031-34	MINING	634,000.00	268,166.65	-365,833.35	634,000.00		0.00			0.00		0.00		634,000.00		0.00	
4032	CEMEX - ROYALTY/LEASE	586,000.00	244,166.65	-341,833.35	586,000.00		0.00			0.00		0.00		586,000.00	100.00%	0.00	
4036,40,81	MISCELLANEOUS	95,000.00	22,657.37	-72,342.63	70,000.00		7,500.00			30,000.00		0.00		57,500.00		0.00	
4036	AGGREGATE MAINTENANCE	55,000.00	19,654.37	-35,345.63	30,000.00	Decreased actual	0.00			0.00		0.00		55,000.00	100.00%	0.00	
4050	PROPERTY TAX	81,800.00	82,736.74	936.74	100,000.00	Increased actual	81,800.00	100.00% +5%		0.00		0.00		0.00		0.00	
4055	SBVMWD LEASE AGREEMENT	376,066.70	380,371.00	4,304.30	380,371.00	Paid	188,033.35	50.00% +1.4% CPI		188,033.35	50.00%	0.00		0.00	0.00%	0.00	
4062-66	RENTALS	219,422.65	114,940.91	-104,481.74	219,922.65		0.00			0.00		219,422.65		0.00		0.00	
TOTAL INCOME:		2,478,210.99	1,351,818.94	-1,126,392.05	2,487,793.65		341,633.35			1,005,654.99		219,422.65		841,500.00		70,000.00	
EXPENSES:																	
5000	MISCELLANEOUS	400.00	2,152.67	1,752.67	3,000.00		400.00	100.00%		0.00		0.00		0.00		0.00	
5100	PROFESSIONAL SERVICES	597,177.00	174,548.66	-422,628.34	547,687.69		108,977.00			152,232.10		17,370.25		327,597.65		10,000.00	
5120	MISC. PROFESSIONAL SERVICES	150,000.00	36,093.86	-113,906.14	100,000.00		43,750.00	29.17%	Includes GSC Support	31,250.00	20.83%	0.00	0.00%	75,000.00	50.00%	0.00	
5122	WASH PLAN PROFESSIONAL SERVICES	50,000.00	2,612.65	-47,387.35	50,000.00		0.00		Per Wash Plan Budget	0.00		0.00		0.00		50,000.00	100.00%
52-53	FIELD OPERATIONS	135,250.00	18,544.40	-116,705.60	135,250.00		0.00			124,250.00	100.00%	0.00		0.00		0.00	
5400	UTILITIES	28,110.00	11,878.68	-16,231.32	28,110.00		12,590.00			9,686.50		5,065.00		768.50		0.00	
6000	GENERAL ADMINISTRATION	278,682.66	94,526.83	-184,155.83	278,782.66		90,986.07			41,445.18		113,406.97		32,844.43		0.00	
6100	BENEFITS:	299,605.19	133,219.43	-166,385.76	299,605.19		48,116.59			187,798.17		18,827.81		62,390.19		40,867.42	
6160	PAYROLL TAXES - EMPLOYER	55,002.19	17,171.49	-37,830.70	55,002.19		8,833.35	16.06%	Consolidated costs 2014	33,575.54	50.87%	3,366.13	5.10%	11,154.44	16.90%	7,306.49	11.07%
6170	PERS RETIREMENT	127,279.45	68,286.52	-58,992.93	127,279.45		20,441.08	16.06%	Noticed Increase	77,696.47	50.87%	7,789.50	5.10%	25,812.27	16.90%	16,907.80	11.07%
6170.01	PERS EMPLOYEE CONTRIBUTION	-26,015.02	-21,893.83	4,121.19	-26,015.02		-4,178.01	16.06%		-13,233.84	50.87%	-1,326.77	5.10%	-4,396.54	16.90%	-2,879.86	11.07%
SALARIES:																	
6200	SALARIES	752,712.27	336,833.53	-415,878.74	752,712.27		119,971.12			445,522.58		40,377.41		221,336.61		52,052.78	
6300	INSURANCE	39,500.00	33,197.95	-6,302.05	39,500.00		1,975.00	5.00%		29,625.00	75.00%	5,925.00	15.00%	1,975.00	5.00%	0.00	
6400	DIRECTOR'S EXPENSES	196,218.78	41,239.35	-154,979.43	96,218.78		196,218.78	100.00%	5% increase option included	0.00		0.00		0.00		0.00	
6500	ADMINISTRATIVE/STAFF EXPENSES	13,700.00	6,672.65	-7,027.35	13,700.00		6,075.00	40.00%		4,725.00	50.00%	0.00		2,900.00	10.00%	0.00	
9999	Contribution toward Capital Maint.	280,500.00	0.00	-280,500.00	280,500.00	Per Budget	0.00		See Below in 7000 series	10,500.00		70,000.00		200,000.00		0.00	
8010	Capital Reserve GWE/Rate Stabilization	0.00	0.00	0.00	0.00		0.00	0.00%		0.00	100.00%	0.00		0.00		0.00	
TOTAL EXPENSES:		2,671,855.90	855,426.80	-1,816,429.10	2,525,066.59		585,309.57			1,005,784.53		270,972.44		860,812.39		152,920.20	
Operating Revenue		2,478,210.99	1,351,818.94	-1,126,392.05	2,487,793.65		341,633.35			1,005,654.99		219,422.65		841,500.00		70,000.00	
NET OPERATING REVENUE		-193,644.91		690,037.05			-243,676.22			-129.54		-51,549.79		-19,312.39		-82,920.20	
OVERHEAD							184,943.23										
NET GENERAL FUND ANNUAL							-58,732.99										

2ND QUARTER		2017-2018 Budget	Expended/Received to Date as of 12/31/2017	Actual Over/Under Budget	Projected Annual Costs (7/1/17-6/30/18)	Notes	GENERAL FUND			GROUNDWATER RECHARGE ENTERPRISE		REDLANDS PLAZA & LEASED PROPERTY-MENTONE HOUSE		LAND RESOURCE		WASH PLAN	
GL ACCT:	GL DESCRIPTION:						2016 BUDGET:	% BUDGET	BASIS:	2016 BUDGET:	% BUDGET	2016 BUDGET:	% BUDGET	2016 BUDGET:	% BUDGET	2016 BUDGET:	% BUDGET
2017-2018 Budget																	
Multiyear Capital projects						<i>Cost-To-Date</i>											
7010	MATERIALS	8,000.00	0.00	-8,000.00	8,000.00		0.00			8,000.00	100.00%	0.00		0.00		0.00	
7055	PLUNGE CREEK PROJECT CIP #2 LAND & BUILDINGS	500,000.00	0.00	-500,000.00	500,000.00	0.00	0.00	Net of Grant Funds \$710 K Total		100,000.00	20.00%	0.00		400,000.00	80.00%	0.00	
7100	CAPITAL REPAIRS	525,000.00	0.00	-525,000.00	555,000.00	\$110K for RP Parking	0.00			190,000.00	60.00%	0.00	0.00%	265,000.00	40.00%	0.00	
7110	PROPERTY - CAPITAL REPAIRS	260,000.00	0.00	-260,000.00	260,000.00	\$110K for RP Parking	0.00			140,000.00		70,000.00		50,000.00		0.00	
7130	MENTONE PROPERTY (HOUSE) CAPITAL	0.00	0.00	0.00	0.00		0.00			0.00		0.00	100.00%	0.00		0.00	
7140	MENTONE PROPERTY (SHOP) CIP #3 EQUIPMENT & VEHICLES	50,000.00	0.00	-50,000.00	80,000.00	Per Operations Commit	0.00			50,000.00	100.00%	0.00		0.00		0.00	
7200	EQUIPMENT & VEHICLES	169,000.00	41,850.30	-127,149.70	169,000.00		7,750.00	8.30%		155,000.00	91.70%	0.00		5,000.00		1,250.00	
7150	MILL CREEK DIVERSION PROJECT CIP #1	577,000.00	0.00	-577,000.00	577,000.00	172,997.75	0.00	MultiYear Total comitment \$750K		577,000.00	100.00%	0.00		0.00	0.00%	0.00	
7438	ENGINEERING SERVICES-OTHER	135,000.00	0.00	-135,000.00	135,000.00		0.00	CIP #4 and #7 Partial		40,500.00	30.00%	0.00		94,500.00	70.00%	0.00	
CAPITAL EXPENSE		1,914,000.00	41,850.30	-1,872,149.70	1,944,000.00		7,750.00			1,070,500.00		70,000.00		764,500.00		1,250.00	
CAPITAL REVENUE		280,500.00					0.00			10,500.00		70,000.00		200,000.00		0.00	
CAPITAL SUBTOTAL ANNUAL NET		-1,633,500.00					-7,750.00			-1,060,000.00		0.00		-564,500.00		-1,250.00	
RESERVE CONTRIBUTION OR (-USE)		-1,827,144.91		-1,846,145	TOTAL		-66,482.99			-1,060,129.54 o Capital Pr		-51,549.79		-583,812.39		-84,170.20	

San Bernardino Valley Water Conservation District

Quarterly Investment Report

Investment Instruments	Beginning Balance as of July 1, 2017	2nd Quarter Balance ending Dec 31, 2017	Rate Effective Yield to Date	Cumulative Unrealized Gain (Loss)
Pooled Money Investment Accounts				
LAIF	\$ 450,847.82	\$ 453,109.12	0.50%	-
CalTRUST Short-Term Fund	\$ 3,003,802.30	\$ 3,022,285.07	0.61%	\$ (1,767.74)
Investment Accounts				
UBS Financial Services				
CDs	\$ 1,619,625.34	\$ 1,864,133.97	see back	\$ -
Cash Dep Acct	\$ 249,303.28	\$ 2,121.76		0.16%
California Credit Union				
Money Market	\$ 3,022,966.22	\$ 3,034,413.54	0.38%	\$ -
24 Mo. CD	\$ 253,383.28	\$ 255,102.20	0.67%	
OPEB-Other Postemployment Benefits				
CERBT-CA Employers' Retiree Benefit Trust	\$ 59,304.85	\$ 64,207.23	7.64%	-
TOTAL	\$ 8,659,233.09	\$ 8,695,372.89		\$ (1,767.74)

Net Change

\$ 36,139.80
0.42%

Banking Institutions	Beginning Balance as of July 1, 2017	2nd Quarter Balance ending Dec 31, 2017
Citizen's Business Bank	\$ 425,411.04	\$ 783,841.84
Cash and Cash Equivalents	\$ 425,411.04	\$ 783,841.84
Change in Value		\$ 358,430.80

Description	NAV	Annual Yield	Average Maturity	Shares
LAIF	\$0.999	0.99%	.52 years (189.8 days)	
CalTrust Short-Term Fund	\$10.01	1.13%	.69 years (224.25 days)	301,926.580
CERBT	\$15.93			4,031.165
Cal Credit Union-Money Market	\$1.00	0.75%		
Cal Credit Union-CD	\$1.00	1.35%		
UBS-CD's	see below			

UBS Investments

Certificates of Deposit (CDs)	Price	Annual Yield	Maturity	Shares	Purchase Price	Market Value as of 12/31/17	CD Length
1. Ally Bank UT US RT fixed rate CD (ZBCBO)	\$0.994	1.16%	12/10/2018	245,000	\$244,855.45	\$243,601.05	2.5 yr
2. JPMorgan Chase Bank OH US RT fixed rate CD (ZBCFK)	\$0.990	1.36%	6/17/2019	245,000	\$244,767.25	\$242,581.85	3 yr
3. Wells Fargo Bank SD US RT fixed rate CD (ZBCCA)	\$0.998	1.20%	6/18/2018	245,000	\$244,872.60	\$244,448.75	2 yr
4. Capital One NA VA US fixed rate CD (Cusip: 14042RKF7)	\$0.995	2.01%	11/16/2020	200,000	\$200,000.00	\$199,082.00	3 yr
5. Comenity Bank DE US RT fixed rate jumbo CD (ZBABI)	\$0.997	1.20%	6/22/2018	200,000	\$200,000.00	\$199,326.00	2 yr
6. Discover BK GREENW DE US fixed rate CD (Cusip: 254673JS6)	\$1.0000	2.20%	12/28/2020	245,000	\$245,000.00	\$245,110.25	3 yr
7. Goldman Sachs Bank NY US fixed rate CD (Cusip: 38148PLJ4)	\$0.994	1.86%	7/13/2020	245,000	\$245,000.00	\$243,456.50	3 yr
8. Comenity Cap Bk Salt Lake City RT	\$0.993	1.11%	2/28/2019	245,000	\$245,014.26	\$243,174.75	2.5 yr
						\$3,352.82	accrued interest
			Total Cash Withdrawals	\$6,679.59			
				TOTAL	\$1,869,509.56	\$1,864,133.97	

California Credit Union

Money Market account	Price	Annual Yield				
	\$1.00	0.75%			\$ 3,000,000.00	\$ 3,028,684.47

Certificate of Deposit (CD)	Price	Annual Yield	Maturity	Shares	Market Value	CD Length
CCU Share Certificate	\$1.00	1.35%	7/1/2018	250,000	\$250,000.00	\$ 255,102.20 2 yr



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Email: info@sbvwcd.org
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Memorandum No. 1550

To: Board of Directors

From: Finance & Administration Committee/General Manager, Daniel Cozad

Date: February 14, 2018

Subject: Budget Planning for Groundwater Enterprise for FY 2018-2019 and Advertised Groundwater Charge and Outreach

RECOMMENDATION

Review, discuss and approve issues for inclusion in the 2018-2019 Groundwater Enterprise Budget and provide direction to staff on Public Notice for the Groundwater Charge.

BACKGROUND

The Groundwater Enterprise revenue has been below budgeted levels in the past couple years due to conservation-related reduced pumping and increased surface water use. While these are both good for the groundwater basin, they impact the Groundwater Enterprise. The Groundwater Enterprise's expenses have performed on or under budget for the past two years offsetting this reduced revenue. Additionally, the Board Authorized in its rate and budget the use of the Rate Stabilization Fund accumulated over the past few years. Each year staff projects revenue and expenses for the Groundwater Enterprise to provide background for the Board to determine the Groundwater Charge for Public Notice. This rate is advertised in newspaper notices and provided by letter to producers advising of the Public Meeting and Public Hearing for determining the groundwater charges set by the Board at the Public Hearing. The District had not increased rates from 2013 to 2016. In 2017 staff proposed a 4% increase in the groundwater charge rate. To moderate this rate, staff also recommended the Board authorize the use of the Rate Stabilization Reserve to offset a more significant increase. This was approved primarily due to the difficulties that conservation had caused several agencies who were reviewing rate changes themselves. Staff and the Board underscored that this lower increase heralded a coming rate increase need estimated at 4%. Based on performance for the first half of the fiscal year, staff has projected a budget for Enterprise operations and updated capital expenses.

DISCUSSION

During the last four years the Groundwater Enterprise has been self-sufficient, albeit with the use of stabilization funds for the most recent years. Costs have been managed to stay within or below budget within revenue (including stabilization funding). Based on performance for the first half of the fiscal year, staff has projected a budget for Enterprise operations and updated capital expense costs to support the Groundwater Enterprise.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

In the fall of 2014, the District began working on Groundwater Council (GC) formation which would provide an orderly method for producers to assure the sustainability of the groundwater basin and an alternative method for the payment of costs of Conservation District spreading currently paid under the groundwater charge. Staff has worked diligently with the support of the Board and District Counsel and Valley Municipal and others to develop the GC Agreement and an Equitable Allocation Method for these costs. Since 2014 the Board's resolution allows for the GC to provide alternative payment of the groundwater charges when the method and agreement are approved by the Board. For Fiscal 2018-2019, the majority of the groundwater charge.

Budget Approach

The budget approach recommended by staff includes the following efforts and activities:

- Develop and review draft budget with groundwater partners
- Vet the draft budget with the GC future members and Plaintiff (Riverside) Entities
- Utilize the Groundwater Enterprise Budget to develop the proposed groundwater charge
- Review the budget with the Finance & Administration Committee or in a Board Workshop before submitting to the Board for approval
- Review other budgets with appropriate partners and stakeholders
- Utilize feedback from all of the above in the development of the budget proposal to the Board

Assumptions

The budget process this year is expected to use similar assumptions and would be based on the same factors as the prior budgets. The budget also includes the following specific assumptions:

Revenue

- Groundwater revenue based on actual charges paid in prior year with review from the agencies including funding from Rate Stabilization Reserve that currently holds \$82,000
- When completed the GC and/or Western Riverside Entities revenue is expected to offset a majority of the groundwater charge revenue.
- Commercial and Agricultural uses who are not parties to the GC will continue to pay through the Groundwater Charge
- Property tax will be estimated at the 2017 actual receipts
- Mining revenue will be estimated based on lease guaranteed annual minimum

Expenses

- Expenses are estimated on a zero basis or actual costs/estimates modified based on specific needs and actual 2017 costs.
- Board Per Diem and Staff COLA increases based on Bureau of Labor Statistics CPI-U All West at 3.1% https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm
- In 2017 the Board directed staff to budget for Directors fees based on the CPI-U shown above
- Utilities, increase at approximately 5-8% based on sector CPI or projected rate changes
- Salary forecast includes raise pool of 5% of total salaries
- Miscellaneous expenses are generally increased at 3% where no other basis is available

In 2016 the Board requested the full cost of capital improvements, repairs and equipment be included in the budget. Some of the CIP items in the budget include the following:

- Mill Creek Diversion improvements, permitting and construction
- Mill Creek coverage in River HCP permitting and California Department of Fish and Wildlife permit, monitoring and documentation
- Ongoing Security repairs – fencing, gates boulders and barriers etc.
- Mentone Shop restroom facilities – not completed in 2017/18
- Equipment updates and replacements
- Continued invasive plant removal and monitoring
- Projects in cooperation with the Enhanced Recharge Project

Based on the budget information developed the staff projects that a 4% increase in the groundwater charge is needed for 2018-2019.

Legal Changes and Outreach

For the past several years the courts have had several legal cases related to the interpretation of various limitations on rate setting required by voter initiatives including Proposition (Prop) 13, Prop 218 and Prop 26. These initiatives all sought to limit the ability of local governments to raise taxes and fees without voter approval. Several cases were monitored and out of an abundance of caution the District incorporated all requirements of the water code, Prop 218 and Prop 26 into the rate setting process for the groundwater charge. In a decision filed by the California Supreme Court in December 2017, the Court found that Groundwater Charges are not subject to Prop 218 but must meet the requirements of Prop 26. This requires that the charge or fee must: 1. be no more than necessary to cover the costs of the activity 2. be allocated in a manner which bears a fair or reasonable relationship to the burdens or benefits from the activity. Further the Court essentially invalidated the California Water Code (CWC) Section 75594, which required a 3-5:1 non-Ag to Ag ratio for the charge. Historically, the District has followed the requirements of CWC Section 75594, which had the effect of providing a reduced groundwater charge for Agricultural production and allowed parks, golf courses, schools and cemeteries to enjoy the same rate. Since the inception for the groundwater charge, the District has always set the charge to recover the costs necessary to pay the costs of the service. See Table on GW Charge History, attached. The requirement that it be allocated in a manner related to the burden and benefit of the recharge replaces the statutorily-dictated cost ratio.

At this point, under new legal parameters, the District does not have what it believes is a sufficient factual record on variable costs between the agricultural or non-agricultural uses of groundwater production to propose a defensibly distinction of rate based on relative burdens and benefits of the two categories of uses. Further, the District has not attempted to allocate its internal costs or field maintenance expenses based upon the distinction in use. Because agricultural production is not limited to specific geographic areas within the District's boundaries, nor is there designated District facilities dedicated solely, or even primarily, to Agricultural or non-agricultural use, the District staff intends to propose for the upcoming Groundwater Charge cycle a unitary rate for all production, regardless of type use.

This change affects 30 producers producing approximately 10,660 acre feet from 52 wells that paid groundwater charges of approximately \$37,000 in 2016. These users will effectively face an increase in per acre foot rates of groundwater charges, due to the court-mandated discontinuance of the protected rate status under the Water Code's ratio as implemented by the District at 3.6:1. Applying

this change they would have paid approximately \$131,300. Six users would be likely to be significantly affected by the change due to the amount of recent production. These are primarily Municipal Agricultural Users that will pay based on the Groundwater Council or another agreement.

Staff has and proposes to take several actions to inform these producers of the change, and give them every opportunity to participate in the process of setting the groundwater charge. Staff proposes the Board directed it to take the following actions:

1. Produced and distributed information for all producers on the *Ventura v. UWCD* case and its implications (attached)
2. Held an informational workshop to explain the case and the likely changes and noting the February 14th Board meeting to select advertised rate
3. Mail and Advertise notices of Groundwater Charge change including potential phase-in period
4. Hold additional workshops or meetings, if needed
5. Coordinate with Groundwater Council
6. April 11th Public meeting at Board Meeting
7. April 25th Public Hearing to adopt rate at Board Meeting
8. Mail a final version of the Information sheet with the rate changes once adopted

POLICY CONSIDERATIONS

The Board provides direction on the Groundwater Rate to advertise in the notices for the public meeting and hearing. Attached to this memo is a projection of groundwater production and revenue generated by the existing rate and several potential future rate options. Staff has reviewed the costs to date for fiscal year and Enterprise revenue likely to be generated by the Groundwater Charge with the Finance and Administration Committee, who recommended this approach with a multiyear phasing for transition of the Ag production. Staff believes that is has adequate information to project the 2017-18 groundwater budget needs and is recommending the Board advertise a 4% increase in rates for the fiscal year. Should the Board not choose to use the Rate Stabilization Funds in this year, the increase would be closer to a 6%-7% increase next year.

The Rate Stabilization fund was developed to ease rate transitions; the Board retains the option to more quickly increase rates, and or make contributions to the Rate Stabilization Fund. The Board could also reduce or eliminate the increase in the groundwater charge by utilizing the entire rate stabilization fund in 2018/19 fiscal year. Other methods available to moderate the charge could be eliminating the groundwater charge contribution to capital projects which would increase reliance on current reserves. Staff is not recommending these alternatives because of their long term impacts on financial stability of the Groundwater Enterprise.

Should the Board choose to mitigate changes in the Ag rate required by the State Supreme Court decision, they could phase in the charge over two or more years. Staff has proposed several phase-in alternatives shown in a table attached. The Finance and Administration Committee recommended the phase-in rate be allowed for production by Non-Municipal entities and the phase in period is three years. Municipal entities part of the Groundwater Council the costs are likely already covered by that agreement. Of the 10,661 acre feet produced, 6,985 acre feet are pumped by Gage Canal and City of Redlands for Ag uses. The remaining 3,676 acre feet could be offset for two or more years. Should a smaller production offset be needed, approximately 830 acre feet are used for non-production agriculture, consisting of golf courses, cemeteries and parks which could be eliminated in the phase in.

Primary agricultural production represents approximately 2,847 AF. Two, three or four year phase-in could be accomplished with the existing Rate Stabilization Reserve without adverse impacts to other ratepayers.

Staff held a workshop on February 1, 2018. Outreach to Agricultural producers via the Farm Bureau, Bear Valley Mutual Water Company and mail to all registered producers did not elicit any public response. Phasing of the Ag rate was recommended by the Finance and Administration Committee however, that determination was before the public scoping workshop was held. Based on the response rate at the workshop staff suggests that the Board continue with setting a unitary rate and defer the decision on the phasing of the Ag rate until the public meeting. Should there not be strong public interest in the phasing it may not be warranted.

ALTERNATIVES

Potential Board Actions include:

- Direct staff to advertise a 4% rate increase in notices and incorporation into District budget as a unitary groundwater charge and direct staff to provide the Board alternatives for phasing of Ag rate to be determined at the public hearing.
- Direct staff to advertise a 4% rate increase in notices and incorporation into District budget as an unitary groundwater charge without phasing
- Provide staff direction on adjustments and the authority for selecting another advertised rate.

FISCAL IMPACT

The development and coordination of the groundwater charge is supported by the Groundwater Recharge Enterprise. The impact to reserves without an increase is approximately \$44,000. By using the Rate Stabilization funds impacts to agricultural producers can be limited. This usage would obviously reduce the Rate Stabilization Reserve. Additionally, the GC should be operational for the 2018-2019 budget, limiting impacts to existing producers within the District boundaries.

POTENTIAL MOTIONS

1. Move to direct staff to advertise 4% increase in the overall groundwater charge transition to a unitary charge for all production with the consideration for phasing the Groundwater Charge for Agricultural Production Groundwater Charge over 2 or more years and approve the budget plan as indicated herein
2. Move to direct staff to advertise another rate for advertising and or transition plan and approve the budget plan as shown herein.

