



Big Bear Municipal Water District

Lake Management

Board of Directors

Steve Ludecke – Division 1
Craig Peterson – Division 2
Craig Brewster – Division 3
Mark Lee – Division 4
Tom Bradford – Division 5

NOTICE OF REGULAR BOARD MEETING *April 16, 2026* *A G E N D A*

Place: Big Bear Municipal Water District
40524 Lakeview Drive, Big Bear Lake, CA 92315

Next Resolution Number: 2026-04

OPEN SESSION: 1:00 P.M.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. PUBLIC FORUM
(The Board will receive comments from the public on items not on the agenda; no action is permitted on these items. Time set aside not to exceed 30 minutes total by all participants)
4. REPORTS
 - A. General Manager
 - B. Committee- the following committees met since the last regular Board meeting:
 1. 04/10/2026 – Administrative Committee (Directors Ludecke & Brewster)
5. CONSENT CALENDAR
 - A. Minutes of a Regular Meeting on April 16, 2026.
 - B. Warrant List dated 04/10/2026 in the amount of \$42,969.64.
6. BUSINESS
 - A. DISCUSSION AND POSSIBLE ACTION OF DSOD APPLICATION FOR BEAR VALLEY DAM DOWNSTREAM CONCRETE REPAIR
 - B. DISCUSSION AND POSSIBLE ACTION OF JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SANTA ANA WATERSHED HYDRO ALLIANCE (SAWHA)
7. ITEMS REMOVED FROM CONSENT AND PLACED ON BUSINESS
8. ANNOUNCEMENTS
9. DIRECTOR COMMENTS
10. CLOSED SESSION
 - A. Conference with Legal Counsel –Initiation of litigation pursuant to § 54956.9(c) – One case.

11. ADJOURNMENT

NEXT MEETING: Open Session at 1:00 P.M.
Thursday, May 7, 2026
40524 Lakeview Drive
Big Bear Lake, CA 92315



Elsa Donoho, Office Manager
Secretary to the Board of
Big Bear Municipal Water District

PLEASE NOTE:

Agenda related writings or documents provided to the Board of Directors are available for public inspection at www.bbmwd.com or in the District office during business hours, 8:00 am – 4:30 pm Monday – Friday.

Five (5) minutes may be allotted to each speaker for an item on the agenda and three (3) minutes may be allotted to each speaker for an item that is not on the agenda up to a maximum of thirty minutes for each subject matter. A speaker who utilizes a translator, except if the speaker uses simultaneous translation equipment, shall receive twice the time allotted for a speaker that does not utilize a translator. (Cal. Gov. Code § 54954.3.)

No disruptive conduct shall be permitted at any Board meeting. Persistence in boisterous or disruptive conduct (including but not limited to what the general public would consider profane, explicit, or obscene language) shall be grounds for a summary termination, by the President, of that person's privilege to address the Board and the President may take such other actions in accordance with the Brown Act including, but not limited to, clearing the room of those willfully interrupting the meeting. (Cal. Gov. Code § 54957.9)

Individuals should contact the General Manager or designee if he/she requires disability-related accommodation or modifications, including auxiliary aids and services, in order to participate in the Board meeting. (Government Code 54954.2)

**MINUTES OF A REGULAR MEETING OF
BIG BEAR MUNICIPAL WATER DISTRICT
HELD ON THURSDAY, April 2, 2026**

1. OPEN SESSION

President Bradford opened the regularly scheduled Board meeting at 1:00 PM at the Big Bear Municipal Water District located at 40524 Lakeview Drive, Big Bear Lake, CA 92315 on Thursday April 2, 2026.

BOARD MEMBERS PRESENT:

Craig Brewster, Director
Steve Ludecke, Vice President
Tom Bradford, President
Mark Lee, Director
Craig Peterson, Director

2. PLEDGE OF ALLEGIANCE

Tom Bradford, President

3. PUBLIC FORUM

None.

4. REPORTS

- A. General Manager Jared Cheek reported that the lake level is currently down 6 feet 7 inches, which is approximately 5 inches lower compared to the same time last year. The surface water temperature was reported at 52 degrees. He noted that the Marina Task Force meeting held the previous week was productive.

Director Brewster suggested that the Marina Task Force be conducted as a Full Board Special Workshop in the future. The Board agreed with this approach. President Bradford said that he was happy with how the meeting went.

General Manager Cheek reported that the new multi-purpose boat has arrived. He also attended the US Rowing press conference with Director Peterson. Director Peterson shared that US Rowing and Hueco Tanks expressed appreciation for the District's support and confirmed that activities are expected to begin in May and continue through Memorial Day. Vice President Ludecke noted that he has received positive feedback from the community regarding the US Rowing event.

General Manager Cheek reported that boat launch ramps opened yesterday, April 1st, and that launching activity has already begun. He stated that the earliest seasonal decontamination has been completed. Maintenance staff prepared the facilities, including installation of the patrol dock, which was helped by favorable winter weather conditions.

Director Brewster inquired whether final buoy placement for the season had been completed. Staff responded yes, with adjustments made throughout the season as needed.

General Manager Cheek reported that the Watermaster Report has been finalized and submitted to the court. He said that the Watermaster Committee was happy with communication efforts this year. Counsel confirmed that the Watermaster change filing has been submitted to the court. General Manager Cheek stated that he met with the former Watermaster, Peter, who provided procedural assistance during his transition period.

- B. ~~Director-Vice President~~ Ludecke reported that the Budget and Finance had its monthly overview for February, there was nothing to report.
- C. Director Brewster reported that the Administrative Committee completed the General Manager evaluation process and selected proposed dates, which will be brought forward to the full Board. The Committee also discussed the DSOD application related to the Bear Valley Downstream Dam repairs.

5. CONSENT CALENDAR

PUBLIC FORUM

N/A

- A. Minutes of a Special Meeting on March 3, 2026.
- B. Minutes of a Regular Meeting on March 5, 2026.
- C. Warrant List dated 03/13/2026 in the amount of \$9,403.70

Discussion: No comments were made.

With a motion made by ~~Director-Vice President~~ Ludecke and seconded by ~~Vice President-Director~~ Brewster, the consent calendar was approved unanimously:

AYES: Bradford, Brewster, Ludecke, Lee, Peterson

NO: -

ABSTAIN: -

6. BUSINESS

A. RESOLUTION 2026-04 PROPOSED SPECIAL USE AREA EAST OF EAGLE POINT – RESTRICTION ON TOWING AND WAKE-ENHANCING ACTIVITIES

PUBLIC FORUM

Jeff Cooper agrees it's a good idea to back off this item. He said a special use area will depend on lake level as it fluctuates.

DISCUSSION

- a. General Manager Cheek provided background on ongoing discussions regarding potential impacts from ballast boats and explained that the item was re-agendized due to changes in language and title during prior discussions. The proposal would restrict

towing activities and ballast use east of Eagle Point to reduce potential lakebed disturbance. Staff noted that, if approved, the proposal would require a public hearing and an amendment to Ordinance No. 51, with implementation no earlier than May.

Director Brewster stated that, after consideration, he did not support moving forward with the proposal at this time, noting limited observed ballast boat activity in the area and concern that the restriction would not achieve its intended effect. Director Ludecke expressed similar concerns, citing the lack of formal studies regarding lake bottom and shoreline impacts and a desire to avoid premature action.

Staff reported that boat activity will be tracked during the upcoming season to collect additional data. President Bradford emphasized the importance of identifying specific data needed to support future decision-making, referencing prior outreach to other lakes and expressing concern over declining water quality.

Following discussion, the Board reached consensus to table the item until next fall to gather additional information. Data to be collected will include: ballast boat activity levels east of Eagle Point, registered complaints, water clarity measurements, and boat type at launch. Staff will also evaluate whether registration systems can be updated to capture ballast boat information. The item will return for consideration prior to the next boating season.

With a motion made by Vice President Ludecke and seconded by Director Brewster, the motion to table this item, and return before the upcoming season with requested data was approved:

AYES: Peterson, Brewster, Ludecke

NO: Bradford, Lee

ABSTAIN: -

7. ITEMS REMOVED FROM CONSENT CALENDAR

N/A

8. ANNOUNCEMENTS

General Manager, Jared Cheek announced that the public launch ramps are now open!

9. DIRECTOR COMMENTS

10. CLOSED SESSION

N/A

11. ADJOURN

There being no further business, the meeting was adjourned at 1:57 PM.

