

San Gorgonio Pass Water Agency

DATE: June 16, 2025

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Emmett Campbell, Senior Water Resources Planner

SUBJECT: Consideration and Approval of a MOU with the Metropolitan Water District for Identifying and Developing Mutually Beneficial Projects

RECOMMENDATION

Authorize the General Manager to execute the Memorandum of Understanding with the Metropolitan Water District of Southern California for Identifying and Developing Mutually Beneficial Projects, subject to review of the legal version of the MOU by Agency Staff and Legal Counsel.

PREVIOUS CONSIDERATIONS

- No Previous Considerations

BACKGROUND AND ANALYSIS

The San Gorgonio Pass region is experiencing significant development, driving increased demand for supplemental water within the San Gorgonio Pass Water Agency (“SGPWA” or “Agency”) service area. Ensuring a reliable and sustainable water supply to support this growth is a critical priority for the Agency.

In response to this demand and the growing need for long-term regional water supply sustainability, recent studies have evaluated a range of strategies to enhance reliability across the service area. These efforts underscore the importance of developing resilient infrastructure and diversifying supply sources, with a particular focus on expanding the water portfolio to help manage future costs and keep water rates stable.

To explore cost-effective and practical alternatives, SGPWA has partnered with the Metropolitan Water District of Southern California (“MWDSC”) to evaluate collaborative approaches to water management. Through a shared commitment to innovation and regional sustainability, the two agencies have initiated discussions aimed at leveraging their existing water portfolios, infrastructure, and technical expertise for mutual benefit.

These efforts have resulted in the development of a Memorandum of Understanding (“MOU”) that establishes a framework for the joint exploration of water supply and management solutions. The MOU reflects a broad commitment to evaluate a wide range of strategies and infrastructure opportunities that align with the missions and capabilities of both agencies.

Under the MOU, the agencies will pursue the following cooperative activities:

- Information Sharing: Facilitating the exchange of technical data and expertise.
- Feasibility Studies: Conducting detailed evaluations of potential projects and programs.
- Modeling and Technical Analyses: Assessing water supply scenarios and infrastructure capabilities.
- Exchange Programs: Developing strategies to optimize the use of available water resources.
- Pilot Projects: Implementing test initiatives to validate concepts and approaches.
- Infrastructure Design and Construction: Coordinating the development of water management facilities.

By combining resources, expertise, and infrastructure, SGPWA and MWDSC aim to identify cost-effective, innovative solutions that enhance water reliability and resilience for the San Geronio Pass region while supporting the broader mission of MWDSC.

STRATEGIC PLAN NEXUS

The Memorandum of Understanding for identifying and Developing Mutually Beneficial Projects between MWDSC and SGPWA helps advance various aspects of the Agency's Strategic Plan, including:

- Strategic Goal 1: Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.
 - Objective 1 – Establish relationships and expand collaborative opportunities at the local, regional, state, and federal levels that will enhance the water supply of the region.
 - Objective 2 – Sustain infrastructure investment to provide a robust regional water distribution and storage system
- Strategic Goal 2: Ensure a reliable delivery system that advances efficiency and resiliency.
 - Objective 1 – Develop additional recharge facilities to support conjunctive use.
 - Objective 2 – Investigate additional opportunities to increase water storage capabilities

CEQA ANALYSIS

The MOU is not a CEQA "project," because the MOU will not result in any direct or reasonably foreseeable indirect environmental impacts under State CEQA Guidelines § 15378. The MOU does not commit SGPWA and MWDSC to the approval of any future

water management projects in the CRA. Any future proposals for water management projects that may be submitted would be subject to the same CEQA review and permitting processes that apply today.

Lastly, the MOU is not subject to CEQA review, because it can be seen with certainty that it has no potential to impact the environment under State CEQA Guidelines § 15061(b)(3). The MOU simply involves a framework for collaboration that establishes a pathway for joint exploration of water management solutions.

FISCAL IMPACT

No direct fiscal impact will occur with this MOU, although studies and pilot projects may occur as a result of the collaborative efforts resulting from this MOU.

ACTION

Authorize the General Manager to execute the Memorandum of Understanding with the Metropolitan Water District of Southern California for Identifying and Developing Mutually Beneficial Projects, subject to review of the legal version of the MOU by Agency Staff and Legal Counsel.

ATTACHMENTS

1. Memorandum of Understanding with the Metropolitan Water District of Southern California for Identifying and Developing Mutually Beneficial Projects

MEMORANDUM OF UNDERSTANDING FOR IDENTIFYING AND DEVELOPING MUTUALLY BENEFICIAL PROJECTS

June 16, 2025

This Memorandum of Understanding for identifying and developing mutually beneficial storage and exchange projects is made and entered into by and between The San Gorgonio Pass Water Agency (SGPWA) and The Metropolitan Water District of Southern California (Metropolitan) individually referred to as "Party" and collectively, as "Parties."