ATTACHMENTS OR MATERIALS

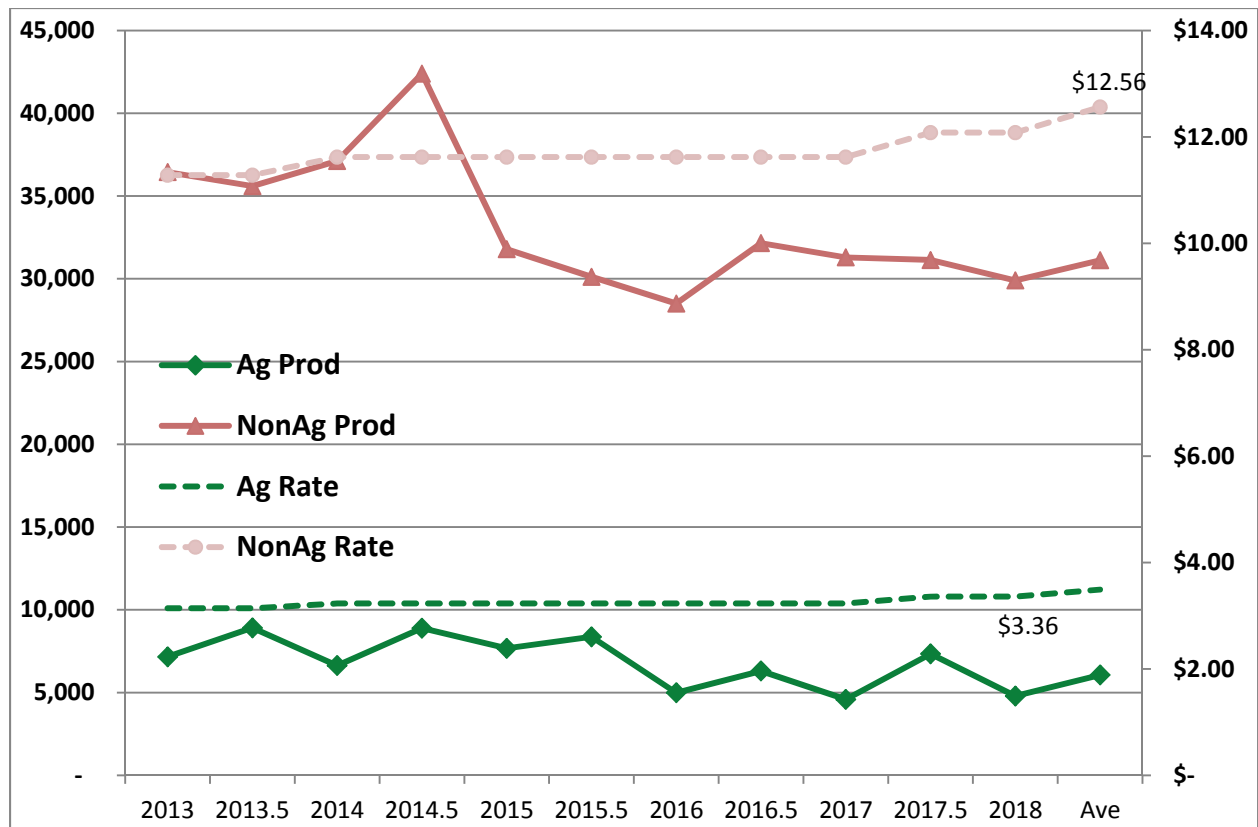
- Draft Groundwater Budget
- Groundwater Charge Analysis
- Ag Phasing Options
- Letter sent to Groundwater producers on and fact sheet on Supreme Court Case
- Four Year Groundwater Budget and Actual Review

APPROVALS

Recommended by the Finance & Administration Committee

Reviewed by District Counsel

Groundwater Charge and Production History



GL ACCT:	GL DESCRIPTION:	Approved 2017-2018 Budget	Expended/ Received to Date as of 12/31/17	Projected Annual Costs (7/1/17- 6/30/18)	Increase/ Decrease	Draft 2018- 2019 Budget	GROUNDWATER RECHARGE ENTERPRISE		
2018-2019 Budget							2018 BUDGET:	% BUDGET	BASIS:
INCOME:									
4012	INTEREST INCOME-LAIF	1,800.00	2,261.30	4,000.00	2,700.00	4,500.00	0.00		
4013	INTEREST INCOME-CALTRUST	20,000.00	18,482.77	30,000.00	2,500.00	32,500.00	0.00		
4014	INTEREST INCOME-CA CREDIT UNION	25,000.00	13,166.24	25,000.00	1,000.00	26,000.00			\$ 958,497
4015	INTEREST INCOME-UBS	17,500.00	8,309.98	17,500.00	4,500.00	22,000.00			\$ 64,920
4021	GROUNDWATER CHARGE-AG	38,921.24	16,145.43	32,000.00	-14,995.04	23,926.20	23,926.20	100.00%	4% rate increase
4023	GROUNDWATER CHARGE-NON AG	713,700.40	364,109.26	720,000.00	-672,706.68	40,993.72	40,993.72	100.00%	Adjusted Ag Non-Ag per sche
4025	GROUNDWATER COUNCIL REVENUE	0.00	0.00	0.00	893,577.00	893,577.00	893,577.00	100.00%	
4031	PLANT SITE CEMEX	48,000.00	24,000.00	48,000.00	0.00	48,000.00	0.00		
4032	CEMEX - ROYALTY/LEASE	586,000.00	244,166.65	586,000.00	0.00	586,000.00	0.00		
4036	AGGREGATE MAINTENANCE	55,000.00	19,654.37	30,000.00	-15,000.00	40,000.00	0.00		
4040	MISCELLANEOUS INCOME	10,000.00	3,003.00	10,000.00	0.00	10,000.00	0.00		
4050	PROPERTY TAX	81,800.00	82,736.74	100,000.00	22,335.47	104,135.47	0.00		
4055	SBVMWD LEASE AGREEMENT	376,066.70	380,371.00	380,371.00	9,629.49	385,696.19	192,848.10	50.00%	0.6% EST. CPI-U CUURA4215A
4062	MENTONE PROPERTY INCOME	21,600.00	11,000.00	22,100.00	1,200.00	22,800.00	0.00		
4065	REDLANDS PLAZA	165,822.65	86,847.19	165,822.65	-5,498.87	160,323.78	0.00		
4066	REDLANDS PLAZA CAM	32,000.00	17,093.72	32,000.00	3,000.00	35,000.00	0.00		
4080	EXCHANGE PLAN	30,000.00	0.00	30,000.00	0.00	30,000.00	30,000.00	100.00%	HISTORIC
4025	WASH PLAN REVENUE *Reserve CIP #5	70,000.00	54,819.37	70,000.00	30,000.00	100,000.00	0.00		
4086	PLUNGE CREEK IRWMP	150,000.00	5,651.92	150,000.00	0.00	150,000.00	0.00		
4998	RATE STABILIZATION *From Reserves	35,000.00	0.00	35,000.00	-12,777.00	22,223.00	22,223.00	100%	
4999	TRUST REIMBURSEMENT WASH PLAN	0.00	0.00	0.00		100,000.00	0.00		
TOTAL INCOME:		2,478,210.99	1,351,818.94	2,487,793.65	249,464.37	2,837,675.36	1,203,568.02		
EXPENSES:									
5080	LAFCO CONTRIBUTION/FEES	400.00	2,152.67	3,000.00	2,600.00	3,000.00	0.00		
5120	MISC. PROFESSIONAL SERVICES	150,000.00	36,093.86	100,000.00	-20,000.00	130,000.00	27,300.00	21.00%	GSC and Bio Support
5122	WASH PLAN PROFESSIONAL SERVICES	50,000.00	2,612.65	50,000.00	-20,000.00	30,000.00	0.00		
5124	PLUNGE CREEK PROFESSIONAL SERVICES	150,000.00	19,491.51	150,000.00	0.00	150,000.00	7,500.00	5.00%	
5125	ENGINEERING SERVICES	18,000.00	0.00	18,000.00	0.00	18,000.00	18,000.00	100.00%	GENERAL ENG./GIS
5130	AERIAL PHOTO/SURVEYING/MARKET	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00		
5133	Regional River HCP Contribution CIP #7	40,000.00	0.00	40,000.00	0.00	40,000.00	30,000.00	75.00%	
5143	SBVCT District Contribution	4,042.00	0.00	4,042.00	-4,042.00	0.00	0.00		
5145	ENVIRONMENTAL SERVICES (WASH PLAN)	0.00	510.69	510.69	0.00	0.00	0.00		
5160	IT SUPPORT	7,000.00	2,250.00	7,000.00	0.00	7,000.00	3,500.00	50.00%	Share by need
5170	AUDIT	27,135.00	23,500.00	27,135.00	-910.00	26,225.00	12,063.50	46.00%	Share based on Revenue
5175	LEGAL-WASH PLAN	10,000.00	2,135.00	10,000.00	0.00	10,000.00	0.00		
5180	LEGAL	190,000.00	90,567.60	190,000.00	-15,000.00	175,000.00	52,500.00	30.00%	GSC and COE Litigation
FIELD OPERATIONS:									
5123	TEMP FIELD LABOR	11,000.00	0.00	11,000.00	1,000.00	11,000.00	11,000.00	100.00%	Invasive and canal cleaning
5210	EQUIPMENT MAINTENANCE	6,000.00	3,209.80	6,000.00	180.00	6,180.00	6,180.00	100.00%	based on average actual
5215	PROPERTY MAINTENANCE	40,000.00	4,780.88	40,000.00	2,000.00	42,000.00	33,600.00	80.00%	Basin Maintenance Moved
5225	FIELD CLEAN UP-ILLEGAL DUMPING	6,000.00	0.00	6,000.00	0.00	6,000.00	3,000.00	50.00%	
5050	BASIN CLEANING FORMERLY 7050 CAPIT	50,000.00	1,882.50	50,000.00	0.00	50,000.00	50,000.00	100.00%	
VEHICLE OPERATIONS:									
5310	VEHICLE MAINTENANCE	10,000.00	4,688.87	10,000.00	-2,000.00	8,000.00	8,000.00	100.00%	reduced from 2013-14 base
5320	FUEL	12,250.00	3,982.35	12,250.00	250.00	12,500.00	12,500.00	100.00%	EST. LOWER FUEL COST
UTILITIES:									
5410	ALARM SERVICE	1,500.00	645.00	1,500.00	0.00	1,500.00	750.00	50.00%	FACILITIES SHARE
5420	ELECTRICITY	9,500.00	4,458.11	9,500.00	247.00	9,747.00	1,949.40	20.00%	FACILITIES SHARE
5430	MOBILE PHONES	3,550.00	1,620.00	3,550.00	0.00	3,550.00	2,662.50	75.00%	FACILITIES SHARE
5440	TELEPHONE	8,000.00	2,773.45	8,000.00	0.00	8,000.00	2,400.00	30.00%	FACILITIES SHARE
5450	NATURAL GAS	900.00	72.14	900.00	42.30	942.30	376.92	40.00%	FACILITIES SHARE
5460	WATER / TRASH / SEWER	2,160.00	845.11	2,160.00	0.00	2,160.00	864.00	40.00%	FACILITIES SHARE
5470	INTERNET SERVICES	2,500.00	1,464.87	2,500.00	75.00	2,575.00	772.50	30.00%	FACILITIES SHARE
GENERAL ADMINISTRATION:									
6001	GENERAL ADMIN-OTHER	5,500.00	928.18	5,500.00	-1,000.00	4,500.00	2,250.00	50.00%	ESTIMATE BY USE
6002	WEBSITE ADMINISTRATION	3,100.00	1,467.94	3,100.00	200.00	3,300.00	0.00		
6003	PROPERTY TAX	235.10	0.00	235.10	0.00	235.10	0.00		
6004	MEETING EXPENSES	2,000.00	605.78	2,000.00	0.00	2,000.00	0.00		
6006	PERMITS	10,000.00	2,316.25	10,000.00	0.00	10,000.00	5,000.00	50.00%	Fish and Wildlife
6007	INTER DISTRICT COSTS	10,000.00	0.00	5,000.00	0.00	10,000.00	5,000.00	50.00%	
6009	LICENSES	1,639.00	1,014.90	1,639.00	-421.12	1,217.88	974.30	80.00%	2013-14 ACTUAL
6010	SURETY BOND	1,900.00	1,210.00	1,900.00	0.00	1,900.00	0.00		
6012	OFFICE MAINTENANCE	3,180.00	15.02	3,180.00	0.00	3,180.00	0.00		

GL ACCT: GL DESCRIPTION:		Approved 2017-2018 Budget	Expended/ Received to Date as of 12/31/17	Projected Annual Costs (7/1/17- 6/30/18)	Increase/ Decrease	Draft 2018- 2019 Budget	GROUNDWATER RECHARGE ENTERPRISE		
2018-2019 Budget							2018 BUDGET:	% BUDGET	BASIS:
6013	OFFICE LEASE PAYMENT	60,000.00	30,000.00	60,000.00	0.00	60,000.00	18,000.00	30.00%	Share by allocation
6015	MENTONE HOUSE MAINTENANCE	5,000.00	1,635.00	5,000.00	0.00	5,000.00	0.00		
6016	REDLANDS PLAZA MAINTENANCE	65,000.00	5,898.58	40,000.00	-25,000.00	40,000.00	0.00		
6026	REDLANDS PLAZA CAM EXPENSES	28,500.00	13,909.51	28,500.00	855.00	29,355.00	0.00		
6018	JANITORIAL SERVICES	9,108.89	3,848.00	9,108.89	0.00	9,108.89	0.00		
6019	JANITORIAL SUPPLIES	500.00	174.87	500.00	0.00	500.00	200.00	40.00%	FACILITIES SHARE
6020	VACANCY MARKETING-REDLANDS PLAZA	5,050.00	158.82	5,050.00	450.00	5,500.00	0.00		
6027	CHANGE from COMPUTER SUPPLIES to C	689.00	0.00	689.00	-89.00	600.00	30.00	5.00%	FACILITIES SHARE
6030	OFFICE SUPPLIES	4,250.67	525.52	4,250.67	-500.00	3,750.67	187.53	5.00%	FACILITIES SHARE
6033	OFFICE EQUIPMENT RENTAL	8,900.00	4,336.86	8,900.00	600.00	9,500.00	475.00	5.00%	FACILITIES SHARE
6036	PRINTING	980.00	206.01	980.00	0.00	980.00	392.00	40.00%	GW Charge
6039	POSTAGE AND OVERNIGHT DELIVERY	1,200.00	267.11	1,200.00	0.00	1,200.00	300.00	25.00%	GW Charge
6042	PAYROLL PROCESSING FEES	2,450.00	1,212.45	2,450.00	73.50	2,523.50	0.00		
6045	BANK INVESTMENT SERVICE CHARGES	2,500.00	942.15	2,500.00	75.00	2,575.00	0.00		
6051	UNIFORMS	2,000.00	1,160.47	2,000.00	200.00	2,200.00	1,540.00	70.00%	Field Uniforms
6060	OUTREACH	20,000.00	5,047.42	50,000.00	40,000.00	60,000.00	15,000.00	25.00%	share by mission
6087	EDUCATIONAL REIMBURSEMENT	2,500.00	0.00	2,500.00	2,500.00	5,000.00	0.00		
6090	SUBSCRIPTIONS/PUBLICATIONS	1,000.00	1,095.99	1,100.00	210.00	1,210.00	0.00		
6091	PUBLIC NOTICES	3,000.00	0.00	3,000.00	200.00	3,200.00	2,560.00	80.00%	% OF 2010
6093	MEMBERSHIPS	18,500.00	16,550.00	18,500.00	2,360.20	20,860.20	0.00		
BENEFITS:									
6110	VISION INSURANCE	2,017.25	993.72	2,017.25	288.18	2,305.43	1,430.78	50.87%	Based on percent of hours
6120	WORKER'S COMP INSURANCE	11,358.50	2,922.82	11,358.50	1,164.83	12,523.33	7,772.15	50.87%	Based on percent of hours
6130	DENTAL INSURANCE	9,047.79	4,211.52	9,047.79	794.14	9,841.93	6,108.04	50.87%	Based on percent of hours
6150	MEDICAL INSURANCE	143,132.54	71,629.75	143,132.54	34,038.40	177,170.94	109,954.77	50.87%	Based on percent of hours
6150.01	MEDICAL EMPLOYEE CONTRIBUTION	-22,217.51	-10,102.56	-22,217.51	-5,417.75	-27,635.26	-14,058.06	50.87%	
6160	PAYROLL TAXES - EMPLOYER	55,002.19	17,171.49	55,002.19	1,511.73	56,513.92	35,073.33	50.87%	Based on percent of hours
6170	PERS RETIREMENT	127,279.45	68,286.52	127,279.45	19,518.71	146,798.16	91,104.99	50.87%	Based on percent of hours
6170.01	PERS EMPLOYEE CONTRIBUTION	-26,015.02	-21,893.83	-26,015.02	-4,596.84	-30,611.86	-15,572.25	50.87%	
SALARIES:									
6210	OVERTIME		0.00				0.00		
6230	REGULAR SALARIES	752,712.27	336,833.53	752,712.27	69,236.46	821,948.73			
Sub	Field Staff Part Time	10,005.95	0.00	10,005.95	13,288.30	23,294.25	14,209.49	50.00%	Salary+overhead 22% % time
Sub	Field Supervisor	80,361.84	35,569.54	80,361.84	2,494.65	82,856.49	101,084.92	100.00%	Salary+overhead 22% % time
Sub	Field Operations Spec I	42,908.84	19,891.20	42,908.84	3,679.67	46,588.51	56,837.98	100.00%	Salary+overhead 22% % time
Sub	Lands Resources Mgr.	167,073.92	76,387.31	167,073.92	11,837.63	178,911.55	98,222.44	45.00%	Salary+overhead 22% % time
Sub	Admin Services Spec.	76,493.56	34,972.88	76,493.56	5,418.57	81,912.13	44,969.76	45.00%	Salary+overhead 22% % time
Sub	Admin Services Spec.	71,306.04	33,062.40	71,306.04	6,131.61	77,437.65	28,342.18	30.00%	Salary+overhead 22% % time
Sub	Assistant Engineer PT	41,925.00	21,860.08	41,925.00	3,825.95	45,750.95	33,489.69	60.00%	Salary+overhead 22% % time
Sub	GIS Intern/contract	11,352.00	6,555.82	11,352.00	3,996.47	15,348.47	11,235.08	60.00%	Salary+overhead 22% % time
Sub	General Manager	228,519.20	105,465.60	228,519.20	18,498.81	247,018.01	99,449.45	33.00%	Salary+overhead 22% % time
Sub	Doc Imaging Intern	11,413.92	306.00	11,413.92	1.44	11,415.36	5,570.70	40.00%	Salary+overhead 22% % time
sub	Engineering Intern PT	11,352.00	2,762.70	11,352.00	63.36	11,415.36	5,570.70	40.00%	
INSURANCE:									
6310	PROPERTY / AUTO INSURANCE	7,000.00	0.00	7,000.00	0.00	7,000.00	5,250.00	75.00%	Approximate from Insurer
6320	GENERAL LIABILITY INSURANCE	32,500.00	33,197.95	32,500.00	-3,350.00	29,150.00	21,862.50	75.00%	Approximate from Insurer
DIRECTOR'S EXPENSES:									
6401	DIRECTOR'S FEES	78,718.78	33,960.50	78,718.78	6,243.22	84,962.00	0.00		
6410	MILEAGE	4,000.00	1,607.45	4,000.00	0.00	4,000.00	0.00		
6415	AIR FARE	2,500.00	0.00	2,500.00	0.00	2,500.00	0.00		
6420	OTHER TRAVEL	500.00	122.00	500.00	0.00	500.00	0.00		
6425	MEALS	2,500.00	1,720.21	2,500.00	75.00	2,575.00	0.00		
6430	LODGING	3,000.00	1,790.19	3,500.00	750.00	3,750.00	0.00		
6435	CONF/SEMINAR REGISTRATIONS	5,000.00	2,039.00	5,000.00	0.00	5,000.00	0.00		
6440	ELECTION FEES/REDISTRICTING	100,000.00	0.00	100,000.00	0.00	100,000.00	0.00		
ADMINISTRATIVE/STAFF EXPENSES:									
6510	MILEAGE	1,800.00	668.22	1,800.00	0.00	1,800.00	900.00	50.00%	Allocation basis 2011
6515	AIR FARE	2,000.00	803.07	2,000.00	0.00	2,000.00	500.00	25.00%	Allocation basis 2011
6520	OTHER TRAVEL	1,400.00	101.31	1,400.00	-400.00	1,000.00	250.00	25.00%	Allocation basis 2011
6525	MEALS	1,500.00	1,110.47	1,500.00	45.00	1,545.00	540.75	35.00%	Allocation basis 2011
6530	LODGING	3,000.00	2,090.58	3,000.00	0.00	3,000.00	1,050.00	35.00%	Allocation basis 2011
6535	CONF/SEMINAR REGISTRATIONS	4,000.00	1,899.00	4,000.00	0.00	4,000.00	1,400.00	35.00%	
9999	Contribution toward Capital Maint.	280,500.00	0.00	280,500.00	34,000.00	314,500.00	114,500.00		Reduced Allocation
8010	Capital Reserve GWE/Rate Stabilization	0.00	0.00	0.00		0.00	0.00	100.00%	Use not contribution

GL ACCT:	GL DESCRIPTION:	Approved 2017-2018 Budget	Expended/ Received to Date as of 12/31/17	Projected Annual Costs (7/1/17- 6/30/18)	Increase/ Decrease	Draft 2018- 2019 Budget	GROUNDWATER RECHARGE ENTERPRISE		
							2018 BUDGET:	% BUDGET	BASIS:
2018-2019 Budget									
TOTAL EXPENSES:		2,671,855.90	855,426.80	2,625,566.59	188,293.42	2,789,912.86	1,203,877.04		
Operating Revenue		2,478,210.99	1,351,818.94	2,487,793.65	249,464.37	2,837,675.36	1,203,568.02		
NET OPERATING REVENUE		-193,644.91			61,170.96	47,762.51	-309.03		
OVERHEAD						\$140K Reserves			
NET GENERAL FUND ANNUAL									
Multiyear Capital projects									
7010	MATERIALS	8,000.00	0.00	8,000.00	4,000.00	12,000.00	6,000.00	50.00%	Field Security Changes
7055	PLUNGE CREEK PROJECT CIP #2 LAND & BUILDINGS	500,000.00	0.00	500,000.00	-450,000.00	50,000.00	10,000.00	20.00%	20% recharge
7110	PROPERTY - CAPITAL REPAIRS	260,000.00	0.00	260,000.00	-200,000.00	60,000.00	35,000.00		CIP #10 #11 #15 #16
7120	PROPERTY - LAND PURCHASE	0.00	0.00	0.00	0.00	0.00			
7130	MENTONE PROPERTY (HOUSE) CAPITAL P	0.00	0.00	0.00	0.00	0.00			
7140	MENTONE PROPERTY (SHOP) CIP #3	50,000.00	0.00	80,000.00	0.00	50,000.00	50,000.00	100.00%	CIP #3
7160	MENDOZA PROPERTY CIP #9 #12 and #13 EQUIPMENT & VEHICLES	215,000.00	0.00	215,000.00	-65,000.00	150,000.00			
7210	COMPUTER HARDWARE CAPITAL REPAIR	5,000.00	0.00	5,000.00		5,000.00	1,250.00	25.00%	Allocation basis 2011
7220	COMPUTER SOFTWARE	12,500.00	4,259.00	12,500.00		10,000.00	3,000.00	30.00%	Allocation basis 2011
7230	FIELD EQUIPMENT / VEHICLES CIP #8	150,000.00	32,009.42	150,000.00		100,000.00	100,000.00	100.00%	CIP #10
7240	OFFICE EQUIPMENT	1,500.00	5,581.88	1,500.00		1,500.00	0.00		
PROFESSIONAL SERVICES:									
7150	MILL CREEK DIVERSION PROJECT CIP #1	577,000.00	0.00	577,000.00		250,000.00	250,000.00	100.00%	In WIP Acct until completion
7438	ENGINEERING SERVICES-OTHER	135,000.00	0.00	135,000.00		135,000.00	40,500.00	30.00%	Mill Creek O&M Plans
CAPITAL EXPENSE		1,914,000.00	41,850.30	1,944,000.00	-711,000.00	823,500.00	495,750.00		
CAPITAL REVENUE		280,500.00				314,500.00	114,500.00		
CAPITAL SUBTOTAL ANNUAL NET		-834,809.51				-509,000.00	-381,250.00		
RESERVE CONTRIBUTION OR (-USE)		-1,028,454.42		TOTAL	-947,475	-461,237.49	-381,559.03	Total Multi year Pay Go Capital Project	

Attachment A Preliminary Groundwater Charge Revenue Estimates

GWA	Date	16.6%			83.4%			Total Prod	Total Rev
		Ag Prod	Ag Rev	Ag Rate	NonAg Prod	NonAg Rev	NonAg Rate		
40	2013	7,159	\$22,489	\$ 3.14	36,442	\$411,084	\$ 11.28	43,601	\$433,573
41	2013.5	8,910	\$28,022	\$ 3.14	35,604	\$401,676	\$ 11.28	44,514	\$429,698
42	2014	6,645	\$21,612	\$ 3.23	37,116	\$435,598	\$ 11.62	43,761	\$457,210
43	2014.5	8,965	\$29,098	\$ 3.23	42,392	\$489,603	\$ 11.62	51,357	\$518,702
44	2015	7,824	\$25,463	\$ 3.23	31,784	\$369,909	\$ 11.62	39,608	\$395,372
45	2015.5	8,468	\$27,405	\$ 3.23	30,113	\$349,913	\$ 11.62	38,582	\$377,318
46	2016	4,989	\$16,354	\$ 3.23	28,504	\$332,725	\$ 11.62	33,493	\$349,079
47	2016.5	6,303	\$20,316	\$ 3.23	32,151	\$373,600	\$ 11.62	38,455	\$393,916
48	2017	4,587	\$14,921	\$ 3.23	31,290	\$363,706	\$ 11.62	35,878	\$378,627
49	2017.5	4,886	\$16,416	\$ 3.36	40,132	\$484,799	\$ 12.08	45,018	\$501,215
50	2018	4,788	\$16,088	\$ 3.36	29,897	\$361,160	\$ 12.08	34,686	\$377,248
4 period average		6,087	\$ 19,661	\$3.49	30,515	\$ 354,582	\$12.56	36,602	\$ 374,243
Revised Ag Phase in		1,838			32,146			33,984	*Estimates

No change in rate

50	2018	4,788	\$16,088	\$ 3.36	29,897	\$361,160	\$ 12.08	34,686	\$377,248
51	2018.5	1,838	\$6,175	\$ 3.36	32,146	\$388,328	\$ 12.08	33,984	\$394,502
52	2019	1,838	\$6,175	\$ 3.36	32,146	\$388,328	\$ 12.08	33,984	\$394,502
Fiscal 18-19			\$12,349			\$776,656			\$789,005
Calendar 18		6,626	\$22,263		62,044	\$749,487		68,669	\$ 771,750

4% Increase in GW Charge		4% *includes 3 year Phase in			4%				
50	2018	4,788	\$16,088	\$ 3.36	29,897	\$361,160	\$ 12.08	34,686	\$377,248
51	2018.5	1,838	\$11,963	\$ 6.51	1,632	\$20,497	\$ 12.56	3,469	\$32,460
52	2019	1,838	\$11,963	\$ 6.51	1,632	\$20,497	\$ 12.56	3,469	\$32,460
Fiscal 18-19			\$23,926			\$40,994			\$64,920
Calendar 18		6,626	\$28,051		31,529	\$381,657		38,155	\$ 409,708

