

Attachment 1

Heather P. Dyer
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Craig D. Miller
Western Municipal Water District
14205 Meridian Parkway
Riverside, CA 92518

Re: Cost Sharing Letter Agreement for the Preparation of the Preliminary Viability Assessment (PVA) of Forecast-Informed Reservoir Operations (FIRO) at Seven Oaks Dam

Western Municipal Water District (“Western”), the San Bernardino Valley Municipal Water District (“San Bernardino Valley”), and the San Bernardino Valley Water Conservation District (“Conservation District”) executed an “Agreement to Develop and Operate Enhanced Recharge Facilities” (“Enhanced Recharge Lease Agreement”) dated October 1, 2012.

In cooperation with San Bernardino Valley (non-federal sponsor), the Forecast-Informed Reservoir Operation (FIRO) process is led jointly by the U.S. Army Engineer Research and Development Center (ERDC) and the Center for Western Weather and Water Extremes at UC San Diego Scripps Institution of Oceanography (Scripps). Assessment of FIRO at Seven Oaks Dam is overseen by a Steering Committee which includes staff from Western and San Bernardino Valley. The U.S. Army Corps of Engineers (COE) has secured funding from Congress for the COE’s portion of the proposed work and received necessary support from the COE to prepare the Preliminary Viability Assessment (PVA) of FIRO at Seven Oaks Dam. The Work Plan published in June 2024 provides the scope of work for the PVA. The non-federal sponsor is responsible for funding the Scripps portion of the costs, which totals approximately \$1,071,000 over two years. San Bernardino Valley and Western believe that pursuing FIRO, in collaboration with ERDC, Scripps, the local flood control districts, and other organizations that serve on the Steering Committee is the optimal strategy to protect and increase local water supply reliability and enhance the environment.

To effectively capture the water downstream in the local recharge basins, releases from the dam need to be approximately 500 cubic feet per second (cfs) or less. The current operation of the dam is based on a Water Control Manual that dictates releases based on water levels behind the dam and/or a date on the calendar, with limited consideration of upcoming weather patterns. Pursuing FIRO for Seven Oaks Dam brings hydrometeorological conditions (both rain and snow) upstream of the dam and other important variables into the approach for determining release rates from the dam while maintaining the dam’s primary purpose of flood risk management.

This Cost Sharing Letter Agreement (“2024 Cost Sharing Agreement”) sets forth the understanding between San Bernardino Valley and Western regarding the scope of work and

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associated costs to prepare the PVA for FIRO at Seven Oaks Dam. San Bernardino Valley will contract directly with the Regents of the University of California, a California Corporation on behalf of Scripps at the University of California, San Diego campus (UCSD) to lead the development of the PVA of FIRO.

Western and San Bernardino Valley executed a Cost-Sharing Agreement for Seven Oaks Enhanced Recharge Project, dated July 17, 2013 ("2013 Cost-Share Agreement"), which provides for cost-sharing between Western and San Bernardino Valley for costs associated with the Enhanced Recharge Project, consistent with the Judgment in *Western Municipal Water District of Riverside County v. East San Bernardino County Water District, et al.*, Riverside County Superior Court Case No. 78426 (1969) ("Judgment"). Western and San Bernardino Valley will continue to comply with the terms of the 2013 Cost-Share Agreement.

The 2013 Cost-Share Agreement continues Western's long-standing practice of representing the Plaintiffs in the Judgment and entering into agreements with San Bernardino Valley regarding cost sharing for the Enhanced Recharge Project while subsequently entering into separate agreements with the Plaintiffs to provide reimbursement of costs and distribution of benefits to the Plaintiffs. This cost sharing letter agreement for the UCSD PVA of FIRO at Seven Oaks Dam implements the 2013 Cost Sharing Agreement as it pertains to development of additional water resources for the Enhanced Recharge Project. As such, San Bernardino Valley will invoice Western on a quarterly basis, and Western will pay San Bernardino Valley within 30 days after receipt of such invoices, for the Plaintiffs' share for the preparation of the UCSD PVA of FIRO per the Western-San Bernardino Watermaster cost allocation formula of 72.05% for San Bernardino Valley and 27.95% for the Plaintiffs.

