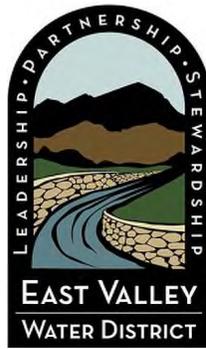


**Letters dated April 1, 2015 and  
December 12, 2014  
Regarding Regional Sustainable  
Groundwater Management Council  
for the East Valley**

**Attachment 5**



April 1, 2015

Kathleen Rollings-McDonald  
Executive Officer  
Local Agency Formation Commission  
175 West Fifth Street, Second Floor  
San Bernardino, CA 92415-0490

Dear Executive Director McDonald:

The purpose of this letter is to provide general comments on the Local Agency Formation Commission Municipal Service Review report, dated March 12, 2015, for Water Conservation in the Valley Region of San Bernardino County. We appreciate your support of the Groundwater Sustainability Council we proposed. Since we submitted the proposal we have had two meetings with producers and had very positive feedback. We have continued to develop concepts of governance for the Groundwater Sustainability Council. The participants currently have reservations about the efficiency of a Joint Powers Authority and will utilize streamlined governance in the Council's formation. The Groundwater Sustainability Council will be implemented through a contract/agreement that will provide for the equitable funding of groundwater recharge for each basin covered by the Council. The Groundwater Sustainability Council's purpose will in no way change the existing authority of the elected City Councils and Special District Boards of Directors that make up the Groundwater Sustainability Council. These governmental structures will fully retain their legislative authority to set rates, appropriate funds, etc. The Groundwater Sustainability Council, made up of General Managers or equivalent staff representatives, will perform the scientific studies to determine the water supply and funding needs and then develop recommendations for their respective Boards.

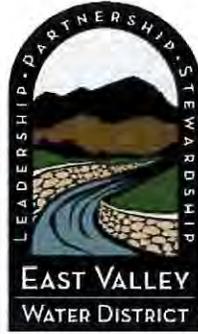
We support the sphere requested by the Water Conservation District in their request. SBVWCD will submit some specific detailed comments and corrections related to sections of the report. We continue to feel the proposed organization and the elements described will significantly move the valley forward.

Sincerely,

Daniel B. Cozad  
General Manager, SBVWCD

Douglas D. Headrick  
General Manager SBVMWD

John J. Mura  
General Manager EVWD



December 12, 2014

Kathleen Rollings-McDonald  
Executive Officer  
Local Agency Formation Commission  
175 West Fifth Street, Second Floor  
San Bernardino, CA 92415-0490



Dear Executive Director McDonald:

The purpose of this letter is to provide Local Agency Formation Commission the proposed alternative that has been developed by the general managers of the agencies. Since we met with you in October we have been working to develop a Regional Sustainable Groundwater Management organization. We have vetted the concept with boards of the agencies signing the letter and held the first meeting to discuss with the producers in the basin. All feedback to date has been very positive.

We feel the proposed organization and the elements described will significantly move the valley forward and eliminate the need to consolidate the Conservation District.

Sincerely,

Daniel B. Cozad  
General Manager, SBVWCD

Douglas D. Headrick  
General Manager SBVMWD

John J. Mura  
General Manager EVWD

Attachments:  
Groundwater Sustainability Council Description

# Bunker Hill Basin Producers Commitment to Regional Groundwater Sustainability

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Especially in this time of drought it is important that LAFCO reviews the critical role of water conservation service and water districts. In response to the Water Conservation District's request for Sphere reinstatement and the Municipal Service Review, the San Bernardino Valley Water Conservation District, San Bernardino Valley Municipal Water District, East Valley Water District and others have requested LAFCO staff and Commissioners consider our collective efforts and the District's work with the other water agencies in the region. These agencies have worked together to provide the alternative to consolidation below which has garnered wide water agency support.

## **1. We agree the questions LAFCO is asking are important**

Any high functioning agency when asked about financial capability, accountability and capacity of facilities for future population considers the questions seriously. We believe efficiency, effectiveness, trust and transparency are critical, especially to water related agencies demonstrating their accountability to the public and those they serve. We believe for the east valley our plan answers these questions.

## **2. We support the intent of the questions and MSR process**

The evaluations performed by LAFCO staff and the discussion with LAFCO Management were instrumental in spurring agency staff to discuss the needs of the community and the basin for the future. The Bunker Hill Groundwater basin has limited capacity without appropriate and proactive management. The Agencies in the basin rely on the basin to meet the needs of the current and future population, growth and economic development.

## **3. We feel consolidation is damaging to the working relationships of the agencies**

Rather than expanding the opportunities to cooperate and increase shared services and facilities, this particular consolidation process has damaged relationships and caused mistrust that has taken years to heal. The public expects agencies to work together for their interest and the acrimony caused by forced consolidation does is not in the public interest.

