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GROUNDWATER COUNCIL MEETING AGENDA

MONDAY, FEBRUARY 11, 2019 - 10:00 AM

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT BOARD ROOM

380 EAST VANDERBILT WAY, SAN BERNARDINO, CA 92408

CALL TO ORDER

ROLL CALL FOR QUORUM

Bear Valley Mutual Water Company, City of Colton (4), City of Loma Linda (10), City of Redlands (0), City of Rialto (12), East Valley Water District (20), Fontana Water Company (0), Loma Linda University (1), San Bernardino Municipal Water Department (53), San Bernardino Valley Municipal Water District, San Bernardino Valley Water Conservation District, West Valley Water District (0), Yucaipa Valley Water District (0)

INTRODUCTIONS

Approval of Minutes.

1. *December 10, 2018, Meeting (Page 3)*

REGULAR BUSINESS

1. **Budget Committee.**
 - A. *Budget Committee Policy Update*
 - B. *Groundwater Council EAM Budget 2019-2020 (Page 7)*
2. **Operations Committee.**
 - A. *Consider Guidelines for the Delivery of Water Purchased by the Groundwater Council*
 - B. *Consider 2019 Delivery Plan for Water Purchased by the Groundwater Council*
3. **Agreement Approvals.**
 - A. *Update on Agreement Approvals*



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OTHER BUSINESS

ADJOURNMENT

The next regularly scheduled Groundwater Council Meeting will be on April 8, 2019 at 10:00 a.m., at San Bernardino Valley Municipal Water District 380 East Vanderbilt Way San Bernardino, CA 92408

**MINUTES
OF
THE
GROUNDWATER COUNCIL**

December 10, 2018

Registered Guests:

Karly Gaynor, Western Municipal Water District
Jason Pivovarovoff, Western Municipal Water District
Jarb Thaipejr, City of Loma Linda
Josh Swift, Fontana Water Company
Cris Fealy, Fontana Water Company
Cecilia Griego, City of Redlands
Joe Zoba, Yucaipa Valley Water District
Steve Miller, San Bernardino Municipal Water Department
Greg Herzog, Riverside Public Utilities
Bob Tincher, San Bernardino Valley Municipal Water District
Tim Kellett, San Bernardino Valley Municipal Water District
Jeff Noelte, East Valley Water District
Jesus Gastelum, Elsinore Valley Municipal Water District
Bob Martin, Bear Valley Mutual Water Company
Hye Jin Lee, City of Colton
Sam Fuller, Consultant for Bear Valley Mutual Water Company
Miguel Guerrero, San Bernardino Municipal Water Department
Wen Huang, San Bernardino Valley Municipal Water District
Linda Jadeski, West Valley Water District
Todd Jorgensen, Riverside Public Utilities
Michael Plinski, Riverside Public Utilities
Tom Crowley, City of Rialto
Daniel Cozad, San Bernardino Valley Water Conservation District
Katelyn Scholte, San Bernardino Valley Water Conservation District
Cindy Saks, San Bernardino Valley Municipal Water District
Douglas Headrick, San Bernardino Valley Municipal Water District
Lillian Hernandez, San Bernardino Valley Municipal Water District

The Groundwater Council meeting was called to order by Tom Crowley at 10:03 a.m. at the San Bernardino Valley Municipal Water District office, 380 E. Vanderbilt Way, San Bernardino.

Roll Call was taken and there was a quorum for voting purposes. The meeting proceeded with the following agenda items.

Agenda Item 1. Approval of Minutes.

1. October 8, 2018, Meeting.

Douglas Headrick moved to approve the minutes of the October 8, 2018, Groundwater Council meeting. Miguel Guerrero seconded. The motion was unanimously adopted with Hye Jin Lee from the City of Colton abstaining as she was not at the meeting.

Agenda Item 2. New Business.

1. Consider Request from Fontana Water Company to join the Groundwater Council.

President Crowley requested that this item be postponed to a future meeting.

Daniel Cozad moved to table the item. Jarb Thaipejr seconded. The motion was unanimously adopted.

