



BOARD OF DIRECTORS WORKSHOP -

RESOURCES/ENGINEERING

TUESDAY, MARCH 14, 2023 - 2:00 P.M.

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the March 14, 2023, meeting of the San Bernardino Valley Municipal Water District in-person, or online and by telephone as follows:

**Dial-in Info: (877) 853 5247 US Toll-free
Meeting ID: 824 9230 9440
PASSCODE: 3802020**

<https://sbvmwd.zoom.us/j/82492309440>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District's consideration by sending them to comments@sbvmwd.com with the subject line "Public Comment Item #" (insert the agenda item number relevant to your comment) or "Public Comment Non-Agenda Item". Submit your written comments by 6:00 p.m. on Monday, March 13, 2023. All public comments will be provided to the Chair and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your "identifier" during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
380 E. Vanderbilt Way, San Bernardino, CA 92408

BOARD OF DIRECTORS' WORKSHOP - RESOURCES/ENGINEERING

AGENDA

2:00 PM Tuesday, March 14, 2023

CALL TO ORDER

Chairperson: Director Hayes
Vice-Chair: Director Harrison

1) INTRODUCTIONS

2) PUBLIC COMMENT

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

3) DISCUSSION AND POSSIBLE ACTION ITEMS

- 3.1 Consider Unbalanced Exchange Agreement with Crestline Lake Arrowhead Water Agency that Would Provide an Additional 1,500 Acre-Foot of Water to Valley District (10 min) - Page 2
[Staff Memo - Consider Unbalanced Exchange Agreement with Crestline Lake Arrowhead Water Agency that Would Provide an Additional 1,500 Acre-Foot of State Water to Valley District](#)
[Proposed Exchange Agreement with CLAWA](#)

4) FUTURE BUSINESS

5) ADJOURNMENT

PLEASE NOTE:

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.



DATE: March 14, 2023

TO: Board of Directors' Workshop – Resources/Engineering

FROM: Bob Tincher, Chief of State Water Initiatives/Deputy General Manager

SUBJECT: Consider Unbalanced Exchange Agreement with Crestline Lake Arrowhead Water Agency that Would Provide an Additional 1,500 Acre-Feet of State Water to Valley District

Recommendation:

Staff is asking the Board of Directors to consider authorizing the CEO/General Manager to file a Notice of Exemption and execute the attached Exchange Agreement with the Crestline Lake Arrowhead Water Agency (CLAWA), subject to any non-substantive changes approved by the CEO/General Manager and District Counsel.

Summary:

Due to above average precipitation and historic snowfall this year, it is now anticipated that San Luis Reservoir will spill carryover water from 2022 (carryover water) as early as this week and the Table A allocation could be increased to 75%, or higher. Valley District has already delivered its carryover water so we will not be impacted by a spill at San Luis Reservoir. CLAWA has carryover water in San Luis Reservoir that could spill and is asking Valley District to consider an unbalanced exchange agreement that would reduce, or eliminate, any spill of their carryover water. Under the terms of the agreement, Valley District would take delivery of 3,000 acre-feet of CLAWA's SWP water and would return up to 1,500 acre-feet to CLAWA by the end of calendar year 2033, providing Valley District with a net additional 1,500 acre-feet of SWP water.

Background:

Due to this year's hydrologic conditions, Lake Oroville is 75% full and making flood control releases in anticipation of filling and San Luis Reservoir is 84% full and projected to fill and spill carryover water from 2022 as early as this week. These conditions are expected to result in a final allocation of SWP

water at 75%, or higher. In order to take delivery of this amount of SWP water, the Valley District service area needs to take significant monthly deliveries for the entire year. As a result, staff is working with the San Bernardino Basin Groundwater Council (GC) and the retail water agencies to begin ramping up deliveries this month so that we are in a position to utilize all of the supplies that may be available this year. If conditions should turn out to be lower than anticipated, staff would work with the GC and retail water agencies to adjust monthly deliveries accordingly.

Fiscal Impact:

Valley District will pay the variable costs for this additional 3,000 acre-feet of water from the available funds in the State Water Project Budget under the variable expense account. Additional revenues will be collected from the sale of the water.

Attachments:

San Bernardino Valley Municipal Water District Crestline Lake Arrowhead Water Agency Exchange Agreement

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

WATER EXCHANGE AGREEMENT

RECITALS

- A. San Bernardino Valley Municipal Water District (“VALLEY”) is a public agency organized pursuant to the California Municipal Water District Law of 1911 (Water Code §§ 71000 et seq.) with broad powers to acquire and sell water. VALLEY has a Water Supply Contract with the California Department of Water Resources (“DWR”) that provides VALLEY with a Table A Amount of up to 102,600 acre-feet per annum of water (“AFA”) from the State Water Project (“SWP”).
- B. Crestline-Lake Arrowhead Water Agency (“AGENCY”) is a public agency organized in accordance with Crestline-Lake Arrowhead Water Agency Law (Water Code Appendix §§ 104-1 et seq.) with broad powers to acquire and sell water. AGENCY has a Water Supply Contract with DWR that provides it with a Table A Amount of 5,800 AFA.
- C. VALLEY and AGENCY desire to enter into this Water Exchange Agreement whereby VALLEY will acquire 3,000 AF of SWP water from AGENCY in calendar year 2023 in exchange for delivery of 1,500 AF of water from VALLEY to AGENCY (“EXCHANGE WATER”) no later than the end of 2033.
- D. VALLEY has a need for delivery of the SWP from the AGENCY to improve reliability of supply to existing water users within VALLEY.
- E. AGENCY has 3,000 AF of SWP water available from its 2023 SWP water supply for delivery to DISTRICT provided it can receive up to 1,500 AF of exchange water from VALLEY no later than the end of 2033 to enable it to meet anticipated demands for water within its service area.

