

Bear Valley Basin

Groundwater Sustainability Agency

C/O City of Big Bear Lake, Department of Water
Attention: Reginald A. Lamson
PO Box 1929 Big Bear Lake, CA 92315

Big Bear Municipal Water District, at

40524 Lakeview Drive, Big Bear Lake, CA 92315

October 18th, 2017

at 2:30 pm

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability related modification or accommodation to participate in this meeting, please contact Reggie Lamson at (909) 866-5050. Requests must be made as early as possible and at least one full business day before the start of the meeting. Documents and material relating to an open session agenda item that are provided to the Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 41972 Garstin Drive, Big Bear Lake, CA 92315. The documents are also available at Big Bear Municipal Water District, 40524 Lakeview Drive, Big Bear Lake, CA 92315.

1. CALL TO ORDER; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ACKNOWLEDGEMENT OF UPDATED JOINT POWERS AGREEMENT AND
INSTALLATION OF NEW JPA BOARD MEMBER REPRESENTING BBARWA

- a. Collection of Executed Updated Joint Powers Agreement Signature Pages
- b. Collection of BBARWA Board Member Designation
- c. Collection of BBARWA Board Member Initial Form 700
- d. Swearing in Agency Members

4. PUBLIC COMMENTS This time is reserved for members of the public to address the Board relative to matters not on this agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to three minutes per person.

5. CONSENT CALENDAR

- A. APPROVAL OF MINUTES OF MAY 25, 2017 MEETING
- B. DIRECT STAFF TO FILE THE UPDATED JOINT POWERS AGREEMENT WITH THE STATE AND SAN BERNARDINO COUNTY LAFCO, AS NEEDED
- C. APPROVE CONFLICT WAIVER LETTER

6. APPOINT BOARD SECRETARY

7. APPOINT BOARD TREASURER

8. RESOLUTION SETTING AUTHORIZED SIGNATURES TO ESTABLISH AGENCY BANK ACCOUNT

9. PUBLIC HEARING TO CONSIDER A RESOLUTION REGARDING THE BOARD OF DIRECTORS OF THE BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY ADOPTING A CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

10. DISCUSSION AND POTENTIAL APPROVAL OF RESOLUTION ADOPTING AGENCY BYLAWS

11. DISCUSSION AND POTENTIAL ACTION REGARDING FUNDING A PROPOSITION 1 GRANT APPLICATION FOR A POTENTIAL GROUNDWATER SUSTAINABILITY PLAN

12. DISCUSSION AND POTENTIAL ACTION REGARDING AGENCY BUDGETING FOR GSA FORMATION AND RELATED UP-FRONT COSTS

13. DISCUSSION AND POTENTIAL APPROVAL OF A RESOLUTION OF SUPPORT FOR THE BIG BEAR VALLEY WATER SUSTAINABILITY PROJECT

14. DISCUSSION AND POTENTIAL ACTION REGARDING POTENTIAL APPLICATION TO REVISE GROUNDWATER BASIN BOUNDARIES

15. ADMINISTRATOR REPORT

16. LEGAL COUNSEL REPORT

17. PRELIMINARY DISCUSSION OF FUTURE ACTION ITEMS:

- a. Future Adoption of Board Policies
- b. Budgeting Issues

18. CLOSING COMMENTS This time is reserved for comments by Board members and/or staff and to identify matters for future Board business.

19. DATE AND TIME OF NEXT MEETING

20. CLOSED SESSION - None

21. ADJOURN

5. CONSENT CALENDAR

A. APPROVAL OF MINUTES OF MAY 25, 2017 MEETING

***MINUTES OF
BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY
MEETING HELD ON THURSDAY MAY 25, 2017***

Interim project manager Mike Stephenson called the Open Session to order at 4:30 PM. Those in attendance included Bob Ludecke BBMWD, Craig Hjorth BBLDWP, John Green BBCCSD, Mike Stephenson BBMWD, Reggie Lamson BBLDWP, Scott Heule BBCCSD, Keith Lemieux Olivarez Madruga Lemieux O'Neill, Steve Anderson Best Best & Krieger, and Vicki Sheppard MWD.

Mike Stephenson stated that he would handle items 1 through 4 and then turn the meeting over to the newly elected president.

INTRODUCTIONS:

Executed Joint Powers Agreements, Board Member and Alternate Designations, and Initial Form 700's were collected and distributed.

ELECTIONS OF OFFICERS TO THE BOARD

Different options were discussed regarding election of officers and possible rotation of the president. Mr. Lemieux explained that the roll of the president is not specifically defined but will mainly be to chair the meeting.

Director Green nominated Bob Ludecke for president. Director Hjorth seconded the motion and it was unanimously approved.

Director Ludecke thanked the Board for their confidence. He asked everyone to introduce themselves including those in the audience who chose to.

President Ludecke asked for nominations for Vice President

Director Hjorth nominated John Green for vice president. Director Ludecke seconded the motion and it was unanimously approved.

PUBLIC COMMENTS:

No comments were made

SPECIAL PRESENTATIONS REGARDING THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT

Keith Lemieux made SGMA a PowerPoint presentation. He explained that Governor Edmund Brown signed a three-bill package known as the Sustainable Groundwater Management Act (SGMA).

- Establishes a definition of "sustainable groundwater management"
- Requires that a Groundwater Sustainability Plan be adopted for groundwater basins in California that have been prioritized as high or medium
- Establishes a timetable for adoption of a Groundwater Sustainability Plan (GSP)
- Empowers local agencies to manage basins sustainably
- Establishes basic requirements for GSPs'
- Provides for a limited state role

What is SGMA

Sustainable Groundwater Management Act empowers local agencies to adopt groundwater management plans that are tailored to the resources and needs of their communities. It will provide a buffer against drought and climate change, and contribute to reliable water supplies regardless of weather patterns.

Definition of SGMA

The management and use of groundwater in a manner that can be maintained during the planning and implementation horizon without causing undesirable results.

What Are Undesirable Results

Undesirable results are defined as follows, based on a “significant and unreasonable” standard including chronic lowering groundwater level, seawater intrusion, degraded water quality, land subsidence, depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses.

Water Rights

The Act states that the intent of the Legislature is to “respect overlying and other proprietary rights to groundwater, consistent with section 1200 of the Water Code”. The Act further states that it is the intent of the legislature to “preserve the security of water rights in the state to the greatest extent possible consistent with the sustainable management of groundwater”. Additionally, the Act states that “nothing in this act or in any groundwater management plan adopted pursuant to this part, determines or alters surface water rights or groundwater rights under common law or any provision of law that determined or grants surface water rights”.

Further areas discussed were:

Agency Formation, Tools for GSAs, Creation of Groundwater Sustainability Plans, GSP Contents, DWR Evaluation and Assessment, Probationary Status, and State Board Intervention Interim Plans.

JOINT POWERS AGREEMENT FILING WITH THE SECRETARY OF STATE

The filing has been completed and will be submitted to the Secretary of State, State Controller and LAFCO.

PUBLIC HEARING TO CONSIDER RESOLUTION RE ELECTION OF BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY AS A GROUNDWATER SUSTAINABILITY AGENCY (GSA) FOR THE ENTIRETY OF THE BEAR VALLEY GROUNDWATER BASIN; AND APPROVAL OF RESOLUTION FOR BVBGSA TO ACT AS GSA; AND MAKE FINDING THE PROJECT IS EXEMPT FROM CEQA REVIEW PER SECTIONS 15061 (b) (3) AND 15378 (b) (5) OF THE STATE CEQA GUIDELINES

President Ludecke stated this is the time and place set for a duly noticed Public Hearing regarding the proposed formation of a Groundwater Sustainability Agency for the Bear Valley Basin in accordance with the Sustainable Groundwater Management Act of 2014. He stated “I declare this Public Hearing open and would ask a staff report on this proposed action”.

President Ludecke stated “I would ask the Secretary of the Board how this hearing was noticed”. 3

Board Secretary Vicki Sheppard stated "Notice of the public hearing was published in the Big Bear Grizzly in accordance with Water Code section 10723 (b) and Government Code section 6066.

President Ludecke asked "If the Secretary of the Board has received any written protests to the proposal, I would ask her to provide copies thereof to the Board".

Vicki Sheppard stated "No written protests to the proposal have been received."

President Ludecke stated "Thank you. At this time, are there any members of the public who wish to speak on this matter? If so, please come forward to the podium, state your name and address for the record, and present your comments."

Mike Meyer, 8872 Ann Cross Drive, Garden Grove and also 401 San Anselmo, Big Bear City. He explained that he is a property owner in BBCCSD area and questioned the GSA boundaries as far as inclusion of industry professionals on the Board and also attorney conflict waivers. He also questioned DWR Section 118 as far as the boundaries have been drawn in this plan. He explained that there may be a conflict of interest adding that we may need to use separate counsel. Steve Anderson presented a map of the Bear Valley Basin (included in the agenda packet) explaining that it is in compliance with DWR Section 118. Keith Lemieux stated there is also a conflict of interest waiver for both attorneys in the agenda packet.