DATE AND TIME OF NEXT MEETING:

Date: 04/16/2026
Location: 40524 Lakeview Drive
Big Bear Lake, CA 92315
Time: 1:00 PM

Elsa Donoho, Office Manager
Secretary to the Board of
Big Bear Municipal Water District

[SEAL]

DRAFT

12:54 PM

04/10/26

Big Bear MWD
Warrant List Detail
 March 28 through April 10, 2026

Num	Type	Date	Name	Account	Paid Amount
162852	Bill Pmt -Check	04/07/2026	AMAZON CAPITAL SERVICES	1001-01 · Accounts Payable	
1R7M-9...	Bill	03/16/2026		5541-31 · MAINT-Uniform/Sm Equip-Reg Empl	-153.18
1CGR-1...	Bill	03/17/2026		5541-31 · MAINT-Uniform/Sm Equip-Reg Empl	-59.49
				5630-30 · MAINT-Bldg/Facility Maint/Rep	-23.80
17FV-W...	Bill	03/18/2026		5630-30 · MAINT-Bldg/Facility Maint/Rep	-71.64
17FV-W...	Bill	03/18/2026		5630-30 · MAINT-Bldg/Facility Maint/Rep	-32.08
1M9N-...	Bill	03/22/2026		5541-31 · MAINT-Uniform/Sm Equip-Reg Empl	-75.41
1QPY-H...	Bill	03/28/2026		5541-31 · MAINT-Uniform/Sm Equip-Reg Empl	-62.27
1YCK-F...	Bill	03/30/2026		5570-41 · OPS-Equipment	-65.40
TOTAL					-543.27
162868	Bill Pmt -Check	04/10/2026	AMAZON CAPITAL SERVICES	1001-01 · Accounts Payable	
1MX1-4...	Bill	03/27/2026		5503-01 · ADMIN-Office Supplies-Office	-39.44
1PCC-F...	Bill	04/06/2026		5570-41 · OPS-Equipment	-32.31
1DWX-...	Bill	04/08/2026		5560-21 · WATER-Watermaster Report	-32.75
TOTAL					-104.50
162869	Bill Pmt -Check	04/10/2026	BIG BEAR DISPOSAL	1001-01 · Accounts Payable	
000013...	Bill	04/01/2026		5507-41 · OPS-Utilities-Main Office	-411.99
TOTAL					-411.99
162853	Bill Pmt -Check	04/07/2026	BIG BEAR PAINT CENTER, INC	1001-01 · Accounts Payable	
NYL6N	Bill	02/10/2026		5640-02 · WATER-Dam Maintenance	-114.52
TOTAL					-114.52
162854	Bill Pmt -Check	04/07/2026	BUTCHER'S BLOCK AND BUILDING ...	1001-01 · Accounts Payable	
2603-87...	Bill	03/02/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-291.41
2603-87...	Bill	03/03/2026		5630-31 · MAINT-Bldg/Facil Maint/Rep-Shop	-23.40
2603-88...	Bill	03/04/2026		5630-30 · MAINT-Bldg/Facility Maint/Rep	-9.14
2603-88...	Bill	03/05/2026		5543-30 · MAINT-Small Tools/Tool Supplies	-18.31
2603-88...	Bill	03/05/2026		5630-30 · MAINT-Bldg/Facility Maint/Rep	-85.09
2603-88...	Bill	03/05/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-26.93
2603-88...	Bill	03/09/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-183.18
2603-88...	Bill	03/24/2026		5630-30 · MAINT-Bldg/Facility Maint/Rep	-47.92
TOTAL					-685.38
162870	Bill Pmt -Check	04/10/2026	BUTCHER'S BLOCK AND BUILDING ...	1001-01 · Accounts Payable	
2603-89...	Bill	03/26/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-43.06
2603-89...	Bill	03/26/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-21.53
2603-89...	Bill	03/27/2026		5630-45 · OPS-Bldg/Fac Mtn/Rep-ERAMP Off	-87.37
2603-89...	Bill	03/31/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-32.59
2604-89...	Bill	04/02/2026		5854-00 · EAST RAMP BLDG DECON SHED	-47.63
2604-89...	Bill	04/02/2026		5854-00 · EAST RAMP BLDG DECON SHED	-229.58
TOTAL					-461.76
EFT	Bill Pmt -Check	04/08/2026	BVE (EFT)	1001-01 · Accounts Payable	
032320...	Bill	03/23/2026		5507-22 · WATER-Utilities-Dam	-553.38
032320...	Bill	03/23/2026		5507-43 · OPS-Utilities-Ramps	-84.32
032320...	Bill	03/23/2026		5507-21 · WATER-Utilities-Aerator	-28.76
TOTAL					-666.46

Big Bear MWD
Warrant List Detail
 March 28 through April 10, 2026

Num	Type	Date	Name	Account	Paid Amount
162874	Bill Pmt -Check	04/10/2026	GALLS LLC	1001-01 · Accounts Payable	
034562...	Bill	03/28/2026		5541-42 · OPS-Uniform/Sm Equip Seas Empl	-149.50
034579...	Bill	03/30/2026		5541-41 · OPS-Uniform/Sm Equip-Reg Empl	-142.16
				5541-02 · ADMIN-Uniforms Directors	-69.93
TOTAL					-361.59
162859	Bill Pmt -Check	04/07/2026	GEI CONSULTANTS INC	1001-01 · Accounts Payable	
003198...	Bill	03/23/2026		5560-24 · Watermaster Consultant	-832.50
TOTAL					-832.50
162860	Bill Pmt -Check	04/07/2026	GEIGER SUPPLY	1001-01 · Accounts Payable	
226313	Bill	03/24/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-82.75
226334	Bill	03/24/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-60.10
226366	Bill	03/25/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-29.10
TOTAL					-171.95
162875	Bill Pmt -Check	04/10/2026	GEIGER SUPPLY	1001-01 · Accounts Payable	
226732	Bill	04/02/2026		5854-00 · EAST RAMP BLDG DECON SHED	-280.88
226859	Bill	04/07/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-299.16
226875	Bill	04/07/2026		5630-42 · OPS-Bldg/Fac Mtn/Rep-EAST RAMP	-71.38
TOTAL					-651.42
162876	Bill Pmt -Check	04/10/2026	HELMUTS MARINE SERVICES	1001-01 · Accounts Payable	
202601...	Bill	01/09/2026		5580-41 · OPS-Boat Maintenance-Patrol	-34.85
TOTAL					-34.85
162877	Bill Pmt -Check	04/10/2026	HOOVER BEN (REIMBURSE)	1001-01 · Accounts Payable	
04/16/2...	Bill	04/08/2026		5505-09 · ADMIN-Phone-Employee Reimb	-50.00
TOTAL					-50.00
162878	Bill Pmt -Check	04/10/2026	HUNT JEFF (REIMBURSE)	1001-01 · Accounts Payable	
03/31/2...	Bill	04/08/2026		5505-09 · ADMIN-Phone-Employee Reimb	-50.00
TOTAL					-50.00
162861	Bill Pmt -Check	04/07/2026	MERCURY MARINE	1001-01 · Accounts Payable	
14481339	Bill	03/16/2026		5580-41 · OPS-Boat Maintenance-Patrol	-115.64
14482531	Bill	03/17/2026		5580-41 · OPS-Boat Maintenance-Patrol	-340.29
TOTAL					-455.93
162879	Bill Pmt -Check	04/10/2026	MOONRIDGE FUEL RALPH W HAUPT	1001-01 · Accounts Payable	
03312026	Bill	03/31/2026		5590-42 · OPS-Petroleum-VEHICLES	-156.12
TOTAL					-156.12
162862	Bill Pmt -Check	04/07/2026	NAPA AUTO PARTS	1001-01 · Accounts Payable	
			NAPA AUTO PARTS	2200-00 · Accounts Payable Liability	4.77
673561	Bill	02/12/2026		5630-43 · OPS-Bldg/Fac Mtn/Rep-WEST RAMP	-44.90
674338	Bill	02/20/2026		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-202.03
675694	Bill	03/10/2026		5600-32 · MAINT-Vehicle Maint-OFF ROAD	-211.46
TOTAL					-453.62