Estimated O&M Costs for Ground Water Council Equitable Allocation 2018

	Est. Jan-June 2017 Pumping (AF)	Est. Jul-Dec 2017 Pumping (AF)	Est. Total 2017 Pumping (AF)	% of Estimated Total Pumping	Estimated O&M Cost for GC 2018
Bear Valley Mutual Water Co	8	4	12	0.01%	\$ 77
Colton, City of	1,990	1,832	3,822	2.75%	\$ 24,601
East Valley Water District	6,739	8,476	15,215	10.96%	\$ 97,938
Loma Linda University	444	545	988	0.71%	\$ 6,362
Loma Linda, City of	2,115	2,945	5,060	3.64%	\$ 32,567
Redlands, City of	6,340	8,101	14,440	10.40%	\$ 92,948
Rialto, City of*	1,348	1,296	5,144	3.71%	\$ 33,111
San Bernardino Valley MWD	187	-	187	0.13%	\$ 1,204
San Bernardino, City of	16,672	21,435	38,107	27.45%	\$ 245,285
West Valley Water District*	1,891	2,774	9,665	6.96%	\$ 62,212
Yucaipa Valley Water District**	-	-	178	0.13%	\$ 1,147
Other San Bernardino**	-	-	7,204	5%	\$ 46,370
San Bernardino Entities Total:	37,734	47,406	100,022	72.05%	\$ 643,822
City of Riverside	12,393	17,845	30,238	10.13%	\$ 90,519
City of Riverside - Gage Canal	12,356	16,272	28,628	12.36%	\$ 110,446
Meeks & Daley Water Co.	3,673	1,906	5,579	3.38%	\$ 30,203
Regents of Univ. of CA	-	-	-	0.23%	\$ 2,055
Riverside Highland Water Co.	1,499	2,118	3,617	1.85%	\$ 16,531
Western Entities Total:	29,921	38,142	68,062	27.95%	\$ 249,755
Total:				100%	\$ 893,577

4% Increase/3 year Ag Phase- in/Groundwater	
AG	\$23,926
Non-AG	\$40,994
GW Council	\$ 893,577
TOTAL	\$958,497

* Includes full delivery for Baseline Feeder

**Estimated as 10% of 2016 pumping

PHASING OPTIONS #2

Phasing Options for All AG Production							
Non-Ag	Ag	Difference	AF	Revenue	Rate Stabilization Reserve (RSR)		
\$ 12.56	\$ 3.49	\$ 9.07	10,661	\$ 133,900	Balance 2018	\$ 82,000.00	
Phase in Years	Annual Delta	Year 1	Year 2	Year 3	Year 4	RSR After Year 1	RSR After Year 2
2	\$ 4.54	\$ 8.03	\$ 12.56			\$ 33,653	\$ 33,653
3	\$ 3.02	\$ 6.51	\$ 9.54	\$ 12.56		\$ 17,538	\$ (14,694)
4	\$ 2.27	\$ 5.76	\$ 8.03	\$ 10.29	\$ 12.56	\$ 9,480	\$ (38,867)

Phasing Options for Non-Municipal Ag Production Recommendation									
Non-Ag	Ag	Difference	AF	Revenue	Rate Stabilization Reserve (RSR)		Committee Recommended		
\$ 12.56	\$ 3.49	\$ 9.07	3,675	\$ 46,162	Balance 2018	\$ 82,000.00	Add'l Option		
Phase in Years	Annual Delta	Year 1	Year 2	Year 3	Year 4	RSR After Year 1	RSR After Year 2	RSR After Year 3	RSR After Year 4
2	\$ 4.54	\$ 8.03	\$ 12.56			\$ 65,333	\$ 65,333		
3	\$ 3.02	\$ 6.51	\$ 9.54	\$ 12.56		\$ 59,777	\$ 48,665	\$ 48,665	
4	\$ 2.27	\$ 5.76	\$ 8.03	\$ 10.29	\$ 12.56	\$ 56,999	\$ 40,331	\$ 31,997	\$ 31,997

Revenue Estimate for 1st year of 3 YR Phased Non-Municipal Ag and No Phasing for Municipal			
	Ag	AF Proj.	Revenue
Mun Ag	\$ 12.56	6,986	\$ 87,738
Non Mun Ag	\$ 6.51	3,675	\$ 23,926
Total			\$ 111,664
Reserve Use			\$ 22,236

Revenue Estimate for 1st year of 4 YR Phased Non-Municipal Ag and No Phasing for Municipal			
	Ag	AF Proj.	Revenue
Mun Ag	\$ 12.56	6,986	\$ 87,738
Non Mun Ag	\$ 5.76	3,675	\$ 21,170
Total			\$ 108,908
Reserve Use			\$ 24,992

\$ 10,660.81	All Ag
\$ 6,985.51	Municipal Ag
\$ 3,675.30	Non Municipal Ag
\$ 1,577.78	Cemetaries/golf/parks
\$ 2,097.52	Production Ag



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Dear <Name of well owner>,

We want to let you know of a recent California Supreme Court ruling that will require water conservation districts to re-examine how we structure groundwater charges for agricultural and non-agricultural users.

Historically, water conservation districts like ours based groundwater charges on the California Water Code, which requires districts to charge agricultural water users between three and five times less for their water than for non-agricultural users.

The State Supreme Court has determined that this Water Code preference, standing alone, fails to meet the requirements of the California Constitution, which requires the amount of groundwater charges be related to the burden and benefit of the services funded by the charge.

The new California Supreme Court ruling means we will have to set this year's groundwater charge rates differently. We are planning a workshop to explain and answer questions about the case, and its implications for the District and our customers.

More information is available on the attached Questions and Answers Sheet, along with times and dates for the public workshop, public meeting, and public hearing. The public workshop will occur on February 1, 2018, at 1:30 pm at the District office.

We want to assure you that we are carefully reviewing this decision, and understand that the change in the law may have impacts on our producers, especially agricultural producers. Please be assured we will work, based on the direction of the Board, to limit transitional impacts on our basin's producers.

Please contact me with any questions you may have. My email is dcozad@sbvwcd.org, and my phone number is 909-793-2503.

Sincerely,

Daniel B. Cozad

Enclosed: Questions and Answers Sheet

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2:
David E. Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

Questions and Answers: State Supreme Court Ruling Impact on Groundwater Charges

A very recent California Supreme Court ruling is requiring water conservation districts throughout the state to re-examine the structure of their rates for groundwater charges on agricultural and non-agricultural users.

Water conservation districts have statutory authority to levy a production-based fee on those who produce water from a groundwater basin, to offset costs of recharge and other activities to keep those basins functional. In the past, such districts (including the San Bernardino Valley Water Conservation District) based their groundwater charges on the State Water Code, which requires agricultural users to be charged between three and five times less for their water than for non-agricultural users. The result was that under the Water Code, agricultural users got a discounted rate of three to five times less than the non-agricultural rate.

The State Supreme Court ruled water conservation districts must instead base their rates on the relative benefits and burdens of ratepayers to the services the districts provide, and that constitutional requirements override the “three to five times” ratio set out in the Water Code. This case has prompted the San Bernardino Valley Water Conservation District (SBVWCD) to schedule a workshop and public meetings to discuss the impacts on the groundwater charge paid by groundwater producers who pump water directly from wells, particularly agricultural users.

The ruling also states that groundwater charges are not subject to procedures normally governing assessments or property related charges, (Prop 218) because they are based on the activity of groundwater production, not property ownership.

What was the California Supreme Court Ruling?

The December 4, 2017, ruling essentially makes Water Code standards obsolete for setting rates for agricultural uses, including golf courses and cemeteries. The only exception is when specific studies show the burden and benefits of the activity being charged fit within the “three to five times” range of the Water Code.

The decision stems from a lawsuit filed by the City of Ventura against the United Water Conservation District over that district’s groundwater charge. The city pumped water to serve residential customers at a rate that was three times what agricultural users paid. The city contended that it got no greater benefit from the district’s recharge activities than agricultural users who paid less and that this was unconstitutional. The State Supreme Court agreed, and ruled that all water conservation districts need to make sure that their groundwater charges met two constitutional standards: 1) the total amount of revenue collected cannot exceed the costs to the charging district of providing its services to pumpers; and 2) the rates of the fees must be proportional to the benefits and burdens of the services to users.

In other words, water conservation districts can no longer charge disproportional rates for agricultural and non-agricultural users unless those rates are shown to be proportional to the burden and benefit of the services for which the charge is imposed. Under this ruling, any district that intends to continue with the Water Code rate structure will have to prove that it costs three times more to provide conservation services to non-agricultural extractors who pay three times the fee.

What Does this Mean for Local Pumping Rates?

The SBVWCD has been following this issue very carefully and is evaluating a groundwater charge structure that will be fair and equitable but still comply with this latest ruling.

Currently, the SBVWCD charges a groundwater charge per acre foot of water pumped to pay for the costs of facility maintenance and recharge operations in Santa Ana River and Mill Creek Spreading Grounds in accordance with Water Code rates, which favor agricultural producers.

The SBVWCD evaluates the basin annually to be sure recharge is needed and sets a rate based on the groundwater production to cover its costs. This effort has resulted in the recharge of over 1 million acre-feet of water into the Bunker Hill Groundwater Basin. The groundwater charge ensures high water quality and helps sustain water levels in the basin during drought.

SBVWCD now needs to re-evaluate its rate structure, and assure that its rates reflect the benefits and burdens of its services on all users, not simply follow the Water Code preference for agricultural producers.

Where can I get more information?

In addition to completing the district's sustainability plan, the District is hosting a series of public workshops and hearings to explain the court decision, how it impacts the district's rate structure, and receiving comment from members of the public.

An information workshop will be held at:

1:30 p.m. Thursday, February 1, 2018

San Bernardino Water Conservation District Boardroom
1630 W. Redlands Blvd. Redlands, CA 92373

A Public Meeting on the proposed Groundwater Charge will be held at:

1:30 p.m. Wednesday, April 11, 2018

San Bernardino Water Conservation District Boardroom
1630 W. Redlands Blvd. Redlands, CA 92373

The Public Hearing to adopt a new groundwater charge will be held at:

1:30 p.m. Wednesday, April 25, 2018

San Bernardino Water Conservation District Boardroom
1630 W. Redlands Blvd. Redlands, CA 92373

For more information, please attend one of the meetings above or contact SBVWCD General Manager Daniel Cozad at 1630 West Redlands Blvd., Suite A, Redlands, CA 92373; or by phone at 909-793-2503.

SBVWCD SUMMARIZED BUDGET AND ACTUAL REVIEW LAST 4 YEARS

INCOME:	FY 13-14		FY 14-15		FY 15-16*		FY 16-17		FY 17-18
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
GROUNDWATER CHARGE-AG	43,358	52,599	44,305	51,560	43,628	53,285	47,158	29,333	38,921
GROUNDWATER CHARGE-NON AG	792,253	866,739	828,990	928,808	829,668	679,573	719,240	668,198	713,700
MISCELLANEOUS INCOME	0	22,298	0		0	235	0		35,000
SBVMWD LEASE AGREEMENT	117,002	117,002	161,558	162,419	181,548	182,451	185,443	185,005	188,033
EXCHANGE PLAN	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
TOTAL INCOME:	982,612	1,088,637	1,064,853	1,172,787	1,084,844	945,544	1,006,698	912,536	1,005,654
EXPENSES:					GW CHARGE 5 Year Base 4% Escalation		873,296		752,621
ENGINEERING AND PROF. SERVICES	93,705	38,129	87,619	54,057	85,841	70,524	83,120	63,150	79,445
REGIONAL RIVER HCP CONTRIBUTION			18,750	18,750	22,500	18,750	22,500	18,750	18,750
PROPERTY EQUIPMENT UTILITIES	66,007	34,728	86,822	34,305	68,602	29,898	68,359	36,484	37,000
GENERAL ADMINISTRATION	54,982	52,192	68,401	45,808	81,469	54,173	78,364	53,433	57,000
FIELD & ADMIN LABOR AND BENEFITS	503,146	406,496	575,101	390,146	570,095	372,650	593,165	468,170	503,345
DIRECTOR'S EXPENSES	0	0	0	0	0	0	0	0	0
CAPITAL MAINTENANCE RESERVE	264,771	560,467	208,755	632,607	237,000	402,301	155,190	274,959	310,114
TOTAL OPERATING EXPENSE	1,043,366	1,126,313	1,092,217	1,194,617	1,109,337	967,886	1,037,818	963,315	1,005,654
CAPITAL AND MULTIYEAR COSTS									
BASINS REPAIRS	90,000	106,473	75,000	3,198	60,000	1,334	60,000	9,265	100,000
PROPERTY - CAPITAL REPAIRS	42,500		26,000	10,006	122,500		80,000	1,552	60,000
MILL CREEK DIV. & O&M PERMITTING	47,500				300,000		600,000		48,000
FIELD EQUIPMENT / VEHICLES	79,980	79,434	41,490	37,227	30,290	5,025	104,250	3,708	102,114
TOTAL CAPITAL AND MULTIYEAR	259,980	185,907	142,490	50,432	512,790	6,359	844,250	14,524	310,114

* Full CIP costs Budgeted multiyear per Board



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1551

To: Board of Directors

From: Land Resources Manager, Jeff Beehler

Date: February 14, 2018

Subject: Mill Creek Project Permitting: US Army Corps of Engineers 408 Permit

RECOMMENDATION

On the recommendation of the Operations Committee, review project update for the Mill Creek Diversion Enhancement Project and authorize staff to expend an amount not to exceed \$75,000 for expedited US Army Corps of Engineers (Corps) 408 Permit Review.

BACKGROUND

The Mill Creek Diversion Enhancement Project increase the District's ability to manage debris and sediment while maintaining water diversion in high flows. It will also regain recharge capacity lost to sedimentation and reduce costs due to sediment removal. The project will recover an additional 3,967 acre feet of additional water capture over 10 years assuming 20 days of 50 CFS and 40 days of 25 CFS flow at the diversion. Based on the estimated capital costs and expected water created over 10 years the average capital water cost is \$189/AF.

The Board adopted a Mitigated Negative Declaration (MND) for the project in July and completed all tribal consultation required under AB 52. Additionally, staff and consultants prepared a Storm Water Quality Management Plan for the project which was submitted to the San Bernardino County Flood Control District (Flood) with project design plans and specifications. Flood determined the project will require a Corps Section 408 permit. The 408 permit allows "alteration of a public work so long as that alteration is not injurious to the public interest and will not impair the usefulness of the work."

DISCUSSION

The Section 408 permit application is made by Flood on behalf of the District. The Corps offers an expedited review of Section 408 permit materials through a reimbursement agreement with Flood. Estimated processing time absent the reimbursement agreement time is two to three years. The Corps did not provide a timeframe for expedited review only that there would be greater coordination and quicker response time.

In order to construct the project, the District will also need to obtain an addition permit from the Corps (Section 404), a permit from the California Department of Fish and Wildlife (Section 1602), a permit from the Regional Water Quality Control Board (Section 401). Staff will apply for these permits after

BOARD
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Division 1:
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Division 2: David E.
Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

initial Section 408 consultation with the Corps. The mitigation described in the MND appears adequate for these permits.

FISCAL IMPACT

Costs for expedited review were not included in the project budget. Staff will update project costs and schedule in the upcoming budget (2018-2019).

POTENTIAL MOTIONS

1. Receive report and authorize staff to engage in expedited permit review with the Corps for an amount not to exceed \$75,000.
2. Move to request this item be tabled for further review and consideration.

ATTACHMENTS OR MATERIALS

Mill Creek Diversion- Project Charter

Mill Creek Diversion - Project Charter Update (May 2016)

Scope

Mill Creek is an internal project to increase the District's ability to manage debris and sediment and maintain water diversion in high flows and to regain capacity and reduce costs due to sediment. This Project coordinates with Flood Control and SBVMWD on Active Recharge. This Project is included in River HCP with SBVMWD.

Project Budget

\$200K Design Permitting – CWE \$188,037 expended \$93,860 remaining \$94,177, contingency \$10,973
\$80,000 Environmental Permitting and Procurement
\$395 - \$450K (\$482) Final Design for Construction
\$50,000 Monitoring and Post Project Reporting
\$750,000 - \$800,000 Total

Project Benefits

- Expects 3,967 Acre feet of additional water capture over 10 years assuming 20 days of 50 CFS and 40 days of 25 CFS
- Based on the capital costs and expected water created over 10 years the average capital water cost is \$189/AF
- Avoided Cost \$25,000 of capital maintenance and sand management plus there is additional water expected \$991,750, when recharge water is valued at \$250 per Acre Foot
- ROI is 39.3% and payback is 7.2 years

Approvals Required

- SBVWCD - Complete
- BTAC - Complete
- Flood Control Encroachment and (408 Levee Permit) with US Army Corps of Engineers
- US Army Corps of Engineers (404 permit)
- USFWS & CA DFW (HCP coverage (Section 10) and 1602 permit)
- Regional Water Quality Control Board (401 certification)?
- Others

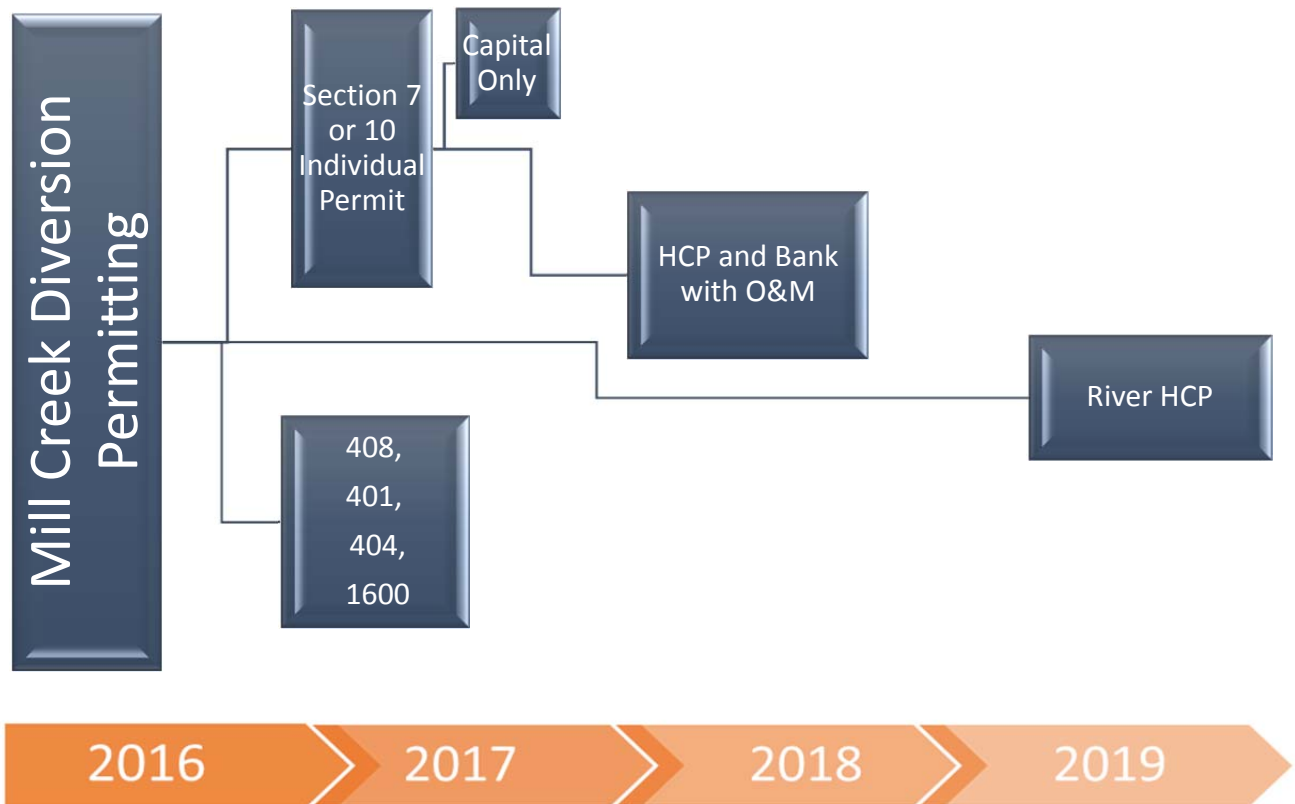
Summary Schedule

2-3 year Design and Implementation

- Year 1 design – Permitting drawings complete by end of Fiscal Year
- Year 2 Permitting Approvals – March 2017 or later – Depending on options*
- Year 3 Construction/Operations – April-October 2017 or April –October 2018*

Permitting Options available*

Individual Permits under Section 7 or Section 10 HCP or a combined HCP with O&M activities and Bank Agreements. The Project is also in the River HCP in case SAS



Policy Decisions and Considerations

The Committee and Board may consider the following:

1. Permitting – The Committee and Board may consider from among several options for piecemeal or holistic permitting for Mill Creek project, spreading grounds or continuing with the River HCP. Implications of the selection will determine schedule and budget.
2. Project Procurement – At the end of design and permitting the Board may consider directing staff to initiate procurement
3. Selection and Construction Budget – The Committee and Board may consider award of a contract for construction of project and setting a construction budget based on bids and contingency.
4. Construction Management and Oversight – The Committee and Board may consider contracting for construction management and oversight to insure staff limitations to not constrain the project.
5. Cooperation with Partners – The Committee and Board may consider the Active Recharge Project when fully identified with SBVMWD.



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Memorandum No. 1552

To: Board of Directors

From: General Manager, Daniel Cozad

Date: February 14, 2018

Subject: Unaudited Financials, January 2018

RECOMMENDATION

Review and approve the unaudited financials for January 2018.

BACKGROUND

Each month staff presents the unaudited financials for the District. The reports to be presented are as of January 31, 2018.

DISCUSSION

The majority of groundwater producers have sent in reporting and payment of their groundwater usage for period July 1, 2017-December 31, 2017. Agricultural usage revenue has come in lower than expected and non-agricultural usage is up largely from City of Riverside. City of Loma Linda is only larger producer who has not yet reported. Estimate an additional \$30,000 in revenue from all remaining producers primarily from non-agricultural use.

FISCAL IMPACT

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

POTENTIAL MOTIONS

1. Move approval of the Unaudited Financials for January 2018 as presented.
2. Move to request this item be tabled and referred to Finance & Administration Committee for reconsideration of specific issues discussed.

ATTACHMENTS OR MATERIALS

Graph Financials for January 2018
Profit & Loss to Date vs. Annual Budget

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2:
David E. Raley

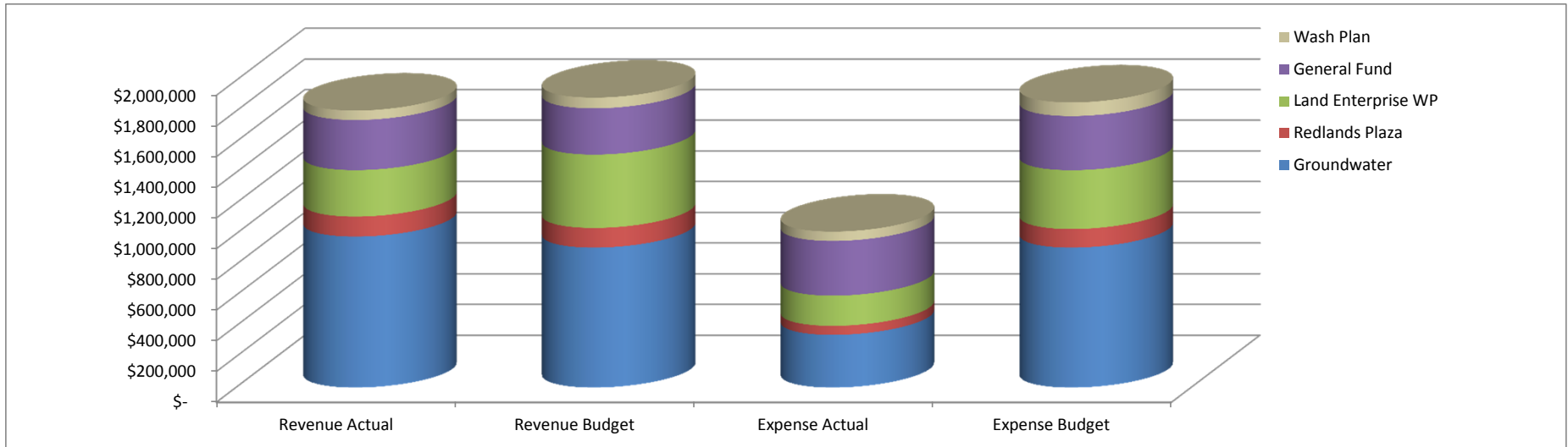
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Enterprises to Date (January 2018)



Enterprise	Actual	Budget	% of Budget
Groundwater Revenue	\$ 983,179	\$ 911,344	108%
Groundwater Expense	\$ 343,134	\$ 578,983	59%
Revenue -Expense	\$ 640,045	\$ 332,362	
Redlands Plaza Revenue	\$ 130,272	\$ 127,995	102%
Redlands Plaza Expense	\$ 58,593	\$ 120,961	48%
Revenue -Expense	\$ 71,678	\$ 7,034	
Land Enterprise Revenue	\$ 303,018	\$ 478,375	63%
Land Enterprise Expense	\$ 196,824	\$ 383,671	51%
Revenue -Expense	\$ 106,194	\$ 94,704	
General Fund Revenue *	\$ 326,629	\$ 301,682	108%
General Fund Expense	\$ 356,276	\$ 353,019	101%
Revenue -Expense	\$ (29,647)	\$ (51,337)	
Wash Plan Revenue	\$ 62,073	\$ 70,000	89%
Wash Plan Expense	\$ 60,970	\$ 89,202	68%
Revenue-Expense	1,104	(19,202)	
Total All Revenue - Expense	\$ 789,373	\$ 363,561	217%

Cash Status	As of 7/1/2017	As of 1/31/2018
LAIF	\$ 450,847.82	\$ 454,484.74
Cal Trust	\$ 3,003,802.30	\$ 3,026,157.05
Citizens Bank	\$ 425,411.04	\$ 741,702.37
UBS Financial Services	\$ 1,868,928.62	\$ 1,860,972.19
Cal Credit Union	\$ 3,276,349.50	\$ 3,291,739.33
Total Cash	\$ 9,025,339.28	\$ 9,375,055.68
Less Prepaid Royalty	\$ (5,000,000.00)	\$ (5,000,000.00)
Cash Position	\$ 4,025,339.28	\$ 4,375,055.68