President Ludecke stated that "seeing no further speakers, I hereby declare the Public Hearing closed. The hearing was closed at 5:15 PM.

President Ludecke stated that at this time we are ready to approve the following Resolution:

Resolution of the Bear Valley Basin Groundwater Sustainability Agency to act as the Groundwater Sustainability Agency; and make a finding that the Project is exempt from further CEQA review per Sections 1506 (B) and 15378(B)(5) of the State CEQA Guidelines. Is there a motion to adopt this resolution?

Director Green made a motion to adopt a Resolution of the Bear Valley Basin Groundwater Agency to act as the Groundwater Sustainability Agency and make the finding the Project is exempt from further CEQA review. Director Hjorth seconded the motion and it was unanimously approved.

It was determined to number the Resolution 2017-01

SET PRINCIPAL OFFICE OF THE AGENCY

Several different locations and room use costs were discussed and the consensus was that the BBMWD meeting room would be the best location to hold meetings. Steve Anderson stated that it is not only just for holding meetings but will be for holding GSA documents also.

Director Green moved approval to set the principal office of the agency to be BBMWD if there is no charge for room use. Director Hjorth seconded the motion and it was unanimously approved.

DISCUSSION AND ADOPTION OF REGULAR MEETING SCHEDULE AND TIME

Quarterly meetings were discussed and August was considered as the next possibility. Member's schedules were checked and it was the consensus that the next declared meeting should be 4:30 P.M. August 30, 2017 at BBMWD.

DISCUSSION AND ADOPTION OF RESOLUTION APPROVING ADMINISTRATION AND STAFFING OF THE AGENCY

There are two parts to this Resolution which include Administrator and Staffing and Appointment of Legal Counsel for the Agency. It was the consensus that Reggie Lamson would be the Interim Administrator. It was explained that the agency would like to keep legal counsel in-house and not have to use special counsel. Keith Lemieux explained that he and Steve Anderson have worked with many GSAs and can use that research and information to the agency's benefit.

Director Hjorth moved approval of the adoption of a Resolution approving the appointment of Reggie Lamson as Interim Administrator of the Agency and the law firms of Olivarez Madruga Lemieux O'Neill, LLP and Best Best & Krieger to serve jointly as legal counsel for the Agency. Director Green seconded the motion and it was unanimously approved.

It was determined to number the Resolution 2017-02

DISCUSSION OF INITIAL CONFLICT OF INTEREST CODE ADOPTION AND SETTING OF HEARING DATE

Steve Anderson explained that they are working on the conflict of interest code and counsel will create it for the next meeting in August.

PRELIMINARY DISCUSSION OF FUTURE ACTION ITEMS

Keith Lemieux explained that they are working on a draft budget, staffing of GSA tasks, funding of the same, and bylaws to present in August.

CLOSING COMMENTS

Director Hjorth commented that there is a possibility this basin could be reprioritized. President Ludecke added that it could be reprioritized from medium to low. Reggie Lamson explained that we are not in overdraft and both agencies have had significant water savings plans in place and are barely ranked as "medium". He added that DWR re-did the basin boundaries and are now working on re-doing the scores and we may get reprioritized from medium to low and then we don't have to do a GSP and the BVBGSA can be allowed to go dormant.

ADJOURNMENT

There being no further business, the meeting was adjourned at 5:50 PM.

Vicki Sheppard, Secretary to the Board

5. CONSENT CALENDAR

- B. DIRECT STAFF TO FILE THE UPDATED JOINT POWERS AGREEMENT WITH THE STATE AND SAN BERNARDINO COUNTY LAFCO, AS NEEDED

JOINT POWERS AGREEMENT

by and among

CITY OF BIG BEAR LAKE

DEPARTMENT OF WATER AND POWER

BIG BEAR CITY

COMMUNITY SERVICES DISTRICT

BIG BEAR MUNICIPAL WATER DISTRICT

and

BIG BEAR AREA REGIONAL WASTEWATER AGENCY

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, BIG BEAR MUNICIPAL WATER DISTRICT, AND BIG BEAR
AREA REGIONAL WASTEWATER AGENCY 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 ___, 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., the BIG BEAR CITY COMMUNITY SERVICES DISTRICT ("BBCCSD"), a Community Services District organized under Government Code §§ 61770 et seq., and BIG BEAR AREA REGIONAL WASTEWATER AGENCY ("BBARWA"), a joint powers authority, 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 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 BBCCSD, 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 270 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) representative from BBCCSD, one representative from BBARWA, 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. Three quarters (3/4) 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

BBCCSD
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

BBARWA
121 Palomino Drive
P.O. Box 517
Big Bear City, CA 92314
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: Ryan C. Hunt

Attest:

[Signature]

Approved as to Form:

BIG BEAR CITY COMMUNITY SERVICES DISTRICT SIGNATURE PAGE

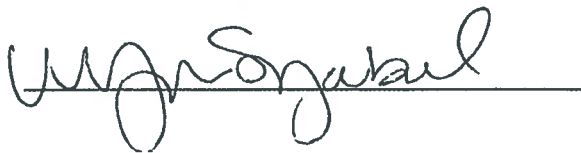
EACH OF THE UNDERSIGNED, having read and considered the above provisions, indicate their agreement by their authorized signatures.

BIG BEAR CITY COMMUNITY SERVICES
DISTRICT

By: _____



Attest:



Approved as to Form:

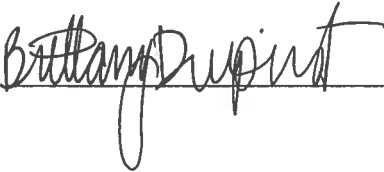
BIG BEAR MUNICIPAL WATER DISTRICT SIGNATURE PAGE

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:

BIG BEAR AREA REGIONAL WASTEWATER AGENCY SIGNATURE PAGE

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

BIG BEAR AREA REGIONAL
WASTEWATER AGENCY

By: _____

Attest:

Approved as to Form:

5. CONSENT CALENDAR

C. APPROVE CONFLICT WAIVER LETTER

Indian Wells
(760) 568-2611
Irvine
(949) 263-2600
Los Angeles
(213) 617-8100
Ontario
(909) 989-8584

BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

3390 University Avenue, 5th Floor, P.O. Box 1028, Riverside, CA 92502
Phone: (951) 686-1450 | Fax: (951) 686-3083 | www.bbklaw.com

Sacramento
(916) 325-4000
San Diego
(619) 525-1300
Walnut Creek
(925) 977-3300
Washington, DC
(202) 785-0800

September 25, 2017

VIA ELECTRONIC MAIL

Bob Ludecke, President, Board of Directors
Bear Valley Basin Groundwater Sustainability Agency
c/o City of Big Bear Lake
Department of Water and Power
41972 Garstin Drive
P.O. Box 1929
Big Bear Lake, CA 92315

Re: Conflict Waiver

Dear Mr. Ludecke:

The Big Bear City Community Services District (BBCCSD), the Big Bear Municipal Water District and the City of Big Bear Lake Department of Water and Power (DWP) recently entered into a joint powers agreement forming the Bear Valley Basin Groundwater Sustainability Agency (Bear Valley GSA). The Big Bear Area Regional Wastewater Agency (BBARWA) has become a member agency as well. The Bear Valley GSA is a legal entity separate from BBARWA. By this letter, we seek the consent of the Bear Valley GSA to allow Best Best & Krieger LLP (BBK) to represent Bear Valley GSA as legal counsel and to waive the potential conflicts of interests described below.

The Bear Valley GSA Board of Directors has retained BBK as co-legal counsel to the GSA. At the same time, BBK also currently serves as general counsel to BBARWA. As a result of our relationship with BBARWA, the potential exists that the Bear Valley GSA's interests could conflict with those of BBARWA's during implementation of the requirements of the Sustainable Groundwater Management Act (SGMA), creating a conflict of interest for BBK. When a potential or actual conflict of interest exists, we are required to inform you about our representation of our other client, discuss with you the potential impact of our representation, and obtain your informed written consent to proceed. If you consent and sign this letter, you will be consenting to allow BBK to represent BBARWA while at the same time BBK represents Bear Valley GSA despite the conflict issue described in this letter.

RULES OF PROFESSIONAL CONDUCT

Rule 3-310 of the California Rules of Professional Conduct provides in pertinent part:



BEST BEST & KRIEGER
ATTORNEYS AT LAW

President, Board of Directors
Bear Valley Basin JPA
September 25, 2017
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- (C) A member [of the Bar] shall not, without the informed written consent of each client:
- (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
 - (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or
 - (3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

OUR REPRESENTATION

As noted, BBK represents BBARWA as general counsel. BBK also serves as legal counsel to the Bear Valley GSA. Thus, BBK will be representing BBARWA and the Bear Valley GSA regarding implementation of SGMA. Although the respective interests of BBARWA and the Bear Valley GSA are likely to be aligned, there is a possibility that a conflict may develop. If a conflict arises, such as the parties engaging in a dispute regarding actions to be taken under SGMA, BBK will not and cannot represent the Bear Valley GSA or BBARWA in the dispute; however, we would continue to represent BBARWA and the Bear Valley GSA independently on other matters.

