



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

380 East Vanderbilt Drive

SANTA ANA WATERSHED HYDRO AUTHORITY

10:00 AM Wednesday, October 14, 2026

ZOOM INFORMATION

Online: <https://sbvmwd.zoom.us/j/88655093262>

Telephone: (877) 853-5247 US Toll-free

Meeting ID: 886 5509 3262

PASSCODE: 3802026

IMPORTANT PRIVACY NOTE: Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your identifier during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.

CALL TO ORDER / PLEDGE

1. PUBLIC COMMENT

Any person may may address the Committee on matters within its jurisdiction.

2. APPROVAL OF MINUTES

2.1 Approve Minutes of the Santa Ana Watershed Hydro Authority Meeting - September 24, 2026

[Approve Minutes of the Santa Ana Watershed Hydro Authority Meeting - September 24, 2026](#) (2 min) - Pg. 3

3. DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 Status Update on the Hydro Program: Ontario Powerhouse No. 1 Startup and Commissioning
[Staff Memo - Status Update on the Hydro Program: Ontario Powerhouse No. 1 Startup and Commissioning](#)(20 min) - Page 10

3.2 Overview of the Power Purchase Agreement for the Sale of Electricity from the SAWHA Hydroelectric Facilities (20 min) - Page 12
[Staff Memo - Overview of the Power Purchase Agreement for the Sale of Electricity from the SAWHA Hydroelectric Facilities](#)

3.3 Consider the Operation and Maintenance Services Agreement with San Bernardino Valley Municipal Water District (20 min) - Page 14

Staff Memo - Consider the Operation and Maintenance Services Agreement with San Bernardino Valley Municipal Water District

1. Draft Agreement for the Operation and Maintenance of the SCE Transferred Assets

3.4 Update on Santa Ana River Penstock Emergency Protection Activities

3.5 Status Update on Insurance for the Hydroelectric Facilities (10 min) - Page 29

Staff Memo - Status Update on Insurance for the Hydroelectric Facilities

4. REPORTS

5. ANNOUNCEMENTS

6. ADJOURNMENT

MINUTES OF THE SANTA ANA WATERSHED HYDRO AUTHORITY



SAWHA
SANTA ANA WATERSHED
HYDRO AUTHORITY
Water in Motion, Energy in Action

Regular Meeting of the Board of Directors
September 24, 2026

DIRECTORS PRESENT: Jose Velasquez, Peter Buoye, Teresa Buoye, Steve Ludecke

ALTERNATES:

Paul Kielhold – San Bernardino Valley Municipal Water District
Craig Peterson – Big Bear Municipal Water District
Carlton Lockwood – Bear Valley Mutual Water Company

MEMBER AGENCY DIRECTORS PRESENT:

Gil Botello – San Bernardino Valley Municipal Water District
T. Milford Harrison – San Bernardino Valley Municipal Water District

MEMBER AGENCY STAFF PRESENT:

T. Milford Harrison – San Bernardino Valley Municipal Water District
Heather Dyer – San Bernardino Valley Municipal Water District
Wen Huang – San Bernardino Valley Municipal Water District
Cindy Saks – San Bernardino Valley Municipal Water District
Jose Macedo – San Bernardino Valley Municipal Water District
George Hanson – Bear Valley Mutual Water Company
Matthew Flordelis – San Bernardino Valley Municipal Water District
Marco Tule – San Bernardino Valley Municipal Water District
Stephanie Chesin – San Bernardino Valley Municipal Water District
Richard Roos-Collins, Counsel – Water and Power Law Group PC

MEMBERS OF THE PUBLIC IN ATTENDANCE:

None.

Call to Order. The regular meeting of the SAWHA Board of Directors was called to order by Jose Velasquez at 10:00 a.m. and the pledge of allegiance was recited.

Agenda Item 1. Public Comment. None.

Agenda Item 2. Consent Calendar.

2.1 Consider Approval of Resolution No. 26-1 Establishing the Principal Office and Designating the Official Business Address of the Authority

2.2 Consider Approval of Resolution No. 26-2 adopting a Conflict-of-Interest Code

2.3 Consider Approval of Resolution No. 26-3 Delegating to the Executive Officer Those Responsibilities Necessary to Pursue Advancing the Authority Operations

The Board of Directors approved the items on the Consent Calendar by the following roll-call vote:

MOVED: Ludecke	SECONDED: T. Buoye	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 3. Discussion and Possible Action Items.

