

SAN GORGONIO PASS WATER AGENCY
1210 Beaumont Avenue, Beaumont, CA
Board of Directors Engineering Workshop
Agenda
October 12, 2015 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. Discussion on Water Retailers Top Priorities

4. Review of Class 8 Draft Memorandum of Understanding* (Page 2)

5. Announcements

- A. Regular Board Meeting, October 19, 2015 at 1:30 p.m.
- B. Finance and Budget Workshop, October 26, 2015 at 1:30 p.m.
- C. San Gorgonio Pass Regional Water Alliance, October 28, 2015
 - 1. Technical Committee at 4:30 p.m. – Banning City Hall Conference Room
 - 2. Regular Board Meeting at 6:00 p.m. – Banning City Council Chambers

6. 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.

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**Memorandum of Understanding
For the
Cooperative Use of State Water Project Water**

This Memorandum of Understanding for the Cooperative Use of State Water Project Water (“MOU”) is entered into and effective this 1st day of October, 2015 by and among the Class 8 East Branch Aqueduct Contractors: Antelope Valley-East Kern Water Agency, Coachella Valley Water District, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Water District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, and San Geronio Pass Water Agency. Each of the aforementioned public agencies is referred to in this MOU as a “Party” and these agencies are collectively referred to as the “Parties.”

Recitals

A. The Parties have all contracted with the California Department of Water Resources (“DWR”) to receive water from the State Water Project, with contractual Table A Amounts ranging from ____ acre-feet/year to ____ acre-feet/year.

B. Due to the continuing drought, during 2014 DWR allocated 5% of contract amounts to the Parties and in 2015, DWR allocated only 20% of contract amounts to the Parties. Even if 2016 brings some relief from the drought, the Parties believe that they still are not likely to obtain full contractual allocations in the near future.

C. DWR, working with the U.S. Bureau of Reclamation, has proposed the California WaterFix, which is intended to improve water supply reliability for the Parties and other public agencies that receive water from the State Water Project.

D. The Parties, individually and collectively, are working on a number of projects that are also intended to improve water supply reliability for their respective service areas, including but not limited to, making the greatest use of State Project Water when it is available but also relying on other sources (local surface water supplies, groundwater, recycled water, stormwater and rainwater capture, and the like) while increasing water conservation efforts.

E. The Parties wish to cooperate to share resources where feasible and cost-effective so as to ensure the greatest degree of water supply reliability for their respective ratepayers. As part of that effort, the Parties wish to ensure that, collectively, they receive the greatest possible allocation of water developed through the California WaterFix and other statewide initiatives that may result in additional water or additional water supply reliability to State Water Project contractors.

38 F. The Parties intend to develop a plan for such a cooperative effort by DATE and
39 intend to enter into a definitive agreement to implement that plan by DATE, which agreement
40 will be fully consistent with the Parties' respective agreements with DWR for water from the
41 State Water Project and other legal requirements.

42 G. The Parties wish to memorialize their mutual understandings by means of this
43 MOU.

44
45 Understandings
46

47 1. *Term.* This MOU shall be deemed to have become effective on October 1, 2015 or
48 whenever two Parties have executed this MOU, whichever is earlier. This MOU shall
49 terminate on the earlier of the date upon which two or more Parties enter into a definitive
50 agreement to enhance water supply reliability based on the plan referred to in Recital F or
51 December 31, 2016, whichever is earlier.

52 2. *Cooperative Efforts.* The Parties agree that they will explore ways to improve water
53 supply reliability for water received from the State Water Project, including but not
54 limited to the California WaterFix, as follows:

55 a. Analyzing whether the Parties may pool their respective allocations of water from
56 the State Water Project, either on an annual or long-term basis, for the purpose of
57 more efficient and effective operations.

58 b. Analyzing whether the Parties may seek to obtain a single "pooled" right to any
59 improved water supply reliability or increased water quantities resulting from the
60 California WaterFix.

61 c. Analyzing whether the Parties may shift State Water Project capacity and/or
62 deliveries among themselves in order to make more effective use of water.

63 d. Analyzing whether some Parties may advance funds for the acquisition of
64 improved water supply reliability or increased water quantities resulting from the
65 California WaterFix.

66 e. Analyzing other strategies, such as wet-year water transfers, the conjunctive use
67 of surface water and groundwater, the additional use of recycled water (especially
68 for groundwater replenishment) that could generate improved regional water
69 supply reliability.