ADVERSE CONSEQUENCES

We are obligated to inform you of any actual or reasonably foreseeable adverse effects of this representation. It is possible that:

- We may not be able to present the appropriate position, claims or defenses for a client in order to avoid taking adverse positions to the other client.
- We may be tempted to favor the interests of one client over the interests of another client.
- We may be restricted from forcefully advocating a client's position for fear of alienating the other client.
- We may impair the position, claims or defenses of one client because of an adverse position we take for another client.



BEST BEST & KRIEGER
ATTORNEYS AT LAW

President, Board of Directors
Bear Valley Basin JPA
September 25, 2017
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- Disputes may arise between both clients regarding tactics, objectives or resolution of this matter because of our joint representation of both clients.
- Our exercise of independent judgment to the Bear Valley GSA may be impaired or clouded by our relationship with BBARWA.
- We may be forced to withdraw from representing the Bear Valley GSA or BBARWA because of disputes or further conflicts of interest which could increase either or both clients' attorney's fees and costs.
- There may be an appearance of impropriety in our representation of both clients simultaneously.

YOUR CONSENT

We ask that you sign this letter consenting to our representation of the Bear Valley GSA as described in this letter. Furthermore, should an actual conflict arise between the Bear Valley GSA and BBARWA, we ask that your signature confirms the Bear Valley GSA's consent to our continued representation of BBARWA on other unrelated matters.

It is understood that this consent will not waive any protection you may have with regard to attorney-client communications with us in other matters. Those communications will remain confidential and will not be disclosed to any third party without your consent.

I believe that you are familiar with the factual background in this matter, and I have given you a sufficiently detailed description for obtaining informed written consent. However, if you believe there is any other information that you or I need to have before such consent can be granted, please let me know immediately.

In the event that circumstances change or we become aware of new information that requires a new consent from the parties, you will be notified of that fact promptly, and continued representation will be subject to the informed written consent of involved parties. Likewise, if you learn of any new circumstances that may affect this matter and the circumstances of this waiver, please let us know promptly.

I should emphasize that you are entitled to and should consider obtaining an independent legal opinion regarding the advisability of signing this consent form.

Your execution of this consent form will constitute an acknowledgment of full disclosure and the Bear Valley GSA's consent to our representation of BBARWA in compliance with the



BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

President, Board of Directors
Bear Valley Basin JPA
September 25, 2017
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requirements of Section 3-310 of the California Rules of Professional Conduct previously quoted in this letter.

If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Anderson', with a long horizontal flourish extending to the right.

Steve Anderson
of BEST BEST & KRIEGER LLP

AGREED AND ACCEPTED:

By: _____
President, Board of Directors
Bear Valley Basin Groundwater
Sustainability Agency

Dated: _____

19361.00005\29790647.4

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 6

SUBJECT:

APPOINT BOARD SECRETARY

RECOMMENDATION:

GSA staff recommends appointment of Elizabeth Harris as Board Secretary.

DISCUSSION/FINDINGS:

A Board Secretary is needed to prepare minutes and agendas for Board meetings, etc. As reflected in the bylaws, agency staff recommends that this position should rotate with the principal agency yearly. Control of Agency documents will remain with the first principal agency for tracking purposes.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 7

SUBJECT:

APPOINT BOARD TREASURER

RECOMMENDATION:

The GSA recommends appointment of Craig Hjorth as Board Treasurer.

DISCUSSION/FINDINGS:

The GSA Treasurer will be at the same agency as the agency's administrator.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 8

SUBJECT:

RESOLUTION SETTING AUTHORIZED SIGNATURES TO ESTABLISH AGENCY BANK ACCOUNT

RECOMMENDATION:

The GSA staff recommends setting authorized signatures as Roger Craig Hjorth, Treasurer and Reginald A. Lamson, Interim Administrator to establish agency bank accounts.

DISCUSSION/FINDINGS:

The GSA needs to adopt Resolution 2017-03 setting authorized signatures to establish an agency bank account for all purchases.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

RESOLUTION NO. 2017-03

**A RESOLUTION OF THE BEAR VALLEY BASIN
GROUNDWATER SUSTAINABILITY AGENCY
AUTHORIZING THE AGENCY
TREASURER AND INTERIM ADMINISTRATOR TO EXECUTE BANK DOCUMENTS**

WHEREAS, being the duly constituted Secretary of the Bear Valley Basin Groundwater Sustainability Agency ("GSA"), a joint powers authority, organized and existing under and by virtue of the Laws of the State of California, does hereby certify that the following is a true and complete copy of a resolution duly adopted at a meeting of the board of directors of the GSA, duly called and held on October 18th, 2017, at which a quorum was present and voting;

WHEREAS, said resolution is still in full force and effect and has not been rescinded; and

WHEREAS, said resolution is not in conflict with the Agreement or Bylaws of the GSA.

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

1. The GSA Treasurer Craig Hjorth and the GSA Interim Administrator Reggie Lamson, are hereby fully authorized and empowered on behalf of the GSA to open and maintain an account with Union Bank and to transact all necessary business with said bank, including the signing and negotiating of all checks, money orders, and related financial documents.

2. This resolution shall remain in full force and effect until written notice of the revocation hereof shall be delivered to the Bank.

8. I further certify that the following is a true and correct list of the present officers of the GSA:

Bob Ludecke, President
John Green, Vice President
Craig Hjorth, Treasurer
Liz Harris, Secretary

PASSED, APPROVED AND ADOPTED on October 18th, 2017.

Robert C. Ludecke, Board President

ATTEST:

Elizabeth Harris, Board Secretary

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 9

SUBJECT:

REVIEW AND POTENTIAL APPROVAL OF RESOLUTION ADOPTING CONFLICT OF INTEREST CODE

RECOMMENDATION:

The GSA staff recommends the Board of Directors approve and adopt Resolution No. 2017-04 adopting the Conflict of Interest Code and directing that such Code be submitted to the San Bernardino County Board of Supervisors as the Agency's code-reviewing body (Gov. Code § 82011) requesting approval of the Code as required under Government Code section 87303.

DISCUSSION/FINDINGS:

The Political Reform Act of 1974 (the "Act") requires all state and local government agencies to adopt and promulgate a conflict of interest code establishing the rules for reporting personal assets and the prohibition from making or participating in the making of any decisions that may affect any personal assets. A conflict of interest code must specifically designate all agency positions, except for those listed in Government Code section 87200, that make or participate in the making of agency decisions which may foreseeably have an effect on any financial interest of that person, and assign specific types of personal assets to be disclosed that may be affected by the exercise of powers and duties of that position.

Attached is a copy of the proposed Conflict of Interest Code ("Code") for the Bear Valley Basin Groundwater Sustainability Agency (the "Agency"). By reference, this Code incorporates the Fair Political Practices Commission (the "FPPC") Regulation 18730 as the provisions of the Code with an Appendix attached designating all Agency positions that make or participate in making decisions of the Agency and assign appropriate disclosure categories in Part "A," and lists the disclosure categories to be assigned in Part "B." This is commonly referred to as the FPPC Standard Code.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

RESOLUTION NO. 2017-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY ADOPTING A CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code section 81000, et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Bear Valley Basin Groundwater Sustainability Agency (the "Agency") and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Agency being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed Conflict of Interest Code was provided each designated position and publicly posted for review at the offices of the Agency; and

WHEREAS, a public meeting was held upon the proposed Conflict of Interest Code at a regular meeting of the Board of Directors on October 18, 2017, at which all present were given an opportunity to be heard on the proposed Conflict of Interest Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bear Valley Basin Groundwater Sustainability Agency that the Board of Directors does hereby adopt the proposed Conflict of Interest Code, a copy of which is attached hereto

and shall be on file with the Secretary of the Board and available to the public for inspection and copying during regular business hours;

BE IT FURTHER RESOLVED that the said Conflict of Interest Code shall be submitted to the Board of Supervisors of San Bernardino County for approval and said Code shall become effective 30 days after the Board of Supervisors approves the proposed Conflict of Interest Code as submitted.

APPROVED AND ADOPTED this 18th day of October, 2017.

Robert Ludecke, Board President

ATTEST:

Elizabeth Harris, Board Secretary

**CONFLICT OF INTEREST CODE
OF THE
BEAR VALLEY BASIN
GROUNDWATER SUSTAINABILITY
AGENCY**

**CONFLICT OF INTEREST CODE
OF THE
BEAR VALLEY BASIN GROUNDWATER
SUSTAINABILITY AGENCY
(Adopted October 18, 2017)**

The Political Reform Act (Gov. Code § 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. § 18730) that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing Regulation 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This Incorporation Page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY** (the "**Agency**").

All officials and designated positions required to submit a statement of economic interests shall file their statements with the **Board Secretary** as the Agency's Filing Officer. The **Board Secretary** shall make and retain a copy of all statements filed by the Board of Directors and Executive Officer and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Bernardino. The **Board Secretary** shall retain the original statements filed by all other officials and designated positions and will make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code § 81008.)

