



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

SPECIAL JOINT BOARD MEETING OF THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, WESTERN MUNICIPAL WATER DISTRICT, AND SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

AGENDA

2:30 p.m. Tuesday, December 6, 2011

- 1. CALL TO ORDER/ ROLL CALL:** San Bernardino Valley Municipal Water District
- 2. CALL TO ORDER/ ROLL CALL:** Western Municipal Water District
- 3. CALL TO ORDER/ ROLL CALL:** San Bernardino Valley Water Conservation District
- 4. PLEDGE OF ALLEGIANCE:** San Bernardino Valley Municipal Water District
Western Municipal Water District, and San Bernardino Valley Water Conservation District
- 5. PUBLIC COMMENT:** San Bernardino Valley Municipal Water District

Any person may address the Board on matters within its jurisdiction.

- 6. ORAL COMMUNICATIONS:** Western Municipal Water District

Any person may address the Western Board upon any subject within Western's jurisdiction, which is not on the agenda, at this time. However, any non-agenda matter that requires action will be referred to staff for a report and action at a subsequent Western Board meeting. Any person may also address the Western Board on any agenda matter at the time that matter is discussed, prior to Western Board Action.

- 7. PUBLIC PARTICIPATION:** San Bernardino Valley Water Conservation District

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.

8. DISCUSSION AND POSSIBLE ACTION ITEMS

- A. Consider Adoption of Principles Governing a Joint Agreement to Develop
Enhanced Recharge Facilities

9. ADJOURNMENT: San Bernardino Valley Municipal Water District

10. ADJOURNMENT: Western Municipal Water District

11. ADJOURNMENT: San Bernardino Valley Water Conservation District

PLEASE NOTE:

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Lillian Hernandez at (909) 387-9214 two working days prior to the meeting with any special requests for reasonable accommodation.



SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Established 1932

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Memorandum No. 1065

To: Board of Directors

From: General Manager, Daniel Cozad

Date: December 6, 2011

Subject: SBVWCD/WMWD/SBVMWD Collaborative Agreement Joint Meeting

RECOMMENDATION

Direct Staff to work with legal counsel to develop agreement language based on the principles document presented at the Joint Board meeting and bring the agreement to the Board for consideration.

BACKGROUND

In late 2009, the General Managers of the San Bernardino Valley Water Conservation District, (Conservation District) Western Municipal Water District (Western), and San Bernardino Valley Municipal Water District (Valley District) began meeting to discuss a collaborative process. The purpose of this process is to promote interagency cooperation through the coordinated implementation of water supply projects that enhance reliability. A joint presentation on the cooperative framework was developed and presented to the Boards of Directors of the three districts in January 2010.

All District Boards considered this item regular Board Meeting in early 2010. After hearing the presentation outlining the purpose and scope of the collaborative process, the Boards stated their support and directed staff to continue the development of a joint set of principles. In May of 2010, principles were presented, they centered on the need for Valley District and Western to obtain certainty in regards to their ability to capture and recharge water from the Santa Ana River. While the Conservation District desired certainty that they will play a vital role in the recharge activities and have the financial resources necessary to continue to recharge water. All Boards discussed the principles document and stated their continued support for the process.

Through the use of a facilitator, the three General Managers have met multiple times over the last 16 months to work out a set of principles that establish this new, long-term relationship. Due to a change in management at the Water Conservation District, there were several months where little progress was made while a new General Manager was hired. However, in September of this year, staff presented a jointly developed refined set of principles, Version 6, to the Boards for consideration. The Boards thoughtfully considered the principles and stated their continued support. Further, Staffs was directed to schedule a joint Board meeting to discuss the principles.

BOARD
OF
DIRECTORS

Richard W. Corneille
Clare Henry Day

Bob Glaubig
John Longville

David E. Raley
Melody McDonald
Manuel Aranda, Jr.

GENERAL
MANAGER

Daniel B. Cozad

From the beginning the purpose of this collaborative process has been to facilitate good water resource management, while respecting the varying roles of the agencies involved, in order to increase water supply reliability. This is accomplished through what is, in essence, a lease and operations and maintenance agreement between Valley District/Western and the Water Conservation District. The annual payment of \$400,000 represents, what the staffs of the agencies believe is a reasonable per acre-foot charge of less than \$25 per acre foot. This payment not only covers the rights to use over 1,500 acres of land (See attached map) and the water diversion, conveyance, and recharge facilities located thereon, but also the costs of operations and maintenance required to recharge water for Valley District and Western water. Further, all Districts are agreeing to use the water for the benefit and SBVWCD agrees not to assert any ownership over the water spread in the facilities.