**4. Basin water agencies are proposing a Regional Groundwater Sustainability Council, related to recent groundwater legislation requirements.**

This region is blessed with a large and flexible groundwater basin. As highlighted by the recent groundwater sustainability legislation, these public assets require participatory management by responsive and responsible agencies. While the region is exempt from some of the requirements of the new laws due to adjudication, the agencies are moving forward with a Groundwater Sustainability Council to continue to further efficient management of this critical resource.

**5. With this proposal and the agencies' working relationships, consolidation is unneeded and produces an inferior result.**

The groundwater sustainability council will empower and by agreement require agencies producing water in the basin to actively engage in the management of their critical resource, be responsible for the costs, and value the benefits they get from a sustainable groundwater basin.

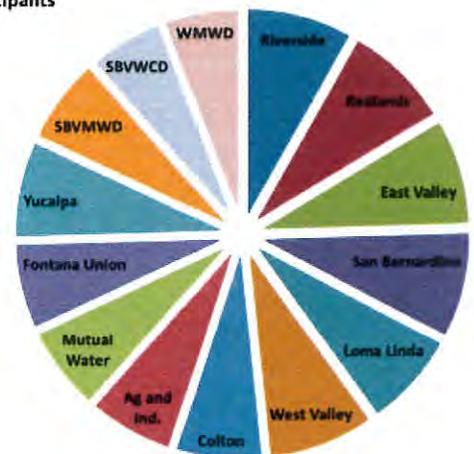


**The Groundwater Sustainability Council**

**A. Develop Collaborative Management to ensure efficiency and fairness of costs to beneficiaries.**

We appreciate that LAFCO allows us to present this proposal for governance and financial responsibility for the groundwater basin through the Groundwater Sustainability Council. While it will take time, we are confident that it is a critical part of the future sustainability and vitality of the region. The graphic at right expresses the agencies that are expected to become members which eliminates equity issues in the current Conservation District Groundwater Charge.

GSC Participants



- B. Develop regional Groundwater Sustainability Council structure to help basin users meet sustainability need and share responsibility. The agencies in the basin expect that the costs for water and the cost to manage the basin for sustainability will continue to rise. These costs must be understood and shared fairly to gain public acceptance and support. This approach will produce the most efficient manner to support the basin for those using the basin. This is even more critical due to the number of the DAC's served by the agencies of this region.
- C. Replace Groundwater Charge with part of Basin Sustainability funding. Acknowledging the limits of the current Conservation District Groundwater charge, the Conservation District has recommended replacing the current groundwater charge with a portion of the groundwater sustainability funding developed in this process. Such a change should spur the agencies to want to participate and their review will insure the costs information and use of the funding is transparent.
- D. Use the opportunity to develop cost model fair to all producers, small and large, public and private in a collaborative manner. This need is even more critical given the large concentration of Disadvantaged Communities served by the agencies producing from the basin and the residual agricultural uses. The model would expand those contributing to the costs to manage the basin to keep it affordable to all.
- E. Protect recharge lands and long term ability to recharge. The Conservation District is protecting and permitting the lands needed to expand recharge to protect the basin and cooperating with SBVMWD and others to increase recharge. The completion of permitting and access are critical to the future of the basin and our communities' future development. The collaboration among the water related agencies underscores interdependent needs and authorities needed to manage the basin. The Conservation District is willing to provide support continuity to the process and ensure continued cooperative staff relationships.

F. While not all water related entities have had adequate time to discuss all elements of the Groundwater Sustainability Council, or GSC, there is demonstrated support for moving to form such an organization. The concept has added benefits in that it works with the existing collaborative structures that have been working for more than five years, such as those shown at right.



**Summary of LAFCO Issues and Responses** provided by this plan. The table below attempts to capture and respond to the major questions asked LAFCO staff.

LAFCO Question	Response
1. <b>Why are there 2 water conservation Districts in the valley should they not be combined to be more efficient?</b>	Historically the two were formed by the needs of the people in the area. SBVWCD was preceded by a voluntary Water Conservation Association formed in 1908 for water recharge and protection of water rights. Chino Basin WCD was formed later in a separate basin, adjudication and responsibilities. The Groundwater Sustainability Council brings the efficiency gains without the inefficiency of covering a very large divergent area with one agency.
2. <b>Why not combine Conservation Districts together and cover the area between them?</b>	The area between them is covered by the Lytle Creek Water Conservation Association of 1924. To achieve the same goal the Sustainability Council includes the agencies that provide both water recharge and conservation education.
3. <b>Why not consolidate into the Flood Control District or the Municipal Agencies.</b>	While this was asked before, efficiencies could be diluted by conflicting missions and unintentional lack of focus on critical recharge needs. The Groundwater Sustainability Council eliminates the need to undertake these by including the parties in a unified management approach.
4. <b>Why is the Conservation District groundwater charge is paid by some but not all basin producers?</b>	This historic artifact of the District Boundary is made irrelevant by the development of the Groundwater Sustainability Council where all producers pay and has the important benefit of ensuring sustainable funding of both the recharge function and the recharge water the basin needs.