CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1. **PUBLIC COMMENT** - Any person may address the Board on matters within its jurisdiction.

2. **APPROVAL OF MINUTES**
   
   2.1. January 30, 2019, Joint Board Meeting with San Bernardino Municipal Water Department (Page 3)
   
   Joint Board Meeting Minutes 013019
   
   2.2. February 19, 2019, Meeting (Page 10)
   
   Minutes 021919

3. **DISCUSSION AND POSSIBLE ACTION ITEMS**
   
   
   Staff Memo RAND Supply Study
   
   RAND Summary Water Supply Evaluation Proposal
   
   3.2. Consider Valley District Participation in the California Water Efficiency Partnership (Page 23)
   
   Staff Memo Consideration of CalWEP
   
   Attachment 1 CalWEP Fact Sheet
   
   Attachment 2 CalWEP/AWE Membership
   
   Attachment 3 Advisory Commission Recommendation
   
   3.3. Consider State Water Project Water Exchange Agreements (Page 39)
   
   Staff Memo Exchange Agreements
   
   Draft Exchange Agreement with CLAWA
   
   SGPWA Letter to DWR Regarding Possible Exchange with Valley District

4. **REPORTS (DISCUSSION AND POSSIBLE ACTION)**
4.1. Water Use Efficiency Committee Workshop, February 20
Summary Notes Water Use Efficiency Cmte 022019

4.2. Association of San Bernardino County Special Districts' Dinner, February 25

4.3. SAWPA Meeting Report

4.4. Primary Representatives' Report

4.5. Directors' Activities

5. ANNOUNCEMENTS

5.1. List of Announcements (Page 48)
List of Announcements

6. CLOSED SESSION


7. ADJOURNMENT

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.sbvmwd.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.
MINUTES

FOR THE
JOINT MEETING OF THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND THE CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT WATER BOARD COMMISSIONERS

JANUARY 30, 2019
CITY OF SAN BERNARDINO COUNCIL CHAMBERS

CALL TO ORDER/PLEDGE OF ALLEGIANCE

The Joint Meeting was called to order by President Toni Callicott and President Harrison at 1:00 PM, Wednesday, January 30, 2019, in the City of San Bernardino Council Chambers, 201 North “E” Street, San Bernardino, CA 92401.

ROLL CALL

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<th>Water Board Commissioners Attendee Name</th>
<th>Title</th>
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<tr>
<td>Cecilia “Toni” Callicott</td>
<td>President</td>
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<td>Wayne Hendrix</td>
<td>Vice President</td>
<td>Present</td>
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<tr>
<td>David Mlynarski</td>
<td>Board Member</td>
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<td>Rikke Johnson</td>
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<td>Thomas Brickley</td>
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<td>Miguel Guerrero</td>
<td>General Manager</td>
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<th>Board of Directors Attendee Name</th>
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<tr>
<td>T. Milford Harrison</td>
<td>President</td>
<td>Present</td>
<td>1:00 PM</td>
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<td>Paul Kielhold</td>
<td>Vice President</td>
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<td>Susan Longville</td>
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<td>Gil Navarro</td>
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<td>June Hayes</td>
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<tr>
<td>Doug Headrick</td>
<td>General Manager</td>
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<td>1:00 PM</td>
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1. **PUBLIC COMMENT:** None.

2. **DISCUSSION ITEMS**

2.1 **Introduction of Board Members and Water Commissioners**

The Water Board Commissioners and Board of Directors introduced themselves for the record.

2.2 **History of Collaboration Between the District and Department (Information Only Item)**

General Manager Headrick and General Manager Guerrero made a joint presentation on the history between the San Bernardino Valley Municipal Water District (Valley District) and the City of San Bernardino Municipal Water Department (SBMWD).

2.3 **Consider Partnership for the Waterman Turnout Hydroelectric Project**

Wen Huang and Steve Miller provided background information for the Waterman Turnout Hydroelectric Generation Project (Project) and for the Boards of the SBWMD and Valley District to consider partnership for joint development of the Project.

Director Longville requested a change to Section 2 (a) (iii) on page 3 of 9 of the Agreement to indicate the reasonable costs associated with the delay of payment shall be borne by the Department.

President Harrison requested that the word “completed” be added to line 121 on page 4 of 9 of the Agreement to read “…relate to the operation and maintenance of the completed Project.”

President Harrison requested that the word “and” be omitted from line134 on page 4 of 9 of the Agreement.

A five (5) minute recess was taken at 1:35 p.m.

The meeting reconvened at 1:40 p.m.

Thomas Rice, City of San Bernardino City Attorney’s Office, stated that after conferring with legal counsel from both parties and with General Manager Headrick and General Manager Guerrero, the requested changes are reasonable.

**Valley District Motion:**

1. Authorize the General Manager to execute the attached Agreement for the Construction and Operation and Maintenance of the Waterman Turnout Hydroelectric Generating Station between Valley District and the San Bernardino Municipal Water Department with the following changes:
a. Section 2 (a) (iii) on page 3 of 9 of the Agreement will indicate the reasonable costs associated with the delay of payment shall be borne by the Department.

b. The word “completed” will be added to line 121, page 4 of 9 of the Agreement, to read “…relate to the operation and maintenance of the completed Project.”

c. The word “and” will be omitted from line134, page 4 of 9 of the Agreement.

2. Direct staff to jointly develop a Joint Powers Authority agreement and place it in a future Board of Directors’ meeting for consideration.

RESULT: APPROVED (UNANIMOUS)
MOVER: S. Longville
SECONDER: J. Hayes
AYES: 5-0

**SBMWD Motion:**

1. Authorize the General Manager to execute the attached Agreement for the Construction and Operation and Maintenance of the Waterman Turnout Hydroelectric Generating Station between Valley District and the San Bernardino Municipal Water Department with the following changes requested by Director Longville and President Harrison from Valley District:

   a. Section 2 (a) (iii) on page 3 of 9 of the Agreement will indicate the reasonable costs associated with the delay of payment shall be borne by the Department.

   b. The word “completed” will be added to line 121, page 4 of 9 of the Agreement, to read “…relate to the operation and maintenance of the completed Project.”

   c. The word “and” will be omitted from line134, page 4 of 9 of the Agreement.

2. Direct staff to jointly develop a Joint Powers Authority agreement and place it in a future Water Board meeting for consideration.

3. Authorize staff to create a new capital project titled Waterman Turnout Hydroelectric Generating Station and approve the capital budget transfer in the amount of $750,000.00 from the 2018/2019 Capital Improvement Project titled System Wide Pipeline Replacement FY18/19 Project (CO 10885) to the new capital project titled Waterman Turnout Hydroelectric Generating Station.
RESULT: APPROVED (UNANIMOUS)
MOVER: W. Hendrix
SECONDER: R. Johnson
AYES: 5-0

2.4 Regional Recycled Water Facilities and Local Resource Investment Program

Bob Tincher and Warren Huang recommended that the San Bernardino Municipal Water Department (SBMWD) and the San Bernardino Valley Municipal Water District (Valley District) jointly assess the condition of SBMWD’s existing, unused Santa Ana River Pipeline which could be used to convey recycled water from the proposed Clean Water Factory to various recharge regions.

SBMWD staff is applying for Valley District’s Local Resources Investment Program (LRIP) which would pay SBMWD an Incentive Payment for recycled water produced from the Clean Water Factory for a period of 20 years.

Commissioner Hendrix asked how the Sites Reservoir Project, when it becomes online, affect this project.

General Manager Headrick stated that Sites Reservoir Project is an off stream reservoir on the west side of the Sacramento Valley that Valley District has chosen to participate in. The current participation level is for benefit of 21,400 acre-feet per year. They are trying to replace the water supply that has been lost due to environmental issues in the Delta. It is a combination of trying to find external local supplies, like Sites, local supplies like recycled water to fill the gap that has been created by the reduced reliability of the State Water Project.

Director Navarro asked when the Clean Water Factory was developed.

General Manager Guerrero stated that the Clean Water Factory has been under development for the past decade.

Director Longville acknowledged how she is looking forward to the Water Department completing its application to the LRIP and it makes it clear in the Valley that Valley District treats everyone in their service area the same.

Valley District Motion:

Jointly solicit proposals for a condition survey of the Santa Ana River Pipeline.
RESULT: APPROVED (UNANIMOUS)
MOVER: J. Hayes
SECONDER: G. Navarro
AYES: 5-0

**SBMWD Motion:**

Jointly solicit proposals for a condition survey of the Santa Ana River Pipeline.