IN CONSIDERATION OF THE MUTUAL PROMISES of the Parties as set forth herein, it is agreed as follows:

1. Description of the Exchange and Procedures.

On or before December 31, 2023, AGENCY will in writing request the California Department of Water Resources (“DWR”) to deliver 3,000 AF of the AGENCY’s SWP supply to VALLEY at its designated point of delivery. A copy of such written request shall be delivered to VALLEY. After written confirmation to AGENCY from VALLEY of such delivery,

at the written request of AGENCY, VALLEY shall subsequently deliver up to 1,500 AF of its SWP water (“Exchange Water”) to AGENCY, in whole or in part as specified in such request. AGENCY shall not make such request any earlier than January, 2024. VALLEY and AGENCY shall meet and confer in advance of such delivery date to schedule the delivery of the Exchange Water to AGENCY. VALLEY shall complete delivery of the EXCHANGE WATER no later than December 31, 2033. If AGENCY requests delivery of Exchange Water in a year which the Table A allocation of State Water Project water is 30%, or lower, VALLEY and AGENCY agree to confer in good faith to adjust the quantity of Exchange Water to be delivered in that year so as to minimize adverse impacts on the ability of both parties to satisfy the needs of their respective customers. AGENCY’S obligation for the delivery of its SWP water to VALLEY in 2023 shall be subject to the availability of water from the SWP.

2. **Points of Delivery and Measurement.**

a. VALLEY. The point of delivery and measurement of the SWP water from AGENCY to VALLEY turnout(s) specified by VALLEY.

b. AGENCY. The point of delivery and measurement of the Exchange Water from VALLEY to AGENCY shall be from VALLEY at Silverwood Lake.

3. **Charges.**

a. Neither VALLEY nor AGENCY shall charge any costs to the other for use of either agency’s facilities to the point of delivery.

b. VALLEY shall be responsible for all costs of, and entitled to all power credits generated by, the delivery of AGENCY’S SWP water to VALLEY. AGENCY shall be responsible for all delivery costs of the Exchange Water to AGENCY at Silverwood Lake.

4. **Conditions Precedent and Covenants.**

4.1 **DWR Approval.** No provisions of this Agreement requiring DWR approval shall become operative until DWR approves of those provisions. VALLEY and AGENCY shall use their best efforts to promptly obtain such approvals.

4.2 **CEQA.** This Agreement shall not be effective unless and until VALLEY and AGENCY have complied with the requirements of the California Environmental Quality Act applicable to the exchange described herein.

5. **Notices.**

All written notices required to be given pursuant to the terms of this Agreement shall be either (i) personally delivered, (ii) deposited in the United States express mail or first class mail, (iii) delivered by overnight courier service, or (iv) delivered by electronic transmission, provided that the original of such notice is sent by certified United States mail, postage prepaid, no later than one (1) business day following such electronic transmission. All such notices shall be deemed delivered upon actual receipt (or upon first attempt at delivery pursuant to the methods specified in clauses (i), (ii) or (iii) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses or to such other address as the receiving party may from time to time specify by written notice to the other party:

VALLEY:

San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
P.O. Box 5906
San Bernardino, CA 92412-5906

Attention: General Manager
Telephone: (909) 387-9211
Facsimile: (909) 387-9247

AGENCY:

Crestline-Lake Arrowhead Water Agency
24116 Crest Forest Drive
P.O. Box 3880
Crestline, CA 92325-3880

Attention: General Manager
Telephone: (909) 338-1779
Fax: (909) 338-3686

6. **Miscellaneous.**

6.1 **No Assignment.** No party shall assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other party.

6.2 **Successors and Permitted Assigns.** All covenants and agreements contained in this Agreement by or on behalf of any of the parties shall bind

and inure to the benefit of their respective successors and permitted assigns, wither so expressed or not.

6.3 No Modification of Existing Contracts. This Agreement shall not be interpreted to modify the terms or conditions of the water supply contracts between the DWR and AGENCY and between DWR and VALLEY, or to modify the terms or conditions of any other water purchase or exchange agreements between AGENCY and VALLEY.

6.4 Governing Law/Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Venue for any actions brought regarding this Agreement shall be in the County of San Bernardino, provided that, in accordance with the provisions of the Code of Civil Procedure Section 394, a disinterested judge from a neutral county is assigned to hear such action and all proceedings in connection therewith.

6.5 Ministerial Actions. Due to increasing State-wide demands for water, water exchanges, water storage, banking and recovery, and various water quality issues throughout the State, the Parties agree that this Project is unique and cannot be duplicated and there is not a plain, speedy, and adequate remedy at law for VALLEY or AGENCY should either refuse or fail to perform their respective obligations as set forth in this Agreement. Consequently, VALLEY and AGENCY agree that the terms of this Agreement are enforceable by writ of mandate and specific performance.

6.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Signatures sent by facsimile shall be deemed originals and treated in all respects as originals.

6.7 Further Action. The parties agree to and shall take such further action and execute such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with terms thereof.

6.8 Interpretation. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of its terms and the legal consequences thereof. The headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

DATE: _____

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

By _____
Heather Dyer, CEO/General Manager

DATE: _____

CRESTLINE-LAKE ARROWHEAD
WATER AGENCY

By _____