



Letter of Intent between Victor Valley Wastewater Reclamation Authority and Fenner Gap Mutual Water Company to Establish the Mojave-San Bernardino One Water Authority

This Letter of Intent (LOI) is entered into by and among Victor Valley Wastewater Reclamation Authority (VWVRA) and the Fenner Gap Mutual Water Company for purposes of developing, administering and implementing a regional, integrated One Water investment plan for Mojave Basin region of San Bernardino County.

RECITALS

Whereas, One Water is a holistic approach to water management founded on the principle that all water has value and should be maximized for beneficial use within a regional, integrated and sustainably-managed water system and requires looking at the water system on a regional basis in its entirety, considering the current and future needs of all its users, meeting human needs with environmental best practices and making cost-effective investments in infrastructure to preserve access and affordability for all.

Whereas, it is in the interests of the Parties and the region served by the Parties that the water resources the Parties share in common are responsibly managed, protected and conserved to the maximum extent feasible.

Whereas, it is in the interests of the Parties that the infrastructure necessary to manage, protect and conserve water resources in the region served by the Parties be designed and developed to utilize all potential sources of water to create water security, climate resiliency and equitable distribution of water resources in and among the Mojave Basin and other connected regions in San Bernardino County.

Whereas, VWVRA is a Joint Powers Authority providing wastewater treatment, water recycling, and renewable green energy, and treats about 12 million gallons of wastewater per day, whose members include the City of Victorville, City of Hesperia, Town of Apple Valley and San Bernardino County Special Districts 42 and 64.

Whereas, Fenner Gap Mutual Water Company ("Fenner Gap" or FGMWC) is a non-profit mutual benefit corporation formed in 2010 for purposes of managing and distributing 2.5 million acre-feet of groundwater resources from the Cadiz Water Conservation, Storage and Supply Project in the Cadiz Valley region of San Bernardino County ("Cadiz"), and is a member of Fenner Valley Water Authority, a Joint Powers Authority whose members include the County of San Bernardino and other public water agencies.

Whereas VVWRA owns and operates three wastewater water treatment and conveyance facilities in the Alto Basin and distributes 12,000 to 13,000 acre-feet of water resources per year to preserve the Mojave River ecosystem and facilitate groundwater replenishment in the Centro and Baja Basins.

Whereas, FGMWC and Cadiz own and manage groundwater resources in watersheds adjacent to the regions served by VVWRA and 220-miles of buried pipelines that can directly connect new waters supplies to groundwater recharge basins in the Centro and Baja Basins.

Whereas by integrating the design, construction and operation of water pipelines, recharge basins, storage, treatment and distribution facilities in and between the Mojave Basin and Cadiz Valley regions of San Bernardino County, we can provide water security and climate resiliency to the cities of Adelanto, Barstow, Hesperia, Victorville, the Town of Apple Valley, Hinkley, Daggett, Newberry Spring and other small, rural areas located in the unincorporated areas of the Mojave Basin region, and provide vital access to secure water supplies to other regions in San Bernadino County currently dependent upon importation of water resources from the State Water Project.

Whereas, it is the Parties intention to enter into a definitive agreement to design, develop and administer a regional, integrated plan for investment in critical water infrastructure for the treatment, storage and cost-effective delivery of water resources to communities in the Mojave Basin and San Bernardino County.

NOW THEREFORE, in consideration of the foregoing recitals, the Parties will exercise good faith and reasonable best efforts to convert this Letter of Intent ("LOI") into a final definitive public, private, partnership agreement ("Agreement") in collaboration with other participating agencies. The key terms of the Agreement are as follows:

1. Collaboration with Regional Entities

It is the intent of the Parties to collaborate with the cities of Victorville, Hesperia, Adelanto, Barstow, the Town of Apple Valley, Mojave Water Agency, San Bernardino County, the Mojave Desert Resource Conservation District in the design, development, construction and operation of water facilities necessary to utilize all potential sources of water to create water security, climate resiliency and equitable distribution of water resources in Mojave Basin and connected regions in San Bernardino County.

It is the intent of the Parties to coordinate the financial, technical and managerial resources of all entities participating in the Mojave-San Bernardino One Water project to optimize and access maximum available financial resources and implement a One Water plan in the shortest possible timeframe.