RESULT: APPROVED (UNANIMOUS)
MOVER: D. Mlynarski
SECONDER: W. Hendrix
AYES: 5-0

### 2.5 Upper Santa Ana River Habitat Conservation Plan Memorandum of Understanding

Heather Dyer, Miguel Guerrero, and Wen Huang presented information regarding the Upper Santa Ana River Habitat Conservation Plan (HCP) and a proposed Memorandum of Understanding (MOU) that was collaboratively developed by Heather Dyer, Miguel Guerrero, and each participating party’s respective legal counsel.

The goal of the MOU was to memorialize key components of the HCP that the two agencies would develop and/or implement jointly in order to share resources, maximize efficiencies, and satisfy legal settlement obligations of both agencies.

Director Longville asked if the recharge study gives a range of the kind of capacity that Vulcan pit would have in a wet year that could be used for a recharge.

General Manager Guerrero stated that the study showed the material at Vulcan would percolate very well and that it showed five (5) feet per day, but that isn’t likely the capacity we would get. Realistically, it would most likely be three (3) feet per day, at best.

Director Navarro asked if Valley District’s legal counsel reviewed the MOU. President Harrison indicated that Valley District’s legal counsel was indicating that it has been reviewed.

Commissioner Brickley asked if the MOU had a term date.

Heather Dyer stated five (5) years or when the parties enter into an HCP implementation agreement.

Director Navarro asked how the $168,000 figure arrived upon.
Director Guerrero stated that the figure was settled on with the Center for Biological Diversity, based on the estimated cost per established Santa Ana Sucker translocation. Those costs were developed with Valley District and the HCP.

**Valley District Motion:**

Valley District’s Board of Directors and the Water Department’s Water Board Commissioners approve the MOU and authorize each agency’s General Manager to execute the MOU.

RESULT: APPROVED (UNANIMOUS)

MOVER: P. Kielhold
SECONDER: S. Longville
AYES: 5-0

**SBMWD Motion:**

Valley District’s Board of Directors and the Water Department’s Water Board Commissioners approve the MOU and authorize each agency’s General Manager to execute the MOU.

RESULT: APPROVED (UNANIMOUS)

MOVER: R. Johnson
SECONDER: D. Mlynarski
AYES: 5-0

2.6 **Report on Sterling Natural Resource Center Settlement Agreement Implementation (Information Item Only)**

General Manager Headrick and General Manager Guerrero gave an update on the Sterling Natural Resource Center Settlement Agreement. In November 2017, the City of San Bernardino (City), the City of San Bernardino Municipal Water Department (SBMWD), East Valley Water District (EVWD), and the San Bernardino Valley Municipal Water District (Valley District) entered into a global agreement (Settlement Agreement) to resolve all disputes related to EVWD’s Sterling Natural Resources Center and the SBMWD’s Clean Water Factory.

The parties recognized that both recycled water projects benefit the region and were critical for water supply sustainability in the Bunker Hill Groundwater Basin.

The parties have progressed with the following terms of the Settlement Agreement:

1. Commingling/Exchange of Flows
2. Installation of Water Efficient Landscaping
3. Transfer of Property and other Assets
4. East Trunk Sewer Line
The Settlement Agreement parties will continue to work closely to execute the terms of the agreement and will coordinate on other related matters.

3. **ADJOURNMENT**

President Callicott thanked staff for all of the information that was presented.

Commissioner Mlynarski thanked President Callicott and President Harrison for their leadership and representation of each organization.

The meeting adjourned at 2:33 p.m.

By: __________________________
Miguel J. Guerrero
General Manager

By: __________________________
Douglas Headrick
General Manager
MINUTES
OF
THE
REGULAR BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

February 19, 2019

Directors Present: Paul Kielhold, Susan Longville, Gil Navarro, and June Hayes

Directors Absent: T. Milford Harrison

Staff Present: Douglas Headrick, Bob Tincher, Cindy Saks, Wen Huang, Tim Kellett, Lillian Hernandez, and Brendan Brandt

Registered Guests:
Benjamin G. Kelly, Western Heights Water Company
Joseph W. Mays, Jr., Westside Action Group
Ronald Coats, East Valley Water District
Thaxton Van Belle, City of Beaumont
Melody McDonald, San Bernardino Valley Water Conservation District
Robert Stewart, San Bernardino Valley Water Conservation District

The regular meeting of the Board of Directors was called to order by Vice-President Kielhold at 2:30 p.m. at the District office, 380 E. Vanderbilt Way, San Bernardino. A quorum was noted present.

Agenda Item 1. Public Comment

Vice-President Kielhold invited any members of the public to address the Board. Hearing none, the meeting proceeded with the published agenda items.

Agenda Item 2. Approval of Minutes of the February 5, 2019, Board meeting.

Director Longville moved to approve the minutes of the February 5, 2019, Board meeting. Director Navarro seconded. The motion was adopted 4-0 with President Harrison noted as absent.

Agenda Item 3. Discussion and Possible Action Items

3.1) Consider State Water Project Contract Extension. Douglas Headrick stated that this item was discussed at the Board of Directors’ Workshop on February 11th. In 1960,
the District signed a water supply contract with the State of California Department of Water Resources (DWR) for a supply of water from the State Water Project (SWP). The term of the contract was 75 years making it expire in the year 2035. The DWR believes that it currently does not have the authority to issue bonds with a maturity date beyond 2035 and that is causing financial compression where the timeframe allowed to bond for large capital projects gets shorter and shorter. For many State Water Contractors (SWC), that puts them in a bind because they cannot raise rates high enough to actually pay those charges so there is a need to extend the contract. Also, over the years, the SWC have identified deficiencies in the accounting and reporting from the DWR regarding the State Water Project (SWP). Both of those items were taken on between the DWR and the SWC in 2012 when they initiated a series of public negotiation sessions. The District authorized its participation in the public negotiation process by approving a Confidentiality Agreement with DWR in February of 2012. That process culminated in development of an Agreement in Principle (AIP) for solving the financial compression issue and the reporting and accounting deficiencies that were identified. The District’s Board approved the AIP in August 2014. Subsequently, a group of attorneys representing the DWR and the public water agencies spent several years developing the contract language from the AIP. There were no material changes from the AIP to the contract language. It was finalized and available in February of 2018. As required by state statute, that Contract Extension Amendment was presented to the legislature in two informal sessions held in July and September 2018. The AIP also authorized the DWR to move forward with environmental documentation. Acting as the lead agency, the DWR prepared and circulated a Draft Environmental Impact Report (EIR) in August of 2016 and certified the Final EIR November 16, 2018. As expected, the EIR did not identify any significant impacts associated with the approval or implementation of the proposed Contract Extension Amendment. He reviewed the benefits for the District and the seven key points in the amendment. The extension is for 50 years until the year 2085. It will not become effective until it goes through a validation process. To date, ten SWC have approved the amendment. This Contract Extension Amendment is entirely financial in nature and it will not cause either a direct physical change in the environment or reasonably foreseeable indirect physical change to the environment. Therefore, staff believes this proposed action is not defined as a project under the California Environmental Quality Act (CEQA). However, acting as the lead agency, the DWR prepared and circulated a Draft EIR for this proposed Contract Extension Amendment. As expected, there were no Findings of Facts, Statement of Overriding Consideration, or Mitigation Monitoring and Reporting Program. The Board needs to recognize that it reviewed and considered the Final EIR in making their decision. Staff recommended that the Board review and consider the Final EIR provided on February 11, 2019, and authorize the general manager to sign the proposed amendment to the District’s State Water Project contract with the California Department of Water Resources.

Director Hayes moved that the Board review and consider the Final EIR provided on February 11, 2019, and authorize the general manager to sign the proposed amendment to the District’s State Water Project contract with the California Department of Water Resources. Director
Navarro seconded. The motion was adopted 4-0 with President Harrison noted as absent.

3.2) Consider USGS Data Collection Program for Fiscal Year 2018-2019. Bob Tincher stated that this is an item that comes to the Board each year for consideration. There are two components of the USGS program. One is the data monitoring program which begins in October and ends in September. The second component is performing studies which begins in July and ends in June. The data monitoring supports the Western-San Bernardino Watermaster and also provides foundational data for the different studies that the United States Geological Survey (USGS) has performed for the District in the past and continues to work on. The USGS has created a groundwater flow model for all of the major basins within the District’s service area. They are performing counting of the Santa Ana sucker and they have performed peer reviews for the District. He gave background on how the District became involved with the USGS. This year’s program totals $1,069,140 with the USGS contributing a total of $170,300 leaving a remainder of $898,840 to be paid by the District and its partners. The District will be reimbursed $207,269 resulting in the District’s net contribution being $691,571. Staff recommended authorizing the general manager to execute the cooperative program Joint Funding Agreement with the USGS for the fiscal year 2018-2019 data collection program for $898,840. The District will invoice the Watermaster parties for a total of $207,269 leaving the District’s contribution at $691,571.

