

**LOCAL AGENCY FORMATION COMMISSION  
COUNTY OF SAN BERNARDINO**

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**DATE:** NOVEMBER 10, 2008

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer 

**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT:** AGENDA ITEM #12 – REQUEST FROM CITY OF SAN BERNARDINO  
MUNICIPAL WATER DEPARTMENT TO RECONSTITUTE WATER  
PRODUCERS ADVISORY COMMITTEE

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**RECOMMENDATION:**

Staff recommends that the Commission indicate its intent to reconstitute the Advisory Committee, composed of the major water producers with a stake in the San Bernardino Valley Water Conservation District, to work with LAFCO staff on potential conditions of approval should the Commission indicate its intent to move forward with LAFCO 3076, consolidation.

**BACKGROUND:**

On October 10, 2008, the City of San Bernardino Municipal Water Department submitted a letter, dated October 6, 2008 (copy attached), indicating that it is re-evaluating its position in support of the consolidation of the San Bernardino Municipal Water District and the San Bernardino Valley Water Conservation District. The letter further outlines that at this time the City's independent Municipal Water Department is continuing to gather additional information before determining and sending its official position on the current proposal to the Commission.

The letter also requests that the Commission consider re-constituting the stakeholder group of major water producers from the Municipal Service Review for the Water Conservation District. The letter indicates that the advisory committee would discuss potential conditions of approval for LAFCO 3076 should the Commission choose to move forward with consolidation.

Attached to this report is a copy of the Committee Report prepared for LAFCO 2919 which outlines the committee membership as well as the questions posed by the Commission and the Committee response. As outlined in the report, the committee

membership was defined as a designated member by the water producer and an alternate. The following excerpt is taken from the Committee Report showing the prior members:

ENTITY	DESIGNEE	ALTERNATE
San Bernardino Valley Water Conservation District	Larry Libeu, General Manager	David Cosgrove, District Legal Counsel
San Bernardino Valley Municipal Water District	Bob Reiter, General Manager/Chief Engineer	Randy Van Gelder, Assistant General Manager
Bear Valley Mutual Water Company	Michael Huffstutler, General Manager	Robert Hinze, President
East Valley Water District	Robert Martin, General Manager	Glen Lightfoot, District Board Member
City of Riverside	Gary Nolff, Assistant Director – Resources, Riverside Public Utilities	Zahra Panahi, Principal Water Engineer, Riverside Public Utilities
City of Redlands	Doug Headrick, Chief of Water Resources	Greg Gage, Utilities Project Manager
City of San Bernardino Municipal Water Department	Stacey Aldstadt, General Manager	
Western Municipal Water District	John Rossi, General Manager	Jack Safely, Water Resources Manager
City of Highland	John Timmer, Councilmember	Ross Jones, Mayor

While the persons occupying the positions outlined above may have changed, staff is recommending that the Commission indicate its intent to reconstitute the Advisory Committee, made up of these same positions, should it choose to move forward with the application for consolidation of the districts.

KRM

Attachments:

1. Letter Dated October 6, 2008 from the City of San Bernardino Municipal Water Department
2. Advisory Committee Report for LAFCO 2919

**Letter Dated October 6, 2008 from the  
City of San Bernardino  
Municipal Water Department**

**Attachment 1**

# CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

## BOARD OF WATER COMMISSIONERS

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President

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VALERIE HOUSEL  
Director, Environmental &  
Regulatory Compliance

**LAFCO**

San Bernardino County

October 6, 2008

Kathleen Rollings-McDonald  
Executive Officer  
Local Agency Formation Commission  
215 North D Street  
Suite 204  
San Bernardino, CA 92415-0490

Re: LAFCO 3076 – Consolidation of the San Bernardino Valley Water Conservation District and the San Bernardino Valley Municipal Water District

Dear Ms. Rollings-McDonald:

The City of San Bernardino Municipal Water Department's (Department's) governing authority, the Board of Water Commissioners (BOWC), voted unanimously on September 16, 2008 to rescind their support for the consolidation of the San Bernardino Valley Water Conservation District (Conservation District) into the San Bernardino Valley Municipal Water District (Muni).

After that determination and after several discussions with C. Patrick Milligan, the Muni board president, the BOWC determined to hold discussions with both Muni and the Conservation District to gather additional information before taking the step of notifying LAFCO of its position relative to consolidation.

Regardless of the BOWC's eventual decision, it does feel strongly that, in the event that LAFCO does proceed with the consolidation, LAFCO should re-constitute the stakeholder group of water agencies to discuss potential conditions to place on Muni, ensuring that the essential functions served by the Conservation District continue.

