

# ***San Gorgonio Pass Water Agency***

**DATE:** August 18, 2025

**TO:** Board of Directors

**FROM:** Lance Eckhart, General Manager

**BY:** Emmett Campbell, Senior Water Resources Planner

**SUBJECT:** Consideration of a Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency and Antelope Valley-East Kern Water Agency

## **RECOMMENDATION**

Authorize the General Manager to Execute the Memorandum of Understanding (“MOU”) Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency (“SGPWA”) and Antelope Valley-East Kern Water Agency (“AVEK”).

## **PREVIOUS CONSIDERATIONS**

No Previous Considerations

## **BACKGROUND AND ANALYSIS**

SGPWA and AVEK have discussed the potential expansion of AVEK’s existing Water Banking program within the Antelope Valley Groundwater Basin. Such an expansion could provide both agencies with enhanced water storage capacity and operational flexibility, improving long-term water supply reliability.

For SGPWA, participation in this effort will help diversify the Agency’s water portfolio, provide a reliable source of dry-year water, and create additional storage capacity for excess supplies in wetter years. Operational flexibility is another significant benefit: SGPWA is unable to take water deliveries during the month of January due to a scheduled local shutdown, making external storage essential for continuous supply management. Additionally, in some years, capacity constraints along the East Branch of the State Water Project limit deliveries to our area. AVEK’s service area is upstream of a major capacity bottleneck, which would allow SGPWA to store water in a location less affected by these constraints, thereby improving overall system flexibility and reliability.

The proposed MOU sets out the mutual intent of both agencies to collaborate on a feasibility study to evaluate the hydrogeological, technical, environmental, and regulatory aspects of the potential project. The study will also explore conceptual designs, operational strategies, and potential property acquisition needed for expansion.

Approval of this MOU would authorize staff from both agencies to work together in initiating the feasibility study process. This agreement does not obligate either agency to

proceed with project development, nor does it commit funds for the study at this time. A separate funding agreement, currently anticipated to allocate 80 percent of costs to SGPWA and 20 percent to AVEK, will be presented to the Board for approval at the appropriate stage of this project.

To meet the objectives of the MOU, the parties intend to:

- Conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area.
- Investigate regulatory, legal, and institutional frameworks that may apply to program implementation.
- Develop conceptual designs and operational strategies for the additional banking facilities.
- Share relevant data and expertise needed to support the evaluation process.
- Identify property and engage with landowner(s) regarding potential purchase option agreements.

Upon completion of the feasibility study, staff will present the findings to the Board and use the results to guide the development of a Water Banking and Exchange Agreement with AVEK. The study will provide the technical, environmental, and operational basis for negotiating terms, ensuring that the future agreement is supported by comprehensive analysis and planning.

### **STRATEGIC PLAN NEXUS**

The MOU between SGPWA and AVEK 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 6 – Expand water banking, local and abroad, for future utilization.
- Strategic Goal 2: Ensure a reliable delivery system that advances efficiency and resiliency.
  - ✓ Objective 2 – Develop additional recharge facilities to support conjunctive use.
  - ✓ Objective 6 – Investigate additional opportunities to increase water storage capabilities.
  - ✓ Objective 7 – Partner with other State Water Contractors to advance statewide infrastructure goals to preserve system reliability.

## **FISCAL IMPACT**

This MOU will not result in any direct costs. A separate funding agreement will be presented to the Board for consideration at a later date.

## **ACTION**

Authorize the General Manager to Execute the Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Gorgonio Pass Water Agency and Antelope Valley-East Kern Water Agency.

## **ATTACHMENTS**

1. Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin

MEMORANDUM OF UNDERSTANDING CONCERNING THE FEASIBILITY OF  
EXPANDING AN EXISTING WATER BANK WITHIN THE AREA OVERLYING THE  
ANTELOPE VALLEY GROUNDWATER BASIN

This Memorandum of Understanding (“MOU”) is effective as of August [REDACTED], 2025 (“Effective Date”), by and between the Antelope Valley-East Kern Water Agency (“AVEK”) and the San Geronio Pass Water Agency (“SGPWA”), each a “Party” and together, “the Parties.” This MOU sets forth the mutual understanding and intent of the Parties to collaborate on the preparation of a feasibility study and the pursuit of property acquisition under an option agreement for the expansion of AVEK’s water bank program.

