

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Engineering Workshop**  
**Agenda**  
**December 11, 2017 at 1:30 p.m.**

- 1. Call to Order, Flag Salute and Roll Call**
- 2. Public Comment:**  
Members of the public may address the Board at this time concerning items relating to any matter within the Agency's jurisdiction. To comment on specific agenda items, please complete a speaker's request form and hand it to the board secretary.
- 3. Review of 2016 Draft Water Conditions Report\* (p. 2)**
- 4. Review of Current Water Rates and Future Needs\* (p. 50)**
- 5. Report on 2017 Committee Activities from Committee Chairs**
- 6. Announcements**
  - A. Regular Board Meeting, December 18, 2017 at 1:30 p.m. - Canceled
  - B. Finance and Budget Workshop, December 18, 2017 at 1:30 p.m.
  - C. Office closed December 22<sup>nd</sup> & 25<sup>th</sup> in observance of the Christmas Holiday
  - D. Office closed December 29<sup>th</sup> & January 1<sup>st</sup> in observance of the New Year's Holiday
  - E. Regular Board Meeting, January 2<sup>nd</sup>, 2018 at 1:30 p.m.
- 7. Adjournment**

**\*Information included in Agenda Packet**

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for Public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at <http://www.sgpwa.com>. (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

**San Geronio Pass Water Agency  
Annual Report on Water Conditions  
Reporting Period 2016**

Prepared by

San Geronio Pass Water Agency  
1210 Beaumont Avenue  
Beaumont, CA 92223

January 2018

**SAN GORGONIO PASS WATER AGENCY**

**Board of Directors**

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<b>Mike Thompson</b>	<b>Director</b>

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## 1.0 Background

The San Gorgonio Pass Water Agency is a State Water Contractor and wholesale water agency that provides imported water to retail water purveyors within its service area, which extends from Calimesa on the west to Cabazon on the east. Its service area covers approximately 228 square miles, most of which is in Riverside County but which includes two small areas in San Bernardino County. One of these is unpopulated, adjoining the San Bernardino National Forest, and the other, in Edgar Canyon south of Oak Glen, includes a few residences. The service area is depicted on **Figure 1**.

The Agency was created by the San Gorgonio Pass Water Agency Act, passed by the California Legislature in 1961 and signed by Governor Pat Brown on July 12, 1961. The first Board of Directors, appointed by the Riverside County Board of Supervisors, held its initial formal meeting on October 10 of that year. It had previously met briefly on September 22 to elect Ted Silverwood as the first President of the Agency. The area had a population of approximately 21,000 at the time (today it is over 90,000, an increase of over 400%).

The San Gorgonio Pass is an elevated, relatively narrow land mass between the San Bernardino Mountains on the north and the San Jacinto Mountains on the south, connecting the San Bernardino Valley on the west to the Coachella Valley on the east. Both of these valleys are at much lower elevations than the Pass region. The region straddles two large watersheds. The western half of the service area is drained primarily by Little San Gorgonio Creek and Noble Creek, which are tributary to San Timoteo Creek and the Santa Ana River. The eastern half of the service area is drained by the San Gorgonio River, which is tributary to the Whitewater River and is part of the Colorado River Basin. A small portion of the region drains to the San Jacinto River which drains to Lake Elsinore. **Figure 2** depicts the drainage basins and principal streams in the region.

This report, published annually by the Agency for over two decades, is intended to help monitor and make available to the public the quantity and quality of water in local groundwater basins. It is based on the Agency's extensive database as well as data from other sources. It includes data from 2016 as well as historical data, which provide a basis to put the most recent data into historical context.

**Tables 1, 2, and 3** are extraction (production) summaries of groundwater pumping and surface water diversions within the Agency's service area, hereinafter referred to as the region. These tables summarize annual production for the past 13 years, and represent the heart of this report. These data were obtained from the State Water Resources Control Board, Division of Water Rights (State Board); local sources; or in some cases estimated by the Agency. The Agency does not independently verify the data. The State Board does not require reporting for well owners who extract less than 25 acre feet per year (about eight million gallons). Also, it is possible that some well owners do not file as required. The data in these tables represent the Agency's best

estimate of actual pumping, based on both actual data and production estimates. Most wells are not metered and therefore data from these wells must be estimated by various means.

The report also includes water quality data from the State Water Project's sampling station at Devil Canyon in San Bernardino. Devil Canyon is the Agency's delivery point for State Water Project water, and the closest sampling station to the region. It is representative of the water that the Agency receives from the State Water Project. The data, summarized in **Table 5**, reflect that the water quality varies from year to year and from month to month. It is primarily a function of water quality conditions in the Sacramento/San Joaquin Delta and of runoff in watersheds tributary to the Delta. That water quality in turn is largely a function of hydrology. In wet years and during wet periods within dry and average years, fresh water from upland rivers drains to the Delta and improves overall water quality.

The water quality constituent of greatest interest to the Agency and other local water agencies is TDS, or total dissolved solids (also known as salinity or salts). Salinity has become more heavily regulated by Regional Water Quality Control Boards throughout the State, especially as water agencies around the state have implemented recycled water systems. In order to maintain reasonable TDS levels in the lower reaches of the Santa Ana watershed (primarily Orange County), the Santa Ana Regional Water Quality Control Board must set standards for TDS at relatively low concentrations in the upper reaches of the watershed, where the western portion of the Agency's service area is located. Salinity is less of an issue in the eastern portion of the region, which is part of the Colorado River watershed and is more sparsely populated.

Sewage treatment plant effluent from Beaumont, Yucaipa, and Calimesa is discharged into tributaries to the Santa Ana River and is regulated by the Santa Ana Regional Board; effluent from Banning is currently regulated by the Colorado River Regional Board, though it is likely that the Santa Ana Regional Board may at some time regulate this discharge or portions thereof. This is due to the fact that the City of Banning has plans for a recycled water system, parts of which may overlie a portion of the Santa Ana watershed. While most of the City is in the Colorado Basin, a small portion of it is in the Santa Ana basin.

State legislation passed in 2009 requires more extensive groundwater elevation monitoring in basins throughout the State similar to what the Agency has performed for nearly two decades. The California Department of Water Resources has set up CASGEM (the California Statewide Groundwater Elevation Monitoring system). The Agency is the regional monitoring entity for the region. This represents a legislative mandate to perform the groundwater level monitoring that the Agency has performed on its own for many years. The data uploaded by the Agency to the CASGEM system represent a relatively small subset of the Agency's overall groundwater database.

Newer legislation passed in 2014 (the Sustainable Groundwater Management Act or SGMA) requires virtually all groundwater basins in California to be managed sustainably by 2022. This could have a long-term impact on how groundwater basins in the region are managed. A Groundwater Sustainability Plan, or GSP, must be developed for all these basins by 2022.

## 2.0 Water Supply Conditions

There are three principal sources of water within the region—groundwater, which begins as precipitation in the form of rain and snow in the local mountains; imported water from the State Water Project; and recycled wastewater. A fourth source—local runoff of surface water—accounts for a small but important portion of the local water supply portfolio, primarily in Edgar and Banning Canyons. Even most of this runoff is typically recharged into local groundwater basins where it becomes part of the groundwater supply.

Recycled water from Yucaipa Valley Water District is in use in Calimesa. Two other retail water agencies, including the Beaumont Cherry Valley Water District and the City of Banning, have plans to implement recycled water systems in the next few years and have begun planning, designing, and constructing the needed infrastructure for these systems.

### 2.1 Precipitation

Annual precipitation in the Beaumont area since 1900 is shown on **Figure 4**. The long-term mean annual precipitation in Beaumont is approximately 17.5 inches. This figure depicts the variable nature of precipitation. Of the approximately 115 years of records, the precipitation in 50 years has exceeded the average, while 75 years have been relatively dry as compared to the average. The figure shows several periods—1900-1904, 1948-1952, 1960-1965, 1986-1992, 1999-2002, 2005-2009, and 2011-2016—with multiple consecutive dry years. The figure shows that 2007, 2009, 2013, 2014, and 2015 were among the driest on record in Beaumont (and in fact in all of Southern California), while 2010 was one of the wettest and 2011 and 2012 were below normal. The figure indicates that, since 1999, there have been only three years that met or exceeded the long-term average rainfall. In fact, since 2005 there has been only one “wet” year. This is dramatic evidence of the current drought that has persisted in California and the West. Officially, 2016 is the fifth year of a drought, but as can be seen by the data, the seventeen years since 1999 represent a very dry period. Data presented are for Beaumont because the National Weather Service’s official weather station in the region is located in Beaumont.

Precipitation is highly variable, both spatially and temporally. The National Weather Service’s official station is at an elevation of about 2600 feet. It is highly likely that higher elevations receive more precipitation, including snow, and lower elevations receive relatively less precipitation. In addition, storms, particularly summer storms, can be highly concentrated and impact one area, while another area a mile or two away may get little or no rain. Thus, while the long-term average rainfall may be approximately 17.5 inches in one part of the region, it could easily be an inch or two more or less at other locations in the same region. A rain gauge in Cabazon would show a lower average precipitation than a similar gauge in Calimesa. These gauges would show that climatic and hydrologic differences are present even within the region.

Groundwater basins are able to naturally capture and store much, but not all, of the precipitation in wet years. During and after a rainfall event, runoff drains to streams where it runs into creeks and rivers. Some of this will recharge the local groundwater basins. During large storm events, much of the runoff will flow downstream. In this case, it will either flow from San Timoteo

Creek into the Santa Ana River in Redlands, or it will flow from the San Geronio River into the Whitewater River in the Coachella Valley. A small portion of runoff from the region flows to the San Jacinto River in Hemet, which eventually runs to Lake Elsinore, a natural low spot. Cities and water agencies in the region have begun planning how to capture additional stormwater that currently runs down the Santa Ana River to Prado Dam in Chino and eventually to the Pacific Ocean.

Stormwater capture represents a potential new source of water to the region. While additional sources of local water are always good for a region, stormwater capture requires a lot of land, and thus has been found to be too expensive for large-scale development in many areas, particularly where land prices are high. Large areas of land are required in order to construct ponds to settle out the particulate matter that accompanies storm flows. Since large storms are not abundant every year, land acquired for large scale stormwater capture would not be used on a consistent basis, and therefore represents a large investment that does not reap benefits every year. A huge benefit in capturing stormwater is the fact that its salinity is very low, and any stormwater captured would improve the water quality of groundwater basins.

## **2.2 The State Water Project**

The San Geronio Pass Water Agency Act was signed by Governor Pat Brown in 1961, and the first Board of Directors held its initial meeting in September of that year. Within another year, the Agency had signed a contract with the State of California for 15,000 acre feet of water from what at the time was known as the Feather River Project. A year later, the Agency increased its contract amount, or Table A amount, to 17,300 acre-feet, an increase of 15%. The Agency's Board of Directors fought hard to get this additional amount, and made financial sacrifices to do so. The additional water increased the annual amount of debt service owed by the Agency, and the expenditure of these additional funds precluded the ability to begin construction on a pipeline to San Bernardino to take delivery of the water at that time.

The Agency began importing State Water Project water into the region in 2003, when Phase 1 of the East Branch Extension of the California Aqueduct was completed. Since that time, deliveries of State Water Project water within the region increased steadily until the current drought took hold. **Table 4** summarizes these deliveries. This table shows that the Agency delivered nearly 11,000 acre-feet in 2011 and 2012, dropping to less than 10,000 acre-feet in 2013, to just over 5,000 acre-feet in 2014, and under 4,000 acre-feet in 2015. This increased to just over 11,000 acre-feet in 2016, a relatively wet year in northern California (though as noted above, a fifth year of drought in Southern California). The 80% allocation of Table A water in 2011 was the highest since 2006, and enabled the Agency to deliver water that not only met local water demands, but that added to local banked groundwater as well. Even though the 35% allocation of water in 2012 was considerably less, the Agency was able to deliver virtually the same amount as in 2011 due to its ability to carry over water from the previous year. This number dropped in 2013 as the Agency had less carryover water to deliver. The 5% allocation in 2014 was one of the lowest on record.

The Table A allocation is a function of hydraulic conditions in the Sacramento/San Joaquin delta as well as northern California hydrology. The average long-term reliability of the State Water Project is approximately 60%. For the Agency, this represents a long-term annual supply of



approximately 10,400 acre-feet, nearly 7,000 acre-feet less than its contracted amount. And, this reliability is expected to decrease over time for a number of reasons. This points out the importance of being able to store water in those years when the Table A allocation is greater than 60%. The ability to import and store more water locally in wet years in the future will be a key to the sustainability of the region and to minimizing the amount of additional supplemental water that must be procured to meet projected water demands. The Department of Water Resources has proposed a \$17 billion project, the Cal Water Fix, to improve the reliability of the State Water Project by improving the ability to move water across the Delta in average and wet years.

Currently, the Agency can import a maximum of approximately 11,000 acre-feet per year with existing infrastructure. When Phase 2 of the East Branch Extension is completed in 2017, the Agency will be able to import its entire Table A allocation when it is available, plus additional supplies. Completion of this \$250 million project is a high priority for the Agency, the San Bernardino Valley Municipal Water District (Valley District), and the California Department of Water Resources, the Agency's partners in this project.

Phase 2 of the project (named EBX 2) consists of a pipeline under the Santa Ana River near Highland, a reservoir and pump station in Mentone, and a pipeline from this pump station to the existing Crafton Hills Pump Station in Mentone. The project also includes new pumps in the Crafton Hills Pump Station and the Cherry Valley Pump Station. The new pipeline, which will be 72-inches and 66-inches in diameter, will replace an existing 48-inch diameter line under the Santa Ana River that was constructed in the 1980's. In addition, the Agency and Valley District have recently constructed improvements to the existing EBX that make it more reliable in the event of outages. These improvements include an expansion of Crafton Hills Reservoir from approximately 90 acre-feet to approximately 135 acre-feet, and a bypass line around the reservoir that can be used to deliver water when the reservoir is out of service for any reason.

The ability to import and store more water in the region will depend on these projects, additional connection capacity to the East Branch Extension, and additional regional recharge and storage capacity. As of 2016, the total turnout capacity of the pipeline is 20 cfs. The current pipeline capacity is 16 cfs. When EBX 2 goes online in 2017, the total pipeline capacity will be 32 cfs, expandable to 64 cfs. However, unless additional infrastructure is constructed to be able to convey this additional water out of the pipeline to new or existing recharge or treatment facilities, the project will not add appreciably to the region's water resources.

The Agency is currently planning such infrastructure. The Beaumont Avenue Recharge Facility includes a new connection to the EBX, a new recharge facility, and a short pipeline connecting the two. The Agency is moving forward on this project and plans to have it on-line by 2018, just after EBX 2 is expected to be completed. The facility will enable the region to import additional water in wet years and store it for dry years. This "conjunctive use" of water is an effective water management tool that is used throughout the West, and whose use is increasing.

In addition, the Agency is considering purchasing capacity in the Valley District's proposed Bunker Hill Conjunctive Use Project, which would enable the Agency to store water in the Bunker Hill Basin in San Bernardino and deliver it to retail water agencies such as the Yucaipa Valley Water District and the South Mesa Water Company in dry years.

## 2.3 Wastewater

Three public agencies, plus one Native American tribe, discharge treated wastewater in the region—the cities of Beaumont and Banning, the Yucaipa Valley Water District, and the Morongo Band of Mission Indians. The annual discharges since 1988 for the three public sewage treatment entities are shown on **Figure 5**. Figures for the Morongo plant are not included. Unlike precipitation and the State Water Project, which are highly variable from year to year, wastewater discharges from the region have consistently increased over time, as the region has developed. They have been relatively constant over the past five years. Wastewater treatment plant discharges are a function of indoor water use, not hydrology or exterior water use. Hence they are considered to be relatively more reliable and stable than imported water or local runoff or stormwater.

Thus, treated wastewater, or recycled water, is an important asset to the region, because it can be a reliable, non-potable water source in the future. All three of the public agencies mentioned above are in various stages of implementing recycled and/or non-potable water systems for irrigation, golf courses, parks, medians, etc., or to recharge it into local groundwater basins. The Yucaipa Valley Water District received its permit to deliver recycled water in 2016.

As mentioned in Section 1.0, salinity is a growing concern in California, and recycled water is high in dissolved solids or salinity. While recycled water is a huge potential benefit to the region, its use as a water supply will require desalting. Desalting is an expensive operation that requires brine disposal, a costly process. The Yucaipa Valley Water District has constructed a desalination plant and brine disposal pipeline. It is now able to utilize recycled water in lieu of groundwater or imported water for non-potable uses, primarily irrigation and construction water. The District has plans to use recycled water for exterior water use in most new homes in Calimesa, reducing the amount of potable water required for each new home.

The City of Banning is moving towards a recycled water system, and the City of Beaumont, which owns a sewage treatment plant, and the Beaumont Cherry Valley Water District, which is the water purveyor in the City and surrounding areas, are in talks to distribute the City's treated effluent as part of a recycled water system owned by BCVWD.

Use of recycled water either for direct non-potable use or for recharge requires a permit from the Santa Ana Regional Water Quality Control Board. Such permits will be granted only when the Regional Board is convinced that the permit holder will take all required steps to meet its standards for salinity and other constituents based on its current Basin Plan.

### 3.0 Groundwater Conditions

**Figure 3** shows the principal groundwater basins, sometimes referred to as storage units, in the region. The boundaries of these basins are as defined by the United States Geological Survey. It should be noted that these basins are different from the groundwater basins identified by the California Department of Water Resources in its Bulletin 118. The Beaumont Basin is the largest and most productive of these local basins, is the only one that is adjudicated, and serves a large majority of the population in the region. By the Bulletin 118 definition, the Beaumont Basin is partly in the San Timoteo Sub-basin of the Santa Ana Basin and partly in the San Gorgonio Pass Sub-basin of the Coachella Valley Basin.

The region is characterized by numerous faults, which make for complex geology. The Beaumont Basin is characterized by a number of smaller sub-basins, but can be viewed as one continuous basin, or storage unit, and has been modeled in that manner. East of the Beaumont Basin is the Banning Basin, and east of that is the Cabazon Basin. The Agency is in the process of expanding its model of the Beaumont Basin (developed by the United States Geologic Survey) eastward to include both the Banning and Cabazon basins, or storage units. This work should be completed and peer-reviewed by 2018.

The existing model is a tool that can be used to predict how various recharge scenarios will impact water levels in the Beaumont Basin.

As the Sustainable Groundwater Management Act (SGMA) is implemented by the Department of Water Resources, the Agency will place great emphasis on participating in Groundwater Sustainability Agencies (GSA's) for each of the basins within the Agency's service area. This will unfold over the next few years, with creation of all GSA's required by June 2017.

#### 3.1 Groundwater Extractions (Production)

**Table 1** summarizes groundwater production from the eleven basins in the region. **Table 2** summarizes reported production from each individual producer, whether public or private. **Table 3** provides a detailed breakdown of extractions by each reporting producer (including some based in San Bernardino County) for each basin for the thirteen most recent years of available data. Surface diversions from the Whitewater River are not included, as the Agency is not convinced the available data are reliable enough to report. In addition, they are outside the region. These diversions serve the Banning Bench and the City of Banning.

**Figure 6** illustrates the long-term trend in reported groundwater production in the region since 1947. **Figure 7** summarizes the same data since 1997, about the time significant growth started. Both figures show a distinct increasing trend in groundwater extractions both over the long term and over the past 19 years, though 2015 and 2016 clearly break that trend. The results of these recent years show a sharp reduction in local extractions from 2008 to 2010, followed by gradual increases over the next four years, in contrast to decades of increases prior to 2008. Perhaps the

most striking element of these figures is the sharp decline in production in 2015, continued in 2016, also characterized in Tables 1, 2, and 3.

**Figure 6** indicates that extractions remained relatively constant from the early 1960's to the mid 1980's. Extractions increased gradually from that point until the mid-1990's, when they started to increase significantly. **Figure 7** shows a significant increase from 1998 to 2007 (from less than 25,000 AF to over 35,000 AF, an increase of over 40%), and a significant decrease since that time, from over 35,000 AF to just under 31,000 AF in 2014, just under 23,000 AF in 2015, and just over 24,000 AF in 2016 (a decrease of about 32% over 9 years).

**Figure 8** illustrates the percentage share for each basin's total production within the region in 2016. This is only slightly different from the 2015 percentages, with the primary change being an increase in the Banning Basin from 8% to 11%, and a corresponding decrease in the Banning Bench Basin from 3% to 1%. In 2012, the Beaumont Basin represented only 48% of all extractions, compared to 57% in 2015 and 56% in 2016. This increase was primarily at the expense of the Banning Canyon Basin (decreased from 14% to 11%), the Banning Bench Basin (decreased from 6% to 1%), and Edgar Canyon (reduced from 11% to 6%). The Beaumont Basin is the largest basin by far, with over half of all production. The Banning Canyon, Banning, and Edgar Canyon basins are next. The Banning Canyon Basin is fed largely by runoff from an interbasin transfer, the flows of which have been greatly reduced during the current drought. With smaller, shallower runoff-fed basins yielding less water, purveyors must make up the difference with more water from larger basins. This is reflected in the increased dependence on the Beaumont Basin, with its yield increasing from less than half to nearly 60% of all production in five drought years.

