

JOINT POWERS AGREEMENT

by and among

CITY OF BIG BEAR LAKE

DEPARTMENT OF WATER AND POWER

BIG BEAR CITY

COMMUNITY SERVICES DISTRICT

and

BIG BEAR MUNICIPAL WATER DISTRICT

for the formation of a joint powers authority and management of the

BEAR VALLEY

GROUNDWATER BASIN

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**JOINT POWERS AGREEMENT BY AND AMONG THE CITY OF BIG BEAR LAKE
DEPARTMENT OF WATER AND POWER, BIG BEAR CITY COMMUNITY
SERVICES DISTRICT, AND BIG BEAR MUNICIPAL WATER DISTRICT FOR THE
FORMATION OF A JOINT POWERS AUTHORITY AND MANAGEMENT OF THE
BEAR VALLEY GROUNDWATER BASIN**

THIS JOINT POWERS AGREEMENT (“Agreement”) is entered into as of April 26, 2017 by and between the CITY OF BIG BEAR LAKE, DEPARTMENT OF WATER AND POWER (“DWP”), a department of the City of Big Bear Lake formed pursuant to its Charter, BIG BEAR MUNICIPAL WATER DISTRICT (“BBMWD”), a Municipal Water District organized under Water Code §§ 71000 et seq., and the BIG BEAR CITY COMMUNITY SERVICES DISTRICT (“BCCSD”), a Community Services District organized under Government Code §§ 61770 et seq., hereinafter collectively referred to as “Members”, with reference to the following:

A. WHEREAS, in September 2014, the Governor signed three bills (SB 1168, SB 1319, and AB 1739) into law creating the Sustainable Groundwater Management Act of 2014 (“SGMA”); and

B. WHEREAS, SGMA generally requires the formation of one or more Groundwater Sustainability Agencies (“GSA” or “GSAs”) responsible for implementing sustainable groundwater management and preventing “undesirable results” in groundwater basins designated as a medium or high priority basin by the California Department of Water Resources (“DWR”) in its Bulletin 118 inventory of California groundwater basins; and

C. WHEREAS, DWR has designated the Bear Valley Groundwater Basin (the “Basin”), as a medium priority groundwater basin under Bulletin 118; and

D. WHEREAS, each of the Members overlies a portion of the Basin and exercises water management, water supply or land use authority within a portion of the Basin; and

E. WHEREAS, the Members are local agencies that can exercise powers related to groundwater management within their jurisdictional boundaries and qualify individually to serve as a GSA within portions of the Basin per Water Code Section 10723; and

F. WHEREAS, under SGMA, a combination of local agencies may elect to form a joint powers authority (“JPA”) to serve as the GSA for all or portions of the Basin through a joint powers agreement; and

G. WHEREAS, the Members intend by this Agreement to create a JPA to implement SGMA in the entire Basin, and are authorized to enter into this Agreement pursuant to the Joint Exercise of Powers Act, Government Code §§ 6500 et seq., for the purpose of acting as a separate public agency that can carry out all obligations, and exercise all powers, of a GSA in all areas of the Basin; and

H. WHEREAS, under SGMA, a GSA, including a JPA composed of one or more SGMA-eligible local agencies, must file a notice of intent with DWR by June 30, 2017

indicating the GSA's intent to undertake sustainable groundwater management within all or portions of a groundwater basin; and

I. WHEREAS, the governing boards of each of the three Members have formally agreed to: (1) enter into this Agreement; (2) form a JPA that can jointly exercise the powers common to the Members and fulfill all legal obligations imposed by SGMA; and (3) authorize the JPA to promptly file all necessary documentation with DWR so as to permit the JPA to become the exclusive GSA for the entire Basin; and

J. WHEREAS, the Members further intend by this Agreement to provide for the commitments reasonably anticipated to be necessary for the above purposes and for the purpose of ensuring that the Basin is sustainably managed in accordance with the timelines established by SGMA.

ACCORDINGLY, IT IS AGREED BY ALL MEMBERS:

1. **RECITALS.** The foregoing recitals are incorporated as terms of this Agreement.