Very truly yours,

Toni Callicott  
President

Re:  
10/07/2008

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Cc: BOWC  
Patrick Morris  
James Penman  
Patrick Milligan  
Randy Van Gelder  
Robert Neufeld  
Robin Ohama

**Advisory Committee Report for  
LAFCO 2919**

**Attachment 2**

**ADVISORY COMMITTEE FOR  
LAFCO 2919  
SERVICE REVIEW/SPHERE OF INFLUENCE UPDATE  
FOR SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT  
REPORT**

**COMMITTEE BACKGROUND:**

On September 21, 2005, the Local Agency Formation Commission (hereinafter LAFCO) adopted the following motion in regard to LAFCO 2919, its mandatory municipal service review and sphere of influence update for the San Bernardino Valley Water Conservation District:

*"Commissioner Hansberger moves, seconded by Vice Chairman Colven, that the Commission indicate its intent to adopt staff recommendations #1 and #2 at the February 15, 2006 hearing (a recommendation to determine that the decision was exempt from CEQA and adopt a zero sphere of influence for the District), direct the Executive Officer to establish a committee to review possible consolidation, and require that the report provided at the February hearing respond to questions on the effectiveness and efficiency of a potential future successor, discussion about the preservation of the Wash Plan and discussion of the potential impacts to water rights."*

Following this meeting, the LAFCO Executive Officer contacted the membership of the Committee to be composed of the General Manager or designee from the San Bernardino Valley Water Conservation District (hereinafter SBVWCD) and the San Bernardino Valley Municipal Water District (hereinafter MUNI) and a representative from each of the major water stakeholders. The "major water stakeholders" were identified in the September 13, 2005 staff report as the City of Redlands, the City of San Bernardino Municipal Water Department, East Valley Water District, Bear Valley Mutual Water Company, and the City of Riverside. At the September hearing, a request was presented to the Commission by the Western Municipal Water District that it be included as a participant in the information gathering process. No specific acknowledgement of this modification was made by the Commission; however, the LAFCO Executive Officer included the District in the call for Committee participants.

At the first meeting of the Committee, on October 28, 2005, the question of the appropriateness of the participation of the Western Municipal Water District was posed by SBVWCD. In addition, SBVWCD indicated its position that the City of Highland should be a participant in the discussions due to its participation in "Plan B", also known

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as the "Wash Plan". At the meeting, the membership voted to not oppose the expansion to include representation by the City of Highland and Western Municipal Water District. The matter of Committee membership was returned to LAFCO with the request for clarification. In addition, SBVWCD requested that a consultant be hired to prepare the report requested of the Committee. The consensus of the Committee was not to support the hiring of a consultant; but, if such was required by LAFCO, financial support from a majority of the membership was approved.

At the November 9, 2005 Committee meeting, Mr. Michael Huffstutler was elected Chairman of the Committee.

At the November 16, 2005 LAFCO hearing, the Committee membership was clarified to include the Western Municipal Water District and expanded to include the City of Highland. LAFCO did not support the hiring of a consultant to prepare the study requested of the Committee.

The Committee participants for this study are identified as follows:

ENTITY	DESIGNEE	ALTERNATE
San Bernardino Valley Water Conservation District	Larry Libeu, General Manager	David Cosgrove, District Legal Counsel
San Bernardino Valley Municipal Water District	Bob Reiter, General Manager/Chief Engineer	Randy Van Gelder, Assistant General Manager
Bear Valley Mutual Water Company	Michael Huffstutler, General Manager, Committee Chairman	Robert Hinze, President
East Valley Water District	Robert Martin, General Manager	Glen Lightfoot, District Board Member
City of Riverside	Gary Nolff, Assistant Director – Resources, Riverside Public Utilities	Zahra Panahi, Principal Water Engineer, Riverside Public Utilities
City of Redlands	Doug Headrick, Chief of Water Resources	Greg Gage, Utilities Project Manager
City of San Bernardino Municipal Water Department	Stacey Aldstadt, General Manager	
Western Municipal Water District	John Rossi, General Manager	Jack Safely, Water Resources Manager
City of Highland	John Timmer, Councilmember	Ross Jones, Mayor

In addition, at the November 16<sup>th</sup> LAFCO hearing, at the request of the SBVWCD, an additional question was placed before the Committee as follows:

*"Is there any incompatibility in having MUNI administer both the Western Judgment and the Conservation District's traditional water recharge role, or in having MUNI serve both as the importer of State Project Water and the party primarily controlling the native water for groundwater recharge?"*

Through these actions, the Committee's membership and charge were established. The Committee met on October 28, November 9, December 5, December 19, 2005, and January 9, and 23, 2006 to discuss a response to the Commission (copies of these Agendas are included as Attachment #1). The following provides the majority position of the Committee membership to the four questions presented to it by LAFCO.