**Table 1** indicates that total production in the region increased about 6% from 2015 to 2016, after a 25% reduction from 2014 to 2015, from 22,835 to 24,150 acre-feet. Compared to the peak year of 2007, when production totaled 35,474 acre-feet, this represents a 32% reduction in groundwater production over the past seven years, with most of this decrease coming in one year—2015. It should be noted that, in 2015, the State Water Resources Control Board implemented mandatory water conservation measures throughout the State. This was the primary reason for the large decrease in production from 2014 to 2015. The fact that production increased only 6% in 2016 indicates that residents in the region were continuing their water conservation practices. This could be an indication that these practices are permanent. Data for a wet year would have to be analyzed in order to determine this with any certainty.

In the Beaumont Basin, the region's largest, production increased about 4%, from 12,954 to 13,529 acre-feet. This confirms the ability of local residents to continue conserving water even when mandatory restrictions have been lifted. As can be seen from Table 3, virtually all of this increase can be attributed to increased production from the Beaumont Cherry Valley Water District (an increase of about 900 acre-feet). All other producers actually decreased their pumping slightly.

The Cabazon Basin presents an interesting data set. According to the data submitted to the Agency, extractions from this basin decreased by approximately 55% from 2007 to 2012, yet increased by over 80% in 2013 and decreased by 12% in 2014 and another 18% in 2015. These

numbers lead to a question of whether the data are correct every year, especially in 2012, when the data showed extractions of 654 acre-feet, compared to 900 acre-feet in 2011 and 1226 acre-feet in 2013. In verbal discussions with the General Manager of the Cabazon Water District, there was an indication that these numbers are in fact correct, and reflect a rapidly decreasing demand for a number of years, followed by an increase in demand when the outlet malls expanded and began taking water deliveries from the District. The 12% reduction in production from 2013 to 2014 is not readily explained, while the 18% decrease from 2014 to 2015 is readily explained by the aforementioned water conservation regulations.

**Table 2** summarizes overall production by owner, regardless of basin. In reviewing the production by the major water agencies and overlayers, the data are relatively consistent, with most owners showing only minor increases or decreases in production. One of the few large increases in production is from South Mesa Water Company, an increase from 1424 to 1705 AF, or about 20%. However this represents a small fraction of overall production. In addition, South Mesa's overall production is well under its levels of 2012, indicating that it has done a very good job of conserving water during the drought.

An examination of the groundwater production data demonstrates that, overall, economic condition, annual precipitation, and temperature play large roles in determining water demand in any given year. The gradual increase in water production in the region over the four years from 2011 to 2014 can be explained in large measure by a gradually recovering economy, which causes higher water use. Per capita reductions in water use in homes over the three years prior to that could be explained either by cutbacks due to economic conditions during that time, reduced usage due to higher water rates, or water conservation efforts on the part of local residents. A detailed study would have to be performed to determine the specific impacts of these issues on the reduction in water demand during that three year period.

The reduction in production due to decreased water demand from 2008 to 2010, and especially the dramatic drop in 2015 and continuing to 2016, point out a major issue within the water industry. As water demand falls, water sales revenues fall, making it difficult for water agencies to meet financial obligations, especially fixed costs. Most of their costs (primarily labor) are fixed and do not decrease when water demand falls. These agencies have to make up for these lost revenues in other ways, either by changing their rate structures, by increasing water rates, by reducing their costs, or by drawing from reserves. Over the past several years, water districts throughout California have gradually begun implementing tiered rate structures, which charge a higher rate for more water use. The Agency has held its wholesale water rate constant since 2009, one of the few water agencies in the state to be able to do so during the drought.

Review of the data for 2016 clearly shows that mandatory water conservation measures imposed in 2015 trump all other factors in determining water use. Residents of the San Geronio Pass significantly decreased their water use in 2015 in response to the Governor's Executive Order and its implementation by the State Water Resources Control Board, and continued their water conservation efforts into 2016. The Agency will monitor this in future years to see if the conservation ethic remains a trend, even when the drought ends.

### 3.2 State of Overdraft

Overdraft of a groundwater basin refers to the amount of water pumped out in excess of its safe yield. Safe yield is the average annual replenishment of a basin through natural sources such as rainfall, runoff, snowmelt, and underflows from other groundwater basins, as well as man-made sources such as return flows from irrigation and septic tanks. Safe yield is difficult to establish and represents only an average. In a given year, natural replenishment of a groundwater basin could be more or less than the average safe yield, depending on local hydrology. As a basin changes, for example through development, or as its management changes, the safe yield can also change.

The Agency has been closely monitoring overdraft of the Beaumont Basin since at least 1988, when the Agency's first engineering investigation of the basin indicated that pumping significantly exceeded the basin's probable safe yield. Studies by the Agency have pointed to an estimated long-term average safe yield of about 5,000 to 6,100 acre feet per year for the Beaumont Basin (Boyle Engineering, 1995; Boyle Engineering, 2002). This is smaller than the safe yield of 8,650 acre feet that was defined in the 2004 Beaumont Basin Stipulated Judgment, a number which represents the sum of overlier water rights. Overlier water rights refer to rights based on historical production for water used on the land.

In order to remedy the possibility of long-term overdraft, the Judgment requires the Beaumont Basin Watermaster to "redetermine" the safe yield of the basin at least once every ten years, beginning ten years after the date of entry of the Judgment (no later than February 2014). If the redetermined safe yield were to be different from the 8,650 acre feet per year identified in the Judgment, it would change the amount of overdraft on an annual basis. Depending on the redetermined safe yield, this could be more or less than the current overdraft.

In April 2015, the Watermaster adopted a resolution determining the safe yield to be 6,700 acre-feet per year, after having a consultant model the basin. This is very close to the Agency's earlier estimate of 6,100 acre-feet per year. This has broad-ranging implications for the future, as it means that less water will be able to be pumped out of the basin each year. However it also means that the Basin will be more sustainable in the long term, which will serve the region well.

According to the Judgment, the basin must be in balance after 2014. That is, the total amount pumped out cannot exceed the average safe yield as identified by the Watermaster unless it is drawn out of storage accounts already in place at that time, or replenished from additional sources, including State Water Project water, recycled water, stormwater, or some other source.

Total production in 2016 from the basin, as reported, was 13,529 acre-feet. Therefore, the Beaumont Basin experienced an apparent overdraft of about 6829 acre-feet, assuming an average safe yield of 6,700 acre-feet. This was more than offset, however, by importing 11,461 acre-feet of supplemental water. This is the fifth time in seven years that the volume pumped out of the basin was less than the sum of average natural recharge plus imported water. This is the biggest impact of the Agency on local water resources—reducing and eliminating groundwater overdraft. In years when production exceeds the average safe yield plus imported water, such as 2015, the "apparent" overdraft is in fact not a true overdraft, as the excess production comes out of storage accounts. That is, water that was previously purchased from the Agency and added to basin storage through recharge was drawn out of storage, thus not counting against the safe yield.

Selecting 1997 as a base year (the year when significant increases in production began in the region), the cumulative overdraft in the Beaumont Basin since that time (assuming the Agency's original estimated safe yield of 6,100 acre-feet) would be 162,000 acre-feet, an average of approximately 9,000 acre-feet per year over the past 18 years, without importation of State Water Project water. **Figure 9a** depicts this graphically. Through 2016, the Agency has imported over 82,000 acre-feet of supplemental water (**Table 4**). This offsets the cumulative overdraft and reduces it to approximately 80,000 acre-feet over the same time period. This is depicted in **Figure 9b**. The difference in these two figures shows the immense impact that the State Water Project and the Agency have had on the region since water importation began in earnest in 2006.

Although other local groundwater basins are at similar risk of overdraft, the state of the overdraft of the Beaumont Basin is far more apparent (in part because it has been studied more) and, due to the large population served by the basin, more critical to the region. Since the safe yields of other basins in the region have not yet been defined, it is difficult to determine whether or not they are in overdraft at this time. However, monitoring of water levels in these basins shows that levels are decreasing in at least some of the eleven basins in the region.

The Agency is continuing studies of the Cabazon Basin and at some point in the next few years will likely define an average safe yield for this basin. It is estimated that this is the second largest basin in the region based on storage volume. Other basins will require additional studies over time to better understand their geology and hydrology. It is believed that most of them have storage volumes and safe yields far smaller than the Beaumont and Cabazon basins.

With the advent of the Sustainable Groundwater Management Act, passed by the Legislature in 2014, management of groundwater basins in California will change significantly. Virtually all basins will be required to be managed sustainably by 2022. This means that a plan must be in place to ensure that each basin is in long-term balance. Each plan must detail a method for implementing this, either through reductions in production or through artificial recharge (recharge of the basin with non-native water, recycled water, or stormwater), or both.

Implementation of SGMA will be by groundwater basins defined by the Department of Water Resources in its Bulletin 118. In that document, there are only two major groundwater basins in the Agency's service area—the San Gorgonio Pass sub-basin of the Coachella Valley Basin, and the San Timoteo sub-basin of the Santa Ana Basin. In addition, a small portion of the Yucaipa sub-basin is in the Agency's service area. As the Agency continues to publish this report every year, and as SGMA is gradually implemented over the next several years, some changes may be made in this report to reflect the fact that the DWR basin boundaries are the "official" groundwater basins of the State. In the meantime, the Agency will continue to report on the eleven separate and distinct groundwater basins within the region.

### 3.3 Groundwater Levels

The Agency monitors water levels in a large monitoring well network. Currently there are approximately 110 wells in the system, each of which is monitored for groundwater elevation twice a year, typically in May and November. The monitoring network is depicted on **Figure 10**.

Between Fall 2015 and Fall 2016, approximately 80 of the wells had water level changes, including a number of sites with multiple wells. Of these, seven sites had wells that recorded a water level increase of more than five feet, 15 recorded a decline of more than five feet, and 58 recorded little or no change. Of the seven wells showing a large increase in water levels, approximately 5 are in the Beaumont Basin, while one is in the Banning Canyon Basin and one in the Banning Bench Basin. Of the 15 wells showing declines of more than five feet, four of them are in the Beaumont Basin, one in the San Timoteo, seven are in the Cabazon, one in the Banning Canyon Basin, one in the Banning Basin, and one in the South Beaumont Basin. These are depicted on **Figure 11**. Overall, this figure shows the continual decline of water levels in the Cabazon Basin and the increase in water levels in some portions of the Beaumont Basin.

As of 2011, the Agency is part of the California State Groundwater Elevation Monitoring (CASGEM) system. This is a formal statewide groundwater monitoring system initiated through 2009 legislation. The Agency is the formal monitoring entity for two basins—the San Timoteo sub-basin and the San Gorgonio sub-basin—which roughly correspond to the Agency’s boundaries. As noted above, the state uses different basin names because it views the statewide geology and hydrology on a larger scale, and aggregates smaller basins into larger ones. What is known in the CASGEM system as the San Timoteo sub-basin is essentially the Beaumont Basin, the Singleton Basin, the South Beaumont Basin, and the San Timoteo Basin, and what CASGEM labels the San Gorgonio sub-basin is essentially the Cabazon Basin, the Banning Bench Basin, the Banning Canyon Basin, the Banning Basin, and the Millard Canyon Basin. While the boundaries are not exact, they are similar. The Agency files water level data for selected wells through the Department of Water Resources into the CASGEM database. These data are available on the CASGEM web site. At some point in the future, the CASGEM data reporting will disappear, as it will be superseded by implementation of SGMA, which has a higher standard of sustainable groundwater basins, as opposed to the CASGEM standard of simply reporting groundwater elevation data.

**Figures 12 through 17** show time-series groundwater elevations (hydrographs) for selected wells in five different basins within the Agency service area. In general, these same wells have been depicted in this report for the past several years.

The two wells shown in **Figure 12** are Banning production wells in the Banning Basin. Each shows great variability in groundwater elevation from 2002 to 2006. Both of these wells show a long-term trend of lower groundwater levels. However, both appear to be relatively stable over the past few years. The well depicted in **Figure 12a** appears to be holding at a water level between 350 and 400 feet below ground surface. The well in **Figure 12b** is down about 75 feet since 1998, but appears to be stable at approximately 375 feet below ground surface. The Banning Basin gets no artificial recharge of any kind.

The five wells depicted in **Figures 13-15** are in the Beaumont Basin. The wells in **Figures 13b and 15b** are in the same location, approximately 1000 feet east of Beaumont Avenue and 50 feet south of Cherry Valley Boulevard in Cherry Valley. This location is likely influenced by the past recharge at Little San Gorgonio Creek, and possibly by the recharge at Noble Creek. The upturn in water levels from 2008 to 2014 indicates that this is quite likely the case. The downturn since that time could be attributed to the fact that no water has been recharged at Little San



Gorgonio during that time, or possibly to the ongoing drought, in which less water has been available for recharge at Noble Creek. The well in **Figure 13a** is on the Oak Valley Golf Course. After a steady drop over at least a decade, the water surface appears to be stabilizing over the past two years. This may be due to reduced production from Oak Valley Partners and/or Oak Valley Management, as indicated in **Table 2**.

The wells in **Figures 14 and 15a** are on Calimesa Boulevard near the western edge of the Beaumont Basin. These wells show continually falling water levels over the past decade and a half. That portion of the Beaumont Basin would appear to not be influenced as yet by the ongoing recharge efforts and reduced production. While it is clear that ongoing recharge and reduced extractions have had an impact on at least some of the wells in the Beaumont Basin, water levels at other wells are still falling. There is some indication of some leveling out of the lengthy decline over the past year. It remains to be seen if this will be a trend or is simply an anomaly.

The two wells in **Figure 16** are both in the Cabazon Basin. The well in **Figure 16a** is a production well of the Mission Springs Water District, while the well in **Figure 16b** is a former production well currently used as a monitoring well in the Jensen area of South Cabazon. Both show severe drops in water surface elevation over the past 15 years. The well in **Figure 16a** shows a drop of more than 15 feet over the past ten years. The well in **Figure 16b** is changed from previous reports. Previously this report depicted the Cabazon Water District's Well Number 1. However, this well has become difficult if not impossible to monitor. Thus the change to the Jensen well. This well shows a drop of approximately 20 feet over the past eight years. These data would seem to indicate that, even though the wells are several miles away from each other, that water levels in the Cabazon Basin are dropping and have been for a number of years. This is somewhat surprising, given the decline in extractions from this basin over the past several years. This could mean that inflows to the basin have also declined over the same period of time. It could mean that any impact of reduced extractions just requires a longer period of time before the impact is seen in wells. It certainly means that there are other factors at work in this basin that impact water surface elevations that are beyond the scope of this report. The latest data point at the well in **Figure 16b** does show some increase in water level. It remains to be seen what, if anything, this means.

This is one reason that the Agency has worked with the United States Geological Survey to extend its model of the Beaumont Basin to the Cabazon Basin. The Agency wishes to learn more about the Cabazon Basin and how it reacts to various hydrologic events. The basin is an important regional resource as a water supply source and storage reservoir and the Agency is trying to better understand the detailed workings of it.

The wells depicted in **Figure 17** are in the Calimesa and Banning Canyon Basins. The data in **Figure 17b** show clearly that the Banning Canyon Basin is a shallow basin, and that water levels fluctuate more in such basins. The year 2006 was a wet one locally, and the figure shows that groundwater levels in the basin came up nearly 15 feet that year. The next three years, on the other hand, were dry ones, and the water level dropped nearly seven feet in that time. The level in this well is influenced by the amount of water imported to the basin through a trans-basin transfer and conveyed by a flume system that is over 100 years old. The system has transported

much less water in recent years; this could have an impact on the continually declining water level in this well. The data for the well in the Calimesa Basin show that groundwater levels increased in 2006 and have remained relatively constant since, with a slight downward trend. This could have to do with the Yucaipa Valley Water District's filtration plant, which came online in 2006. This event reduced extractions from the Calimesa Basin and likely contributed to the stabilization of the water level.

These figures represent only a small portion of all groundwater elevation data available in the region. These data indicate that, in general, groundwater elevations continue to decline except in certain areas where recharge of imported water or the switch to surface water is apparently stabilizing or even raising the water levels. Reductions in extractions over the past six years have in many cases slowed the rate of decline.

The implications of lower water levels are great. As water levels decline throughout the local basins, every well will have to pump water from a lower elevation, thus increasing power costs for well owners and rate payers. Some overlies' wells may be quite shallow, and as water levels decline further some of these wells may be in danger of going dry. This would necessitate a large expense to the overlier—either a new well, a deeper well, or connection to one of the water purveyors' systems.

In general, continually decreasing water levels can also lead to land subsidence (sinking) and the drying up of traditional wetlands or streambeds. In the region, most of these wet areas, to the extent that they existed, dried up decades ago. The Beaumont Basin Watermaster is charged with monitoring land elevations to determine if subsidence is occurring in the Beaumont Basin. As of this time, the Watermaster has not reported any appreciable land subsidence over the basin.

The Sustainable Groundwater Management Act (SGMA) will require Groundwater Sustainability Plans (GSP's) for all medium and high priority groundwater basins in California by 2022, with sustainability to be reached within 20 years after that time. It remains to be seen how SGMA may impact long-term groundwater levels, though it is likely that they will stabilize over the next two decades. This report will continue to monitor water levels in part to determine if implementation of these GSP's will impact all wells, or some fraction thereof.

## 4.0 Water Quality

### 4.1 State Water Project

The Agency takes delivery of its State Water Project water at the Devil Canyon hydroelectric facility in San Bernardino and conveys it through the East Branch Extension to various delivery points. Water quality is a very important component of the Agency's supplemental water supply program.

**Table 5** shows six common constituents and their measured monthly concentrations from the SWP system at Devil Canyon over the past four years. TDS, or total dissolved solids, is perhaps the most significant constituent in this table. It represents salinity, which is becoming more important to water agencies in California. It can be seen that TDS was mostly below 300 parts per million (ppm) or milligrams per liter (mg/l) through 2013. In 2014, the third consecutive year of drought, a number of readings above 300 appear; this is to be expected in dry years. This continued in 2015, another dry year, as the monthly average was above 300 every month that year. In 2016, a somewhat wetter year, the monthly average is above 300 for six of the twelve months. Many readings from 2011 through 2013 are in the 240-250 ppm range, and there are a number of readings in the 220 range and below. In 2011, which was a relatively wet year in northern California, TDS readings were very low after January. This is significant because the ambient salinity concentration of the Beaumont Basin is approximately 280 ppm, so the great majority of the time, importation of SWP water reduces the overall concentration of salinity in the Beaumont basin.

**Figure 18** shows the monthly average salinity concentration at Devil Canyon since 2006, while **Figure 19** shows the annual average since 1990. **Table 5** and **Figure 18** clearly show an outlier salinity concentration that is likely the result of an incorrect reading or analysis. The annual average shown in **Figure 19** is useful because it indicates clearly that salinity is higher in dry years and lower in wet years. The two highest years, 1991 and 1992, were very dry and the last two years of a five year drought in California. The years 1996, 1997, 1998, 2006, and 2011 were all very wet years (in the case of 2011, it was a wet year in northern California, where State Water Project water originates). Salinity in 2010 is significantly lower than the previous three years, which represented a three year drought in California. This inverse correlation between salinity and rainfall comes about because State Water Project water passes through the Sacramento/San Joaquin delta. In dry years, there is less fresh water available to flush out the system by pushing relatively more saline water to the ocean, so the fresh water/salt water interface is higher in the delta and hence salinity of SWP water is higher.

These figures also point out why it is advantageous to take more water in wet years when it is available--the water has a lower salinity in those years. In the long term, water quality (from a salinity standpoint) is helped by hydrology, as more water is typically delivered in wet years when salinity is lower, and less water is delivered in dry years when salinity is higher.

## 4.2 Groundwater

The Santa Ana Regional Water Quality Control Board's Basin Plan has a maximum benefit goal of 330 ppm of salinity for the Beaumont Management Zone, which includes the Beaumont Basin. The current ambient salinity concentration in the Beaumont basin is approximately 280 ppm. The Basin Plan requires local entities to begin planning desalters when the ambient TDS concentration increases to 320 ppm or if other conditions are met. These desalters must be online within seven years after that time.

Groundwater quality in the region is very high. There is no known historical industrial or mining activity in the region that has generated harmful plumes of pollutants. In addition to salinity or TDS, nitrate is the only other constituent that needs to be monitored closely. This too is regulated by the Regional Board, but nitrate concentrations are currently well within the maximum benefit standards. Over the past few years there have been isolated incidents of high nitrates at individual wells for short periods of time, typically after a large rainstorm that causes flushing of the system. However these have not proven to be a health hazard.