2. **DEFINITIONS.** Unless otherwise required by the context, the following terms shall have the following meanings:

a. "Administering Member" shall mean the Member designated by the Agency Board to provide administration, operation and staffing of the Agency so as to ensure the Agency complies with this Agreement and all legal requirements. The Board is not required to designate an Administering Member, and a Member so designated is not required to accept the designation.

b. "Administrator" shall mean the individual selected to act as the chief executive of the Agency, and the person responsible for its day to day operations. The Administrator may, but it is not required to be, an employee of one of the Members.

c. "Agency" and "JPA" as used herein shall, unless otherwise noted, mean the "Bear Valley Basin Groundwater Sustainability Agency," the separate public agency created by this Agreement and Government Code Sections 6507 and 6508, and the entity charged by this Agreement with becoming the exclusive GSA for the Basin.

d. "Board" or "Board of Directors," shall, unless otherwise indicated, mean the Board of Directors of the Agency.

e. "DWR" shall mean the California Department of Water Resources.

f. "Effective Date" shall mean the date on which at least two Members have signed this Agreement.

g. "Groundwater Sustainability Agency" or "GSA" shall mean a groundwater sustainability agency as defined in SGMA, Water Code § 10721.

h. “Groundwater Sustainability Plan,” “Plan,” or “GSP” shall have the same meaning as provided in SGMA, Water Code § 10721.

i. “Member” shall mean any of the individual signatories to this Agreement, and “Members” shall collectively mean two or more of the signatories to this Agreement.

j. “SGMA” shall mean the Sustainable Groundwater Management Act of 2014, as amended, and any regulations of DWR or the State Water Resources Control Board that implement SGMA.

k. “Basin” shall mean the Bear Valley Groundwater Basin, Basin No. 8-009, as identified in Bulletin 118 by DWR.

3. CERTIFICATION. Each Member, as a signatory to this Agreement, certifies and declares that it is a public agency, as defined by Government Code § 6500, that is authorized to enter into a joint powers agreement to contract with each other for the joint exercise of any common power under Article 1, Chapter 5, Division 7, Title 1 of the Government Code or any power otherwise granted to one or more of the Members by SGMA.

4. CREATION OF SEPARATE AGENCY. There is hereby created, per Government Code §§ 6507 and 6508, an agency separate from the parties to the Agreement, and which is responsible for the administration of this Agreement, to be known as the “**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY**.” Within thirty (30) days of the Effective Date of this Agreement, the Members, and/or the Agency shall. (a) cause a notice of this Agreement to be prepared and filed with the office of the California Secretary of State as required by Government Code § 6503.5; (b) file a copy of this Agreement with the State Controller per Government Code § 6503.6; and (c) file a copy of this Agreement with the Local Agency Formation Commission (“LAFCO”) for San Bernardino County per Government Code § 6503.6.

5. PURPOSES AND MEMBER RESPONSIBILITIES. The Agency is formed with the purpose and intent of jointly creating a separate legal entity to fulfill the role and legal obligations of a GSA required by SGMA, to include complying with SGMA and ensuring sustainable groundwater management throughout the Basin, so that the Members may collaboratively and cost effectively develop, adopt, and implement a GSP for the Basin in accordance with pertinent regulatory timelines. The geographic boundaries of the GSA that will be formed by the Agency, which will encompass the entire Basin, are as depicted in the map attached hereto as Exhibit “A,” which is incorporated herein by reference. The Agency may also represent the Members, as appropriate, in discussions and transactions with other local agencies, to include (but not limited to) the development of inter-basin coordination agreements with other GSAs in San Bernardino County, and agreements with other local agencies or groundwater sustainability agencies as may be required to ensure compliance with SGMA for the Basin.