**QUESTION #1 – IF A CONSOLIDATION WERE TO BE CONSIDERED, COULD THE SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT PRE-1914 WATER RIGHTS BE TRANSFERRED TO A SUCCESSOR AGENCY?**

The consensus of the Committee was that “water rights” are considered a real property right which can be transferred in a consolidation application. As a real property right, the transfer of real property is outlined in the Cortese-Knox-Hertzberg Local Government Reorganization Act as a condition of approval that can be determined by the Commission. The language of Government Code § 56886 provides the outline of the terms and conditions that can be applied to a change of organization approved by LAFCO. Specifically, Subsection (h) reads as follows:

*“(h) The acquisition, improvement, disposition, sale, transfer, or division of any property, real or personal.”*

The pre-1914 water rights expressed as a concern by the Commission in its September consideration, and outlined in the Committee’s discussions, are presumed to have been transferred to SBVWCD in 1940 as the acquisition of the assets of its predecessor, the Water Conservation Association of the Santa Ana River. The Committee outlined that the question of perfecting water rights or otherwise determining their validity is not a question within the purview of LAFCO or the individual districts. It is a question answered by others, such as the courts and/or the State Water Resources Control Board.

**MAJORITY DETERMINATION OF THE COMMITTEE BY AFFIRMATION VOTE ON JANUARY 23, 2006, ON MOTION BY MEMBER REITER, SECONDED BY MEMBER ALDSTADT -- As a property right, water rights can be transferred to a successor agency in any consolidation that may be considered affecting the SBVWCD.**

**COMMITTEE VOTE:**

**AYES: REITER, HUFFSTUTLER, MARTIN, NOLFF, ALDSTADT,  
HEADRICK, SAFELY**

**NOES TIMMER, TUBBS**

**QUESTION #2 – EFFECTIVENESS AND EFFICIENCY OF ANY POTENTIAL SUCCESSOR AGENCY WITHIN A CONSOLIDATION PROPOSAL WITH REGARD TO WATER CONSERVATION ACTIVITIES**

At the December meetings of the Committee, a matrix comparison of SBVWCD and MUNI was finalized, as drafted by LAFCO staff, and reviewed and corrected by staff of SBVWCD and MUNI. This document is included as Attachment #2 to this report.

During discussions of the Matrix Document, the City of Redlands outlined its position regarding the efficiencies to be achieved through a consolidation of SBVWCD and MUNI. It was requested by the Committee that the City's response be provided in writing (copy included as Attachment #3). This material was circulated and placed in the record by unanimous vote of the Committee membership at the December 19<sup>th</sup> meeting. The conclusions of this document are listed as:

- Cost savings are guaranteed without jeopardizing critical groundwater recharge activities.
- An immediate annual savings would be realized through consolidation without impacting any staff positions. The anticipated \$1,000,000 in continuing expenses could be routinely and reliably covered by revenues from mining royalties, interest, property tax and property rental income.
- The cost of the groundwater assessment would be removed from the District's constituents, the groundwater producers.

At the January 9<sup>th</sup> Committee meeting, the SBVWCD provided its response to the materials submitted (copy included as Attachment #4). The positions taken are summarized as follows:

- "Cost shifting does not equate to cost savings." The analysis presented for the record does not provide an investigation of the actual nature of the expense proposed when it indicates a cost savings nor does it analyze the ability of MUNI to simply absorb these functions at no cost.
- "Unusual Expenditures should not be used to pad projected savings." The costs associated with the District's water rights environmental and engineering costs and legal services should not be utilized in the comparison as these can be categorized as unusual or nonrecurring items and should be "drastically curtailed" in the future.
- "Increases in Personnel Costs cannot be presumed away." The cost associated for providing the same personnel of the SBVWCD under MUNI's salary and

PERS benefit levels will be more. The materials provide an example that MUNI's PERS benefit is 3% at 60; the SBVWCD is 2% at 55. In addition, no analysis has been provided regarding a duplication of service in job positions, job functions, etc. to substantiate the cost savings identified for personnel.