Nitrates in ambient groundwater do not necessarily translate to a danger in drinking water. Nitrates in drinking water are regulated by the California Department of Public Health, not the Regional Board. Nitrates in groundwater can effectively be managed if needed through dilution. If nitrates were to become a persistent problem in a particular location, the local purveyor may consider installing wellhead treatment for nitrates. Such treatment is costly. However, there is no evidence that such treatment is needed in the region in the near future.

It should be noted that salinity in drinking water is regulated by a secondary water quality standard, while nitrate is regulated under a primary standard. Primary standards are for constituents that can directly impact human health. Secondary standards are for constituents that do not directly impact human health, but that may have aesthetic issues. Salinity is not harmful to human health and safety directly, while nitrate can be harmful at high concentrations, particularly to infants.

In 2013, the California Department of Public Health changed the maximum contaminant level (MCL) for chromium 6 in drinking water, lowering the standard. Because of this change in the standard, several wells in the region suddenly became unusable, as they produced water with chrome 6 that met the previous MCL, but not the new one. Chrome 6 is a naturally occurring contaminant that is present at some level in many areas of California, including the San Geronio Pass. Because of the more stringent standard, some wells owned by the City of Banning and the Beaumont Cherry Valley Water District were temporarily taken out of service, pending implementation of a fix to the problem. This water quality issue has had an impact on water supplies in the region, as those wells are now not able to produce potable water for those two purveyors. Those entities are currently taking steps to ensure that all drinking water served meets this more stringent standard, and plan to meet the State's timeline for doing so, thus ensuring that drinking water meets all water quality standards.

### **4.3 Emerging Contaminants**

There is a relatively new class of chemical constituents that has recently been found in the environment and in drinking water known as emerging contaminants. These are primarily pharmaceuticals and personal care products (PPCP's) that pass through human or animal bodies or get flushed and end up in sewage or septic flows. They have become known because of the technological ability to measure concentrations at increasingly smaller concentrations (parts per billion or even parts per trillion). Because of their presence in the environment, the Santa Ana Regional Water Quality Control Board has required that dischargers (those entities that own and operate sewage treatment plants) monitor for these constituents on an annual basis.

There is no evidence that these constituents are harmful to humans in their current concentrations in the environment. Some groups have claimed that these products could harm animals in the environment and thus have called for their regulation. At this point in time they are not regulated. Water agencies in the watershed are developing a database so that the number and concentrations of these constituents can be monitored on an ongoing basis.

Emerging contaminants are mentioned in this report not because they have any immediate impact on water quality in the region, or even that they are expected to have an impact in the near future. They are included because they are mentioned increasingly in the literature and by regulators as a growing issue for the water industry to be aware of.

## 5.0 SUMMARY

Reported groundwater extractions within the region increased slightly in 2016, following a significant decrease the previous year. Total extractions in 2016 were up approximately 6% from 2015, or 32% below levels for 2007, the peak historical year for extractions in the region. This is likely due to continued conservation efforts following mandatory water conservation regulations imposed by the State Water Resources Control Board in 2015.

Local retail water purveyors continue to make progress in implementing recycled water systems. These systems are complex and expensive to complete, and funding and water quality (salinity) are key issues that require attention. Implementation of these systems over the next few years should reduce groundwater extractions significantly. Such reductions began in 2016, when the Yucaipa Valley Water District received a permit to deliver recycled water. The Regional Water Quality Control Board has adopted a Basin Plan Amendment which will have an impact on the proposed recycled systems by changing water quality rules.

Another factor leading to reduced withdrawals is the reduction in the safe yield of the Beaumont Basin, as published by the Beaumont Basin Watermaster in early 2015.

Based on data in this report, there is evidence that groundwater levels have increased slightly in portions of the region over the past three to five years. In other areas, the rate of groundwater decline has slowed. At the same time, groundwater levels continue to drop in some areas within the region. Future reports will determine the significance of these data. Lower groundwater levels in shallow basins in dry years is not a long-term concern; however, continued falling groundwater levels in larger, deeper basins would be cause for concern.

The Sustainable Groundwater Management Act, passed by the Legislature and signed by the Governor in 2014, will require virtually all groundwater basins in California to have a plan to be managed sustainably by 2022. The Agency will actively participate in these plans for the basins in the region.

Over the past eight to ten years, retail water agencies in the region have done a good job of managing local water resources. The Yucaipa Valley Water District has built a surface water treatment plant in order to reduce its groundwater withdrawals, and also a desalter and brine line to facilitate use of recycled water for non-potable uses. The Beaumont Cherry Valley Water District has constructed a recharge facility in the Beaumont Basin and has purchased a large quantity of replenishment water from the Agency. The City of Banning has purchased water for replenishment as well, and is working with Southern California Edison, the Banning Heights Mutual Water Company, and the Agency to make improvements to a system that delivers runoff from the San Bernardino Mountains to the Banning Bench and the City of Banning. High Valleys Water District has replaced much of its old, leaky pipe, thus reducing its water losses significantly. The Cabazon Water District has also reduced its water losses significantly. The South Mesa Water Company has drilled a new, more efficient well. Several water purveyors have implemented tiered rate structures, which tend to reduce water usage. Three major recycled

water systems are in the planning, design, or construction phase. These are all positive steps that will help extend and preserve local groundwater basins into the future.

During this same time period, the Agency has increased its imported water deliveries to such an extent that, in four of the past six years, more water was put into the Beaumont Basin than withdrawn from it. A three-year string was broken in 2014 and 2015 due to the fact that less water was available from the State Water Project, but in 2016 this trend returned. Since the completion of Phase I of the East Branch Extension in 2003, the Agency has increased its deliveries to the region every year, with the exception of 2005, 2013, 2014, and 2015 (the latter three being dry years). Overall, the Agency has delivered approximately 82,000 acre-feet of State Water Project water over the past thirteen years, either for replenishment, overdraft mitigation, or direct deliveries.

In the future, the local economy and local weather patterns will continue to play large roles in determining water demands each year. As new homes are constructed in the future, recent legislation will require lower water use landscaping. This should reduce per capita water consumption for future development, further extending the life of local water resources. Production data for 2015 and 2016 bear this out.

Based on data in this report and observation of ongoing events, it is apparent that the recession has ended, and construction of new homes in the region is beginning again, thereby increasing water demands. The Agency and retail water purveyors will need to work together to continue to meet the increasing water demands of the region.

A newly adopted MCL for chrome 6 has had a negative impact on local groundwater supplies. Purveyors impacted by this will have to determine how to address this issue so that these supplies may be brought back online or replaced with other sources.

**San Gorgonio Pass Water Agency**  
**Totals by Basin**  
**Non-Verified Production Data**  
*(in acre feet)*

Basin	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Banning	1,180	1,485	1,787	2,512	1,999	2,787	1,782	1,845	1,715	1,759	2,180	1,734	2,607
Banning Bench	1,319	2,332	2,987	2,199	1,299	1,415	1,561	1,395	1,719	1,776	1,076	723	312
Banning Canyon	3,329	3,649	3,464	2,662	3,237	2,771	3,941	3,820	4,091	3,216	2,636	2,491	2,450
Beaumont	17,478	13,390	17,140	19,032	17,264	14,643	13,158	13,600	14,302	16,236	17,970	12,954	13,529
Cabazon	1,604	1,379	1,314	1,466	1,412	1,258	1,054	900	654	1,226	1,076	983	967
Calimesa (2)	1,535	1,575	1,445	1,532	1,133	1,315	1,114	993	1,169	950	853	767	943
Edgar Canyon (1)	2,759	2,766	3,872	3,085	3,140	2,784	3,100	3,467	3,313	2,813	2,502	1,460	1,457
Millard Canyon (3)	823	595	707	842	757	750	750	750	750	850	850	750	750
San Timoteo	1,469	2,132	1,904	1,384	1,533	1,367	1,329	1,297	1,312	1,062	982	722	751
Singleton	483	636	645	666	471	382	405	412	448	312	443	217	353
South Beaumont	92	85	83	94	79	97	119	115	102	92	103	34	31
<b>Totals</b>	<b>32,071</b>	<b>30,024</b>	<b>35,348</b>	<b>35,474</b>	<b>32,324</b>	<b>29,569</b>	<b>28,313</b>	<b>28,594</b>	<b>29,575</b>	<b>30,292</b>	<b>30,671</b>	<b>22,835</b>	<b>24,150</b>

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**Note:**

Amounts shown are rounded to nearest acre-foot

Amounts as reported to the SWRCB Division of Water Rights, made available by a purveyor, reported by Beaumont Basin Watermaster or estimated by SGPWA

Data revised to agree with basin boundaries as defined in USGS 2004 report

(1) Includes wells located in Upper Edgar Canyon in San Bernardino County

(2) Includes wells located in Riverside and San Bernardino County

(3) Estimate only

**Table 1: Groundwater Production in San Gorgonio Pass Water Agency by Basin (2004 through 2016 as reported)**



**San Gorgonio Pass Water Agency  
Totals by Owner  
Non-Verified Production Data  
(in acre feet)**

Owner	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
bor Properties III, LP	163	165	170	175	200	193	174	177	4	51	7	7	6
anning Heights Mutual Water Co.	32	73	21	22	31	4	17	13	45	69	78	29	21
anning, City of (1)	8934	9082	10162	10223	9583	8996	8415	8454	8576	8743	8468	6722	7036
eaumont-Cherry Valley Water District (1)	8606	7070	11748	13031	12744	10849	10975	11698	12153	12829	13284	10613	11507
ackman, Dave			116	83	13								
rinton, Barbara	10	10		10	10	10	10	10	10	10	10	10	10
abazon Water District	1261	1069	966	923	875	905	710	509	269	854	628	515	497
owling, Frances M. Jr.	92	85	83	94	79	72	96	92	79	69	80	11	8
El Casco LLC c/o Riv. Land Conserv(4)	160	160	165	165	165	165	165	160	165	10	10	10	10
udson, Merton Lonnie	430	430	435	445	435	430	430	410	485	521	540	130	130
r, Katharina	267	267	267	265	265	265	270	270	270	270	270	270	260
ine, Christie	7	1											
erlin Properties, LLC	500	500	100	100	150	175	100	150	200	5	5	10	10
ssion Spring Water District	157	171	190	206	164	162	144	150	146	148	155	146	145
rongo Band of Mission Indians (3) (6)	2191	1822	2530	2326	1890	1908	1541	1634	1736	1949	2076	1649	1709
ak Valley Management	852	991	965	742	781	753	546	573	821	597	625	512	377
ak Valley Partners	430	350	312	312	311	311	311	12	12		24	24	24
risits, Jack	40	40											
antiation the Lake (2)	32	40	47	46	47	49	43	46	48	50	50	40	45
ncho Cesa Mobile Home Ranch	202	60	61	61	40	40	42	42	24	24	16	16	26
erside nty Parks Department								50	50	50	50	50	50
bertsor eady Mix	186	139	158	337	373	191	200	241	239	224	293	322	325
man C: lic Bishop	140	70	70	70									
arondale Mesa Owners Association	158	181	189	183	196	154	131	133	145	147	130	94	84
iloh's Hill LLC	121	160	146	150	61	172	200	229	193				
uth Mesa Water Co.	2679	2551	2711	2839	2681	2514	2222	2224	2376	1889	1918	1424	1705
mmit Cemetery District	65	65	65	65	65	90	88	88	88	88	88	88	88
n Cal Companies	89	839	555										
any-Cal Egg & Poultry, Inc.	1477	1153	50	50	50	50	25	28	28		1	22	
lands Conservancy, The	462	283	301	9	21	40	16	8	7	20	17	0	
caipa Valley Water District	2134	1854	2422	2072	659	685	949	665	901	1266	1344	121	77
<b>Totals</b>	<b>31,877</b>	<b>29,681</b>	<b>35,005</b>	<b>35,004</b>	<b>31,889</b>	<b>29,183</b>	<b>27,820</b>	<b>28,066</b>	<b>29,070</b>	<b>29,883</b>	<b>30,167</b>	<b>22,835</b>	<b>24,150</b>

Notes:  
 Quantities shown are rounded to nearest acre-foot  
 Quantities as reported to the SWRCB Division of Water Rights, made available by a purveyor, reported by Beaumont Watermaster or estimated by SGPWA  
 Data revised to agree with basin boundaries as defined in USGS 2004 report  
 Amount adjusted for production in 2006, 2007, 2008 & 2009 by BCVWD for City of Banning from co-owned wells  
 2010 Data not reported - Preceding year (2009) data used  
 Previous Well Owners - Arrowhead Mtn Spring Bottling Co. & East Valley Golf Club LLC  
 El Casco Lake Ranch merged with Riverside Land Conservancy  
 Desert Hills Premium Outlets merged with Cabazon Water District  
 Estimate only

**Table 2: Groundwater Production in San Gorgonio Pass Water Agency by Purveyor (2004 through 2016, as reported)**

**San Gorgonio Pass Water Agency**  
**Totals by Owner by Basin**  
**Non-Verified Production Data**  
*(in acre feet)*

Owner	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>BANNING BASIN</b>													
Banning, City of	1,180	1,485	1,787	2,512	1,999	2,787	1,782	1,845	1,715	1,759	2,180	1,734	2,607
<b>TOTALS FOR BANNING BASIN</b>	<b>1,180</b>	<b>1,485</b>	<b>1,787</b>	<b>2,512</b>	<b>1,999</b>	<b>2,787</b>	<b>1,782</b>	<b>1,845</b>	<b>1,715</b>	<b>1,759</b>	<b>2,180</b>	<b>1,734</b>	<b>2,607</b>
<b>BANNING BENCH BASIN</b>													
Banning, City of	1,244	2,257	2,922	2,124	1,224	1,340	1,486	1,320	1,644	1,701	1,001	648	237
Brinton, Barbara	10	10	0	10	10	10	10	10	10	10	10	10	10
Summit Cemetery District	65	65	65	65	65	65	65	65	65	65	65	65	65
<b>TOTALS FOR BANNING BENCH BASIN</b>	<b>1,319</b>	<b>2,332</b>	<b>2,987</b>	<b>2,199</b>	<b>1,299</b>	<b>1,415</b>	<b>1,561</b>	<b>1,395</b>	<b>1,719</b>	<b>1,776</b>	<b>1,076</b>	<b>723</b>	<b>312</b>
<b>BANNING CANYON BASIN</b>													
Banning Heights Mutual Water Co.	32	73	21	22	31	4	17	13	45	69	78	29	21
Banning, City of	3,290	3,575	3,443	2,640	3,206	2,767	3,924	3,807	4,046	3,147	2,558	2,462	2,429
Lane, Christie	7	1	0	0	0	0	0	0	0	0	0	0	0
<b>TOTALS FOR BANNING CANYON BASIN</b>	<b>3,329</b>	<b>3,649</b>	<b>3,464</b>	<b>2,662</b>	<b>3,237</b>	<b>2,771</b>	<b>3,941</b>	<b>3,820</b>	<b>4,091</b>	<b>3,216</b>	<b>2,636</b>	<b>2,491</b>	<b>2,450</b>
<b>BEAUMONT BASIN</b>													
A Properties III, LP	163	165	170	175	200	193	174	177	4	51	7	7	6
B City of (1)	3,220	1,765	2,010	2,947	3,154	1,623	1,223	1,482	1,171	2,136	2,729	1,878	1,763
B Mont-Cherry Valley Water District (1)	7,103	5,607	9,200	11,096	10,617	9,643	9,100	9,539	10,163	11,096	11,959	9,333	10,230
D Beckman			116	83	13	0	0	0	0	0	0	0	0
Merlin Properties, LLC	500	500	100	100	150	175	100	150	200	5	5	10	10
Morongo Band of Mission Indians (2)	1,368	1,227	1,823	1,484	1,133	1,158	791	884	986	1,099	1,226	899	959
Oak Valley Management, LLC	852	991	965	742	781	753	546	573	821	597	625	512	377
Oak Valley Partners	430	350	312	312	311	311	311	12	12	0	24	24	24
Plantation on the Lake	32	40	47	46	47	49	43	46	48	50	50	40	45
Rancho Calimesa Mobile Home Ranch	202	60	61	61	40	40	42	42	24	24	16	16	26
Roman Catholic Bishop	140	70	70	70	0	0	0	0	0	0	0	0	0
Sharondale Mesa Owners Association	158	181	189	183	196	154	131	133	145	147	130	94	84
Sunny-Cal Egg & Poultry, Inc.	1,477	1,153	50	50	50	50	25	28	28	0	1	22	0
Yucaipa Valley Water District	1,833	1,281	2,027	1,683	572	494	672	534	700	1,031	1,198	119	5
<b>TOTALS FOR BEAUMONT BASIN</b>	<b>17,478</b>	<b>13,390</b>	<b>17,140</b>	<b>19,032</b>	<b>17,264</b>	<b>14,643</b>	<b>13,158</b>	<b>13,600</b>	<b>14,302</b>	<b>16,236</b>	<b>17,970</b>	<b>12,954</b>	<b>13,529</b>
<b>CABAZON BASIN</b>													
Cabazon Water District	1,261	1,069	966	923	875	905	710	509	269	854	628	515	497
Mission Springs Water District	157	171	190	206	164	162	144	150	146	148	155	146	145
Robertson's Ready Mix	186	139	158	337	373	191	200	241	239	224	293	322	325
<b>TOTALS FOR CABAZON BASIN</b>	<b>1,604</b>	<b>1,379</b>	<b>1,314</b>	<b>1,466</b>	<b>1,412</b>	<b>1,258</b>	<b>1,054</b>	<b>900</b>	<b>654</b>	<b>1,226</b>	<b>1,076</b>	<b>983</b>	<b>967</b>

**Table 3: Groundwater Production in San Gorgonio Pass Water Agency by Purveyor by Basin (2004 through 2016 as reported)**

**San Gorgonio Pass Water Agency  
Totals by Owner by Basin  
Non-Verified Production Data  
(in acre feet)**

Owner	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>CALIMESA BASIN</b>													
Illy, Katharina	267	267	267	265	265	265	270	270	270	270	270	270	260
Perisits, Jack	40	40	0	0	0	0	0	0	0	0	0	0	0
South Mesa Water Co.	976	782	882	954	842	930	653	675	781	525	503	495	611
Yucaipa Valley Water District	252	486	296	313	26	120	191	48	118	155	80	2	72
<b>TOTALS FOR CALIMESA BASIN</b>	<b>1,535</b>	<b>1,575</b>	<b>1,445</b>	<b>1,532</b>	<b>1,133</b>	<b>1,315</b>	<b>1,114</b>	<b>993</b>	<b>1,169</b>	<b>950</b>	<b>853</b>	<b>767</b>	<b>943</b>
<b>EDGAR CANYON BASIN</b>													
Beaumont-Cherry Valley Water District	1,503	1,463	2,548	1,935	2,127	1,685	1,875	2,159	1,990	1,733	1,325	1,280	1,277
Hudson, Merton Lonnie	430	430	435	445	435	430	430	410	485	521	540	130	130
Riverside County Parks Department								50	50	50	50	50	50
<b>TOTALS FOR EDGAR CANYON BASIN</b>	<b>1,933</b>	<b>1,893</b>	<b>2,983</b>	<b>2,380</b>	<b>2,562</b>	<b>2,115</b>	<b>2,305</b>	<b>2,619</b>	<b>2,525</b>	<b>2,304</b>	<b>1,915</b>	<b>1,460</b>	<b>1,457</b>
<b>MILLARD CANYON BASIN</b>													
Morongo Band of Mission Indians (3) (4)	823	595	707	842	757	750	750	750	750	850	850	750	750
<b>TOTALS FOR MILLARD CANYON BASIN</b>	<b>823</b>	<b>595</b>	<b>707</b>	<b>842</b>	<b>757</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>850</b>	<b>850</b>	<b>750</b>	<b>750</b>
<b>SAN TIMOTEO BASIN</b>													
East Valley LLC c/o Riv Land Conserv	160	160	165	165	165	165	165	160	165	10	10	10	10
Morongo Band of Mission Indians (2)	0	0	0	0	0	0	0	0	0	0	0	0	0
South Mesa Water Co.	1,220	1,133	1,184	1,219	1,368	1,202	1,164	1,137	1,147	1,052	972	712	741
Several Companies	89	839	555	0	0	0	0	0	0	0	0	0	0
<b>TOTALS FOR SAN TIMOTEO BASIN</b>	<b>1,309</b>	<b>1,972</b>	<b>1,739</b>	<b>1,219</b>	<b>1,368</b>	<b>1,202</b>	<b>1,164</b>	<b>1,137</b>	<b>1,147</b>	<b>1,062</b>	<b>982</b>	<b>722</b>	<b>751</b>
<b>SINGLETON BASIN</b>													
South Mesa Water Co.	483	636	645	666	471	382	405	412	448	312	443	217	353
<b>TOTALS FOR SINGLETON BASIN</b>	<b>483</b>	<b>636</b>	<b>645</b>	<b>666</b>	<b>471</b>	<b>382</b>	<b>405</b>	<b>412</b>	<b>448</b>	<b>312</b>	<b>443</b>	<b>217</b>	<b>353</b>
<b>SOUTH BEAUMONT BASIN</b>													
Dowling, Frances M. Jr.	92	85	83	94	79	72	96	92	79	69	80	11	8
Summit Cemetery District						25	23	23	23	23	23	23	23
<b>TOTALS FOR SOUTH BEAUMONT BASIN</b>	<b>92</b>	<b>85</b>	<b>83</b>	<b>94</b>	<b>79</b>	<b>97</b>	<b>119</b>	<b>115</b>	<b>102</b>	<b>92</b>	<b>103</b>	<b>34</b>	<b>31</b>
<b>TOTALS FOR ALL BASINS</b>	<b>31,085</b>	<b>28,991</b>	<b>34,294</b>	<b>34,604</b>	<b>31,581</b>	<b>28,735</b>	<b>27,353</b>	<b>27,586</b>	<b>28,622</b>	<b>29,783</b>	<b>30,084</b>	<b>22,835</b>	<b>24,150</b>

**Notes:**

Amounts shown are rounded to nearest acre-foot

Amounts as reported to the SWRCB Division of Water Rights, made available by a purveyor, reported by Beaumont Basin Watermaster or estimated by SGPWA

Data revised to agree with basin boundaries as defined in USGS 2004 report

(1) Amount adjusted for production in 2006, 2007, 2008 & 2009 by BCVWD for City of Banning from co-owned wells

(2) Previous Well Owner - East Valley Golf Club LLC

(3) Previous Well Owner - Arrowhead Mountain Spring Water Bottling Co.