6. POWERS. The Members intend that the Agency provide for the joint exercise of powers common to the Members as such powers relate to the management of the Basin, and for the exercise of such additional powers as are conferred by law in order to meet the requirements of SGMA. The Members are each SGMA-eligible local agencies empowered by the laws of the

State of California to exercise the powers specified in this Agreement, and such other powers as are granted to GSAs by SGMA. These common powers shall be exercised for the benefit of any one or more of the Members or otherwise in the manner set forth in this Agreement. Subject to the limitations set forth in this Agreement, the Agency shall have the powers to perform all acts necessary to accomplish its purposes as stated in this Agreement, as authorized by law, including but not limited to the following. to enforce the requirements of SGMA within the Basin to the extent authorized by law including, but not limited to, the imposition and collection of civil penalties as authorized by SGMA, to impose fees authorized by SGMA (Water Code §§ 10730-10731), to adopt rules, regulations, policies and procedures for governing the operation of the GSA and adoption and implementation of the GSP consistent with the powers and purposes of the Agency and as authorized by SGMA, and all other powers necessary to carry out the purposes of the Act. Any power necessary or incidental to the foregoing powers shall be exercised by the Agency in the manner provided for under the legal authority applicable to BBCSD, except as otherwise provided by law or in this Agreement.

7. OBLIGATIONS OR LIABILITIES OF AUTHORITY. No debt, liability or obligation of the Agency shall constitute a debt, liability or obligation of any of the Members, except as otherwise provided in this Agreement or unless otherwise required by law.

8. DESIGNATION OF ADMINISTERING MEMBER/ADMINISTRATOR. The powers of the Agency provided in this Agreement shall be exercised in the manner provided by this Agreement. The Board may designate an Administering Member and/or an Administrator to provide all or a portion of the administrative (or other) services required by this Agreement, SGMA, or other legal authority. However, whether or not the Board decides to designate an Administering Member, each Member shall nevertheless be responsible, when requested by the Board, for designating staff from their agency to coordinate with the Board and other Members, and for otherwise ensuring the Agency has sufficient staffing and administrative support to comply with this Agreement and other legal obligations.

9. ORGANIZATION:

a. Additional Members. The Board may allow additional members to join the Agency. Additional Members must be local agencies capable of being designated as a GSA under SGMA. The Board may set whatever conditions it deems necessary as a precondition to addition of the new Member, to include requiring the additional Members to reimburse the other Members for a proportionate share of the costs already incurred by the existing Members.

b. Bylaws. The Board shall adopt bylaws governing the management of the Agency within 180 days of the Effective Date. The bylaws shall require the Board to develop a conflict of interest code for the Agency compliant with California law, and to otherwise ensure that the Board operates in a manner that is fully compliant with the Brown Act, the Joint Exercise of Powers Act, Government Code §§ 6500 et seq., SGMA, and all other applicable legal requirements.

c. Committees. The Board may create committees as authorized by law.

d. Governing Board. The Agency shall be governed by a Board of Directors which shall be composed of one (1) elected representative from BBCCSD, one elected representative from BBMWD, and one appointed commissioner from DWP. The governing body of each Member shall determine in its sole discretion the person it will appoint to the Agency Board of Directors. The Board of Directors shall receive no compensation from the JPA for serving on the Board of the JPA.

e. Meetings. Regular meetings of the Board may be held quarterly, or as the Board determines necessary, on such dates and times and at such locations as the Board shall fix by resolution. Special meetings of the Board shall be called in accordance with Government Code § 54956. All meetings of the Board shall comply with the provisions of the Ralph M. Brown Act (Government Code §§ 54950 et seq.).

f. Officers. The officers of the Agency shall be a Chairperson, a Vice-Chairperson, and such other officers as the Board shall designate. The election of officers will take place at the first meeting of the JPA Board, and subsequently in the first Board meeting of each new calendar year unless the time of election is otherwise designated in the Agency bylaws. The officers or persons who have charge of, handle or have access to any property of the Agency shall be designated in the bylaws, and such officers and persons shall comply with all applicable requirements of Government Code § 6505.1.

g. Quorum. Two-thirds (2/3) of the Board of Directors shall constitute a quorum in order to conduct business.

h. Rules. The Board may adopt such other rules, policies, and regulations as it deems proper consistent with all applicable laws, this Agreement, and the Agency's bylaws.

i. Term. The Agency Board Members shall serve without terms and at the pleasure of the legislative body which appointed them.