In addition, the City of San Bernardino Municipal Water Department presented its position related to the question of efficiencies and cost-savings to be achieved in a potential consolidation (copy included as Attachment #5). The Water Department's positions are summarized as follows:

- The SBVWCD assesses a groundwater recharge fee that should not be assessed.
- There is no elected voice on the SBVWCD to respond to concerns of the City of San Bernardino Municipal Water Department.
- The Bunker Hill Basin is a valuable resource that must be managed effectively. The City Municipal Water Department feels that MUNI has the "infrastructure, planning, personnel, elected representation and mission to manage the basin as it should be managed". It is the City Municipal Water Department's position that the SBVWCD in fulfilling its mission of recharging native waters has, in the past, damaged the City of San Bernardino in the form of high groundwater conditions.

The Municipal Water Department stated that its primary concern is a reduction in the risk to management of the Newmark Superfund site through the "Institutional Controls Settlement Agreement" or "ICSA".

The Committee evaluated these positions and made the following majority determination.

**MAJORITY DETERMINATION OF THE COMMITTEE BY AFFIRMATION VOTE ON JANUARY 23, 2006, ON MOTION BY MEMBER REITER, SECONDED BY MEMBER ALDSTADT -- Efficiencies and cost-savings can be achieved through a consolidation. Specifics of such cost savings would be a required part of a "Plan for Service" to be presented as required by State law and LAFCO policy for an official consolidation application.**

**COMMITTEE VOTE:**

**AYES: REITER, HUFFSTUTLER, MARTIN, NOLFF, ALDSTADT, HEADRICK, SAFELY**

**NOES: TIMMER, LIBEU**

**QUESTION #3 – PRESERVATION OF THE “WASH PLAN” OR “PLAN B” IN ANY POTENTIAL CONSOLIDATION.**

At the September 21<sup>st</sup> LAFCO hearing, the Commission indicated that it wished an answer to the questions raised regarding the preservation of the “Wash Plan” in any potential consolidation.

The SBVWCD provided an outline of the current status of the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan, commonly known as the “Wash Plan” or “Plan B” (in this document it will be identified as the “Wash Plan”), at the November 9<sup>th</sup> Committee meeting (copy included as Attachment #6). Following that presentation, the Committee requested a copy of the 2002 agreement forming the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force (copy included as Attachment #7). This agreement sets forth the obligations of the parties involved, establishes the efforts to be undertaken in the Plan, identifies the lead agency for CEQA and federal environmental review, designates a Project Manager, and establishes a payment structure for the membership of the Task Force.

As a general background on the Wash Plan, the documents identify that it was developed following approximately seven (7) years of discussions among numerous agencies which had come together to form the Santa Ana River Wash Area Coordinating Planning Activities Committee (Wash Committee) to address land use concerns related to mining, mitigation lands necessary for continuing development activities in and/or near the Santa Ana River, and the development of infrastructure. From 1993 to 2000, the concepts were refined amongst the Upper Santa Ana River agencies. In 2000, general consensus was reached on what was defined as the “Concept Plan” to address land management, habitat conservation efforts including discussion of recreational trail alignments, infrastructure development etc. This concept plan culminated in the 2002 agreement establishing a Task Force to develop this Plan and included the following items:

- The SBVWCD was designated as the Lead Agency for all the non-federal activities associated with the Project under CEQA and was designated the Project Manager for coordination with the consultant hired to prepare the documents serving at the pleasure of the Task Force.
- Establishment of the Task Force and assignment of shares for payment of the costs for development of the Plan and Environmental documents (estimated at \$823,258) and possibly the Implementation Plan (increased to \$973,258 if the consultant also prepares this document). That cost sharing is defined in Exhibit B-1 (amended to include the City of Highland as a member of the Task Force) of the agreement as follows:

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- |  |         |
|--|---------|
| o Cemex (mining company)                       | 23.272% |
| o Robertson's Ready Mix (mining company)       | 23.272% |
| o SBVWCD                                       | 23.152% |
| o East Valley Water District                   | 3.030%  |
| o Redlands Utilities Department                | 3.030%  |
| o County of San Bernardino                     | 6.061%  |
| o San Bernardino County Flood Control District | 6.061%  |
| o City of Highland                             | 6.061%  |
| o City of Redlands                             | 6.061%  |
- Development of an outline of the Project in Phases I through III as outlined on Exhibit C-1 of the agreement.

Current status of the Plan, as defined by the SBVWCD at the November 9<sup>th</sup> Committee meeting, is that it is midway through Phase II, for preparation of the EIR/EIS, Habitat Conservation Plan (hereinafter HCP) and Mitigation Plan, which includes an action item of flood protection levees and permanent conservation easements.