3.1 Oath of Office for Directors and Election and Confirmation of Officers. SBVMWD Chief Administrative Officer/Deputy General Manager Jose Macedo administered the oath of office to the new SAWHA directors: Bear Valley Mutual Water Company, Peter Buoye; Big Bear Municipal Water District, Steve Ludecke; Crafton Water Company, Steve Wellington; San Bernardino Valley Municipal Water District, Jose Velasquez.

Executive Officer Heather Dyer reviewed the officer positions established under the Joint Powers Agreement and the need to formally confirm officers for the Authority. The Board discussed whether to appoint a Vice Chair and determined that one was not necessary, as the San Bernardino Valley alternate could serve in the Chair's absence.

The Board of Directors confirmed the following officers:

- Jose Velasquez was selected as Chair
- Jose Velasquez was selected as Treasurer
- Teresa Buoye was selected as Secretary
- No Vice Chair was appointed

by the following roll-call vote:

MOVED: Ludecke	SECONDED: P. Buoye	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.2 Establishment of the Operations and Technical Committee. Executive Officer Heather Dyer reviewed the proposed establishment and responsibilities of the Operations Committee (OC), as provided in the Joint Powers Agreement. The OC will consist of one representative from each member agency who is not serving on the SAWHA Board and may be either staff or an elected official. The committee will review significant matters involving the budget, outreach, permitting, engineering, environmental issues, and contracts before they are presented to the Board, and may receive input from outside advisors as needed. Non-administrative and potentially controversial matters will also be reviewed by the OC. Committee actions require a simple majority vote to advance items to the Board.

Ms. Dyer advised that the item would be held until the next Board meeting to allow each member agency to complete any required appointment process. Member agencies were asked to identify their Operations Committee representative by the next meeting and to notify Jose Macedo if an appointment had already been made. She noted that substantial items were expected to come before the Operations Committee and Board in October.

3.3 Consideration of General and FERC Counsel. Executive Officer Heather Dyer explained that the Authority's most significant legal needs will involve Federal Energy Regulatory Commission (FERC) hydropower regulation. She recommended consolidating the General Counsel and special FERC counsel roles to provide continuity and efficiency while allowing each member agency to retain its own independent counsel. She reviewed the qualifications of Richard Roos-Collins of Water and Power Law Group, PC, noting his more than 30 years of experience in FERC hydropower law and an hourly rate of \$400. General Counsel responsibilities would include advice regarding Brown Act compliance, conflicts of interest, contracting, and representation of the Authority in matters involving member agencies.

Ms. Dyer advised that immediate and future legal work will include FERC compliance associated with the transfer of the hydroelectric facilities, development of a relicensing strategy, consideration of a potential FERC exemption, and related studies and agency and tribal consultation. Mr. Roos-Collins advised that Southern California Edison (SCE) remained the FERC licensee and that the Authority faced an October 23 deadline to confirm that the conditions for transfer of the licenses had been satisfied. Transfer of the licenses to SAWHA would require preparation of a separate transfer application.

The Board of Directors appointed Richard Roos-Collins of Water and Power Law Group, PC as General Counsel and special FERC counsel for the Authority by the following roll-call vote:

MOVED: Ludecke	SECONDED: T. Buoye	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.4 Consider Approval of Resolution No. 26-4 Designating a Depository of Santa Ana Watershed Hydro Authority Funds and Authorized Personnel for Drawing Checks Thereon. Executive Officer Heather Dyer explained that Resolution No. 26-4 was necessary to establish the Authority's bank account and designate authorized signatories. Authorized positions include the Executive Officer, Operating Officer, Finance Officer, Chair, Vice Chair, and Treasurer. She noted that all checks and electronic withdrawals require two signatures.