j. Treasurer. As further described in Section 10, below, the Treasurer of the Board shall be formally designated by a resolution adopted by the Board of Directors stating the effective date of the appointment and the term of the appointment.

k. Voting. Each Director shall have one vote. A simple majority of the quorum shall be required for the adoption of a motion, resolution, contract authorization or other action of the Board, except that:

- (i) A majority vote of less than a quorum may vote to adjourn;
- (ii) Any of the following actions shall require a unanimous vote of the entire Board:
 - (1) Adoption, modification or alteration of the GSP, or of the GSA boundaries;
 - (2) Adoption of assessments, charges or fees;

- (3) Admission of additional Members to the Agency;
- (4) Setting the amounts of any Contribution (as defined in Section 13, below) or fees to be made or paid to the Agency by any Member, including extraordinary costs as defined in Section 14; and
- (5) Issuance of bonds or other indebtedness.

10. FISCAL AGENT, DEPOSITORY AND ACCOUNTING. The "Treasurer" appointed by the Board is designated as the fiscal agent and depository for the Agency per Government Code §§ 6505.5 and 6505.6. The Treasurer of the Agency shall be the treasurer of one of the Agency's Members, or a certified public accountant designated by the Board, or an officer or employee designated per Government Code § 6505.6. The Treasurer shall be the depository and have custody of all money of the Agency, from whatever source, subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent. All funds of the Agency shall be held in the operating fund established by Section 13, or such other separate accounts as may be necessary, in the name of the Agency and not commingled with the funds of any Member or any other person or entity. Full books and accounts shall be maintained for the Agency in accordance with generally accepted accounting principles applicable to governmental entities per Government Code §§ 6505 et seq., and any other applicable laws of the State of California.

11. ACCOUNTABILITY, REPORTS AND AUDITS. There shall be strict accountability of all funds, and an auditor designated by the Board shall report any and all receipts and disbursements to the Board with such frequency as shall reasonably be required by the Board. The Agency will utilize the services of an outside independent certified public accountant to make an annual audit of the accounts and records of the Agency as required by Government Code § 6505, unless the Members, elect to conduct the audit for a two (2) year period. In each case, the minimum requirements of the audit shall be those prescribed by the State Controller for special districts pursuant to Government Code § 26909, and shall conform to generally accepted accounting principles. The outside independent certified public accountant selected by the Agency as auditor shall be formally designated by a resolution adopted by the Board of Directors stating the effective date of the appointment and the term of the appointment.

12. OPERATING BUDGET AND EXPENDITURES. The Board shall adopt a budget as specified in the bylaws, by resolution or otherwise. Unless otherwise required by this Agreement or applicable law, the Agency's Treasurer shall draw checks or warrants or make payments as specified in the bylaws of the Agency. The Agency may, consistent with the bylaws, invest any money in the treasury that is not needed for its immediate necessities.

13. OPERATING FUND. The Agency shall establish an operating fund. The fund shall be used to pay all administrative, operating and other expenses incurred by the Agency, and shall be funded by Member contributions for payment of costs of the Agency. Each Member's share of annual contribution ("Contribution") to the Agency's operating or other budget shall be determined by the Board of Directors by resolution or in the bylaws. The amount of Member annual Contributions shall be revisited at least once every five (5) years and may be revisited annually upon request of any Member. The Board may direct that any surplus funds be returned

to the Members, per Government Code § 6512, in proportion to the Contributions made by each Member. In addition, the Contribution of DWP shall be paid and payable only from the DWP water enterprise fund or other available DWP funds. The general fund of the City of Big Bear Lake shall not be available to satisfy DWP's Contribution.

14. ASSESSMENTS FOR EXTRAORDINARY COSTS. In the event the Agency should experience an unanticipated need to pay for extraordinary costs (e.g., those costs that are unanticipated and not otherwise funded through the budget), including, but not limited to the costs of litigation or indemnification as provided in this Agreement, and to the extent that such costs cannot otherwise be reasonably funded through use of reserves on hand or through the other revenue sources authorized by this Agreement, the Board may allocate the additional costs to the Members.