As identified in the SBVWCD update document to the Committee, the public draft of the EIR/EIS and the HCP has not been provided as additional work has been identified by the City of Highland related to traffic issues and the U.S. Fish and Wildlife Service (hereinafter USFWS) raising additional questions regarding the acceptability of certain aspects of what is identified in the document as "problematic levels of take of the Slender-Horned Spineflower by the proposed mining activity and the nature of the take analysis in the HCP". The presentation indicated that due to these circumstances, the timeline for certification of the EIR/EIS and the HCP would be six months from the date when the USFWS rewrites are made available. SBVWCD requested of the USFWS "that the rewrites be finished by March 31, 2006". The document identifies that this would provide an estimated completion date of September 30, 2006 for the environmental documents.

The Committee has outlined its position that the completion of the Wash Plan is of primary concern. The City of Highland has indicated that it has taken the position in outlining its activities for the upcoming year that "the Wash Plan is the single most critical activity" and has outlined its concerns for this effort in a letter dated January 4, 2006 (copy included as Attachment #8). The City of Redlands has identified in its Memorandum of Understanding related to a potential consolidation with MUNI, Understandings Item 2d, that "The parties shall work cooperatively towards the expeditious completion of the environmental documents for the Santa Ana River Wash Plan ("Plan B") and the subsequent implementation of "Plan B" (copy included as Attachment #9).

**MAJORITY DETERMINATION OF THE COMMITTEE ON JANUARY 23, 2006, ON  
MOTION OF MEMBER TIMMER, SECONDED BY MEMBER HEADRICK -- The**

**Committee recommends that, if a consolidation application is submitted, the effective date for such action shall not be prior to June 30, 2007, or the date of acceptance of the Wash Plan Final EIR/EIS by the Conservation District and the Bureau of Land Management and the issuance by the U.S. Fish and Wildlife Service of a take permit in relation to the Wash Plan, whichever occurs first.**

**COMMITTEE VOTE:**

**AYES:       TIMMER, REITER, HUFFSTUTLER, MARTIN, NOLFF, ALDSTADT,  
              HEADRICK, SAFELY**

**NOES:       LIBEU**

**QUESTION #4 – IS THERE ANY INCOMPATIBILITY IN HAVING MUNI ADMINISTER BOTH THE WESTERN JUDGMENT AND THE CONSERVATION DISTRICT’S TRADITIONAL WATER RECHARGE ROLE, OR IN HAVING MUNI SERVE BOTH AS THE IMPORTER OF STATE PROJECT WATER AND THE PARTY PRIMARILY CONTROLLING THE NATIVE WATER FOR GROUNDWATER RECHARGE?**

In order to address the question posed to the Committee by LAFCO at its November 16<sup>th</sup> hearing, the membership requested an outline of the positions of the SBVWCD and MUNI on the issue of incompatibility.

As requested by the Committee, the SBVWCD has provided an outline of its position regarding a potential incompatibility for MUNI in administering its water responsibilities under the Western and Orange County Judgments and the Conservation District’s water recharge role. A copy of that position paper is included as Attachment #10 to this report. The SBVWCD positions as to issues and conflicts are outlined beginning on page 4 of the paper and are summarized as follows:

- MUNI’s Watermaster function does not assure recharge in the San Bernardino Basin. This potential conflict is outlined as stemming from the potential for a financial incentive to minimize the quantity of native surface waters directed toward recharge activities while maximizing the quantity directed towards exchange and direct delivery. It is the position of SBVWCD that safeguards are not currently in place to maintain the “appropriate groundwater levels” in light of these financial pressures.
- MUNI’S plans to export/exchange native water raise uncertainty regarding availability of this water for San Bernardino Basin recharge. Such a situation gives rise to additional questions about future decisions regarding the use of native water for consumptive purposes rather than recharge for the benefit of groundwater producers.
- MUNI’s overlapping interests may erode the balance of the Big Bear Watermaster. SBVWCD is a member of the Big Bear Watermaster, a three-party watermaster consisting of Big Bear Municipal Water District (hereinafter Big Bear MWD), Bear Valley Mutual Water Company and SBVWCD. The inclusion of SBVWCD is listed as being “for the benefit of water right claimants within Conservation District” representing the interests of the groundwater users within the basin. MUNI has an agreement with Big Bear MWD, reached in 1996, wherein MUNI serves as the “guarantor” of any “basin make-up water” required under the 1977 Big Bear Judgment. It is the position of SBVWCD that a consolidation would eliminate the “disinterested, third-party member of the Big Bear Watermaster” replacing it with a party who will have a “significant stake financial and otherwise” in the decisions to be made by the Big Bear Watermaster.

