

San Gorgonio Pass Water Agency

DATE: April 6, 2026

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Emmett Campbell, Director of Water Resources

SUBJECT: Consideration of a First Amendment to 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

RECOMMENDATION

Authorize the General Manager to Execute the First Amendment to 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

August 18, 2025 – Board of Directors: The SGPWA Board of Directors approved an MOU with AVEK on the development of a water bank within their service area.

December 1, 2025 – Board of Directors: The SGPWA approved a funding agreement with AVEK to fund a water banking feasibility study.

BACKGROUND AND ANALYSIS

On August 18, 2025, the Board of Directors approved a Memorandum of Understanding (“MOU”) between the San Gorgonio Pass Water Agency (“SGPWA”) and the Antelope Valley–East Kern Water Agency (“AVEK”) to collaboratively evaluate the feasibility of expanding AVEK’s existing water banking program within the Antelope Valley Groundwater Basin. The MOU established a framework for cooperation on technical studies, data sharing, and identification of candidate properties, including engagement with landowners regarding potential purchase option agreements.

On December 1, 2025, the Board subsequently approved a Funding Agreement to support preparation of the Feasibility Study, with SGPWA responsible for 80 percent of consultant costs and AVEK responsible for 20 percent. The Feasibility Study is intended to evaluate hydrogeologic conditions, environmental considerations, infrastructure needs, and operational strategies necessary to support a potential expansion of water banking facilities.

As feasibility work has progressed, staff from both agencies have identified a specific property that may be suitable for development of water banking facilities. In order to

preserve this opportunity while technical, environmental, and regulatory evaluations are ongoing, the agencies are proposing to pursue a purchase option agreement with the landowner.

While the original MOU contemplated identifying properties and engaging with landowners, it did not establish a framework for how option agreements would be structured, funded, and approved. The proposed First Amendment to the MOU is intended to facilitate this next step by outlining how the agencies would proceed with securing site control through an option agreement.

Under the Amendment, SGPWA would be solely responsible for 100 percent of all costs associated with pursuing and maintaining the option agreement and any subsequent acquisition activities. These costs include option payments, deposits, appraisals, title and escrow costs, due diligence (such as environmental and geotechnical investigations), and all related legal and transactional expenses. The Amendment further clarifies that these costs are separate from the Feasibility Study and are not subject to the 80/20 cost-sharing arrangement established in the Funding Agreement.

Consistent with AVEK's anticipated long-term role as owner and operator of any future water banking facilities, AVEK would serve as the contracting party to the option agreement. However, the terms of any option agreement would be developed collaboratively, and execution, extension, assignment, or termination would require coordination between the agencies and approval by both Boards of Directors. This approach allows the agencies to move forward in securing a viable site while maintaining appropriate oversight and governance.

The Amendment maintains the non-binding nature of the MOU. It does not obligate either agency to complete a property acquisition, construct facilities, or proceed with project implementation. Any such actions would be subject to a future, definitive agreement approved by both Boards.

Securing an option agreement at this stage provides a strategic advantage by allowing the agencies to control a potentially suitable site while the feasibility study is completed. This reduces the risk of losing the property to other buyers, while limiting financial exposure by deferring a final acquisition decision until feasibility, costs, and project benefits are more fully understood.

Overall, the proposed Amendment enables the agencies to advance a specific opportunity identified through the feasibility process, while clearly establishing how property option activities would be funded, structured, and governed.

STRATEGIC PLAN NEXUS

The MOU Amendment No. 1 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

Amendment No. 1 to the MOU will not result in any direct costs to the Agency. The Amendment establishes a framework for a potential future option agreement to secure property for water banking purposes. Any costs associated with such an option agreement, including option payments, due diligence, and acquisition related expenses, would be the responsibility of SGPWA and would be brought to the Board for approval at a future date. Minor administrative and legal costs may be incurred in preparing and negotiating the option agreement.

ACTION

Authorize the General Manager to Execute the First Amendment to 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 Geronio Pass Water Agency and Antelope Valley–East Kern Water Agency.

ATTACHMENTS

1. First Amendment to the Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin
2. Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin
3. Funding Agreement Concerning a Feasibility Study on Potentially Expanding Antelope Valley East Kern Water Agency's Water Banking Operation within the Antelope Valley Groundwater Basin

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

This First Amendment to Memorandum of Understanding ("Amendment") is entered into 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"), on _____, 2026 (the "Effective Date").

Recitals

- (i) The Parties entered into a Memorandum of Understanding effective August 19, 2025 ("MOU") concerning collaboration on feasibility efforts related to the potential expansion of AVEK's water banking program, including identifying property and engaging with landowners regarding possible purchase option agreements.
- (ii) The Parties also entered into a Funding Agreement dated December 1, 2025 ("Funding Agreement"), which allocates costs for the Feasibility Study work described in the MOU and RFP, with SGPWA funding eighty percent (80%) and AVEK funding twenty percent (20%) of consultant costs, subject to the limits stated therein.
- (iii) The Parties desire to clarify their respective roles and financial responsibilities specifically for pursuing and consummating option agreements on vacant property in support of feasibility efforts, in a manner that is consistent with the Funding Agreement and without altering the non-binding nature of the MOU.

Amendments

- 1. Property Option Agreements; District Cost Responsibility.** In furtherance of feasibility work and evaluation of potential water bank expansion sites, the Parties may jointly pursue one or more purchase option agreements with landowners of vacant property.
 - a. 100% SGPWA Cost Responsibility.** SGPWA shall be solely responsible for one hundred percent (100%) of all costs associated with property option efforts and any subsequent property acquisition, including, without limitation: option consideration/fees; option extensions; refundable or non-refundable deposits; appraisals; surveys; title reports and insurance; escrow and closing costs; due diligence expenses (including environmental site assessments and geotechnical work); and legal, consulting, negotiation, and transactional costs directly related to securing, maintaining, extending, exercising, or terminating any option agreement. AVEK shall have no financial obligation to fund or

reimburse any such costs except as may be expressly provided in a future, definitive agreement approved by both Parties' governing boards. SGPWA shall own and control all materials generated by itself or its consultants regarding its property option efforts and any subsequent property acquisition efforts relating to this amended MOU and the Funding Agreement. Ownership of all such materials which are necessary to implement a project pursuant to the MOU and a future, definitive agreement shall be delivered and conveyed to AVEK to operate the project. Further, no such materials shall be used to construct or operate a water bank not owned and operated by AVEK.

