

**RESOLUTION NO. 2020-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY,  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA,  
ADOPTING ADDENDUM NO. 1 TO THE AMENDED AND RESTATED MOU**

WHEREAS, in September 2014, the Sustainable Groundwater Management Act (“SGMA”) was signed into law, with an effective date of January 1, 2015, and codified at California Water Code, Section 10720 et seq; and

WHEREAS, the legislative intent of SGMA is to, among other goals, provide for sustainable management of alluvial groundwater basins and Basins defined by the California Department of Water Resources (“DWR”), to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide specified local agencies with the Agency and the technical and financial assistance necessary to sustainably manage groundwater; and

WHEREAS, Water Code section 10723(a) authorizes a “local agency” with water supply, water management or local land use responsibilities, or a combination of local agencies with such responsibilities overlying a groundwater basin, to decide to become a Groundwater Sustainability Agency (GSA) under SGMA; and

WHEREAS, the Bear Valley Basin Groundwater Sustainability Agency (“Agency”) is a “local agency” comprised of the Big Bear City Community Services District (BCCSD), the City of Big Bear Lake, Department of Water and Power (BBLDWP), the Big Bear Municipal Water District (BBMWD) and the Big Bear Area Regional Wastewater Agency (BBARWA) (each a “Member”) with “water management” responsibilities within the Bear Valley Groundwater Basin (DWR Bulletin 118, No. 8-009) (the “Basin”); and

WHEREAS, effective July 24, 2018, the Agency, BCCSD, BBLDWP, BBMWD, and BBARWA, jointly referred to as the “Parties” agreed to a Memorandum of Understanding (MOU) to document their mutual intent regarding the contributions and reimbursements for the implementation of a reclamation project (Project); and

WHEREAS, in October and November 2019, the Parties agreed to an Amended and Restated MOU to provide for additional cost-sharing contributions from each member agency to fund water quality sampling and Phase II of the Project; and

WHEREAS, to simplify interagency accounting practices and to simplify the budget for the Agency, the Agency no longer desires to act as a clearinghouse for the Parties’ contributions related to the Project; and

WHEREAS, in Addendum No. 1, BBARWA desires to directly invoice the Parties for costs associated with the Project as agreed upon in the Amended and Restated MOU.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY AS FOLLOWS:

Section 1. Unless otherwise agreed, BBARWA will invoice each of the Parties for 25% of the costs of the Studies as incurred. Along with such invoice, BBARWA will provide an accounting of total costs paid to date and the remaining available Contributions. Upon receipt of an invoice from BBARWA, each Party will reimburse BBARWA according to the payment terms presented by BBARWA.

PASSED, APPROVED AND ADOPTED this 16<sup>th</sup> day of June 2020 by the following vote:

AYES: Green, Ludecke, Miller  
NOES:  
ABSENT: Hjorten



**Bob Ludecke, BOARD CHAIRMAN**

ATTEST:



**Jim Miller, SECRETARY**



# Bear Valley Basin Groundwater Sustainability Agency Agenda Report

**DATE:** June 16, 2020  
**TO:** Board of Directors  
**FROM:** Reginald A. Lamson, Administrator  
**RE:** **Resolution No. 2020-XX - Addendum No. 1 to the Amended and Restated MOU**

## **Background & Discussion:**

In October 2019, the Member Agencies of the Bear Valley Basin Groundwater Sustainability Agency (BVBGSA) and their respective Boards authorized the amendment and restatement of the Memorandum of Understanding (the Amended MOU) relating to Member Agency contributions to BBARWA's Replenish Big Bear Project (the Project). The Amended MOU established BVBGSA as a clearinghouse for collection of Member Agency contributions to BBARWA. This practice was established with the anticipation that BVBGSA may be eligible for grant funding that might not otherwise be eligible to the individual Member Agencies.

Subsequently, The Replenish Big Bear Team has successfully obtained two grants that provide over \$5 million in funding for the Project. Because ultimately the majority of the Replenish Big Bear facilities will be owned and operated by BBARWA, the grant applications were submitted and awarded to BBARWA. Also, the Replenish Big Bear design agreement with WSC is with BBARWA. To simplify interagency accounting practices and to simplify the budget for BVBGSA, we are proposing a modification to the Amended MOU wherein BBARWA will have the option to directly bill the Member Agencies for authorized expenditures under the Amended MOU rather than billing BVBGSA. If adopted by the Board, the Member Agencies will seek concurrence from their governing bodies.

At the suggestion of legal counsel, to clarify the impact of the proposed Addendum, we have included a redline version of the Amended and Restated MOU executed in the October and November 2019 that shows exactly what terms will be affected.