Big Bear MWD
Warrant List Detail
 March 28 through April 10, 2026

Num	Type	Date	Name	Account	Paid Amount
162881	Bill Pmt -Check	04/10/2026	NAPA AUTO PARTS	1001-01 · Accounts Payable	
677964	Bill	04/06/2026	NAPA AUTO PARTS	2200-00 · Accounts Payable Liability 5580-41 · OPS-Boat Maintenance-Patrol	1.37 -68.37
TOTAL					-67.00
162882	Bill Pmt -Check	04/10/2026	NATIVESCAPES	1001-01 · Accounts Payable	
123891	Bill	04/08/2026		5630-10 · ADMIN-Bldg/Facility Maint/Rep	-600.00
TOTAL					-600.00
EFT	Bill Pmt -Check	04/08/2026	PITNEY BOWES LEASE	1001-01 · Accounts Payable	
310773...	Bill	03/13/2026		5501-01 · ADMIN-Post&Ship OFFICE	-25.70
TOTAL					-25.70
162864	Bill Pmt -Check	04/07/2026	QUILL LLC	1001-01 · Accounts Payable	
48222613	Bill	03/18/2026		5503-01 · ADMIN-Office Supplies-Office	-91.34
48256854	Bill	03/20/2026		5560-21 · WATER-Watermaster Report	-129.90
TOTAL					-221.24
162883	Bill Pmt -Check	04/10/2026	RABAGO CATRINA (REIMBURSE)	1001-01 · Accounts Payable	
04/28/2...	Bill	04/08/2026		5505-09 · ADMIN-Phone-Employee Reimb	-50.00
TOTAL					-50.00
162865	Bill Pmt -Check	04/07/2026	ROJAS LEO (REIMBURSE)	1001-01 · Accounts Payable	
03/20/2...	Bill	03/30/2026		5505-09 · ADMIN-Phone-Employee Reimb	-50.00
TOTAL					-50.00
162866	Bill Pmt -Check	04/07/2026	STATE OF CA DEPT OF WATER RES...	1001-01 · Accounts Payable	
180018...	Bill	03/16/2026		5509-21 · WATER-BV Dam Permits	-23,595.00
TOTAL					-23,595.00
162867	Bill Pmt -Check	04/07/2026	STREAMLINE	1001-01 · Accounts Payable	
C39A82...	Bill	03/28/2026		5509-03 · ADMIN-Memberships-Subscriptions	-150.00
TOTAL					-150.00
162884	Bill Pmt -Check	04/10/2026	STREAMLINE	1001-01 · Accounts Payable	
C39A82...	Bill	04/01/2026		5509-03 · ADMIN-Memberships-Subscriptions	-524.30
TOTAL					-524.30
EFT	Bill Pmt -Check	04/08/2026	VALERO (EFT)	1001-01 · Accounts Payable	
111446...	Bill	03/23/2026		5590-41 · OPS-Petroleum-VESSELS 5590-42 · OPS-Petroleum-VEHICLES	-163.41 -1,190.80
TOTAL					-1,354.21
162885	Bill Pmt -Check	04/10/2026	WEST MARINE PRO	1001-01 · Accounts Payable	
4162239	Bill	03/06/2026		5630-35 · MAINT-Bldg/Facility/Maint-Buoys	-3,084.15
TOTAL					-3,084.15

Big Bear MWD
Warrant List Total
As of April 10, 2026

Type	Num	Date	Name	Memo	Amount
1001-01 · Accounts Payable					
Bill Pmt...	162852	04/07/2026	AMAZON CAPITAL SERVICES		-543.27
Bill Pmt...	162868	04/10/2026	AMAZON CAPITAL SERVICES		-104.50
Bill Pmt...	162869	04/10/2026	BIG BEAR DISPOSAL	10176-001 UTIL-MAIN	-411.99
Bill Pmt...	162853	04/07/2026	BIG BEAR PAINT CENTER, INC		-114.52
Bill Pmt...	162854	04/07/2026	BUTCHER'S BLOCK AND BUILDIN...	101410	-685.38
Bill Pmt...	162870	04/10/2026	BUTCHER'S BLOCK AND BUILDIN...	101410	-461.76
Bill Pmt...	EFT	04/08/2026	BVE (EFT)		-666.46
Bill Pmt...	162851	03/30/2026	CASH CHANGE FUND	SOS 2026	-1,900.00
Bill Pmt...	162855	04/07/2026	COMPUTER VILLAGE		-2,463.07
Bill Pmt...	162856	04/07/2026	CSB DEPT OF INNOVATION & TE...		-237.16
Bill Pmt...	162857	04/10/2026	DIY HOME CENTER	60-00061375-000	-405.05
Bill Pmt...	162871	04/10/2026	DONOHO ELSA (REIMBURSE)		-50.00
Bill Pmt...	162858	04/07/2026	EVENSON DON (REIMBURSE)		-777.28
Bill Pmt...	162872	04/10/2026	EVERON, LLC	70237631	-763.29
Bill Pmt...	162873	04/10/2026	FERRELLGAS	113841573	-446.33
Bill Pmt...	162874	04/10/2026	GALLS LLC	3450087	-361.59
Bill Pmt...	162859	04/07/2026	GEI CONSULTANTS INC		-832.50
Bill Pmt...	162860	04/07/2026	GEIGER SUPPLY		-171.95
Bill Pmt...	162875	04/10/2026	GEIGER SUPPLY		-651.42
Bill Pmt...	162876	04/10/2026	HELMUTS MARINE SERVICES		-34.85
Bill Pmt...	162877	04/10/2026	HOOVER BEN (REIMBURSE)		-50.00
Bill Pmt...	162878	04/10/2026	HUNT JEFF (REIMBURSE)		-50.00
Bill Pmt...	162861	04/07/2026	MERCURY MARINE		-455.93
Bill Pmt...	162879	04/10/2026	MOONRIDGE FUEL RALPH W HA...		-156.12
Bill Pmt...	162880	04/10/2026	MUN CPA'S	VOID:	0.00
Bill Pmt...	162862	04/07/2026	NAPA AUTO PARTS	2800	-453.62
Bill Pmt...	162881	04/10/2026	NAPA AUTO PARTS	2800	-67.00
Bill Pmt...	162882	04/10/2026	NATIVESCAPES		-600.00
Bill Pmt...	162863	04/07/2026	PITNEY BOWES LEASE	VOID: Contract #0041234920 (EFT)	0.00
Bill Pmt...	EFT	04/08/2026	PITNEY BOWES LEASE	Contract #0041234920	-25.70
Bill Pmt...	162864	04/07/2026	QUILL LLC	C181504 OFFICE SUPPLIES	-221.24
Bill Pmt...	162883	04/10/2026	RABAGO CATRINA (REIMBURSE)		-50.00
Bill Pmt...	162865	04/07/2026	ROJAS LEO (REIMBURSE)		-50.00
Bill Pmt...	162866	04/07/2026	STATE OF CA DEPT OF WATER R...		-23,595.00
Bill Pmt...	162867	04/07/2026	STREAMLINE	C39A820A	-150.00
Bill Pmt...	162884	04/10/2026	STREAMLINE	C39A820A	-524.30
Bill Pmt...	EFT	04/08/2026	VALERO (EFT)	PETRO-AUTO 87863783	-1,354.21
Bill Pmt...	162885	04/10/2026	WEST MARINE PRO		-3,084.15
Total 1001-01 · Accounts Payable					-42,969.64
TOTAL					-42,969.64

**BIG BEAR MUNICIPAL WATER DISTRICT
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: April 16, 2026

AGENDA ITEM: 6A

SUBJECT:

**DISCUSSION AND POSSIBLE ACTION OF DSOD APPLICATION FOR BEAR VALLEY DAM
DOWNSTREAM CONCRETE REPAIR**

RECOMMENDATION:

The Administrative Committee recommends that the Full Board discuss and have possible action regarding the submission of an application to the California Division of Safety of Dams (DSOD) for approval of the Bear Valley Dam Downstream Concrete Repair Project and the required application fees.

DISCUSSION/FINDINGS:

Staff has reviewed the repair plans prepared by GEI Consultants and finds them ready for submittal to DSOD. Approval of this item will authorize staff to proceed with the filing and payment of required application fees to advance the Bear Valley Dam Downstream Concrete Repair Project.

The next step is to file a formal application with DSOD. DSOD's fee schedule requires an application fee based on project cost and complexity. For this project, the total estimated DSOD application fee is \$79,734.10. A 20% non-refundable fee is required at the time of filing; this results in an initial payment of approximately: \$15,946.82 (rounded to \$16,000). Staff is requesting a 10% contingency for this application, in the event actual costs exceed the estimated costs.

Approval of the application by DSOD is necessary before construction can begin. Timely submittal will help keep the project on schedule and ensure compliance with all state dam safety requirements.

OTHER AGENCY INVOLVEMENT: None.

