

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

April 21, 2026

FROM

LUTHER SNOKE, Chief Executive Officer, County Administrative Office

SUBJECT

Joint Powers Authority with Fenner Gap Mutual Water Company

RECOMMENDATION(S)

1. Approve Joint Exercise of Powers **Agreement No. 26-297** with the Fenner Gap Mutual Water Company, a mutual water company, to form the San Bernardino Water and Power Authority, to support the financing and refinancing of capital improvement projects and provide working capital for eligible public uses.
2. Declare and post vacancy, per Maddy Act, for the two Board of Director positions on the San Bernardino Water and Power Authority.

(Presenter Michael Vu, Assistant Executive Officer, 387-4811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Foster Sustainable Development Through Strategic Partnerships.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The Joint Exercise of Powers Agreement (Agreement) with Fenner Gap Mutual Water Company (Fenner Gap) would form the San Bernardino Water and Power Authority (Authority). The Authority will be a separate legal entity and any bonds or other indebtedness issued by the Authority will be its sole obligation, and not a debt, liability, or obligation of the County, unless the County agrees to this in a future Board of Supervisors action. Any future participation by the County in specific projects or financial commitments would require separate Board of Supervisors' approval.

BACKGROUND INFORMATION

The County has a substantial need to develop sustainable, reliable, and affordable water supplies for public health, safety, affordable housing and economic development. Fenner Gap is a mutual water company established by Cadiz, Inc. (Cadiz) to distribute water supplies. The proposed Agreement with Fenner Gap would form the Authority. The Authority will have the ability to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 to finance projects that provide a public benefit. The primary purpose of the Authority is to support the financing and refinancing of capital improvement projects, including water storage and conveyance facilities, as well as provide working capital for the projects.

The Authority will operate as a separate legal entity, governed by a Board of Directors, which is established by the Agreement. While the County remains a member, it will appoint a majority of

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the Authority's Board of Directors, ensuring oversight and governance control during the initial term. All meetings will be conducted in compliance with the Ralph M. Brown Act. A separate Board Agenda Item will be presented to the Board of Supervisors at a future meeting to consider appointments to the Authority's Board of Directors.

The County's participation is intentionally limited and temporary, with a unilateral right to withdraw with 60 days' notice or a maximum term of three years, unless bonds have been issued and the County's withdrawal leaves only one remaining member in the Authority.

The Agreement also allows for additional public agencies to join the Authority, supporting potential regional collaboration. However, the Authority may not issue bonds while the County is a member, unless at least three members are participating. The Agreement provides a flexible funding mechanism for water and infrastructure projects, while maintaining clear protections for the County through limited liability, governance control, and a defined exit strategy.

Recommendation No. 2 would direct the Clerk of the Board of Supervisors to post a notice of vacancy, pursuant to the Maddy Act (Government Code section 54970 et seq.), for two Board of Director positions on the Authority.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on April 16, 2026; Clerk of the Board of Supervisors (Lynna Monell, Clerk of the Board, 387-4222) on April 17, 2026; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on April 16, 2026.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: April 21, 2026



cc: CAO - Shea w/agree
Contractor - c/o CAO w/agree
File - w/agree
MBA 04/23/2026