## **Financial Impact:**

Administrative services provided by the Administrator on behalf of BVBGSA will be significantly reduced. The modification makes no changes in financial commitments made by the Member Agencies.

## **Recommendation:**

Adopt Resolution No. 2020 – XX approving Addendum No. 1 to the Amended and Restated MOU .

## **Attachments:**

Resolution No. 2020-XX  
Amended and Restated MOU Addendum No. 1 (Exhibit "A")  
Amended and Restated MOU as adopted with redline impact (Exhibit "B")

EXHIBIT "A"

**ADDENDUM NO. 1**

**TO THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING**

The Amended and Restated Memorandum of Understanding ("MOU") dated July 24, 2018 by and among Bear Valley Basin Groundwater Sustainability Agency ("GSA"), the City of Big Bear Lake, Department of Water and Power ("DWP"), the Big Bear City Community Services District ("CSD"), the Big Bear Municipal Water District ("MWD") and the Big Bear Area Regional Wastewater Agency ("BBARWA") reflected an agreement among the Parties to provide additional contributions to fund a second phase of the Project as defined in the Amended and Restated Memorandum of Understanding executed by the Parties in October and November 2019. This addendum hereby further modifies provisions of the MOU related to the collection of contributions as follows.

1) The 8th Recital in the MOU is hereby deleted and replaced with the following two recitals:

“WHEREAS, the GSA no longer desires to act as a clearinghouse for DWP, CSD and MWD Contributions to BBARWA for payments related to the Project;

WHEREAS, BBARWA desires to directly invoice the Parties for costs associated with the Project as agreed upon in the Amended and Restated Memorandum of Understanding.”.

2) Paragraph 1(A) of the MOU is hereby deleted and replaced with the following

“1. CONTRIBUTIONS

- A. Unless otherwise agreed, BBARWA will invoice each of the DWP, CSD and MWD, for 25% of the costs of the Studies as incurred. Along with such invoice, BBARWA will provide an accounting of total costs paid to date and the remaining available Contributions. Upon receipt of an invoice from BBARWA, each Party will reimburse BBARWA according to the payment terms presented by BBARWA.

EXHIBIT "A"

**Signature Page for Addendum No. 1 - Memorandum of Understanding by and among the Bear Valley Basin Groundwater Sustainability Agency, the City of Big Bear Lake, Department of Water and Power, the Big Bear City Community Services District, the Big Bear Municipal Water District and the Big Bear Area Regional Wastewater Agency**

**IN WITNESS WHEREOF**, this Addendum No. 1 to Amended and Restated Memorandum of Understanding is effective after June 16, 2020 and has been executed by the Parties.

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY**

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

Name: Charles Brewster

Title: President

Date: \_\_\_\_\_

**BIG BEAR REGIONAL WASTEWATER AGENCY**

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

Name: John Green

Title: Chair

Date: \_\_\_\_\_

**BIG BEAR CITY COMMUNITY SERVICES DISTRICT**

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

Name: Karyn Oxandaboure

Title: President

Date: \_\_\_\_\_

**BIG BEAR MUNICIPAL WATER DISTRICT**

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

Name: Charles Brewster

Title: President

Date: \_\_\_\_\_

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

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

Name: Bob Tarras

Title: Chair

Date: \_\_\_\_\_

EXHIBIT B  
HOW PROPOSED ADDENDUM NO. 1 REVISED THE OCTOBER 2019 AGREEMENT

**AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING**

The Memorandum of Understanding ("MOU") dated July 24, 2018 by and among Bear Valley Basin Groundwater Sustainability Agency ("GSA"), the City of Big Bear Lake, Department of Water and Power ("DWP"), the Big Bear City Community Services District ("CSD"), the Big Bear Municipal Water District ("MWD") and the Big Bear Area Regional Wastewater Agency ("BBARWA") is hereby amended to provide an agreement by the Parties to provide additional contributions to fund a second phase of the Project (as defined below). GSA, DWP, CSD, MWD and BBARWA are jointly referred to as the "Parties," and individually as a "Party."