The Board of Directors adopted Resolution 26-4 Designating a Depository of Santa Ana Watershed Hydro Authority Funds and Authorized Personnel for Drawing Checks Thereon:

Chair and Treasurer	Jose Velasquez
Executive Officer	Heather P. Dyer
Operating Officer	Wen B. Huang
Finance Officer	Cynthia L. Saks

by the following roll-call vote:

MOVED: Ludecke	SECONDED: T. Buoye	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.5 Adoption of the Authority's Budget for Fiscal Year 2026-27. SBVMWD Assistant Chief Engineer Leo Ferrando presented the proposed FY 2026-2027 budget. He reviewed the member agency operating percentages:

Member Agency	Operating percentage
San Bernardino Valley Municipal Water District	72%
Bear Valley Mutual Water Company	12%
Big Bear Municipal Water District	10%
Crafton Water Company	6%

The operating budget includes operations and maintenance (O&M), professional and special services, and general and administrative expenses totaling approximately \$1.8 million. Projected power sales beginning in February were estimated to generate approximately \$489,000 through the end of the fiscal year, resulting in a first-year net operating funding need of approximately \$1.3 million. Mr. Ferrando noted that first-year costs reflect startup activities necessary to return facilities to operation and power revenues are expected to increase as additional facilities come online.

Mr. Ferrando also reviewed approximately \$3.1 million in proposed capital and major

repair projects, including California Independent System Operator (CAISO) meter replacement and certification, Santa Ana River access road repairs, the SAR 3 siphon, Mill Creek 1 penstock repairs, and engineering and design for the Santa Ana River Powerhouse No. 1. Staff is pursuing grant funding to reduce the Authority's capital costs. In response to Director Peter Buoye, staff confirmed that CAL FIRE and other partners are involved in the road repair effort and potential grant opportunities.

Mr. Ferrando reviewed the funds received through the SCE transfer and related obligations and reimbursements, leaving an estimated balance of approximately \$30.5 million. He explained that investment earnings could provide additional revenue and presented three alternatives for meeting the first-year operating funding need:

- Option 1:
 - Each member agency pays its share directly
 - Allocated by each Operating percentage
 - Preserves the SCE transfer payment for capital
- Option 2:
 - Shortfall funded from the transfer payment
 - No member agency payment this year
 - Reduces ending balance
- Option 2
 - Apply interest earnings to the shortfall first
 - Member agencies pay only the remaining difference
 - Reduced agencies' contribution

Chair Velasquez noted that while some first-year professional services and operations and maintenance expenses are associated with startup activities and may decline as the facilities are restored to operation, ongoing O&M and staffing costs are expected to increase as additional facilities come online. He cautioned that the Board should not assume the current level of expenditure will simply decline in future years, as reduced startup costs will be offset in part by increased operating and staffing expenses.

Executive Officer Heather Dyer emphasized that a first-year operating deficit had been anticipated, and that the transfer payment was negotiated in part to provide funding while the facilities are returned to operation. She advised that the budget is based on estimates and will be reconciled to actual costs, with staff anticipating a budget update in March. During Board discussion, members considered the appropriate balance between preserving the transfer funds and requiring contributions from the member agencies. Chair Velasquez supported using investment earnings during the first year while emphasizing the need for a longer-term financial framework, including reserves and capital planning. Staff indicated that a reserve policy and five-year capital improvement program would be developed for future Board consideration.

The Board of Directors adopted the Fiscal Year 2026-2027 budget and selected Option 3, applying investment earnings toward the first-year

operating funding need and allocating the remaining shortfall among the member agencies according to their operating percentages by the following roll-call vote:

MOVED: Ludecke	SECONDED: Velasquez	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.6 Consider Technical Services for Startup and Commissioning and Repair Recommendations for Phase 2 with McMillen, Inc. SBVMWD Operations Supervisor Marco Tule presented the proposed Phase 2 technical services contract with McMillen, Inc. He explained that the hydroelectric facilities had operated for decades under SCE station orders and practices, much of which was either undocumented or no longer reflected current facility conditions. Written facility-specific startup procedures and commissioning plans are therefore needed to safely return the facilities to service. Phase 1 addressed Ontario Powerhouse No. 1 and associated flow-line work, while Phase 2 provides startup, commissioning, and repair recommendation services for Ontario Powerhouse No. 2, Sierra Powerhouse, and Mill Creek Powerhouse No. 3.

Mr. Tule reviewed the Phase 2 scope, including project management, data collection and preparation of startup and commissioning plans and repair recommendations, coordinated site visits with SCE and Authority staff, on-site startup and commissioning assistance, and on-call engineering support. The proposed work would be performed on a time-and-materials basis for a not-to-exceed amount of \$245,548. Assistant Chief Engineer Leo Ferrando confirmed that the Phase 2 work was included in the FY 2026-2027 budget under professional services and advised that a future Phase 3 would address Mill Creek Powerhouse No. 1 and the Santa Ana River powerhouses.