15. STAFFING. The Board shall provide for staffing of the Agency in accordance with procedures established in the bylaws. Such staffing shall ensure the Agency is able to accomplish all requirements imposed by SGMA, this Agreement, and/or any other requirements imposed by law. Legal counsel shall be appointed by the Board and shall serve at the pleasure of the Board. Legal counsel may be an attorney that also performs work for one of the Members, provided appropriate waivers suitable to the Board, and counsel for all of the Members, are first obtained.

16. DISPUTE RESOLUTION. The Members desire to informally resolve all disputes related to this Agreement and/or SGMA, whenever possible, at the lowest possible level, and triggering of the dispute resolution procedures described herein shall only occur where the Members and/or the Board have reached impasse and are unable to resolve matters without invoking formal dispute resolution procedures. Should informal resolution of any dispute prove unsuccessful, the Parties agree to neutral facilitation/mediation of the dispute as a next step prior to filing a lawsuit or otherwise seeking judicial intervention. The appointed facilitator/mediator, who need not be a licensed attorney, shall be a person who is not a current or former employee or agent of any Member, and someone who has knowledge of the rules governing public agencies, and who has experience with the management of groundwater resources in Southern California. The facilitator shall be compensated by the Agency.

This Section shall not bar a Member or Member(s) from initiating legal action in another appropriate forum with jurisdiction over the matter as necessary to comply with an applicable statute of limitation, provided such legal action, where authorized, is stayed pending completion of the dispute resolution process described herein. Members involved in a dispute governed by this Section are encouraged to enter a tolling agreement, if legally authorized, in order to allow sufficient time for completion of the process required by this Section.

17. WITHDRAWAL.

a. Notice to Members. Any Member may withdraw from the Agency by delivery of written notice to withdraw to each of the Members at least two years prior to the date of withdrawal ("Withdrawal Notice Period"), unless the Members unanimously agree to allow the withdrawing Member to withdraw sooner than two years, in which case the date of withdrawal shall be the date unanimously agreed upon by the Board. The withdrawing Member

shall continue to be a full Member during the pendency of the Withdrawal Notice Period and shall retain all rights and obligations during such period unless otherwise agreed to by unanimous vote of the Board.

b. Effect of Withdrawal. Should a Member choose to withdraw from the Agency in accordance with the terms of this Agreement, that Member retains any legal right it has under SGMA to serve as the GSA for the groundwater basin underlying its jurisdictional boundaries, provided such withdrawal will not cause the Agency (or its remaining Members) to default on financial obligations or to otherwise fail to comply with the legal obligations imposed by SGMA. The Agency and the non-withdrawing Members shall retain whatever legal rights they have under SGMA, and the withdrawal of the Member shall have no effect on the continuance of this Agreement among the remaining Members. The withdrawing Member shall not take any action after withdrawal that would be reasonably anticipated to frustrate the ability of the Agency to comply with SGMA. After providing written notice of withdrawal, the withdrawing Member shall act at all times in good faith in the best interests of the Agency until such time as the withdrawal process is complete.

c. Continuing Fiscal Obligations. Any Member that withdraws as provided herein shall remain liable during the Withdrawal Notice Period for its share of the budget, as described in the bylaws or by resolution. If the Members elect to incur extraordinary costs in accordance with Section 14, the withdrawing Member shall be liable in proportion to its set rate of Contribution during the Withdrawal Notice Period for the obligations or debts approved and incurred by the Agency for those extraordinary costs, unless the Members agree otherwise. Any Member that withdraws shall remain liable in proportion to its set rate of Contribution for any unfunded capital expenditures or debt service obligations incurred or approved by the Board prior to the date of written notice of withdrawal of such Member until such time as the obligation is fully satisfied.

d. Continuing Claims Obligations. Members will remain obligated to contribute their share in proportion to its set rate of Contribution (based upon the membership roll as of the date of the claim), including without limitation legal defense costs, for any occurrences incurred during the Member's membership, but not presented as a claim against the Agency until after the Member's withdrawal.

e. Divisions of Property Assets. The real and/or personal property assets contributed by the withdrawing Member or the value of the real and/or personal property assets at the date of withdrawal will be returned to the withdrawing Member to the extent such assets are not required for the Agency to meet its continuing obligations as a GSA under SGMA. If such real and/or personal property assets are needed to meet the continuing obligations of the Agency to comply with SGMA, then the remaining Members of the Agency and the withdrawing Member shall negotiate a purchase or lease of such assets for a price not to exceed the fair market value of those assets.