In July 2023, Western and San Bernardino Valley executed a Cost Sharing Letter Agreement for the Forecast-Informed Reservoir Operations Study at Seven Oaks Dam ("2023 Cost Sharing Agreement"). The 2023 Cost Sharing Agreement prescribed sharing of costs payable by San Bernardino Valley to Scripps for preparation of the Work Plan for FIRO at Seven Oaks Dam and associated technical studies. The Work Plan was completed and published in June 2024. The technical studies are underway and will be completed in October 2024. Completion of the Work Plan is the preliminary step towards the goal of optimizing the dam's operation to maximize capture of water released from the dam for groundwater recharge and establishing the pathway for updating the Seven Oaks Dam Water Control Manual to incorporate FIRO.

The 2024 Cost Sharing Agreement for development of the PVA serves as the next step towards incorporating FIRO at Seven Oaks Dam. San Bernardino Valley and Western hereby agree to share the total cost of \$1,071,000 for the PVA of FIRO provided in the project budget table shown below and according to the provisions set forth in this 2024 Cost Sharing Agreement. The PVA scope of work shall consist of work referenced in UCSD's proposal dated June 28, 2024, and the executed agreement between San Bernardino Valley and UCSD dated [REDACTED]. Should additional work be necessary for this effort in excess of the budget outlined in the Project Budget Table shown below, San Bernardino Valley and Western shall seek a revised cost estimate and enter into an amendment to this 2024 Cost Sharing Agreement to approve the cost revisions in

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writing. Western shall also notify the Plaintiffs in writing of the change in scope. San Bernardino Valley and Western are sometimes referred to in this 2024 Cost Sharing Agreement individually as "Party" and collectively as "Parties".

Project Budget Table:

Item	Cost
UCSD PVA of FIRO	\$1,071,000.00
San Bernardino Valley Cost Share (72.05%)	\$771,655.50
Western (representing Plaintiffs) Cost Share (27.95%)	\$299,344.50

1. Effective Date, Term and Termination

This 2024 Cost Sharing Agreement shall be effective on the date of full execution of this 2024 Cost Sharing Agreement by both San Bernardino Valley and Western ("Effective Date"). The term of this 2024 Cost Sharing Agreement shall be from the Effective Date to the date of completion of performance of the PVA of FIRO. San Bernardino Valley and Western may elect to extend the term if both parties agree. Either Party may terminate this 2024 Cost Sharing Agreement on thirty (30) days written notice to the other Party. In the event of termination prior to completion of the PVA of FIRO, the terminating Party shall pay its share of any study costs that had been authorized by the date of the notice of termination. The Parties acknowledge and agree that each has existing obligations under the Judgment and that rescinding participation in the cost share for the PVA of FIRO may impact its potential additional new conservation generated by FIRO under the Judgment. All fees due as of the date of said notice shall be paid in accord with the terms of this 2024 Cost Sharing Agreement.

2. General Provisions

(a) Indemnification

Each Party ("Indemnitor") hereby agrees to defend, indemnify and hold free and harmless the other Party ("Indemnitee") from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, arising from or connected with Indemnitors' activities under this 2024 Cost Sharing Agreement.

(b) Notices

Correspondence to be given to either Party may be sent by first-class mail, addressed, and delivered as set forth below in the signature blocks for each Party.

(c) Representation of Authority

Each Party represents to the other that it has the authority to enter into this 2024 Cost Sharing Agreement and that the individual signing this 2024 Cost Sharing Agreement on behalf of each respective Party has the authority to execute this 2024 Cost Sharing Agreement and to bind his or her respective Party

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to the terms and conditions of this 2024 Cost Sharing Agreement.

(d) Counterparts

This 2024 Cost Sharing Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(e) Governing Law

This 2024 Cost Sharing Agreement shall be governed by and construed in accordance with the laws of the State of California.

(f) Cooperation

The Parties acknowledge that they are entering into an agreement in which the cooperation of all Parties will be required, including the execution of necessary further documents. The Parties agree to cooperate in good faith with each other and submit timely documents for the benefit of the PVA of FIRO.

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BY SIGNING BELOW, THE PARTIES AGREE TO BE BOUND BY THE PROVISIONS OF THIS 2024
COST SHARING AGREEMENT

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Heather P. Dyer, CEO/General Manager

Dated: _____

380 East Vanderbilt Way
San Bernardino, CA 92408

WESTERN MUNICIPAL WATER DISTRICT

By: _____
Craig D. Miller, General Manager

Dated: _____

14205 Meridian Parkway
Riverside, CA 92518