(4) Estimate only

**Table 3: Groundwater Production in San Gorgonio Pass Water Agency by Purveyor by Basin (2004 through 2016 as reported)**

State Water Project Deliveries to  
San Gorgonio Pass Water Agency Service Area

Calendar Year	Amount in Acre-Feet	Allocation
2003 (1)	116	90%
2004	814	65%
2005	687	90%
2006 (2)	4420	100%
2007 (2)	4815	60%
2008 (2)	4905	35%
2009 (2)	6609	40%
2010 (2)	8403	50%
2011 (2)	10,730	80%
2012 (2)	10,974	65%
2013 (2)	9,695	35%
2014 (2)	5,131	5%
2015 (2)	3,930	20%
2016 (2)	11,461	60%
<b>TOTAL</b>	<b>82,690</b>	

(1) Start Up / Partial Year

(2) Includes deliveries to Yucaipa Valley Water District

Deliveries to Beaumont Cherry Valley Water District began in September 2006  
Source: San Bernardino Valley Municipal Water District Operations Manager

## WATER QUALITY ANALYSIS AT DEVIL CANYON AFTERBAY

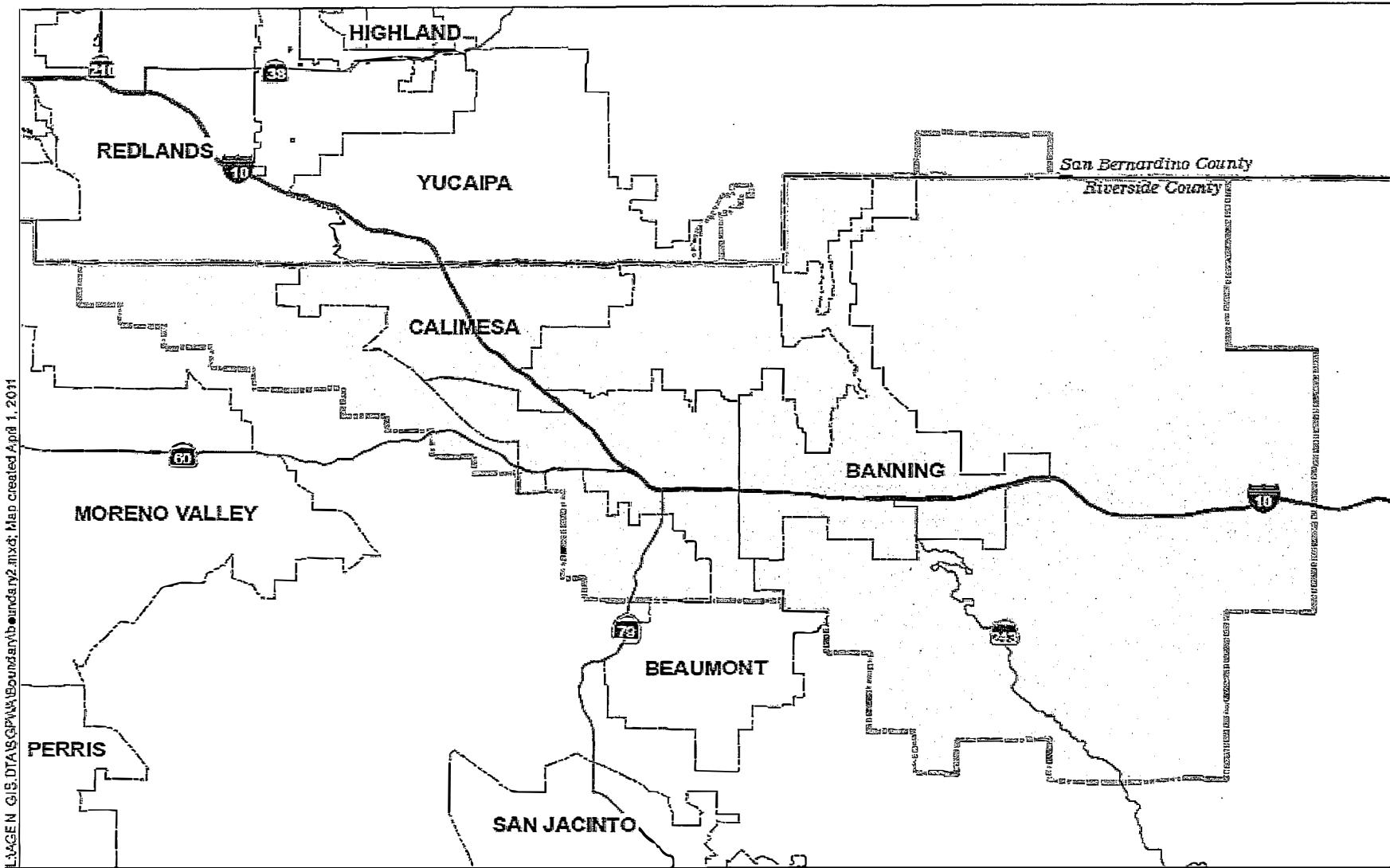
DATE	Chloride mg/L	Nitrate+Nitrite mg/L as N	Sodium mg/L	Sulfate mg/L	TDS mg/L	Nephelometric Turbidity Units
Jan-13	86	0.54	60	32	278	<1
Feb-13	78	0.98	55	46	290	1
Mar-13	74	1.04	64	53	301	<1
Apr-13	70	0.88	59	55	297	<1
May-13	66	0.66	56	53	282	2
Jun-13	75	0.35	57	54	278	<1
Jul-13	73	0.05	58	48	289	3
Aug-13	64	0.15	54	38	253	1
Sep-13	76	0.05	57	31	262	4
Oct-13	96	0.08	66	32	299	2
Nov-13	101	0.30	68	38	302	5
Dec-13	96	0.52	70	42	322	<1
Jan-14	91	0.60	68	47	296	1
Feb-14	88	0.48	71	50	317	< R.L.
Mar-14	85	0.64	68	50	316	< R.L.
Apr-14	84	0.64	71	53	312	2
May-14	77	0.43	69	55	298	1
Jun-14	72	0.51	68	58	292	< R.L.
Jul-14	66	0.46	67	63	1184	3
Aug-14	77	0.24	67	67	323	2
Sep-14	84	0.32	68	67	331	1
Oct-14	86	0.32	71	68	336	2
Nov-14	87	0.41	83	72	344	2
Dec-14	85	0.45	77	71	329	1
Jan-15	81	0.58	76	73	347	< R.L.
Feb-15	80	0.39	79	71	379	< R.L.
Mar-15	67	0.85	66	71	310	1
Apr-15	69	0.58	71	75	311	1
May-15	72	0.58	64	72	310	< R.L.
Jun-15	74	0.55	72	71	322	< R.L.
Jul-15	76	0.44	68	70	317	1.45
Aug-15	83	0.08	74	66	329	4.73
Sep-15	89	0.18	76	69	356	1.43
Oct-15	87	0.14	74	70	342	1.71
Nov-15	88	0.07	77	75	348	3
Dec-15	95	0.56	82	82	363	1.73
Jan-16	97	0.56	84	80	362	< R.L.
Feb-16	94	0.57	78	76	360	1
Mar-16	84	0.8	80	81	349	1.36
Apr-16	64	0.56	59	60	280	1.33
May-16	71	0.47	63	61	294	1.33
Jun-16	97	0.22	71	63	344	2.27
Jul-16	79	0.22	59	46	289	1.62
Aug-16	68	0.11	50	36	246	1.23
Sep-16	n/a	n/a	n/a	n/a	n/a	n/a
Oct-16	89	0.19	63	25	266	1.11
Nov-16	105	0.26	70	29	310	1.07
Dec-16	104	0.36	68	32	312	1.33

mg/L: milligrams per liter

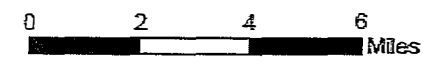
Source: SWP/DWR Water Quality Data Reports

NR: Not Reported

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Table 5: Water Quality Analysis at Devil Canyon Afterbay near San Bernardino  
(Selected Constituents)



Sources: Riverside Co. LAFCO, Jan. 2010;  
 Riverside County GIS, 2008.

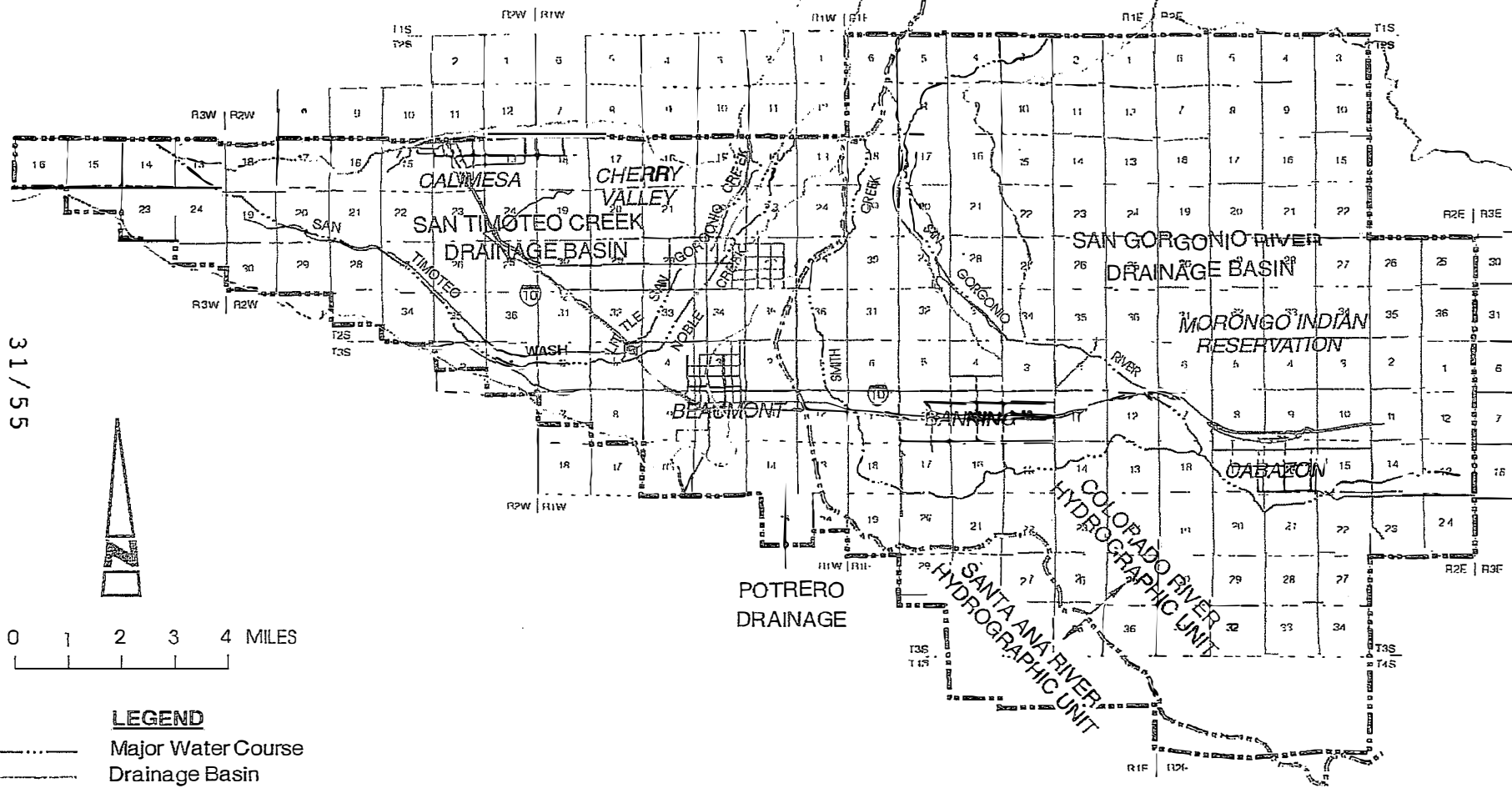


**San Geronio Pass Water Agency  
 Service Area Boundary**

Figure 1: San Geronio Pass Water Agency

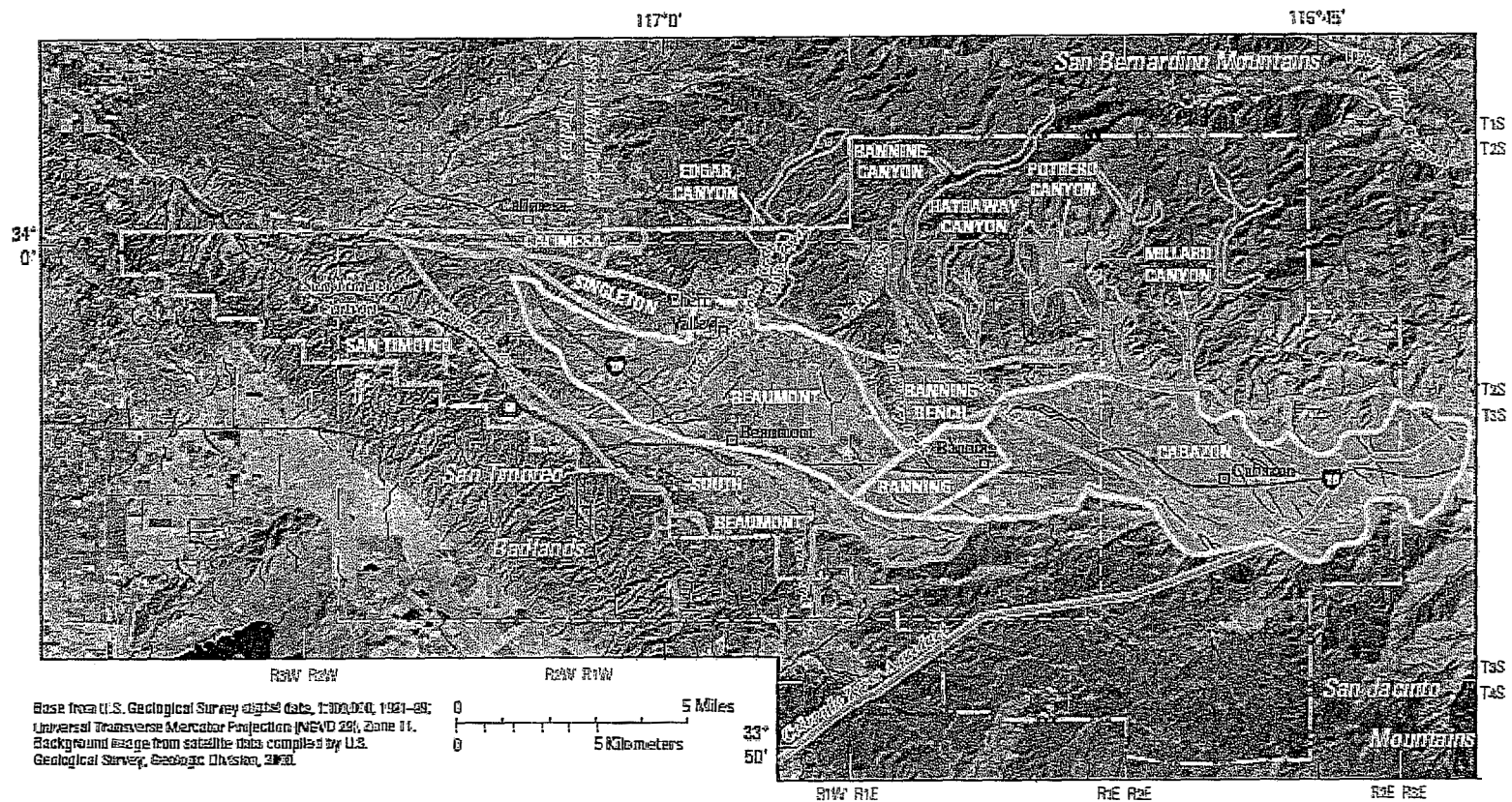
UPPER WHITEWATER RIVER WATERSHED

SCE TRANS BASIN DIVERSION

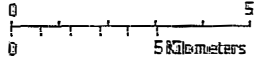


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Figure 2: Drainage Basins and Principal Streams



Base from U.S. Geological Survey digital data, 1:300,000, 1981-89; Universal Transverse Mercator Projection (NAD 83, Zone 11). Background image from satellite data compiled by U.S. Geological Survey, Geographic Division, 2003.