2. Consider Developing Procedures for the Delivery of Groundwater Council Water.

President Crowley stated that at the October 8th meeting, Bob Tincher requested that the Groundwater Council (GC) consider forming an Operations Committee to consider where to recharge water. Mr. Tincher indicated that Jeff Noelte from East Valley Water District was interested in being the Chair of the Operations Committee. Mr. Noelte agreed to chair the committee. The standing members would include Russ Handy from the City of Loma Linda; Steve Miller from the San Bernardino Municipal Water Department (SBMWD); Katelyn Scholte from the San Bernardino Valley Water Conservation District (SBVWCD); and staff from San Bernardino Valley Municipal Water District (SBVMWD).

John Mura moved to form an Operations Committee and appoint Jeff Noelte as Chair of the Operations Committee. Daniel Cozad seconded. The motion was unanimously adopted.

3. Consider West Valley Water District Agreement.

Douglas Headrick reported that there are ongoing discussions with West Valley Water District but nothing new to report. When an agreement is available it will be brought back to the Groundwater Council.

The City of Redlands is considering a rate study for 2019 which would include contributions associated with the GC.

4. **Consider Purchase of Remaining Imported Water for 2018.** There was less water available than was initially planned on so there was no need for a request for agencies to purchase additional water.
5. **Consider Change in Meeting Schedule.** The meeting schedule will continue on a bi-monthly basis.

Agenda Item 3. Regular Business.

1. Budget Committee.

- A. **Revised Budget Policy.** Daniel Cozad stated that the budget committee met in mid-November. From the last meeting, their committee was tasked with developing an audit policy. They made some minor changes to the Budget Policy. There was a proposed preliminary budget in the agreement. In November or December is when the committee comes back to the GC with information on what the budget will likely be. Mr. Cozad reviewed the budget. One of the changes was to broaden it to November or December since the GC is only meeting bi-monthly and it may be hard to make a certain deadline. In November or December the Budget Committee reviews the equitable allocation model to perform a preliminary budget. In February the Budget Committee will project water purchases, O&M budgets, and recommend a draft budget for the GC. Mr. Cozad reviewed the Audit Procedure. It identifies all of the sources of the data. If anyone wants to audit data they can request an audit and the Chair would form an Ad Hoc Audit Committee who would oversee the audit.

Jarb Thaipejr moved to adopt the Budget Committee Revised Budget Policy. Miguel Guerrero seconded. The motion was unanimously adopted.

- B. **Preliminary Equitable Allocation.** Daniel Cozad stated that the Budget Committee goes through the actual budget and proposes it. There is an update to the Equitable Allocation Model (EAM) to roll it forward one year as well as some additional corrections. Bob Tincher reported that SBVMWD was shown having some pumping and the District does not deliver water from its well to a customer. Their well is used by the City of Redlands to deliver water and that is same situation as the Baseline Feeder (BLF). When SBVMWD pumps the BLF wells it is for West Valley Water District (WVWD) and the City of Rialto. The correction is to the San Bernardino Avenue well. There were minor amounts of water that were shown as being applied to SBVMWD so that amount was deducted from SBVMWD then added to the agencies that actually received the water. The amount of water was approximately 2,000 acre-feet. Fontana Water Company was included as part of the EAM. There was an error in the number that was reported to the Watermaster from the City of San Bernardino. The error will be corrected in the 2019 Watermaster report and the EAM.

2. Governance Committee.

- A. **Telephone Participation Rules.** Douglas Headrick stated there was not anything new to report on the telephone participation rules but they will take the task on for

determining how far back to allow corrections to production. Mr. Headrick will set the next Governance Committee meeting.

3. Agreement Approvals.

B. Update on Agreement Approvals. Mr. Headrick reported on this item earlier in the agenda.

4. Imported Water Availability.

A. Update on Imported Water Availability. This item was discussed earlier in the agenda.

Agenda Item 4. Other Business.

The next regularly scheduled Groundwater Council Meeting will be on February 11, 2019, at 10:00 a.m. at San Bernardino Valley Municipal Water District, 380 E. Vanderbilt Way, San Bernardino, CA 92408.

Agenda Item 5. Adjournment.

There being no further business, President Crowley adjourned the meeting 11:10 a.m.