FINANCING: The initial, non-refundable filing fee of approximately \$16,000 will be paid from the appropriate capital project fund. The remaining DSOD application costs, up to the total estimated \$79,734.10, with 10% contingency, will be paid as invoiced by DSOD. All costs were budgeted within FY25-26 for the Bear Valley Dam Downstream Concrete Repair Project.

**BIG BEAR MUNICIPAL WATER DISTRICT
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: April 16, 2026

AGENDA ITEM: 6B

SUBJECT:

DISCUSSION AND POSSIBLE ACTION OF JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SANTA ANA WATERSHED HYDRO ALLIANCE (SAWHA)

RECOMMENDATION:

The Administrative Committee recommends that the Full Board discuss and have possible action regarding the execution of the Joint Exercise of Powers Agreement (JPA) entitled “Joint Exercise of Powers Agreement for the Water Users Hydro Alliance” (also referred to as the Santa Ana Watershed Hydro Alliance, or SAWHA), and authorize the General Manager to execute the Agreement on behalf of the District given there are no substantial changes.

DISCUSSION/FINDINGS:

On August 21, 2025, the Board held a workshop to discuss participation in the Agreement and expressed interest. The Administrative Committee reviewed the proposed Joint Exercise of Powers Agreement on April 10, 2026, and recommends that the Board review and possibly approve it.

The Agreement would create the Santa Ana Watershed Hydro Alliance (SAWHA) as a separate public entity to own, operate, and maintain former Southern California Edison hydroelectric and related water facilities. It establishes governance, financial, and operational controls consistent with the Joint Exercise of Powers Act, allocating costs and benefits among member agencies.

The current proposed Joint Exercise of Powers Agreement is attached as Exhibit A.

OTHER AGENCY INVOLVEMENT: None

FINANCING: Approval of the JPA does not immediately require additional expenditures. Operating, maintenance, and administrative costs will be allocated based on the operating percentages in Exhibit A and approved through the Alliance’s annual budget process. Any future fiscal impacts to the District will be brought to the Board as part of the annual operating budget.

**JOINT EXERCISE OF POWERS AGREEMENT
FOR THE
WATER USERS HYDRO ALLIANCE**

This **JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”)**, dated _____, 2026, for convenience is entered into by and among:

- i.* **Bear Valley Mutual Water Company (“Bear Valley”)**, a mutual water company;
- ii.* **Big Bear Municipal Water District (“Big Bear”)**, a municipal water district organized and existing under Division 20 of the California Water Code and regulated by Sections 71000 *et seq.*;
- iii.* **Crafton Water Company (“Crafton”)**, a mutual water company; and
- iv.* **San Bernardino Valley Municipal Water District (“San Bernardino Valley”)**, a municipal water district organized and existing under Division 20 of the California Water Code and regulated by Sections 71000 *et seq.*

RECITALS

A. The public agency signatories to this Agreement are public agencies as defined in Section 6500 of the California Government Code and located in San Bernardino County, each of whose responsibilities include some form of water management and/or supply activity.

B. The mutual water company signatories to this Agreement are mutual water companies as defined in Section 6525 of the California Government Code and located in San Bernardino County, each of whose responsibilities include water supply.

C. Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title I of the California Government Code of the State of California (“**JPA Act**”) authorizes public agencies and mutual water companies to create a joint exercise of powers entity that has the power to exercise jointly the powers common to all of the Parties. The public agency signatories and the mutual company signatories intend to form the Santa Ana Watershed Hydro Alliance (“**Alliance**” or “**SAWHA**”) and are collectively referred to as the “**Member Agencies.**”

D. The Member Agencies have been operating collaboratively to acquire certain Southern California Edison (“**SCE**”) assets. These assets include the hydroelectric projects known as “Mill Creek No. 1” and “Mill Creek No. 3” (MC) located on Mill Creek in San Bernardino County, California, the hydroelectric projects known as “Santa Ana River No. 1” and “Santa Ana River No. 3” (SAR) located on the Santa Ana River in San Bernardino County, California, and hydroelectric projects known as “Ontario No. 1”, “Ontario No. 2”, and “Sierra” located on the San Antonio Creek (SAC) in Los Angeles County, California. Collectively, these assets are referred to herein as the “**SCE Assets.**”

E. The Member Agencies desire to form the Alliance so as to operate the SCE Assets to maximize water supply and conservation benefits and to maximize any benefits of hydroelectric generation.

F. San Bernardino Valley, in anticipation of the creation of the Alliance, successfully negotiated and executed an asset purchase agreement with SCE to transfer the SCE Assets to San Bernardino Valley, which San Bernardino Valley then intends to transfer those same assets to the Alliance along with the funds provided from SCE after deducting an amount equal to the costs that were fronted by San Bernardino Valley and Bear Valley, including, but not limited to, expenses from due diligence, inspections, preliminary design, and wholesale power sales strategies as it relates to the energy that is generated from the projects.

G. As a regional water agency and as provided in this Agreement, San Bernardino Valley will represent the majority share of the Alliance and will oversee day-to-day operation and maintenance of the SCE Assets through governance provided by this Agreement.

H. The Member Agencies understand that SCE's permission to transfer the SCE Assets will not have been received from all regulatory agencies with proper subject matter jurisdiction thereof as of the execution of this Agreement, but that the term of this Agreement, and therefore the obligations of the Member Agencies, will not commence until notice from San Bernardino Valley to the other Member Agencies that the SCE Assets have transferred from SCE to San Bernardino Valley, as provided for in Section 3.1.1.

I. The purpose of this Agreement is to delineate the terms for the operation and maintenance of the SCE Assets for the ultimate benefit of the Member Agencies, and their rights and obligations to share the costs and benefits based on their respective interest percentages.

J. It is the intent of the Member Agencies that the Alliance shall be solely liable for any and all claims, demands, damages, costs, expenses, or liabilities arising out of, related to, or in connection with, this Agreement and activities undertaken by or under the direction of the Alliance, and that the Member Agencies shall have no such liability with respect thereto.

NOW, THEREFORE, the Member Agencies, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

ARTICLE I GENERAL

1. Definitions

Unless the context otherwise requires, the terms used in this Agreement shall be defined as set forth in this section, or in the Recitals or Preamble to this Agreement. Any terms that are not expressly defined herein shall have the same definition as provided in the Implementing Agreement and/or the Conservation Plan unless such definitions would be inconsistent with the intent of the Member Agencies as expressed herein.

“**Agreement**” shall have the meaning found in the Preamble.

“**Alliance**” shall have the meaning found in Recital C.

“**Bear Valley**” shall have the meaning found in the Preamble.

“**Big Bear**” shall have the meaning found in the Preamble.

“**Board of Directors**” or “**Board**” shall have the meaning found in Section 6.

“**Crafton**” shall have the meaning found in the Preamble.

“**Effective Date**” shall have the meaning found in Section 3.1.1.

“**Facilities**” shall have the meaning found in Section 9.6.

“**Fiscal Year**” shall mean from July 1 through June 30 of the next calendar year.

“**Fontana**” shall have the meaning found in Section 9.5.

“**JPA Act**” shall have the meaning found in Recital C.

“**Member Agencies**” shall have the meaning found in Recital C.

“**Management Task Group**” or “**MTG**” shall have the meaning found in Section 8.1.

“**Operations and Technical Committee**” or “**OTC**” shall have the meaning found in Section 8.2.

“**SCE**” shall have the meaning found in Recital D.

“**SCE Assets**” shall have the meaning found in Recital D.

“**San Bernardino Valley**” shall have the meaning found in the Preamble.

“**SAWHA**” shall have the meaning found in Recital C.

2. Purpose. The purpose of the Alliance is to operate the SCE Assets to maximize water supply and conservation benefits and to maximize any benefits of hydroelectric generation.

3. Term, Termination, and Withdrawal

3.1 Term of Agreement. The term of this Agreement shall start and end as follows:

3.1.1 The term of this Agreement shall begin upon written notice from San Bernardino Valley to the other Member Agencies that the SCE Assets have transferred from SCE to San Bernardino Valley.

3.1.2 The term of this Agreement shall end following either (i) the withdrawal of all Member Agencies other than San Bernardino Valley; or (ii) twelve (12) months after notice from San Bernardino Valley of an intent to withdraw from this Agreement.

3.2 Termination of Powers. The Alliance shall continue to exercise the powers herein conferred upon it until the termination of this Agreement. This Agreement may be terminated by a unanimous decision of the Member Agencies, after meeting all statutory requirements.