**EXPLANATION**





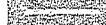




- |   |  |   |  |
|---|--|---|--|
|  | <b>Study area boundary</b>                                       |  | <b>Name of storage unit</b>                          |
|  | <b>San Geronimo Pass Water Agency boundary</b>                   |  | <b>Town or community and name</b>                    |
|  | <b>San Geronimo Pass ground-water basin</b>                      |  | <b>River or creek</b>                                |
|  | <b>Storage unit boundary—Dashed where uncertain. Boyd, 1971.</b> |  | <b>Recharge pond—Along Little San Geronimo Creek</b> |
|  | <b>Canyon storage unit boundary—Boyd, 1971.</b>                  |   |  |

Figure 3: Groundwater Storage Units



**Long Term Mean Annual Precipitation  
 Beaumont Station 3S/1W-10P, Elevation 2613'  
 Mean Annual Precipitation = 17.5"**

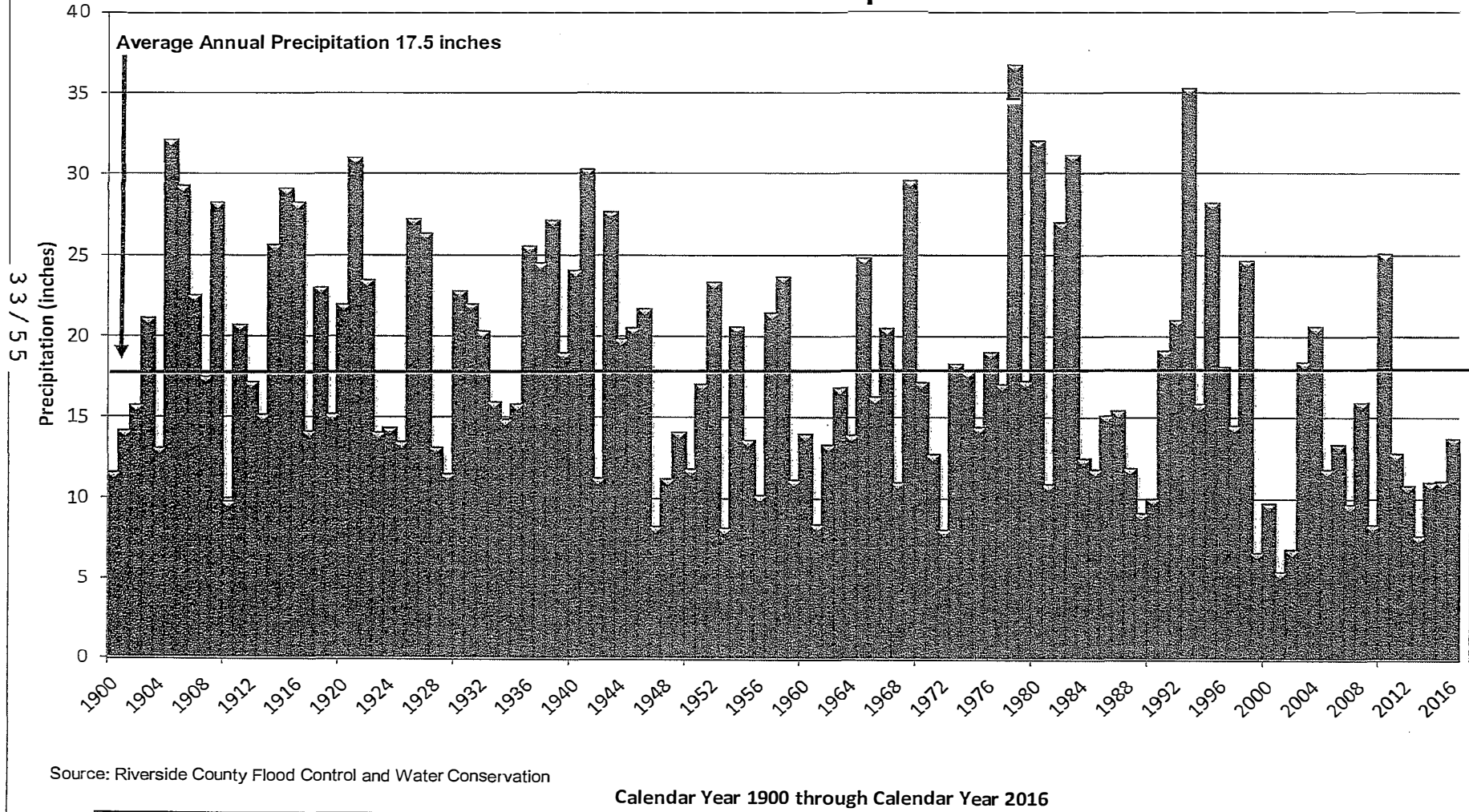


Figure 4: Long Term Mean Annual Precipitation at Beaumont

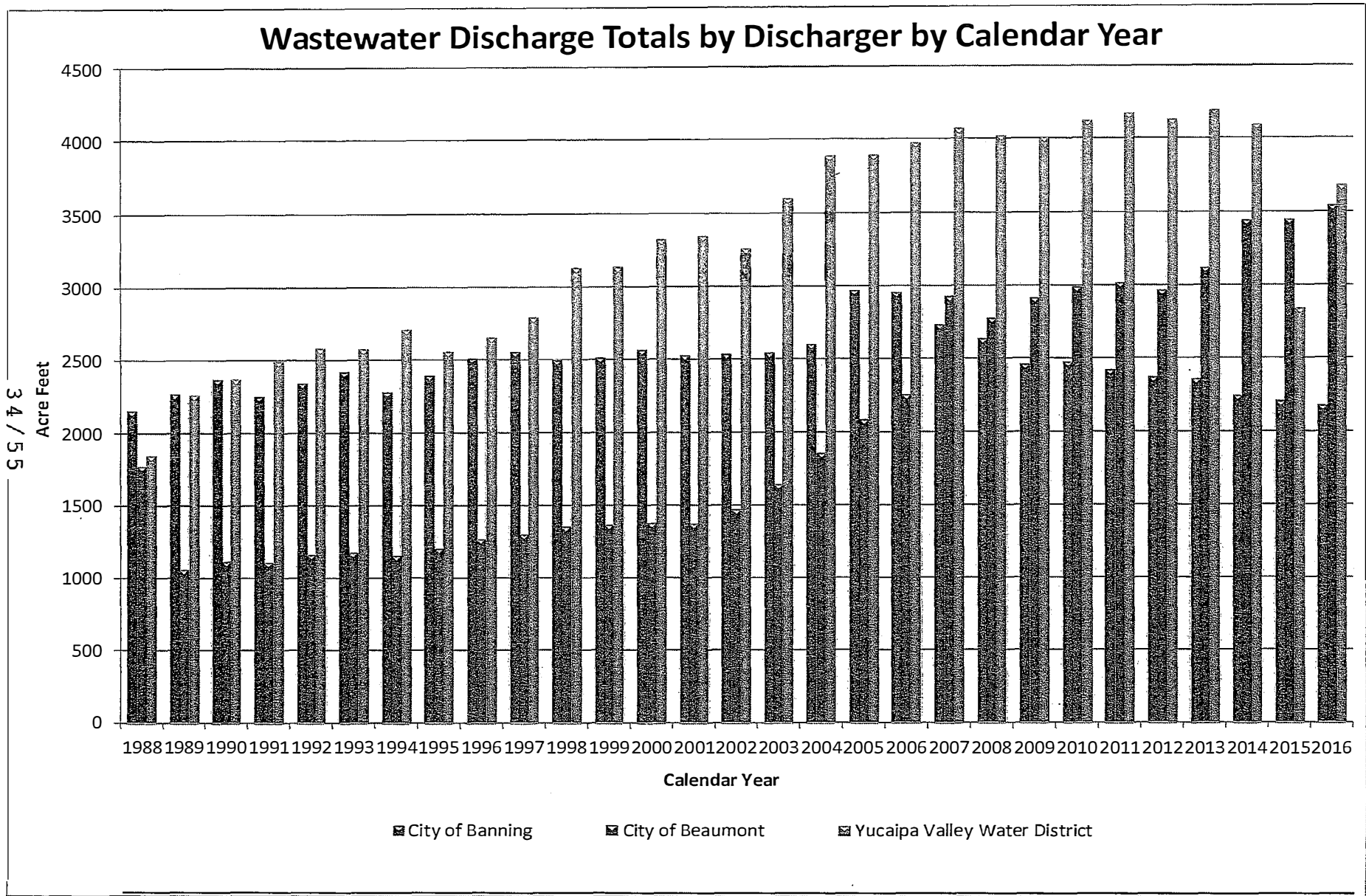


Figure 5: Wastewater Discharge Totals by Discharger by Calendar Year

San Geronio Pass Water Agency  
Production All Basins  
1947 through 2016

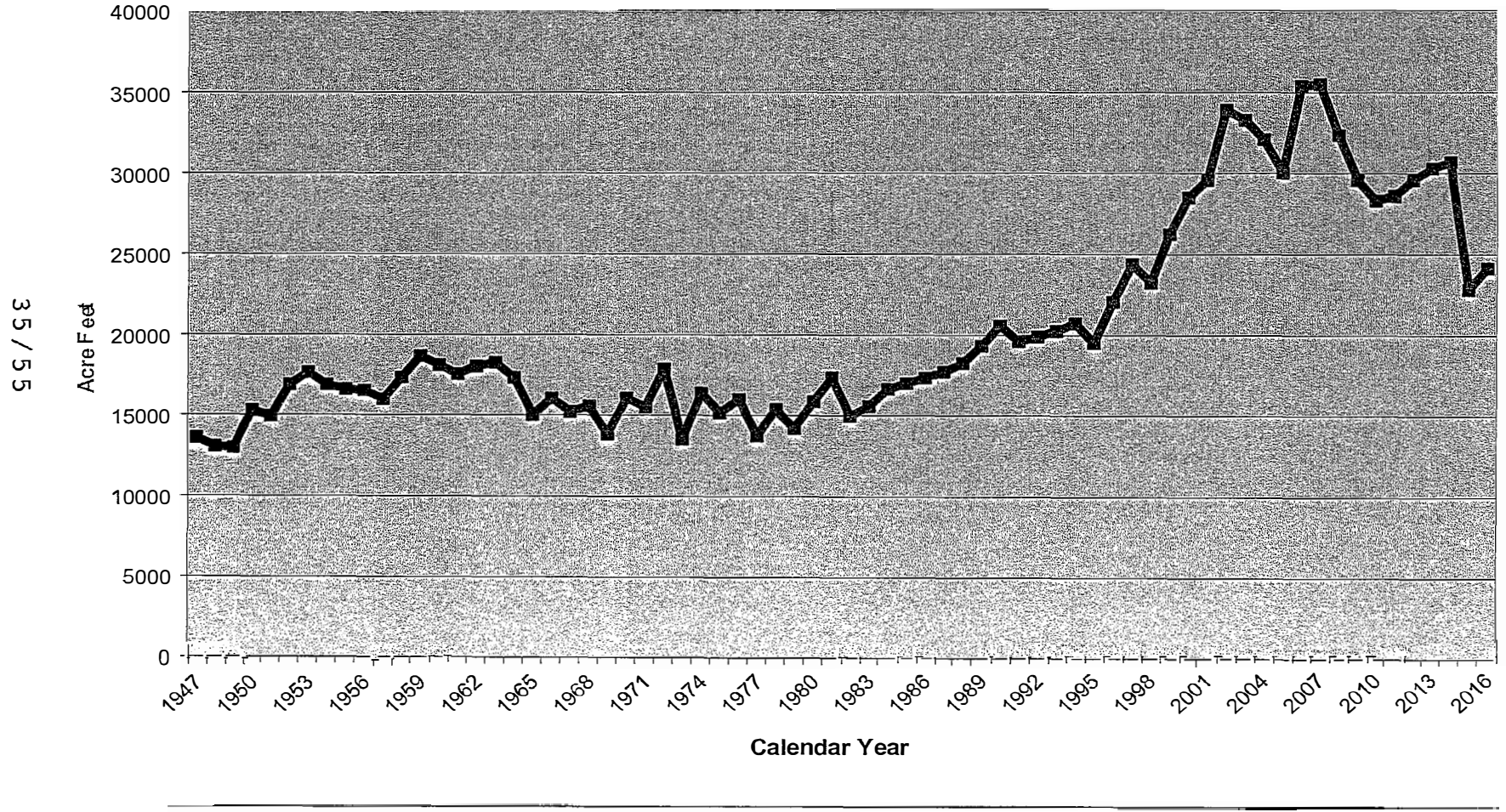


Figure 6: Historical Groundwater Production All Basins 1947 through 2016  
(as reported)

San Geronio Pass Water Agency  
Production All Basins  
1997 through 2016

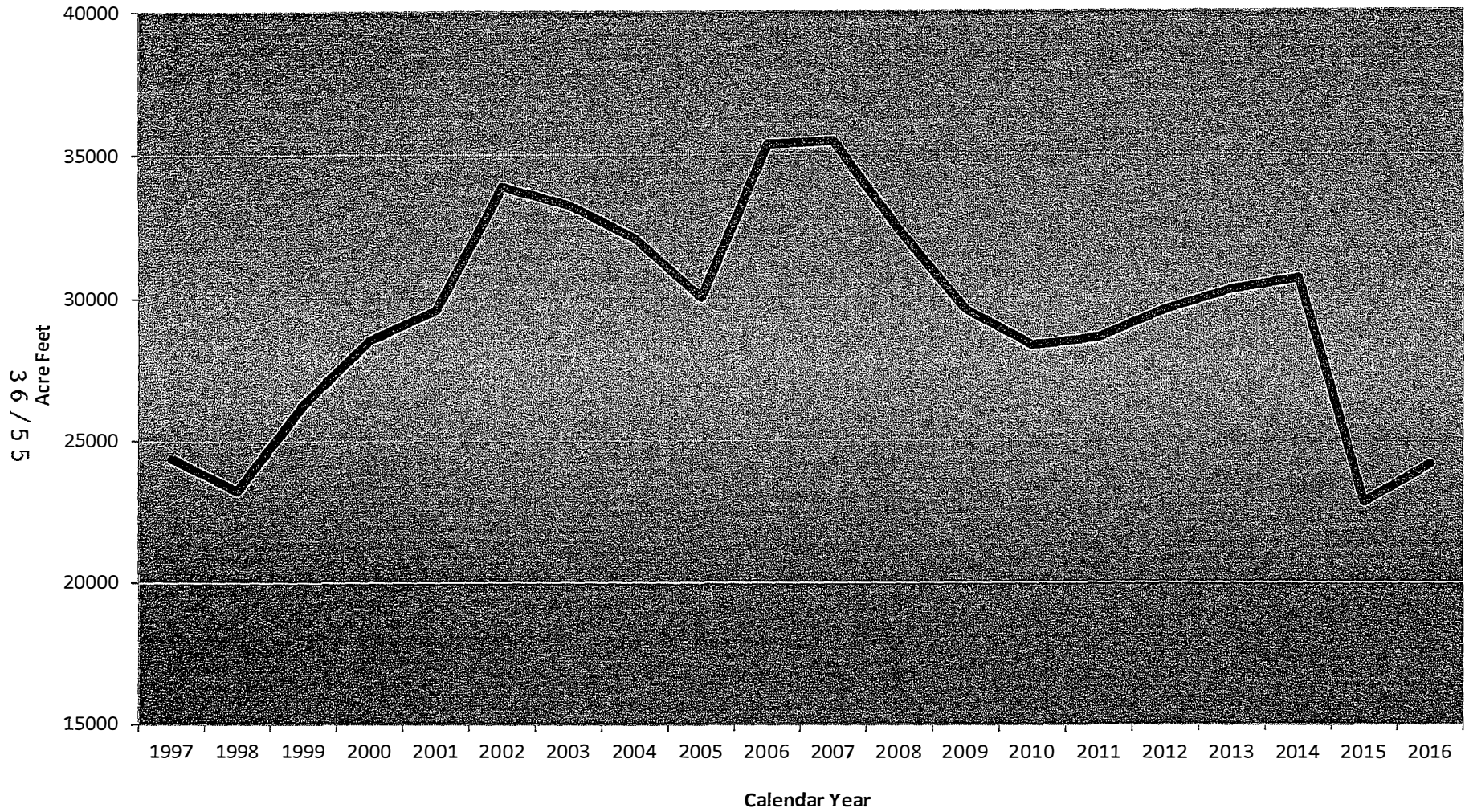
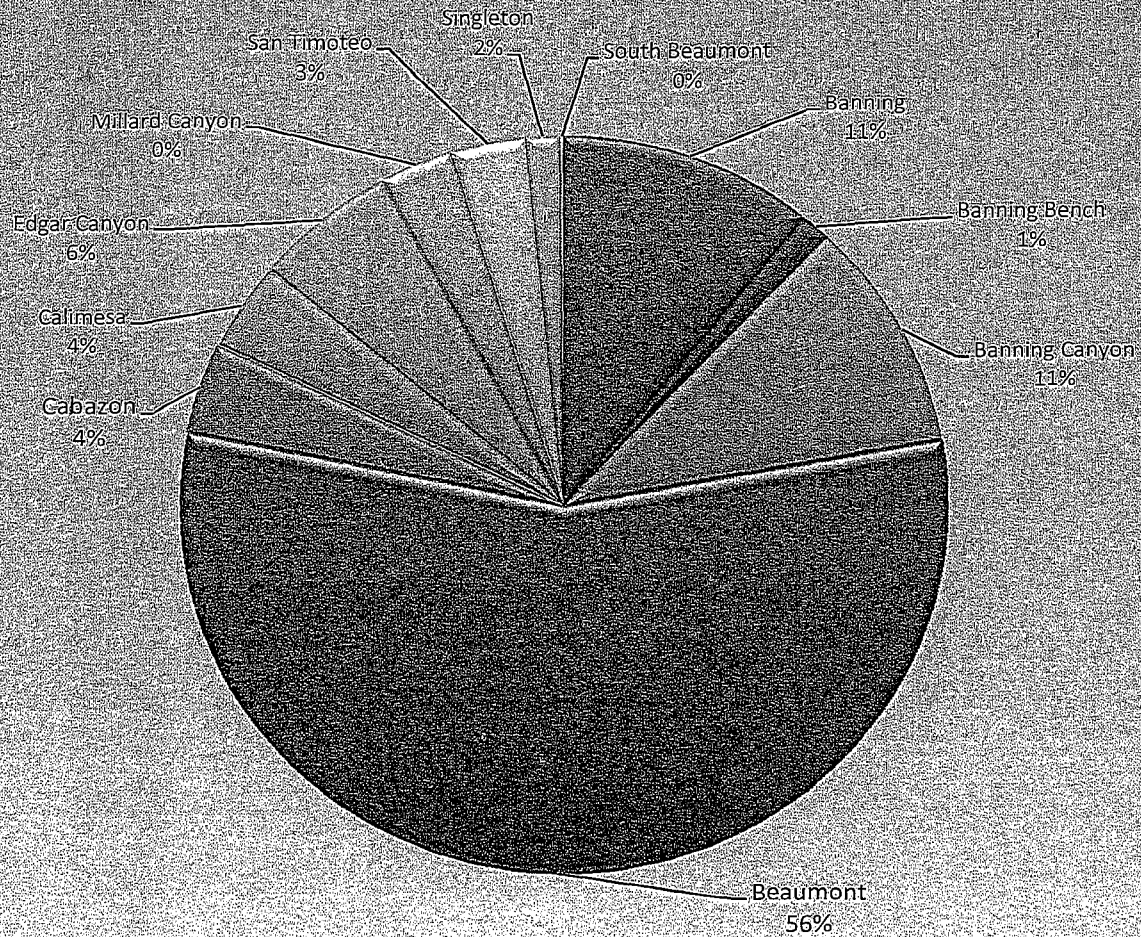


Figure 7: Historical Groundwater Production All Basins 1997 through 2016  
(as reported)

# Total Production By Storage Unit 2016



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Figure 8: Total Production by Storage Unit in 2016 (as reported)