**Recitals**

WHEREAS, the Parties are considering the establishment of a banking and exchange agreement within the area overlying the Antelope Valley Groundwater Basin as the area is defined in the Antelope Valley Groundwater Case, Judicial Council No. 4408, Santa Clara County Superior Court, Case No. 1-05-CV-049053 (“Basin Area”); and

WHEREAS, the Parties have engaged in preliminary discussions regarding a long-term Water Banking and Exchange Agreement; and

WHEREAS, the Parties desire to identify opportunities for beneficially expanding AVEK’s water bank program, integrating additional banking facilities with the existing infrastructure owned and operated by AVEK, and managing such additional facilities in the manner developed by AVEK (altogether, the “Project”); and

WHEREAS, to meet these objectives, the Parties intend to (a) conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area; (b) investigate regulatory, legal, and institutional frameworks that may apply to program implementation; (c) develop conceptual designs and operational strategies for the additional banking facilities; (d) share relevant data and expertise needed to support the evaluation process; and (e) identify property and engage with landowner(s) regarding potential purchase option agreement (altogether, the “Study”).

**Terms and Conditions**

1. The Recitals above constitute the factual basis upon which the Parties have entered into this MOU. The Parties acknowledge the accuracy of the Recitals and hereby agree to the incorporation of the Recitals into this MOU as though fully set forth herein.
2. The Parties intend to engage a consultant to prepare the Feasibility Study that shall include (a) groundwater modeling and hydrogeological analysis; (b) operation constraints regarding recharge, storage, and recovery capacities; (c) conceptual design and sizing of recharge, storage, and recovery infrastructure; (d)

environmental review under CEQA; (e) preliminary engineering and cost estimates; and (f) evaluation of water quality regarding the recovery of stored water. In the event that AVEK retains a consultant to prepare the Feasibility Study, the Parties will enter into a separate funding agreement for, among other things, the cost-sharing of the same. SGPWA agrees to fund eighty percent (80%) and AVEK agrees to fund twenty percent (20%) of the Feasibility Study.

3. AVEK will identify candidate properties suitable for the Project, considering hydrogeological, environmental, and logistical factors.
4. If the Parties ultimately elect to develop the Project following the Feasibility Study, the duties and obligations of the Parties in implementing the Project will be incorporated in a written agreement approved by both Parties.
5. The term of this MOU is two (2) years starting on the Effective Date. This MOU will automatically terminate two (2) years after the Effective Date, unless mutually agreed upon extension, or upon execution of a Water Banking and Exchange Agreement. Either Party may terminate this MOU sooner for any reason or no reason at all by providing thirty (30) days prior written notice to the other Party, provided that work previously authorized or ongoing is funded in accordance with Section 2 of these terms and separate funding agreement (if any).
6. This MOU is governed by the laws of the State of California.
7. The Parties represent that in executing this MOU they have relied solely upon their own judgment, belief, and knowledge, and the advice and recommendations of their own independently selected counsel.
8. This MOU does not obligate either Party to proceed with the proposed Project. It is intended solely to guide pre-development feasibility and identify properties for the Project.

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IN WITNESS WHEREOF, the Parties hereto have executed MOU by their duly authorized representatives.