- b. Outside the Funding Agreement.** The Parties acknowledge and agree that the costs described in Section 1(a) are not part of, and shall not be charged to, the Feasibility Study scope or budget governed by the Funding Agreement's 80/20 cost-share. Nothing in this Amendment modifies the Funding Agreement's allocation, deposit, cap, or invoicing provisions for consultant work on the Feasibility Study.
 - c. Coordination and Approval to Proceed with Any Option.** Prior to AVEK entering into any future option agreement, the Parties' General Managers shall confer on the proposed business terms and schedule. All option agreements contemplated herein shall be subject to the approval of SGPWA's Board of Directors. Any option agreement identifying AVEK as a party, beneficiary, future acquirer, or obligor shall be subject to prior approval by AVEK's Board of Directors. This coordination does not obligate AVEK to commit funds or to enter any transactional agreement.
 - d. Title and Exercise.** AVEK shall be the party to any future option agreement and shall determine, in coordination with SGPWA, whether to exercise, assign, extend, or terminate such option. Approval of the Board of Directors of each entity shall be required to take any such actions.
- 2. No Obligation to Acquire; Non-Binding Nature Preserved.** Nothing in this Amendment or the MOU obligates either Party to acquire property, construct facilities, or proceed with a banking project. Any implementation, acquisition, development, or long-term operations shall require a separate, definitive written agreement approved by both Parties' governing boards
- 3. Term; Relation to MOU and Funding Agreement.** This Amendment is effective upon execution by both Parties and shall remain in effect coterminous with the MOU's term, including any duly authorized extensions or earlier termination

pursuant to the MOU. For clarity, (i) this Amendment supplements the MOU; (ii) if there is a conflict between this Amendment and the MOU, this Amendment controls with respect to property option and acquisition costs; and (iii) nothing herein amends or supersedes the Funding Agreement, which remains in full force and effect according to its terms.

4. NO OTHER MODIFICATIONS. Except as expressly set forth herein, all terms and conditions of the MOU remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment by their duly authorized representatives, effective as of the Effective Date identified herein.

SAN GORGONIO PASS WATER AGENCY

By: _____

Name: Lance Eckhart

Title: General Manager

Date: _____

ANTELOPE VALLEY–EAST KERN WATER AGENCY

By: _____

Name: Matthew Knudson

Title: General Manager

Date: _____

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 19, 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.

///

///

///

///

///

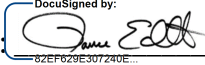
///

///

///

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

FUNDING AGREEMENT CONCERNING A FEASIBILITY STUDY ON POTENTIALLY EXPANDING ANTELOPE VALLEY-EAST KERN WATER AGENCY'S WATER BANKING OPERATION WITHIN THE ANTELOPE VALLEY GROUNDWATER BASIN

This Funding Agreement ("Agreement") is made and entered into as of December 1, 2025 ("Effective Date"), by and between the Antelope Valley-East Kern Water Agency ("AVEK") and the San Gorgonio Pass Water Agency ("SGPWA"), each a "Party" and together the "Parties."

Recitals

- (i) The Parties entered into a Memorandum of Understanding ("MOU"), effective as of August 19, 2025, a copy of which is attached hereto as Exhibit "1".
- (ii) In the MOU, the Parties expressed their intent to mutually identify opportunities for expanding AVEK's water banking program in the Antelope Valley area to the benefit of each Party and conduct studies to assess the feasibility of doing so through a future Banking and Exchange Agreement. Such studies were to analyze the hydrogeological, technical, and environmental feasibility of such a project.
- (iii) A draft Request for Proposal ("RFP") to solicit proposals to initiate and complete the studies referenced in Recital (ii) above is attached hereto as Exhibit "2".
- (iv) The purpose of this Agreement is to allocate the sharing of costs to generate the studies referenced herein and to establish a process by which those costs are so shared in accordance with Paragraph 2 of the MOU.

Agreement – Allocation of Costs of Studies

1. The Parties' respective General Managers will confer when considering the responses to the RFP and determine together which consultant to recommend that the AVEK Board of Directors retain to conduct and complete the studies.
2. Within five (5) business days following AVEK's execution of the contract solicited through the RFP for the water banking program (the "Consultant Contract"), SGPWA shall advance to AVEK an initial deposit equal to eighty percent (80%) of the total cost of the selected proposal, which is currently estimated at \$500,000 (the "Consultant Contract Amount"). Such funds shall be used exclusively to pay SGPWA's share of the consultant's costs incurred in performing the studies specified in the Consultant Contract. AVEK shall make payments to the consultant as invoices are received, utilizing funds provided by SGPWA to cover eighty percent (80%) of each amount billed and twenty percent (20%) from AVEK's own resources.

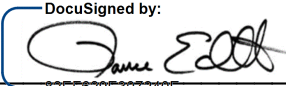
SGPWA’s total financial obligation under this Section shall not exceed eighty percent (80%) of the Consultant Contract Amount, plus up to an additional ten percent (10%) to cover its proportional share of any increased costs (the “Contingency Amount”), unless otherwise agreed to in writing by both Parties. Any costs exceeding the Consultant Contract Amount plus the Contingency Amount shall require the prior written approval of both Parties before additional funds are advanced or expended.