<p>APPROVAL CERTIFICATION I hereby certify to approval of the foregoing Minutes of the Groundwater Council.</p> <p>_____ Secretary</p> <p>Date _____</p>

Respectfully submitted,

Lillian Hernandez
Board Secretary

Groundwater Council EAM Budget 2019 - 2020

GC Meeting 2-11-19

Groundwater Council Budget

- Corrections review
- O&M Budget Revenue and Expenses
- 2019-2020 Budget Recommendation

Pumping Adjustment Correction

- Metering discrepancies between the BLF wells and the delivery to WVWD and Rialto for 2012-2015 caused 103AF of water to remain with SBVMWD. The adjustment is shared proportionally between WVWD and the City of Rialto so that the reported delivery amounts match the well production amounts.
- Correction affects all agencies and is shown as a credit or debit
- Only affects water costs and not O&M

Agency	Pumping Adjustments Water Correction
Bear Valley Mutual Water Company	\$ -
City of Colton	\$ 80
City of Loma Linda	\$ 88
City of Redlands	\$ 599
City of Rialto	\$ (1,598)
City of San Bernardino	\$ 777
East Valley Water District	\$ 374
Fontana Union Water Company	\$ -
Loma Linda University	\$ 20
San Bernardino Valley M.W.D.	\$ (1,987)
West Valley Water District	\$ 1,402
Yucaipa Valley Water District	\$ 2
Total GC Parties	\$ (243)
Mountain View Power Co.	\$ 41
Muscoy Mutual Water Company No. 1	\$ 28
San Bernardino County - Facility Management	\$ 13
Terrace Water Company	\$ 10
Other San Bernardino Extractions	\$ 151
San Bernardino Non-Parties Total	\$ 243
Western Entities Total	\$ -
Total	\$ -

Fontana Correction

- Fontana is now included as part of the EAM
- The amount Fontana would have paid in the 2017 EAM for Water and O&M is included as a correction to the 2018EAM

Agency	Fontana Water Correction	Fontana O&M Correction
Bear Valley Mutual Water Company	\$ -	\$ (3)
City of Colton	\$ (3,893)	\$ (550)
City of Loma Linda	\$ (4,295)	\$ (851)
City of Redlands	\$ (29,120)	\$ (2,528)
City of Rialto	\$ (5,861)	\$ (906)
City of San Bernardino	\$ (37,792)	\$ (6,562)
East Valley Water District	\$ (18,189)	\$ (2,312)
Fontana Union Water Company	\$ 120,927	\$ 15,243
Loma Linda University	\$ (994)	\$ (184)
San Bernardino Valley M.W.D.	\$ -	\$ -
West Valley Water District	\$ (8,831)	\$ (1,318)
Yucaipa Valley Water District	\$ (108)	\$ (29)
Total GC Parties	\$ 11,843	\$ -
Mountain View Power Co.	\$ (2,014)	\$ -
Muscoy Mutual Water Company No. 1	\$ (1,377)	\$ -
San Bernardino County - Facility Management	\$ (615)	\$ -
Terrace Water Company	\$ (504)	\$ -
Other San Bernardino Extractions	\$ (7,332)	\$ -
San Bernardino Non-Parties Total	\$ (11,843)	\$ -
Western Entities Total	\$ -	\$ -
Total	\$ 0	\$ -

Future Correction: City of San Bernardino Watermaster Error

- 3,738 AF was reported for 31st & Mt. View Well, actual production was 27 AF
- Error will be corrected in the 2019 Watermaster report
- Correction to GC EAM will be made in 2020-21

Agency	Water Correction	O&M Correction
BVMWC	\$ 35	\$ 6
Colton	\$ 12,271	\$ 1,850
Loma Linda	\$ 13,001	\$ 2,441
Redlands	\$ 95,873	#N/A
Rialto	\$ 17,339	\$ 2,088
San Bernardino	\$ (288,332)	\$ (14,572)
EVWD	\$ 61,559	\$ 7,325
Fontana	\$ 13,846	\$ 334
LLU	\$ 3,236	\$ 477
SBVMWD	\$ 1,475	-
WVWD	\$ 30,835	#N/A
Yucaipa	\$ 332	\$ 53
Total GC Parties:	\$ (38,528)	\$ 0
SCE	\$ 5,886	#N/A
Muscoy	\$ 4,769	#N/A
SBC Facilities	\$ 2,140	#N/A
Terrace	\$ 1,603	#N/A
Other	\$ 24,130	#N/A
SB Non-Parties Total:	\$ 38,528	\$ -
Western Entities:	\$ -	#N/A
Total:	\$ 0	\$ 0