**San Geronio Pass Water Agency**

By: \_\_\_\_\_

Name: Lance Eckhart

Title: General Manager

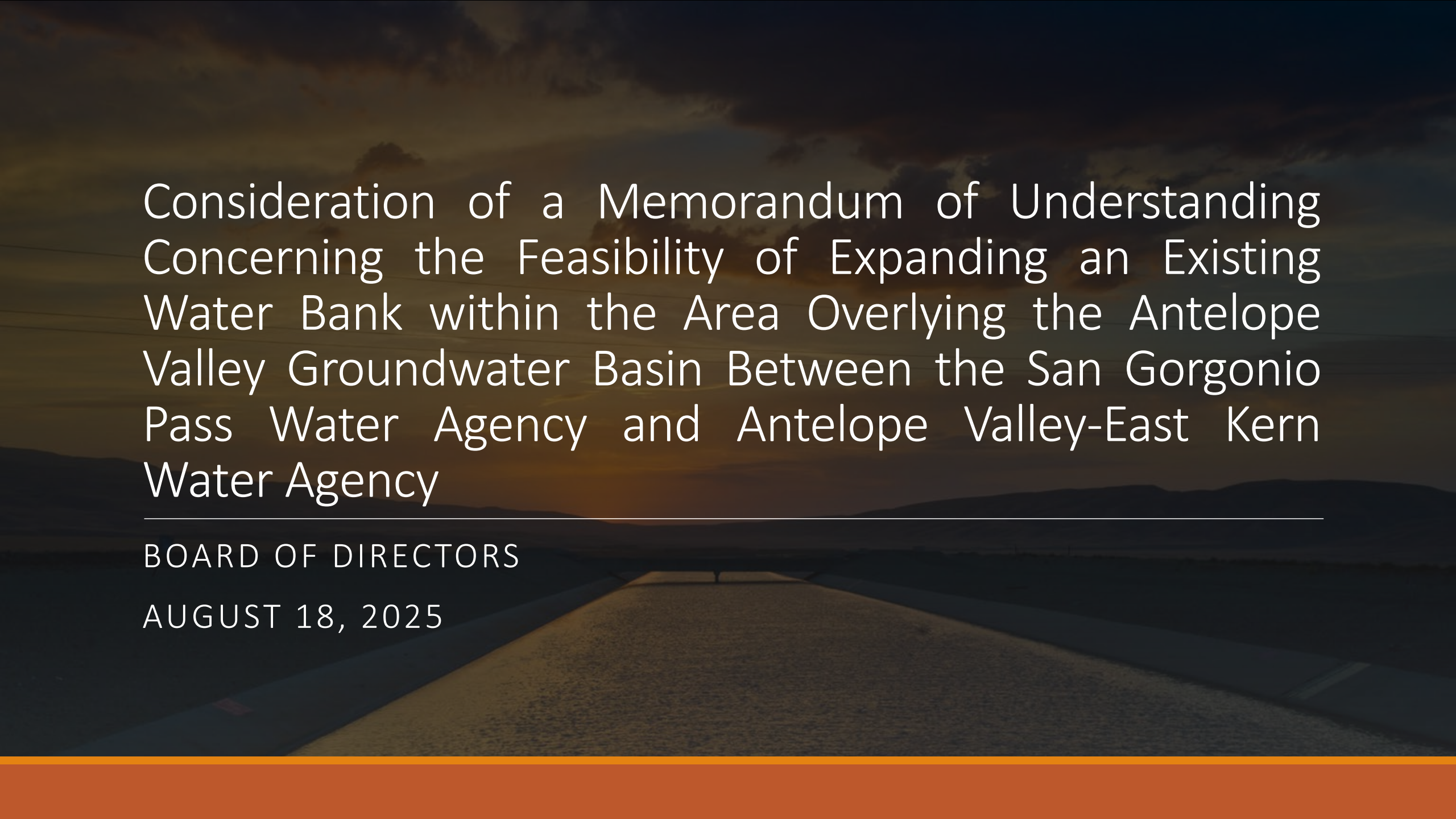
**Antelope Valley-East Kern Water Agency**