Increase (decrease) of
Percent Increase \$ 349,716.40
8.7%

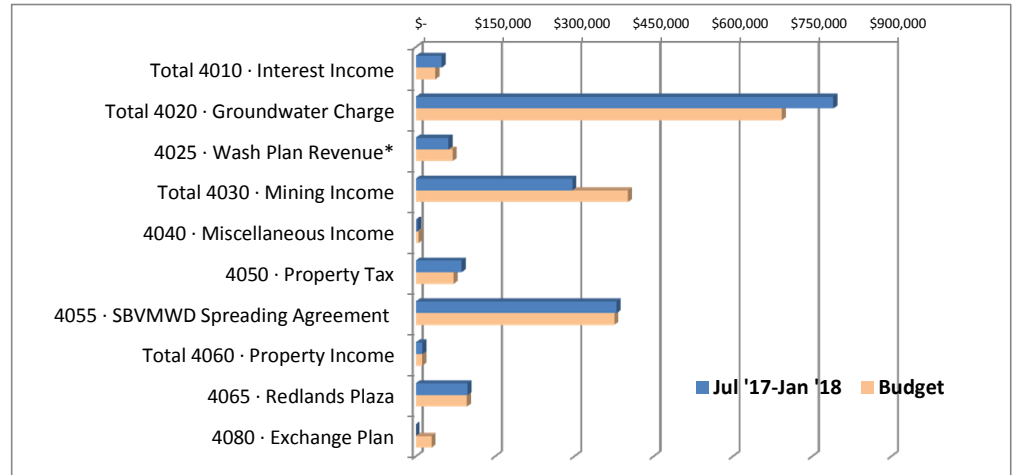
* General Fund Revenue shown here does not include overhead

SBVWCD - All Enterprises Budget and Actual

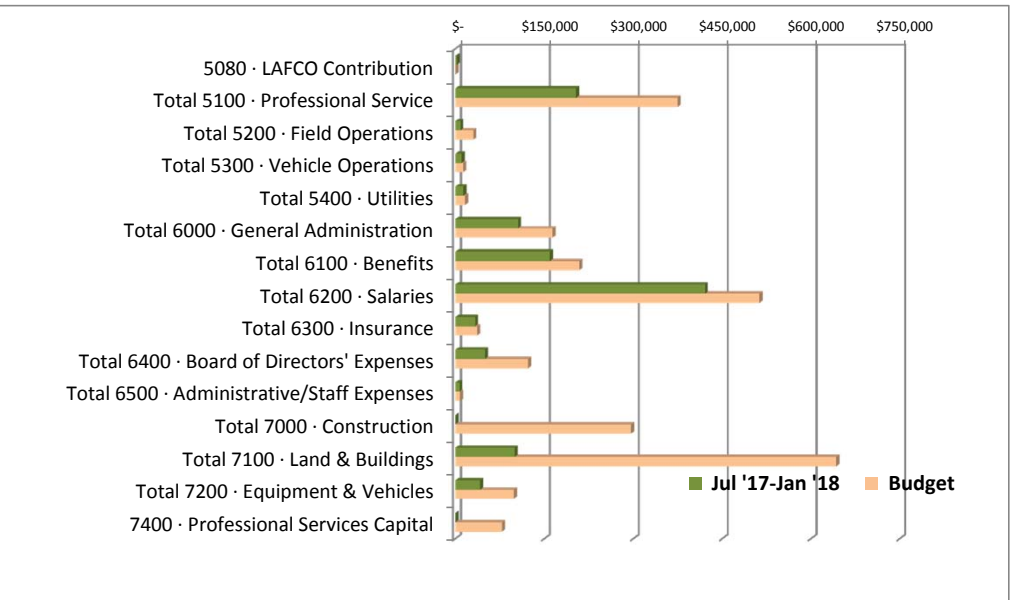
January 2018

REVENUE	Jul '17-Jan '18	Budget
Total 4010 · Interest Income	\$ 49,249	\$ 37,507
Total 4020 · Groundwater Charge	\$ 790,920	\$ 693,311
4025 · Wash Plan Revenue*	\$ 62,073	\$ 70,000
Total 4030 · Mining Income	\$ 296,716	\$ 401,917
4040 · Miscellaneous Income	\$ 3,003	\$ 5,833
4050 · Property Tax	\$ 86,914	\$ 71,767
4055 · SBVMWD Spreading Agreement	\$ 380,371	\$ 376,067
Total 4060 · Property Income	\$ 12,850	\$ 12,600
4065 · Redlands Plaza	\$ 98,110	\$ 96,730
4080 · Exchange Plan	\$ -	\$ 30,000
Total Revenue	\$ 1,780,206	\$ 1,795,731

*District loans to the WP



EXPENSES Operating and Capital	Jul '17-Jan '18	Budget
5080 · LAFCO Contribution	\$ 2,153	\$ 400
Total 5100 · Professional Service	\$ 203,572	\$ 374,633
Total 5200 · Field Operations	\$ 8,342	\$ 30,330
Total 5300 · Vehicle Operations	\$ 10,278	\$ 12,979
Total 5400 · Utilities	\$ 13,629	\$ 16,397
Total 6000 · General Administration	\$ 105,575	\$ 164,040
Total 6100 · Benefits	\$ 159,379	\$ 208,833
Total 6200 · Salaries	\$ 420,682	\$ 512,902
Total 6300 · Insurance	\$ 33,198	\$ 36,583
Total 6400 · Board of Directors' Expenses	\$ 49,767	\$ 122,808
Total 6500 · Administrative/Staff Expenses	\$ 6,883	\$ 7,990
Total 7000 · Construction	\$ -	\$ 296,332
Total 7100 · Land & Buildings	\$ 99,800	\$ 642,828
Total 7200 · Equipment & Vehicles	\$ 41,850	\$ 98,583
7400 · Professional Services Capital	\$ -	\$ 78,750
Total Expense	\$ 1,155,108	\$ 2,604,389



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

	Jul '17 - Jan 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 - Interest Income				
4012 - LAIF	3,636.92	1,800.00	1,836.92	202.05%
4013 - Caltrust Investment Income	22,354.75	20,000.00	2,354.75	111.77%
4014 - CalCredit Union Interest Income	15,389.83	25,000.00	-9,610.17	61.56%
4015 - UBS Interest Income	7,867.78	17,500.00	-9,632.22	44.96%
Total 4010 - Interest Income	49,249.28	64,300.00	-15,050.72	76.59%
4020 - Groundwater Charge				
4021 - Assessments - Ag	27,939.26	38,921.24	-10,981.98	71.78%
4023 - Assessments - Non-Ag	762,980.74	713,700.40	49,280.34	106.91%
Total 4020 - Groundwater Charge	790,920.00	752,621.64	38,298.36	105.09%
4025 - Wash Plan Revenue	62,073.41	70,000.00	-7,926.59	88.68%
4030 - Mining Income				
4031 - Plant Site - CEMEX	24,000.00	48,000.00	-24,000.00	50.0%
4032 - Cemex - Royalty / Lease	244,166.65	586,000.00	-341,833.35	41.67%
4034 - Redlands Aggregate 5% Royalty	0.00	0.00	0.00	0.0%
4036 - Aggregate Maintenance	28,549.29	55,000.00	-26,450.71	51.91%
4030 - Mining Income - Other	0.00	0.00	0.00	0.0%
Total 4030 - Mining Income	296,715.94	689,000.00	-392,284.06	43.07%
4040 - Miscellaneous Income				
4041 - Reimbursed Expenses	0.00	0.00	0.00	0.0%
4040 - Miscellaneous Income - Other	3,003.00	10,000.00	-6,997.00	30.03%
Total 4040 - Miscellaneous Income	3,003.00	10,000.00	-6,997.00	30.03%
4050 - Property Tax	86,913.82	81,800.00	5,113.82	106.25%
4055 - SBVMWD Spreading Agreement Reim	380,371.00	376,066.70	4,304.30	101.15%
4060 - Property Income				
4062 - Mentone Property	12,850.00	21,600.00	-8,750.00	59.49%
Total 4060 - Property Income	12,850.00	21,600.00	-8,750.00	59.49%
4065 - Redlands Plaza	98,109.82	165,822.65	-67,712.83	59.17%
4066 - Redlands Plaza CAM	19,312.04	32,000.00	-12,687.96	60.35%
4080 - Exchange Plan	0.00	30,000.00	-30,000.00	0.0%
4086 - Plunge Creek IRWMP	5,651.92	150,000.00	-144,348.08	3.77%
4998 - Rate Stabilization From Reserve	0.00	35,000.00	-35,000.00	0.0%
Total Income	1,805,170.23	2,478,210.99	-673,040.76	72.84%
Gross Profit	1,805,170.23	2,478,210.99	-673,040.76	72.84%
Expense				
5040 - Regional Programs				
5080 - LAFCO Contribution	2,152.67	400.00	1,752.67	538.17%
Total 5040 - Regional Programs	2,152.67	400.00	1,752.67	538.17%
5050 - Basin Cleaning	1,882.50	50,000.00	-48,117.50	3.77%
5100 - Professional Service				
5120 - Misc. Professional Services	39,916.11	150,000.00	-110,083.89	26.61%
5122 - Wash Plan Professional Services				
5122.01 - Professional Services-Wash Plan	-251.80			
5122 - Wash Plan Professional Services - Other	2,864.45	50,000.00	-47,135.55	5.73%
Total 5122 - Wash Plan Professional Services	2,612.65	50,000.00	-47,387.35	5.23%
5124 - Plunge Creek Prof Services	41,629.76	150,000.00	-108,370.24	27.75%
5125 - Engineering Services	0.00	18,000.00	-18,000.00	0.0%
5130 - Aerial Photography & Surveying	0.00	1,000.00	-1,000.00	0.0%
5145 - Environmental Services (WP)	510.69	0.00	510.69	100.0%
5160 - IT Support	2,700.00	7,000.00	-4,300.00	38.57%
5170 - Audit	23,500.00	27,135.00	-3,635.00	86.6%
5175 - Legal - Wash Plan	2,135.00	10,000.00	-7,865.00	21.35%
5180 - Legal	90,567.60	209,000.00	-118,432.40	43.33%
Total 5100 - Professional Service	203,571.81	622,135.00	-418,563.19	32.72%
5123 - Temp. Field Labor	456.80	11,000.00	-10,543.20	4.15%
5133 - Regional River HCP Contribution	0.00	40,000.00	-40,000.00	0.0%
5143 - SBVCT District Contribution	0.00	4,042.00	-4,042.00	0.0%
5200 - Field Operations				
5210 - Equipment Maintenance	3,293.31	6,000.00	-2,706.69	54.89%
5215 - Property Maintenance	5,048.41	40,000.00	-34,951.59	12.62%
5220 - Maintenance Materials/Shop/Flid	0.00	3,000.00	-3,000.00	0.0%
5225 - Field Clean Up-Illegal dumping	0.00	3,000.00	-3,000.00	0.0%
Total 5200 - Field Operations	8,341.72	52,000.00	-43,658.28	16.04%
5300 - Vehicle Operations				
5310 - Vehicle Maintenance	5,493.39	10,000.00	-4,506.61	54.93%
5320 - Fuel	4,784.37	12,250.00	-7,465.63	39.06%
Total 5300 - Vehicle Operations	10,277.76	22,250.00	-11,972.24	46.19%
5400 - Utilities				

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

	Jul '17 - Jan 18	Budget	\$ Over Budget	% of Budget
5410 · Alarm Service	774.00	1,500.00	-726.00	51.6%
5420 · Electricity	4,843.21	9,500.00	-4,656.79	50.98%
5430 · Mobile Phone	2,025.00	3,550.00	-1,525.00	57.04%
5440 · Telephone	3,181.71	8,000.00	-4,818.29	39.77%
5450 · Natural Gas	207.94	900.00	-692.06	23.1%
5460 · Water / Trash / Sewer	912.69	2,160.00	-1,247.31	42.25%
5470 · Internet Services	1,684.85	2,500.00	-815.15	67.39%
Total 5400 · Utilities	13,629.40	28,110.00	-14,480.60	48.49%
6000 · General Administration				
6001 · General Administration - Other	1,125.94	5,500.00	-4,374.06	20.47%
6002 · Website Administration	1,692.94	3,100.00	-1,407.06	54.61%
6003 · Property Tax	0.00	235.10	-235.10	0.0%
6004 · Meeting Expenses	774.28	2,000.00	-1,225.72	38.71%
6006 · Permits	2,316.25	10,000.00	-7,683.75	23.16%
6007 · Inter District Costs	0.00	10,000.00	-10,000.00	0.0%
6009 · Licenses	1,014.90	1,639.00	-624.10	61.92%
6010 · Surety Bond	1,210.00	1,900.00	-690.00	63.68%
6012 · Office Maintenance	15.02	3,180.00	-3,164.98	0.47%
6013 · Office Lease Payment	35,000.00	60,000.00	-25,000.00	58.33%
6015 · Mentone House Maintenance	1,930.00	5,000.00	-3,070.00	38.6%
6016 · Redlands Plaza Maintenance	5,898.58	65,000.00	-59,101.42	9.08%
6018 · Janitorial Services	4,501.00	9,108.89	-4,607.89	49.41%
6019 · Janitorial Supplies	201.60	500.00	-298.40	40.32%
6020 · Vacancy Marketing-Redlands Plaz	186.04	5,050.00	-4,863.96	3.68%
6024 · Computer Equip Maint.	0.00	0.00	0.00	0.0%
6026 · Redlands Plaza CAM expenses	15,386.18	28,500.00	-13,113.82	53.99%
6027 · Computer Supplies	0.00	689.00	-689.00	0.0%
6030 · Office Supplies	1,391.22	4,250.67	-2,859.45	32.73%
6033 · Office Equipment Rental	4,281.83	8,900.00	-4,618.17	48.11%
6036 · Printing	210.31	980.00	-769.69	21.46%
6039 · Postage and Overnight Delivery	267.11	1,200.00	-932.89	22.26%
6042 · Payroll Processing	1,667.86	2,450.00	-782.14	68.08%
6045 · Bank Service Charges	1,094.96	2,500.00	-1,405.04	43.8%
6051 · Uniforms	1,408.85	2,000.00	-591.15	70.44%
6060 · Outreach	5,947.42	20,000.00	-14,052.58	29.74%
6087 · Educational Reimbursement	0.00	2,500.00	-2,500.00	0.0%
6090 · Subscriptions/Publications	1,095.99	1,000.00	95.99	109.6%
6091 · Public Notices	407.00	3,000.00	-2,593.00	13.57%
6093 · Memberships	16,550.00	18,500.00	-1,950.00	89.46%
Total 6000 · General Administration	105,575.28	278,682.66	-173,107.38	37.88%
6100 · Benefits				
6110 · Vision Insurance	1,159.34	2,355.91	-1,196.57	49.21%
6120 · Workers' Comp. Insurance	5,404.23	13,265.35	-7,861.12	40.74%
6130 · Dental Insurance	4,913.44	10,566.73	-5,653.29	46.5%
6150 · Medical Insurance				
6150.01 · Medical Employee Contribution	-11,875.81	-22,217.51	10,341.70	53.45%
6150 · Medical Insurance - Other	84,420.05	167,161.64	-82,741.59	50.5%
Total 6150 · Medical Insurance	72,544.24	144,944.13	-72,399.89	50.05%
6160 · Payroll Taxes-Employer	27,133.17	64,235.94	-37,102.77	42.24%
6170 · PERS Retirement				
6170.01 · PERS Employee Contributions	-25,587.22	-26,015.02	427.80	98.36%
6170 · PERS Retirement - Other	73,811.61	148,647.12	-74,835.51	49.66%
Total 6170 · PERS Retirement	48,224.39	122,632.10	-74,407.71	39.32%
Total 6100 · Benefits	159,378.81	358,000.16	-198,621.35	44.52%
6200 · Salaries				
6220 · Contingency/Temporary	0.00	0.00	0.00	0.0%
6230 · Regular Salaries	420,681.66	879,260.46	-458,578.80	47.85%
Total 6200 · Salaries	420,681.66	879,260.46	-458,578.80	47.85%
6300 · Insurance				
6310 · Property/ Auto Insurance	0.00	7,000.00	-7,000.00	0.0%
6320 · General Liability Insurance	33,197.95	32,500.00	697.95	102.15%
Total 6300 · Insurance	33,197.95	39,500.00	-6,302.05	84.05%
6400 · Board of Directors' Expenses				
6401 · Directors' Fees				
6401.5 · Payroll Taxes-Directors	3,159.71	0.00	3,159.71	100.0%
6401 · Directors' Fees - Other	38,928.00	78,718.78	-39,790.78	49.45%
Total 6401 · Directors' Fees	42,087.71	78,718.78	-36,631.07	53.47%
6410 · Mileage	1,879.86	4,000.00	-2,120.14	47.0%
6415 · Air Fare	0.00	2,500.00	-2,500.00	0.0%
6420 · Other Travel	122.00	500.00	-378.00	24.4%

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

	<u>Jul '17 - Jan 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6425 · Meals	1,848.71	2,500.00	-651.29	73.95%
6430 · Lodging	1,790.19	3,000.00	-1,209.81	59.67%
6435 · Conf/Seminar Registrations	2,039.00	5,000.00	-2,961.00	40.78%
6440 · Election Fees / Re-Districting	0.00	100,000.00	-100,000.00	0.0%
Total 6400 · Board of Directors' Expenses	49,767.47	196,218.78	-146,451.31	25.36%
6500 · Administrative/Staff Expenses				
6510 · Mileage	847.52	1,800.00	-952.48	47.08%
6515 · Air Fare	803.07	2,000.00	-1,196.93	40.15%
6520 · Travel, Other (rental car, taxi)	101.31	1,400.00	-1,298.69	7.24%
6525 · Meals	1,141.47	1,500.00	-358.53	76.1%
6530 · Lodging	2,090.58	3,000.00	-909.42	69.69%
6535 · Conf/Seminar Registrations	1,899.00	4,000.00	-2,101.00	47.48%
Total 6500 · Administrative/Staff Expenses	6,882.95	13,700.00	-6,817.05	50.24%
9999 · Contribution to Capital Maint.	0.00	280,500.00	-280,500.00	0.0%
Total Expense	1,015,796.78	2,875,799.06	-1,860,002.28	35.32%
Net Ordinary Income	789,373.45	-397,588.07	1,186,961.52	-198.54%
Other Income/Expense				
Other Expense				
7000 · Construction				
7010 · Materials	0.00	8,000.00	-8,000.00	0.0%
7050 · Basins- Capital Annual Repair	0.00	0.00	0.00	0.0%
7053 · HCP Endowment	0.00	0.00	0.00	0.0%
7055 · Plunge Creek Expansion	0.00	500,000.00	-500,000.00	0.0%
Total 7000 · Construction	0.00	508,000.00	-508,000.00	0.0%
7100 · Land & Buildings				
7110 · Property Capital Repairs	99,800.00	260,000.00	-160,200.00	38.39%
7130 · Mentone Property (House)-CapRep	0.00	0.00	0.00	0.0%
7140 · Mentone Property (Shop)-CapRep	0.00	50,000.00	-50,000.00	0.0%
7150 · Mill Creek Diversion	0.00	577,000.00	-577,000.00	0.0%
7160 · Mendoza Property	0.00	215,000.00	-215,000.00	0.0%
Total 7100 · Land & Buildings	99,800.00	1,102,000.00	-1,002,200.00	9.06%
7200 · Equipment & Vehicles				
7210 · Computer Hardware-Capital Purch	0.00	5,000.00	-5,000.00	0.0%
7220 · Computer Software	4,259.00	12,500.00	-8,241.00	34.07%
7230 · Field Equipment / Vehicles	32,009.42	150,000.00	-117,990.58	21.34%
7240 · Office Equipment	5,581.88	1,500.00	4,081.88	372.13%
Total 7200 · Equipment & Vehicles	41,850.30	169,000.00	-127,149.70	24.76%
7400 · Professional Services Capital				
7438 · Engineering Services-Other	0.00	135,000.00	-135,000.00	0.0%
Total 7400 · Professional Services Capital	0.00	135,000.00	-135,000.00	0.0%
Total Other Expense	141,650.30	1,914,000.00	-1,772,349.70	7.4%
Net Other Income	-141,650.30	-1,914,000.00	1,772,349.70	7.4%
Net Income	647,723.15	-2,311,588.07	2,959,311.22	-28.02%



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Memorandum No. 1553

To: Board of Directors

From: General Manager, Daniel Cozad

Date: February 14, 2018

Subject: Cooperative Audit of CEMEX Operations

RECOMMENDATION

Receive and file staff's presentation on the results of the cooperative audit of CEMEX operations.

BACKGROUND

Within the November 2011 mining agreement with CEMEX, the District has the opportunity to audit the Lessee as often as every two years. Because CEMEX did not initially mine the site under the 2011 lease and because the fair market rate was the subject of arbitration the District had not performed an audit. After the arbitration was completed, the District met with CEMEX to propose a cooperative audit of Lessee's books, receipts record and accounts to verify tonnages and materials excavated under section 7.6 of the Agreement. Based on the requirements and authorities of the lease the District and CEMEX developed an audit methodology to guide this and future audits. The methodology is attached to this Board Letter.

DISCUSSION

The methodology provided a good outline of the items needed that could be efficiently provided by CEMEX. This methodology allows both parties to perform the audit expediently. The Audit reviews the Royalty elements including producer price index adjustments, rate and tons mined. This is compared to minimum annual guarantee payments from each month. To review and test the system CEMEX provides Scale information, and the District picks three months out of the two years to review. CEMEX provides the information from the SAP system for the months selected the district will review scanned sales tickets for days requested in the months reviewed. The District and CEMEX will resolve any questions or document any findings.

The methodology also addresses verification of the amount mined and the amount sold. This area has much greater variability. This volumetric assessment compares before and after LiDAR elevation information to determine the amount of extracted material. The District had a LiDAR flight done by SBC Flood Control District that the District participated in to use for this purpose. To compare to this base information CEMEX had their contractor fly the Site by drone and produce a LiDAR map and volumes.

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Staff used the LiDAR data provided and the prior LiDAR data from SBC Flood to calculate the volume extracted. The result of the GIS comparison was nearly the same as that determined by CEMEX's contractor. The PowerPoint presentation summarizes the area they flew, the volumes and tonnage conversions.

RESULTS

Based on the Audit and the volumetric validation the District found no irregularities in the CEMEX systems or material that left the site not running through the scales. The volumetric assessment indicated more material had been sold than was excavated, while obviously, this is not possible, the excavated volume is subject to error in the initial LiDAR from the County and the need to manually remove the plant from the LiDAR. If the volume excavated were much larger, after subtracting for waste/silt one would be concerned that some material may not have been sold through scale system. As these results show, that is not the case. Staff is satisfied that the reporting from CEMEX is accurate and royalties collected appropriately.

FISCAL IMPACT

The costs of the Audit are included in the Land Enterprise and are jointly born by the parties. The methodology was developed to reduce cost and time for both parties and provide repeatability.

ATTACHMENTS

Cooperative Royalty Audit Methodology

PowerPoint Presentation of the Results of the 2017 Audit

CEMEX Mining Lease Biannual Audit Plan and Methodology

The purpose of the plan and methodology is to provide a guideline for the evaluation and review of mining under the November 2011 CEMEX mining lease with San Bernardino Valley Water Conservation District (SBVWCD).

As often as every two years SBVWCD can audit controls and records to ensure accurate systems are in place for the tracking and payment of royalties.

Audit Plan

Initiation Meeting

SBVWCD will schedule with CEMEX an initiation meeting and review general records and status of payments. CEMEX will have staff familiar with accounting and operations attend to be able to verify and respond to any questions and comments.

Review of elements of the Royalty

1. Review the agreement and changes to the per ton rate for concurrence
 - a. Review PPI adjustments based on final PPI
 - b. Review tonnage rate
 - c. Review stated tons mined
 - d. Review minimum royalty payments and any available credit calculations
 - e. Verify agreement on the current state of credits and payments
2. Prepare for Tonnage Verification

Tonnage Verification Methodology

The methodology for verification of the tonnage is described below to assure the tons of material which are processed results in royalty payments and can be traced to the volume of material excavated including waste silts and other factors. This methodology is in two sections; 1. System verification of the weighing, tracking and payment processes and; 2. Volumetric analysis of the excavation volume and relationship to the tons sold for the period.