APPENDIX

CONFLICT OF INTEREST CODE

OF THE

BEAR VALLEY BASIN GROUNDWATER
SUSTAINABILITY AGENCY

(Adopted October 18, 2017)

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. §18700.3(b), are NOT subject to the Agency's Conflict of Interest Code but must file disclosure statements under Government Code section 87200, et seq. [Regs. § 18730(b)(3)]

It has been determined that the positions listed below are officials who manage public investments¹. These positions are listed here for informational purposes only.

Board of Directors and Alternate Directors

Financial Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrator	1, 2
Chief Financial Officer	1, 2
General Counsel	1, 2
Project Manager	2, 4, 5
Consultants and New Positions ²	

² Individuals serving as a consultant as defined in FPPC Reg. 18700.3(a) or in a new position created since this Code was last approved that makes or participates in making decisions must file under the broadest disclosure set forth in this Code subject to the following limitation:

The Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.³ "Investment" means financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of the Agency.

Category 1: Investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, that do business in, or own real property within the jurisdiction of the Agency.

Category 2: All interests in real property located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Agency, including any leasehold, beneficial or ownership interest or option to acquire additional real property.

Category 3: Investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, supplies, materials, or equipment of a type purchased or leased by the Agency.

Category 4: Investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, supplies, materials, or equipment of a type purchased or leased by the designated position's department, unit or division.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY AGENCY
NOTICE OF INTENTION TO ADOPT A
CONFLICT OF INTEREST CODE**

NOTICE IS HEREBY GIVEN that the Board of Directors of the **Bear Valley Basin Groundwater Sustainability Agency** intends to adopt a Conflict of Interest Code pursuant to Government Code Section 87300.

A conflict of interest code designates those employees, members, officers and consultants who make or participate in the making of governmental decisions which may affect their financial interests, who must disclose those interests in financial disclosure statements, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

The proposed Conflict of Interest Code will be considered by the Board of Directors on October 18, 2017, at 2:30 p.m. at Big Bear MWD, 40524 Lakeview Drive, Big Bear Lake, California. Any interested person may be present and comment at the public meeting or may submit written comments concerning the proposed Code. Any comments or inquiries should be directed to the attention of Reginald A. Lamson, General Manager, Big Bear Lake DWP, P.O. Box 1929, Big Bear Lake, CA 92315; 877) 698-6732. Written comments must be submitted no later than October 18, 2017 at 2:30 p.m.

The proposed Code may also be reviewed at, and copies obtained from, the Mr. Lamson at 41972 Garstin Drive, Big Bear Lake, California.

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 10

SUBJECT:

**DISCUSSION AND POTENTIAL APPROVAL OF RESOLUTION ADOPTING
AGENCY BYLAWS**

RECOMMENDATION:

The GSA Staff recommends approval of agency bylaws.

DISCUSSION/FINDINGS:

GSA staff recommends the Board adopt the attached resolution 2017-05 approving the bylaws. The bylaws address issues related to Agency meetings, Officers, Committees, Finances, Claims Review and Policies.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

RESOLUTION NO. 2017-05

**A RESOLUTION OF THE BEAR VALLEY BASIN
GROUNDWATER SUSTAINABILITY AGENCY
ADOPTING BYLAWS**

WHEREAS, the Sustainable Groundwater Management Act contemplates that groundwater sustainability agencies will adopt bylaws or other procedures governing their operations (Water Code, §§ 10723.8(a)(3), 10725.2(b)); and

WHEREAS, the joint powers agreement forming the Bear Valley Basin Groundwater Sustainability Agency (the "Agency") requires adoption of bylaws for the Agency.

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

1. The Bylaws attached to this Resolution 2017-05 as Exhibit "A" are hereby adopted, together with any non-substantive changes and amendments as may be approved by both the Administrator and Agency General Counsel.
2. The Board of Directors of the Agency hereby authorizes and directs the Administrator, or his designee, to take any action and execute any documents necessary to carry out the purposes of this Resolution.
3. The determination given in this Resolution does not commit the Agency to any action that may have a significant effect on the environment. As a result, such determination is not a project subject to the requirements of the California Environmental Quality Act.
4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Board of Directors hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

PASSED, APPROVED AND ADOPTED on October 18th, 2017.

Robert C. Ludecke, Board President

ATTEST:

Elizabeth Harris, Board Secretary

EXHIBIT A

BYLAWS ATTACHED

BYLAWS

of the

Bear Valley Basin

Groundwater Sustainability Agency

October 18, 2017

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PREAMBLE

These Bylaws are adopted and effective as of October 3, 2017 pursuant to the Second Updated Joint Powers Agreement of the Bear Valley Groundwater Basin dated September 19, 2017 (the "Agreement").

ARTICLE 1. THE AGENCY

- 1.1 **NAME OF THE AGENCY.** As described in Section 4 of the Agreement, the name of the agency created by the Agreement is the Bear Valley Basin Groundwater Sustainability Agency ("Agency").
- 1.2 **SEAL.** Unless modified with approval of the Board of Directors (the "Board") of the Agency, the seal of the Agency shall be in the form of a water drop and shall bear the name of the Agency.
- 1.3 **PRINCIPAL OFFICE OF THE AGENCY.** The principal office of the Agency shall rotate annually. The principal office rotation order shall be Big Bear Municipal Water District, Big Bear City Community Services District, City of Big Bear Lake, Department of Water and Power, and Big Bear Area Regional Wastewater Agency, or at such other location as the Board of Directors (the "Board") may designate.
- 1.4 **AGENCY POWERS.** The Agency shall reasonably and equitably manage the Bear Valley Groundwater Basin ("Basin") to protect and enhance the health of the Basin. The powers of the Agency are expressly set forth in the Agreement, including in Section 6 of the Agreement, and in the Sustainable Groundwater Management Act ("SGMA"), and are vested in the Agency's Board of Directors, which has been established in accordance with the Agreement. The Agency's Board of Directors reserves unto itself the right to delegate by resolution such powers as are appropriate and permissible by law.

ARTICLE 2. MEETINGS

- 2.1 **OPEN MEETINGS.** Meetings of the Agency Board and any advisory body shall be open to the public and shall be conducted in compliance with the Brown Act. No action shall be taken by secret ballot at such meetings. Meetings of the Board and of advisory bodies shall be held within Agency boundaries, except: to comply with State or Federal law or court order; to inspect real property or personal property which cannot be moved; to meet with another public agency at the other agency on multi-agency matters; to discuss legislative or regulatory matters with state or federal officials; to discuss matters relating to an Agency facility in the facility; and to consult with legal counsel at counsel's office if so doing will result in reduction in legal fees associated with the meeting.

2.1.1 The term "Director" shall mean the appointed representative from each of the Members of the Agency.

2.1.2 The term “meeting” shall be defined consistent with the requirements of Government Code section 54952.2 and includes any congregation of a quorum of the Board or advisory body at the same time and place to hear, discuss or deliberate on any ruling within the jurisdiction of the Agency; and any use of direct communications, personal intermediaries or technological devices by a quorum of the Board or an advisory body to develop a collective concurrence to action by the Board or advisory body.

2.1.3 The term “meeting” does not include: individual contacts between Directors and other persons; attendance at a conference or similar gathering open to the public involving discussions of issues of interest to the public generally by public agencies specifically, if a quorum does not discuss Agency business; attendance at open and publicized meetings addressing topics of community concern by someone not associated with the Agency, if a quorum does not discuss Agency business; or attendance at social or ceremonial events, if a quorum does not discuss Agency business.

2.1.4 The term “Member” means each of the public agencies that signed the Agreement forming the Agency.

2.1.5 The defined terms in the Agreement will also apply to these Bylaws.

- 2.2 **REGULAR MEETINGS.** The regular meetings of the Agency shall be held at a location within the Basin on a day and time which the Agency’s Board of Directors may from time-to-time designate. In the event a regular meeting date falls on a legal holiday, said meeting may be rescheduled to another date and time as determined by the Agency’s Board of Directors. A regular meeting may be adjourned by the Board or by less than a quorum to another time. An adjourned regular meeting is a regular meeting for all purposes if held within five days of the regular meeting. If the adjourned meeting is held more than five days after the regular meeting, a new agenda shall be posted.
- 2.3 **SPECIAL MEETINGS.** Special meetings of the Board shall be conducted pursuant to California Government Code section 54956 and they may be called by the Chairperson, or with the concurrence of the Directors.
- 2.4 **EMERGENCY MEETINGS.** Emergency meetings of the Board shall be conducted pursuant to Government Code section 54956.5 and may be called by the Chairperson or the majority of Directors.
- 2.5 **AGENDA.** The Administrator or other Agency staff shall prepare the agenda. At least seventy-two hours before a regular meeting, or at least twenty-four hours prior to a special meeting, the Board Secretary shall post an agenda containing a brief, general description of each item of business to be transacted or discussed at the meeting, including the items to be discussed in closed session. The posting shall be freely accessible to the public. The agenda shall include the opportunity for the public to address the Board prior to taking action on any matter. The agenda for regular and adjourned regular meetings shall include the opportunity for the public to address the Board on matters within the jurisdiction of the Agency but not on the agenda. During

public comment, a Director may request a matter be included on the agenda for a future meeting. The Administrator shall arrange for the matter to be placed on a future agenda as promptly as feasible. No action shall be taken on matters not shown on the posted agenda, except that Directors may briefly respond to statements made or questions posed during public comment; respond to a request for clarification; provide a reference to staff or other resources for factual information; request staff to report back to the Board at a subsequent meeting or direct staff to place a matter of business on a future agenda. The Board may add matters to the agenda upon a majority finding that an emergency exists or upon at least a three-fourths vote finding there is a need to take immediate action and the need for action came to the attention of the Agency subsequent to the posting of the agenda.