70 f. Other studies, as may be determined by the Parties.

- 71 3. *Planning Report.* The Parties agree that they will attempt to complete a planning report
72 that identifies and evaluates the effectiveness of the water supply strategies identified in
73 paragraph 2 above, including the cost of water from each strategy, the yield, and other
74 information needed to make prudent decisions relating to the investment of public
75 monies, no later than DATE TBD.
- 76 4. *Definitive Agreement.* The Parties agree that they will attempt to enter into one or more
77 definitive agreements to implement the recommendations in the planning report by
78 DATE TBD.
- 79 5. *Cost-Sharing.* Each Party agrees that it will act in good faith by actively participating in
80 the development of the planning report and by contributing a pro-rata share, based on
81 Table A allotments, to the cost of the planning report. If a Party wishes to involve counsel
82 in the review of the planning report, all such costs will be borne only by that Party.
- 83 6. *Books and Records.* Each Party shall have access to and the right to examine any of the
84 other Party's books, documents, papers or other records (including, without limitation,
85 records contained on electronic media) relating to the performance of that Party's
86 obligations pursuant to this Agreement, *provided that* nothing in this paragraph shall be
87 construed to provide a Party with access to records dated on or before the effective date
88 of this MOU, and *provided further that* nothing in this paragraph shall be construed to
89 operate as a waiver of any applicable privileges.
- 90 7. *Withdrawal.* Any Party may withdraw by providing the other Parties with thirty days'
91 written notice of withdrawal. Such Party's withdrawal shall be conditioned upon the
92 Party's payment of its proportionate share of the costs of this effort, as described in
93 paragraph ___ above, up through and including the date of its notice of withdrawal.
- 94 8. *General Provisions*
- 95 a. *Authority.* Each signatory of this MOU represents that s/he is authorized to
96 execute this MOU on behalf of the Party for which s/he signs. Each Party
97 represents that it has legal authority to enter into this MOU and to perform all
98 obligations under this MOU.
- 99 b. *Amendment.* This MOU may be amended or modified only by a written
100 instrument executed by each of the Parties to this MOU.
- 101 c. *Jurisdiction and Venue.* This MOU shall be governed by and construed in
102 accordance with the laws of the State of California, except for its conflicts of law
103 rules. Any suit, action, or proceeding brought under the scope of this MOU shall
104 be brought and maintained to the extent allowed by law in the County of San
105 Bernardino, California.

- 106 d. *Entire Agreement.* This MOU constitutes the entire agreement of the Parties with
107 respect to the subject matter of this MOU and supersedes any prior oral or written
108 agreement, understanding, or representation relating to the subject matter of this
109 MOU.
- 110 e. *Partial Invalidity.* If, after the date of execution of this MOU, any provision of
111 this MOU is held to be illegal, invalid, or unenforceable under present or future
112 laws effective during the term of this MOU, such provision shall be fully
113 severable. However, in lieu thereof, there shall be added a provision as similar in
114 terms to such illegal, invalid or unenforceable provision as may be possible and
115 be legal, valid and enforceable.
- 116 f. *Necessary Actions.* Each Party agrees to execute and deliver additional
117 documents and instruments and to take any additional actions as may be
118 reasonably required to carry out the purposes of this MOU.
- 119 g. *Compliance with Law.* In performing their respective obligations under this
120 MOU, the Parties shall comply with and conform to all applicable laws, rules,
121 regulations and ordinances.
- 122 h. *Third Party Beneficiaries.* This MOU shall not create any right or interest in any
123 non-Party or in any member of the public as a third party beneficiary.
- 124 i. *Counterparts.* This MOU may be executed in one or more counterparts, each of
125 which shall be deemed to be an original, but all of which together shall constitute
126 but one and the same instrument.
- 127 j. *Notices.* All notices, requests, demands or other communications required or
128 permitted under this MOU shall be in writing unless provided otherwise in this
129 MOU and shall be deemed to have been duly given and received on: (i) the date
130 of service if served personally or served by electronic mail or facsimile
131 transmission on the Party to whom notice is to be given at the address(es)
132 provided below, (ii) on the first day after mailing, if mailed by Federal Express,
133 U.S. Express Mail, or other similar overnight courier service, postage prepaid, and
134 addressed as provided below, or (iii) on the third day after mailing if mailed to the
135 Party to whom notice is to be given by first class mail, registered or certified,
136 postage prepaid, addressed as follows:

137 **Notice Information**

138 **Signature Blocks**