### Accumulated Overdraft in the Beaumont Basin 1997 through 2016

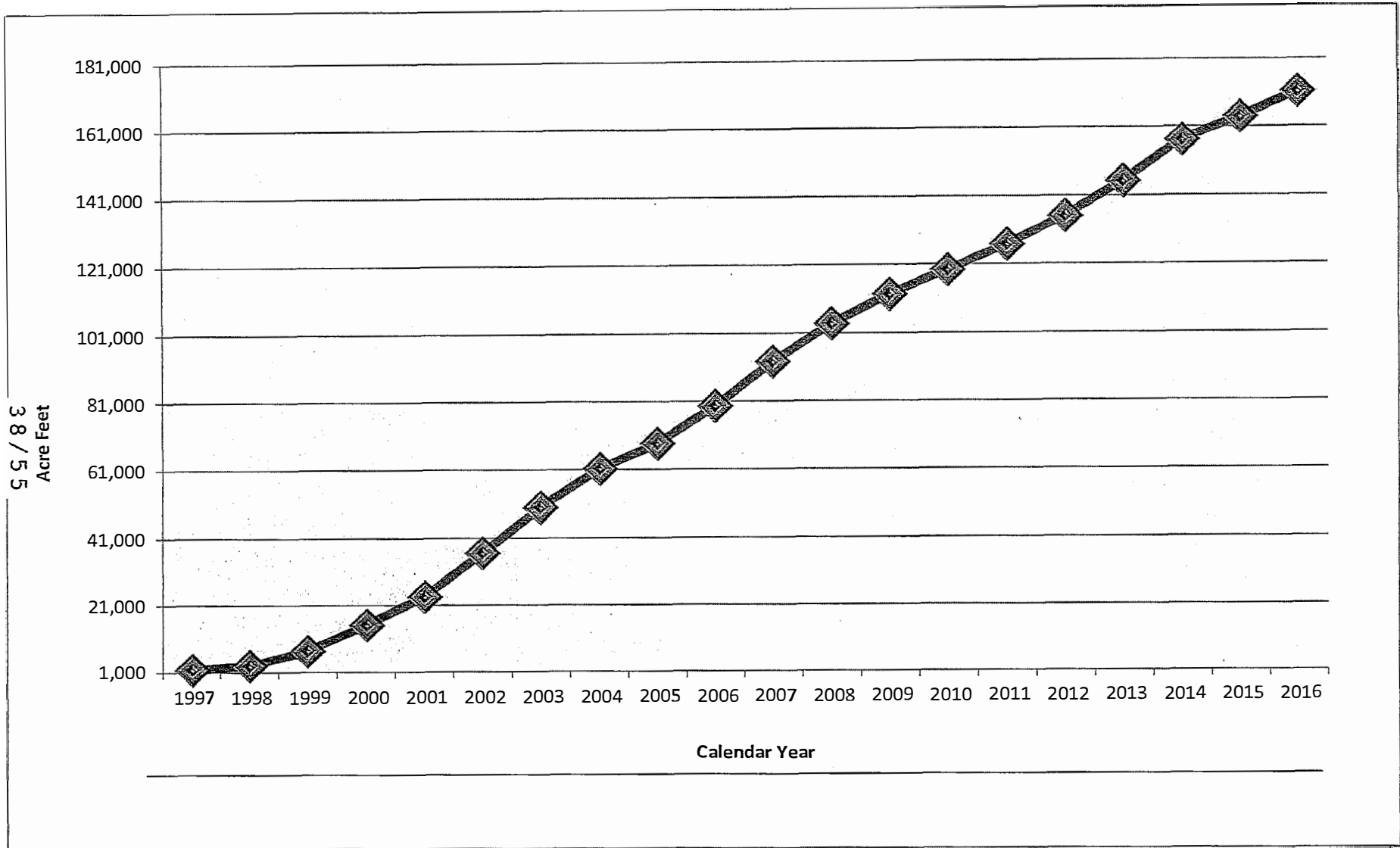


Figure 9a: Accumulated Overdraft in the Beaumont Basin 1997 through 2016

### Accumulated Overdraft in the Beaumont Basin 1997 through 2016 with Replenishment

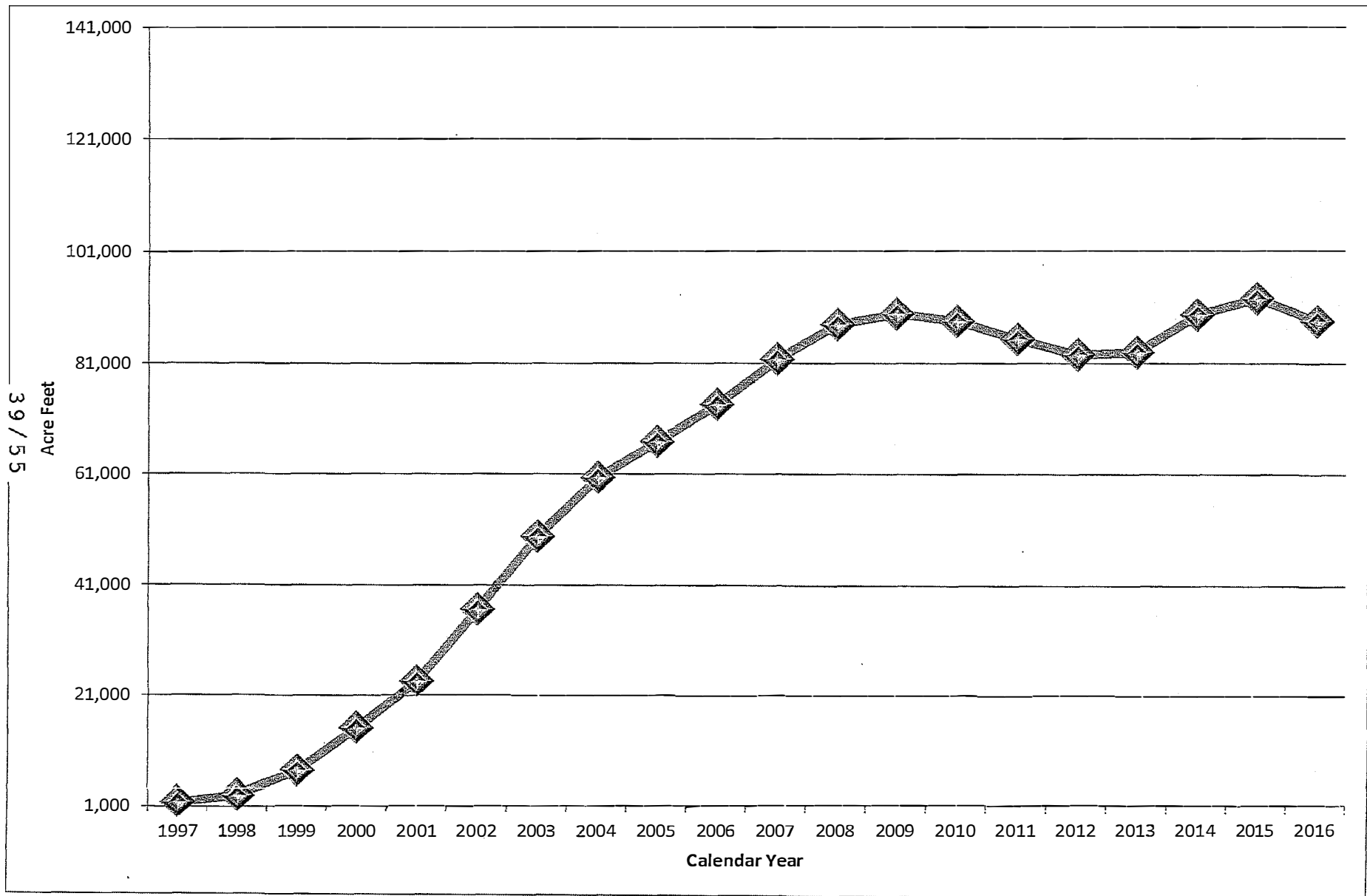


Figure 9b: Accumulated Overdraft in the Beaumont Basin 1997 through 2016 with Replenishment



**SGPWA Monitoring Wells**

Figure 10: San Geronio Pass Water Agency Monitoring Wells



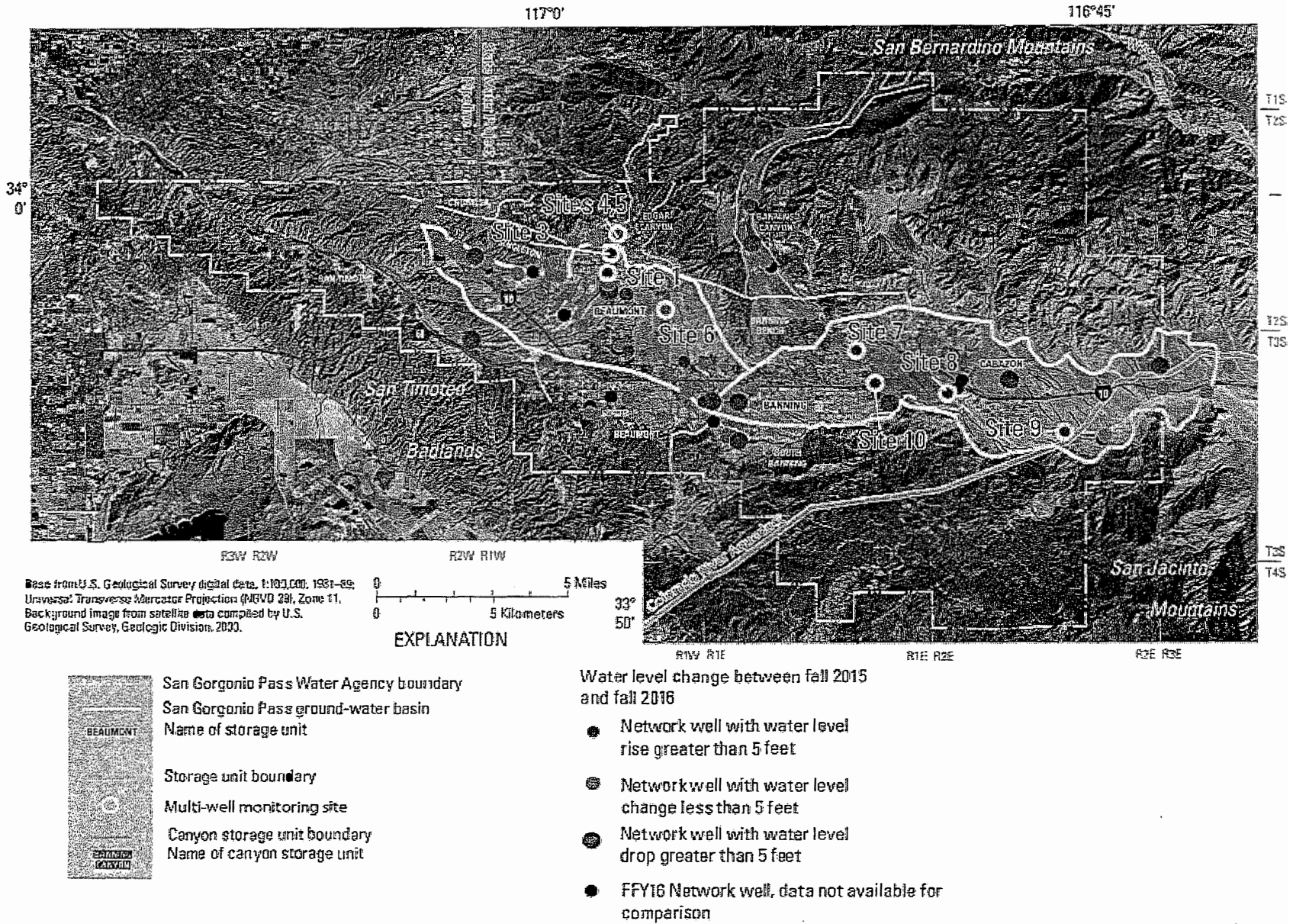


Figure 11. Map showing the water-level network and water-level changes between fall 2015 and fall 2016 at selected wells.

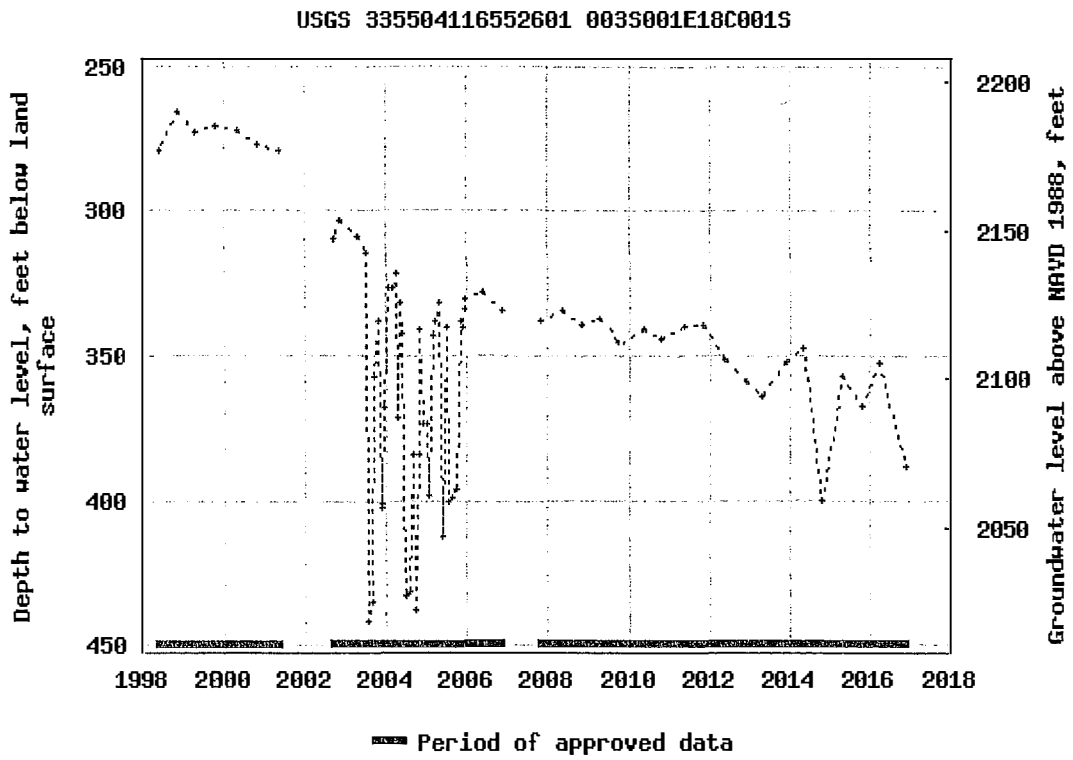
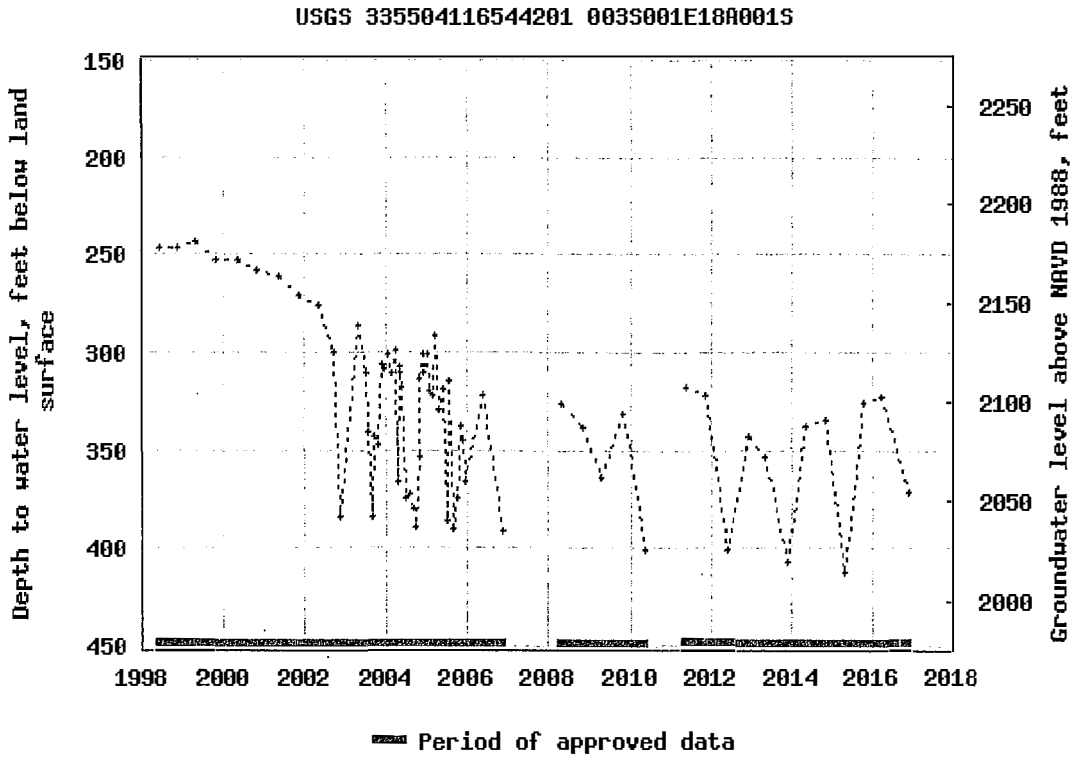
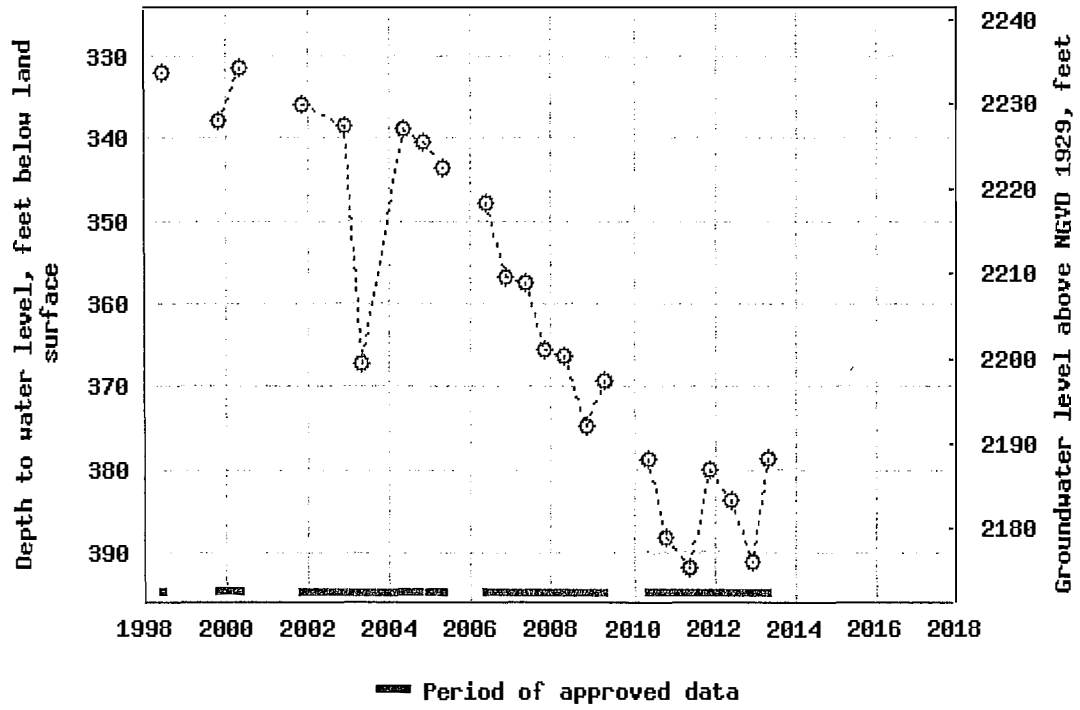


Figure 12: Groundwater Logographs – Banning Basin  
3S/1E-18A01 and 3S/1E-18C01

USGS 335707116593401 002S001M33L001S



USGS 335807116582201 002S001M27L001S

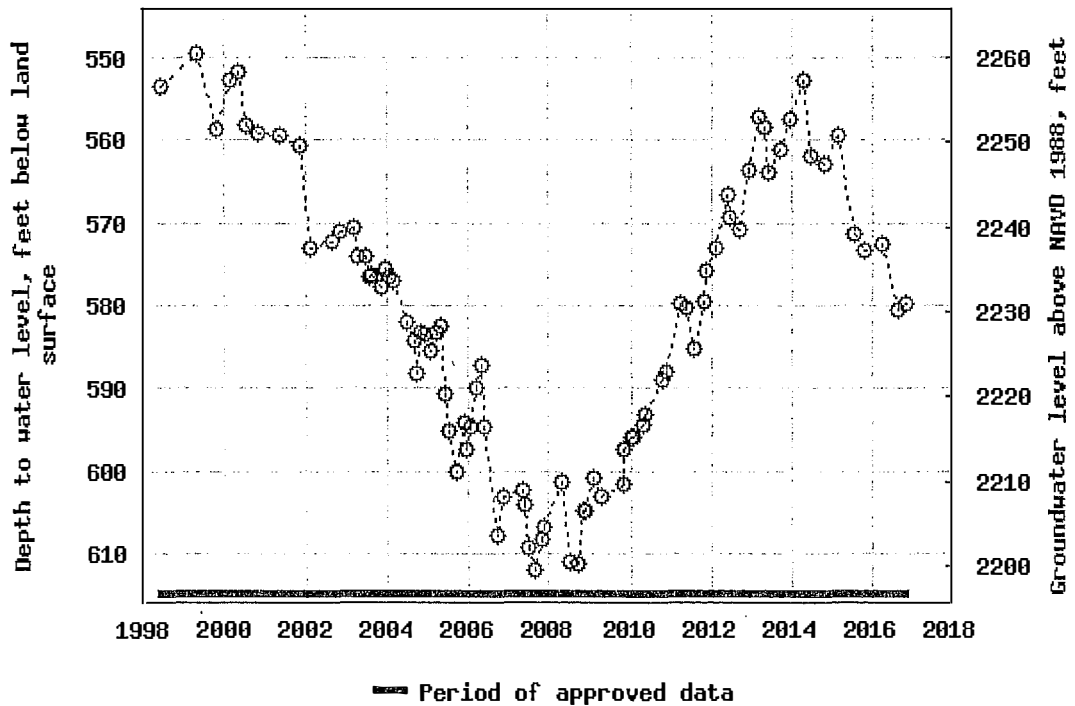
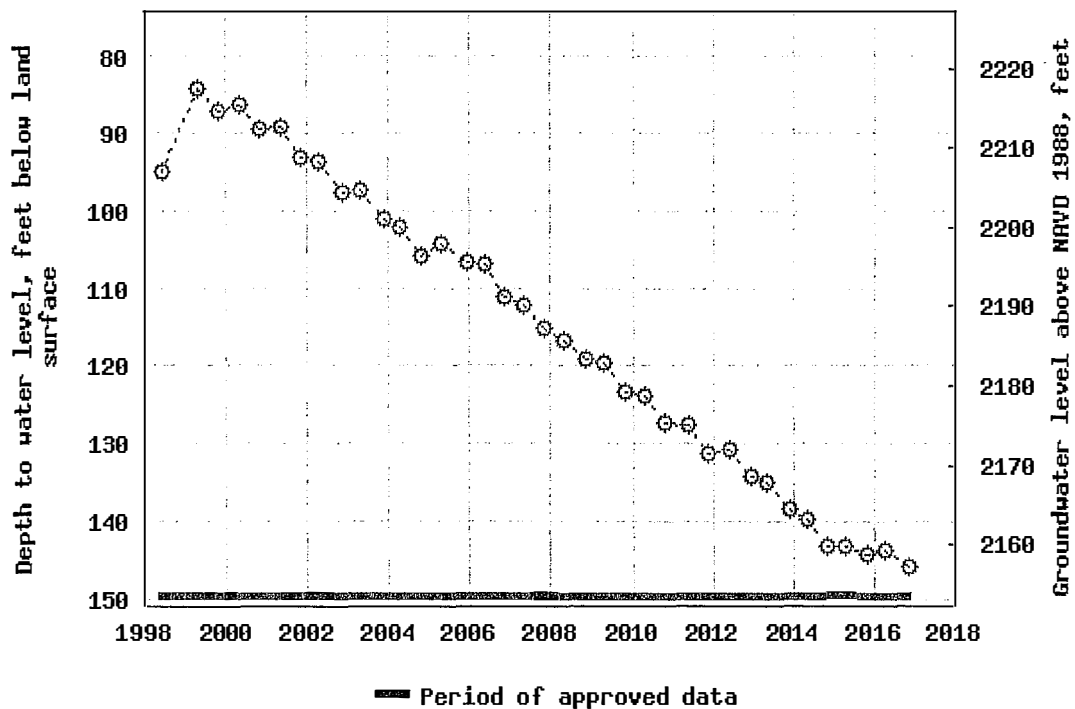
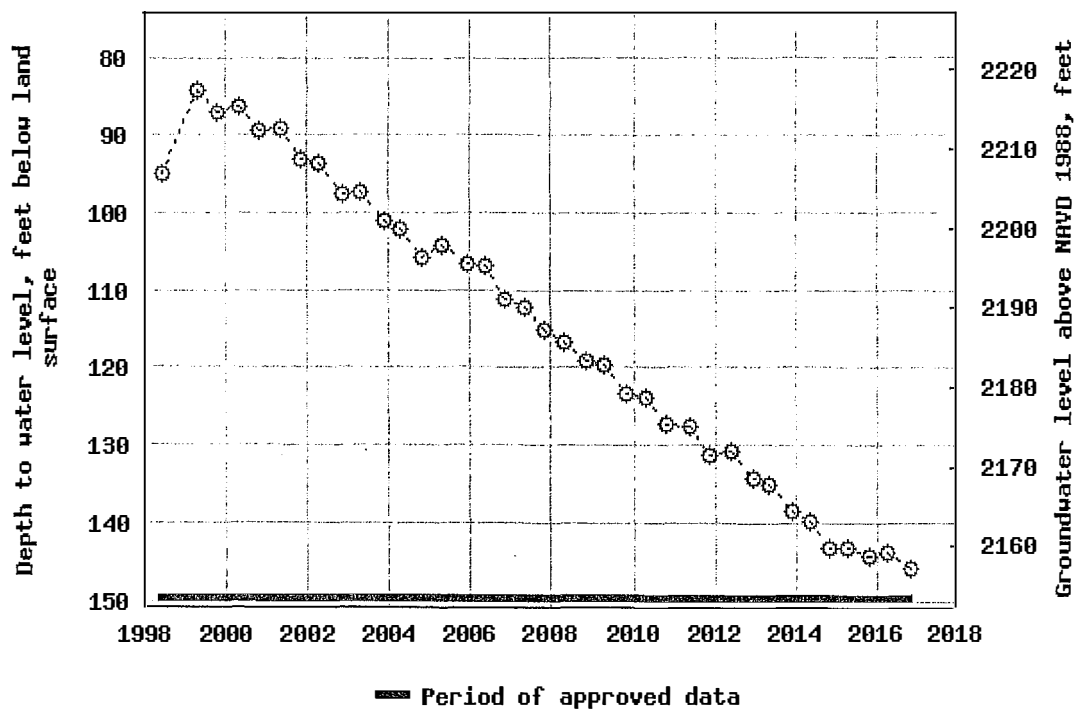