System Verification

- a. CEMEX provides Scale Certification records – at meeting
- b. SBVWCD will indicate the months to audit (up to three) at summary level and request the SAP reports for daily transactions – at meeting
- c. CEMEX to provide requested reports from SAP – within 2 weeks
- d. Based on the preceding step SBVWCD to determine which days in the month to request scanned tickets for verification – within 2 weeks
- e. CEMEX to provide electronic scanned tickets for the dates requested and any other materials to support the transactions on those days – within 2 weeks

- f. SBVWCD will review the days tickets for agreement with the daily and monthly reports and statement provided with payment – within 2 weeks
- g. CEMEX to provide responses to any questions or issues identified - within 1 week
- h. SBVWCD will document the results of the review and provide a copy to CEMEX - within 2 weeks

In addition to the system verification Volumetric Assessment will be conducted as needed

Volumetric Assessment performed jointly by SBVWCD and CEMEX

- a. Review LiDAR from prior flight – at meeting, if possible
- b. Determine if recent flight is available – at meeting
- c. Assess quantity (tons) reported and determine if additional flight is needed – at meeting
- d. Schedule flight to coincide with end of a period if possible – within 4 weeks
- e. Review flight data and volume calculations – within 4 weeks from flight
- f. Assess losses and waste silt volume – within 4 weeks from flight
- g. Compare to tons reported– within 4 weeks from flight
- h. Determine if additional review is needed– within 4 weeks from flight

Finalize Report for SBVWCD and CEMEX Files

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
1630 W REDLANDS BLVD. REDLANDS, CA 92373 SUITE A

ROYALTY REVIEW/AUDIT
AGENDA

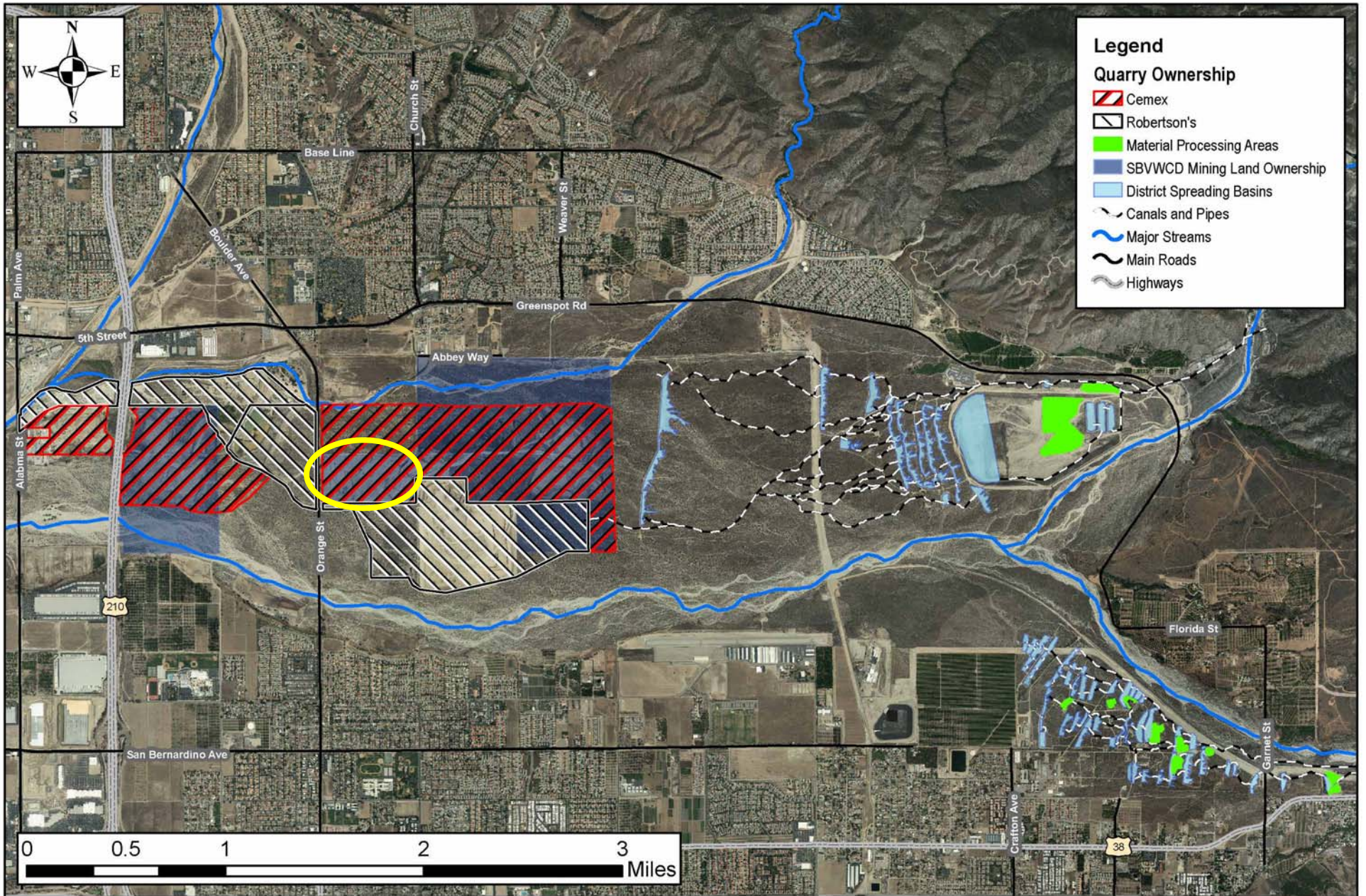
Date
Time

- 1. INTRODUCTIONS**
- 2. PURPOSE AND BASIS**
- 3. REVIEW AGREEMENT AND RATE CHANGES**
- 4. REVIEW PPI ADJUSTMENT AND TONNAGE RATE**
- 5. TOTAL MINED TONS, MINIMUM AND CREDITS**
- 6. CALCUALTIONS REVIEW**
- 7. TONNAGE VERIFICATION**
 - a. From documents/CEMEX**
 - b. Aerial Survey**
 - i. Prior LiDAR**
 - ii. New LiDAR and Volume assessment**
- 8. FOLLOW-UP ACTIONS**
- 9. METHODOLOGY REVIEW**
- 10. OTHER ISSUES**



CEMEX Cooperative Royalty Review

January 2018



Cooperative Audit Methodology

- ☞ Select months and days for sales to verify internal Cemex data and totals reported and paid by ton
- ☞ Compare topographic data from June 2013 and new data flown in October 2017
 - Cemex began mining in December of 2013
- ☞ Difference between the two elevation layers is the amount excavated
 - June 2013 Lidar topographic data with 1 ft point spacing for the county collected from aircraft
 - October 2017 Lidar collected by drone of plant site only

June 2012

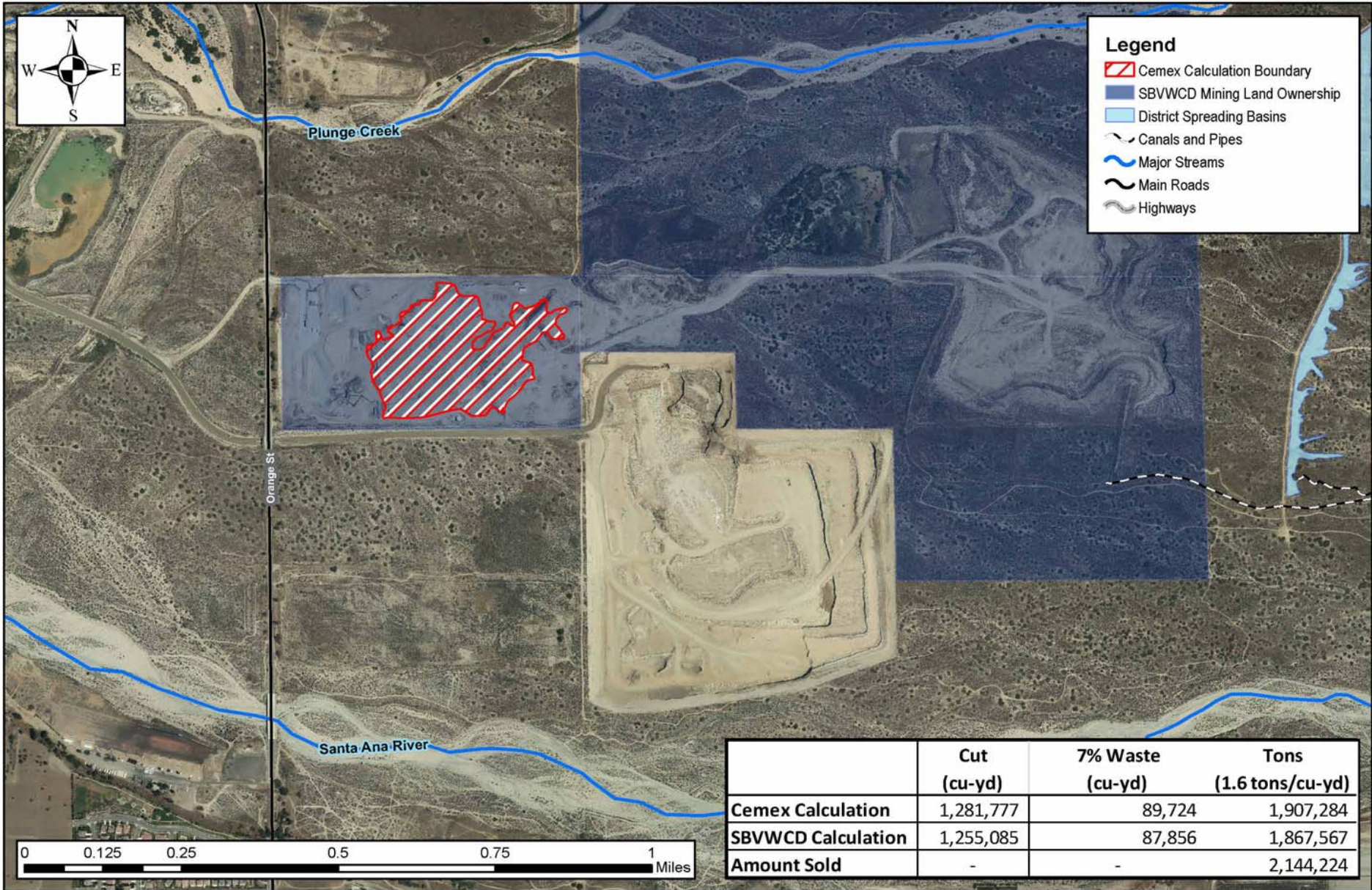


October 2016



Cemex Plant Site Lease Audit Calculation

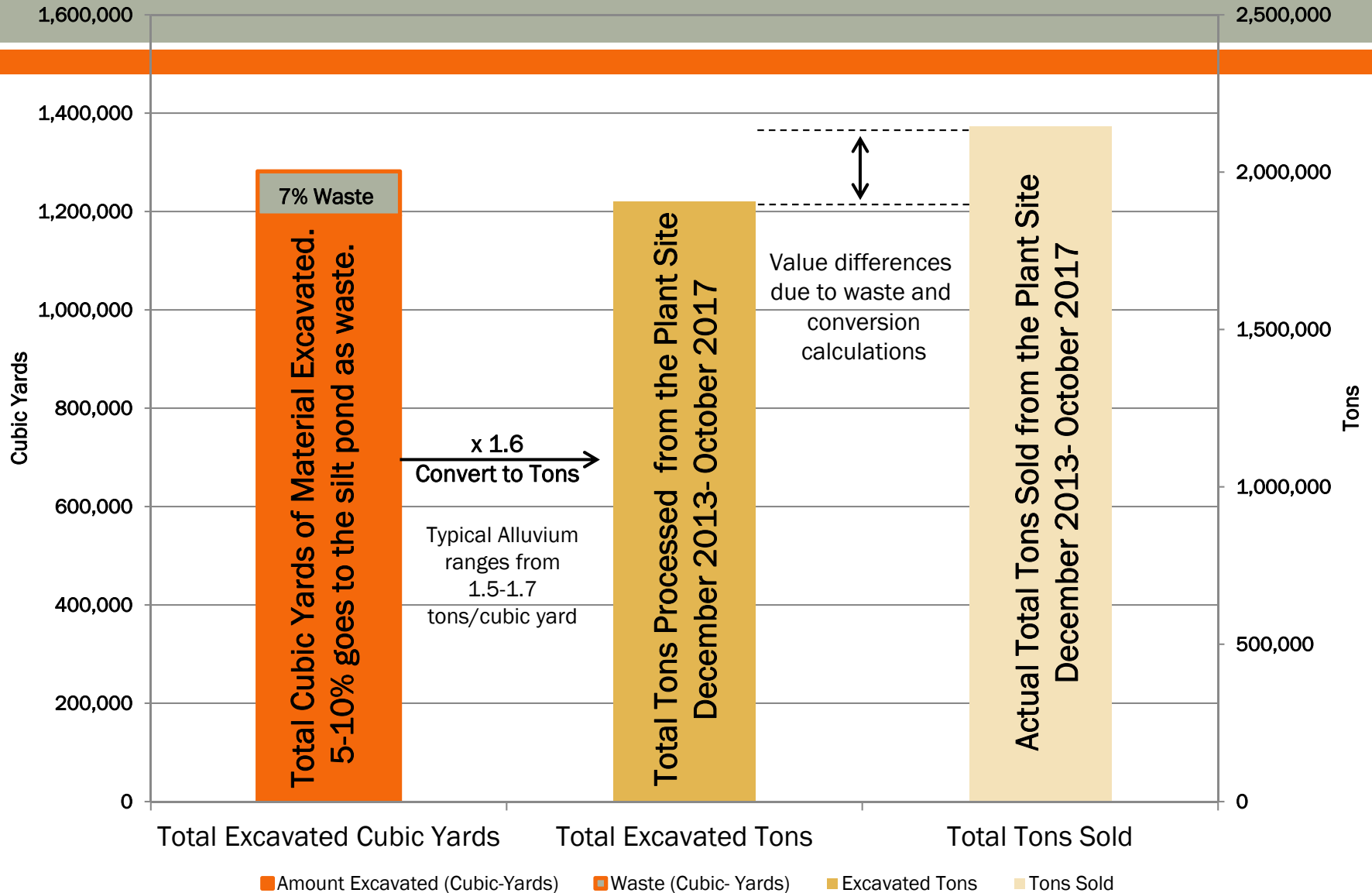
Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD, CASIL, SBVMWD
GIS Contact: K. Scholte
M:\2017 Projects\Cemex Plant Site
January 24, 2018



Excavation vs Sales Calculations

- ∞ Calculated excavation = 1,281,777 cubic yards
- ∞ Estimated that 5-10% is silt waste to pond
 - $(1,281,777 * .07) = 89,729$ cubic yards of waste
- ∞ Convert cubic yards to tons
 - Alluvium density ranges from 1.5-1.7 tons/cubic yard
 - $(1,281,777 - 89,729) * 1.6 = 1,907,284$ tons
- ∞ 2,144,224 tons sold from the plant site from December 2013-October 2017

Amount of Material Excavated from the Cemex Plant Site From December 2013- October 2017



Assumptions, Errors and Changes

∞ June 2013 elevation data:

- Collected from a full sized aircraft at 30,000 ft
- A large production screen was on the site and elevation points had to be removed
- Lower resolution data for general use

∞ Waste factor

- Less waste may have occurred than the anticipated amount
- Silt pond should be included in the calculation and as part of the survey area

∞ Density of alluvium

- Density factor may be under estimated
- Density should be tested at regular intervals to reduce error

Summary of Cooperative Audit

- ∞ District staff worked well with CEMEX staff to develop methodology with review by District Auditors
- ∞ Cemex Staff and District selected and reviewed sales date which matched Cemex payments
- ∞ Aerial verification corroborates royalty paid on all materials extracted
- ∞ Staffs will document the improvements for next review
- ∞ Reviews generally take more effort and time than expected



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Memorandum No. 1554

To: Board of Directors
From: General Manager, Daniel Cozad
Date: February 14, 2018
Subject: Draft 2018 Engineering Investigation Report

RECOMMENDATION

Receive and file Staff's presentation, provide any comments on the Engineering Investigation (EI Report).

BACKGROUND

Over five years ago, Staff prepared the first EI Report Plan after receiving considerable input and discussion with the BTAC and other parties in the Basin. Recently, Staff has updated the plan to incorporate changes and revisions that were identified from the production of the EI Report in 2016.

Staff developed the 2018 EI Report in accordance with the updated EI plan approved by the Board at their December 2016 meeting. Staff posted the Draft EI Report and will present the report to the Board in the meeting. The next BTAC meeting will be on April 2, 2018 and staff will offer a presentation if the BTAC is interested. Staff has not received any comments nor have any requests for changes been received.

DISCUSSION

Generally, the EI Report process was very similar to prior years. Data for well location was requested and Katelyn Scholte verified locations, basins and wells to improve accuracy and mapping quality. The 2018 report uses well locations for more than 250 wells giving a more accurate representation of the ground water elevation. Staff has made one substantive change to the report this year regarding surface and imported water. Previously, imported water supplies for spreading were included in Table 8, summarizing Surface Distribution Water for Bunker Hill Basin, only if the was water purchased by the District and spread in the Santa Ana or Mill Creek Facilities. Because imported water supplies for basin replenishment are now a regularly occurring activity with marked impacts on the basin all recharge of imported will be included in the calculations. All imported water spread in the Bunker Hill Basin regardless of purchaser or spreading location within the basin is how shown in Table 8. Quantities used for imported water spread for recharge were provided by San Bernardino Valley Municipal Water District (SBVMWD).

Staff has not received any changes since posting, however that is very recent. Virtually all requested well levels were reported, with the exception of Fontana Water Company, Devore Water and some Riverside wells that were not monitored. Any additional information received will be incorporated

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into the final report. SBVMWD will again run their model for the basin with our data to compare with the EI Report and results will be reported when complete.

The 2018 EI Report indicates precipitation was higher for the water year and for the calendar year. This is true despite the latter half of 2017 staying drier than the beginning of the year. Water year 2018 precipitation was approximately 125% of normal. The EI shows a general rise in basin water levels from the elevations reported for the prior year. Areas that are distant from recharge decreased from 5 to 11 feet and other areas have increased almost 20 feet due to a large quantity of State Water Project water recharged in the area. In total, record levels (47,000AF) of State Project Water stopped the average decline in water levels and with rainfall resulted in an increase of about 55,000 AF for the Bunker Hill Basin. Groundwater production was approximately the same as the previous period due to mandated water use restrictions. Approximately 81,000 AF were produced within SBVWCD boundaries and 154,000 AF were produced within the Bunker Hill Basin boundary.

The EI Report with appendices is available on the District's website <http://www.sbvxcd.org/reports-and-data/engineering-investigation.html>. Limited copies of the EI Report will be produced with primary distribution by Adobe Acrobat file. Staff will provide a copy for any Board member who requests them.

FISCAL IMPACT

The EI Report preparation alone does not have a significant fiscal impact. Costs to produce the 2018 EI are similar to the last few years and lower than the past due to the exclusive use of in-house and intern staff for data acquisition, management, analysis, and document preparation. This represents a savings to the Groundwater Enterprise, to the District and all groundwater producers. A primary purpose of the report is to provide the basis for the Groundwater Charge in compliance with Water Code §75523. The budget for the Groundwater Enterprise covers the cost for the EI Report.



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Memorandum No. 1555

To: Board of Directors

From: Ad Hoc Groundwater Council Committee/General Manager, Daniel Cozad

Date: February 14, 2018

Subject: Groundwater Council Framework Agreement

RECOMMENDATION

It is recommended that the Board approve the Groundwater Council Framework Agreement to equitably share responsibility for basin management and to ensure the future sustainability of the San Bernardino Groundwater Basin.

BACKGROUND

San Bernardino Valley has experienced historically low rainfall and hot summers, causing a drought of some 20 years, and counting. The groundwater storage levels in the San Bernardino Basin are at an all time low. The *San Bernardino Valley Regional Urban Water Management Plan* shows that the valley does not have enough local water supplies to meet the projected demands into the future. Statewide, this recent drought caused the Governor to declare a state of emergency.

As a result, the California Legislature enacted the Sustainable Groundwater Management Act of 2014 (SGMA), in September 2014. This act established a statewide framework for the sustainable management of groundwater resources, which focuses on granting new authorities and responsibilities to local agencies. Ensuring water supply reliability and long-term groundwater sustainability has become even more important as a result of the long-term drought and the reduced availability of State Project Water from Northern California. While adjudicated basins such as the San Bernardino Basin Area (SBBA), including the Bunker Hill Groundwater Basin, are not subject to most provisions of the act, water managers are expected to manage the SBBA in accordance with the sustainability principals to avoid deleterious impacts on the basin.

In 2015, local water agencies began meeting to identify and develop a Groundwater Sustainability Council for the SBBA, now known as the Groundwater Council (GC). Many agencies and cities approved a Memorandum of Understanding in November, 2015, agreeing to develop this GC. The goals of the GC formation group were to identify the water resources to ensure a sustainable water supply into the future, and to equitably share the cost of those resources amongst the pumpers.

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The underlying principles that drove this effort were that the groundwater basin is a shared resource, and we all have a shared responsibility to avoid the classic “tragedy of the commons,” where this responsibility is being shouldered by some but not all groundwater producers. In the dozens of meetings over the past two years, and hundreds of hours invested by the organizers, two primary products were developed: 1) a method to equitably allocate the costs of sustainable basin management, and 2) a five year agreement (GC Agreement) that lays out an organizational structure to administer the process.

These principles, and the procedures developed to implement them, have been incorporated into a “San Bernardino Basin Groundwater Council Framework Agreement,” which is now submitted for the Board for approval. Signing the GC Agreement represents a commitment by all participants to collaboratively develop funding to purchase supplemental water supplies adequate to ensure a sustainable water supply, into the foreseeable future.

The GC Agreement includes an Equitable Allocation Model (EAM) developed by the Basin Technical Advisory Committee (BTAC), the technical collaborative group that for years has been cooperatively analyzing and developing policies for regional water management. The Equitable Allocation Model is a methodology to share costs under the GC Agreement. It seeks to balance historical water rights with current water demands on, and contributions to, basin water supplies. While somewhat technical in expression, the EAM is a result of years of work by stakeholders in the Basin. The EAM proportions the water cost based upon an agency’s “gap” between its own supplies and demand. This method recognizes an agency’s investment in water conservation and other supplies like surface water and recycled water. It represents a middle ground that copes with the reality of present water use and supply, while recognizing historical efforts and investments in developing water rights.

It also includes an Operations and Maintenance cost component for groundwater recharge facilities. For GC participants, this O&M charge component will substitute for the Conservation District’s groundwater charge. The EAM proportions O&M costs based on the most recent groundwater pumping patterns.

Together with the GC Agreement, the EAM represents the joint efforts major Basin producers to fulfill the original principles of the sustainability process. The Groundwater Council formed by the agreement will coordinate supplemental water purchases, primarily from the State Water Project. These purchases will replace the current “ad hoc” method of water purchases, to implement more strategic, long-range sustainability, and assure steady, reliable funding for facilities maintenance.

DISCUSSION

Participation in the GC is open to groundwater producers in the San Bernardino Basin Area. The pumpers include: City of Colton, City of Redlands, City of Rialto, City of San Bernardino Municipal Water Department, City of Loma Linda, East Valley Water District, West Valley Water District, San Bernardino Valley Municipal Water District, San Bernardino Valley Water Conservation District, Fontana Water Company, Western Municipal Water District, Yucaipa Valley Water District, Bear Valley Mutual Water Company, and Loma Linda University. Membership is secured by signing the Agreement.

The GC formation group intentionally developed the GC Agreement with limited powers. It also defined the responsibilities and protections for the parties. The GC has limited authority and each party's board or council retains control and directs their executive's participation.

Because the GC Agreement is proposed for a limited five (5) year initial term, the parties can revisit the agreement as its workings evolve, and determine if any changes or extensions are warranted. In addition, the GC Agreement, as written, requires an 80 percent (80%) supermajority of weighted votes for budget and critical policy decisions in order to obtain consensus.

The GC Agreement has straightforward provisions for leadership, organization and budget. The GC will develop its budget early in the calendar year so as harmonize with the parties' respective budgeting processes. A table and chart are attached with initial estimated costs and voting weights, assuming full participation.

FISCAL IMPACTS AND BENEFITS

Each party will have different costs, based upon the methodology used in the EAM. The Conservation District will not have an assessment to pay but rather will collect the O&M costs for the recharge component. These sums will be compared to the groundwater charge to ensure a similar cost is contributed in total by all parties. The basis of the budget is set to represent the amount that would have been contributed by the parties under the groundwater charge. The GC should be revenue neutral to the Conservation District. The Conservation District provided significant support for the development of the Groundwater Council. Staff support is estimated at over 550 hours for Katelyn Scholte and Daniel Cozad. Staff was supported by District Counsel and Bill Kelly a consulting facilitator, at a cost of \$46,693 and \$34,684 respectively. The total cost including staff time is approximately \$107,000.

RECOMMENDATION

1. Approve staff recommendation for approval of the agreement and forward and executed copy
2. Board may provide alternate direction to staff

ATTACHMENTS

1. Exhibit A: Equitable Allocation Table
2. Exhibit B: Groundwater Council Agreement

APPROVALS

Reviewed by District Counsel

Recommended by the Ad Hoc Groundwater Council Committee

SAMPLE - 2017 Calculation (calculation would occur annually)

Agency	Equitable Water Costs					Equitable O&M Costs		Credit (2017)		Total (2017)	Voting Weight
	(Gap ₁₉₅₉₋₆₃ + Gap _{Last 5 Years})/2	Party Gap (\$)	Water Use (%)	Sustainability (\$)	Equitable Water Cost	Proportion of Total Pumping	Equitable O&M Costs	Total Party Costs	Credit for Water (\$)	Total Costs (2017)	
Bear Valley Mutual Water Company	0	\$ -	0.0%	\$ -	\$ -	0.0%	\$ 120	\$ 120	\$ -	\$ 120	0.00%
City of Colton	0	\$ -	3.2%	\$ 91,875	\$ 91,875	2.3%	\$ 23,013	\$ 114,889		\$ 114,889	3.08%
City of Loma Linda	-994	\$ 117,345	3.6%	\$ 101,373	\$ 218,718	3.6%	\$ 35,579	\$ 254,297		\$ 254,297	6.81%
City of Redlands	0	\$ -	24.1%	\$ 687,282	\$ 687,282	10.6%	\$ 105,715	\$ 792,997	-\$117,882	\$ 675,115	21.23%
City of Rialto	-1,271	\$ 149,924	4.8%	\$ 137,565	\$ 287,489	3.8%	\$ 37,877	\$ 325,366	-\$2,832	\$ 322,534	8.71%
City of San Bernardino	-2,093	\$ 246,970	31.3%	\$ 891,954	\$1,138,924	27.4%	\$ 274,460	\$ 1,413,384		\$ 1,413,384	37.84%
East Valley Water District	0	\$ -	15.0%	\$ 429,290	\$ 429,290	9.7%	\$ 96,703	\$ 525,993	-\$83,391	\$ 442,602	14.08%
Fontana Union Water Company	NA	\$ -	NA	NA	NA	NA	NA	NA		NA	NA
Loma Linda University	0	\$ -	0.8%	\$ 23,453	\$ 23,453	0.8%	\$ 7,704	\$ 31,157		\$ 31,157	0.83%
Mountain View Power Co.	-186	\$ 21,998	1.7%	\$ 47,537	\$ 69,536	1.5%	\$ 15,211	\$ 84,747		\$ 84,747	NA
Muscoy Mutual Water Company No. 1	0	\$ -	1.1%	\$ 32,509	\$ 32,509	1.2%	\$ 11,597	\$ 44,106		\$ 44,106	NA
San Bernardino County - Facility Management	0	\$ -	0.5%	\$ 14,513	\$ 14,513	0.3%	\$ 3,463	\$ 17,976		\$ 17,976	NA
San Bernardino Valley M.W.D.	0	\$ -	0.1%	\$ 1,987	\$ 1,987	-	\$ -	\$ 1,987		\$ 1,987	NA
Terrace Water Company	0	\$ -	0.4%	\$ 11,907	\$ 11,907	0.3%	\$ 3,175	\$ 15,082		\$ 15,082	NA
West Valley Water District	0	\$ -	7.3%	\$ 207,215	\$ 207,215	5.5%	\$ 55,145	\$ 262,360		\$ 262,360	7.02%
Yucaipa Valley Water District	-92	\$ 10,818	0.1%	\$ 2,560	\$ 13,379	0.1%	\$ 1,225	\$ 14,603		\$ 14,603	0.39%
Other San Bernardino Extractions	0	\$ -	6.1%	\$ 173,037	\$ 173,037	5.0%	\$ 49,512	\$ 222,549		\$ 222,549	NA
San Bernardino Entities Total:	-4,636	\$ 547,056	100.0%	\$ 2,854,058	\$ 3,401,114	72.05%	\$ 720,500	\$ 4,121,614	-\$204,105	\$3,917,509	100%
Western Entities Total:	0	\$ -	0%	\$ -	\$ -	27.95%	\$ 279,500	\$ 279,500	\$ -	\$ 279,500	
Total:	-4,636	\$ 547,056	100%	\$ 2,854,058	\$ 3,401,114	100%	\$ 1,000,000	\$ 4,401,114	\$204,105	\$ 4,197,009	

SAN BERNARDINO BASIN GROUNDWATER COUNCIL FRAMEWORK AGREEMENT

This SAN BERNARDINO BASIN **GROUNDWATER COUNCIL FRAMEWORK AGREEMENT** (“**Agreement**”) is entered into and effective this ___ day of _____, 2018 by and among the City of Colton (“**Colton**”), the City of Redlands (“**Redlands**”), the City of Rialto (“**Rialto**”), the City of San Bernardino Municipal Water Department (“**SBMWD**”), City of Loma Linda (“**Loma Linda**”), East Valley Water District (“**East Valley**”), San Bernardino Valley Municipal Water District (“**Valley District**”), San Bernardino Valley Water Conservation District (“**Conservation District**”), Fontana Water Company (“**FWC**”), West Valley Water District (“**WVWD**”), Yucaipa Valley Water District (“**Yucaipa**”), Bear Valley Mutual Water Company (“**BVMWC**”), and Loma Linda University (“**LLU**”) each of which is referred to as a “**Party**,” for the purpose of coordinating the development and implementation of groundwater management activities that individually or cumulatively address groundwater management in the Bunker Hill Sub-basin of the Upper Santa Ana Valley Basin (“**Basin**”), and achieving groundwater sustainability throughout the Basin.