RECITALS

This Memorandum of Understanding (MOU) is based on the following facts, understandings, and intentions of the Parties:

- A. WHEREAS, Metropolitan is a California urban water agency formed in 1928 pursuant to the Metropolitan Water District Act.
- B. WHEREAS, Metropolitan was formed to, among other things, develop, store, and distribute water for domestic purposes, and to make wholesale water available to its 26 member agencies.
- C. WHEREAS, Metropolitan is party to a long-term State Water Project (SWP) contract with the California Department of Water Resources (DWR) that gives Metropolitan participation rights in the SWP, meaning Metropolitan has the right to use the SWP conveyance system and, to the extent that there is availability, to receive an annual allocation up to 1.9 million acre-feet (AF) per year (AFY) of SWP Table A supply delivered via the California Aqueduct.
- D. WHEREAS, water supplies annually allocated to SWP contractors have become increasingly unreliable, resulting in additional costs and water supply management challenges for Metropolitan.
- E. WHEREAS, to improve the reliability of its supply, Metropolitan has pursued and continues to pursue, supplemental water supply acquisitions, exchanges, and storage programs.
- F. WHEREAS, SGPWA was established in 1961 by the California State Legislature pursuant to Water Code Appendix – San Gorgonio Pass Water Agency Law – Act 1100 et seq.
- G. WHEREAS, SGPWA is a party to a long-term SWP contract with DWR that gives SGPWA participation rights in the SWP, meaning SGPWA has the right to use the SWP conveyance system and, to the extent that there is availability, to receive an annual allocation up to 17,300 AFY of SWP Table A supply delivered via the California Aqueduct.
- H. WHEREAS, SGPWA is seeking partnership opportunities for new water management programs, including but not limited to surface storage, groundwater storage, exchanges, and transfers, to benefit its users for future surplus and shortage periods.
- I. WHEREAS, there are significant potential advantages to working together to achieve several objectives, including improving water supply reliability, increasing resiliency to climate effects, and improving operational flexibility for the Parties.
- J. WHEREAS, the Parties are interested in the development of new water management programs for the benefit of the Parties; however, this MOU does not in any way obligate any Party to

enter into such programs, limit any Party's discretion with respect to such programs, or obligate any Party to take or refrain from taking any action.

- K. WHEREAS, the Parties intend to equitably share the costs for developing such water management opportunities.
- L. WHEREAS, the terms of any future water management program developed as a result of this effort would be agreed to between Metropolitan and SGPWA.

NOW, THEREFORE, in consideration of the above referenced recitals which are incorporated herein by reference and the mutual benefits to be derived by the Parties, the Parties hereby agree as follows:

1. **Purpose.** The purpose of this MOU is to establish the intent of collaboration between the Parties for the potential development of water supply management programs.
2. **Proposed Framework Development.** The Parties agree to collaborate to explore and potentially develop mutually beneficial water supply management opportunities. Partnership activities may include but are not limited to sharing information, preparing feasibility studies, conducting modeling and technical analyses, developing exchange programs, implementing pilot projects, and designing and constructing water management facilities.
3. **Cost Share Funding.** It is the intent of the Parties to enter into separate potential future Funding Agreements if the Parties are interested in cost share for project development activities undertaken through this collaborative effort. Each Party shall be solely responsible for their own costs and expenses incurred in the preparation of this MOU and performance of their activities contemplated by this MOU and leading up to any potential future Funding Agreements.
4. **Potential Agreements.** It is anticipated that any future agreements developed through this collaborative effort would more specifically identify the rights and obligations of the parties thereto regarding any future programs. The terms of any future agreements shall not be limited by this MOU.
5. **Termination.** Any Party may, in writing, terminate this MOU in whole or in part at any time.

This Memorandum of Understanding represents the Parties' general intent only and shall not be binding on either Party. No Party shall have any obligation to expend funds or enter into any agreement, and no course of conduct of the Parties shall evidence any binding obligation.

If the foregoing meets with your approval and you are willing to proceed with discussions and potentially detailed negotiations upon the basis set forth herein, please indicate your acceptance by executing the copy of this MOU.

The Metropolitan Water District of Southern California

By: _____

Deven Upadhyay, Interim General Manager

ACCEPTED:

San Geronio Pass Water Agency

By: _____ Date: _____

Lance Eckhart, General Manager

DRAFT



Consideration and Approval of a MOU with the Metropolitan Water District For Identifying And Developing Mutually Beneficial Projects

BOARD OF DIRECTORS

JUNE 16, 2025

SGPWA staff has been in discussion with MWD to develop water management strategies that are mutually beneficial

- SGPWA and MWD staff have developed a draft MOU to further this discussion
- The MOU is a framework for collaboration that establishes a pathway for joint exploration of water management solutions

Under the MOU, MWD and SGPWA will engage in activities such as:

- Information sharing
- Feasibility Studies
- Modeling and Technical Analyses
- Exchange Programs
- Pilot Projects
- Infrastructure Design and Construction

Recommendation

Authorize the General Manager to execute the Memorandum of Understanding with the Metropolitan Water District of Southern California For Identifying And Developing Mutually Beneficial Projects, subject to review of the legal version of the MOU by Agency Staff and Legal Counsel