Director Navarro moved to authorize the general manager to execute the cooperative program Joint Funding Agreement with the USGS for the fiscal year 2018-2019 data collection program for $898,840. The District will invoice the Watermaster parties for a total of $207,269 leaving the District’s contribution at $691,571. Director Longville seconded. The motion was adopted 4-0 with President Harrison noted as absent.

3.3) Consider Agreements for the City of Beaumont to Connect to the Inland Empire Brine Line. Bob Tincher stated that this item was discussed at the Board of Directors’ Workshop on February 11th. Kristen Day, Assistant City Manager of Beaumont introduced herself. The City Manager, Todd Parton, also introduced himself. In March 2018, staff informed the Board that the City of Beaumont wanted to obtain a connection to the Inland Empire Brine Line (IEBL) which is a gravity pipeline that conveys certain non-reclaimable wastes to a treatment plant in Orange County. The pipeline was funded by agencies who bought into it. The Santa Ana Watershed Project Authority (SAWPA) took responsibility for the pipeline but delegates some responsibility to the member agencies. The District is responsible for the portion of the brine line within its service area. The District’s portion is where the City of Beaumont would like to connect. Because all of the brine line capacity has been purchased, there is no available capacity in the District’s service area. However, Western Municipal Water District (WMWD) has capacity in their service area owned by the Dairy Farmers of America and they are willing to sell their capacity. District staff investigated the possibility of increasing the capacity of its portion of the brine line to move the capacity from downstream to upstream. It was determined
that with a few modifications, the pipe could be converted from a gravity pipe to a low-pressure pipe and would be able to get all of the City of Beaumont’s proposed capacity into the line in addition to the capacity of those who invested originally. There are two agreements involved. The first agreement is among the SAWPA member agencies which is the agreement that would transfer capacity from WMWD’s service area to the District’s service area. When that action takes place, their capacity will be reduced and the Districts’ capacity will increase which means the District will take on the obligation of the fixed fees. The second agreement will transfer those fixed fees to the City of Beaumont. The second agreement covers the need to seal 5 manholes. They are also agreeing to comply with all the requirements of the Orange County Sanitation District and the Federal Regulations. The City of Beaumont and the Dairy Farmers of America will enter into a separate agreement for the transaction to purchase both the pipeline capacity and the treatment and disposal capacity. They have conditionally approved of the City of Beaumont’s connection but there are still a few items being worked out. Fees will not accrue for the District until OCSD has approved the whole transaction. The agreement the District has with the City of Beaumont states that as soon as OCSD approves it, they begin paying the connection fees. Staff recommended that the Board authorize the general manager to execute the Capacity Transfer Agreement transferring the Inland Empire Brine Line capacity from WMWD to SBVMWD and also the agreement approving the City of Beaumont to discharge to the IEBL.

Director Navarro moved that the Board authorize the general manager to execute the Capacity Transfer Agreement transferring the Inland Empire Brine Line capacity from Western Municipal Water District to San Bernardino Valley Municipal Water District and also to execute the agreement approving the City of Beaumont to discharge to the Inland Empire Brine Line. Director Hayes seconded. The motion was adopted 4-0 with President Harrison noted as absent.

3.4) Consider Participation in the Municipal Water Quality Investigations Program. Tim Kellett stated that this item was discussed at the Board of Directors’ Workshop on February 11th. The District has participated in the Municipal Water Quality Investigation (MWQI) Program since 1982. This is a triennial process to monitor water quality throughout the State Water Project (SWP) by urban water contractors throughout the system. The current contract expires at the end of 2019 so the new contract will not take effect until 2020. The new contract continues the data monitoring throughout the state project. The total annual cost is approximately $3.1 million with the District’s share of approximately $112,000. On an annual basis, the District will be committed to participating at approximately $112,000. A work plan is developed every year that looks at what the real-time needs are, what data forecasting needs to be done, and what specific projects need to be accomplished in the upcoming year. This contract is from 2020-2022 and the total cost would be $337,590. Staff recommended that the Board authorize the general manager to enter into and execute the MWQI Specific Project Agreement and the MWQI Funding Agreement for a total cost of $337,590.
Director Hayes moved that the Board authorize the general manager to enter into and execute the MWQI Specific Project Agreement and the MWQI Funding Agreement for a total cost of $337,590. Director Longville seconded. The motion was adopted 4-0 with President Harrison noted as absent.

3.5) Consider Study to Determine Whether Spills from the Big Bear Valley Water Sustainability Project can be Captured by the Enhanced Recharge Project. Tim Kellett stated that this item was discussed in the Board of Directors’ Workshop on February 11th where the members present requested that staff bring the item to the full Board for consideration and possible action. The Big Bear area has come up with a program they are calling Replenish Big Bear. It will take wastewater that is currently being sent outside their watershed and keep it in their watershed. They will develop a plant that will treat the water to drinking water standards and release into their lake. There is a potential benefit to the District and possible replenishment water to be spread locally as a result of the lake having more water available to it but the benefits are not certain. The proposal is to enter into a contract with Geoscience Support Services, Inc. to have them perform modeling. There will be ten modeling scenarios with this work to determine the effect of their project and the effect of their project with and without the Enhanced Recharge project. The cost is $144,143 and will take approximately six months to complete. Staff recommended that the Board authorize the general manager to enter into a Consulting Services Agreement with Geoscience Support Services, Inc.

Director Hayes moved that the Board authorize the general manager to enter into a Consulting Services Agreement with Geoscience Support Services, Inc. for an amount not to exceed $144,143. Director Navarro seconded. The motion was adopted 4-0 with President Harrison noted as absent.

Agenda Item 4. Reports (Discussion and Possible Action Items).

4.1) General Manager’s Report. Douglas Headrick highlighted the four items in his staff report. Director Lonnie Granlund from Yucaipa Valley Water District made a public comment at the February 11th Board of Directors’ Workshop regarding a proposal to annex the City of Calimesa to the District. Mr. Headrick met with Joe Zoba, General Manager of Yucaipa Valley Water District, and Jeff Davis, General Manager San Gorgonio Pass Water Agency, to discuss the proposal. Based on those discussions and knowing the sensitivity associated with a proposal like this, Mr. Headrick suggested to Mr. Zoba and Mr. Davis that the three of them meet with a facilitator to help understand the issues that YVWD is trying to solve and then determine how best to meet those needs. The goal would be to be able to prepare a joint proposal to all three Boards that would be presented at a joint board meeting as soon as possible. He thinks there is win here for everybody. He doubts that it includes annexation and de-annexation which is a long process because there are two different counties and two different Local Agency Formation Commissions (LAFCO’s). There are other ways contractually to do this without the area actually becoming a part of SBVMWD. He will be bringing more information on
the topic to the Board at the March 6th Legislative and Policy Committee Workshop. Governor Newsom in his first State of the State address talked briefly about the California WaterFix stating that he did not support the current twin tunnel configuration of that project. However, he did go on to state something has to be done to enhance water supply reliability and the ecosystem degradation of the Delta and he is in support of a single tunnel option. This will likely cause a two-year delay to the project. Mr. Headrick has received only positive responses to the benefits associated with the Maximum Benefit Analysis study. This is where local water agencies would take a look at the groundwater and surface water objectives established by the Regional Water Quality Control Board to determine if there was a way for everyone to better manage its resources both from a supply and quality standpoint while protecting all downstream beneficial uses. To date, there are six agencies that have committed to participating in the study. Staff is talking to other agencies as well. The first phase will be a scoping study. San Luis Reservoir is in the process of filling due to the recent rain events. Once that happens, any stored water in that reservoir over and above an individual SWC’s allocated storage is lost. The District is not in that category but has an obligation under the settlement agreement with Fontana Water Company to secure an outside source of water of 61,000 acre-feet to replenish the Rialto Basin. This may be a very low cost source for the District to access and be able to meet the obligation. District staff is working with several agencies to see if there is a way to very quickly put something in place. If the deal points can be agreed to, due to the tight deadlines to move this water before it is lost, staff may need to ask the Board to consider a special board meeting to obtain approval.