In response to Director Ludecke, Mr. Tule described McMillen's hydropower, dam, and FERC experience and the expertise of the engineers assigned to the project. General Counsel Roos-Collins also expressed confidence in McMillen based on approximately 20 years of experience working with the firm on hydropower matters. Mr. Tule reported that the initial San Antonio Creek facilities were in relatively fair condition following maintenance performed by SCE prior to the transfer. Staff had begun testing Ontario Powerhouse No. 1 and had successfully spun one generator, with McMillen and SCE scheduled to provide on-site support as startup and commissioning continued.

The Board of Directors approved retaining McMillen, Inc. to provide Phase 2 startup and commissioning support and repair recommendations for Ontario No. 2, Sierra, and Mill Creek No. 3 powerhouses, and authorized the Executive Officer to execute an agreement in an amount not to exceed \$245,548 by the following roll-call vote:

MOVED: Ludecke	SECONDED: T. Buoye	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.7 Approval of the Authority's Branding and Update on Dedication Event. Principal Communications Specialist Stephanie Chesin presented the updated SAWHA logo and branding, incorporating feedback received from the member agencies. She also provided an update on the dedication and guided tour scheduled for October 22, 2026, at Mill Creek No. 1 Powerhouse, including planned tours, historical displays, and a dedication plaque. Ms. Chesin noted that access to the event site would be coordinated to avoid a western spadefoot toad that had established a nesting site along the roadway to the powerhouse.

The Board of Directors approved the updated SAWHA branding and received and filed the dedication event update by the following roll-call vote:

MOVED: Ludecke	SECONDED: T. Buoye	APPROVED 4-0
AYES:	Buoye, P., Buoye, T., Ludecke, Velasquez	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 4. Reports. None.

Agenda Item 5. Announcements.

5.1) List of Announcements. Ms. Dyer advised that an important Board meeting should be scheduled during the first half of October to consider time-sensitive items requiring action before the October 24 deadline and reminded the Board of the October 22 dedication ceremony. The next meeting date was set for Wednesday, October 14, 2026, at 10 a.m.

Agenda Item 6. Adjournment. Chair Velasquez adjourned the meeting at 11:25 a.m.

APPROVAL CERTIFICATION	
I hereby certify to approval of the foregoing minutes of the Santa Ana Watershed Hydro Authority	

Secretary	
Date	_____

Respectfully submitted,

Lynda J. Kerney
Contract Assistant



DATE: October 14, 2026

TO: Board of Directors

FROM: Marco Tule, Hydro Operations Supervisor
Leo Ferrando, Assistant Chief Engineer

SUBJECT: Status update on the Hydro Program: Ontario Powerhouse No. 1 Startup and Commissioning

Staff Recommendation

Staff recommend that the Board of Directors (Board) receive and file the status update on the startup and commissioning of Ontario Powerhouse No. 1.

Background

On September 14, 2026, San Bernardino Valley closed on its acquisition of seven hydroelectric facilities from Southern California Edison (SCE). The facilities are located on the Santa Ana River, Mill Creek, and San Antonio Creek. To return the facilities to service, San Bernardino Valley retained McMillen in June 2026 to support Phase 1, the startup and commissioning of Ontario Powerhouse No. 1, which mainly included development of a startup and commissioning plan template and a facility-specific startup and commissioning plan for Ontario Powerhouse No. 1, a coordination site visit to Ontario Powerhouse No. 1, Ontario Powerhouse No. 2, and Sierra Powerhouse on June 23–24, 2026, and on-site support during startup.

Staff successfully completed the startup and commissioning of Ontario Powerhouse No. 1 during the week of September 28, 2026. McMillen, Inc. provided on-site mechanical and electrical/controls support. This is the first of the acquired facilities to be restarted. SAWHA operations staff performed the startup and operation of the facility, with technical support from McMillen and SCE's former facility operator. McMillen, Inc. will document the results in a Startup and Commissioning Report. Staff will give a presentation at the meeting covering the startup activities, results, and lessons learned, along with the planned scope for Phase 2. Phase 2 covers

the startup and commissioning of Ontario Powerhouse No. 2, Sierra Powerhouse, and Mill Creek Powerhouse No. 3.