The General Managers of the three Districts will present a summary of the process and the principles document at the joint Board meeting.

FISCAL IMPACT

The agreement development is included in the approved budget. The overall impact of the agreement is to provide additional funding for the groundwater enterprise to cover the costs of the work needed. It will also provide land enterprise fund revenue for lease of property. The year over year impact will be to increase revenue to the Water Conservation District over the term of the agreement. Cost of the operations and maintenance will increase with inflation and an escalator is included in the payment formula to the Water Conservation District.

1 **Principles Governing a Joint Agreement**
2 **to Develop Enhanced Recharge Facilities**

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6 **Purpose Statement:**
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8 The San Bernardino Valley Water Conservation District ("Conservation District"),
9 Western Municipal Water District ("Western") and San Bernardino Valley Municipal
10 Water District ("Valley"), each possessing critical assets and unique skills, desire to
11 improve the reliability of local water supplies by establishing a collaborative partnership
12 to coordinate the use of their separate resources for mutual advantage. Said
13 partnership is expected to yield significant public benefit by increasing the opportunity
14 to recharge and store surface runoff and State Project Water to groundwater, reducing
15 the time and cost required to permit and construct essential infrastructure, and achieve
16 an efficient division of labor to operate and maintain such facilities.
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19 **Findings:**
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- 21 1. Groundwater storage in the San Bernardino Basin Area (SBBA) must be increased
22 in order to meet current and future demand for water.
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- 24 2. Reasonable disagreements between the Districts have added unintentional and
25 undesirable cost and complexity to planning and permitting important water
26 resource projects in the region.
27
- 28 3. It is in the best interest of all three Districts, and the public they serve, to
29 cooperate in increasing the available water supply by establishing a new and
30 more productive working relationship.
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- 32 4. Recent wet weather conditions and increased availability of State Project Water
33 have created a limited opportunity to improve the reliability of local water
34 supplies by increasing recharge and storage to groundwater. These favorable
35 conditions are temporary and perishable. Therefore, time is of the essence.
36 New inter-agency operating agreements should be established immediately in
37 order to make the most of this and future opportunities because they occur on
38 an irregular and unpredictable basis.
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41 I. **The Conservation District agrees to:**

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- A) Grant Western and Valley the right to recharge, store or convey water from any source through the percolation basins and other facilities owned or controlled by the Conservation District in the "Santa Ana Recharge Area" and the "Mill Creek Recharge Area" as shown on Figure1 ("Map"). Said right shall be protected by a new 50-year lease agreement that includes appropriate easements to construct additional recharge and conveyance facilities in the recharge areas and provides reasonable rights of entry to inspect and service these facilities. The designs for any such facilities or other tenant improvements must be approved, in advance by the Conservation District and are subject to the any limitations on the Conservation's District's holding of this land.
- B) Operate and maintain the new and existing percolation basins in good working condition, to ensure that water continues to recharge efficiently, in accordance with a mutually-agreed schedule of regular maintenance and any supplemental agreements governing special or emergency maintenance responsibilities.
- C) Set aside a portion of the annual payment received from Valley and Western in accordance with the Conservation District's Reserve Policy to ensure sufficient funds are available to meet the agreed maintenance obligations.
- D) Cooperate with Western and Valley to obtain any additional federal, state and local permits (including CEQA certifications) required to perform all functions reasonably related to recharging, storing or conveying water in the new and existing facilities.
- E) Assert no claim to own or control the new facilities constructed or the additional water recharged by Valley and Western provided that these activities occur in conformance with this agreement.
- F) Designate a portion of the annual gross lease fee received from Valley and Western, pursuant to this agreement, as payment in full for the "Groundwater Charge" normally levied on production from wells owned by Valley or Western within the Conservation District's jurisdiction. Said production will continue to be recorded and reported in accordance with §75520.

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- G) Coordinate existing and future lease agreements and easements with other parties operating on lands owned by the Conservation District to minimize conflicting terms and conditions that may preclude Valley and Western from making full use of the facilities to recharge and convey water consistent with the hydrological design limitations of these facilities.
- H) Replace all prior easements and settlement agreements [LIST] between the signatories, with this new, integrated, and more comprehensive lease agreement. Prepare an invoice detailing the pro-rated balance due from Valley and Western to close-out the previous agreements.