4.2) Legislative and Policy Committee Workshop, February 6, 2019. No oral report was given as a written report was included in the Board packet.

4.3) External Affairs Committee Workshop, February 7, 2019. No oral report was given as a written report was included in the Board packet.

4.4) Board of Directors Workshop, February 11, 2019. No oral report was given as a written report was included in the Board packet.

4.5 SAWPA Meeting Report, February 19, 2019. Director Hayes reported on the following items:

1. Received a presentation on the Santa Ana River Watermaster.
2. Adopted the OWOW Plan Update 2018 and directed staff to file the necessary CEQA documentation.
3. Received a presentation on weather impacts to the Inland Empire Brine Line (IEBL).
4. Received a presentation on FYE 2020 and 2021 Brine Line and General Fund draft budgets.
5. Received an informational report on discussions with Orange County Stakeholders; formed an Ad Hoc Committee through which negotiations will continue; directed staff to communicate with DWR regarding potential time extensions in light of ongoing negotiations.
4.6) Primary Representatives’ Reports.

Director Kielhold reported that he attended East Valley Water District’s meeting. There was discussion of their mid-year budget. There was discussion about a homeless encampment by Plant 134. He attended the shareholders meeting at Western Heights Water Company. On their agenda was discussion of adopting a four-tier rate structure, there was an update from the general manager on facilities, and they extended an invitation to the District’s Board to tour their facilities. He also attended the Bear Valley Mutual Water Company annual meeting. They ratified items from the past year and elected new officers. He visited the San Gorgonio Pass Water Agency (SGPWA) where Lonnie Granlund from Yucaipa Valley Water District (YVWD) made a general comment. Director Kielhold added that he looked forward to working with both the YVWD and the SGPWA.

4.7) Directors’ Activities.

Director Navarro informed the Board that he received notification from the Emergency Response Network of the Inland Empire (ERNIE) that they would be conducting a workshop on When a Water District is Impacted by Natural Disaster. Director Navarro felt it important that a District staff member attend the workshop. He referred to the article on the floating reservoir cover the District is installing on its reservoir near the Redlands Airport. He referred to an email that he requested be distributed to the Board on students receiving water management lesson from Mojave Water Agency. He attended the City of San Bernardino Municipal Water Department Commission meeting. They presented their audit report and he indicated he had a copy if anyone was interested in seeing it.

Director Longville reported that she listened to Governor Newsom’s State of the State address. She indicated her appreciation for the service of Felicia Markus and congratulated Joaquin Esquivel. Governor Newsom appointed Laurel Firestone one of the statewide leaders for disadvantaged community drinking water to the State Water Board. Tom Ash is providing a series of statewide briefings on budget based rates. She listened to a webinar that Mr. Ash presented and it was very well done. She requested authorization to attend the 28th Annual California Water Policy Conference in San Diego on April 4th and 5th. She would need lodging for two nights and the cost of the conference is $399.00.

Douglas Headrick requested on behalf of President Harrison to participate in an HCP forum on the east coast. Heather Dyer stated that this is an annual event that is attended by the members of the National Habitat Conservation Plan Coalition. The goal of the trip is to meet with the top agency personnel such as the Director of the United States Fish and Wildlife Service, Department of Interior staff along with elected officials that are on the various committees who have a lot of influence on how funding is distributed. Staff will promote the value of these plans and request continued support. This year the Upper Santa Ana Habitat Conservation Plan will be before the various agencies for approval so
Ms. Dyer feels it is a good year to attend and make the USARHCP known. The conference is on March 26th and 27th. The cost will be the cost of travel and lodging.

Director Navarro moved to approve all of the Directors’ requests. Director Hayes seconded. The motion was adopted 4-0 with President Harrison noted as absent.

Mr. Headrick mentioned that he placed an updated acronym list at each of the Director’s seats.

4.8) Operations Report. No report was given as a written report was included in the Board packet.

4.9) Treasurer’s Report. Director Longville moved approval of the following expenses for the month of January 2019. The State Water Contract Fund $10,894,189.00, Devil Canyon/Castaic Fund $407,030.00, and General Fund $1,440,698.73. Director Navarro seconded. The motion was adopted 4-0 with President Harrison noted as absent.

Agenda Item 5. Announcements.

5.1) List of Announcements. None.

Agenda Item 6. Closed Session. None.

Agenda Item 7. Adjournment.

There being no further business, Vice-President Kielhold adjourned the meeting at 3:47 p.m.

Respectfully submitted,

Lillian Hernandez
Board Secretary

APPROVAL CERTIFICATION

I hereby certify to approval of the foregoing Minutes of San Bernardino Valley Municipal Water District.

______________________________
Secretary
Date ________________________
This item was discussed at the February 14, 2019 Strategic Analysis/Plan Workshop. Those Board members in attendance asked that it be placed on an upcoming Board of Directors agenda for consideration.

In November 2017, the Board hired the RAND Corporation (RAND) to perform an independent analysis of the water demands in the San Bernardino Valley Regional Urban Water Management Plan (RUWMP). RAND has published their findings in a study titled Estimating Water Demands in the San Bernardino Valley Municipal Water District (Study).

The Study generally provided an independent analysis of the RUWMP “Reliability Factor”, a 10% increase in projected demands, that is used to overcome future uncertainties in both supplies and demand. The Study evaluated the demands in the RUWMP based on plausible variations in (1) future population growth, (2) water conservation and (3) temperature and generally concluded that the 10% Reliability Factor is consumed by overcoming uncertainties in demand. Given that the entire Reliability Factor has been consumed by uncertainties in demand, staff is recommending that the Board authorize RAND to do a study of the water supplies in the RUWMP in order to determine any incremental change that may be needed in the Reliability Factor to overcome uncertainties in supplies. At the Committee’s request, staff requested a proposal from RAND for this work.

RAND has prepared a $164,836 proposal for a supply study. They have requested that their detailed proposal, which includes methods that they consider to be proprietary, not be posted on Valley District’s website or distributed. For this reason, staff only provided a copy of RAND’s
detailed proposal to the Board, prior to the workshop, and attached a summary proposal to this memo which will be posted on Valley District’s website.

**Fiscal Impact:**
The 2018-19 General Fund Budget included $100,000 to complete the RAND water demand study and to provide for a possible water supply study. About $21,000 was used for the water demand study leaving about $79,000 in this budget line item. The remaining funds needed to complete this supply study, about $86,000, will be budgeted in fiscal year 2019-20.

**Staff Recommendation:**
Authorize staff to enter into a contract with RAND Corporation to complete the work outlined in Proposal 2019-0325 entitled, “Identifying Vulnerabilities in San Bernardino Valley Municipal Water District’s Water Supply Plans” at a total cost of $164,836. This study is estimated to take around 16 months to complete.

**Attachment:**
January 24, 2019

Robert M. Tincher, M.S., P.E.
Manager of Water Resources
San Bernardino Valley Municipal Water District
380 E. Vanderbilt Way
San Bernardino, California 92408
bobt@dbvmwd.com


Dear Mr. Tincher:

The RAND Corporation (“RAND”) is pleased to submit the enclosed proposal for the subject effort. RAND requests funding in the amount of $164,836 for a proposed period of performance of April 1, 2019 through September 30, 2020.

RAND respectfully reserves the right to negotiate mutually agreeable terms, particularly in these areas of intellectual property and publication rights. RAND is a nonprofit institution that helps to improve policy and decision-making through research and analysis. Our nonprofit status and mission require that we serve the public interest through dissemination of our research results, which also helps to ensure our commitment to clients of high quality, objective, and independent research.

For any contractual or business matters, please contact the undersigned via email at bmthimun@rand.org or via telephone at (310) 393-0411, Ext. 6093.