- 3. If any sum deposited by SPGWA hereunder is retained by AVEK upon a final payment being made to the Consultant pursuant to its Agreement, AVEK shall promptly return that remaining sum to SGPWA.
- 4. This Agreement shall terminate when the term of the MOU terminates, provided that any Parties’ obligation to make a payment to the other Party shall survive the Term of the Agreement.
- 5. This Agreement’s term will be two (2) years starting on the Effective Date. This Agreement 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 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 Agreement is governed by the laws of the State of California.

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

San Gorgonio Pass Water Agency

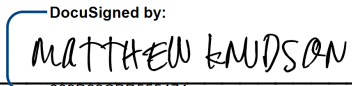
Dated: 12/10/2025

By:  DocuSigned by:
 82EF629E307240E...

Name: Lance Eckhart
Title: General Manager

Antelope Valley-East Kern Water Agency

Dated: 12/15/2025

By:  DocuSigned by:
 809D93CBD555474...

Name: Mathew Knudson
Title: General Manager

Exhibit 1

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

[SEE ATTACHED]

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 19, 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.

///

///

///

///

///

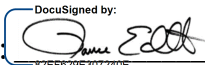
///

///

///

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

Exhibit 2

“Request for Proposals for Feasibility Study to Expand AVEK’s Water Banking
Operation within the Antelope Valley Groundwater Basin”

[SEE ATTACHED]

ANTELOPE VALLEY-EAST KERN WATER AGENCY



REQUEST FOR PROPOSALS (RFP)

for

FEASIBILITY STUDY TO EXPAND AVEK'S WATER BANKING OPERATION WITHIN THE ANTELOPE VALLEY GROUNDWATER BASIN

Proposals Due: Friday, November 7, 2025; 5:00 PM

Antelope Valley-East Kern Water Agency
6500 West Avenue N
Palmdale, CA 93551
661-943-3201

October 3, 2025

RFP – Water Banking Feasibility Study
October 3, 2025
Page 2

INTRODUCTION

The Antelope Valley-East Kern Water Agency (“AVEK”), in collaboration with San Geronio Pass Water Agency (“SGPWA”), is soliciting proposals from qualified engineering and hydrogeological consulting firms to conduct a comprehensive Feasibility Study for the potential expansion of AVEK’s water banking program within the Antelope Valley Adjudicated Groundwater Basin (“Basin”). This study is a critical step in evaluating the technical, environmental, and operational viability of the proposed project. AVEK will be the contracting agency for all of the work associated with this project.

AVEK is a wholesale supplier of State Water Project (SWP) water to the greater Antelope Valley region. AVEK has developed successful groundwater banking programs to store surplus water available from the SWP during wet periods through groundwater recharge to increase water supply reliability in the greater Antelope Valley. The banking programs include recovery wells to supplement imported water during dry periods or during a disruption of SWP deliveries. Currently, AVEK’s groundwater banks include the Westside Water Bank, Eastside Water Bank, Upper Amargosa Creek Recharge Project, and, most recently the High Desert Water Bank (currently in development in partnership with The Metropolitan Water District of Southern California).

SGPWA is a wholesale water provider located at the terminus of the SWP. As one of the last agencies to receive SWP deliveries, SGPWA is uniquely vulnerable to system outages, capacity limitations, and delivery constraints. To ensure long-term supply reliability for the communities it serves, SGPWA is actively pursuing strategies to diversify its water portfolio and strengthen dry-year resilience. In addition to investments in local supply and reliability projects, SGPWA has identified external groundwater banking as a critical tool to store imported water when available and recover it during periods of reduced SWP deliveries.

INQUIRIES/QUESTIONS

Questions pertaining to the RFP should be emailed to Justin Livesay, Engineering Manager at jlivesay@avek.org by October 29, 2025.

PROPOSAL SUBMITTAL

Proposals are due no later than 5:00 p.m., November 7, 2025, and must be received by that time and date. Proposers must submit one (1) electronic copy of their proposal to mknudson@avek.org and jlivesay@avek.org. AVEK is not responsible for proposals that are delinquent, lost, mismatched, and sent to an email address other than that given above. AVEK reserves the right, after reviewing the proposals, to reject any or all proposals, or to accept the proposal(s) that in its sole judgment is (are) in the best interest of AVEK.

RFP – Water Banking Feasibility Study
October 3, 2025
Page 3

RFP SCHEDULE

- Release of RFP October 3, 2025
- Inquiry Deadline October 29, 2025
- Proposals Due November 7, 2025; 5:00pm
- AVEK Approval/Award December 2025
- AVEK to Issue Notice to Proceed December 2025

REVIEW OF PROPOSALS AND SELECTION OF CONSULTANT

Proposals should provide a straightforward and concise presentation adequate to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of contents.

Proposals submitted will be evaluated by a committee comprised of AVEK staff, AVEK Board Committee, and SGPWA staff. The committee's evaluation will be based upon, but not limited to: proposal cost, strength of proposed methodology, related experience of the firm, AVEK'S experience with the firm, professional qualifications of the individual(s) to be assigned to the project, ability to meet required deadlines, and references from previous clients.

While cost is a key consideration, AVEK reserves the right to choose the best proposal, which may not be based on price. The committee may choose to interview the top candidates.

After evaluating the proposals, AVEK reserves the right to further negotiate the proposed work and/or method and amount of compensation. The respondent must clearly state the period of time for which the proposal will be valid. This period must not be less than ninety (90) days from the date of submittal.

PROPOSAL CONTENT

AVEK requires the proposer to submit a concise proposal clearly addressing all of the requirements outlined in this RFP. Proposals should be limited to twenty (20) 8 ½" x 11" pages (including the cover letter and resumes).

Proposal must include, at a minimum, the following sections:

- Cover Letter: A brief summary containing highlights of Consultant's proposed approach to the services described in the RFP, including a statement of its understanding of the project and services required, signed by an individual authorized to bind the proposing firm stating the firm has read and will comply with all terms and conditions of the RFP.