- 2.6 QUORUM. A quorum of the Board of Directors shall consist of majority of the Directors representing the then-active Members. In the absence of a quorum, no business may be transacted beyond the adjournment of a meeting by the remaining Directors. A Director shall be deemed present for the determination of a quorum if the Director is present at the meeting in person or if they participate in the meeting telephonically as provided for in the Ralph M. Brown Act , Government Code, section 54950 et seq. ("Brown Act").
- 2.7 OFFICIAL ACT. Except as otherwise provided by statute, the Agency shall adopt every official act by a vote of the Board of Directors in accordance with the applicable provisions of the Agreement.
- 2.8 VOTING. The voting on formal resolutions, matters drafted to federal, state, county or city agencies, and on such other matters as may be requested by a majority of the Agency Directors, shall be accomplished in a manner that readily signifies the vote of the individual Directors which shall be entered upon the minutes of such meeting.
- 2.9 RULES OF ORDER. All rules of order not otherwise provided for in these Bylaws shall be determined, to the extent practicable, in accordance with "Robert's Rules of Order;" provided, however, that no action shall be invalidated or its legality otherwise affected by the failure or omission to observe or follow Robert's Rules of Order.
- 2.10 MINUTES. The Secretary appointed by the Board shall prepare written minutes of meetings, which shall be available for public inspection when approved by the Board. The record shall contain the votes and abstentions on each matter for which a vote is taken.
- 2.11 PUBLIC PARTICIPATION. If a meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in closed session. The Board may establish a procedure for readmitting individuals not responsible for willfully disturbing the orderly conduct of the meeting. The Board shall not prohibit public criticism of the policies, procedures, programs or services of the Agency or of the acts or

decisions of the Board. However, no privilege or protection is hereby conferred for expression beyond that otherwise provided by law.

ARTICLE 3. OFFICERS

- 3.1 **OFFICERS OF THE BOARD.** Officers of the Agency's Board shall consist of a Chairperson and Vice-Chairperson. The Chairperson shall preside at all meetings of the Board, while the Vice-Chairperson shall perform the duties of the Chairperson in the absence or disability of the Chairperson. The Chairperson and Vice-Chairperson shall exercise and perform such other powers and duties as may be assigned by the Board.
- 3.2 **APPOINTMENT OF OFFICERS OF THE BOARD.** The Board shall annually elect the Officers of the Board from the Directors. Officers of the Board shall hold office for a term of one year commencing on the first Board meeting following July 1 of each and every calendar year and they may serve for multiple consecutive terms. Officers of the Board may be removed and replaced at any time, with or without cause by a Board vote. In the event that an Officer of the Board loses his or her position as a Director, that Officer of the Board position shall become vacant and Board shall elect a new individual to serve the remaining term.
- 3.3 **ADMINISTRATOR.** The Administrator shall have general supervision over the administration of Agency business and affairs, subject to the direction of the Board. The Administrator or designee may execute contracts, deeds and other documents and instruments as authorized by the Board.
- 3.4 **BOARD SECRETARY.** The Secretary shall be selected by and serve at the discretion of the Board of Directors. The Secretary shall keep the administrative records of the Agency, act as secretary at meetings of the Agency, record all votes and keep a record of the proceedings of the Agency to be kept for such purpose, and perform all duties incident to the Secretary's office. The Secretary shall maintain a record of all official proceedings of the Board.

The Secretary shall establish and maintain a list of persons interested in receiving notices regarding Groundwater Sustainability Plan ("GSP") preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents pursuant to Water Code section 10723.4. The Secretary shall also maintain a record of all registered groundwater extraction facilities within the Basin pursuant to Water Code section 10725.6.

- 3.5 **GENERAL COUNSEL.** The Agency's General Counsel(s) shall be the attorneys appointed by the Board. Counsel shall be appointed by the Board, and shall be directly responsible to the Board. The General Counsel(s) shall give advice or written opinions to the Chairperson, or other Agency Officers, and shall prepare proposed resolutions, laws, rules, contracts and other legal documents for the Agency when requested to do so by the Agency. The General Counsel(s) shall attend to all lawsuits and other matters to which the Agency is a part or in which the Agency may be

legally interested and do such other things pertaining to the General Counsel's office as the Agency may request.

- 3.6 RETAINER AGREEMENTS. The Board of Directors shall execute a retainer agreement with the Agency's General(s) Counsel which shall expressly provide that each attorney acting as General Counsel shall be afforded the full and complete opportunity to represent any Member they may represent in any dispute or action regardless of any actual or perceived conflicts with the Agency or any of its other Members. Additionally, the General Counsel shall, when deemed appropriate or called upon, seek the advice and consultation of legal counsel, and possibly staff, from Members of the Agency on legal issues facing the Agency; in such an instance, the communications shall be confidential and protected to the fullest extent possible in law and said communications shall not in any way preclude staff or legal counsels from fulfilling their duties and obligations to their Member, including representation in any dispute or action.
- 3.7 FISCAL AGENT AND TREASURER. The Board of Directors shall appoint the Treasurer of the Agency. The Administrator shall serve as the Fiscal Agent for the Agency unless otherwise directed by a vote of the Board of Directors. The Treasurer shall be depository for and shall have responsibility for all money of the Agency from whatever source, with assistance on day-to-day management from the Fiscal Agent. All funds of the Agency shall be strictly and separately accounted for and regular reports shall be rendered of all receipts and disbursements during the fiscal year as designated by the Board. The books and records of the Agency shall be open to inspection by the Members and the Treasurer shall provide strict accountability of said funds in accordance with Government Code sections 6505 and 6505.5 and all other applicable provisions of law, including any amendments thereto.
- 3.8 AGREEMENT FOR SERVICES. The Board may contract with a Member for provision of Treasurer, Board Secretary or other services by a Member's employee pursuant to an agreement between the Member and the Agency. Any Member's employee(s) providing services for the benefit of the Agency pursuant to an agreement between the Member and the Agency, including, but not limited to, management and administrative services and services for the Board, shall serve as an independent contractor of the Agency, shall remain a common law employee of the respective Member for all purposes, and shall act solely at the direction of the governing body of the respective Member or management employee(s) under the exclusive control of the governing body of the respective Member. The fee for services provided by the Agency to a Member for such services shall be the subject of an agreement between the applicable Member and the Agency.
- 3.9 PRIMARY AGENCY ACTIVITIES. The Administrator shall either directly himself/herself or oversee an engineer, private consultant or other qualified person or entity in conducting the activities required by SGMA and other applicable legal requirements, including those related to developing of the groundwater sustainability plan, monitoring of groundwater basin conditions, including installation of metering devices, producing required reports, and interacting with the California Department of Water Resources and the State Water Resources Control Board.

ARTICLE 4. COMPENSATION AND EXPENSES

- 4.1 **COMPENSATION.** Each Member shall be responsible for paying its appointed Director for each day's service at an Agency Board meeting or other Agency activity for which the Agency Board has authorized one or more Directors to attend and which is eligible for a day of service payment.
- 4.2 **EXPENSES.** If previously approved by the Board, a Director shall receive actual, reasonable and necessary reimbursement for travel, meals, lodging, registration and similar expenses incurred on Agency business. The reimbursement rates for lodging shall not exceed the posted rates for a trade conference, but if a lodging at the posted rates is not available, the reimbursement rate shall be comparable to the posted rates. For travel of 250 miles or less, Directors shall be reimbursed at the IRS rate. For travel over 250 miles, Directors shall be reimbursed at the lowest available rate for public air transportation, as determined by the Administrator, or actual cost, whichever is less. As used herein, "transportation" includes travel to and from terminals. Automobile rental expenses shall be approved in advance. Reimbursement for meals, other than alcoholic beverages, shall be at the rate established by the IRS or actual reasonable cost not to exceed \$60 per day. Directors may declare the amount of the meal under penalty of perjury in lieu of receipts if the amount is less than the IRS rate. Claims for expense reimbursement shall be submitted to the Administrator of the Board on forms provided by the Agency within 30-days after the expense has been incurred. The Administrator shall determine whether the claim satisfies the requirements of this section and if the claim is denied, the claimant may appeal to the Board.