SBVWCD Groundwater Revenue Budget by Source

2019-2020 SBVWCD Groundwater Enterprise Budget	
Groundwater Charge Agriculture – Ag Phase in Year 2	\$97,028
Groundwater Charge Non-Agriculture (5% increase)	\$405,830
Groundwater Council SBVWCD	\$645,000
Groundwater Council (for San Bernardino County Flood)	\$3,171
SBVMWD Lease/Exchange Plan	\$256,058
	\$1,407,087
Estimated Groundwater Charge Paid entities included in GC Initial Year	
Estimated Groundwater Charge Redlands	\$175,000
Estimated Groundwater Charge Western Entities	\$227,500
	\$402,500

Enterprise Budget Summary/History

SBVWCD SUMMARIZED BUDGET AND ACTUAL REVIEW

	FY 13-14		FY 14-15		FY 15-16		FY 16-17		FY 17-18		FY 18-19		FY 19-20
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	PROJECTED	BUDGET
INCOME:													
GROUNDWATER CHARGE-AG	43,358	52,599	44,305	51,560	43,628	53,285	47,158	29,333	38,921	39,501	23,926	63,889	97,028
GROUNDWATER CHARGE-NON AG	792,253	866,739	828,990	928,808	829,668	679,573	719,240	668,198	713,700	898,254	40,994	427,558	405,830
GROUNDWATER COUNCIL											893,577	481,377	645,000
MISCELLANEOUS INCOME	0	22,298	0		0	235	0		0	650			
SBVMWD LEASE AGREEMENT	117,002	117,002	161,558	162,419	181,548	182,451	185,443	185,005	188,033	190,186	192,848	197,603	226,058
EXCHANGE PLAN	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
RATE STABILIZATION *from reserves	0		0		0		24,857		35,000		22,223	22,223	
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	1,158,591	1,203,568	1,222,650	1,403,916
EXPENSES:													
ENGINEERING AND PROF. SERVICES	93,705	38,129	87,619	54,057	85,841	70,524	83,120	56,059	168,732	77,699	167,364	165,765	164,716
RIVER HCP/PERMITTING			18,750	18,750	22,500	18,750	22,500	18,750	30,000	0	18,750	50,000	18,750
PROPERTY EQUIPMENT UTILITIES	66,007	34,728	86,822	34,305	68,602	29,898	68,359	36,484	73,437	31,953	73,555	73,555	73,890
UTILITIES	15,007	7,730	10,864	6,429	9,744	6,360	10,359	6,690	9,687	9,054	9,775	9,775	9,925
GENERAL ADMINISTRATION	54,982	52,192	68,401	45,808	81,469	54,173	78,364	53,379	75,795	59,348	85,650	85,743	85,927
FIELD & ADMIN LABOR & BENEFITS	503,146	406,496	575,101	390,146	570,095	372,650	593,165	468,170	644,321	649,601	741,519	731,019	801,567
CAPITAL MAINTENANCE RESERVE	264,771	560,467	208,755	632,607	237,000	402,301	155,190	274,959	10,500	425,250	114,500	114,500	220,000
TOTAL OPERATING EXPENSE	1,043,366	1,126,313	1,092,217	1,194,617	1,109,337	967,886	1,006,698	907,802	1,005,785	1,109,710	1,204,337	1,223,582	1,405,913
CAPITAL / MULTIYEAR COSTS													
BASINS REPAIRS	90,000	106,473	75,000	3,198	60,000	1,334	20,000	9,265	0	0	0		0
PROPERTY - CAPITAL REPAIRS	42,500		26,000	10,006	122,500		30,000	1,552	140,000	1,802	155,000	155,000	35,000
MENTONE (SHOP) REPAIRS							50,000		50,000	0	200,000	200,000	220,000
MILL CREEK DIV. & O&M PERMITTING	47,500				300,000		600,000		577,000	0	479,200	479,200	446,951
FIELD EQUIPMENT / VEHICLES	161,500	79,434	227,250	37,227	204,050	5,025	189,750	3,708	190,500	7,392	186,750	186,750	186,750
TOTAL CAPITAL AND MULTIYEAR	341,500	185,907	328,250	50,432	686,550	6,359	1,072,000	14,524	1,106,000	9,194	1,156,896	1,156,896	1,016,871