Sincerely,

Busisiwe Mthimunye
Contract Administrator

Enclosure(s)
Proprietary

PROPOSAL

Evaluating the Robustness of San Bernardino Valley Municipal Water District's Water Supply Plans

Submitted Electronically to
Robert M. Tincher, M.S., P.E.
Manager of Water Resources
San Bernardino Valley Municipal Water District
380 E. Vanderbilt Way
San Bernardino, CA 92408
bobt@sbvmwd.com

Submitted by
RAND Corporation
1776 Main Street, P.O. Box 2138
Santa Monica, CA 90407-2138

Busisiwe Mthimunye, Contract Administrator bmthimun@rand.org

Submitted on
January 24, 2019
Evaluating the Robustness of San Bernardino Valley Municipal Water District’s Water Supply Plans

Michelle Miro, David Groves, James Syme
RAND Corporation
January 24th, 2019

Executive Summary
The San Bernardino Valley Municipal Water Valley District (Valley District) recently updated its Regional Urban Water Management Plan (RUWMP) in 2016 that describes how water supply planning could meet water demands through 2040 (Water Systems Consulting Inc, 2016). The RUWMP describes its main strategy for managing water supply variability over time as recharging local groundwater basins during wet years with imported supplies, precipitation, and local surface supplies; and drawing from the recharged basins during drier years under yield constraints adjudicated by the Western Judgement and other legal agreements.

This proposed project would work with the Valley District to characterize the uncertainty in future water supply and evaluate the robustness of the Valley District’s RUWMP supply plans to a wide range of plausible futures, including the demand uncertainty considered by the first RAND study. It would then evaluate several options and investments that Valley District could take to ensure robustness of its long-term water strategy, thus providing valuable information to support discussions about new investments or management practices for the future. This study will also produce decision support tools tailored for use by Valley District’s staff, board and stakeholders.

Budget

<table>
<thead>
<tr>
<th></th>
<th>Michelle Miro, Project Leader</th>
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<tbody>
<tr>
<td><strong>Period of Performance:</strong> April 1, 2019 – September 30, 2020</td>
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<th>Cost Type</th>
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<td>Personnel Costs</td>
<td>$159,512</td>
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<td>Travel Costs</td>
<td>$511</td>
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<tr>
<td>Other Direct Costs</td>
<td>$4,814</td>
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<tr>
<td><strong>Total Costs</strong></td>
<td><strong>$164,836</strong></td>
</tr>
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</table>
DATE: March 5, 2019
TO: Board of Directors
FROM: Kristeen Farlow, Manager of Water Use Efficiency/External Affairs
SUBJECT: Consider Valley District Participation in the California Water Efficiency Partnership

Staff is recommending Valley District join the California Water Efficiency Partnership (CalWEP), a chapter of the Alliance for Water Efficiency (AWE, collectively CalWEP/AWE). CalWEP/AWE, formerly the California Urban Water Conservation Council, is an expert on water use efficiency in California and fosters collaboration among a wide variety of stakeholders. CalWEP/AWE has taken an active role in research and data collection to advance water efficiency and spur market change. This information has been invaluable in the development of water use efficiency programs and standards throughout California as well as across the country. The cost for Valley District to become a member of CalWEP/AWE is $5,400/year.

Staff is also asking the Board to consider providing an incentive for the retail water agencies within the District service area to join CalWEP/AWE as part of the District’s 25% Reimbursement Water Use Efficiency Program (WUE Program).

Background
In 2018, Governor Jerry Brown signed into law SB 606 and AB 1668 requiring cities and water districts to set annual water budgets for customers and new targets for water use by 2022. As a water wholesaler, Valley District is not directly subject to these restrictions but works closely with the District’s retail water agencies to achieve these goals through ongoing water use efficiency programs.
Consideration of Valley District joining CalWEP/AWE has been in discussion since early 2018. Below is a history of this item as presented to the Water Use Efficiency Committee:

- Consideration of membership was first presented to the Committee on January 17, 2018. After staff’s presentation, the Committee requested a presentation by a current CalWEP/AWE water agency member.
- On February 21, 2018, Mr. Rob Whipple from Western Municipal Water District and current CalWEP Board Member presented to the Committee. After the presentation, the Committee requested staff share this information with the two board members who were not able to attend the meeting.
- On October 17, 2018, this item was brought back to the Committee for consideration. Ms. Mary Ann Dickinson, then Executive Director of CalWEP, presented to the Committee, highlighting the benefits of membership. After this presentation, the Committee directed staff to discuss with the retailers the value of the District becoming a member. The Committee also requested that staff present this item to the Advisory Commission on Water Policy for discussion and consideration.
- Staff presented this item to the Advisory Commission on January 10, 2019. The Commission affirmed that Valley District should become a member of CalWEP/AWE (Attachment 3).
- Staff presented this item to the BTAC Water Conservation Subcommittee on January 16, 2019. Of the Valley District retailers, only Yucaipa Valley Water District is currently a member. The retailers recommended that Valley District become a CalWEP/AWE member for one year and share information and resources with the retailers. After one year, the retailers would like to reevaluate Valley District’s participation, the value of CalWEP/AWE and consider becoming members themselves.

CalWEP/AWE members have access to water use efficiency workshops throughout the year, webinars, online tools, studies and more. Their members total over 200 and include retail and wholesale water districts, cities and businesses. As a member, Valley District would be able to pass along information to the retailers, as well as share invitations to meetings and workshops. However, the retailers would not be able to take full advantage of membership as they would not have access to the online tools to assist them with upcoming legislative requirements.

There are benefits to the retailers that Valley District would not take advantage of as a wholesaler. These include the household water calculator, guidance for developing rate structures, the water conservation tracking tool, and much more. Additionally, the retailers
would not be able to participate in the “plenary meetings” which are for CalWEP members only. (They would be able to participate in general meetings and events, though.)

Membership dues for retail water agencies vary based on agency size. For example, a larger city like San Bernardino would pay around $5,100/year and a smaller city such as Colton would pay round $3,500/year. For this example, 25% of each of these fees would be $1,275/year and $875/year respectively. If all Valley District’s retailers choose to join CalWEP/AWE, the estimated annual cost to the District will be $12,000.

**Fiscal Impact**
The estimated cost for Valley District to join CalWEP/AWE is approximately $5,400/year, plus $2,000 in travel costs for staff to participate in programs which rotate between northern and southern California four times per year. These costs (membership and travel) were not identified specifically in this year’s General Fund budget but could be covered by funds in the same budget category.

The estimated cost for Valley District to include retailer membership in CalWEP/AWE within the WUE Program is estimated to be $9,000/year assuming all retailers choose to join the organization. This was not specifically identified in the water use efficiency budget but could be covered by funds in the same budget category.

**Staff Recommendation**
Staff is recommending that the Board approve 1) The District’s membership in CalWEP/AWE and 2) Include CalWEP Memberships by the retailers into the District’s WUE Reimbursement Program.

**Attachments**
1. California Water Efficiency Partnership Fact Sheet
2. Alliance for Water Efficiency Fact Sheet
Overview

The California Water Efficiency Partnership (formerly the California Urban Water Conservation Council) is an innovative leader, voice and expert on water efficiency in California that fosters collaboration among a wide variety of stakeholders.

The Partnership carries forward the collaboration that was a Council hallmark but with a new name and nimble and productive framework.

The new framework reflects the Council’s evolution from implementing a 25-year-old Memorandum of Understanding on Water Conservation (and by extension Best Management Practices), as well as adjusts the previous voting structure to speed decision making and progress toward organizational goals. This evolution allows the organization to serve members and quickly adapt to California’s changing regulatory, political, social, economic and environmental climate.

Advancing Water Efficiency in California

The Partnership works to achieve efficiency gains by:

- Helping members meet legislative and regulatory requirements, as well as municipal or utility-adopted water use goals
- Fostering research and evaluation
- Serving as an information clearinghouse
- Providing tools, training and professional networking opportunities
- Advancing modern data analytics
- Serving as a technical expert to members and local, state and federal agencies
- Transforming markets for water use efficiency-related products and services
- Sharing successes and building partnerships to improve water efficiency and produce additional benefits for water system and ecosystem resilience
What is the California Water Efficiency Partnership?
The California Water Efficiency Partnership (Partnership) is the successor organization to the California Urban Water Conservation Council (Council), which is undergoing an organizational transformation. Members voted in December 2016 to allow the Council to sunset so that a refocused and restructured organization could emerge on January 1, 2017. That organization—the California Water Efficiency Partnership—carries forward the leadership, expertise and collaboration that was a Council hallmark but with a new name and new nimble framework.

What are the Partnership’s key membership benefits?
The Partnership is focused on providing leadership and expertise within a collaborative framework on California water issues, challenges and opportunities. Key membership benefits include:

- Dedication to addressing California’s unique issues, challenges and opportunities.
- Innovation, leadership and expertise on water efficiency.
- Collaboration with a wide variety of stakeholders.
- Information and tools to help members meet regulatory requirements and challenges.
- Information sharing, resources and networking.
- Research and data collection to advance water efficiency and spur market transformation.