RFP – Water Banking Feasibility Study

October 3, 2025

Page 4

- **Background on Firm:** A brief description of the firm including the size of the organization, location of offices, years in business, organizational chart, name of owner and principal parties, and titles of staff. Qualifications of individuals who will perform the work listed in the Scope of Work along with identification of the individual who will be AVEK's main contact.
- **Statement of Understanding and Approach:** Provide a description of the methodology the firm will use to complete the Scope of Work as detailed in this RFP. Discuss and describe the firm's experience working on similar projects and provide a statement of the services your firm feels differentiates your firm from others. Additionally, as a part of the summary, identify the responsibilities of AVEK and the responsibilities of the firm.
- **Scope of Work:** Provide details with specific task descriptions to demonstrate that the proposer has considered all aspects of the proposal, and that the proposer will cover them thoroughly.
- **Project Schedule:** Provide a project schedule with significant milestone events or deadlines. Scheduling milestones should be concrete and achievable; however, they may be revised on approval of both parties.
- **References:** Provide the following information for successfully completed and operational water banking and recovery projects:
 - Name, address, and telephone number of the client;
 - Person to contact for references;
 - Time period of project and brief description of the scope of services provided
- **Consultant's Consulting Fee:** Each proposal shall include a not-to-exceed fee, including hourly rates for each individual (inclusive of all costs), and estimated hours each individual will spend on each task of the project.
- **Proposers must disclose any potential conflicts of interest with AVEK, SGPWA, or related entities.**

RFP – Water Banking Feasibility Study
October 3, 2025
Page 5

**Antelope Valley-East Kern Water Agency
Feasibility Study to Expand AVEK’S Water Banking Operation**

OBJECTIVES

The selected consultant will be responsible for preparing a comprehensive Feasibility Study for AVEK and SGPWA to evaluate the expansion of AVEK’s existing water banking operation. The Feasibility Study shall evaluate the technical, environmental, and regulatory feasibility of expanding AVEK’s existing water banking program, with the goal of optimizing imported water supply management for AVEK and SGPWA. The study area shall include the general area depicted on the attached Exhibit A – Titled “Water Bank Expansion Study Areas.”

SCOPE OF WORK

TASK 1 – REVIEW BACKGROUND DATA, PROJECT GOALS, AND PERFORM DESKTOP EVALUATION OF WATER BANK EXPANSION STUDY AREAS

CONSULTANT shall review existing reports, groundwater adjudication documents, historical water banking data to understand the context and goals of the proposed project. CONSULTANT shall meet with AVEK and SGPWA to thoroughly understand the project goals of the two agencies.

CONSULTANT shall perform a desktop evaluation for each of the “Water Bank Expansion Study Areas” shown on Exhibit A attached hereto. CONSULTANT shall receive directions from AVEK before proceeding with Tasks 2 through 8 on the selected Study Area.

Task 1 Deliverables: Technical Memo documenting the research the CONSULTANT conducted and project goals of AVEK and SGPWA. Technical Memo documenting the desktop evaluation of the two Water Bank Expansion Study Areas analyzing recharge, storage, and recovery potential, infrastructure needs, estimated cost comparison, and water quality. Technical Memo shall include a ranking matrix comparing the two study areas.

TASK 2 — GROUNDWATER MODELING AND HYDROGEOLOGIC ANALYSIS

CONSULTANT shall collect and analyze existing data sufficient to:

- Develop and calibrate a groundwater model for the Basin Area using current and historical data.
- Assess aquifer characteristics, including transmissivity, storability, and recharge potential.
- Evaluate the impact of proposed banking operations on groundwater levels and flow patterns.

RFP – Water Banking Feasibility Study
October 3, 2025
Page 6

- Identify potential risks such as subsidence, water quality degradation, or interference with existing wells.
- Review previous onsite geophysics data and model aeromagnetic data.
- Review lithologic and geophysical data to assess correlation with regional stratigraphy and potential offsets.
- Prepare geomorphic study to evaluate depth of burial of inactive faults.
- Prepare local/subregional geologic cross-sections to depict potential fault locations and fault depths.

Task 2 Deliverables: Technical Memo summarizing the groundwater modeling results and hydrogeologic and geologic conditions. The CONSULTANT shall provide an opinion of the estimated recharge rate, storage capacity, and recovery rate.

TASK 3 – OPERATIONAL CONSTRAINTS AND CAPACITY ASSESSMENT

CONSULTANT shall prepare a detailed assessment of operational limitations including seasonal recharge windows, regulatory SWP flows and delivery restrictions, and infrastructure throughput. The analysis should include hydraulic modeling of the scenarios for the proposed onsite conveyance and recovery system.

- Analyze recharge, storage, and recovery capacities under various operational scenarios.
- Identify seasonal and regulatory constraints affecting water banking operations.
- Evaluate infrastructure needs for conveyance, recharge basins, and recovery wells.

Task 3 Deliverables: Technical Memo documenting the operational constraints, capacity assessment, and summarizing the results of the hydraulic modeling.

TASK 4 – CONCEPTUAL DESIGN, INFRASTRUCTURE SIZING, AND CLASS 4 COST ESTIMATE/OPINION

CONSULTANT shall prepare a conceptual design report including layout maps, preliminary engineering drawings, and infrastructure sizing tables. The report should identify potential phasing strategies and cost-effective design alternatives.

- Develop conceptual layouts for recharge and recovery facilities.
- Estimate sizing requirements for turnouts, pipelines, basins, pumps, and treatment systems (if needed).
- Identify integration with existing AVEK infrastructure.
- Provide preliminary engineering designs for proposed facilities.

RFP – Water Banking Feasibility Study
October 3, 2025
Page 7

- Develop cost estimate for proposed capital improvements.