RECITALS

WHEREAS, the Parties to this Agreement all overlie, produce water from, or are otherwise interested in the management and long-term sustainability of the groundwater basin identified as the San Bernardino Basin Area; and

WHEREAS, California Department of Water Resources’ (“**DWR**”) Bulletin 118 defines the Upper Santa Ana Valley Bunker Hill Sub-basin (No. 8-002.06), the boundaries of which, as defined therein and as may be amended in the future, constitute the limits of the Basin covered hereunder. A map depicting that Basin is attached hereto as Exhibit A. DWR Bulletin 118 presently classifies the Bunker Hill Basin as high priority.

WHEREAS, surface water and groundwater supplies in large portions of the Basin are governed by a number of judicial decrees and contracts, including but not limited to the *Orange County Water District v. City of Chino et al.* (Orange County Superior Court, Case No. 117628, April 17, 1969) *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969); *Big Bear Municipal Water District v. North Fork Water Company*, San Bernardino Superior Court Case No. SCV 165493, and *City of San Bernardino v. Fontana Water Company*, San Bernardino Superior Court Case No.17030 (January 28, 1924).

WHEREAS, Water Code § 10720.8(a) identifies the San Bernardino Basin Area as an adjudicated area. As such, this area is exempt from the Sustainable Groundwater Management Act (SGMA) passed by the California Legislature in September 2014, other than providing certain kinds of data to DWR per Water Code § 10720.8(f).

WHEREAS, notwithstanding that the Basin is not required to comply with SGMA, the Parties to this Agreement wish to collaborate their efforts to identify their respective access to and application of imported water supplies, and to harmonize use of such supplies with available groundwater in the Basin. The goal is to ensure that the water imported into the Basin, and the

facilities used to apply both imported and native water supplies to productive beneficial use, will all be maintained and managed in a manner that will be sustainable over the long-term. The Parties recognize that the key to success in this effort will be coordination of amounts and areas of recharge in different parts of the Basin, by acting in conjunction with other groundwater management entities active in portions of the Basin.

WHEREAS, the purpose of ensuring water supply reliability and long-term effectiveness and viability of recharge facilities has become even more important as a result of recently experienced low groundwater storage levels and the reduction of imported water supplies, due to environmental and other restrictions. One purpose of this Agreement is to facilitate the cooperation of the Parties to ensure a reliable and conjunctively utilized water supply of replenishment water that can prevent overdraft or other negative impacts from occurring during an extended drought, and for the foreseeable future.

WHEREAS, the Parties, individually and collectively, have the goal of cost effective cooperative groundwater management that considers the interests and concerns of all of the communities and parties that rely upon the Basin for their water supply.

WHEREAS, the Parties hereby enter into this Agreement to establish the San Bernardino Basin Groundwater Council (“**GC**”) to undertake the preliminary steps necessary to prepare for and coordinate the management of groundwater supply resources throughout the Basin, and to coordinate maintenance of conveyance and recharge facilities to expedite such management. The GC will coordinate with existing groundwater management agencies in the Basin as well as the individual Ex Officio participants, as defined below, and will be responsible for ensuring overall coordination and sustainable management of the Basin.

WHEREAS, the Parties have agreed that the preliminary steps of GC formation will include preparation of formation documents and procedures, the possible hiring of needed experts, and the development of a budget for this GC as memorialized in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the matters recited and the mutual promises, covenants, and conditions set forth in this Agreement, the Parties hereby agree as follows:

1. **DEFINITIONS**

1.1 **Definitions**. In addition to the terms that may be defined elsewhere in this Agreement, the following terms when used in this Agreement shall be defined as follows:

1.1.1 “**Agreement**” means this Groundwater Council Agreement.

1.1.2 “**Plaintiff**” means any of the following entities: City of Riverside, Riverside Highlands Water Company, Meeks and Daley Water Company, Regents of University of California, or Western Municipal Water District as named in the 1969 Judgment in Case Number 78426, *Western Municipal Water District of Riverside County et al. vs. East San Bernardino County Water District et al.*“

1.1.3 “*Annual Basin Groundwater Report*” shall mean the annual report prepared by the Groundwater Council, to cover topics including but not limited to the following: annual production, recharge, environmental issues, exchanges, and all other actions and topics material to groundwater conditions in the Basin. In preparing such report, the Groundwater Council may consult with, and draw from, data and information provided by the Watermaster and Conservation District and other reliable sources regarding annual groundwater conditions. The Annual Basin Groundwater Report is not intended to supplement or supplant the annual reports of the various Watermasters operating within the Basin that are filed with the Superior Court or any Watermasters’ required reporting under the Sustainable Groundwater Management Act (SGMA).

1.1.4 “*Basin*” shall mean the Upper Santa Ana Valley Bunker Hill Groundwater Basin, Sub-basin 8-002.06, as designated in DWR’s Bulletin No. 118, and as its boundaries may be modified from time to time through the procedures described in California Water Code § 10722.2.

1.1.5 “*Groundwater Council*” or “*GC*” shall mean the Upper Santa Ana Valley Bunker Hill Basin Groundwater Council, the oversight body coordinating the management, replenishment, and preservation of groundwater supply and quality of the Basin. The GC shall be composed of representatives of each Party and should they decide to participate, a representative of any other groundwater management authority over any portion of the Basin, as further provided herein. The GC’s duties shall include the integration and coordination of the use of imported water supplies for replenishment of the Basin, facilitation of implementation of GC policies and initiatives through the legal authorities of its members, management of budgeting and funding for the maintenance, development, and management of regional groundwater infrastructure, and dispute resolution that may occur within or between the Parties or Ex Officio members of the GC.

1.1.6 “*BTAC*” shall mean the Basin Technical Advisory Committee, as originally created under the auspices of the Upper Santa Ana River Watershed Integrated Regional Water Management Plan, as such Committee may be modified from time to time to allow for the additional participation of one or more Parties to this Agreement. The BTAC may be tasked to undertake specified actions in support of the GC.

1.1.7 “*Effective Date*” shall mean the date that a majority of the Parties approve of and enter into the Agreement.

1.1.8 “*Equitable Allocation*” shall mean the manner of determining the facilities’ operations and maintenance (“O&M”) costs, and supplemental water cost, for each Party based on the annual approved budget. This allocation will be performed pursuant to the formulas and procedures described in Exhibit B of this Agreement. The allocation shall determine the portion of equitable O&M cost, and the portion of equitable water cost, to be apportioned to each Party or other participant for the applicable GC budget year. These allocations shall also be used to determine the voting weight afforded to each voting member of the GC, under this Agreement and further procedural processes as may be developed by the GC.

1.1.9 “**Ex Officio participant**” shall mean those entities that participate in the GC by virtue of their status as plaintiffs or successors in interest to plaintiffs in *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969), but which shall not be a considered Parties to this Agreement.

1.1.10 “**Cost Share**” shall mean that portion of the overall annual operating costs of the GC, assigned to a Party pursuant to the Equitable Allocation, as determined in the annual budget of the GC.

2. TERM

2.1 This Agreement shall become operative on the Effective Date. If an eligible Party has not executed this Agreement by June 30, 2018, such party may join this GC Agreement only as an additional member of the GC, pursuant to Section 3.5, below.

2.2 This Agreement shall remain in effect for a period of five (5) years following the Effective Date, unless earlier terminated by the unanimous written consent of all then-active Parties, provided, however, that this Agreement shall remain in effect during the term of any contractual obligation or indebtedness of the GC that was previously approved by the GC.

2.3 Any Party shall have the ability to withdraw from this Agreement upon serving written notice of its intention to withdraw on all other Parties at least twelve (12) months before that Party’s withdrawal becomes effective. Such notice shall be served on the GC at a regularly scheduled meeting and on each of the Parties to this Agreement separately. The withdrawing Party may withdraw upon eighty percent (80%) approval of the voting members of the GC.

2.4 Any Ex Officio participant in the GC shall have the ability to withdraw from participation in the GC upon thirty (30) days written notice to the Parties.

3. COUNCIL CREATION AND PURPOSE

3.1 Creation of the GC. There is hereby created the Upper Santa Ana Valley Bunker Hill Basin Groundwater Council. The GC shall be, to the extent permitted by law, the forum within which the Parties shall coordinate the access to and utilization of imported water supplies for application to the recharge and replenishment of the Basin, and for the maintenance, and repair of recharge and conveyance facilities for both native and imported supplies to replenish the Basin, consistent with applicable law and judicial decrees.

3.2 Purpose of the Agreement. The purpose of this Agreement, and the creation of the GC, is to provide for the funding, integration, and coordination of the management of imported water and associated groundwater replenishment facilities of the Basin. The purpose is also the facilitation of implementation of policies and initiatives through the legal authorities of one or more Parties, for the purpose of cooperatively managing certain aspects of the Basin, including but not limited to accessing and applying imported water supplies to augment and complement native water supplies, toward the goal of maintaining the long-term yield of the Basin and ensuring that overdraft or other negative impacts are prevented in the

future and eliminated over time; and undertaking imported water replenishment activities that are approved by the GC and included in the annual approved budget.

3.3 Membership of the GC. The GC shall consist of a representative from each Party. One party may serve in multiple representative roles, and this will be accounted for in the Equitable Allocation. GC Members shall be appointed in the manner set forth in Section 3.4 of this Agreement.

3.4 Appointment of Members to the GC. Each Party or other entity entitled to membership on the GC shall appoint one representative member of the GC, who shall be the senior executive management level employee of the Party, or a senior executive management-level employee of other recognized groundwater management entity. Each eligible member may determine its own process for appointing its representative member. Members of the GC shall serve throughout the term of this agreement, provided that such members may be subject to removal and replacement by the appointing Party in the event the representative is no longer in the employ of the appointing Party.

3.5 Additional Members. The GC may permit admission of additional members upon an eighty percent (80%) vote of the Equitable Allocation weighted votes among all then-existing Parties, upon such terms and conditions as the GC in its discretion may impose. Such conditions may include requiring contributions to any GC initiatives for securing imported water supplies, or maintenance and operations expenses of groundwater replenishment facilities, to assure equitable distribution of the costs of such initiatives or facilities to those benefitting from them.

3.6 Ex Officio Participants. The GC shall include the plaintiff parties or the successors in interest to the plaintiff parties in *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969) as “Ex Officio” participants, unless any Ex-Officio participant withdraws from the GC pursuant to Section 2.4, above. Such Ex-Officio participants shall not have the ability to vote on any matters before the GC, but shall be permitted to provide input and other support for GC efforts. Notwithstanding any other provision of this Agreement, and except as otherwise provided in other agreements, judgments or settlements, Ex Officio participants shall not be liable for any costs or fees associated with the GC or its activities related to importing groundwater into the Basin and shall not be considered “members” of the GC as that term is used in this Agreement. Ex Officio participants may jointly execute a separate agreement with the Conservation District that will provide for the annual payment of no more than 27.95% of costs associated with the recharge of native waters.

4. COUNCIL MEETINGS AND ACTIONS

4.1 Initial Meeting. The initial meeting of the GC shall be held at a location overlying the Basin within forty-five days (45) days of the Effective Date of this Agreement. At the initial meeting the GC shall select a President to chair its meetings, a Vice President to serve if the President is unavailable, a Secretary to record GC proceedings and actions, and any other officers it deems appropriate to the successful and efficient conduct of its business.

4.2 Regular Meeting Schedule and Rules of Proceeding. The GC shall establish a regular meeting time and place at its initial meeting. The GC may vote to change the regular meeting time and place, provided that the new location remains at a place overlying the Basin. The GC may adopt, promulgate, repeal, or revise further rules of debate, presentation of motions, voting and proxies, process, or proceedings, as it may deem appropriate.

4.3 Quorum. A quorum of the GC shall consist of majority of the total Equitable Allocation weighted votes among all voting members. In the absence of a quorum, no business may be transacted beyond the adjournment of a meeting by the remaining members. For efficiency, business may be discussed and action recommended for the consent calendar ratification at the next regular meeting. A member shall be deemed present for the determination of a quorum if the member is present at the meeting in person, or if they participate in the meeting telephonically upon such rules and procedures as the GC may promulgate.

4.4 GC Voting Rights. Each voting member of the GC shall have its Equitable Allocation weighted vote, as such may be revised from time to time either (a) pursuant to pre-negotiated mechanisms for the adjustment of the Equitable Allocation, due to fluctuations in the groundwater production or other criteria on which the initial Equitable Allocation is based, or (b) by an eighty percent (80%) vote of the total Equitable Allocation voting weight held by all voting members. Exhibit B indicates the voting rights of each party, and shall be modified periodically as specified in the procedures included in Exhibit B.

4.4.1 Fiscal items, including but not limited to, approval of the annual budget of the GC and any expenditures, shall require an affirmative vote by a supermajority constituting eighty percent (80%) of all Equitable Allocation voting weight. To the extent the GC may form groups which contain less than all members for projects where not all members are participants, such committees will have an additional committee agreement identifying the requirements of committee members, and voting requirements attending fiscal obligations of such committees.

4.4.2 Any change in annual contributions necessary to support the work of the GC shall require an affirmative vote by a supermajority constituting eighty percent (80%) of all of all Equitable Allocation voting weight.

4.5 Minutes. The GC shall cause minutes to be kept of all meetings of the GC and any appointed Standing Committees. The GC shall further cause a copy of draft minutes to be forwarded to each member of the GC and to each Party and Ex Officio member, which may be done electronically, or by way of posting to a commonly available website or digital portal.

4.6 Annual Budgeting and Expenditure Approval.

4.6.1 The fiscal year of the GC shall be July 1 through June 30. The GC shall develop, circulate, and approve an annual budget for the funding of bringing imported water supply to the Basin, and for the maintenance and repair of groundwater recharge or water conveyance facilities serving replenishment of the Basin. The Budget shall be prepared by a Budget Committee, which shall consist of three (3) member Parties of the GC appointed by a qualifying vote of at least 80% of the weighted Equitable Allocation, no later than January 31 of the fiscal year prior to the one for which the budget is to operate. The Budget Committee shall coordinate with BTAC and Valley District as the State Water Project Contractor, to determine the likely allocation of available State Water Project imported water supplies, and other available non-native sources of imported water, the likely unit cost of such imported water, and the recharge needs of the Basin, in terms of quantities of water, locations where Basin conditions would most benefit from imported recharge, condition and availability of facilities to accomplish such recharge, and cost. From these sources, the Budget Committee shall prepare a budget that recommends all of the following:

- (a) the amount of imported water supplies proposed to be bought or otherwise acquired by GC members in the coming year;
- (b) the recommended application or distribution of such imported water supplies to various parts of the Basin;
- (c) the estimated cost of all ongoing maintenance, repair, and operation costs for then-existing groundwater recharge and conveyance facilities serving to replenish the Basin;
- (d) any administrative costs of the GC; and
- (e) proposed allocation of all expenditures in the Budget among GC members as their portion of the Cost Share based upon the Equitable Allocation Model.

4.6.2 No later than March 1 prior to the beginning of the year for which the budget is to operate, the Budget Committee shall present and circulate to all GC members the proposed Budget, for review and analysis. The circulated budget shall include the underlying presumptions and worksheets upon which it is based. The Budget Committee, or its designee, shall make itself reasonably available to respond promptly to any inquiries or information requests regarding the proposed budget.

4.6.3 No later than sixty (60) days after presentation of the budget by the Budget Committee, the GC shall meet to deliberate and pass upon the budget. The GC may accept, reject, or modify in any way the budget as proposed by the Budget Committee. Adoption of the budget shall require an eighty percent (80%) vote of the weighted Equitable Allocation, provided, however, that if a segregable portion or portions of the budget can be identified which prevent the overall budget from obtaining an eighty percent (80%) approval vote, the GC shall pass those portions of the budget upon which an eighty percent (80%) majority can be achieved, and shall refer those portions upon which approval cannot be obtained back to the Budget Committee for further recommendation on how such portions might be eliminated, reduced in

scope or cost, or otherwise modified, and represented to the GC for eighty percent (80%) approval. No portion of the GC budget imposing any expenditures on any Party shall be approved or adopted on less than an eighty percent (80%) vote of the Equitable Allocation weighted voting, but the inability to secure an eighty percent (80%) vote on segregable portions of the budget shall not prevent the GC from implementing, and proceeding with, those portions of the budget which secured the required eighty percent (80%) approval.

4.7 The Valley District shall perform the accounting and revenue collection functions of the GC in tracking and securing the funding from the GC members pursuant to the approved annual budget, and consistent with the approved cost allocations among the GC members therein, for all imported water supplies. The Conservation District shall perform the accounting and revenue collection functions of the GC in tracking and securing the funding from the GC members pursuant to the approved annual budget, and consistent with the approved cost allocations among the GC members therein, for all facilities costs. The Conservation District shall credit each Party or Ex Officio participant otherwise subject to the Conservation District's groundwater charge, in the amounts such Party contributes to the GC budget for facilities costs that would be encompassed in that groundwater charge, in order to prevent double collection of such costs with the Conservation District's groundwater charges. Groundwater charges payable by the Ex Officio Participants may be suspended as part of the separate funding agreement outlined in Section 4.8. In the event of any delinquency, either Valley District or the Conservation District may request the GC to appoint it, or any other GC member or group of members, to represent the GC in securing collection of unpaid and owing amounts from any delinquent member or members. The reasonably incurred costs of such collection efforts may be reimbursed to the agent the GC authorizes to go forward with them, and may be added as an administrative cost to other members, or as a credit against future amounts owing to the GC from such authorized agent.

4.8 Ex Officio participants will not be subject to the Conservation District's groundwater charges as long as a separate funding agreement as outlined in this Section 4.8 is in effect. Ex Officio participants may jointly negotiate and execute a separate agreement with the Conservation District and/or Valley District that will provide for the annual payment of up to 27.95% of costs associated with the recharge of native waters. As of the Effective Date of this Agreement, Ex Officio participants understood the estimated annual costs associated with water recharge, both native and imported, to be \$800,000 for Conservation District activities and \$200,000 for activities that may occur in recharge basins outside of the Conservation District's control. Ex Officio participants, via the separate funding agreement, may agree to collectively pay no more than 27.95% of the cost for recharge of native waters. In any such agreement, in the event that imported water is recharged and the costs for such activity are comingled with the cost for recharge of native water, the Conservation District and/or Valley District will pro-rate the costs associated with recharge to separate the costs for native and imported water recharge. Ex Officio participants are not intended to be charged for the costs of recharge of imported water or associated capital, the operations and maintenance for imported supplies, or any other costs not expressly agreed to in the separate funding agreement.

4.9 No later than six (6) months into the budget year for which any budget is adopted by the GC, the Budget Committee shall prepare a year-in-process budget review, to assess the validity and accuracy of the presumptions upon which the budget was based, identify

any budget savings or additional expenditures, assess any additional opportunities for groundwater replenishment that may have come available since the passing of the budget, and otherwise assess and recommend to the GC any potential amendment to the existing year budget, or suggestions for the following year's budget, as changing conditions may warrant. (*This section may not be needed based upon finalization of the Equitable Allocation formula.*)

5. COUNCIL POWERS AND DUTIES

5.1 The GC shall exercise the following powers:

5.1.1 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the GC.

5.1.2 To produce an Annual Basin Groundwater Report, using as may be appropriate data regarding groundwater conditions available from the Watermaster, the Conservation District, or other sources.

5.1.3 To monitor groundwater production and extractions in coordination with BTAC and pertinent local groundwater management agencies.

5.1.4 To make, after consultation with BTAC, annual recommendations for the amount of additional artificial recharge for the Basin from imported sources as a complement to native sources, and to plan for the development and application of such additional sources of recharge.

5.1.5 To establish as-needed Ad Hoc and Standing advisory committees for the purpose of making recommendations to the GC. Committees shall exist for the term specified in the action creating the committee, and the GC may dissolve a committee at any time through an eighty percent (80%) majority vote of Equitable Allocation voting weight.

5.1.6 To contract for the services of engineers, attorneys, planners, financial consultants, and separate and apart therefrom, to appoint agents and representatives to employ such other staff persons as necessary. The BTAC will provide technical support for the GC, upon such terms as the GC and BTAC shall agree in writing. Ex Officio members shall not be responsible for BTAC costs.

5.2 In addition to the above-referenced powers, the GC may, by an eighty percent (80%) vote of the Equitable Allocation, decide to activate and exercise any or all of the following additional powers:

5.2.1 To collect and monitor all data related and beneficial to the development, adoption and implementation of appropriate groundwater level management for the Basin.

5.2.2 To collect charges from GC members as authorized in the approved budget.

5.2.3 To cooperate, act in conjunction, and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the purposes of this Agreement.

5.2.4 To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the GC.

5.2.5 As may be permitted by law, to apply for and accept grants, contributions, donations and loans, including under any federal, state or local programs for assistance in developing or implementing any of its projects or programs in connection with any project undertaken in the GC's name.

5.2.6 To acquire lease, purchase, construct, hold, manage, maintain, operate and dispose of any buildings, property, water rights, works or improvements within and without the respective boundaries of the Parties necessary to accomplish the purposes described herein, or to assist any Party in doing so.

5.2.7 To implement the Cost Share in a manner that qualifies as a pass through charge under the Constitutional requirements of Proposition 218 and similar revenue-raising requirements.

5.2.8 To exercise any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Parties to this Agreement.

5.2.9 In addition to the above, and to the extent not directly represented on the GC, the GC shall coordinate its efforts with the agencies that are charged with implementing all applicable judicial decrees governing the Basin.

6. FUNDING GC ACTIVITIES

Funding for GC activities shall be provided pursuant to an expense sharing mechanism described in more detail in Exhibit B hereto. This mechanism is based in part on a regional sharing of Operation and Maintenance costs for San Bernardino Basin Area recharge activities, as those Operation and Maintenance costs shall be determined by the GC in its annual budgeting, in conjunction with BTAC. All Parties shall share in the Operation and Maintenance cost components. Ex Officio participants shall not share in any costs which are attributable to bringing imported water to the Basin nor its recharge, but all other Parties shall participate in such costs, pursuant to the Equitable Allocation attached as Exhibit B hereto. Ex Officio participants intend to, through separate agreement(s) with the Conservation District and/or Valley District, cooperate in the payment of up to a maximum of 27.95% of costs associated with the recharge of water that results from natural precipitation and run-off in the basin (native water). Each Party shall be contractually responsible hereunder for the annual payment of fees for their assigned portion of the budgeted expenses of the GC, based on that Party's allocation, as determined by the aforementioned allocation formula and the approved GC budget.

7. DISPUTE RESOLUTION

The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree that they may attempt to resolve disputes as follows:

7.1 Statement Describing Alleged Violation of Agreement. A Party or Parties alleging a violation of this Agreement (the “**Initiating Party(ies)**”) shall provide a written statement describing all facts that it believes constitute a violation of this Agreement to the Party(ies) alleged to have violated the terms of this Agreement (the “**Responding Party(ies)**”).

7.2 Response to Statement of Alleged Violation. The Responding Party(ies) shall have sixty (60) days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party(ies) or to cure the alleged violation to the reasonable satisfaction of the Initiating Party(ies). The Initiating Party(ies) and the Responding Party(ies) shall then meet within thirty (30) days of the date of the response to attempt to resolve the dispute amicably.

7.3 Mediation of Dispute. If the Initiating Party(ies) and the Responding Party(ies) cannot resolve the dispute within ninety (90) days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by a Director or Trustee or other representative with authority to settle. These representatives of the Initiating Party(ies) and the Responding Party(ies) may consult with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be divided evenly between the Initiating Party(ies) and the Responding Party(ies). The decision of the mediator shall be non-binding.

7.4 Reservation of Rights. Subject to the above requirements, in the event that mediation fails, each Party retains and may exercise all legal and equitable rights and remedies it may have to enforce the terms of this Agreement; provided, that prior to commencing litigation, a Party shall provide at least five (5) calendar days’ written notice of its intent to sue to all Parties.

8. RELATIONSHIP TO WATER RIGHTS AND PRIOR AGREEMENTS

8.1 Water Rights and Existing Agreements. Nothing in this Agreement is intended to modify the water rights of the Parties or the Ex Officio participants, whether existing under a judgment, proceedings of the State Water Resources Control Board, or the common law. Nothing in this Agreement is intended to modify any existing agreements between and among the Parties, unless expressly stated herein.