WHEREAS, the GSA is a joint powers authority formed by the other Parties on approximately October 18, 2017;

WHEREAS, the GSA is the local Groundwater Sustainability Agency for the Big Bear area 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;

WHEREAS, future grants may be available to the GSA to reimburse the GSA or other Parties for projects undertaken to augment groundwater supplies or otherwise meet the goals of the Sustainable Groundwater Management Act ("SOMA");

WHEREAS, BBARWA is a wastewater agency that operates the wastewater treatment facility in the Big Bear area, which is currently investigating the implementation of a reclamation project ("Project");

WHEREAS, the Project, if implemented, may result in lake water and/or groundwater augmentation;

WHEREAS, BBARWA has contracted for \$1.0 million of the initial engineering and environmental studies ("Phase 1 Studies") and will contract for \$1,000,000 for continued engineering studies (Phase II Studies) and BBARWA and MWD has contracted for water quality sampling (Water Quality studies) (together, the "Studies") necessary to investigate the feasibility of implementing the Project which in total are estimated to cost \$2.0 million;

WHEREAS, BBARWA, DWP, CSD and MWD have each agreed to contribute \$250,000 to fund the Phase I Studies and \$250,000 to fund the Phase II and Water Quality Studies (together, the "Contributions");

~~WHEREAS, the GSA desires to act as a clearinghouse to collect the Contributions and distribute them to BBARWA;~~

WHEREAS, BBARWA desires to directly invoice the Parties for costs associated with the Project as agreed upon in the Amended and Restated Memorandum of Understanding."

WHEREAS, this Amended and Restated MOU is being executed to document the intent of the parties regarding the Contributions and reimbursements and possibly to provide further reimbursements to BBARWA should one or more grants be awarded to the GSA to offset the cost of the Project, Studies, or both.

NOW, THEREFORE, to facilitate the reimbursement of the Studies and potential future reimbursement of the Project, the Parties agree as follows:

## 1. CONTRIBUTIONS.

- A. ~~BBARWA will invoice the GSA for the costs of the Studies as incurred. Along with such invoice, BBARWA will provide an accounting of total costs paid to date and the remaining available Contributions. Upon receipt of the invoice from BBARWA, the GSA shall promptly invoice each of the CSD, DWP and MWD (the "Contribution Agencies") for twenty five (25) % of such invoice up to a total of \$500,000 per Contribution Agency. Each Contribution Agency shall make payment to the GSA in such amount within fifteen(15) days of the date of such invoice. The GSA shall, within 15 days of receipt of the Contributions, distribute the payments received to BBARWA. The GSA shall take all necessary steps to ensure that BBARWA is fully reimbursed for amounts due from the Contribution Agencies within 45 days of the date of BBARWA's invoice.~~ Unless otherwise agreed, BBARWA will invoice each of the DWP, CSD and MWD, for 25% of the costs of the Studies as incurred. Along with such invoice, BBARWA will provide an accounting of total costs paid to date and the remaining available Contributions. Upon receipt of an invoice from BBARWA, each Party will reimburse BBARWA according to the payment terms presented by BBARWA.
- B. Once BBARWA receives this Amended and Restated MOU executed by each of the Parties hereto, and once the initiation of the Studies are approved by the BBARWA Board, BBARWA will continue and complete the Studies.

## 2. POTENTIAL REIMBURSEMENT.

- A. When statutorily authorized, GSA shall seek one or more grants to reimburse BBARWA, CSD, DWP and MWD for the cost of the Studies, the Project, or both.
- B. If the GSA obtains such a grant for the Studies, the Project, or both, GSA shall, subject to all applicable laws and grant requirements, reimburse CSD, DWP, MWD and BBARWA for their respective costs of the Studies, the Project, or both, to the extent legally possible under the terms of the grant(s).

## 3. CONSIDERATION.

- A. In consideration for the Contributions, and assuming the Project is eventually implemented successfully, BBARWA, CSD, DWP and MWD will negotiate in good faith to agree upon a distribution of benefits produced by the Project including treated water.
- B. Nothing in this Amended and Restated MOU is intended to change any of the Parties' existing water rights.

## 4. TERMINATION

One or more of the Parties may, in its sole discretion, determine not to continue to participate in the Project by providing a sixty (60) days' written notice of such termination to each of the Parties. Such terminating Party will not be eligible for consideration, as indicated in Section 3 above.

## 5. COSTS

With respect to all activities undertaken in preparation and adoption of this Amended and Restated MOU, each Party shall bear its own costs and expenses

## 6. THIRD PARTY RIGHTS

Nothing in this MOU shall be construed to give any rights or benefits to anyone other than the Parties hereto.

## 7. COUNTERPARTS

This Amended and Restated MOU may be executed in counterparts, each of which shall have the effect of and be considered as an original of this Amended and Restated MOU.

**8. SUPERSEDE.**

This Amended and Restated MOU supersedes and replaces that Memorandum of Understanding entered into by the Parties on July 24, 2018.

**Signature Page for the Memorandum of Understanding by and among the Bear Valley Basin Groundwater Sustainability Agency, the City of Big Bear Lake, Department of Water and Power, the Big Bear City Community Services District, the Big Bear Municipal Water District and the Big Bear Area Regional Wastewater Agency**

**IN WITNESS WHEREOF**, this Amended and Restated Memorandum of Understanding has been executed by the Parties.