In conclusion, SBVWCD provides the following statement: "The Conservation District believes performance is more valuable than promises, and that its role provides an institutional guarantee that proper groundwater levels in the San Bernardino Basin will have a continuing, effective advocate."

As requested by the Committee, MUNI has provided a position paper on the question of incompatibility for assumption of the water recharge responsibilities performed by SBVWCD with MUNI's role as the watermaster for the Western Judgment and importer of State Water Project water. A copy of this paper is included as Attachment #11. MUNI's positions regarding a potential incompatibility are summarized as follows:

- Based upon the Orange County and Western Judgments and the recent Settlement Agreement, the role of SBVWCD is subservient in replenishment of the San Bernardino Basin Area (hereinafter SBBA). This position is taken on the basis that:
  - In the Orange County Judgment, the SBVWCD stipulated to its dismissal from that litigation on the basis that it was "not a necessary part to the physical solution", the purpose of which was to "accomplish a general inter-basin allocation of the natural water supply of the Santa Ana River system."
  - While the Orange County Judgment established "general apportionment of the waters of the Santa Ana River system between users upstream and downstream of Prado Reservoir", the Western Judgment established the general responsibilities of the parties above or upstream of Prado Reservoir, "including the responsibility for the management of the SBBA". SBVWCD, through its stipulation in the Orange County Judgment, does not play a role in determining the replenishment of the SBBA and was, therefore, "presumably" dismissed from the Western Judgment.
  - The Settlement Agreement between SBVWCD, MUNI and the Western Municipal Water District requires that SBVWCD "conform its spreading of water to the requirements of the annual groundwater management plan developed by Valley District and Western". Through this settlement agreement, SBVWCD has agreed to cooperate with and "accept and adopt" the basin management plan developed by MUNI and Western.
- There is no incompatibility in MUNI performing the role of administration of the Western Judgment, importing State Project Water, and assuming the SBVWCD's traditional role of spreading water in support of the SBBA. Indeed, a

consolidation of these functions under MUNI may streamline groundwater management in the SBBA.

- MUNI has financial incentive to recharge the SBBA with as much native water as possible without causing adverse effects on the basin under the terms of the Western Judgment. This financial incentive is that spreading of native waters reduces the quantity of replenishment water needed to be imported.
- In 2004, a number of water agencies entered into the Integrated Management Program Demonstration Project Agreement which is intended to provide for collective groundwater management. The SBWCD is a party to that agreement. Under the terms of that agreement, SBWCD agreed to spread no more than 26,500 acre feet per year (AFY) without consultation with the other agencies.

**MAJORITY DETERMINATION OF THE COMMITTEE ON JANUARY 23, 2006, ON MOTION OF MEMBER NOLFF, SECONDED BY MEMBER HEADRICK – It is the position of the Committee that no incompatibility exists in having MUNI administer both the Western Judgment and the Conservation District's traditional water recharge role or in having MUNI serve both as the importer of State Project Water and the party primarily controlling the native water for groundwater recharge.**

**COMMITTEE VOTE:**

**AYES: REITER, HUFFSTUTLER, MARTIN, NOLFF, ALDSTADT, HEADRICK, SAFELY**

**NOES: TIMMER, LIBEU**

**ATTACHMENT MATERIALS:**

- #1 Agendas for Committee Meetings**
- #2 Comparisons of SBWCD and MUNI Matrix**
- #3 Committee-Accepted Report of Financial Analysis of Consolidation**
- #4 SBWCD Responses to Financial Analysis**
- #5 Letter from City of San Bernardino Municipal Water Department dated January 3, 2006**
- #6 Wash Plan Status Update Presented to Committee November 9, 2005**
- #7 Agreement to Form Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force**

- #8 Letter from the City of Highland Dated January 4, 2006 Related to Concern on Transfer of Wash Plan or Plan B in a Consolidation**
- #9 City of Redlands Memorandum of Understanding (MOU) with MUNI Regarding Assumption of Responsibilities of SBVWCD**
- #10 Overview of Potential Conflicts Associated with MUNI Assuming Groundwater Recharge Responsibilities Presented by SBVWCD**
- #11 MUNI Responses on the Role of the Conservation District in Managing the San Bernardino Basin Area**