3.3 Withdrawal of a Member Agency. Any Member Agency may withdraw from this Agreement by meeting the conditions of Section 3.3.

3.3.1 Notice. Other than for San Bernardino Valley, any Member Agency seeking to withdraw shall give at least ninety (90) days written notice of its election to do so under Section 24. If San Bernardino Valley wishes to withdraw, it shall provide twelve (12) months' written notice of its election to do so under Section 24.

3.3.2 Program Implementation Neutrality. The intention of the Member Agencies is that the withdrawal of any Member Agency other than San Bernardino Valley shall be neutral for the remaining Member Agencies in the Alliance's continued operation of the SCE Assets. Therefore, any Member Agency seeking to withdraw shall consider any prepared accounting by the Alliance that shows each Member Agency's outstanding financial and other obligations or credits and shall propose a withdrawal plan for addressing those obligations or credits. Upon receipt of the withdrawal plan, the Executive Officer of the Alliance shall perform an analysis of the withdrawal plan and shall determine if the Member Agency proposing to withdraw has met all financial and other then-current obligations, has proposed a final payment from the Member Agency to the Alliance to fund the present value of any future obligations of the Member Agency (if any), and has presented a reasonable proposal for addressing any assets owed to the Member Agency. Within 45 days of receiving the withdrawal plan, the Executive Officer shall report to the Board on the withdrawal plan, either concurring in the plan or proposing modifications to the plan that are designed to ensure program implementation neutrality from the withdrawal of the Member Agency.

3.3.3 Vote of the Board. Within 45 days of receipt of the Executive Officer's report on the withdrawal plan, the Board shall consider the plan and any proposed modifications and shall have a Vote (as that term is defined in Section 6.5 below) on the proposed withdrawal based upon the effects of the withdrawal on the remaining Member Agencies. Approval of the withdrawal plan shall not be unreasonably withheld. Approval, once granted, shall be effective 15 days following certification by the Executive Officer that the withdrawing Member Agency has met any requirements of that Vote. Upon withdrawal, the withdrawing Member Agency shall no longer be a Member Agency, and the term "Member Agencies" as used in this Agreement shall thereafter mean the remaining Member Agencies to the Agreement.

In the event any disagreement or dispute arises concerning a proposed withdrawal, including, without limitation, disputes regarding financial reconciliation, neutrality determinations, or the Executive Officer's or Board's actions or decisions under this Section, all such disputes shall be resolved in accordance with the dispute-resolution procedures set forth in Section 19 (Default and Dispute Resolution) of this Agreement. The initiation of such procedures shall not stay or delay any withdrawal unless otherwise agreed by the parties or ordered by the arbitrator pursuant to Section 19.

ARTICLE II FORMATION, POWERS AND ADMINISTRATION OF AGENCY

4. Formation and Provisioning of Agency

4.1 Creation of Agency. Upon the Effective Date of this Agreement there is hereby created pursuant to the JPA Act an agency and public entity known as Santa Ana Watershed Hydro Alliance. As provided in the JPA Act, the Alliance shall be a public entity separate from its Member Agencies, and the Alliance shall be governed by a Governing Board comprised of representatives of the Member Agencies as described in Section 6.

4.2 Alliance Responsibilities. The Alliance shall be responsible for operating and maintaining the SCE Assets and Facilities.

4.3 Debts, Liabilities, and Obligations of the Alliance. Unless otherwise provided for herein, the debts, liabilities, and obligations of the Alliance shall not constitute the debts, liabilities, or obligations of the Member Agencies, collectively or individually.

4.4 Filings. Within thirty (30) days after the Effective Date of this Agreement or any amendment thereto, the Alliance shall cause notice of this Agreement and any amendment thereto to be prepared and filed with (i) the office of the Secretary of State of California in the manner set forth in Government Code section 6503.5, (ii) the office of the Controller in the manner set forth in Government Code section 6503.6, and (iii) if appropriate, with the San Bernardino County Local Agency Formation Commission as set forth in Government Code section 6503.6.

4.5 Relationship of the Authority and Its Members; Separate Entity. The Alliance shall be a public entity separate from the Member Agencies. All property, equipment, supplies, funds and records of the Alliance shall be owned by the Alliance, except as otherwise provided in this Agreement.

4.6 Transfer of the SCE Assets. The Member Agencies shall work cooperatively to obtain all necessary approvals from, and to submit any necessary compliance filings with, California and Federal regulatory agencies to allow the SCE Assets to transfer from SCE to San Bernardino Valley and then from San Bernardino Valley to the Alliance. San Bernardino Valley shall use its best efforts to transfer the SCE Assets to the Alliance within six (6) months of receiving the assets from SCE.

5. Alliance Powers

5.1 Powers in General. The Alliance shall have all of the powers granted to joint powers authorities in Articles 2 and 4 of the JPA Act. Additionally, the Alliance is authorized, in its own name, to do all acts necessary to carry out fully the purposes of this Agreement, including but not limited to any or all of the following:

5.1.1 to make and enter into contracts;

5.1.2 to employ agents and employees;

5.1.3 to incur debts, liabilities or obligations;

5.1.4 to issue bonds, notes and other indebtedness;

5.1.5 to receive, collect, and disburse funds;

5.1.6 to solicit and receive grants, contributions and donations of property, funds, and services;

5.1.7 to apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States of America, State of California, or other public or private entities necessary for the Alliance's full exercise of its powers;

5.1.8 to acquire and hold real property and improvements thereon by any lawful means other than eminent domain (although such limitation shall not limit the eminent domain power of any individual Member Agency);

5.1.9 to sell and to lease real and personal property;

5.1.10 to buy and hire real and personal property;

5.1.11 to promulgate rules and regulations for the conduct of its meetings, and procedures for administering its activities and affairs;

5.1.12 to sue and be sued in its own name; and

5.1.13 to borrow funds including the issuance of bonds.

5.2 Restrictions on Powers. The Alliance's powers shall be exercised subject only to such restrictions upon the manner of exercising such power as are imposed upon the Member Agencies in the exercise of similar powers, as provided in section 6509 of the JPA Act. Notwithstanding the foregoing, the Alliance shall have any additional powers conferred under the JPA Act, insofar as such additional powers may be necessary to accomplish the purposes set forth in this Agreement. Further, pursuant to Government Code Section 6509, such power is subject to the restrictions upon the manner of exercising the power of San Bernardino Valley.

6. Governing Board

6.1 Composition. This Agreement shall be administered, and the Alliance governed, by a Board of Directors (the "**Board**"). Upon the creation of the Alliance the Board of Directors shall be comprised of four Board Members consisting of one representative from each of the Member Agencies. Each Member Agency shall, from time to time, designate their representative and the designated representative shall be either an elected Member Agency governing board member, an appointed Member Agency governing board member, or an employee of the Member Agency. Each Member Agency may also designate an alternate, which shall be an elected governing board member, an appointed governing board member, or an employee, and the alternate shall be entitled to all rights as a Board member, including rights of voting in the absence of the Board member. Board members and alternates may only serve for so

long as they are either serving as an elected or appointed term to the governing body of, or are in the active employ of, the appointing Member Agency.

6.2 Vacancies. A vacancy on the Board because of death, resignation, removal, disqualification or any other cause shall be filled at any time deemed appropriate by the Member Agency that had appointed the Board member or alternate whose position is now vacant.

6.3 Terms. Each Board member and alternate serves at the pleasure of the Member Agency appointing such Board member or alternate and the term of any Board member or alternate shall be set by the appointing Member Agency. When making such appointments the Member Agencies shall consider persons with the requisite knowledge and seek to appoint Board members and alternates who can serve for two to four years. Board members and alternates may be reappointed by the Member Agency that they represent. Terms shall also terminate if and when such member or alternate is replaced by the respective governing board of the Member Agency that appointed the member or the alternate. Each Member Agency's governing board shall appoint a new representative to the Board whenever the Member Agency's seat on the Board has for any reason become vacant. Each Member Agency may replace its representative on the Agency from time to time as it determines in its sole discretion. In the event that a Member Agency withdraws from the Alliance under section 3.3, the terms of that Member Agency's representative and alternate shall terminate upon the effective date of the withdrawal.

6.4 Duties. The Board shall make decisions relating to the governance and administration of the Alliance, except with regard to matters delegated by the Board to Alliance staff. Duties of the Board include, but are not limited to, annual approval of the Alliance budget, and other authorities granted to the Board in this Agreement.