How does the Partnership differ from other organizations that promote water conservation and water use efficiency?
The Partnership is dedicated to addressing California’s unique issues and providing value to California water providers, while pursuing beneficial collaborations with other organizations focused on water conservation and water efficiency in the United States.

Who are the Partnership’s members?
Members include a wide variety of stakeholders working together to advance water efficiency in California such as:

- Urban water suppliers, including cities that deliver or supply water for urban use at the wholesale or retail level.
- Non-profit public advocacy organizations whose prime mission is to protect the environment.
- Landscape industry organizations and businesses interested in advancing market transformation to sustainable, water-efficient landscaping in California.
- Water industry leaders and organizations.
- Universities and research organizations.

Who is staffing and governing the Partnership during the transition period?
The organizational changes allow staff to remain working seamlessly on programs, projects and committee activities. In addition, 11 current Board members are remaining in office, five former non-voting advisors became voting Transition Board members and five vacant seats were filled by the Transition Board.
Partner & Member Advantages

The California Water Efficiency Partnership (CalWEP) is now a chapter of the Alliance for Water Efficiency (Alliance), bringing together two of the country’s major organizations dedicated to improving and enhancing water efficiency in California and the United States.

This new collaboration builds on the successes of the former California Urban Water Conservation Council.

Partners will have access to both organization’s programs, services, expertise, vast network, and benefits.
## Partnership Advantages
### At a Glance

### FOCUS

<table>
<thead>
<tr>
<th>CalWEP</th>
<th>Alliance</th>
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Provide leadership and expertise within a collaborative framework on California water issues, challenges and opportunities with a special emphasis on providing resources, tools, research and a network to help partners meet emerging new California mandates for long-term water conservation.

Provide a voice in shaping the water industry’s future, tools to design conservation programs and deliver improved water service and provide a measurable return on investment in training, networking, advocacy and research.
## ISSUE LEADERSHIP

<table>
<thead>
<tr>
<th>Provide information and expertise to legislative leaders and regulatory officials, upon request.</th>
<th>STATE Level</th>
<th>NATIONAL Level</th>
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<tbody>
<tr>
<td>Represent partner interests on select advocacy issues (such as funding for conservation programs).</td>
<td>STATE Level</td>
<td>NATIONAL Level</td>
</tr>
<tr>
<td>Help partners secure funding for conservation programs.</td>
<td>STATE Level</td>
<td>NATIONAL Level</td>
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<tr>
<td>Supports partners by providing support letters, helping to develop legislation or engaging with decision makers.</td>
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<td>NATIONAL Level</td>
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<tr>
<td>Provides tools, messages and strategies to help partners effectively advocate for key issues to regulatory and legislative officials.</td>
<td>STATE Level</td>
<td>NATIONAL Level</td>
</tr>
<tr>
<td>Provide updates on key policy initiatives that affect your utility and customers.</td>
<td>STATE Level</td>
<td>NATIONAL Level</td>
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## TOOLS, INITIATIVES and EXPERTISE

<table>
<thead>
<tr>
<th>The Latest on Trends, Technologies and Best Practices through discounted webinars, trainings and publications.</th>
<th>CalWEP</th>
<th>Alliance</th>
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<tr>
<td>Peer-to-Peer Networking and Training: The opportunity for conservation staff to share on-the-job challenges with their peers and learn solutions that work so that agencies can meet state mandates.</td>
<td>CalWEP</td>
<td>Alliance</td>
</tr>
<tr>
<td>A National Network of Peers, suppliers and influencers to connect with you at events, committee meetings and more.</td>
<td>CalWEP</td>
<td>Alliance</td>
</tr>
<tr>
<td>Personalized One-on-One Technical Assistance from staff on a variety of conservation issues.</td>
<td>CalWEP</td>
<td>Alliance</td>
</tr>
<tr>
<td>Toolbox Resources: Internet-based Wiki Toolbox filled with science-based research, best available conservation ideas, information and tools focused on helping partners meet state requirements for water conservation.</td>
<td>CalWEP</td>
<td>Alliance</td>
</tr>
</tbody>
</table>
## TOOLS, INITIATIVES and EXPERTISE, continued

<table>
<thead>
<tr>
<th><strong>Discounted Work Products</strong></th>
<th>Access to proprietary modeling tools, water efficient devices and programs at a discounted price. Includes access to the Partnership’s Smart Rebates Program.</th>
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<tbody>
<tr>
<td><strong>Web-Based Resource Library</strong></td>
<td>Of efficiency information, research reports, and case studies.</td>
</tr>
<tr>
<td><strong>Water Conservation Tracking Tool:</strong></td>
<td>A conservation scenario-planning model with benefit-cost and energy savings analysis.</td>
</tr>
<tr>
<td><strong>Customized Animated Videos</strong></td>
<td>That communicate the value of water service and explain why rates may rise even as we conserve.</td>
</tr>
</tbody>
</table>
### Sustainable Landscaping Resources:

- **Market Transformation Framework:** Interventions for overcoming some of the most common barriers to installing sustainable landscapes and efficient irrigation.

- **ROI Calculator webinar and workshop proceedings:** Introductory training for four calculator tools, designed to synthesize sustainable landscaping cost-benefit research to help inform manager-level and customer end-user decisions in landscaping choices.

- **Landscape Conversion Criteria Tool:** A comprehensive spectrum of turf rebate and incentive program elements to assist partners with planning and program design.

- **National Outdoor Conservation Survey:** A nation-wide summary of outdoor conservation program elements including regional and state-specific ordinances that impact outdoor water use.
### TOOLS, INITIATIVES and EXPERTISE, continued

**Marketing Tools for Improved Outdoor Water Efficiency:** A series of community-based social marketing resources for agency outdoor conservation programs and initiatives, including a customer survey for revealing perceived barriers and benefits to sustainable landscaping to help inform outreach and messaging.

**Financing Sustainable Water:** A program focused on efficiency-oriented rates that promote revenue stability.
- Rates Planning Assistance (Handbook and Model)
- Consumer Messaging and Videos
- Avoided Cost Case Studies

**Report on Rates Case for Conservation:** Building off the AWE *Financing Sustainable Water project*, provide California-based examples that demonstrate how future rate increases can be avoided by current investments in water efficiency while keeping revenue neutral.
<table>
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<tr>
<th>Tools, Initiatives and Expertise, continued</th>
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<tbody>
<tr>
<td><strong>Advanced Metering Infrastructure (AMI) Assistance:</strong> A project to benefit water suppliers who are considering investing in AMI systems. Utilities will learn how to choose the correct system, how to bid it properly, and how to properly implement its functionality. The nation’s leading expert on AMI is leading this project.</td>
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| **Commercial Kitchens Water Efficiency Guide:** A best practices water efficiency guide designed for the restaurant manager, including information for creating an action plan. |

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<th><strong>Net Blue Water-Neutral Development Ordinance</strong></th>
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<tr>
<td>A model planning and zoning ordinance with an offset methodology deigned to help planning and zoning officials work closely with water supplier staff in water-scarce communities.</td>
<td></td>
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</table>
### TOOLS, INITIATIVES and EXPERTISE, continued

<table>
<thead>
<tr>
<th><strong>Graywater Cost-Effectiveness Study:</strong></th>
<th>An analysis of when it is cost-effective for residential homeowners to retrofit their homes with graywater systems. Case examples are given.</th>
</tr>
</thead>
</table>
| **Resources to Educate Customers About the Value of Water:** | • **Home Water Works** website and Household Water Calculator with *member-only* features to help customers assess their water use and get personalized tips.  
• **Never Waste** media campaign to engage the public in a constructive dialogue that compels them to use water wisely. |
| **Opportunities to Highlight Successes and Leadership** | through AWE’s Exemplary Program webinar series, AWE newsletters and other channels that reach the nationwide water community. |
January 14, 2019

Board of Directors
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino
CA 92408

SUBJECT: Recommendations of Advisory Commission on Water Policy on the BTAC 2019 Regional Water Management Plan, Participation in the California Water Efficiency Partnership (CalWEP), and Continued Participation in the Sites Reservoir Project

Dear Directors,

At the Advisory Commission meeting on January 10, 2019 the Commission acted on three Agenda Items. This letter represents the recommendations of the Commission on the subject items.