II. Valley and Western agree to:

- A) Pay to the Conservation District a combined gross lease fee of \$400,000/year for the right to have water from any source recharged, stored or conveyed through the percolation basins and other facilities owned by the Conservation District and the right to construct and have operated additional recharge and conveyance facilities on the land owned by the Conservation District as identified in Figure 1 (Map). Said fee shall be paid, in advance, by October 1st of each year and apportioned by the Conservation District to its Groundwater Enterprise and other funds.
- B) Annually adjust the gross lease fee to account for inflation using the U.S. Bureau of Labor Statistics Consumer Price Index (CPI-U) for the Los Angeles District.
- C) Obtain all of the federal, state and local permits (including CEQA certifications) that may be required to construct additional recharge, storage or conveyance facilities for water supplied by Valley and Western. If, after 10 years, Valley and Western have been unable to obtain the necessary permits, they may terminate this lease agreement subject to the provisions of paragraph III-G below.
- D) Bear all costs associated with protecting, repairing or replacing the material infrastructure improvements (including pipelines, gates, valves, weirs, fencing, gauges, etc.) installed by Valley and Western on lands owed by the Conservation District.
- E) Assert no right to own or control any water that is percolated in the new or existing recharge basins that is not supplied by Valley or Western. Nor make any attempt to acquire or control land or facilities owned by the Conservation District.

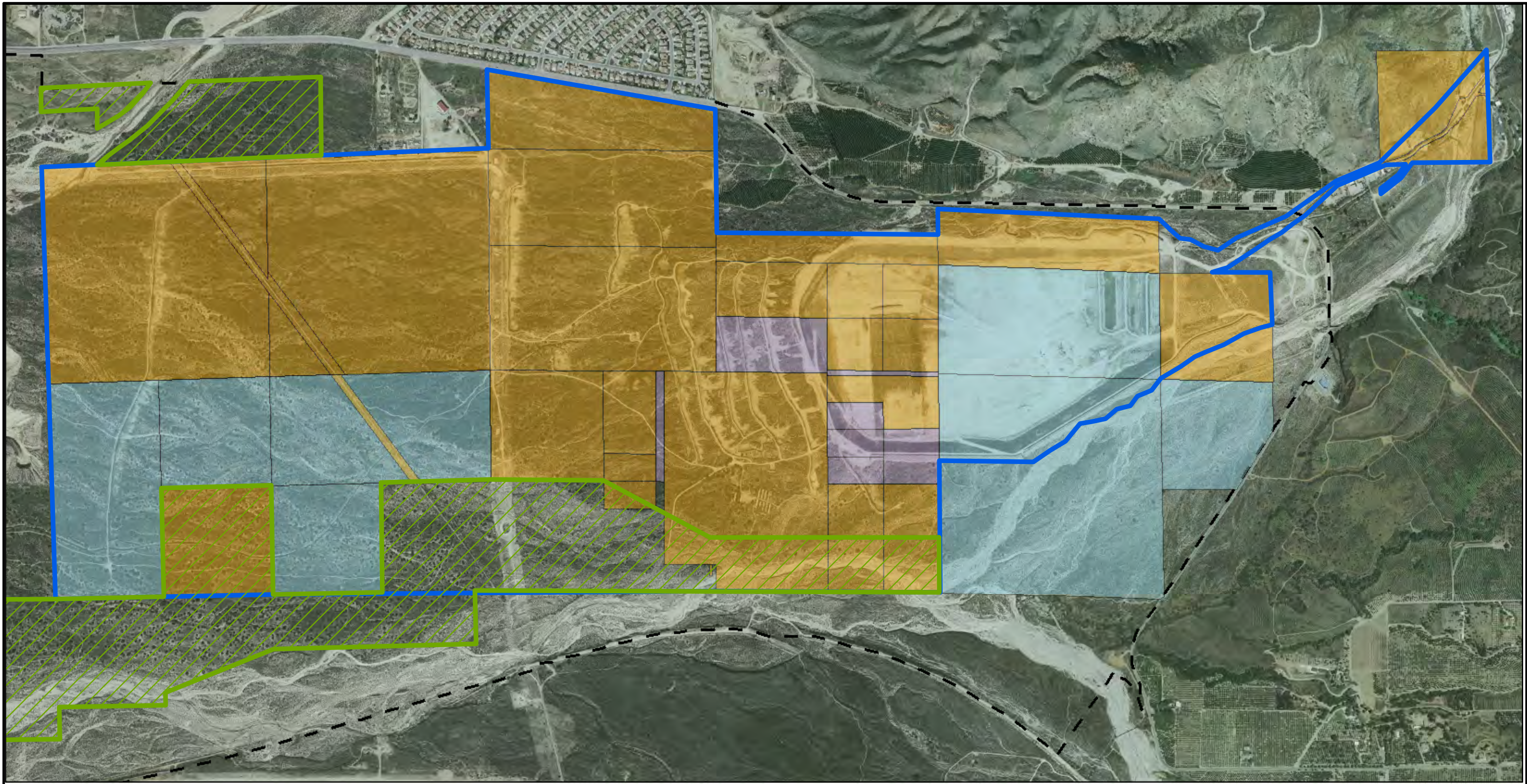
- 121
- 122 F) Coordinate operations to minimize interference with mineral resource
- 123 extractions, to the maximum extent practicable, on lands owned by the
- 124 Conservation District and leased for other uses.
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- 126 G) Replace prior easements and settlement agreements [LIST] between the
- 127 signatories, with this new, integrated, and more comprehensive lease
- 128 agreement. Pay all outstanding balances due in connection with the previous
- 129 agreements by February 1, 2012 (see paragraph I-H)
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- 131 H) Negotiate supplemental payments where unusual and unforeseen circumstances
- 132 necessitate extraordinary maintenance expenses that are in excess of the budget
- 133 prepared and approved by the Joint Operations Committee (see paragraph III-A).
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- 135 I) Cooperate with the Conservation District in developing a long-term resource
- 136 management plan to govern multiple-use activities in Reach 5 of the Santa Ana
- 137 River wash.
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
140 **III. All Signatories agree to:**