ARTICLE 5. COMMITTEES, WORKING GROUPS, AND ADVISORY COMMITTEES

- 5.1 **ESTABLISHMENT OF ADVISORY COMMITTEES.** In accordance with Section 9(c) of the Agreement, the Board of Directors may from time to time establish advisory committees ("Advisory Committees") for the purpose of making recommendations to the Board on the various activities of the Agency. The establishment of any committee, including any committees convened under SGMA (Water Code, section 10727.8), and its duties shall require the majority vote of the Board of Directors and the activities of the committee shall be subject to the provisions of the Brown Act. Committees shall exist for the term specified in the action creating the committee and the Board may dissolve a committee at any time through a vote of the Board of Directors.
- 5.2 **CONDUCT OF ADVISORY COMMITTEES.** All meetings of Advisory Committees shall be noticed, held, and conducted in accordance with the provisions of the Brown Act. An Advisory Committee may use teleconferencing in connection with any meeting in conformance with, and to the extent authorized by, applicable law. The Board shall appoint the respective Advisory Committee chairs and it may further establish rules of conduct for Advisory Committees meetings, provided that said rules do not conflict with the Brown Act or other applicable law. Each Advisory Committee may establish a time and place for regular meetings and may call special meetings in the same manner as the

Board. Minutes of Advisory Committee meetings shall be recorded and upon approval by the Advisory Committee shall be distributed to the Board of Directors.

- 5.3 COMMITTEE MEMBERSHIP. Advisory Committee Membership and appointments shall be at the Board of Director's sole discretion. Likewise, the Board of Directors shall have the sole discretion to remove or admonish any member or members of Advisory Committees at any time. The Board of Directors may appoint an alternate to any Advisory Committee member at the Board's sole discretion.
- 5.4 COMMITTEE DIRECTION. In establishing an Advisory Committee, the Board of Directors shall provide specific direction to the Advisory Committee as to its charge, expected duration for completion of its charge, and a summary of the resources, including staff or consultant support, available to the Advisory Committee in performing its work. In no event shall an Advisory Committee be authorized to speak for the Agency; take final action on behalf of the Agency on any matters; and/or, authorize or direct the use of Agency funds.

ARTICLE 6. AGENCY MANAGEMENT

- 6.1 COLLABORATIVE MANAGEMENT. Except for the Agency's General Counsel, Secretary and Treasurer functions, Agency administration and management will be conducted using the appointed Administrator; provided, that the Members may also agree to utilize a collaborative staffing model in which the professional and technical staff of the Member agencies work together to help provide staff leadership, management and administration of the Agency.
- 6.2 STAFFING SUPPORT FOR AGENCY OFFICERS AND BOARD MEMBERS. Subject to Section 3.8, above, Agency and Member staff will provide support for Agency Directors, as needed. Board agenda and meeting materials will generally be prepared by or reviewed by the Administrator and legal counsel prior to being finalized. Should Agency staff, including legal counsel, not be in agreement on any topic, the Agency Board Chair or Vice-Chair will be consulted to provide the necessary direction. Any issue not resolvable by Agency or Member staff and the Agency Board Chair or Vice-Chair will be referred to the full Board of Directors for decision.

ARTICLE 7. FINANCES

- 7.1 DEPOSIT AND DISBURSEMENT OF FUNDS. All funds of the Agency shall be deposited in one or more depository accounts as may be designated by the Board. Such accounts shall be independent of any account owned by or exclusively controlled by any of the Members. No disbursements of such funds shall be made unless the same shall have been approved in the annual operating budget, or otherwise specifically approved by the Board. All disbursements shall be by check unless otherwise approved by the Board. Disbursements of not more than five thousand dollars (\$5,000) may be issued pursuant to the Treasurer's sole signature, with the approval of the Administrator or the Board. Disbursements in excess of five thousand

dollars (\$5,000) may only be issued upon the signature of the Treasurer and Chairperson, or in the Chairperson's absence, the Vice-Chairperson. The Treasurer may establish and implement a protocol allowing for electronic signatures by the Chairperson or Vice-Chairperson in order to facilitate efficient operation of the Agency.

- 7.2 **APPROVAL OF WARRANTS AND SIGNATURE OF CHECKS.** The Board shall approve all warrants and authenticate issuance of checks in payment thereof. A check register showing the check number, payee, amount, and the purpose of each check, as prepared by the office manager, will be sent to the Board Members no later than 72 hours before each regular Board meeting. Checks in payment of utility bills, postage, payroll, payroll taxes, credit union collections, petty cash, emergency repairs and invoices subject to discount and interfund transfers may be disbursed prior to Board approval. Such items shall be set forth on the next regular check register and presented to the Board dependent on timing of actual check delivery.
- 7.3 **BUDGET.** The Agency shall operate pursuant to an operating fund/budget adopted in accordance with Sections 12 and 13 of the Agreement. The Agency shall endeavor to operate each year pursuant to an annually balanced budget so that projected annual expenses do not exceed projected annual revenues. If the Administrator determines the approved budget is inadequate to address Agency requirements due to changes occurring subsequent to the approval of the budget, the Administrator shall submit recommended modifications to the Board for action. The Administrator shall implement the approved or revised budget, provided, all expenditures for capital improvements shall be approved by the Board before they are undertaken. The Board also has discretion to approve budgetary policies in which each Member contributes in-kind or other services to the Agency in lieu or in addition to monetary contributions to the budget.
- 7.4 **GENERAL AND SPECIAL BOOKS OF ACCOUNT.** The Administrator shall maintain books of account in accordance with accepted accounting principles showing the status of all monies received and disbursed. Such general and special fund accounts shall be maintained as are necessary to accomplish this purpose.

ARTICLE 8. CLAIMS AGAINST THE AGENCY

- 8.1 **CLAIMS: GENERAL.** This Article applies to claims filed against this Agency for money or damages which are excepted from Government Code Section 905 from Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.1 of the Government Code of the State of California (collectively, the "Government Tort Claims Act"), and which are not governed by another statute or regulation expressly relating thereto.
- 8.2 **FILING OF CLAIM REQUIRED.** A claim shall be presented in accordance with this Article.

- 8.3 PRESENTATION OF CLAIM. A claim, or amendment thereto, shall be presented to the Agency by delivering it to the Secretary of the Agency or by mailing it to the Secretary at the Agency's office. A claim shall be required of all parties, including other public entities, that wish to claim money or damages against the Agency.
- 8.4 CONTENTS OF CLAIM. A claim shall be presented by the claimant or by a person acting on his or her behalf and shall show: (a) The name and postal address of the claimant; (b) The postal address to which the person presenting the claim desires notice to be sent; (c) The date, place and other circumstances of the occurrence or transaction, which gave rise to the claim asserted; (d) The general description of the indebtedness, obligation, injury, damage or loss incurred so far as may be known at the time of presentation of the claim; (e) The name or names of the public employee or employees causing the injury, damage or loss if known; (f) The amount claimed as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage, or loss insofar as it may be known at the time of presentation of the claim, together with the basis of computation of the amount claimed; and (g) The signature of the claimant or some person on his or her behalf.
- 8.5 TIME FOR PRESENTATION OF CLAIMS. A claim relating to a potential cause of action for death or for injury to person or to personal property or growing crop shall be presented not later than six months after accrual of cause of action. A claim relating to another cause of action shall be presented not later than one year after the accrual of the cause of action.
- 8.6 LEAVE TO PRESENT LATE CLAIM. When a claim is not presented within the required time, an application may be made for leave to present such claim. Government Code Section 911.4(b), and Section 911.6 through 912.2 inclusive, and Sections 946.4 and 946.6 are applicable to such claims, and the time specified in this Article shall be the time specified in the Government Tort Claims Act.
- 8.7 TIME FOR ACTION BY BOARD. The Board shall act on the claim within 90 days after the claim has been presented.
- 8.8 NOTICE OF REJECTION OF CLAIM. Written notice of rejecting a claim in whole or in part shall be given to the person who presented the claim; provided, however, that should the Agency fail to take action on any claim, such claim shall be deemed denied as provided under the Government Tort Claims Act.
- 8.9 CLAIM AS PREREQUISITE TO SUIT. No suit for money or damages may be brought against the Agency by any party, including a public entity, on a cause of action for which a claim is required by this Article until the written claim has been presented to the Agency and acted upon by the Board. No lawsuit may be brought against the Agency for which a claim is required by this Article unless such lawsuit is commenced within six months after the date the claim is acted upon, or is deemed rejected by the Board or rejected by operation of law.

- 8.10 MINOR CLAIMS. The Administrator may allow, compromise or settle a claim if the amount to be paid pursuant to such allowance, compromise or settlement does not exceed three hundred dollars (\$300.00). The Administrator shall advise the Board when there has been allowance, settlement or compromise on such claim.

ARTICLE 9. DEBTS AND LIABILITIES

Except as may be specifically provided for in the Agreement and/or California Government Code Section 895.2 as amended or supplemented, the debts, liabilities and obligations of the Agency are not and will not be the debts, liabilities or obligations of any or all of the Members. However, nothing in this Article or in the Agreement prevents, or impairs the ability of, a Member or Members, from agreeing, in a separate agreement, to be jointly and/or severally liable, in whole or in part, for any debt, obligation or liability of the Agency, including but not limited to, any bond or other debt instrument issued by the Agency.