18. TERM AND TERMINATION. This Agreement shall become effective, and the Agency shall come into existence, on the Effective Date. The Agreement, and the Agency, shall thereafter continue in full force and effect until the governing bodies of the Members unanimously elect to terminate the Agreement. Upon unanimous election to terminate this

Agreement, the Board shall continue to act as a board to wind up and settle the affairs of the Agency. The Board shall adequately provide for the known debts, liabilities and obligations of the Agency, and shall then distribute the assets of the Agency among the Members, as follows:

a. The assets contributed by each Member, or the value thereof as of the date of termination, shall be distributed to that Member.

b. The remaining assets shall then be distributed to each Member in proportion to the amount of each Member's Contribution.

The distribution of assets shall be made in-kind to the extent possible by returning to each Member those assets contributed by such parties to the Agency; however, no party shall be required to accept transfer of an asset in kind.

Notwithstanding any other provision by the Board for payment of all known debts, liabilities and obligations of the Agency, each Member shall remain liable for any and all such debts, liabilities, and obligations in proportion to its set rate of Contribution, or in the proportion specified by unanimous action of the Board if alternative proportions are so specified for particular actions or activities that give rise to such debts, liabilities, and obligations.

Termination of this Agreement shall not occur, and the Members shall continue to fund the operations of the Agency as a GSA for the Basin, until the Agency determines by a unanimous vote of the Board that. (a) a GSA is no longer required for the Basin; or (b) one or more of the individual Members will undertake the legal obligations of a GSA previously performed by the Agency, and such termination of the Agency will not result in the Basin being placed in a probationary status by the State Water Resources Control Board.

19. INDEMNIFICATION/CONTRIBUTION. Members, directors, officers, agents and employees of the Agency shall use ordinary care and reasonable diligence in the exercise of their powers, and in the performance of their duties pursuant to this Agreement. The Agency shall hold harmless, defend and indemnify the Members, the Agency Board, and the Members' directors, agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property (including property owned by any Member), arising out of the activities or omissions of the Agency, or its agents, officers and employees related to this Agreement or SGMA ("Claims").

a. To the extent authorized by California law, no Member shall be liable for the actions or omissions of any other Member or the Agency related to this Agreement.

b. The indemnification obligations described herein shall continue beyond the term of this Agreement as to any acts or omissions occurring during this Agreement or any extension of this Agreement.

c. To the extent that the Agency is unable or unwilling (because of comparative fault of Member(s), or other good faith legal basis) to hold harmless, defend and/or indemnify any Member to this Agreement as provided in this Section, such Member shall be entitled to contribution from the other Members in proportion to the extent one Member pays more than its proportional Contribution share of such obligation. Provided, however, that where

one or more Members is determined by a court (or in a settlement approved by a court) to be responsible for a greater proportion for the Claims, each Member will only be responsible for contribution to the other Member (or Members) up to the extent of the contributing Member's set rate of Contribution responsibility.

20. INSURANCE. The Agency shall obtain insurance for the Board members and general liability insurance containing liability in such amounts as the Board shall determine will be necessary to adequately insure against the risks of liability (including compliance with the indemnification provisions in Section 19 above) that may be incurred by the Agency. The Members, their officers, directors and employees, shall be named as additional insureds.

21. CLAIMS. All claims against the Agency, including, but not limited to, claims by public officers and employees for fees, salaries, wages, mileage, or any other expenses, shall be filed within the time and in the manner specified in Chapter 2 (commencing with Section 910) of Part 3, Division 3.6 of Title I of the Government Code, which describes the appropriate content of a claim.