Task 4 Deliverables: Technical Memo summarizing conceptual design, infrastructure sizing, Class 4 Cost Estimate/Opinion

TASK 5 – ENVIRONMENTAL REVIEW AND CEQA COMPLIANCE

CONSULTANT shall perform a desktop review of existing CEQA documentation and publicly available maps and resources to identify potential environmental impacts and associated mitigation requirements. The intent is to identify and understand the timeframes and costs required to implement mitigation measures that might be necessary based upon the conceptual design. A full CEQA study will be conducted by AVEK under a separate contract.

- Review existing CEQA documents.
- Conduct a preliminary environmental assessment to identify potential impacts.
- Recommend mitigation strategies for anticipated environmental impacts and the associated timelines and costs for implementation.

Task 5 Deliverables: Technical Memo summarizing environmental findings.

TASK 6 – WATER QUALITY EVALUATION

CONSULTANT shall evaluate existing water quality data to determine the feasibility of direct pump-back to the SWP of the recovered water considering existing and emerging potable drinking water standards and the DWR Water Quality Policy and Implementation Process for Acceptance of Non-Project Water into the State Water Project.

- Assess baseline water quality in the Basin Area.
- Evaluate potential changes in water quality due to recharge and recovery operations.
- Recommend monitoring protocols and treatment options if necessary.

Task 6 Deliverables: Technical Memo summarizing existing water quality conditions, potential changes to water quality resulting from recharge and recovery cycles, potential constraints on recovery capacities due to water quality, and treatment required to meet pump-in water quality standards (if applicable).

TASK 7 – PROPERTY IDENTIFICATION AND EVALUATION

CONSULTANT shall assist AVEK in identifying candidate properties suitable for recharge and recovery operations. The evaluation of properties shall be based on hydrogeological suitability, environmental constraints, water quality, and logistical access to facilities.

RFP – Water Banking Feasibility Study
October 3, 2025
Page 8

Task 7 Deliverables: Technical Memo reviewing the potentially suitable properties and process of evaluation along with a ranked list of the evaluated properties.

TASK 8 – PROJECT MANAGEMENT

CONSULTANT shall provide monthly progress updates, maintain a project schedule, and coordinate with AVEK staff. CONSULTANT shall also facilitate coordination meetings and prepare presentation materials as needed to staff and committee/board.

ADDITIONAL DELIVERABLES

In addition to the deliverables listed under each Task, the CONSULTANT shall deliver the following documents to AVEK:

- Draft Feasibility Study Report
- Final Feasibility Study Report
- GIS maps / spatial data files and related CAD files
- Groundwater model files and documentation
- Presentation materials for committee and board meetings

PROPOSED SCHEDULE

Notice to Proceed	December 2025
Draft Feasibility Study Report	April 2026
Final Feasibility Study Report	June 2026

AVAILABLE INFORMATION AND DATA

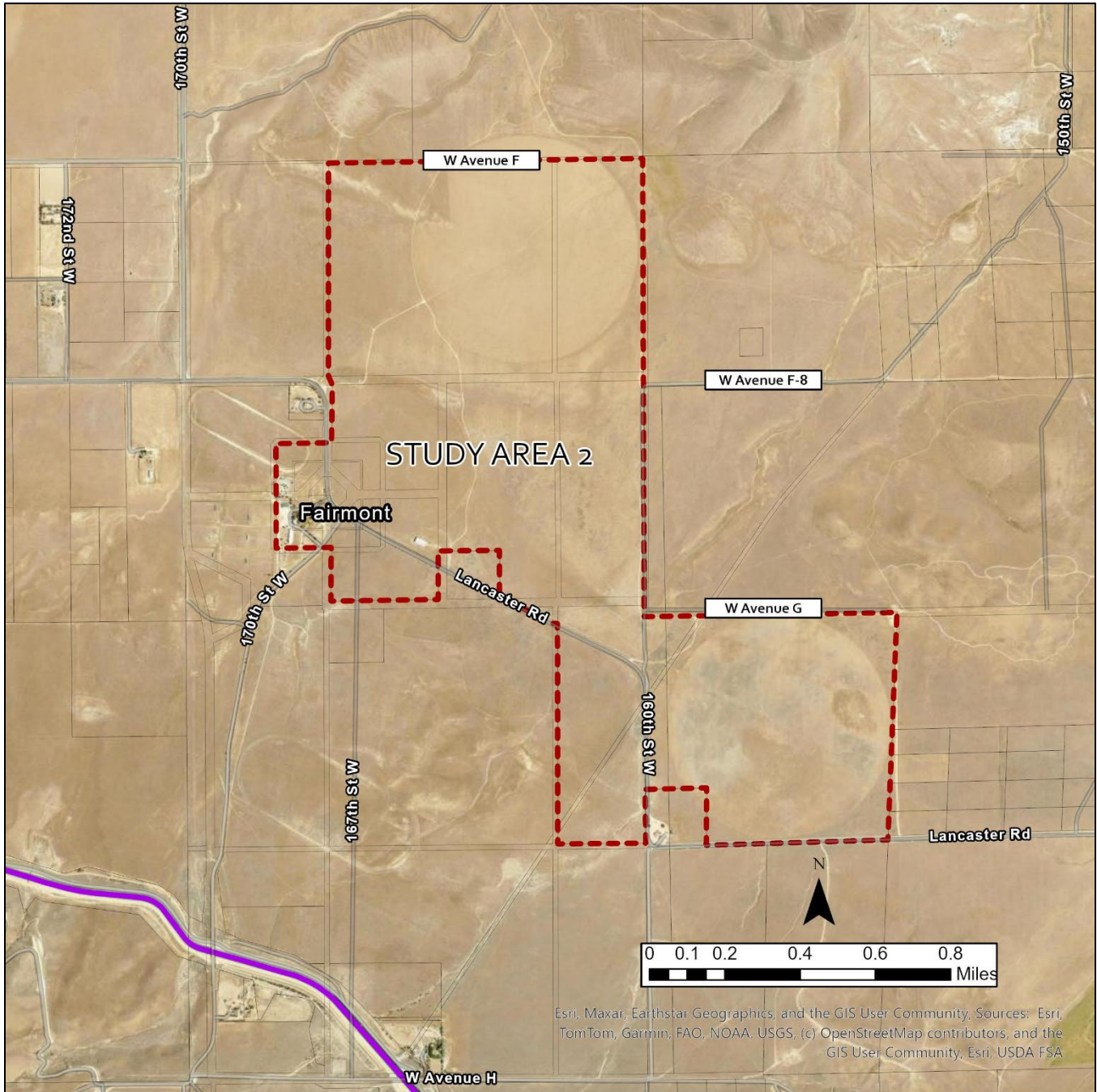
- Eastside Water Bank CEQA Initial Study and Mitigation, Monitoring, and Reporting Program
- Eastside Water Bank Preliminary Design Report
- Eastside Water Bank Expansion Draft CEQA Initial Study/Mitigated Negative Declaration
- Eastside Water Bank Boring Logs, Percolation Test Results, and E-Logs
- Eastside Water Bank Well Completion Reports
- Eastside Water Bank Historical Water Quality Results
- Healy Farms Water Facility Evaluation Technical Memorandum