Full CIP costs Budgeted multiyear

2019-2020 Equitable Allocation Model

Groundwater Council Equitable Allocation Budget for FY 2019-20

Agency	Party Gap FY 2019-20 (\$)	Sustainability FY 2019-20 (\$)	Equitable O&M Costs FY 2019-20 (\$)	Total Party Costs 2019-20	Cost Increase from 2018-19 (\$)	Voting Weight 2019-20
Bear Valley Mutual Water Company	\$ -	\$ 187	\$ 107	\$ 294	\$ 173	0.01%
City of Colton	\$ -	\$ 66,608	\$ 34,324	\$ 100,932	\$ (14,184)	3.2%
City of Loma Linda	\$ 151,766	\$ 79,486	\$ 45,295	\$ 276,547	\$ 21,900	8.8%
City of Redlands	\$ -	\$ 516,253	#N/A	\$ 516,253	\$ (53,147)	#N/A
City of Rialto	\$ 95,250	\$ 48,801	\$ 38,737	\$ 182,788	\$ (140,119)	7.6%
City of San Bernardino	\$ 858,965	\$ 703,430	\$ 377,769	\$ 1,940,164	\$ 524,076	61.6%
East Valley Water District	\$ -	\$ 212,537	\$ 135,920	\$ 348,457	\$ (95,098)	14.9%
Fontana Union Water Company	\$ -	\$ 75,157	\$ 6,191	\$ 81,348	#N/A	2.6%
Loma Linda University	\$ -	\$ 17,566	\$ 8,845	\$ 26,411	\$ (4,822)	0.8%
San Bernardino Valley M.W.D.	\$ -	\$ 8,006	\$ -	\$ 8,006	\$ -	0.3%
West Valley Water District	\$ -	\$ 68,503	#N/A	\$ 68,503	\$ (138,713)	#N/A
Yucaipa Valley Water District	\$ 4,365	\$ 2,032	\$ 983	\$ 7,380	\$ (7,236)	0.2%
Total GC Parties:	\$ 1,110,346	\$ 1,798,566	\$ 648,171	\$ 3,557,083	\$ 17,754	100%
Mountain View Power Co.	\$ 8,747	\$ 35,985	#N/A	\$ 44,732	\$ (24,804)	#N/A
Muscoy Mutual Water Company No. 1	\$ -	\$ 25,888	#N/A	\$ 25,888	\$ (6,621)	#N/A
San Bernardino County - Facility Management	\$ -	\$ 11,617	#N/A	\$ 11,617	\$ (2,896)	#N/A
Terrace Water Company	\$ -	\$ 8,699	#N/A	\$ 8,699	\$ (3,208)	#N/A
Other San Bernardino Extractions	\$ -	\$ 130,978	#N/A	\$ 130,978	\$ (42,059)	#N/A
San Bernardino Non-Parties Total:	\$ 8,747	\$ 213,167	\$ -	\$ 221,914	\$ (79,588)	0%
Western Entities Total:	\$ -	\$ -	#N/A	\$ -	\$ (249,755)	0%
Total:	\$ 1,119,093	\$ 2,011,733	\$ 648,171	\$ 3,778,997	\$ (311,589)	100%

- 1- Rialto and WVWD receive credit for water for the AF purchased under the Baseline Feeder Agreement
- 2- Cost increase for Redlands, WVWD, and GC Non-Parties is only comparing water cost for 2018-19 to water cost for 2019-20

2019-2020 Equitable Allocation Model