22. ENTIRE AGREEMENT REPRESENTED. This Agreement represents the entire agreement among the parties as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of all of the parties.

23. HEADINGS. Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

24. NOTICES. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered sent by facsimile transmission, emailed or sent by first class mail, postage prepaid and addressed as follows:

MEMBERS:

DWP
41972 Garstin Drive
P.O. Box 1929
Big Bear Lake, CA 92315
Attn: General Manager,
Department of Water and Power

BBCSD
139 E. Big Bear Blvd.
P.O. Box 558
Big Bear City, CA 92314
Attn. General Manager

BBMWD
40524 Lakeview Drive
P.O. Box 2863
Big Bear Lake, CA 92315
Attn. General Manager

Notice delivered personally is deemed to be received upon delivery. Notice sent by first class mail shall be deemed received on the fourth day after the date of mailing. Any party may change the above address by giving written notice pursuant to this Section.

25. CONSTRUCTION. This Agreement reflects the contributions of all parties and accordingly the provisions of Civil Code § 1654 shall not apply to address and interpret any uncertainty.

26. NO THIRD PARTY BENEFICIARIES INTENDED. Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

27. WAIVERS. The failure of any party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach.

28. CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY. This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to any party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

29. FURTHER ASSURANCES AND OBLIGATION OF GOOD FAITH DEALING. Each party agrees to execute any additional documents and to perform any further acts which may be reasonably required to affect the purposes of this Agreement. Moreover, consent or approval, where reasonably requested in furtherance of the purposes of this Agreement or compliance with SGMA, shall not be unreasonably withheld by a Member.

30. COUNTERPARTS. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

31. AMENDMENT. This document may only be amended with a vote by all of its Members.

**CITY OF BIG BEAR LAKE, DEPARTMENT OF WATER AND POWER SIGNATURE
PAGE**

EACH OF THE UNDERSIGNED, having read and considered the above provisions, indicate their agreement by their authorized signatures.

CITY OF BIG BEAR LAKE, DEPARTMENT
OF WATER AND POWER

By: Royce Craig Hart

Attest:

J.A.


Approved as to Form:

Sten Ah

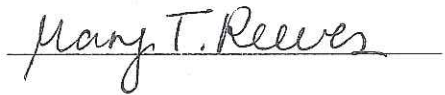
BIG BEAR CITY COMMUNITY SERVICES DISTRICT SIGNATURE PAGE

EACH OF THE UNDERSIGNED, having read and considered the above provisions,
indicate their agreement by their authorized signatures.

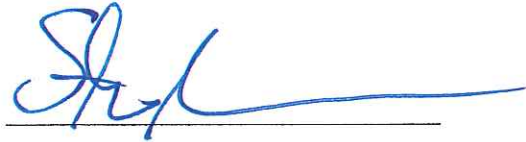
BIG BEAR CITY COMMUNITY SERVICES
DISTRICT,

By:  _____

ATTEST

 _____

APPROVED AS TO FORM

 _____

BIG BEAR MUNICIPAL WATER DISTRICT SIGNATURE PAGE

EACH OF THE UNDERSIGNED, having read and considered the above provisions, indicate their agreement by their authorized signatures.

BIG BEAR MUNICIPAL WATER DISTRICT

By:  _____

Attest:

 _____

Approved as to Form:

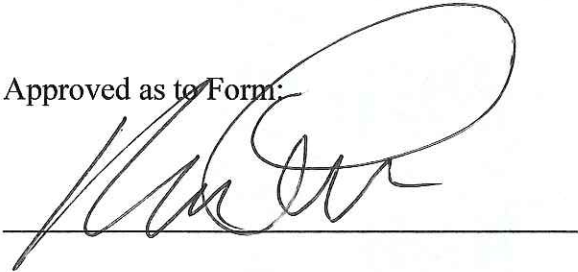
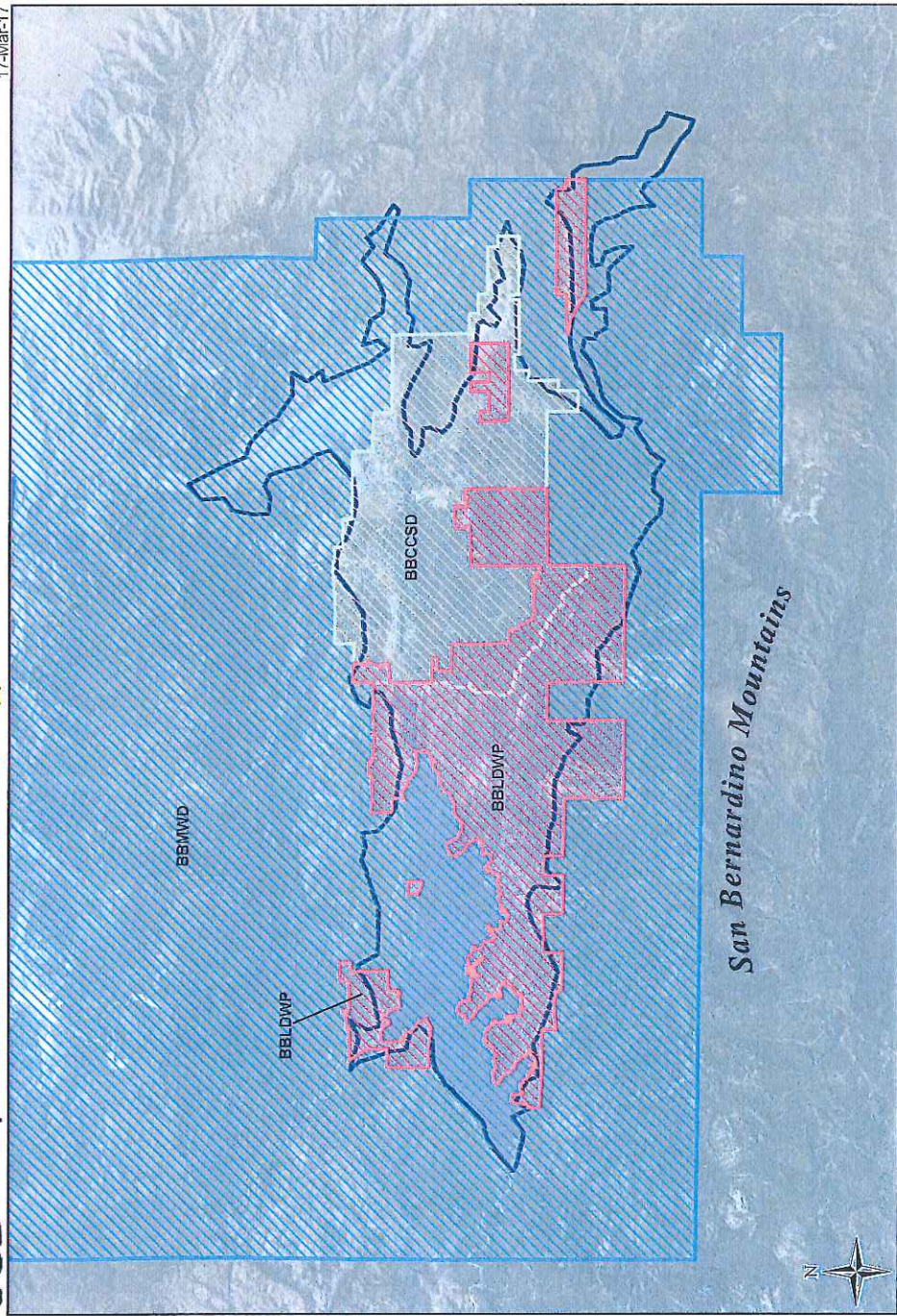
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EXHIBIT "A"



17-Mar-17



Basemap Source: esri.com



Map Features

-  Big Bear Lake Department of Water and Power Service Area (BBLDWP)
-  Big Bear City Community Services District Service Area (BBCCSD)
-  Big Bear Municipal Water District Service Area (BBMWD)
-  Bear Valley Groundwater Basin (DWR Bulletin 118, Rev. 2016)

Bear Valley Basin Boundary Map
Figure 1