6.5 Voting of the Board of Directors. The voting requirement under this Agreement to adopt a motion or otherwise take action shall be an affirmative vote from the representative from San Bernardino Valley and a representative from at least one other Member Agency.

6.6 Conflict of Interest Code. The Board shall adopt a conflict of interest code as required by law.

6.7 Compensation. Members of the Board shall not receive any compensation from the Alliance for serving as such; provided, however, that (i) Member Agencies may compensate their representatives to the Alliance Board of Directors pursuant to any policies each Member Agency may adopt; and (ii) Members of the Board shall be entitled for reimbursement for any expenses actually incurred in connection with serving as a member in accordance with policies to be established by the Board.

6.8 Meetings of the Board.

6.8.1 Regular Meetings. The Board shall hold a regular meeting at least twice each year at dates and times the Board determines, and, by resolution, may provide for the holding of regular meetings at more frequent intervals. If the Chair determines that there will be no business to transact at any meeting or that a scheduling conflict exists, such meeting may be

canceled or rescheduled by the Chair. The hour and place at which each such regular meeting shall be held shall be fixed by resolution of the Board.

6.8.2 Location of Meetings. The Board meetings shall be held in person or as a teleconference as permitted under State law. In person meetings shall be held at the location of regular meetings of the board of San Bernardino Valley, but the Alliance Board may determine, by resolution, a different place for the holding of meetings.

6.8.3 Legal Notice. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part I of Division 2 of Title 5 of the Government Code of the State of California (Sections 54950–54961)) or any successor legislation hereinafter enacted.

6.8.4 Minutes. The Secretary of the Alliance shall cause minutes of all meetings of the Board to be kept and shall after each meeting cause a copy of the minutes to be forwarded to each member of the Board and to each Member Agency.

6.8.5 Quorum. A quorum of the Alliance shall consist of a majority of the total number of Board Members, provided that (i) at least three Member Agencies shall be represented, and (ii) less than a quorum of the Board may adjourn meetings from time to time.

7. Alliance Officers

7.1 Chair and Vice-Chair. A representative to the Alliance from San Bernardino Valley shall serve as the first Chair of the Alliance until such time as the Board of Directors may elect to appoint a replacement. The Board shall select from its members a Vice Chair who shall serve as Vice Chair of the Alliance until such time as the Board may elect to appoint a replacement. The Chair, or the Vice Chair in the absence of the Chair, shall preside at meetings of the Alliance, and the Chair and the Vice Chair shall have the duties assigned by the Board by motion or as set forth in any by-laws that may be adopted by the Board. The Board may adopt a policy providing for the periodic election of Chairs and Vice-Chairs as well as a rotation system for the leadership of the Alliance.

7.2 Secretary. The Board Secretary of the San Bernardino Valley shall serve as the Secretary of the Alliance until such time as the Board may elect to appoint a replacement. The Secretary or his or her designee shall keep the records of the Alliance, shall act as Secretary at the meetings of the Alliance and record all votes, and shall keep a record of the proceedings of the Alliance in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office.

7.3 Treasurer and Auditor. The Treasurer of San Bernardino Valley shall serve as the Treasurer of the Alliance and the Auditor of the Alliance until the Board may elect to appoint a replacement. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the Alliance to have custody of all the money of the Alliance, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in section 6505.5 of the JPA Act.

7.3.1 The Treasurer and Auditor of the Alliance are designated as the public officers or persons who have charge of, handle, or have access to any property of the Alliance, and each such officer shall file an official bond in the amount each such officer determines is necessary as required by section 6505.1 of the JPA Act, provided that such bond shall not be required if the Alliance does not possess or own property or funds with an aggregate value of greater than \$1,500.00.

7.3.2 The Treasurer and Auditor of the Alliance are hereby authorized and directed to prepare or cause to be prepared: (i) a special audit as required pursuant to section 6505 of the JPA Act every year during the term of this Agreement; and (ii) a report in writing on the first day of February, May, August and November of each year to the Board and the Member Agencies, which report shall describe the amount of money held by the Treasurer and Controller of the Alliance, the amount of receipts since the last such report, and the amount paid out since the last such report.

7.4 Attorney and Waiver of Conflict. Scott Shapiro, special counsel for San Bernardino Valley will serve as the initial attorney for the Alliance until such time as the Alliance Board may elect to appoint a replacement. By execution of this Agreement San Bernardino Valley hereby acknowledges and waives any conflict of interest that shall arise as between San Bernardino Valley and the Alliance created by the representation by counsel of both entities, but such knowing waiver shall not extend to any litigation as between the two entities. By execution of this Agreement, each of the Member Agencies acting jointly on behalf of the Board of the Alliance also acknowledges and waives any conflict of interest that may arise as between the Alliance and San Bernardino Valley created by the representation by counsel of both entities, but such knowing waiver shall not extend to any litigation as between the two entities.

7.5 Other Officers. The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

7.6 Reimbursement. The Alliance shall reimburse the San Bernardino Valley for its actual direct and indirect costs of providing the services of the Secretary, Treasurer, Controller, attorney, and officers and employees as applicable, according to an annual budget approved by the Board. Each such annual budget shall include a spending cap beyond which the Alliance shall not be required to reimburse the San Bernardino Valley.

8. Committees

8.1 Operations Committee. The Alliance shall establish an Operations Committee (“OC”). Each Member Agency shall appoint a representative to the OC and the representative shall not be a member of the Board of Directors. The OC shall have jurisdiction over issues such as budget, outreach, regulatory permitting, engineering, and environmental. The OC shall be advised by the staff of the Alliance, by the various other committees that may be created, and by such other experts as are retained by the OC. Non-administrative issues and all controversial items to be considered by the Board must first be reviewed by the OC. The OC shall be convened by a Chair and Vice-Chair elected by and from the OC. All actions of the OTC shall be confirmed by a simple majority vote.

8.2 Other Committees. The Board of the Alliance shall establish a series of other permanent or ad-hoc committees. Members of each committee shall be appointed by the Board, upon the recommendation of the Executive Officer or a member of the Board of Directors, based on relevant expertise or abilities. It is expected that appointees to the committees will be senior staff members from or consultants to the Member Agencies.

8.3 Legal Notice. Meetings of committees shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part I of Division 2 of Title 5 of the Government Code of the State of California (Sections 54950-54961)), or any successor legislation hereinafter enacted, as applicable.

9. Alliance Staffing, Administration, and Operations

9.1 Provision of Staff. The San Bernardino Valley shall provide staffing to support the activities of the Alliance including an Executive Officer and such other positions as are needed in the view of the Executive Officer. These positions may be part-time or full-time.

9.1.1 Concurrent with the development of the budget each year, San Bernardino Valley shall present a staffing budget as a component of the Alliance budget which shall specify the numbers and costs of staff and the terms under which the staff is to be provided. The Alliance shall reimburse San Bernardino Valley for the actual direct and indirect costs of providing staffing support. Each annual budget shall include a spending cap beyond which the Alliance shall not be required to reimburse San Bernardino Valley.

9.1.2 It is expected that San Bernardino Valley will present a service agreement to the Board for consideration and approval concurrent with the adoption of the first budget. The service agreement will establish the terms and conditions of the services to be provided by San Bernardino Valley to the Alliance. The service agreement shall be for a three-year term and it shall renew for successive three-year terms unless either party to the service agreement provides notice of intention to renegotiate the service agreement.

9.1.3 The Member Agencies collectively acknowledge that San Bernardino Valley is the Member Agency with the largest financial stake in the Alliance, and as such it is uniquely positioned to advance the interests of the Alliance which will also advance the interests of San Bernardino Valley.

9.2 Executive Officer. The Executive Officer of the Alliance shall serve as the Alliance’s administrative officer and shall be responsible for the following:

9.2.1 Overseeing the Alliance’s day-to-day activities and managing all Alliance staff and consultants;

9.2.2 Ensuring that the Alliance operates within the annual budget approved by the Board, and not approving any expenditures that are not authorized by, or would exceed, the annual budget;

9.2.3 Preparing reports and recommendations for consideration by the Board and committees;

9.2.4 Applying for and otherwise pursuing grants and other funding opportunities;

9.2.5 Serving as a liaison to the Member Agencies;

9.2.6 Negotiating Board approval for such consulting, engineering and other professional services contracts as the Executive Officer may deem necessary or appropriate, provided that the Executive Officer shall have the authority to approve such contracts under \$50,000 with Board approval, which contracts shall be provided to the Board at the next Board meeting as an information item;

9.2.7 Annually preparing an accounting by the Alliance that shows each Member Agency's outstanding financial and other obligations or credits;

9.2.8 Supervising and contracting for operation and maintenance of the SCE Assets and Facilities, either through the use of external consultants, internal San Bernardino Valley staff, or a combination thereof. In exercising this responsibility, the Executive Officer shall regularly coordinate with the Operations Committee;

9.2.9 Communicating key decisions and project-related matters through the MTG and/or the OTC.

9.2.10 Any other duties or activities delegated to the Executive Officer or requested by the Board.

9.3 Other Staff/Administration. Based on the recommendations of the Executive Officer, the Board shall determine how and whether to hire or contract for additional staff and other services necessary to fulfill the Alliance's purposes. All such decisions shall be consistent with the annual budget adopted by the Board. Factors to be considered in making these determinations include cost-effectiveness, efficiency, and qualifications/capability.