2. Long-Term Water Supply

Subject to the approval of and terms and conditions imposed upon the Parties by their respective governing boards, shareholders, member agencies and/or applicable law:

It is the intent of the Parties to coordinate the conservation and distribution of all potential water resources in the region including recycled water contributions from multiple wastewater treatment plants, storm water, and imported water from State Water Project and Cadiz, and the development of collaborative recharge basins for maximum beneficial use, conservation and storage of all potential water sources.

Fenner Gap will make available groundwater resources from the Cadiz Water Conservation, Supply and Storage Project in Cadiz Valley to participating entities for purposes of groundwater replenishment, water supply reliability and ecosystem preservation.

VVWRA will immediately convene a planning committee to identify optimal water conservation, treatment, recycling and distribution strategies benefitting the Mojave Basin and Mojave River ecosystem; and the distribution of water resources between Alto Basin and Baja, Centro Basin and between the Mojave Basin and other SWP-dependent regions of San Bernardino County.

FGMWC will immediately convene a financing committee to identify all potential sources of financing for an integrated, regional, multi-agency project financing plan including federal, state, local grant opportunities, municipal bonds, revenue bonds and other debt securities, low and zero interest loan programs and private sector and foundation grant opportunities.

Signatures



1/24/24
Date

Darron Poulson, General Manager

Victor Valley Wastewater Reclamation Authority



1/24/24
Date

Susan P Kennedy, President

Fenner Gap Mutual Water Company



Mojave Basin One Water Concept

The Mojave Basin is a vital resource in our region and protecting it to assure its beneficial use is all our responsibility. The basin has many sources of supply: *Natural River Flow, State Project Water, Storm Water and Recycled Water.* There is only **One Water.**

We need to think more programmatically and regionally to achieve our large water supply goals.

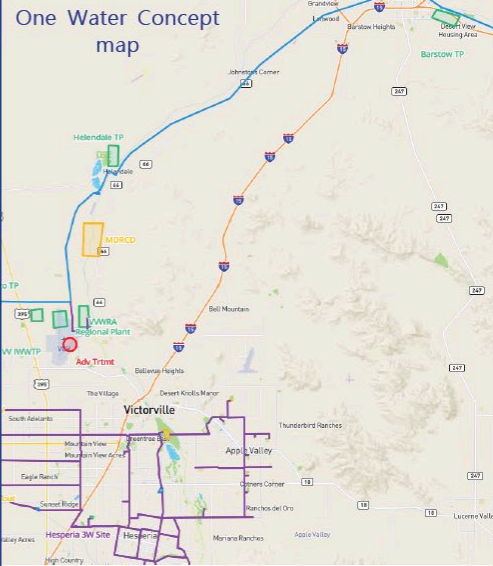


One Water Concept Benefits

- ♦ Strategic beneficial use of all water sources
- ♦ Direct recharge to specific basins
- ♦ Cost sharing for common goals.
- ♦ Greater grant opportunities.
- ♦ Increased control of water quality.
- ♦ Enhance groundwater basin management.
- ♦ Regional approach to RW treatment
- ♦ Lower greenhouse gases and carbon footprint

Larger One Water Concept Overview

- ♦ Multiple recycled water contributions from multiple wastewater treatment plants.
- ♦ Collaborative recharge basins for storm water, recycled water, and state project water.
- ♦ Regional recycled water distribution system.
- ♦ Advanced water treatment at SCLA to mitigate Air Force contaminated water plume.
- ♦ Treatment of recycled water for direct potable reuse.



Possible Partners

- | | |
|------------------------------------|---------------------------------------|
| MWA – State Project Water | MDRCD – River Eco System |
| VVWRA – Recycled Water | Helendale CSD – Recycled Water |
| Victorville – Storm Water | Barstow – Recycled Water |
| Victorville IWWTP - Recycled Water | Barstow – Storm Water |
| County CSA64 – Storm Water | Adelanto – Recycled Water |
| Apple Valley – Storm Water | Adelanto – Storm Water |
| Hesperia – Storm Water | Air Force – Ground Water Plume |
| | RWQB – DDW – AQMD – Fish and Wildlife |



One Water concept would integrate pipelines, groundwater recharge basins, groundwater storage banks and water treatment facilities in Mojave River Basin, Fenner Valley and Morongo Basin.