By: \_\_\_\_\_

Name: Matthew Knudson

Title: General Manager

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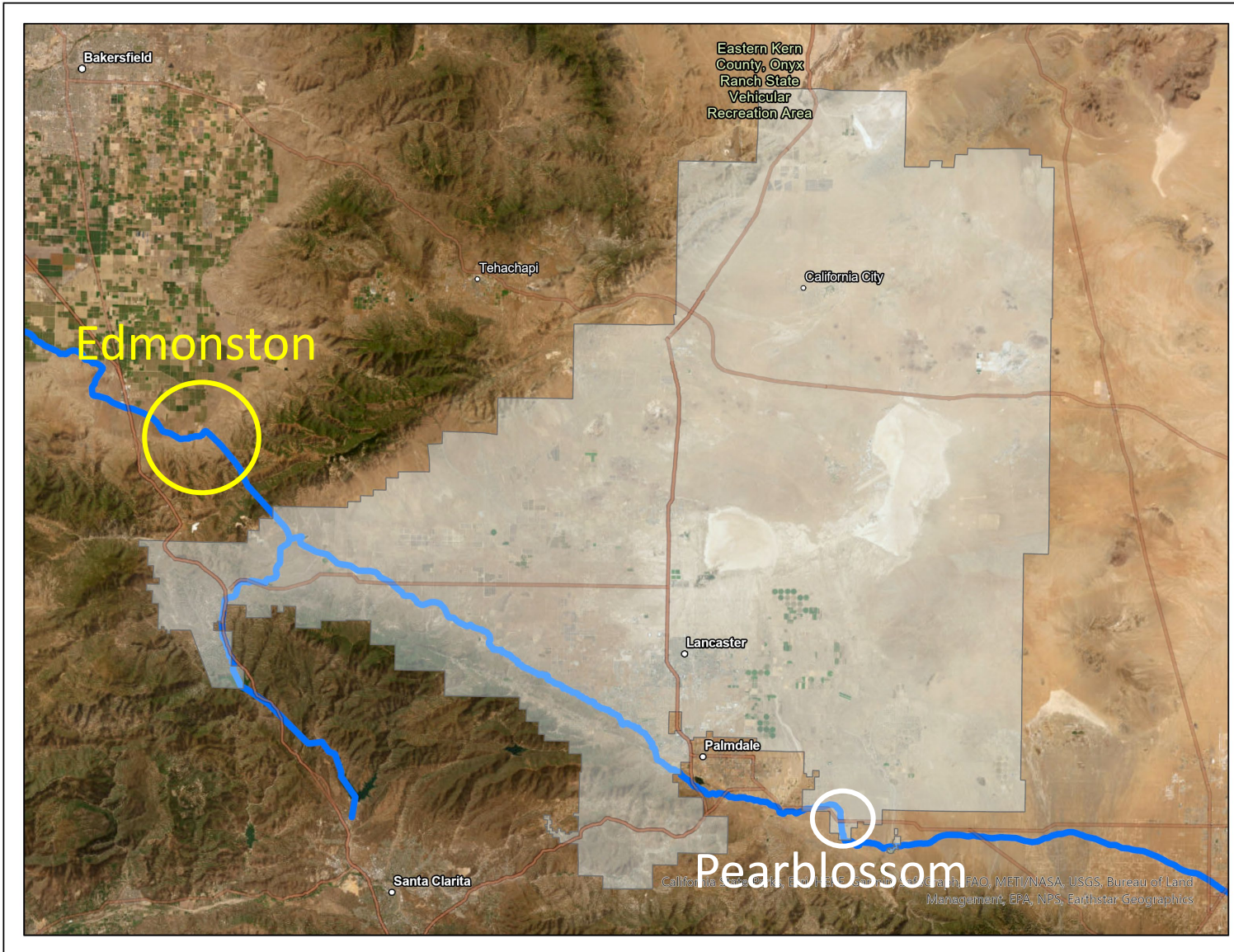
BOARD OF DIRECTORS

AUGUST 18, 2025

# Why water banking?

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- Maximizes water availability: Store excess water during wet years for use in dry years
- Increases drought resilience: Provides reliable dry year supply
- Enhances operational flexibility: Provides a location to store excess water during local outages
- Water supply diversification: Reduces reliance on a single source, improving overall reliability



SGPWA staff have been in discussion with AVEK to expand an existing water bank

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# Under the MOU, AVEK and SGPWA will engage in activities:

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- Conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area.
- Investigate regulatory, legal, and institutional frameworks that may apply to program implementation.
- Develop conceptual designs and operational strategies for the additional banking facilities.
- Share relevant data and expertise needed to support the evaluation process.
- Identify property and engage with landowner(s) regarding potential purchase option agreements.

# Recommendation

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