ARTICLE 10. POLICIES

The Board shall adopt procedures, rules and policies for the Agency as appropriate and necessary, including the following:

- (a) A code of ethics for all Directors, Officers and employees of the Agency, whether elected or appointed, paid or unpaid.
- (b) A conflict of interest code for the Agency compliant with California law including a requirement that, pursuant to Government Code Section 1090, Directors, Officers and employees of the Agency shall not have an interest in any contract made by the Agency.
- (c) A purchasing policy for the Agency.
- (d) An investment policy for the Agency.
- (e) A records retention policy. This policy will provide criteria and procedures for the retention or destruction of Agency records.

ARTICLE 11. AMENDMENT

These Bylaws may be amended from time to time by resolution of the Board of Directors; provided, however, that no such amendment shall be adopted unless at least three (3) days written notice thereof has previously been given to all Members of the Board. Such notice shall identify the Article to be amended, the proposed amendment, and the reason for the proposed amendment.

ARTICLE 12. DEFINITIONS AND CONSTRUCTION

Unless specifically defined in these Bylaws, all defined terms shall have the same meaning ascribed to them in the Agreement. If any term of these Bylaws conflicts with any term of the Agreement, the Agreement's terms shall prevail, and these Bylaws shall be amended to eliminate such conflict of terms. Unless the context or reference to the Agreement requires otherwise, the general provisions, rules of construction, and definitions in the California Civil Code will govern the construction of these Bylaws.

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 11

SUBJECT:

DISCUSSION AND POTENTIAL ACTION REGARDING FUNDING A PROPOSITION 1 GRANT APPLICATION FOR A POTENTIAL GROUNDWATER SUSTAINABILITY PLAN

RECOMMENDATION:

GSA staff recommends the Board:

- 1) Authorizes staff to enter into a contract with WSC to prepare a Proposition 1 grant application for funding of the preparation of the GSP.
- 2) Authorizes staff to submit a Proposition 1 grant application to seek State funding for the preparation of the GSP.
- 3) Approve a resolution authorizing staff to submit a grant application to seek State funding for the preparation of the GSP and to enter into a grant agreement with the State if the application is successful.

DISCUSSION/FINDINGS:

The State recently announced that there is Proposition 1 State funding available to help fund GSA agencies to prepare GSP's. The dead line to submit a grant application is November 10, 2017. Staff has received the attached WSC proposal for \$13,619, to prepare the BVBGSA's grant application. WSC has provided similar services for some of the member Bear Valley Agencies and is familiar with our basin and can prepare the grant application efficiently. The GSP benefits the four agencies differently, so staff recommends the following cost allocation: MWD 5% (\$681), BBARWA 5% (\$681), DWP 64.8 % (\$8,825), and CSD 25.2% (\$3,432). If the Bear Valley Basin is ultimately reprioritized as "Low", then the BVBGSA will respectively decline the grant and not go through the time and expense associated with preparing a GSP.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

RESOLUTION NO. 2017-06

**A RESOLUTION OF THE BEAR VALLEY BASIN
GROUNDWATER SUSTAINABILITY AGENCY
AUTHORIZING SUBMISSION OF A GRANT APPLICATION UNDER PROPOSITION 1
AND AUTHORIZING THE EXECUTION OF A GRANT AGREEMENT WITH THE STATE OF
CALIFORNIA**

WHEREAS, in support of implementation of the requirements of the Sustainable Groundwater Management Act (SGMA), the California Department of Water Resources (DWR) is administering the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code, section 79700 et seq.); and

WHEREAS, the due date for local groundwater sustainability agencies ("GSA's") to submit grant applications under the above-described grant program is early November 2017; and

WHEREAS, as part of the grant application package, DWR requires an applicant to submit a resolution from the governing board of the GSA authorizing submission of the grant application and related documentation, as well as authorization for the GSA governing board to execute a grant agreement with DWR.

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

1. The Interim Administrator of the Bear Valley Groundwater Sustainability Agency ("Agency") or his designee is authorized to submit an application and supporting materials, and to collect data and conduct investigations needed to support such application, to DWR to obtain a grant under the 2017 Sustainable Groundwater Planning Grant Program pursuant to the Water Quality, Supply and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code, section 79700 et seq.).
2. The Interim Administrator of the Agency or his designee is also authorized to execute a grant agreement with DWR under the grant program described above.
3. The determination given in this Resolution does not commit the Agency to any action that may have a significant effect on the environment. As a result, such determination is not a project subject to the requirements of the California Environmental Quality Act.

PASSED, APPROVED AND ADOPTED on October 18th, 2017.

Robert C. Ludecke, Board President

ATTEST:

Elizabeth Harris, Board Secretary

SUSTAINABLE GROUNDWATER PLANNING (SGWP) GRANT PROGRAM – PROPOSITION 1

BEAR VALLEY BASIN GROUNDWATER AGENCY



SUSTAINABLE GROUNDWATER PLANNING (SGWP) GRANT PROGRAM

1. THE SUSTAINABLE GROUNDWATER PLANNING (SGWP) GRANT PROGRAM IS FUNDED THROUGH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES (DWR)

“PROPOSITION 1, APPROVED BY THE VOTERS ON NOVEMBER 4, 2014 AUTHORIZED THE LEGISLATURE TO APPROPRIATE FUNDS TO THE DEPARTMENT OF WATER RESOURCES TO ESTABLISH THE SGWP GRANT PROGRAM.

SGWP GRANT – ELIGIBLE PROJCTS

3. Category 1

- a. Severely Disadvantaged Communities (SDAC) Projects
- b. At least \$10M in total funding available
- c. Maximum grant amount is \$1M per project
- d. Category 1 projects would receive a waiver on cost sharing
- e. Eligible applicants include “public agencies, non-profit organizations, public utilities, federally recognized Indian tribes, California Native American Tribes, and mutual water companies”
- f. Eligible projects must serve SDACs and support groundwater sustainability.



SGWP GRANT – ELIGIBLE PROJECTS

4. Category 2

- a. Activities associated with planning, development, or preparation of a GSP
- b. Tier 1 (critically overdraft basins)
 - i. Between \$15M to \$30M in total funding available
 - ii. Maximum grant amount is \$1.5M per basin
- c. Tier 2 (all other high and medium priority basins)
- d. Cost sharing minimum of 50% (may be reduced or waived if benefitting disadvantaged communities)



SGWP GRANT – COST SHARING

5. Cost Share / Eligible Costs

- a. Expenses must be incurred after January 1, 2015 to be considered as “cost share”
- b. Eligible “reimbursable costs” must be incurred after July 1, 2017
- c. Reimbursable Costs “may include the reasonable costs of engineering, design, land and easement, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation including administrative costs and incidental costs.”

SGWP GRANT – APPLICATION

6. Application

a. Applicants must complete/submit the four application sections online using DWR's "GRanTS" website

1. Summary of applicant information, budget, location

2. Summary of project information and schedule

3. Review of eligibility requirements

4. Attachments (see below)

SGWP GRANT – APPLICATION

c. Applicants are required to submit up to 9 attachments

i. Resolution

- a. A Resolution is required (the applicant will need to enter into an agreement with the State)

II. Eligibility Applicant Documentation

III. Project Justification

- a. Proposal Summary, Technical Need, Financial Need, Project Support

SGWP GRANT – APPLICATION

iv. Work Plan

- a. Scope of work for all tasks
- b. Project deliverables.
 - 1. Final project under Category 2 is a completed GSP approved by DWR
 - 2. DWR will keep contract with grantee open for 3 years following submittal of GSP.
- c. Identify how interested parties will be informed about project progress.

v. Budget

- a. Budget for all Work Plan tasks
- b. Requested funding and cost sharing amounts

vi. Schedule

- ▶ a. Detailed schedule (Gantt chart) and overall schedule

SGWP GRANT – APPLICATION

vii. Disadvantaged Community (if applicable)

1. Annual median household income < 80% of State average
2. DACs are present within the IWV groundwater basin boundaries

viii. Economically Distressed Area (if applicable)

1. (Municipality less than 20,000 people with a median household income < 85% of state average) and (low population density areas or unemployment rate 2% higher than state average)
2. Stetson will need to review. Based on census, median household income, and DWR data

ix. Severely Disadvantaged Community (if applicable)

1. Annual median household income < 60% of State average
2. SDACs are present within the IWV groundwater basin boundaries

SGWP GRANT – SCHEDULE

7. Schedule

- a. The application was released on September 8, 2017 and is due by November 13, 2017.
- b. Applicants can submit information at any time during the nine week application period.
- c. DWR may contact applicant during the nine weeks in case of missing information or to seek clarification regarding submitted information.

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 12

SUBJECT:

**DISCUSSION AND POTENTIAL ACTION REGARDING AGENCY BUDGETING FOR
GSA FORMATION AND RELATED UP-FRONT COSTS**

RECOMMENDATION:

GSA staff recommends the Board assigns a cost allocation of 25% to each of the four participating agencies regarding GSA formation and related up-front costs.