Figure 13: Groundwater Hydrographs – Beaumont Basin  
2S/1W-33L01 and 2S/1W-27L01  
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USGS 335830117022201 0025002W25B001S



USGS 335830117022201 0025002425B001S



USGS 335807116582201 0025001427L001S

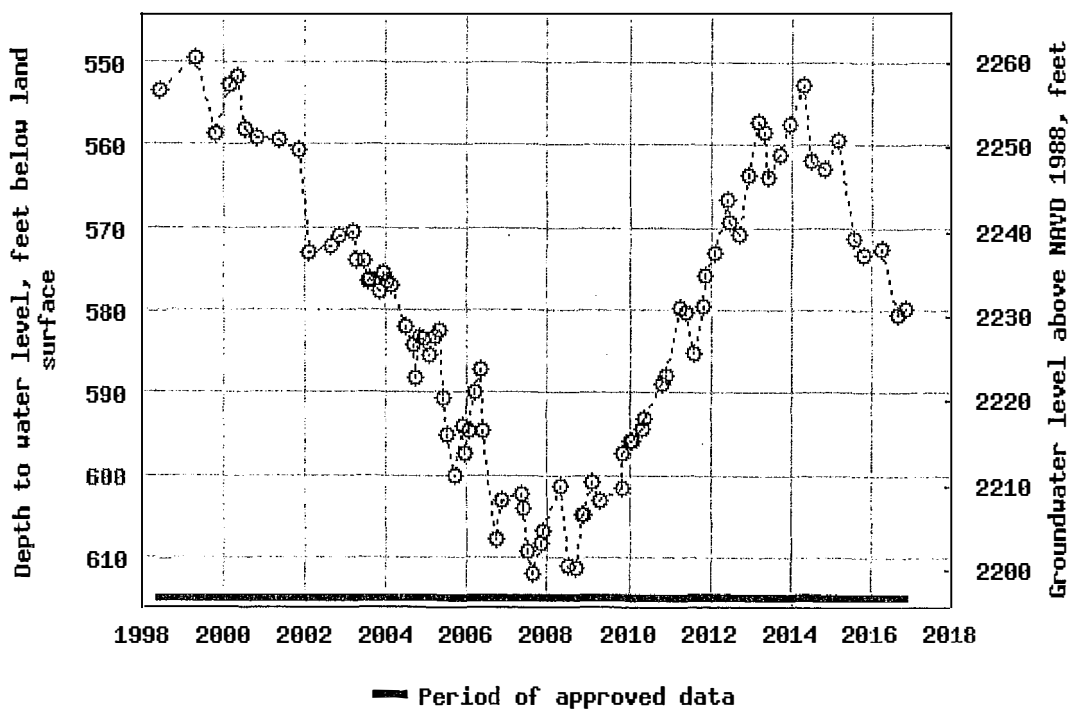
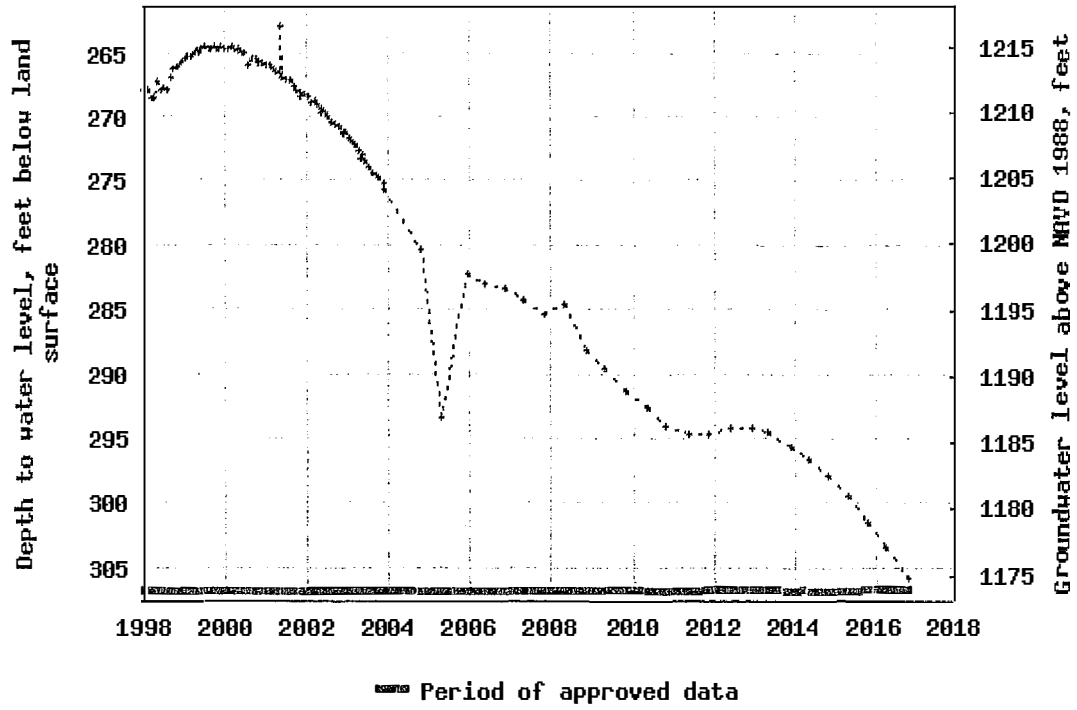


Figure 15: Groundwater Hydrographs – Beaumont Basin  
2S/2W-25B01 and 2S/1W-27I 01

USGS 335522116430701 003S003E07H001S



USGS 335523116484601 003S002E07K001S

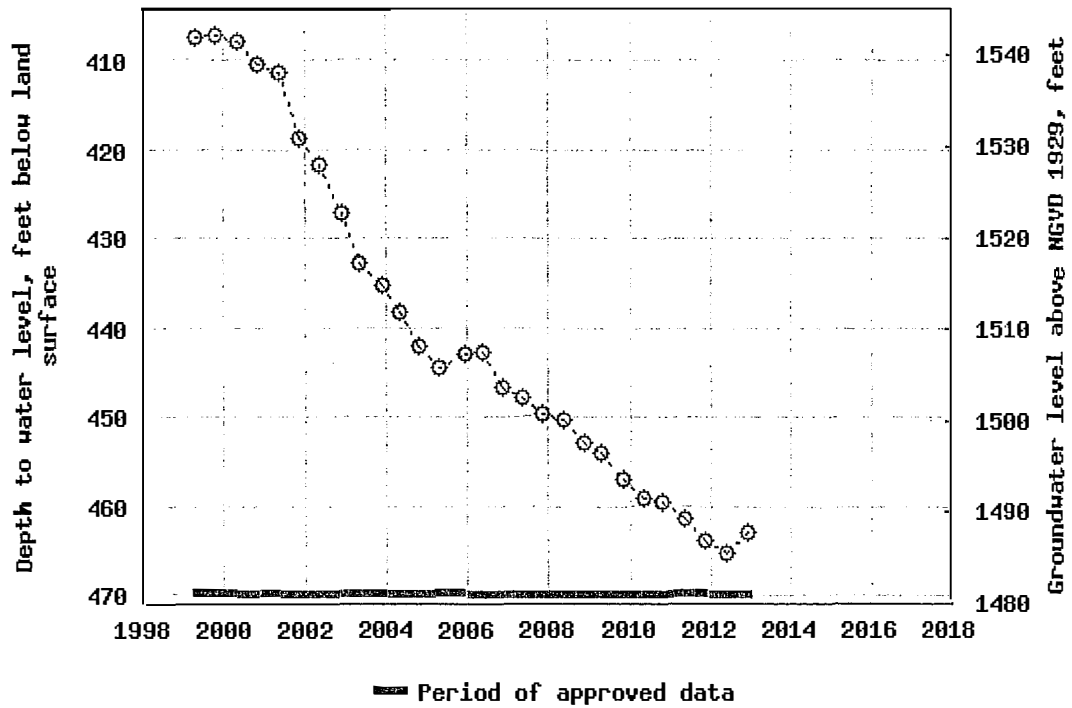
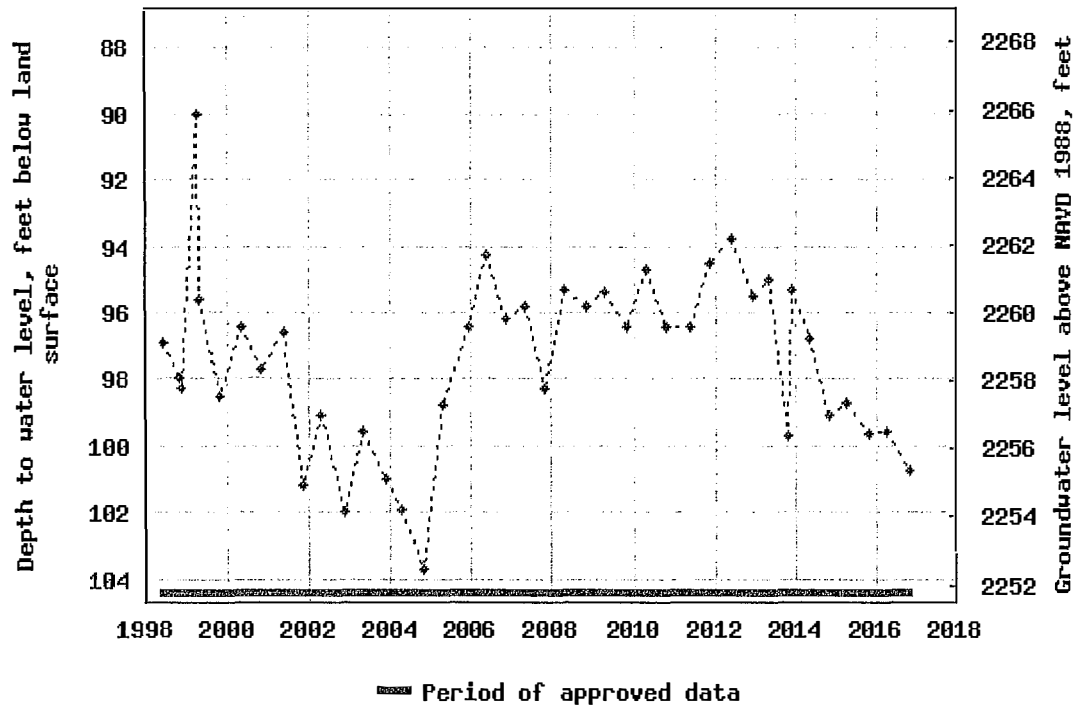


Figure 16: Groundwater Logographs – Cabazon Basin  
3S/3E-07M01 and 3S/2E-07K01

USGS 335930117032101 002S002M14R001S



USGS 335753116541801 002S001E29P001S

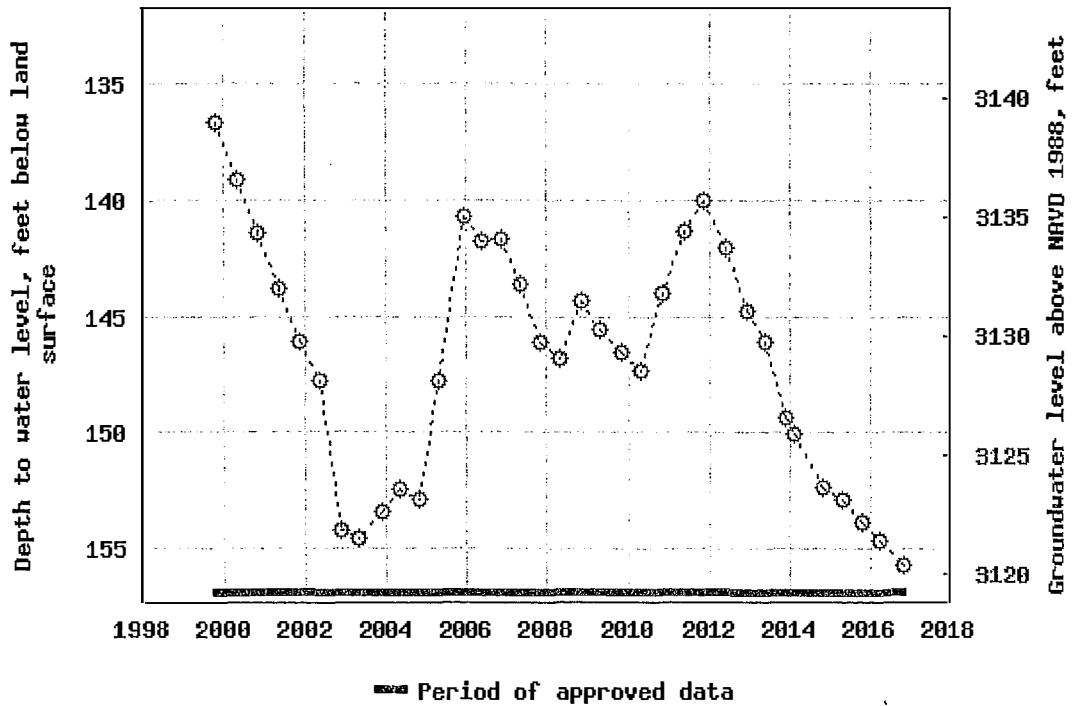
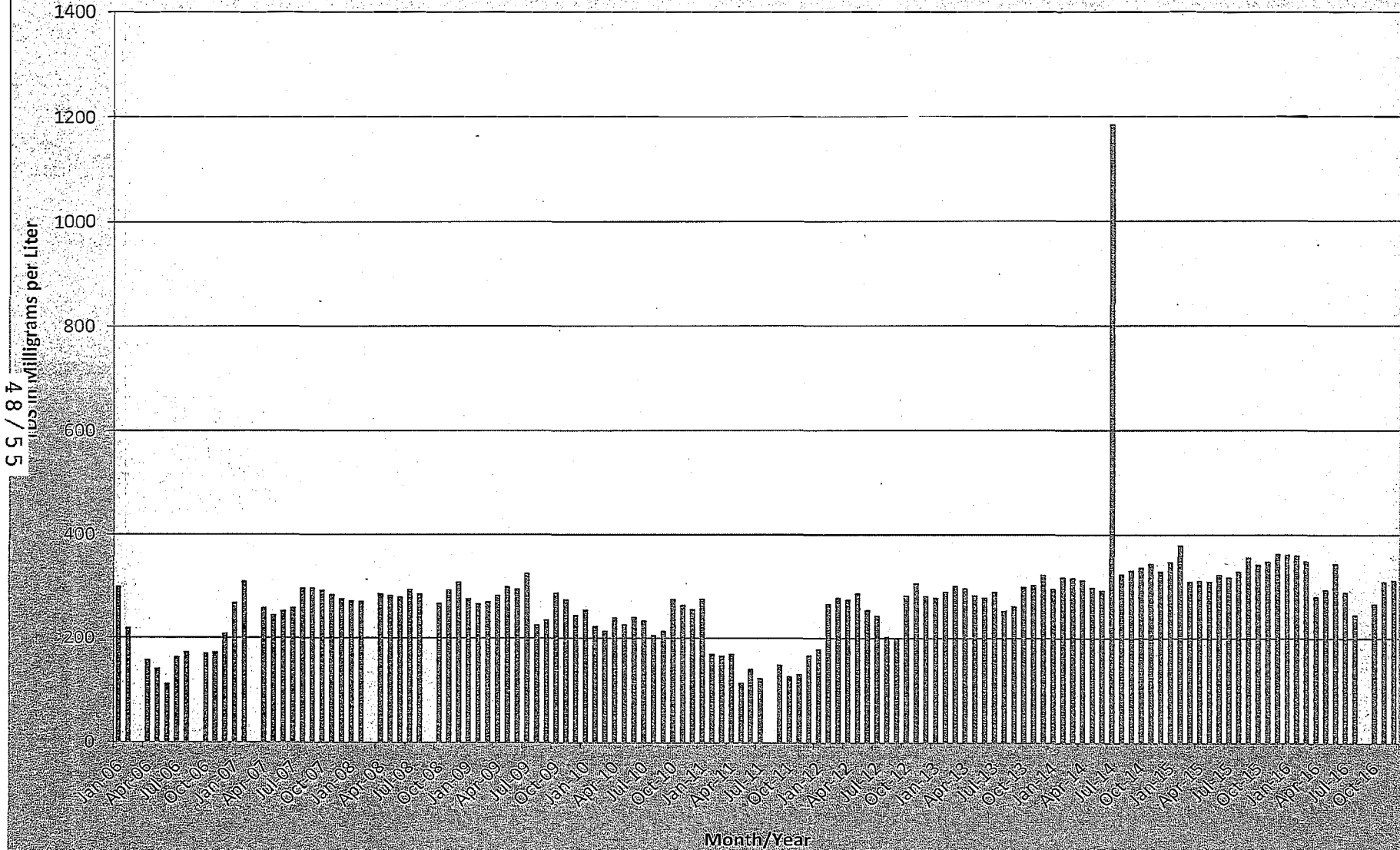


Figure 17: Groundwater Hydrog 4 7 / 5 5 Salimesa and Banning Canyon Basins 2S/2W-14R01 and 2S/1E-29P01