9.4 Personnel/Services/Equipment Supplied by Member Agencies. If the Board determines that having one or more of the Member Agencies supply personnel, services, or equipment to the Alliance is in the Alliance's best interests, then the Alliance may contract with one or more Member Agencies. Compensation for such personnel, services, or equipment may consist of cash payments or any other form of compensation agreed upon by the Alliance and the contracting Member Agency.

9.5 Coordinated Operating Agreement with Fontana Water Company. The Alliance may enter into a coordinated operating agreement among the Alliance and Fontana Water Company ("**Fontana**") to facilitate the sharing of resources and personnel for the operation of the Alliance's SCE Assets and Fontana's Lytle Creek facilities, when such coordination is deemed feasible and cost-effective by San Bernardino Valley. Under any such agreement, Fontana shall be solely responsible for the costs and activities related to its facilities and it shall indemnify the Alliance for any services provided.

9.6 SCE Facilities. San Bernardino Valley will negotiate with SCE to enter into a Purchase Agreement for San Bernardino Valley to acquire SCE's East End Administration

Building, including the associated grounds and facilities currently utilized by SCE’s hydroelectric operations group (collectively, “**Facilities**”). The Facilities will be used by San Bernardino Valley for its water operations and will also be the operations control center for the Alliance’s operation of the SCE Assets and will serve as a primary headquarters for hydroelectric facility operations and maintenance. San Bernardino Valley may include reasonable rents in the annual budget presented to the Alliance for use of the Facilities and for any portion of the Alliance housed at other San Bernardino Valley properties.

9.7 Power Purchase Agreement. The Member Agencies shall work in good faith to support the Alliance as it pursues one or multiple third-party power purchase agreement(s) to generate revenue from the sale of electrical energy that is produced by the projects that benefits the Alliance, the SCE Assets, the Facilities, and their operations.

10. Process for Other Member Agencies to Join Alliance.

10.1 The Parties acknowledge that from time to time it may be appropriate for other public agencies or mutual water companies to also join the Alliance as Member Agencies. Such other agencies or companies may join upon unanimous agreement of the existing Member Agencies as demonstrated through the amendment of this Agreement.

10.2 The initial Parties to this Agreement hereby state their expectation that any future agencies or companies that wish to join the Alliance shall pay to the Alliance a fee that represents a fair amount in light of the costs and time avoided by that agency or company from not being involved in the creation of the Alliance.

**ARTICLE III
FINANCES**

11. SCE Transfer Payment and Funds for Operation and Maintenance.

11.1 SCE Transfer Payment. Upon receipt of the SCE Assets from SCE, San Bernardino Valley is also expected to receive from SCE the sum of \$34,173,700. From that amount, an approximately \$3.1 million downward adjustment shall be deducted to reimburse costs incurred by San Bernardino Valley and Bear Valley in connection with the acquisition of the SCE Assets, including due diligence inspections and related acquisition efforts. Accordingly, San Bernardino Valley expects that approximately \$31.1 million will remain as of the transfer of the SCE Assets to San Bernardino Valley. San Bernardino Valley shall transfer all remaining funds that have not be expended on acquisition expenses (the “SCE Transfer Payment”) to the Alliance within thirty (30) days of creation of the Alliance or within thirty (30) days of the completion of the accounting by San Bernardino Valley of the final amount, whichever is later. The SCE Transfer Payment shall be used by the Alliance to fund capital improvements or major repair projects, subject to approval of each by the Board of Directors. While the SCE Transfer Payment is not intended to be used for day to day expenses, it may be used for cash flow purposes until Member Agency payments are collected.

11.2 Funds for Operation and Maintenance. Consistent with the budget adopted pursuant to Section 13, and based on Exhibit A, the Executive Officer shall provide invoices to each Member Agency which represents their share of necessary payments to the Alliance so that

the Alliance has the assets to perform day to day operations of the SCE Assets including needed administration, operation, maintenance, deferred maintenance, repairs, rehabilitations, and replacements. A partial list of operation and maintenance responsibilities of the Alliance in regard the SCE Assets and the Facilities is listed in Exhibit B. To the extent that insufficient SCE Transfer Payments remain for needed capital improvements or major repair projects, the needed funds shall also be included in the invoices presented to each Member Agency. Each Member Agency shall make payments as required by the invoices within thirty (30) days of receipt of the invoice. The Executive Office may request that each Member Agency make its payment once a year, semi-annually, or quarterly, as appropriate.

11.3 Sale of Power. In the event that the Alliance is able to sell power generated by the SCE Assets, the revenue from the sale of such power shall be used to reduce the payments to be made by Member Agencies under Section 11.2. If the Alliance is able to sell power to a member Agency, the sale of such power shall be made under such terms and conditions as agreed to by the Board of Directors.

12. Revenue.

12.1 Accountability. The Alliance is strictly accountable for all revenue of the Alliance and must report all receipts and disbursements. No later than October 31 of each year of this Agreement, the Alliance and the Member Agencies shall prepare and furnish to each other an annual report of revenues and expenses in regard to this Agreement.

12.2 Use of Revenues. The Alliance shall use any and all revenues only for the purposes set forth in this Agreement, and for no other purpose, pursuant to the requirements of the JPA Act.

13. Annual Budget. As soon as reasonably possible after the Effective Date, the Board shall approve a budget for the Alliance's first Fiscal Year. In approving the initial proposed budget, the Board shall prioritize repair of the Santa Ana River facilities identified in section 5.21.1 of the Asset Purchase Agreement between San Bernardino Valley and SCE for the acquisition of the SCE Assets. Prior to the commencement of each Fiscal Year thereafter, the Board shall approve an annual budget after giving due consideration to the recommendations of the Executive Officer. If the Board is not able to adopt a budget in any Fiscal Year, the Member Agencies agree that the Alliance shall operate under the budget adopted for the previous Fiscal Year until a new budget is adopted.

14. Accounting and Reporting

14.1 The Alliance shall establish and maintain such funds and accounts as may be required by good accounting practice and generally accepted accounting principles. The books and records of the Alliance shall be open to inspection at all reasonable times by the Member Agencies and their representatives.

14.2 Audits

14.2.1 To the extent required by section 6505.6 of the JPA Act, the Auditor of the Alliance shall contract with a certified public accountant or public accountant to make an

annual audit of the accounts and records of the Alliance in compliance with section 6505.6 of the JPA Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with the Member Agencies and, if required by section 6505.6 of the JPA Act, with the Auditor Controller of the County. Such report shall be filed within twelve months of the end of the Fiscal Year or period of the audit under examination.

14.2.2 Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants, in making an audit pursuant to this Section shall be borne by the Alliance and shall be a charge against any unencumbered funds of the Alliance available for the purpose. The Alliance may, by unanimous request of the Board, replace the annual special audit with an audit covering a two-year period.

14.2.3 The Alliance shall give an audited written report of all financial activities for each Fiscal Year to the Member Agencies within six months after the close of each Fiscal Year, or such other period being audited.

15. Surplus Money. After the completion of the purpose of this Agreement, any surplus money shall be returned to the Member Agencies in proportion to their contributions.

16. Disposition of Assets and Real Property. The Board of may vote to dispose of assets and real property of the Alliance. Upon the termination of this Agreement as set forth in Section 3, and after the repayment of advances and contributions in accordance with Section 17, any assets acquired as the result of the joint exercise of powers under this Agreement shall be distributed to the Member Agencies in proportion to each Member Agency's overall unreimbursed contribution of assets to the Alliance and where such assets cannot be distributed by proportionality, the Board shall approve a distribution plan.