The first action item was the BTAC 2019 Regional Water Management Plan presented by Valley staff member Tim Kellet. For many years the Commission has reviewed and approved the BTAC’s yearly Plan. Due to the ongoing drought and low San Bernardino groundwater basin water levels, the plan recommends recharging as much imported and local surface water as possible after meeting direct deliveries. The 470,000 AF yearly threshold is well above the amount of recharge water expected to be available. The Plan also establishes recharge targets for the Rialto-Colton Basin, the Riverside North Basin, and the Yucaipa Basin. The Commission recommends you approve this Plan and commends the BTAC for their good work.

The second action item was the CalWEP/AWE Partnership presented by Valley staff member Kristeen Farlow. The Partnership evaluates various water efficiency strategies and provides collaboration between stakeholders. Effective water efficiency strategies are even more important now due to the new California law which requires water retailers to set strict water budgets for their customers and new targets for water use by 2022. While Valley is not directly affected by these regulations, you have been a regional leader in water conservation programs. As long as the information from the Partnership is available to retail agencies through the District, the Commission recommends that Valley become a member of the California Water Efficiency Partnership.

The last action item was the District’s continued participation in the Site Reservoir Project presented by Doug Headrick. The Commission has supported the District’s stake in the development of the Sites Phase 1 Framework Agreement work plan with a reported buy-in cost to date of $1,246,523 for 30,000 AFY of additional imported water. The Work Plan for the 2019 Phase 2 of the project will
involve engineering design, completing the environmental review process, evaluating additional funding options, and defining the project staff organization for this $5 billion project. Valley staff is recommending a reduced participation of 21,400 AFY and a release of its Class 2 water. Therefore, the cost for the Phase 2 2019 Work Plan at $60 per AF is $1,284,000. The 2019 Phase 2 agreement clearly states “that the project is conceptual, there is no guarantee that the project will be constructed, or that any water supply will be developed”. The agreement also allows for the withdrawal from the Project Agreement with a 30-day notice. The Commission noted that while some agencies have dropped out of the project many large Southern California agencies, including the Metropolitan Water District are still participating. The Commission also noted that the benefits of the project of additional water supply, particularly in dry years, is beneficial to offset the loss of SPW due to current and future environmental decisions in the Sacramento-San Joaquin Delta. The Commission recommends that the Board participate in the Sites Reservoir Project 2019 Phase 2 program. The Commission requests that the status of the project be reported periodically to the Commission and future agreements and costs be brought before the Commission for review.

Sincerely,

Richard Corneille
Chairperson
SBVMWD Advisory Commission on Water Policy
DATE: March 5, 2019
TO: Board of Directors
FROM: Bob Tincher, Deputy General Manager - Resources
SUBJECT: Consider State Water Project Water Exchange Agreements

In wet years, when water in excess of environmental requirements is flowing through the Delta, the SWP can divert large amounts of water directly from the Delta and store it in its storage space in San Luis Reservoir. If this wet year water fills the State Water Project's capacity in San Luis Reservoir and continues to be available, the Department of Water Resources makes additional “room” in San Luis Reservoir by “spilling” any carryover storage from the previous year. The water does not physically spill from San Luis Reservoir but is re-categorized as Table A for the current year.

Due to the wet conditions in Northern California this year, the State Water Project has been able to divert excess water flowing through the Delta into its capacity in San Luis Reservoir which is nearly full. Since it is believed that excess water will continue to be available, the Department of Water Resources has notified the State Water Contractors that they will begin to “spill” carryover water from last year. Valley District had about 11,000 acre-feet of carryover in San Luis Reservoir and is allocated about 15,000 acre-feet of space so we are not currently in danger of losing any carryover water but other State Water Contractors like the Crestline Lake Arrowhead Water Agency (CLAWA) and the San Gorgonio Pass Water Agency (Pass Agency) do have carryover water that could spill. Rather than have their carryover water be lost, CLAWA and SGPWA contacted Valley District about the possibility of delivering their carryover to Valley District by an unbalanced exchange. CLAWA has about 1,600 acre-feet and SGPWA has about 2,700 acre-feet that they would like to make available to Valley District. Staff for the two agencies have negotiated an exchange where the agencies would provide 3 acre-feet to Valley District in exchange for receiving 1 acre-foot from Valley District, in a future year. The agency that receives the water would pay the variable cost for delivery. These agreements would
essentially provide the two agencies with 1/3 of their carryover supply and provide Valley District with an increase to its water supply at no additional cost to Valley District. The water delivered to Valley District under these agreements would cost Valley District the same amount that we pay for our own Table A supplies.

These types of exchange agreements must be approved by the Department of Water Resources. Both arrangements have been submitted to DWR and are awaiting approval. Should they be approved by DWR, staff would bring the corresponding agreements back to the Board for consideration.

**Fiscal Impact:**
Both of the proposed agreements would result in a net increase to Valley District’s Table A. The cost for this additional supply will be Valley District’s existing variable cost to deliver the water from San Luis Reservoir to the Valley District service area, about $175 per acre-foot. If both agreements were to be approved, per the terms outlined in this memo, the total cost to Valley District’s State Water Contract Fund for the 4,300 acre-feet would be about $752,500. There will be no cost to Valley District for the 1,433 acre-feet of return water from Valley District’s Table A which would be paid by the receiving agency.

**Staff Recommendation:**
Direct staff to continue working on the exchange agreements with Crestline Lake Arrowhead Water Agency, San Gorgonio Pass Water Agency and the Department of Water Resources and return to the Board with any final agreement.

**Attachments:**
1. Draft Water Exchange Agreement Between Crestline-Lake Arrowhead Water Agency and San Bernardino Valley Municipal Water District
2. San Gorgonio Pass Water Agency letter to the Department of Water Resources regarding a possible exchange with Valley District
This agreement ("Agreement") documents and confirms the agreement that has been reached between San Bernardino Valley Municipal Water District ("VALLEY DISTRICT") and Crestline-Lake Arrowhead Water Agency ("CLAWA") for the exchange of water from the State Water Project ("SWP"). CLAWA and VALLEY DISTRICT are sometimes hereinafter called "SWP Contractors."

BACKGROUND AND PURPOSE

VALLEY DISTRICT and CLAWA are SWP Contractors that receive water deliveries from the SWP. As of the date of this letter, the California Department of Water Resources ("DWR") is spilling water that some SWP Contractors have carried over in storage at the San Luis Reservoir. VALLEY DISTRICT does not have any water in San Luis Reservoir at risk of spilling but CLAWA does have water at risk of spill and desires to store its carryover water in the VALLEY DISTRICT service area rather than have it spill. CLAWA and VALLEY DISTRICT desire to enter into an unbalanced exchange where CLAWA provides some of its SWP water ("Exchange Water") to VALLEY DISTRICT and VALLEY DISTRICT agrees to return to CLAWA one-third (1/3) of the amount of Exchange Water from VALLEY DISTRICT’s SWP supplies ("Return Water").

TERMS AND CONDITIONS

1. Conditions Precedent. The following are conditions precedent of the parties’ obligations to provide any water under this Agreement: (i) DWR’s written approval of this Agreement and the terms and conditions herein; and (ii) completion of the appropriate environmental review pursuant to the California Environmental Quality Act.

2. Effective Date for Deliveries. The effective date for deliveries under this agreement shall be January 1, 2019 to allow CLAWA and VALLEY DISTRICT the opportunity to re-categorize water deliveries already made to VALLEY DISTRICT as deliveries under this agreement, subject to DWR approval.

3. Deliveries of Exchange Water to VALLEY DISTRICT. During the term of this Agreement, CLAWA may provide some of its SWP water, up to 6,000 acre-feet, as Exchange Water to VALLEY DISTRICT prior to December 31, 2029 for delivery by DWR to VALLEY DISTRICT’s service area turnouts in either Reaches EBX-1, 26A, EBX2C and/or EBX3A of the...
East Branch of the California Aqueduct, on a mutually agreed upon schedule. VALLEY DISTRICT shall have discretion to decline a proposed delivery of Exchange Water, for any reason. VALLEY DISTRICT will be responsible for payment of all variable, operation, maintenance, power and replacement component of the transportation charge, off aqueduct power facility costs, and other such charges imposed by DWR and calculated as a function of the quantity of Exchange Water actually received by VALLEY DISTRICT.

4. **Deliveries of Return Water to CLAWA.** Prior to December 31, 2029, VALLEY DISTRICT will provide Return Water to CLAWA in an amount of one-third (1/3) of the amount of Exchange Water (up to 2,000 acre-feet) received by VALLEY DISTRICT for delivery by DWR to CLAWA’s service area on a mutually agreed upon schedule. CLAWA will be responsible for payment of all variable, operation, maintenance, power and replacement component of the transportation charge, off aqueduct power facility costs, and other such charges imposed by DWR and calculated as a function of the quantity of Return Water actually received by CLAWA.