8.2 Agreements Among Water Users. Nothing in this Agreement is intended to modify the rights of the signatories of this Agreement among themselves.

8.3 Judgments. Nothing in this Agreement is intended to modify the rights of the Parties under the terms of the judgments in *Orange County Water District v. City of Chino et al.* (Orange County Superior Court, Case No. 117628, April 17, 1969) and *Western Municipal*

Water District of Riverside County v. East San Bernardino County Water District et al. (Riverside County Superior Court Case No. 78426, April 17, 1969); *Chino Basin Water District v. City of Chino*, San Bernardino Superior Court Case No. 164327; *Big Bear Municipal Water District v. North Fork Water Company*, San Bernardino Superior Court Case No. SCV 165493; or *City of San Bernardino v. Fontana Water Company*, San Bernardino Superior Court Case No.17030 (January 28, 1924). It is the intention of the Parties in forming the GC to apply, administer, and conform to the requirements and provisions of each of these judgments. In the event of any conflict between the actions of the GC, and the requirements and provisions of such judgments, the latter shall control.

8.4 No Admissions. Nothing in this Agreement shall be construed as an admission by any Party regarding any subject matter of this Agreement, including but not limited to the water rights or priorities of same of the Parties.

8.5 Preservation of Rights. The Parties agree that this Agreement, to the extent allowed by law, preserves all rights of the Parties as they may exist as of the Effective Date of this Agreement. Nothing in this Agreement is to be construed as altering the priorities or entitlements of water right holders among themselves to water from the Santa Ana River or the Basin.

9. MISCELLANEOUS

9.1 Authority. Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement, and that by doing so, such Party is not in breach or violation of any other agreement or contract.

9.2 Amendment. Except as to fluctuations in the Equitable Allocation as otherwise provided for herein, this Agreement may be amended or modified only by a written instrument approved by an eighty (80%) vote of the Equitable Allocation

9.3 Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

9.4 Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

9.5 Construction and Interpretation. This Agreement has been arrived at through negotiations, and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

9.6 Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to its subject matter, and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

9.7 Partial Invalidity. If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws or adjudicatory decisions effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof; there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

9.8 Successors and Assigns. To the extent authorized by law, this Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

9.9 Waivers. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement, and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

9.10 Attorneys' Fees and Costs. The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements, in addition to any other relief deemed appropriate by a court of competent jurisdiction.

9.11 Necessary Actions. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

9.12 Compliance with Law. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

9.13 Third Party Beneficiaries. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

9.14 Notices. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the Party by delivery to the person(s) at the address(es) designated below, which designation may be changed from time to time by a Party in writing; (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

To CITY OF COLTON:	CITY OF COLTON Attn: David Kolk, Utilities Director 650 N. La Cadena Drive Colton, CA 92324
To CITY OF REDLANDS:	CITY OF REDLANDS Attn: Paul Toor, Public Works Director 35 Cajon Street Redlands, CA 92373
To CITY OF RIALTO:	CITY OF RIALTO Attn: Thomas J. Crowley, Utilities Manager 150 S. Palm Avenue Rialto, CA 92376
To CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT:	CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT Attn: Miguel Guerrero, Director, Water Utility 397 Chandler Place San Bernardino, CA 92408
To CITY OF LOMA LINDA:	CITY OF LOMA LINDA Attn: Bill Walker, Director of Utilities 25541 Barton Road Loma Linda, CA 92354
To EAST VALLEY WATER DISTRICT:	EAST VALLEY WATER DISTRICT Attn: John J. Mura, General Manager 3111 Greenspot Road Highland, CA 92346
To SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT:	SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT Attn: Doug Headrick, General Manager 380 E. Vanderbilt Way San Bernardino, CA 92408
To SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT:	SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT Attn: Daniel Cozad, General Manager 1630 West Redlands Blvd., Suite A Redlands, California 92373
To FONTANA WATER COMPANY:	FONTANA WATER COMPANY Attn: Chris Fealy, Water Resources Manager Post Office Box 309 Fontana, CA 92335

To WEST VALLEY WATER DISTRICT: WEST VALLEY WATER DISTRICT
Attn: Greg Gage, Assistant General Manager
855 W Baseline Road
Rialto, CA 92376

To YUCAIPA VALLEY WATER DISTRICT: YUCAIPA VALLEY WATER DISTRICT
Attn: Joe Zoba, General Manager
12770 2nd Street
Yucaipa, CA 92399

To BEAR VALLEY MUTUAL WATER COMPANY: BEAR VALLEY MUTUAL WATER COMPANY
Attn: Bob Martin
101 E. Olive Avenue
Redlands, CA 92373

To LOMA LINDA UNIVERSITY: LOMA LINDA UNIVERSITY
Central Utilities Plant
Attn: Bill Walker, Director of Utilities
11100 Anderson Street
Loma Linda, CA 92350

9.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

**CITY OF COLTON,
a California general law city and
municipal corporation**

DATED: _____, 2018

By: _____
William R. Smith, City Manager

[Signatures continued on next page]

**CITY OF REDLANDS,
a California general law city and
municipal corporation**

DATED: _____, 2018

By: _____
N. Enrique Martinez, City Manager

[Signatures continued on next page]

CITY OF RIALTO
a California general law city and
municipal corporation

DATED: _____, 2018

By: _____
Robb Steel, Interim City Administrator
and Development Services Director

[Signatures continued on next page]

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

DATED: _____, 2018

By: _____
Andrea M. Miller, City Manager

[Signatures continued on next page]

CITY OF LOMA LINDA
a California charter city and
municipal corporation

ATED: _____, 2018

By: _____
T. Jarb Thaipejr, City Manager

[Signatures continued on next page]

EAST VALLEY WATER DISTRICT

DATED: _____, 2018

By: _____
John Mura, General Manager/CEO

[Signatures continued on next page]

**SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT**

DATED: _____, 2018

By: _____
Douglas Headrick, General Manager

[Signatures continued on next page]

**SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT**

DATED: _____, 2018

By: _____
Daniel B. Cozad, General Manager

[Signatures continued on next page]

FONTANA WATER COMPANY

DATED: _____, 2018

By: _____
Josh Swift, General Manager

[Signatures continued on next page]

WEST VALLEY WATER DISTRICT

DATED: _____, 2018

By: _____

Robert Christman,
Interim General Manager

[Signatures continued on next page]

YUCAIPA VALLEY WATER DISTRICT

DATED: _____, 2018

By: _____
Joseph Zoba, General Manager

[Signatures continued on next page]

**BEAR VALLEY MUTUAL WATER
COMPANY, a California mutual water
company**

By: _____

David Knight, Board President

DATED: _____, 2018

[Signatures continued on next page]

LOMA LINDA UNIVERSITY

By: _____
Richard H. Hart, MD, DrPH,
President

[End of Signatures Pages]

EXHIBIT A

Map of Upper Santa Ana Bunker Hill Basin

(Taken from DWR Bulletin No. 118)

Map



Exhibit B

EQUITABLE ALLOCATION METHOD

The Parties to this agreement have agreed to equitably share costs and establish the voting weight for each Party using the following method, which shall be performed annually after the annual submittal of the Western-San Bernardino Watermaster Report to the Court. The details for this method are included in a Microsoft Excel Spreadsheet titled *BTAC Equitable Allocation Method SBBA 1.18.18.xlsx*, as amended by the GC from time to time, which is incorporated here by reference. Copies of that file have been made available to all parties.

I. Calculation of the Equitable Operations and Maintenance (O&M) Cost.

The equitable distribution of the O&M Costs amongst the Parties shall be calculated from the approved budget, as follows:

$$\text{Equitable O\&M Cost}_{\text{Plaintiffs}} = 0.2795 \times \text{O\&M Costs}$$

$$\text{Equitable O\&M Cost}_{\text{Non Plaintiffs}} = \text{Proportion of Total Pumping} \times 0.7205 \times \text{O\&M Costs}$$

where,

O&M Costs = annual budgeted or actual costs to operate and maintain the facilities needed to recharge supplemental water into the SBBA that have been reviewed and approved by the Council

$$\text{Proportion of Total Pumping (\%)} = \frac{\text{Party's total SBBA pumping}}{\text{Non-Plaintiff Total SBBA Pumping}}$$

where,

Party's total SBBA pumping (acre-feet) = the Party's total amount pumped from the SBBA for the previous complete calendar year, as published by the Western-San Bernardino Watermaster, and adjusted for any water pumped by one Party and received by another Party, to coordinate with non-parties still paying the groundwater charge, Parties may be requested to report production to the SBVWCD, as needed.

Non-Plaintiff Total SBBA Pumping (acre-feet) = total Non-Plaintiff pumping of the parties for the previous complete calendar year, as recorded by the Western-San Bernardino Watermaster.

II. Calculation of the Equitable Water Cost.

The equitable distribution of the water cost for sustainability will only be paid by the Non-Plaintiff parties and shall be calculated, as follows:

$$\text{Equitable Water Cost} = \text{Party Gap} + \text{Sustainability}$$

where,

$$\text{Party Gap (\$)} = \frac{(\text{Gap}_{1959-63} + \text{Gap}_{\text{Last 5 Years}})}{2} * \text{SWP Cost}$$

where,

$$\frac{(\text{Gap}_{1959-63} + \text{Gap}_{\text{Last 5 Years}})}{2} < 0, \text{ else Party Gap (\$) = \$0}$$

$$\text{Gap}_{1959-63} \text{ (acre-feet)} = \text{GWSY}_{1959-63} + \text{SW}_{1959-63} - \text{Demand}_{\text{Previous Year}}$$

$$\text{Gap}_{\text{Last 5 Years}} \text{ (acre-feet)} = \text{GWSY}_{\text{Last 5 Years}} + \text{SW}_{\text{Last 5 Years}} - \text{Demand}_{\text{Previous Year}} + \text{Net New Recycled}_{\text{Previous Year}}$$

where,

$\text{GWSY}_{1959-63}$ = local groundwater supplies available to a Party as a portion of their base period safe yield.

The base period safe yield for the SBBA has been proportioned amongst the Parties as described below:

where,

$$\text{GWSY}_{1959-63} = \text{Safe Yield}_{1959-63} - \text{SW}_{1959-63}$$

$\text{SW}_{1959-63}$ = average surface water usage by a party from 1953-1963

$\text{Demand}_{\text{Previous Year}}$ = total water demand calculated for the Party for the previous year using published data, as approved by the Council.

$\text{GWSY}_{\text{Last 5 Years}}$ = local groundwater supplies available to a Party as a portion of their current Safe Yield.

The safe yield of the last 5 years for the SBBA will be proportioned amongst the Parties as described below.

where,

$$\text{GWSY}_{\text{Last 5 Years}} = \text{Safe Yield}_{\text{Last 5 Years}} - \text{SW}_{\text{Last 5 Years}}$$

$\text{SW}_{\text{Last 5 Years}}$ = average surface water usage by a party within the last 5 years.

Net New Recycled_{Previous Year} = The amount of recycled water from the previous year minus $\text{Recycled}_{1959-63}$

where,

$\text{Recycled}_{1959-63}$ is the amount of recycled water used in the base period

$$\text{Sustainability (\$)} = \text{Water Use} \times (\text{Total Equitable Water Cost} - \text{Total Gap (\$)})$$

where,

$$\text{Water Use (\%)} = \frac{\text{Party Water Use (acre-feet)}}{\text{Total Water Use (acre-feet)}}$$

where,

Party Water Use (acre-feet) = the Party's total average water use over the past, complete, 5 year period (surface water, groundwater, recycled water, imported water, etc.)

Total Water Use (acre-feet) = Summation of each individual Party Water Use

Total Equitable Water Cost = Sustainable Amount x SWP Cost

where,

Sustainable Amount (acre-feet) = The amount of SWP water, in acre-feet, needed to achieve long-term sustainability which shall be obtained from the latest edition of the San Bernardino Valley Regional Urban Water Management Plan, Average Scenario for the latest planning year plus the published reliability factor, currently 10%

SWP cost (\$/acre-foot) = The cost for recharged SWP water as published in the San Bernardino Valley Municipal Water District Resolution 888, as amended

Total Gap (\$) = Summation of each individual Party Gap (\$) for all Parties

Proportioning Safe Yield.

The Western-San Bernardino Judgment does not apportion the safe yield by water agency. The Parties agree that, for purposes of this agreement, the Safe Yield will be apportioned, as follows:

Safe Yield₁₉₅₉₋₆₃: The safe yield during the Base Period was proportioned as follows:

Agency	Safe Yield ₁₉₅₉₋₆₃
Bear Valley Mutual Water Company	12,996
City of Colton	3,150
City of Loma Linda	1,855
City of Redlands	26,598
City of Rialto	1,890
City of San Bernardino	19,425
East Valley Water District	13,599
Fontana Union Water Company	14,221
Loma Linda University	1,016
Mountain View Power Co.	1,040
Muscoy Mutual Water Company No. 1	1,767
San Bernardino County - Facility Management	1,532
San Bernardino Valley M.W.D.	-
Terrace Water Company	984
West Valley Water District	11,752
Yucaipa Valley Water District	-

Other Non-Plaintiff Extractions	55,412
Non-Plaintiff Total:	167,238

Safe Yield_{Last 5 years}: The safe yield for the previous 5, complete, calendar years shall be proportioned based upon the total water use for each Party, as follows:

$$\text{Safe Yield}_{\text{Last 5 Years}} = \text{Water Use} \times \text{Safe Yield}_{\text{Non Plaintiffs}}$$

Where,

Water Use is a percentage (%) and is defined above

Safe Yield_{Non Plaintiffs} = defined by the Western-San Bernardino Watermaster from time to time, currently 172,745 acre-feet

Credit for Water. A party can provide a new regional supply for basin benefit and receive monetary credit towards their Equitable water cost.

$$\text{Credit for Water (\$)} = \text{water provided for basin benefit} \times \text{SWP Cost}$$

where,

Water provided for basin benefit = local surface water available to an agency that is controlled by that agency and intentionally delivered for groundwater recharge into the SBBA or new recycled water an agency is using to offset potable water use or is recharging into the SBBA above the amount of recycled water that agency was utilizing during the base period

SWP Cost = defined above

III. Formula for Voting Weight. The voting weight for each Party will be calculated, as follows:

$$\text{Voting Weight} = \frac{\text{Total Party Cost}}{\text{Total Costs}}$$

Where,

$$\text{Total Party Cost} = \text{Equitable O\&M Cost}_{\text{Non Plaintiffs}} + \text{Equitable Water Cost}$$

$$\text{Total Costs} = 0.7205 \times \text{O\&M Costs} + \text{Total Sustainable Water Cost}$$

The total sum of all of the individual Voting Weight values shall be equal to 1.0.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1556

To: Board of Directors

From: Land Resources Manager, Jeff Beehler

Date: February 14, 2018

Subject: Wash Plan Update on Habitat Conservation Plan

RECOMMENDATION

Staff recommends that the Board direct staff to prepare a submission for Federal Register publication based on the Public Review Draft Upper Santa Ana River Wash Plan Habitat Conservation Plan.

BACKGROUND AND DISCUSSION

The Wash Plan lead agencies (BLM, FWS and the District) completed a Public Review Draft of the Wash Plan that incorporates recent Department of Interior direction on HCPs, changes in covered activities described in the environmental review documents and errors discovered when updating the environmental documents. This document also includes several changes suggested by the FWS solicitor to improve clarity. This document was given a careful technical edit by our HCP consultant to ensure that changes were consistent with FWS technical guidance. This document is the core of the Wash Plan proposal submitted to the Federal Register for public review. The document can be found at: <http://www.sbvwcd.org/wash-plan/hcp/5218-january-2018-public-review-draft-wash-plan-hcp.html>. A hard copy will be distributed at the February 14 Board meeting.

The Federal Register public review package will also include the Implementing Agreement (IA). The District's IA is complete and ready for submission. It will cover all Wash Plan projects with the exception of those proposed by San Bernardino County Flood. A draft IA for Flood Control is complete and under review by the FWS. It is not necessary to include this IA in the initial public review package.

Finally, the environmental review document, the Environmental Impact Statement/ Supplemental Environmental Impact Report (EIR/EIS) is included in the Federal Register Public review package. The EIR/EIS is completed and under final review by the BLM and FWS. The FWS review also includes review at the regional office. The FWS regional office will ultimately make the submission to the Federal Register. At that time the District will take the lead on required California Environmental Quality Act (CEQA) noticing. The public comment period will be 90 days. The CEQA AB-52 tribal notice and consultation is complete for this project. The CEQA document will be a supplement to the EIR adopted by the District in 2008.

The first projects undertaken under the HCP are scheduled for fall, 2018, including the District's Plunge Creek project.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

POTENTIAL MOTIONS

1. Direct staff to submit for public reviews the Public Review Draft Upper Santa Ana River Wash Plan Habitat Conservation Plan.
2. Table the issue and refer to the ad hoc Wash Plan Committee prior to the next Board meeting.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1557

To: Board of Directors

From: Land Resources Manager, Jeff Beehler

Date: February 14, 2018

Subject: Mitigated Negative Declaration: Plunge Creek Project

RECOMMENDATION

Staff recommends that the Board; 1) adopt the draft Mitigated Negative Declaration for the Plunge Creek Conservation Project, and, 2) direct staff to file all required applications and notices, including a Notice of Determination with the State Clearinghouse.

BACKGROUND

The project consists of the excavation of two pilot channels from the active channel of Plunge Creek, through the historic floodplain, and back to the active channel, with the primary goals of: 1) increasing the area of suitable habitat for the federally listed as endangered San Bernardino kangaroo rat (SBKR) and other sensitive species; and 2) increasing groundwater recharge opportunities without increasing the risk of flooding or erosion on non-District owned or managed land. This project will enhance existing and create new habitat as a mitigation measure in the Wash Plan HCP. The project area will occur over approximately 1.7 miles of Plunge Creek.

DISCUSSION

The project requires state permits, so staff prepared an Initial Study (IS) in compliance with the California Environmental Quality Act (CEQA). Through the IS, staff determined that mitigation measures were necessary to reduce potential impacts to less than significant. A Mitigation Monitoring and Reporting Program (MMRP) was prepared that summarizes the mitigation measures and outlines compliance measures. The mitigation measures are based on Avoidance and Minimization Measures identified in the Wash Plan Habitat Conservation Plan. The project is located within San Bernardino kangaroo rat (SBKR) Critical Habitat, but as the project goal is to specifically create restore and create habitat for the San Bernardino kangaroo rat no compensatory mitigation is required. Other minimization measures, including the collection of Santa Ana woolly star seed, have already been undertaken. Additionally, this CEQA IS and appendices addresses the required elements for preparation of project required permits. Permit applications have already been made to the California Department of Fish and Wildlife, the Santa Ana Regional Water Quality Control Board and the US Army Corps of Engineers.

The IS was noticed in the San Bernardino Sun, as well as, the Highland Community News, for comment from January 15 to February 13. A notice was posted at the District office and a notice was provided to the State Clearinghouse. Staff also notified local Native American Tribes in accordance with AB-52.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

One comment was received (as of February 8, 2018) from the Morongo Band of Mission Indians requesting additional information on the District's cultural report and the opportunity to inspect the site prior to surface disturbance. Staff is recommending granting both of these requests. As of the date of memo preparation, no other comments were received.

Based on the IS, review of comments and tribal consultation, staff recommends that a finding adopting the draft MND can be adopted. The IS/MND is a large document and a link will be sent out under separate cover. Additionally, a hard copy is available for review at the District office located at 1630 West Redlands Blvd., Ste. A, Redlands, CA.

FISCAL IMPACT

Total project cost is \$710,000 with 500,000 coming from a Proposition 84 grant and the additional \$210,000 coming from the District's Land Resources Reserve. The Reserve funds serve as a grant matching funds.

POTENTIAL MOTIONS

1. Adopt MND for the Plunge Creek project and direct staff to file all required notices.
2. Table the issue and refer to the Operations Committee prior to the next Board meeting.

ATTACHMENTS OR MATERIALS

Project Location Map



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

Email: info@sbvwcd.org
www.sbvwcd.org

Memorandum No. 1558

To: Board of Directors

From: General Manager, Daniel Cozad

Date: February 14, 2018

Subject: Countywide RDA Oversight Board Alternate Position

RECOMMENDATION

Staff recommends that the Board reaffirms its December 2017 decision to nominate Director Harrison as the alternate member of the Special Districts representative for the Countywide RDA Oversight Board, authorize the Board President to sign required documents and direct staff to submit the necessary paperwork to LAFCO.

BACKGROUND

As required by the Redevelopment Agency (RDA) dissolution act RDA was dissolved as of February 2012, and various successor agencies were formed to supervise the dissolution. On July 1, 2018, as required by the RDA dissolution law, the individual oversight boards will be consolidated into one oversight board per county. In San Bernardino County, the Local Agency Formation Commission (LAFCO) has called for nominees from all eligible Special Districts to appoint a regular and an alternate member to the Countywide RDA Oversight Board. If more than one candidate is nominated, each eligible Special District will cast a vote for the candidate of their choice. The San Bernardino Valley Municipal Water District has already selected a member for the primary seat for Special Districts on the Oversight Board. In order to be eligible to sit on the Oversight Board, the agency must receive RDA funding. While the District receives a very small amount of funding from RDA dissolution, it is one of the 23 agencies eligible to participate in the Oversight Board.

DISCUSSION

Since the nomination period did not officially open until February 5th and required for nominations to be submitted in writing; staff is asking for the Board to reaffirm its December 2017 decision. The nomination will require a Board vote and Board President signature on the nomination form. If an alternate is not nominated, there will be one appointed by July 2018. The Oversight Board will not compensate any primary or alternate nominated or appointed. The appointee's agency will be responsible for any per diem or expenses for attendance at meetings. The number of meetings is undetermined at this time. The deadline for submission of the nomination form is March 15th.

BOARD
OF
DIRECTORS

Division 1:
Richard Corneille
Division 2: David E.
Raley

Division 3:
T. Milford Harrison
Division 4:
John Longville

Division 5:
Melody McDonald

GENERAL
MANAGER

Daniel B. Cozad

FISCAL IMPACT

The District will be required to pay any authorized per diem and mileage to attend meetings where an alternate is required; the number of meetings are unknown at this time but is not expected to be frequent and will likely be located in the valley within San Bernardino County.

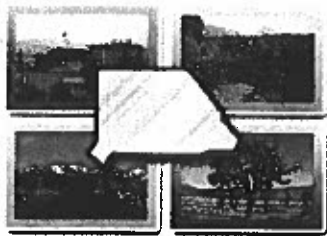
POTENTIAL MOTIONS

1. Move to nominate Direction Harrison for the alternate for special districts on the CSDA Countywide RDA Oversight Board, authorize Board President to sign nomination form and for staff to submit to LAFCO.
2. Take no action.

ATTACHMENTS OR MATERIALS

LAFCO Letter

LAFCO Nomination Form



LAFCO

Local Agency Formation Commission for San Bernardino County

1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490
909.398.0480 | Fax 909.398.0481
E-mail: lafco@lafco.sbcounty.gov
www.sbc.lafco.org

Established by the State of California
to serve the Citizens, Cities, Special Districts
and the County of San Bernardino

COMMISSIONERS

JIM BAGLEY
Public Member

KIMBERLY COX, Chair
Special District

JAMES V. CURATALO
Special District

ROBERT A. LOVINGOOD
Board of Supervisors

LARRY McCALLON
City Member

JAMES RAMOS, Vice Chair
Board of Supervisors

DIANE WILLIAMS
City Member

ALTERNATES

STEVEN FARRELL
Special District

JANICE RUTHERFORD
Board of Supervisors

Vacant
Public Member

ACQUANETTA WARREN
City Member

STAFF

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SAMUEL MARTINEZ
Assistant Executive Officer

MICHAEL TUERPE
Project Manager

LA TRICI JONES
Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

FEB - 5 2018

February 1, 2018

TO: Presidents of the Boards of Directors of the Independent Special Districts within Redevelopment Agencies (See Distribution Listing below)

SUBJECT: Special Districts Selection Committee for Countywide Redevelopment Oversight Board

This letter will officially open the nomination period for the position of Regular Special District and Alternate Special District members on the Countywide Oversight Board for Redevelopment as requested by the San Bernardino County Auditor-Controller/Treasurer/Tax Collector. Pursuant to the adoption of the policies and procedures related to the Special District Selection committee (copy included as Attachment #2), San Bernardino LAFCO is implementing the inaugural selection process. Only those independent special districts overlaying a former redevelopment agency, whose principal county status is San Bernardino County, are eligible to nominate and vote in this process.

The nomination period for these positions will be 32 days, opening on Monday, February 5, 2018, and ending at the close of business at 5:00 p.m. on Thursday, March 8, 2018. Nominations for each position will need to be submitted by District Board vote. The signed original nomination form, with the name of each voting Board Member outlined, must be received in the LAFCO office by 5:00 p.m. on **March 15, 2018**. If a faxed copy of the nomination form is provided by the March 15 deadline, the original signed copy must be received by 5:00 p.m. on **March 22, 2018**, or the nomination will be declared invalid.

Enclosed with this letter is a sample nomination form for the positions outlining the date of the action and District Board vote. Nominations submitted without a date will be returned to the District and will need to be re-submitted within the nomination period in order to be considered valid. If only a single candidate is nominated for the position, pursuant to the provisions of Government Code Section 56332(f)(2), that candidate shall be deemed selected with no further vote required.

At the end of the nomination period, LAFCO staff will prepare and send a ballot, by certified mail, to each eligible voting independent special district area with the candidates nominated and the voting instructions.

Attachment #3 to this letter is information provided by the San Bernardino County Auditor-Controller related to the process for your information. Please let me know if you have any questions concerning the nomination process. You may contact me at the address listed above, by email at kmcdonald@lafco.sbcounty.gov, or by phone at (909) 388-0480. If you have questions related to the Countywide Oversight Board, please contact either Ms. Linda Santillano, Property Tax Manager at the Auditor-Controller's office by email at: linda.santillano@atc.sbcounty.gov or Mr. Gary Hallen, Deputy Director, Community Development and Housing Department for the County by email at: gary.hallen@cdh.sbcounty.gov.