17. Contributions and Advances. With the Board's approval, any Member Agency may contribute or advance public funds, personnel, equipment, or property to the Alliance for any of the purposes of this Agreement. Any such advance shall be made subject to repayment, and shall be repaid in the manner agreed upon by the Alliance and the Member Agency making the advance at the time of making such advance. Except as otherwise expressly provided in this Agreement, no Member Agency has any obligation to make advances or contributions to the Alliance to provide for the costs and expenses of administration of the Alliance, even though any Member Agency may choose to do so.

ARTICLE IV OTHER

18. Liability and Indemnification

18.1 The Alliance shall purchase and hold in its own name, for the benefit of the Board and the Member Agencies, both errors and omissions insurance and general liability insurance, in amounts typical for similar public agencies. The Alliance shall name all Member

Agencies as additional insureds. The Board shall exercise its reasonable discretion whether to purchase other forms of insurance.

18.2 Each Member Agency shall defend, hold harmless, and indemnify the other Member Agencies and their officers, agents, and employees against any and all claims, demands, damages, costs, expenses, or liability arising out of, or in connection with, any acts performed under this Agreement by the indemnifying Member Agency to the extent liability arises from the acts of the indemnitor, its officers, agents, or employees in the performance of this Agreement.

18.3 The Alliance shall defend, hold harmless, and indemnify each Member Agency and its officers, agents, and employees against any and all claims, demands, damages, costs, expenses, or liability for third-party claims arising out of, or in connection with, any acts performed by the Alliance. Further, by this Agreement the Alliance does hereby indemnify San Bernardino Valley for its role performing the administration of the Alliance and the operation and maintenance of the SCE Assets and the Facilities for the Alliance, excepting liability created by San Bernardino Valley's gross negligent or reckless acts.

19. Default and Dispute Resolution.

19.1 In General. If a Member Agency is alleged to have defaulted in any covenant contained in this Agreement, the Alliance or an aggrieved Member Agency shall follow the procedures set forth below. Any statute of limitations or other time-related defenses shall be tolled during the pendency of the informal dispute resolution process.

19.2 Informal Dispute Resolution.

19.2.1 A party shall notify the other party (or parties) of the alleged default, the basis for contending that the default has occurred, and the remedies the notifying party proposes to correct the alleged default. The notified party (or parties) shall have 30 days, or such other time as may be mutually agreed to by the parties, to respond. During this time either party may seek clarification of the information provided in the initial notice. Each party shall use all practicable, reasonable efforts to provide any information then available to it that may be responsive to such inquiries.

19.2.2 Within 10 days after such response is provided or was due, a representative from each party shall meet and negotiate in good faith toward a solution satisfactory to all parties, or shall establish a mutually acceptable process and timetable to seek such a solution.

19.2.3 If after 10 days, any issues cannot be resolved through such negotiations, the parties shall engage in nonbinding mediation or any other mutually acceptable alternative dispute resolution ("ADR") process. The parties shall commence the ADR process within 60 days.

19.2.4 The parties shall make a good faith effort to resolve their dispute(s) through the ADR process. If the parties have not resolved the dispute(s) within 30 days of commencing the ADR process, the informal dispute resolution process shall be deemed exhausted. The costs of the ADR process shall be borne equally by all parties to the dispute.

19.2.5 The parties may, by mutual agreement, extend any of the deadlines set forth above in this subsection.

19.3 Formal Dispute Resolution.

19.3.1 In the event of any dispute(s) arising out of this Agreement, and the dispute(s) is not resolved by Informal Dispute Resolution under Section 19.2, or all parties to the dispute agree in writing to forego Informal Dispute Resolution, venue for the dispute shall be submitted to arbitration in the County of San Bernardino, State of California, before an arbitrator selected by all parties to the dispute. Each party shall simultaneously provide the other(s) in writing a list of three (3) arbitrators acceptable to the party for resolution of the dispute. In the event the parties are unable to agree upon an arbitrator within five (5) business days of the exchange of lists of arbitrator candidates, the matter will be submitted to the nearest local office of JAMS, who shall within three (3) business days thereafter provide the parties with a list of arbitrators numbering one more than the number of parties to the dispute. Each party shall strike one name from the list, and the remaining name shall be the arbitrator who will serve to finally resolve the dispute. Disputes shall be arbitrated according to the arbitration rules the parties may agree to, or in the event the parties cannot agree, under such rules as may be determined by the arbitrator. The decision of the arbitrator will be final unless otherwise duly appealed in a state court situated in the County of San Bernardino, State of California, or in a federal court with jurisdiction in the County of San Bernardino, State of California.

19.3.2 In any judicial action or proceeding arising out of this Agreement, the prevailing party shall be entitled to recover as part of such action or proceeding all litigation expenses, including witness fees, court costs, and reasonable attorneys' fees. Such fees shall be determined by the Court in such litigation or in a separate action brought for that purpose.

20. **Severability**

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

21. **Successors; Assignment**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the Member Agencies. No Member Agency may assign any right, interest, or obligation hereunder to a party other than a Member Agency or a Member Agency's successor.

22. **Amendments**

This Agreement may be amended at any time by unanimous consent of all Member Agencies, which shall not be unreasonably withheld.

23. **Form of Approvals**

Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of a Member Agency; and, in the case of the Alliance, by resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

24. Notices

24.1 Notices to the four initial Member Agencies shall be sufficient if delivered as follows:

San Bernardino Valley Municipal Water District
Attn: Heather Dyer, CEO/General Manager
380 East Vanderbilt Way
San Bernardino, CA 92408
Telephone: (909) 387-9256
E-Mail: heatherd@sbgmwd.com

Crafton Water Company
Attn: General Manager
101 E. Olive Avenue
Redlands, California 92373

Bear Valley Mutual Water Company
Attn: General Manager
101 E. Olive Avenue
Redlands, California 92373

Big Bear Municipal Water District
Attn: General Manager
40524 Lakeview Drive
Big Bear Lake, California 92315

25. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

26. Counterparts

This Agreement may be executed in counterparts and so executed shall constitute an Agreement which shall be binding upon all Member Agencies. A photocopy of the fully executed Agreement shall have the same force and effect as the original.

27. Signatures

By affixing his/her signature below, each of the persons signing this Agreement warrants and represents that he/she had read and understands the Agreement, that he/she is authorized to

sign this Agreement, and that the Member Agency on behalf of whom he/she signs agrees to be bound by the terms of this Agreement.

Dated: _____, 2026

BIG BEAR MUNICIPAL WATER DISTRICT

BY: _____
Jared Cheek, General Manager

APPROVED AS TO FORM

BY: _____
_____, General Counsel

Dated: _____, 2026

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

BY: _____
Heather Dyer, CEO/General Manager

APPROVED AS TO FORM

BY: _____
Brad Neufeld, General Counsel

Dated: _____, 2026

CRAFTON WATER COMPANY

BY: _____
Steve Wellington, Board President

Dated: _____, 2026

BEAR VALLEY MUTUAL WATER COMPANY

BY: _____
Larry Jacinto, Board President

Exhibit A

Operating Percentages

<u>Percent Vote</u>	<u>Member Agencies</u>
10	Big Bear Municipal Water District
72	San Bernardino Valley Municipal Water District
6	Crafton Water Company
12	Bear Valley Mutual Water Company
100%	Total exceeds 100% due to rounding

Exhibit B

PARTIAL LIST OF OPERATION AND MAINTAINANCE RESPONSIBILITIES

- Maximizing diverted water at key locations along the river systems for conveying surface water to the powerhouses for energy generation and downstream water users.
- Maintaining access roads necessary to access the hydro plants at several key locations, such as the river pickups, flumes, penstocks, etc.
- Upkeep of construction equipment and other mechanical tools needed for the repair, operation, and maintenance of the facilities.
- Operating and maintaining power-generating facilities such as turbines, generators, electrical panels, and other appurtenances.
- Repairing, maintaining, operating, and replacing facilities for water conveyance purposes. This would include any appurtenances associated with the pipelines, such as penstocks, flumes, valves, gates, intakes, river pickups, concrete structures, rock, etc.
- Obtaining appropriate environmental permits from the regulatory agencies for associated repair and restoration projects.
- Providing education and headwater stewardship for preserving local water and hydropower history in the upper SAR watershed.
- Ongoing reporting associated with all permitting to the regulatory agencies, including CPUC and FERC Relicensing, where applicable.
- Assist in the operation, maintenance, and repair of hydro facilities outside the Alliance, such as the Lytle Creek and Fontana Powerhouses (owned and operated by the Fontana Water Company), on a reimbursable basis.