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- 142 A) Establish and participate in a Joint Operations Committee (JOC) to develop a
- 143 schedule and budget for planned operation and maintenance activities of the
- 144 new and existing recharge, storage and conveyance facilities located on land
- 145 owned by the Conservation District. The JOC shall meet at least twice a year to
- 146 plan water recharge and to review performance.
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- 148 B) Provide planning documents, monitoring reports, and other records that may be
- 149 requested by authorized agencies to demonstrate compliance with federal, state
- 150 or local laws and regulations. And, to continue to cooperate in the preparation
- 151 and submission of annual reports to state authorities describing all surface water
- 152 diversions and recharge activities that are affected by this agreement.
- 153
- 154 C) Coordinate all recharge activities with one another to protect and enhance safe
- 155 yield in the local groundwater basins. Cooperate with one another to develop
- 156 the Regional Conjunctive Use Plan through the Basin Technical Advisory
- 157 Committee (BTAC). And, seek additional opportunities to increase safe yield in
- 158 the SBBA by engaging in cooperative joint development of new water supply
- 159 projects or conservation programs in the region. Cooperate with one another to
- 160 document the water resource management benefits accrued by establishing and
- 161 implementing this Agreement.
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164 D) Pledge that their existing water rights shall be dedicated to preserving the safe
165 yield of the San Bernardino Basin Area (SBBA) and to refrain from contesting the
166 water rights held by one another at any time during the term of this agreement.
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168 E) Abstain from exporting native water from the SBBA, or recharging water on
169 behalf of agencies located outside the SBBA, except as provided for by the 1969
170 Western Judgment or by the Regional Conjunctive Use Plan.
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172 F) Negotiate amendments and extensions to this agreement in good faith and not
173 unreasonably withhold consent.
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175 G) Hold one another harmless for the inability to recharge water in new or existing
176 percolation basins located on land owned by the Conservation District due to: 1)
177 an Act-of-God (including, but not limited to: earthquakes, fires, storms or other
178 natural causes); 2) war, terrorism, vandalism or other criminal acts; 3) legal
179 restrictions imposed by federal, state, county or municipal authorities. Under
180 such circumstances, any signatory may terminate the Agreement without
181 penalty or prejudice by providing 180-day written notice to the other parties.
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183 H) Upon expiration or other proper termination of this Agreement pursuant to
184 Section III-G (above), improvements made on land owned or controlled by the
185 Conservation District become Conservation District property to be used by the
186 Conservation District for water management and recharge activities.
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188 I) Construe all terms and conditions in this Agreement in a manner which most
189 favors increasing available water supplies by encouraging greater recharge and
190 storage to groundwater in the area.
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-  Woolly Star Preserve Area
-  SAR Recharge Area (1501 Acres)
-  SBVWCD Lands (614 Acres)
-  BLM Property Access (648 Acres)
-  Other Ownership Limited Access
-  Wash Plan Area Boundary

DRAFT SBVWCD Property Lease Lease Area Boundaries