# Monthly TDS at Devil Canyon Afterbay Near San Bernardino 2006 through 2016

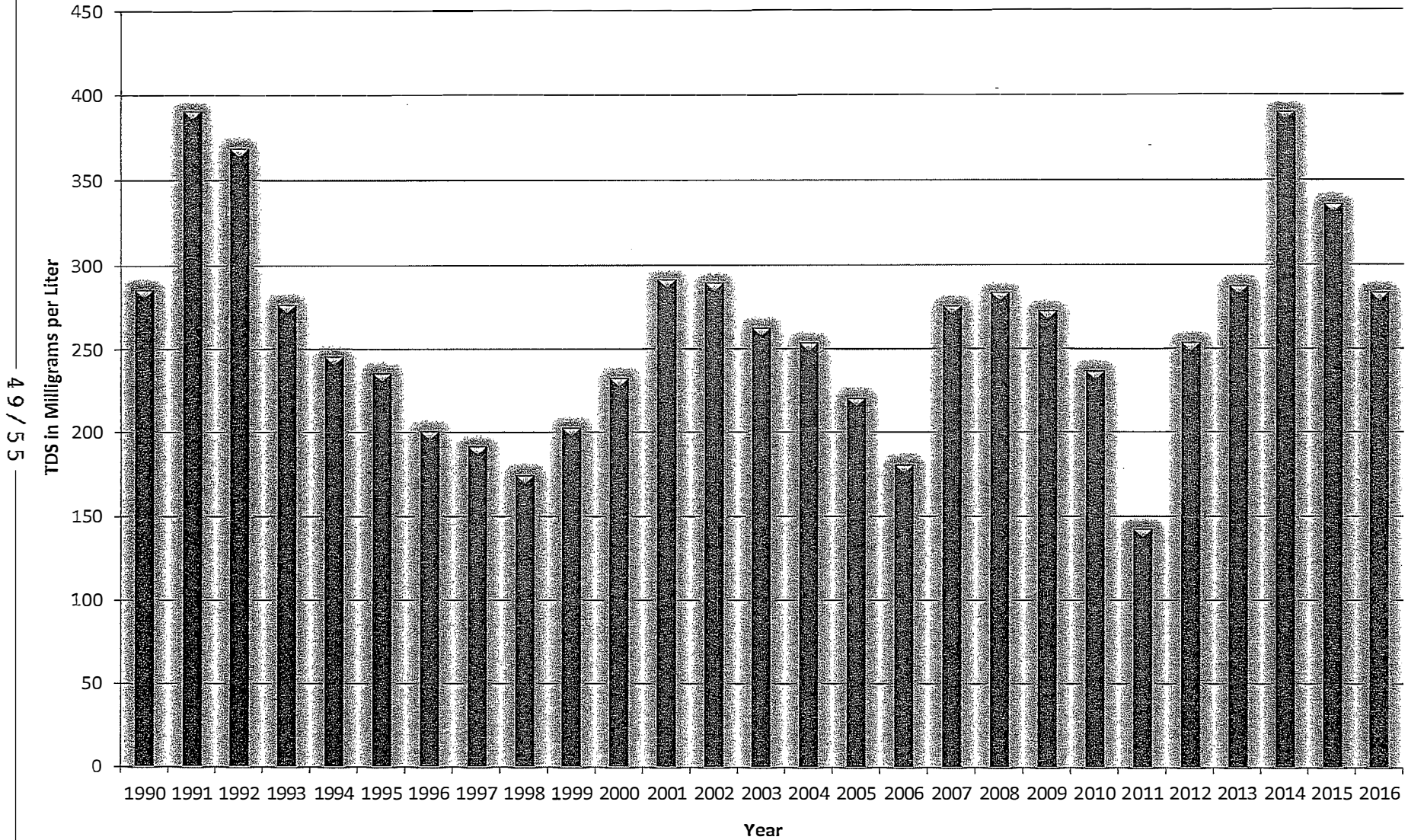


Source: Table 32, DWR Monthly Operations Report

Figure 18: Monthly TDS at Devil Canyon Afterbay near San Bernardino 2006 through 2016



### Average TDS at Devil Canyon Afterbay near San Bernardino 1990 - 2016



Source: Table 32, DWR Monthly Operations Report

Figure 19: Average TDS at Devil Danyon Afterbay near San Bernardino 1990 through 2016

## **Water Rate Issues**

**December 2017**

### **Current Water Rate Cost Recovery Goals**

- DWR Variable rate (\$252)
- Valley District operational costs (\$12)
- SGPWA internal operational costs (\$17)
- Small portion of administrative costs (5% of salary and benefits of non-operations staff) (\$6)
- Yuba water costs (\$6)

### **Current Water Rate Reserve Goals**

- Partial funding to procure additional water supplies (\$33)

### **Costs Not Recovered in Water Rate (funded by General Fund tax revenues)**

- Infrastructure
- New water supplies (other than Yuba water)
- Virtually all Agency administrative costs

### **Future Costs to Consider in Water Rate**

- Partial or total costs for Nickel water
- Partial or total costs for surplus water from SBVMWD
- Agency facility construction costs (for example, Beaumont Avenue Recharge Facility, Cabazon Pipeline)
- Additional Agency administrative costs
- Rising DWR variable costs

**Table 1**  
**RATE ANALYSIS for DOWNSTREAM OF CHERRY VALLEY PUMP STATION<sup>1</sup>**

Fiscal Year	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Water Sales (acre-ft)	8,479	4,000	7,000	8,000	12,000
Water Rate (\$ per acre-ft)	\$ 238.11	\$ 317.00	\$ 317.00	\$ 317.00	\$ 317.00
(annual rate increase)		33.13%	0.00%	0.00%	0.00%
<b>REVENUE</b>					
water sales	\$ 1,542,095	\$ 1,268,000	\$ 2,210,000	\$ 2,536,000	\$ 3,804,000
general fund revenue contribution	\$ 84,426	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 1,626,521	\$ 1,268,000	\$ 2,210,000	\$ 2,536,000	\$ 3,804,000
<b>OPERATIONAL EXPENSES:</b>					
SGPWA Operations <sup>1</sup>	\$ 68,100	\$ 68,678	\$ 68,678	\$ 68,678	\$ 68,678
SGPWA Administrative Overhead Allocation <sup>2</sup>					
8% of Total Administrative Overhead <sup>1</sup>	\$ 22,759	\$ 23,657	\$ 24,580	\$ 25,638	\$ 26,534
Salaries	\$ 275,000	\$ 285,725	\$ 298,888	\$ 308,448	\$ 320,478
Payroll Taxes	\$ 16,591	\$ 19,318	\$ 20,080	\$ 20,862	\$ 21,865
Workman's Compensation	\$ 4,000	\$ 4,158	\$ 4,310	\$ 4,469	\$ 4,661
PIERS	\$ 103,880	\$ 107,911	\$ 112,119	\$ 116,482	\$ 121,036
Health Insurance	\$ 42,840	\$ 44,811	\$ 46,247	\$ 48,050	\$ 49,924
Dental Insurance	\$ 4,861	\$ 4,739	\$ 4,924	\$ 5,110	\$ 5,316
SGPWA Staff Misc. Medical	\$ 4,203	\$ 4,387	\$ 4,537	\$ 4,714	\$ 4,890
Long Term Disability	\$ 2,320	\$ 2,419	\$ 2,513	\$ 2,611	\$ 2,713
Total Administrative Overhead	\$ 455,383	\$ 473,143	\$ 491,698	\$ 510,768	\$ 530,888
SAN BERNARDINO VALLEY MUNICIPAL PASS THROUGH <sup>3</sup>	\$ 47,603	\$ 49,460	\$ 51,388	\$ 53,393	\$ 55,475
CALIF. DEPT. OF WATER RESOURCES PASS THROUGH <sup>4</sup> :					
Energy	\$ 1,328,853	\$ 948,614	\$ 1,859,900	\$ 1,897,029	\$ 3,130,098
Transmission	\$ 96,982	\$ 89,875	\$ 104,781	\$ 119,750	\$ 197,887
Prior Year Adjustments <sup>5</sup>	\$ (38,300)	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 1,387,535	\$ 1,038,389	\$ 1,964,681	\$ 2,016,779	\$ 3,327,985
ADDITIONAL WATER - YUBA DRY YEAR TRANSFER PROGRAM <sup>6</sup>					
purchase cost	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Sub Total	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
<b>TOTAL EXPENSES</b>	\$ 1,649,008	\$ 1,176,184	\$ 1,934,327	\$ 2,189,387	\$ 3,503,372
<b>NET OPERATING REVENUE (total revenue minus total expenses)</b>	\$ 87,814	\$ 92,816	\$ 284,673	\$ 346,613	\$ 300,628
<b>Loss:</b>					
Reserve Fund contributions @ \$1.33 per acre-ft (see breakdown below)	\$ 67,814	\$ 132,000	\$ 231,000	\$ 264,000	\$ 396,000
<b>Net Operating Surplus (Deficit)</b>	\$ 0	\$ (39,184)	\$ 53,673	\$ 82,613	\$ (95,372)
Transfer from Rate Stabilization Surplus Reserves	\$ -	\$ 39,184	\$ -	\$ -	\$ 95,372
Transfer of revenue surplus to Reserves for Purchase of New Water	\$ -	\$ -	\$ (53,673)	\$ (82,613)	\$ -
<b>Operating Account Balance</b>	\$ 0	\$ -	\$ -	\$ -	\$ -
Rate Stabilization Surplus Reserves @ \$11 max per acre-ft <sup>7</sup>	\$ 29,271	\$ 44,000	\$ 77,000	\$ 88,913	\$ -
Less: transfers to net operating Fund	\$ -	\$ (39,184)	\$ -	\$ -	\$ (95,372)
Add: transfers from net operating income	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Accumulated</b>	\$ 29,271	\$ 4,816	\$ 77,000	\$ 88,913	\$ 64,628
<b>Maximum Allowable Rate Stabilization Fund Balance:</b>	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Reserves for Purchase of New Water @ \$22/acre-ft <sup>8</sup>	\$ 58,542	\$ 88,000	\$ 154,000	\$ 176,000	\$ 264,000
excess contributions from rate stabilization	\$ -	\$ -	\$ -	\$ 19,087	\$ 132,000
excess contributions from net operating surplus	\$ -	\$ -	\$ 53,673	\$ 82,613	\$ -
annual revenue stream	\$ 58,542	\$ 88,000	\$ 207,673	\$ 307,700	\$ 390,000
<b>Accumulated</b>	\$ 58,542	\$ 148,642	\$ 354,215	\$ 661,915	\$ 1,067,015

- Notes:
1. SGPWA operations cost funded entirely through ad valorem taxes, except for 50% of operations, manager salary and benefit costs
  2. 8% of SGPWA administrative overhead allocated to rate related activities performed by non operational staff
  3. SBVMCO operational costs passed through is based on actual 12 month billing amount w/ 50% allocated to rate requirements
  4. DWR costs are passed through on a per acre-ft basis. The 08-09 FY rates are \$168,729 for energy and \$14,588 for transmission. Therefore, transmission, energy costs in 2008 = \$198,733/acre-ft X 8,479 acre-ft = \$1,674,807.
  5. SGPWA is expending a total of \$227,000 for 09-10 FY. It is assumed that over the long term the DWR adjustments will average out to zero
  6. Rate and quantity of purchased water is dependent on availability from other sources. There is no way to predict year to year so the assumption is made to assume future years purchase at the 09-00 FY rate. Transmission costs are included in "CALIF. DWR PASS THROUGH" cost herein. "Transmission" line item
  7. Reserve accumulation for the base year is determined by multiplying the per acre rate (\$11 or \$22) by the projected water sales after February 2, as shown in Table 2
  8. Since most of the costs occur downstream of Cherry Valley Pump Station, the analysis was performed over the downstream reach. Upstream the DWR costs are approximately 10 lower (see Section IV, subsection "Department of Water Resources Pass Through").

**Table 3**  
Revenues and Expenses In \$ per Acre-ft

Description	FY 2008-2009		FY 2009-2010	
	Amount	\$ per acre-ft	Amount	\$ per acre-ft
Water Sales (acre-ft)	6,479		4,000	
Water Rate (\$ per acre-ft)	\$ 238.11		\$ 317.00	
<b>REVENUE</b>				
water sales	\$ 1,542,696	\$ 238	\$ 1,268,000	\$ 317
general fund revenue contribution	\$ 84,125	\$ 16	\$ -	\$ -
<b>Total Revenue</b>	<b>\$ 1,636,821</b>	<b>\$ 253</b>	<b>\$ 1,268,000</b>	<b>\$ 317</b>
<b>OPERATIONAL EXPENSES:</b>				
SGPWA Operations	\$ 68,100	\$ 10	\$ 69,879	\$ 17
SGPWA Administrative Overhead Allocation 5% of total administrative overhead	\$ 22,769	\$ 4	\$ 23,667	\$ 6
SAN BERNARDINO VALLEY MUNICIPAL PASS THROUGH	\$ 47,603	\$ 7	\$ 49,460	\$ 12
CALIF. DEPT. OF WATER RESOURCES PASS THROUGH				
Energy	\$ 1,328,653	\$ 205	\$ 948,514	\$ 237
Transmission	\$ 98,982	\$ 15	\$ 59,876	\$ 15
Prior Year Adjustments	\$ (36,300)	\$ (6)	\$ -	\$ -
<b>Sub Total</b>	<b>\$ 1,387,635</b>	<b>\$ 214</b>	<b>\$ 1,008,389</b>	<b>\$ 252</b>
ADDITIONAL WATER - YUBA DRY YEAR PROGRAM				
Sub Total	\$ 25,000	\$ 4	\$ 25,000	\$ 6
Rate Stabilization Surplus Reserves @ \$11 max per acre-ft	\$ 29,271	\$ 6	\$ 44,000	\$ 11
Reserves for Purchase of New Water @ \$22/acre-ft	\$ 58,542	\$ 9	\$ 68,000	\$ 22
<b>TOTAL EXPENSES</b>	<b>\$ 1,636,821</b>	<b>\$ 253</b>	<b>\$ 1,307,184</b>	<b>\$ 327</b>
Net Revenue (short fall)	\$ 0	\$ 0	\$ (39,184)	\$ (10)

## IV. Cost of Delivery

The common terminology for costs paid for by water rates is Cost of Service. The American Water Works Association Manual M1 broadly defines Cost of Service as:

“The operating and capital costs incurred in meeting various aspects of providing water service, such as customer billing costs, demand related costs, and variable costs.”

Costs identified in this report are related to the delivery of SGPWA water and fall well within and are consistent with the broad limitations of the M1 Manual. For the purposes of this report, the more specific term, “Cost of Delivery” will be used and means the costs related to securing water commensurate with SGPWA’s SWP Table A Amount, currently being 17,300 AFY, and any other sources of water that the SGPWA Board deems necessary and prudent.

Cost of Delivery includes operations, administrative overhead, SBVMWD pass-through, dry year transfer costs, rate stabilization surplus reserves and new water purchase surplus reserve contributions. The largest component of SGPWA annual costs is the purchase of imported water from DWR. At this time, the best information available indicates that the cost of energy to operate SWP will continue to increase in the future, primarily due to general inflation and the “green” energy requirements of AB 32, more fully discussed under the “Department of Water Resources Pass Through” section below. DWR has indicated by their annual forecast of expected energy costs that the energy cost for 2009 will rise by almost 16%. Increases thereafter are uncertain, mainly due to uncertain future weather conditions and the corresponding levels of reservoirs and hydroelectric power generation. Lower reservoir levels reduce the output of hydroelectric generators, thereby increasing the demand for more expensive fossil fuel related power. Due to these expected increases in DWR energy costs over the five year period, it will be necessary to raise water rates once in FY 2009-2010 (in addition to the February 2, 2009 increase) over the five year study period to cover the costs of delivery (see Table 1, page 8). The one-time annual increase of 33.13% (from \$277 per acre-ft to \$317 per acre-ft) in fiscal year 2009-2010 is necessary to offset both increased DWR energy rates and decreased forecasted water sales. By implementing the substantial increase in FY 2009-2010 and holding the rate constant over the next three fiscal years, it is reasonable to estimate SGPWA can most closely match revenues with expenses on both an annual basis and on a cumulative basis over the five year study period.

Use of the 2008-2009 budget is a reasonable assumption because the actual costs to date are very close to budget predictions and there are no major foreseen differences in cost assumptions for the first half of calendar year 2009. In addition to the planned increases in water rates over the next five (5) years, SGPWA is including a rate stabilization reserve. It is believed that the rate stabilization reserve will adequately fund negative net operating revenues in any given year caused by energy cost fluctuations and lower than expected revenues that occur when there is less water available to sell. The total Cost of Delivery is the aggregate of the following categories:

- SGPWA Operations Cost
- SGPWA Administrative Overhead Cost
- SBVMWD Pass Through Cost
- DWR Pass Through Cost
- Dry Year Transfer Program Cost

- Rate Stabilization Surplus Reserve Contribution
- New Water Purchase Surplus Reserve Contribution

The rate design used for this study is the uniform volume rate for wholesale service, as discussed in AWWA M1 manual<sup>10</sup>. Applying a uniform rate to the volume of water purchased is a straight forward method to calculate water rates and is consistent with the current rate structure. The wholesale water rate applicable to water sold by the Agency to retail water purveyors within the Agency's jurisdiction upstream of Cherry Valley Pump Station will be \$8 less than the rates set for water sold to retail water purveyors downstream of Cherry Valley Pump Station.<sup>11</sup> This price differential is due to DWR's lower energy and transmission costs upstream of Cherry Valley Pump Station. The SGPWA retail customers share common major goals, such as BSU replenishment and long term reliability of water sources. Therefore, other than the cost difference upstream and downstream from Cherry Valley Pump Station, there is no need to allocate costs of delivery by customer class or seasonal demands at this time.

### ***Operational Expenses***

SGPWA's operational expenses are allocated to SWP operations and maintenance costs and local operations and maintenance costs. SWP operations and maintenance costs are funded through pre-Proposition 13 ad valorem tax revenues, with the exception of 50% of the Operations Manager's salary and benefit cost. This is based on an analysis of typical duties and responsibilities of the Operations Manager with respect to the delivery and purchase of imported water from the SWP and represents a reasonable allocation of the Operations Manager's time. A recent audit of the Operations Manager's time charges over the past six months confirmed the daily duties and responsibilities of this position still result in a 50/50 ratio, within a 10% margin of error, between SWP related work activities and work activities related to local operations and maintenance. For the base year, SGPWA Finance Department estimates the salary and benefit cost to be \$132,200.

$50\% \times \$132,200 = \$66,100$  or approximately \$10 per acre-foot based on sales of 6,479 acre-feet

The other 50% of the costs of the operations manager are charged to SGPWA's share of debt service and operations of the SWP. These costs are funded from pre-Proposition 13 ad valorem tax revenues.

Budget increases in subsequent years for Operations Manager's costs are largely dependent on industry wide increases in labor costs. For subsequent years the 50% allocation of the Operations Manager's salary and benefit budget is escalated at 3.9% annually, which is based on an average of annual labor compensation increases, by percentage, over the last six (6) years, as provided by the U.S. Department of Labor (See Table 4 below).

<sup>10</sup> American Water Works Association, Principals of Water Rates, Fees, and Charges (Manual of Water Supply Practices M1), Fifth Edition

<sup>11</sup> "2008 Transportation Variable Plant Unit Rates (Energy and Transmission)", State Water Project Analysis Office, dated February 26, 2008.

**Table 5**  
DWR Delivery Costs

	2008	2009	2010	2011	2012
Downstream of Cherry Valley Pump Station					
Energy Cost	204,7929	237,1286	237,1286	237,1286	260,8416
Transmission Cost	14,9687	14,9687	14,9687	14,9687	16,4666
Total Cost	219,7616	252,0973	252,0973	252,0973	277,3071
				inflation adjustment in 2012,	10.00%

### Prior Year Adjustment

Since DWR cannot predict exact energy costs and volume demand each budget year, DWR bills SGPWA, in addition to its periodic charges, intermittent charges to account for the exact energy cost increases within the calendar year. Also, an annual charge or credit at the end of the calendar year may be billed to cover any understating or overstating of the energy component of their rate. In 2008 an additional \$264,100 was billed to SGPWA. However, for 2009 it is expected that DWR will refund \$227,800. SGPWA's Board has acted to combine these two DWR actions into one year and apply the difference between the debit and credit (\$36,300) to the 2008-2009 rate (or approximately \$6 per acre-foot). Table 1 (Page 8) shows the prior year adjustment credit of \$36,000 in Fiscal Year 2008-2009. It is also expected that over the long run, the charges and refunds will tend to offset each other based on historical trends. For this reason it is assumed for Fiscal Year 2010-2011 and beyond the annual adjustments will be assumed to be zero.

### Expected Power Cost Increases

It is expected that energy costs will increase over the long-term for at least three reasons: inflation, "green" energy legislation, and marginal cost increases. See Appendix C attached

### *Yuba Dry Year Transfer Program*

SGPWA can purchase additional water through an agreement<sup>12</sup> to purchase supplemental water from Yuba County Water District at clearly defined prices. Presently this is the least expensive supplemental water available to SGPWA. There are four categories of water in the agreement; Component 1, Component 2, Component 3, and Component 4. Each category has its own specific price, in \$ per acre-ft, depending on dry, normal, wet or critical year conditions. This past year SGPWA purchased 68 acre-ft of Component 2 water and 124 acre-ft of Component 1, 3 and 4 water, for a combined annual purchase of 192 acre-ft.

Obviously it is impossible to characterize future water years in terms of "dry" vs. "wet" vs. "critical". As indicated in the Yuba agreement, each type of year has a specific water

<sup>12</sup> Agreement for the Supply and Conveyance of Water by the Department of Water Resources for the State of California to the Participating State Water Contractors Under the Dry Year Water Purchase Program, dated March 31, 2008