DISCUSSION/FINDINGS:

GSA staff has kept track of outside consulting costs since January of 2017. As of September 30, 2017, MWD, CSD, and DWP have paid consultant fees totaling \$39,619, and are broken down on the attached table. The consulting fees are for BVBGSA up-front such as creating the JPA agreement, creating draft Bylaws, and preparing for and attending GSA Board meetings. The GSA Treasure will send a bill for \$9,904.75 to BBARWA for 25% of the current costs and send checks to MWD, CSD, and DWP for any over payment to date.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Administrator

		GSA Costs				
Date		DWP	BBARWA	CSD	MWD	Total Costs
2/28/2017	\$	592.80	\$ -	\$ 3,274.20	\$ -	\$ 3,867.00
3/31/2017		4,651.20	-	1,389.00	3,600.00	9,640.20
4/30/2017		988.00	-	2,717.80	270.00	3,975.80
5/31/2017		4,519.68	-	449.40	3,285.00	8,254.08
6/30/2017		861.96	-	3,170.04	90.00	4,122.00
7/31/2017		1,062.00	-	-	765.00	1,827.00
8/31/2017		1,022.40	-	1,425.36	1,057.50	3,505.26
9/30/2017		2,670.30	-	682.00	1,417.50	4,769.80
Total		\$ 16,368.34	\$ -	\$ 13,107.80	\$ 10,485.00	\$ 39,961.14

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 13

SUBJECT:

DISCUSSION AND POTENTIAL APPROVAL OF A RESOLUTION OF SUPPORT FOR THE BIG BEAR VALLEY WATER SUSTAINABILITY PROJECT

RECOMMENDATION:

GSA staff recommends the Board approve a Resolution in support of the Big Bear Valley Water Sustainability Project.

DISCUSSION/FINDINGS:

The four BVBGSA member agencies have recently authorized WSC to refine the Bear Valley Water Sustainability Plan. The revised project is proposing to keep the approximate 2,000 acre feet of water per year that is currently being exported out of the Bear Valley and treating it to a high standard and discharging it into Stanfield Marsh. The water will benefit the habitat within Stanfield Marsh and flow into Big Bear Lake, which has multiple benefits. 80 acre feet per year of highly treated water will be use to maintain the Stickleback pond. Also, if there is a prolong drought that adversely affects CSD's and DWP's well water levels, then banked water in the lake can be used for recharge within Sand Canyon.

BBARWA has recently been notified that the \$15,000,000, 2007 WRDA authorization is still in place but needs to receive a time extension or the authorization will be canceled soon. This authorization is to fund a BBARWA reclamation project. Staff from BBARWA, MWD, and DWP will be going to Washington D.C to try and get an extension on the 2007 authorization. If the authorization is extended, then we will try and get the \$15,000,000 appropriated and BBARWA will enter into a partnership with the United States Army Corps of Engineers to design and construct the reclamation project. If this happens, then other State funding may be available.

Regional support for the Bear Valley Water Sustainability Project is helpful in obtaining funding for a project of this magnitude. GSA staff recommends the Board supports this valley wide project.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Administrator

RESOLUTION NO. 2017-07

**A RESOLUTION OF THE BEAR VALLEY BASIN
GROUNDWATER SUSTAINABILITY AGENCY
SUPPORTING THE BIG BEAR VALLEY WATER SUSTAINABILITY PROJECT**

WHEREAS, the member agency's Big Bear Valley Water Sustainability Project will provide multiple benefits including environmental, water sustainability, and recreational benefits for the Big Bear Valley; and

WHEREAS, those benefits include improving the groundwater sustainability of the Bear Valley Basin.

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

The Bear Valley Basin Groundwater Sustainability Agency fully supports Big Bear Area Regional Wastewater Agency's proposed reclamation project, which will benefit the entire Bear Valley Basin.

PASSED, APPROVED AND ADOPTED on October 18th, 2017.

Robert C. Ludecke, Board President

ATTEST:

Elizabeth Harris, Board Secretary

**BEAR VALLEY BASIN GROUNDWATER SUSTAINABILITY
AGENCY
REPORT TO BOARD OF DIRECTORS**

MEETING DATE: OCTOBER 18, 2017

AGENDA ITEM: 14

SUBJECT:

**DISCUSSION AND POTENTIAL ACTION REGARDING POTENTIAL APPLICATION
TO REVISE GROUNDWATER BASIN BOUNDARIES**

RECOMMENDATION:

GSA staff seeks Board approval to evaluate with WSR a potential application to revise the boundaries of the Bear Valley groundwater basin.

DISCUSSION/FINDINGS:

The California Department of Water Resources (DWR) is re-opening in January 2018 the process for groundwater basin boundaries to be revised. In order to formally apply for a basin boundary adjustment, a GSA must first provide an Initial Notification to DWR before late December 2017 to indicate a GSA will seek to change boundaries. GSA staff will discuss the completion of the Initial Notification to the DWR to start the process of changing the groundwater basin boundaries.

Several areas on the eastern side of the Bear Valley Groundwater Basin are solely within the National Forest and outside the jurisdictional boundaries of the member agencies of the GSA. As such, GSA staff believes it would be appropriate to consider removing those areas from the groundwater basin in order to allow for more efficient management of the Basin. Boundary changes are permitted for jurisdictional or scientific reasons.

OTHER AGENCY INVOLVEMENT: None

Submitted by: Reggie Lamson, Interim Administrator

BIG BEAR CITY

Community Services District

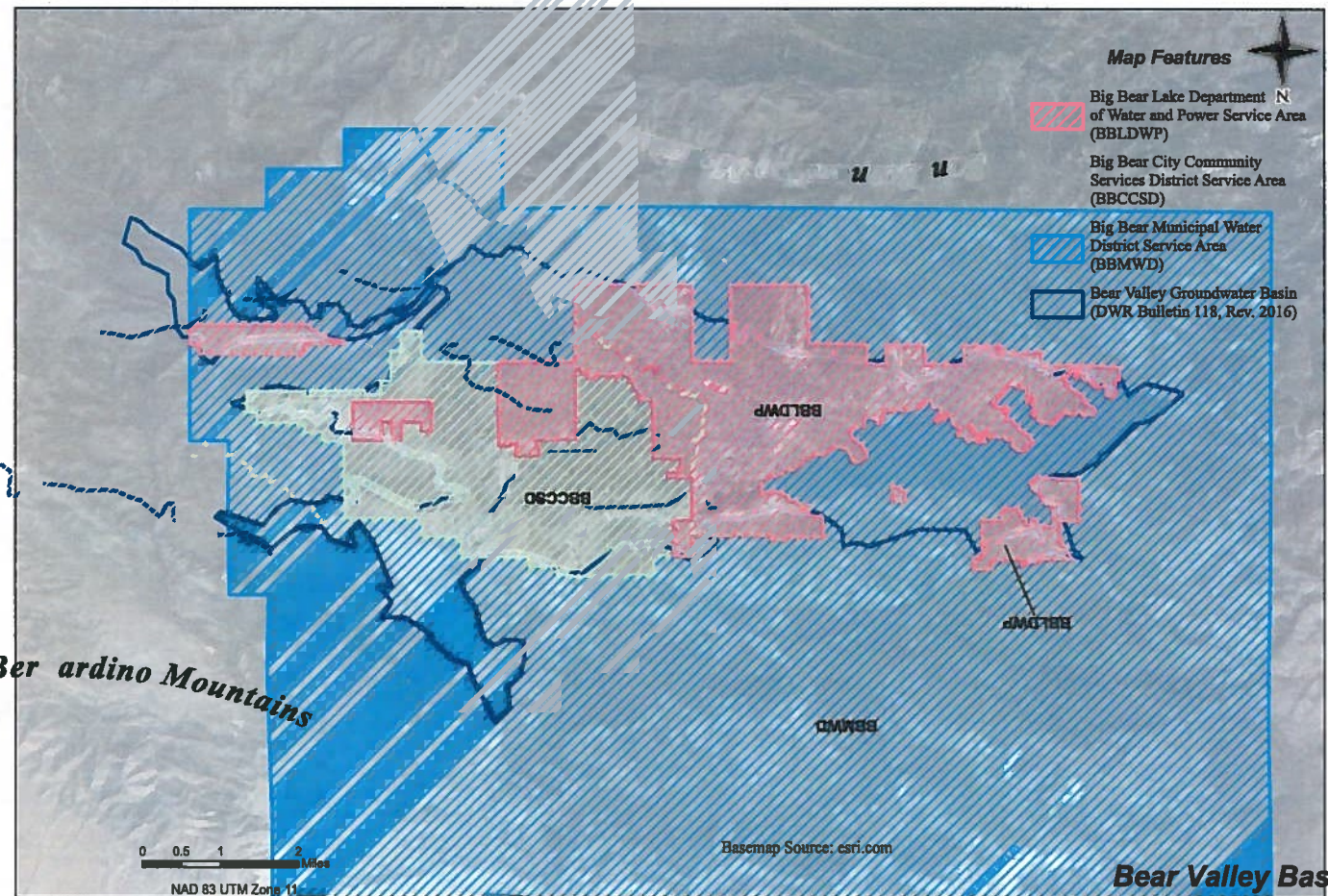


Service,
Quality,
Community

17-Mar-17



Sa Ber ardino Mountains



Thomas Harder & Co.
Groundwater Consulting



Bear Valley Basin
Boundary Map
Figure 1