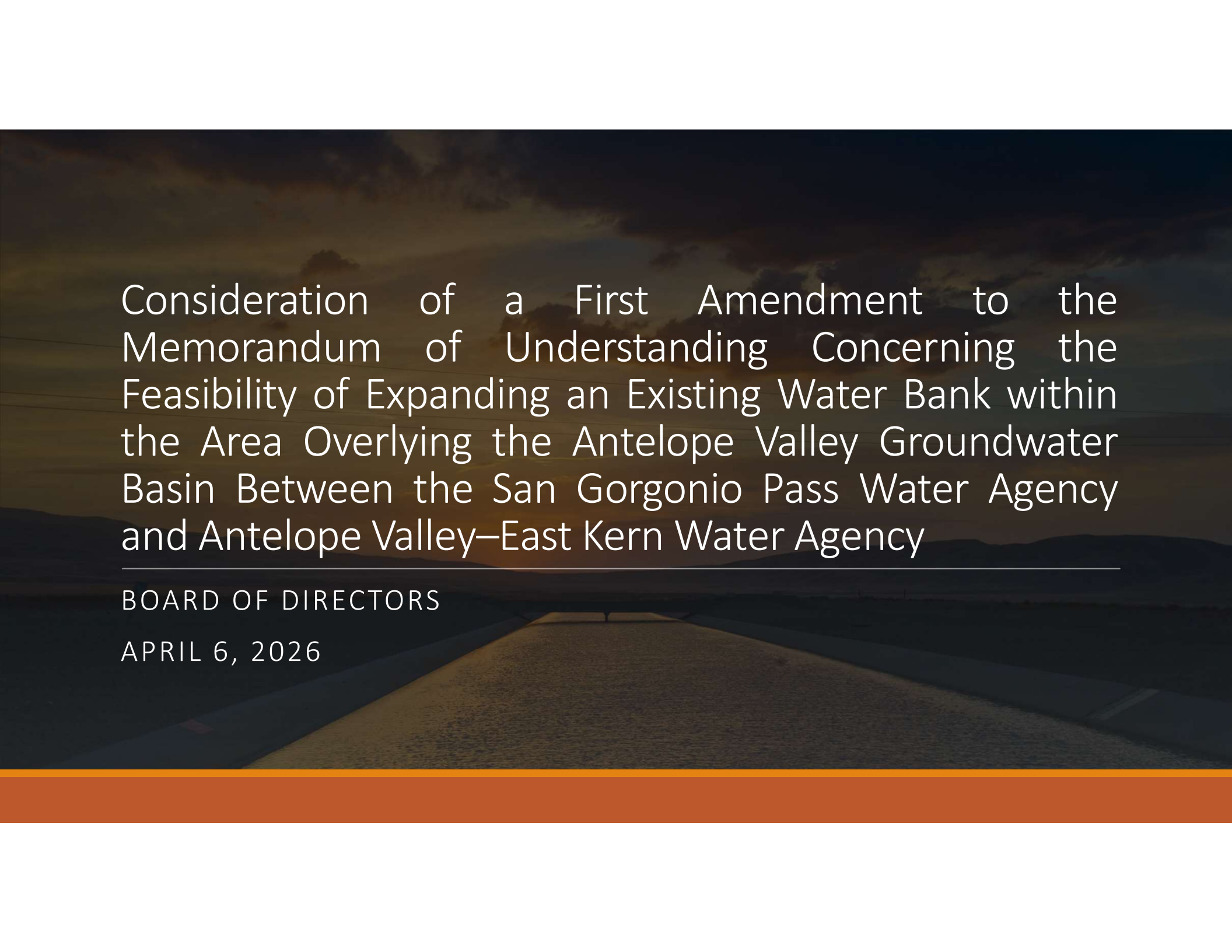
EXHIBIT A

WATER BANK EXPANSION STUDY AREA No. 1



WATER BANK EXPANSION STUDY AREA No. 2






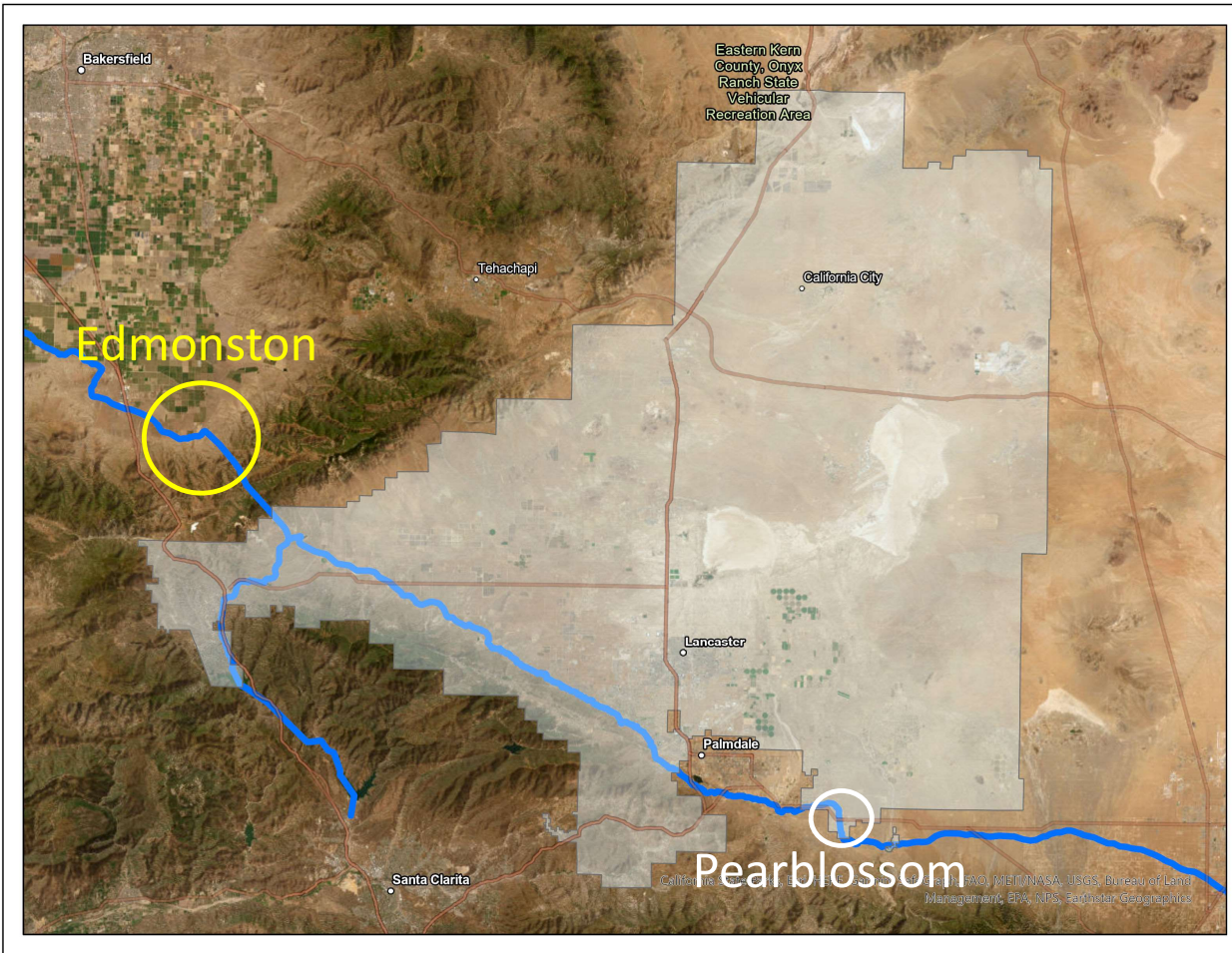
Consideration of a First Amendment to the Memorandum of Understanding Concerning the Feasibility of Expanding an Existing Water Bank within the Area Overlying the Antelope Valley Groundwater Basin Between the San Geronio Pass Water Agency and Antelope Valley–East Kern Water Agency

BOARD OF DIRECTORS

APRIL 6, 2026

Why water banking?

- 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

The Board authorized an MOU with AVEK to engage in the following activities:

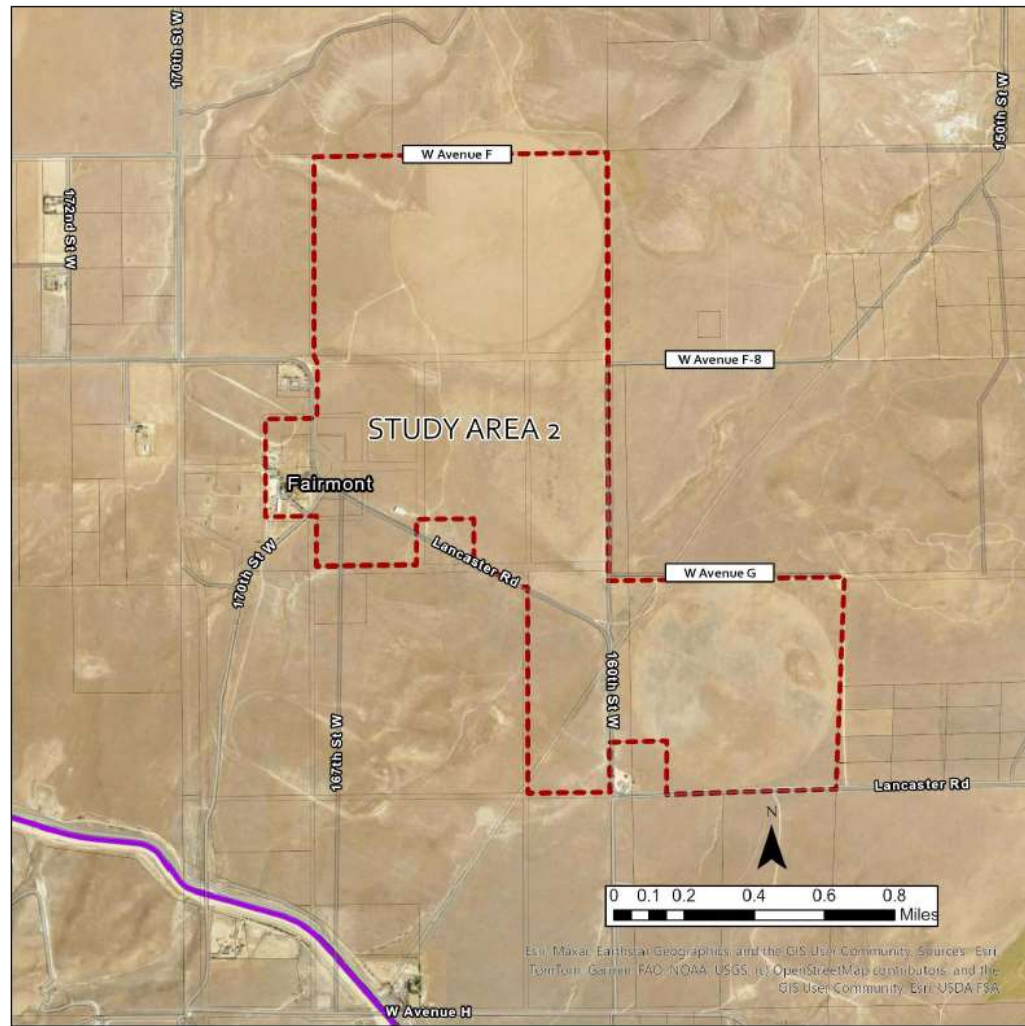
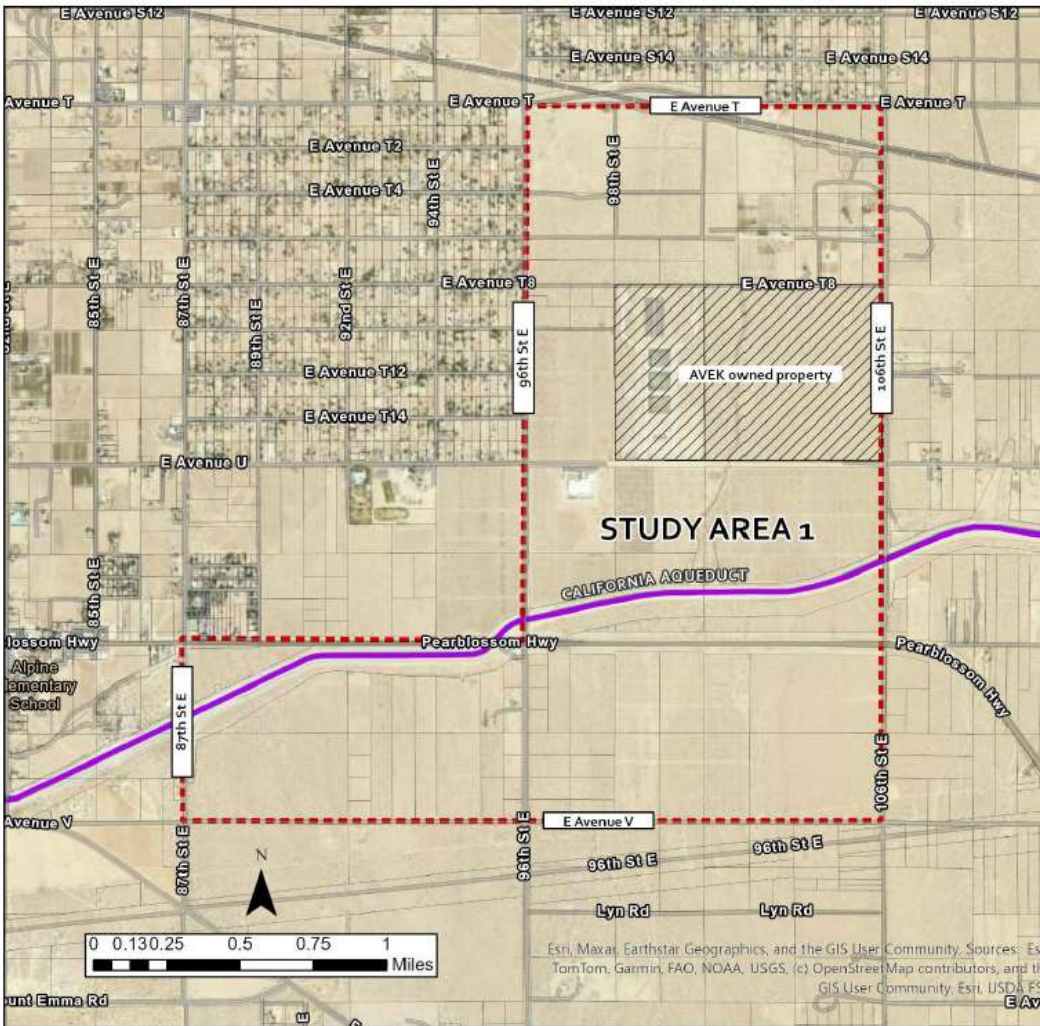
- Conduct joint studies to assess the hydrogeological, technical, and environmental feasibility of a banking and exchange agreement in the Basin Area.
- Investigate regulatory, legal, and institutional frameworks that may apply to program implementation.
- Develop conceptual designs and operational strategies 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.

The Board subsequently authorized a feasibility study to work through the details of a banking arrangement



WATER BANK EXPANSION STUDY AREA No. 1

WATER BANK EXPANSION STUDY AREA No. 2



Esri, Maxar, Earthstar Geographics, and the GIS User Community. Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Esri, USDA FSA

Esri, Maxar, Earthstar Geographics, and the GIS User Community. Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Esri, USDA FSA

Certain properties have become available that would be a cornerstone of a water bank with AVEK. Amendment No. 1 to the MOU formalizes property acquisition for this purpose.



Outlines the process for property purchase



Clarifies roles and responsibilities related to any property acquisition



Specifies the cost arrangement of the property acquisition



Outlines how a property option agreement would be structured in the context of this arrangement



A future property purchase option agreement would be brought back to the Board for approval

Recommendation

Authorize the General Manager to Execute the First Amendment to 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 Geronio Pass Water Agency and Antelope Valley–East Kern Water Agency.