Sincerely,



KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/l tj

Enclosures:

- 1) Regular and Alternate Member Nomination Forms
- 2) Policy Statement
- 3) Information Submitted by the Auditor-Controller/Treasurer/Tax Collector related to the Countywide Oversight Board and affected Independent Special Districts

DISTRIBUTION:

Apple Valley Fire Protection District
Barstow Cemetery District
Bear Valley Community Healthcare District
Big Bear Airport District
Big Bear Municipal Water District
Chino Basin Water Conservation District
Chino Valley Independent Fire Protection District
Crestline-Lake Arrowhead Water Agency
Hesperia Park and Recreation District
Hi-Desert Water District
Inland Empire Resource Conservation District
Inland Empire Utilities Agency
Lake Arrowhead Community Services District
Mojave Desert Resource Conservation District
Mojave Water Agency
Monte Vista County Water District

Morongo Basin Healthcare District (formerly known as the Hi-Desert Memorial
Hospital District)
San Bernardino Mountains Community Healthcare District
San Bernardino Valley Municipal Water District
San Bernardino Valley Water Conservation District
Twentynine Palms Public Cemetery District
West Valley Water District
Yucaipa Valley Water District

**NOMINATION FOR
REGULAR SPECIAL DISTRICT MEMBER
MEMBER OF THE
COUNTYWIDE OVERSIGHT BOARD
(REDEVELOPMENT)**

The _____
(Name of District)

hereby nominates the following person for the position on the Countywide Oversight Board:

_____ REGULAR SPECIAL DISTRICT MEMBER
(Name of Nominee)

I, _____, do hereby certify that at its regularly
(Name of President or Designee of District)
scheduled meeting of _____, the Board of Directors voted to
nominate the above-identified candidate for the Regular Special District Member
of the Countywide Oversight Board of San Bernardino County, by the following
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

District President/Authorized Board Member

Dated: _____

Attach – Letter of Interest or Resume of Nominee

**NOMINATION FOR
ALTERNATE SPECIAL DISTRICT MEMBER
MEMBER OF THE
COUNTYWIDE OVERSIGHT BOARD
(REDEVELOPMENT)**

The _____
(Name of District)

hereby nominates the following person for the position on the Countywide Oversight Board

_____ ALTERNATE SPECIAL DISTRICT MEMBER
(Name of Nominee)

I, _____, do hereby certify that at its regularly
(Name of President or Designee of District)
scheduled meeting of _____, the Board of Directors voted to
nominate the above-identified candidate for the Alternate Special District Member
of the Countywide Oversight Board (Redevelopment) of San Bernardino County,
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

District President/Authorized Board Member

Dated: _____

Attach – Letter of Interest or Resume of Nominee



General Manager's Report

For January 5, 2017 to February 9, 2018

Daniel B. Cozad

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

- 1. Water Conservation – Plan Goal 1** – The Field staff recharged State Project Water flows intermittently in January due to dry weather. Edison facilities are in operation, and no flood control activity has occurred. Staff has been working hard to recharge all possible storms due to the limited rain. Santa Ana recharge totals for the Water Year beginning October 1, 2017, total 6,800 AF, storms in January provided about 300 AF of native SA River Flow. Mill Creek recharge stands at about 2,560 AF with about 900 AF recharged from the Creek due to treatment plan repairs. Significant effort was undertaken to obtain all data needed to complete the annual Engineering Investigation.
- 2. Facility Maintenance and Cleanout – Plan Goal 1** – The Mill Creek diversion has been used for flows while the treatment plant is being maintained. All basins have been cleaned for winter flows, some additional cleaning will be needed in the summer even if there are not significant flows this winter and spring.
- 3. Aggregate Management – Plan Goal 1** – Upland Rock is supporting JF Shea accepting rock and making sand for the pipeline and other facilities construction. They are also supporting basin cleaning.
- 4. Personnel/Administration/Staff** – Staff finalized the Board priorities for the new year based on the new Community Strategic Plan. Staff prepared materials for the new calendar year, tax year and supporting outreach.
- 5. Finance/Budget/Audit** – The District is implementing the budget for 2017-2018. Staff began developing the groundwater enterprise costs and revenue for 2018-2019 budget process. Staff provided significant outreach for the groundwater charge changes due to the California Supreme court case.
- 6. Mill Creek Diversion Engineering – Plan Goals 1/4** – SBC Flood Control coordinated with USACOE for the Section 408 permit and received costs for the expedited 408 process. Staff also supported an Operations Committed in review of the Mill Creek permitting and 408 process. All other permits will be timed to coordinate with the 408 permit.
- 7. Plunge Creek Restoration Conservation Project – Plan Goals 1/4** – Permit applications for the 401 and 404 permits received a field visit in January. Regulatory feedback on the project was favorable, but indicated that the project does not exactly “fit” in a standard permit type. Staff met with tribal staff for AB-52 consultations for Plunge Creek Restoration.

8. Collaborative Enhanced Recharge Project – *Plan Goal 1*
– J.F. Shea Construction continues building the sedimentation basin and pipeline. The sedimentation basin is beginning to be seen in the center left of the picture to the right. The new work should not impact to the District’s operations. Construction is expected to continue until the end of August 2018. The Enhanced Recharge Basins are programmed for 2020 with the improvements at the Cuttle Weir to follow the approval of the River Habitat Conservation Plan.



9. Groundwater Council – *Plan Goal 1* – The Groundwater Council Framework Agreement and Equitable Allocation methodology is complete. Currently two agencies have approved the agreement that is on the Board Agenda for consideration at today’s meeting. A chart summarizing status is attached to this report. The next GC meeting would be the first meeting under the Agreement. It is scheduled for March 12, 2018, No written reports appear in the Board package. The staff has worked closely with commenters in updates to the Equitable Allocation Model and the Groundwater Council Agreement. Staff is making presentations and supporting all parties to complete the GC agreement approvals. The development of the Agreement and Equitable Allocation required more than 500 hours of staff time to develop. Staff was supported by District Counsel and Bill Kelly a consulting facilitator, at a cost of \$46,693 and \$34,684 respectively. The total cost including staff time is approximately \$107,000.

10. Wash Plan – *Plan Goal 4* – The Wash Plan has a separate report listed on the agenda.

11. Santa Ana River Wash Plan Land Exchange Act – *Plan Goal 4 - S. 357 (Feinstein)*
Bill hearing was in July before the Senate Energy and Natural Resources Committee. Several efforts in Washington have delayed the bill getting attention. The Bill is awaiting hearing in the Senate. More information is expected the next few weeks.

12. Conservation Trust – *Plan Goal 4* - The Conservation Trust Board of Directors met on October 9th, 2017. They addressed mitigation need for the District projects and Community Mitigation opportunities. Staff and District Legal Counsel have developed an initial draft of policy principals for Community Mitigation Projects to be considered by the Conservation Trust Board and the Conservation District Board. The staff has coordinated with City of Highland and development interests adjoining the Wash Plan for Community Mitigation needs and conservation easements.

13. Property/Redlands Plaza – Staff continues to manage Redlands Plaza. Staff worked with the contractor to get the efforts completed and all signoffs. Staff is getting a quote on completing the repairs of the landscaping outside the scope of paving.

14. Mining – Mining efforts by CEMEX Contractors continue on the Plant Site quarry. CEMEX and the District completed the verification of excavations using the jointly approved methodology. Staff compared the LiDAR data and concurred with the interpretation done by the company who did the calculations. The CEMEX Joint Audit will be presented in today’s meeting. Staff worked with the miners to review lands and to identify elements of changes needed to the current mining agreement for CEMEX under the Wash Plan.

15. Public Outreach and Legislative – *Plan Goal 5* – Staff continued working with the BTAC group on Conservation Outreach efforts, formerly iEfficient. District Outreach Consultants interviewed Board Members to provide input for the Brand Discovery efforts to be completed in February as part of implementing the Communication Plan. Outreach consultants prepared press information on the Groundwater Council approvals to support actions by other agencies and to inform the public. Staff worked on follow-up efforts related to the State Water Boards’ Dredge and Fill Regulations. Staff and Outreach Consultants prepared materials mailed to all groundwater producers related to the Ventura vs. United Water Conservation District and its impacts on Groundwater charge rates. LAFCO Special District member and alternate member are up for election. Both members have indicated their interest in staying in office, but nominations are being sought for the positions. The notice is attached to this report.

16. Current Board Action Implementation – Most priority efforts have separate sections of the General Manager’s Report or independent Board requested reports. Staff and District Counsel worked closely on EHL/CBD v. USACOE settlement as well as other closed session items. Staff continues to work on alternatives for toilet facilities for the Field Shop. Other Board implementation efforts include Mill and Plunge Creek permitting and Outreach to regulatory and tribal staff. Staff conducted outreach to groundwater producers and agricultural association members, SB County Farm Bureau, Bear Valley Mutual Water Company and others to determine if groundwater assessments were an issue to Ag.

17. Future Board Activities – Expected short-term items for consideration or note

- EI and Groundwater Budget in this meeting and April
- Consideration of Approval of the Groundwater Council Framework Agreement
- Final HCP and EIR/EIS consideration in February and June
- Review and consideration of approval of the Memorandum of Agreement with the BLM in 2018

18. District Successes

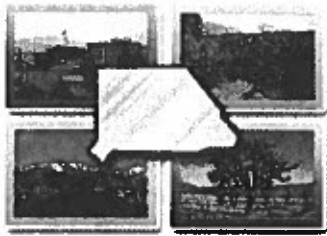
- Congratulations to all Groundwater Council participants for their efforts and upcoming approvals
- Special thanks to Angie and Katelyn for work completing elements of the CEMEX cooperative audit

- District EI was completed on time and updated with Groundwater Council information
- Wash Plan Implementation Planning began with review of lands coming to the District in land transfers. Photos depict cleanup needed prior to transfer



Groundwater Council Party - Approval Consideration Status

Name	Committee Dates	Board/Council Date
Bear Valley Mutual Water Company	NA	February 20, 2018
City of Colton	February 12, 2018	March 6, 2018
City of Loma Linda	NA	February 13, 2018
City of Redlands		
City of Rialto	1/31/18 & 2/20/18	February 27, 2018
East Valley Water District	NA	Approved 1/24/18
Fontana Water Company	NA	Settlement Agreement
Loma Linda University		
San Bernardino Municipal Water Department	NA	February 27, 2018
San Bernardino Valley Municipal Water District	February 13, 2018	February 20, 2018
San Bernardino Valley Water Conservation District	NA	February 14, 2018
West Valley Water District	March 14, 2018	April 5, 2018
Yucaipa Valley Water District	January 30, 2018	Approved 2/6/18



LAFCO

Local Agency Formation Commission for San Bernardino County

1170 West 3rd Street, Unit 150
San Bernardino, CA 92415-0490
909.388.0490 | Fax 909.388.0481
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

Established by the State of California
to serve the Citizens, Cities, Special Districts
and the County of San Bernardino

COMMISSIONERS

JIM BAGLEY
Public Member

KIMBERLY COX, Chair
Special District

JAMES V. CURATALO
Special District

ROBERT A. LOVINGOOD
Board of Supervisors

LARRY McCALLON
City Member

JAMES RAMOS, Vice Chair
Board of Supervisors

DIANE WILLIAMS
City Member

ALTERNATES

STEVEN FARRELL
Special District

JANICE RUTHERFORD
Board of Supervisors

Vacant
Public Member

ACQUANETTA WARREN
City Member

STAFF

KATHLEEN ROLLINGS-McDONALD
Executive Officer

SAMUEL MARTINEZ
Assistant Executive Officer

MICHAEL TUERPE
Project Manager

LA TRICI JONES
Clerk to the Commission

LEGAL COUNSEL

CLARK H. ALSOP

FEB - 2 2018

February 1, 2018

TO: Presidents of the Boards of Directors of the
Independent Special Districts in San Bernardino
County

SUBJECT: Special Districts Selection Committee

This letter will officially open the nomination period for the position of Regular Special District and Alternate Special District members on the Local Agency Formation Commission (LAFCO). The regular voting member position is currently held by James Curatalo and the Alternate position is currently held by Steven Farrell, both of whom have indicated a desire to run again. The term of office is scheduled to expire May 7, 2018 pursuant to the provisions of Government Code Section 56334. The nomination period for these positions will be 32 days, opening on Monday, February 5, 2018, and ending at the close of business at 5:00 p.m. on Thursday, March 8, 2018.

Nominations for the position will need to be submitted by District Board vote. The signed original nomination form, with the name of each voting Board Member outlined, must be received in the LAFCO office by 5:00 p.m. on **March 15, 2018**. If a faxed copy of the nomination form is provided by the March 15 deadline, the original signed copy must be received by 5:00 p.m. on **March 22, 2018**, or the nomination will be declared invalid.

Enclosed with this letter is a sample nomination form for the positions outlining the date of the action and District Board vote. Nominations submitted without a date will be returned to the District and will need to be re-submitted within the nomination period in order to be considered valid. If only a single candidate is nominated for the position, pursuant to the provisions of Government Code Section 56332(f)(2), that candidate shall be deemed selected with no further vote required.

At the end of the nomination period, LAFCO staff will prepare and send, by certified mail, to each independent special district a ballot with the candidates nominated and the voting instructions.

A long-standing policy of the Selection Committee is to encourage balanced geographic representation with valley, desert and mountain districts seated on the Commission as voting or alternate members. The positions up for nomination are now represented by the mountain and valley areas and both incumbents represent county water districts. A copy of the Policy Statement is attached for your information.

Please let me know if you have any questions concerning the nomination process. You may contact me at the address listed above, by email at kmcdonald@lafco.sbcounty.gov, or by phone at (909) 388-0480.

Sincerely,



KATHLEEN ROLLINGS-McDONALD
Executive Officer

KRM/lt

Enclosures:

- 1) Regular and Alternate Member Nomination Forms
- 2) Policy Statement

**NOMINATION FOR
REGULAR SPECIAL DISTRICT MEMBER
MEMBER OF THE
LOCAL AGENCY FORMATION COMMISSION**

The _____
(Name of District)

hereby nominates the following person for the position on the Local Agency
Formation Commission

_____ REGULARSPECIAL DISTRICT MEMBER
(Name of Nominee)

I, _____, do hereby certify that at its regularly
(Name of President or Designee of District)
scheduled meeting of _____, the Board of Directors voted to
nominate the above-identified candidate for the Regular Special District Member
of the Local Agency Formation Commission of San Bernardino County, by the
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

District President/Authorized Board Member

Dated: _____

Attach – Letter of Interest or Resume of Nominee

**NOMINATION FOR
ALTERNATE SPECIAL DISTRICT MEMBER
MEMBER OF THE
LOCAL AGENCY FORMATION COMMISSION**

The _____
(Name of District)

hereby nominates the following person for the position on the Local Agency
Formation Commission

_____ ALTERNATE SPECIAL DISTRICT MEMBER
(Name of Nominee)

I, _____, do hereby certify that at its regularly
(Name of President or Designee of District)
scheduled meeting of _____, the Board of Directors voted to
nominate the above-identified candidate for the Regular Special District Member
of the Local Agency Formation Commission of San Bernardino County, by the
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

District President/Authorized Board Member

Dated: _____

Attach – Letter of Interest or Resume of Nominee

SECTION VI
SPECIAL DISTRICTS

CHAPTER 1: INTRODUCTION AND POLICIES

INTRODUCTION:

In 1975 the San Bernardino LAFCO received a request from the independent special districts within the County to approve the seating of Special Districts on the Commission pursuant to the provisions of the Knox-Nisbet Act (the predecessor of the Cortese-Knox-Hertzberg Reorganization Act of 2000). The original rules and regulations were adopted concurrent with an order for representation on the Commission by Independent Special Districts in 1976. As a function of the seating of Special Districts within San Bernardino County an inventory of the existing functions and classes of service were to be determined. The process that was undertaken at that time was that the Commission would:

1. Classify the various types of services which customarily are or can be provided within a single function of a special district.
2. Require existing districts to file written statements with the commission specifying the functions or classes of service provided by such district.
3. Establish the nature, location, and extent of any functions or classes of service provided by existing districts
4. Determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district.

Once the inventory was completed, the rules and regulations did not apply to the extension or enlargement, within the boundaries of an existing district, of any function or service which the commission, pursuant to these rules and regulations, has established as currently being provided by such special district. A listing of the Special Districts and the authorized functions and services was historically identified as the "Exhibit A" but is now outlined in Chapter 3 of the Special Districts Section of the Manual.

The San Bernardino County Special Districts Association has historically offered its services to work with the special districts and San Bernardino LAFCO to provide assistance and coordination, to act as a forum to air and discuss problems affecting all special districts, and to provide a forum for the review of candidates for the Special District seats on the Commission.

POLICIES:

1. **METHOD OF SELECTION** *(Amended April 17, 2002)*

An Independent Special Districts Selection Committee shall be composed of the presiding officers of the legislative body of each independent special district located wholly within the County of San Bernardino and those containing territory within said County representing 50% or more of the assessed value of taxable property of each district. The Selection Committee shall appoint all independent special district representatives and alternate. Each member of the Selection Committee shall be entitled to one vote for each independent special district for which they are presiding officer. The meetings of the Selection Committee shall be in accordance with the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000 et seq.

2. **SPECIAL DISTRICT REPRESENTATIVES** *(Amended April 17, 2002)*

It is the policy of San Bernardino LAFCO that special district representatives and alternate should represent districts located in the San Bernardino Valley area, the desert area, and the mountain area. Inasmuch as possible, they should not represent agencies that provide like service, (i.e., they should represent fire protection service, water service, sewer service, cemetery service, etc.). They shall be chosen as provided by the provisions within Government Code Section 56000 et seq.

3. **ALTERNATIVE FUNDING FORMULA** *(Adopted by Special District Vote July 2002; Amended by Special District Vote March 2, 2010)*

Pursuant to authority provided by Government Code Section 56381, the Independent Special Districts, by majority vote, have determined an Alternative Funding Formula to the Independent Special Districts' mandatory share of the LAFCO net operating costs as follows:

- A. Healthcare (Hospital) Districts shall be limited to payment of \$1,500 regardless of Total Revenue.
- B. Those districts with Total Revenue of more than \$50,000,000 shall pay \$30,000.
- C. Those districts with Total Revenue of between \$20,000,000 to \$50,000,000 shall pay \$20,000.
- D. Those districts with Total Revenue of between \$5,000,000 to \$20,000,000 shall pay \$10,000.

- E. Those districts with Total Revenue of between \$2,000,000 to \$5,000,000 shall contribute an amount not to exceed \$5,000.
- F. Those districts with Total Revenue of less than \$2,000,000 shall be apportioned an amount to be determined by the ratio of each district's Total Revenue as compared to the Total Revenues whose share does not exceed \$5,000.

4. **CONVERSION TO ALL MAIL BALLOTING FOR SPECIAL DISTRICT SELECTION COMMITTEE BUSINESS** *(Adopted by Special District Vote April 2008)*

The business of the Special District Selection Committee shall be routinely conducted by mail. The procedures for such processing are outlined in Government Code Section 56332(f).

5. **SELECTION OF INDEPENDENT SPECIAL DISTRICT REPRESENTATIVES (REGULAR AND ALTERNATE) TO THE SAN BERNARDINO COUNTYWIDE OVERSIGHT BOARD** *(Adopted November 15, 2017)*

Effective July 1, 2018, the redevelopment oversight boards in each county in the State of California will be consolidated into one seven-member board (Health & Safety Code § 34179(j)). One of the members of the consolidated board "may be appointed by the independent special district selection committee established under Government Code Section 56332 for the types of special districts that are eligible to receive property tax revenues pursuant to the redevelopment agency (RDA) dissolution law. The Auditor-Controller/Treasurer/Tax Collector for San Bernardino County has requested that such representatives (regular and alternate) be selected.

Only the agencies that receive RDA funding are deemed eligible agencies for the purposes of appointing a special district representative and alternate to the countywide redevelopment oversight board per Health and Safety Code Section 34179(j)(3) and must be members of the Special Districts Selection Committee for San Bernardino County per Government Code Section 56332. In addition, eligibility requires special districts that have territory in the territorial jurisdiction of a former RDA and are eligible to receive property tax residual for the Redevelopment Property Tax Trust Fund (RPTTF) may serve on the new Oversight Board. In San Bernardino County, the committee members for the RPTTF-qualifying districts are:

- Apple Valley Fire Protection District
- Barstow Cemetery District
- Bear Valley Community Health Care
- Big Bear Airport District
- Big Bear Municipal Water District

*San Bernardino LAFCO Policy and Procedure Manual
Section VI – Special Districts*

Chino Basin Water Conservation District
Chino Valley Independent FPD
Crestline-Lake Arrowhead Water Agency
Hesperia Park and Recreation District
Hi-Desert Water District
Inland Empire Resource Conservation
Inland Empire Utilities Agency
Lake Arrowhead Community Services District
Mojave Desert Resource Conservation District
Mojave Water Agency
Monte Vista County Water District
Morongo Basin Healthcare District (formerly known as the Hi-Desert Memorial Hospital District)
San Bernardino Valley Water Conservation District
San Bernardino Mountains Community Healthcare District
San Bernardino Valley Municipal Water District
Twentynine Palms Public Cemetery District
West Valley Water District
Yucaipa Valley Water District

The San Bernardino LAFCO Executive Officer is responsible for conducting the business of the Special Districts Selection Committee for the RPTTF-qualifying appointment and pursuant to local procedures the committee's business shall be conducted by mail to nominate and appoint a representative and alternate. Elections by mail shall be conducted in accordance with Government Code Section 56332(f). The independent special district members appointed to the consolidated redevelopment oversight board shall be appointed by a majority of those RPTTF-qualifying committee members voting once a quorum has been established. The terms of office for regular and alternate committee members shall be staggered by action of the Oversight Board following its reorganization in July 2018.

San Bernardino Valley Water Conservation District

Monthly Recharge Report

From: 1/1/2018
To: 12/31/2018



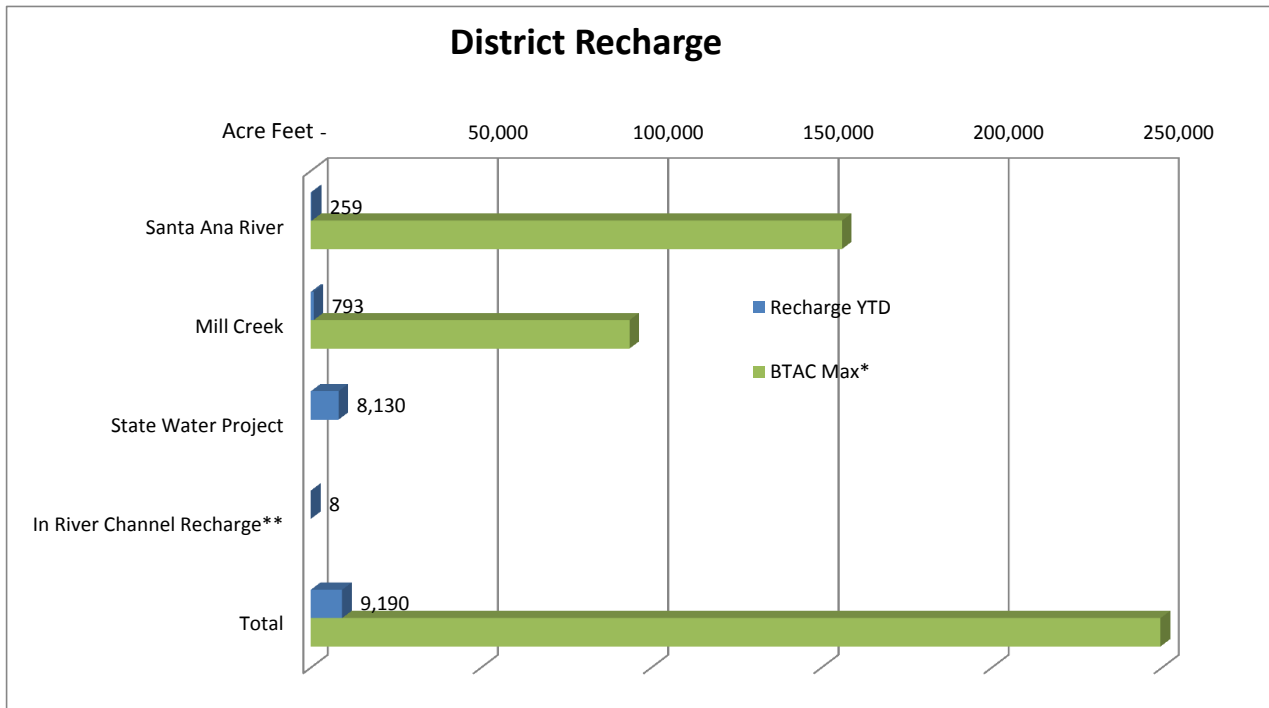
	January				
	Avg Daily Recharge	Monthly Recharge	Recharge YTD	BTAC Max*	% Max
Santa Ana River	0.6	233	259	156,000	0%
Mill Creek	1.6	576	793	93,600	1%
State Water Project	1.4	503	8,130	NA	NA
In River Channel Recharge**	0.0	0	8	NA	NA
Total	4	1,311	9,190	249,600	4%

Values in Acre Feet

*BTAC Revised Max in December 2017

**Monitoring began in Mid-April 2011

*** All Values Based on Water Year Oct-Sep 2018





2018 Board Calendar - San Bernardino Valley Water Conservation District

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

Jan. 10 Board Meeting
 Jan. 24 2nd Qtr. Finance & Admin Mtg.

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

Jul. 11 Board Meeting
 Jul. 25 4th Qtr. Finance & Admin Mtg.

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

Feb. 14 Board Meeting

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

Aug. 08 Board Meeting

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

Mar. 14 Board Meeting
Engineering Investigation Report Presentation

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

Sept. 12 Board Meeting

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

Apr. 11 Board Meeting
Public Meeting/Groundwater Charge
 Apr. 25 Board Meeting
Public Hearing/Groundwater Charge
 Apr. 27 3rd Qtr. Finance & Admin Mtg.

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

Oct. 10 Board Meeting

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

May 23 Board Meeting

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

Nov. 14 Board Meeting
 Nov. 21 1st Qtr. Admin Mtg.

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

Jun. 13 Board Meeting

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

Dec. 12 Board Meeting
 (@ 9:30 a.m.)
Holiday Luncheon