5. **In the event critically dry conditions or extraordinary circumstances, including major facility outages or natural disasters, result in conditions such that delivery of Return Water to CLAWA would negatively impact VALLEY DISTRICT’s service area,** VALLEY DISTRICT and CLAWA will meet and confer to find a solution mutually agreeable to both parties.

6. **Places of Use.** The Exchange Water delivered to VALLEY DISTRICT pursuant to this Agreement shall be used entirely within VALLEY DISTRICT’s service area. The Return Water delivered to CLAWA shall be used entirely within CLAWA’s service area.

7. **Transaction Costs.** CLAWA and VALLEY DISTRICT shall each be responsible for its own legal and other costs incurred in the preparation, review and implementation of this Agreement. CLAWA and VALLEY DISTRICT acknowledge that it will also be necessary for them to sign an additional agreement to be prepared by DWR to address changes in points of delivery and other issues related to operation of the SWP. CLAWA and VALLEY DISTRICT each agrees to cooperate with DWR and with each other in the preparation, review and execution of that agreement with DWR, and with the processing of such other approvals as may be necessary to effect the exchange described herein. CLAWA will be responsible for payment of any charges imposed by DWR for the preparation and processing of the agreement with DWR, and for the preparation and processing of such other approvals as may be necessary to effect the exchange described herein.

8. **Costs of Defense.** In the event of any legal action by a third party to challenge this Agreement and/or the exchange described herein, CLAWA and VALLEY DISTRICT agree to cooperate in the defense thereof and to share equally in the costs of such defense, utilizing counsel
mutually acceptable to the parties.

9. **Term and Termination.** This Agreement shall be effective on the date it is fully executed and shall be in effect until all obligations under it are satisfied.

10. **Force Majeure.** In the event that an act of God or other unavoidable event renders the performance of this Agreement impossible or infeasible, the parties hereto shall be excused from the performance thereof, with a corresponding refund or adjustment of the payments required herein as may be necessary to achieve financial equity as between the parties for that portion of the Agreement that cannot be performed; provided, however, that CLAWA and VALLEY DISTRICT shall first coordinate with DWR to determine whether alternate performance may be possible pursuant to an alternate schedule for completion of performance.

11. **Authority.** The undersigned representatives of CLAWA and VALLEY DISTRICT hereby represent that he is authorized to execute the Agreement for the party on whose behalf this Agreement is executed.

Executed on the dates set forth below.

**CRESTLINE-LAKE ARROWHEAD WATER AGENCY**

By: ____________________________

Roxanne M. Holmes, General Manager

Date: __________________________

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

By: ____________________________

Douglas D. Headrick, General Manager

Date: __________________________
February 28, 2019

Pedro Villalobos
State Water Project Analysis Office
Department of Water Resources
1416 9th Street, Room 1620
Sacramento, CA 95814

Dear Mr. Villalobos:

This letter is to request the approval of the delivery of up to 2700 acre-feet of San Gorgonio Pass Water Agency (Agency) Table A water to a connection located in repayment reach 1 on the East Branch Extension of the California Aqueduct. The delivery structure, which is being used by the San Bernardino Valley Municipal Water District (Valley District) to deliver State Water Project water, is situated in a place where the water can recharge the Bunker Hill adjudicated groundwater basin which is capable of serving both the Agency and Valley District. The water can be later extracted as part of a cooperative conjunctive use program using Agency and Valley District facilities and water supplies.

The water requested for delivery is Agency carryover water from 2018 and will be stored for later use by the Agency under an agreement between the Agency and Valley District. Conditions of the final delivery to the Agency will be consistent with Notice to Contractors 17-11, the Water Supply Contract, and the Bunker Hill Adjudication. The Agency, under separate cover, will be requesting delivery of 1200 acre-feet of its 2018 carryover water to the Agency later this year under Article 14b of the Water Supply Contract, since a DWR shutdown in February has prevented us from taking deliveries this month.

The delivery structure for the 2700 acre-feet is in repayment reach 1 of the East Branch Extension but not within the service area of the Agency. The Agency participates in this repayment reach and is willing to pay any appropriate charges to have the water delivered.

San Gorgonio Pass Water Agency
A California State Water Project Contractor
1210 Beaumont Avenue • Beaumont, CA 92223
Phone (951) 845-2577 • Fax (951) 845-0281
We have been coordinating local operation and turnout issues with the Department’s Southern Field Division and Valley District. Thank you for your attention in this matter. A completed Contract Information Form for this project is attached. I am working with my staff to file a Notice of Exemption to comply with CEQA, and expect to have that done by close of business tomorrow (March 1). Please contact me if you have any questions. I will contact you in the next day to discuss this request in more detail.

Jeff Davis

Cc:
David Rizzardo--SWPAO
Doug Headrick—Valley District
Bob Tincher—Valley District
Dan Flory
The Water Use Efficiency Committee Workshop convened on February 20, 2019. Director Hayes chaired the meeting; Vice President Kielhold, and Directors Longville and Navarro participated in the workshop. The committee meeting was supported by staff members Bob Tincher and Kristeen Farlow.

3.1) Summary of Previous Meeting.

No additional changes were made to the summary notes from the October 17, 2018, meeting.

4.1) Update on Water Use Efficiency Program

Staff provided the Committee with an update on the Water Use Efficiency Program. This update included the total dollars spent to date, as well as the remaining budget for the current fiscal year. The update included information about the contract with the Inland Empire Resource Conservation District with whom the District has contracted for educational outreach, including classroom presentations, adult programs and a teacher workshop.

4.2) Prop 1 Grant Update

Staff provided the Committee with an update on a recent submittal of a water use efficiency program to the Santa Ana Watershed Project Authority (SAWPA) One Water One Watershed Prop 1 Grant program. The District worked with the SAWPA Member agencies and the Municipal Water District of Orange County to submit a joint grant proposal for the grant program.
on behalf of the Valley District retailers. Three projects were submitted for consideration: a comprehensive landscape transformation program, a watershed-wide leak detection and meter testing program, and an aerial imaging project.

Staff worked with the BTAC Water Conservation subcommittee to determine interest and commitment from the retailers and made project commitments accordingly. There is no direct fiscal impact to the District except a small amount of staff time to assist in the administration of the grant application, and if successful, grant fund distribution. If funding is received, the District may consider covering the cost of the aerial imaging project (estimated to be $85,000) as a resource to the retailers for their water use efficiency efforts. Staff will keep the board apprised of the status of the grant.

5.1) Consideration of the District’s Membership in CalWEP

Staff presented the Committee with a follow-up of the District joining the California Water Efficiency Partnership/Alliance for Water Efficiency (CalWEP/AWE). This item was presented to the Committee in October 2018 at which time staff was directed to gain feedback from the Advisory Commission on Water Policy and the BTAC Water Conservation Subcommittee. Staff received positive feedback from both the Commission and the Subcommittee in regards to the District becoming a member of CalWEP/AWE. The cost for the District to become a member is $5,400/year.

The Committee directed staff to forward this item to the Board of Directors for consideration. Additionally, the Committee requested staff include details about the opportunity for Valley District to provide a 25% funding partnership for retailers who become members of CalWEP/AWE.

Staff Recommendation
Receive and File
DATE: March 5, 2019

TO: Board of Directors

SUBJECT: List of Announcements

A. March 6, 2019 – Legislative and Policy Committee Workshop, 1:30 p.m. at the District Office
B. March 7, 2019 – External Affairs Committee Workshop, 9:00 a.m. at the District Office
C. March 12, 2019 – Board of Directors’ Workshop, 3:00 p.m. at the District Office
D. March 13, 2019 – Park Management and Property Committee Workshop, 10:00 a.m. at the District Office
E. March 14, 2019 – Strategic Analysis/Plan Committee Workshop, 3:00 p.m. at the District Office
F. March 18, 2019 – Association of San Bernardino County Special Districts’ Dinner, 6:30 p.m.
G. March 19, 2019 – SAWPA Commission Meeting, 9:30 a.m. at SAWPA
H. March 19, 2019 – Board of Directors’ Board Meeting, 2:30 p.m. at the District Office
I. March 20, 2019 – Water Use Efficiency Committee Workshop, 1:30 p.m. at the District Office
J. March 21, 2019 – Baseline Feeder Committee Workshop, 3:00 p.m. at the District Office