Fiscal Impact

This item has no additional fiscal impact. The Phase 1 startup and commissioning work with McMillen, Inc. was authorized at a not-to-exceed amount of \$74,730, invoiced monthly on a time-and-materials basis.



SAWHA

SANTA ANA WATERSHED
HYDRO AUTHORITY

Water in Motion, Energy in Action

DATE: October 14, 2026

TO: Board of Directors

FROM: Wen Huang, Operating Officer
Leo Ferrando, Assistant Chief Engineer

SUBJECT: Overview of the Power Purchase Agreement for the Sale of Electricity from the SAWHA Hydroelectric Facilities

Staff Recommendation

Receive and file an informational presentation on the negotiation and development of a draft power purchase agreement and its principles for the sale of electricity from SAWHA's hydroelectric facilities.

Summary

SAWHA's seven hydroelectric plants will generate electricity that may be marketed to third parties to generate needed revenues to offset the related operation and maintenance costs. The standard mechanism for this type of arrangement in the wholesale power market is a Power Purchase Agreement, or PPA, which is a long-term contract under which a buyer agrees to purchase a generator's output at a set price under certain conditions. Given the potentially lengthy process for development of agreement terms and deal points in anticipation of the acquisition of the hydroelectric plants, staff and the energy consultant, Bob Tang, initiated and have been working on this since early this year.

During the meeting, staff will provide an overview of standard PPA structure, the key terms typically included, and the critical objectives framing the negotiation. The main components of a PPA will include the terms, the price, the phased start of the deliveries, scheduling and market services, among others. Staff's intent is to give the Board a working understanding of the PPA structure and key terms that are being considered with a potential third-party purchaser before a draft PPA returns for consideration and approval at a future meeting.

Fiscal Impact

There is no fiscal impact associated with this informational item.



SAWHA

SANTA ANA WATERSHED
HYDRO AUTHORITY

Water in Motion, Energy in Action

DATE: October 14, 2026

TO: Board of Directors

FROM: Wen Huang, Operating Officer
Leo Ferrando, Assistant Chief Engineer

SUBJECT: Consider the Operation and Maintenance Services Agreement with San Bernardino Valley Municipal Water District

Staff Recommendation

Staff recommends that the Board of Directors (Board) authorize the Executive Officer to execute the Agreement for the Operation and Maintenance of the hydroelectric Assets (Services Agreement) between San Bernardino Valley and the Santa Ana Watershed Hydro Authority (SAWHA), with any non-substantive revisions approved by the General Counsel.

Summary

With the closing of the Asset Purchase Agreement with Southern California Edison (SCE) on September 14, 2026, San Bernardino Valley now owns the seven hydroelectric facilities, and the Joint Exercise of Powers Agreement (JPA) forming the Authority has taken effect. The JPA provides that San Bernardino Valley will staff the SAWHA and oversee the day-to-day operation and maintenance of the facilities, and it contemplates a Services Agreement establishing the terms and conditions of those services for a three-year term, renewable for successive three-year terms. The Services Agreement would establish how San Bernardino Valley employees are assigned to the SAWHA, how their costs are budgeted, invoiced, and reimbursed, the standard of care applicable to their work, and the allocation of insurance, indemnity, and dispute resolution between the two agencies. Under the agreement, SAWHA assumes responsibility for operating and maintaining the facilities. For the two FERC-licensed projects, San Bernardino Valley remains the licensee of record until FERC approves the transfer of the licenses to SAWHA, which will be

handled through a separate application. This agreement will be considered by the San Bernardino Valley Board at its upcoming meeting on October 20, 2026.

Background

Under the JPA, the term of the Agreement began upon written notice from San Bernardino Valley that the SCE assets had been transferred. San Bernardino Valley carries the largest operating percentage under the JPA and, in that role, chairs the Authority Board and provides its staff. Because SAWHA has no employees of its own, San Bernardino Valley staff have already been performing work on the SAWHA's behalf. The Services Agreement establishes the mechanism by which San Bernardino Valley is reimbursed for that work and by which the associated risks are allocated. Its principal terms are summarized as follows:

- **Assigned Staff.** San Bernardino Valley assigns employees to serve as staff of the SAWHA, including the Executive Officer. Assigned Staff remain San Bernardino Valley employees, and the San Bernardino Valley remains responsible for their payroll and salary compensation, benefits and pensions, human resources, and workers' compensation insurance. An Assigned Staff Roster identifying individuals, assigned responsibilities, estimated level of effort, and fully burdened labor rates is prepared as part of the SAWHA's annual budget process.
- **Budget and Spending Cap.** Concurrent with the SAWHA's annual budget, San Bernardino Valley presents a staff budget covering the direct and indirect costs of Assigned Staff. Consistent with the JPA, each budget includes a spending cap beyond which the SAWHA is not required to reimburse the San Bernardino Valley. Staff has asked that the cap adjust for work mandated by a regulator, emergency work necessary to protect life, property, or regulatory compliance, and obligations arising under the interconnection, transition services, and power sales agreements, with Board notice and ratification.
- **Invoicing and Reimbursement.** The San Bernardino Valley invoices the SAWHA for the work of Assigned Staff and for reimbursable expenses, and the SAWHA pays within thirty days. San Bernardino Valley Staff have requested that invoicing occur on an annual basis aligned to the fiscal year, with a periodic cost report provided to the SAWHA Board in the interim.
- **Regulatory Compliance.** San Bernardino Valley remains the FERC licensee for the Santa Ana River and Mill Creek projects until FERC approves the license transfer to the SAWHA. During that period, the SAWHA indemnifies the San Bernardino Valley for claims, fines, and penalties arising from the Authority's operation and maintenance of the

facilities and from actions under the interconnection agreements, except for the San Bernardino Valley's gross negligence or reckless acts.

- **Property and Related Agreements.** The SAWHA will assume the operation and maintenance of the facilities and the related obligations. The interconnection agreements with SCE require the San Bernardino Valley to remain the owner of each facility unless SCE consents to an assignment. The San Bernardino Valley will therefore seek SCE's written consent to assign each interconnection agreement to the Authority at the time the facilities are conveyed.
- **Insurance and Indemnification.** Consistent with JPA, the SAWHA carries general liability and errors and omissions coverage naming each Member Agency as an additional insured, and indemnifies San Bernardino Valley for its role in administering the SAWHA and operating and maintaining the facilities, excepting liability created by San Bernardino Valley's grossly negligent or reckless acts. Disputes are resolved under the procedures in JPA Section 19.

Authority General Counsel, Richard Roos-Collins of Water and Power Law Group PC, prepared the Services Agreement, drawing on the text of the JPA, and is revising it to reflect San Bernardino Valley General Counsel's comments. Staff will provide a summary of the final terms at the meeting.

Fiscal Impact

During the annual General Fund budget process, staff will budget for the cost of salaries and payroll-related expenses for employees working on the SAWHA business activities. Staff will also include in the budget an equal amount of reimbursement revenue for the employee costs under this operations and maintenance service agreement, which would be paid by the JPA to San Bernardino Valley. This will have a net effect of zero on San Bernardino Valley's General Fund.

Attachment

1. Draft Agreement for the Operation and Maintenance of the SCE Transferred Assets

**AGREEMENT FOR THE OPERATION AND MAINTENANCE
OF THE SCE ASSETS**

This AGREEMENT FOR THE OPERATION AND MAINTENANCE OF THE SCE ASSETS (“**O&M Agreement**”), dated for identification purposes only _____, 2026, is entered into by and between San Bernardino Valley Municipal Water District, a municipal water district organized and existing under the Municipal Water District Law of 1911 (Water Code § 71000 *et seq.*) (“**San Bernardino Valley**”), and Santa Ana Watershed Hydro Authority, a California joint exercise of powers entity organized and existing under California Government Code sections 6500 *et seq.* (“**Authority**”). San Bernardino Valley and Authority are referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. Formed in 1954, San Bernardino Valley is responsible for importing supplemental water, managing groundwater extraction in compliance with local basin judgments, and monitoring key groundwater supplies in the San Bernardino and Rialto-Colton basins. San Bernardino Valley also maintains flows at the Riverside Narrows on the Santa Ana River. To meet these responsibilities, *inter alia*, San Bernardino Valley imports water through the State Water Project for direct use and groundwater recharge, while coordinating water deliveries to 15 retail agencies across a 353 square mile service area.

B. On June 24, 2024, San Bernardino Valley and Southern California Edison (“**SCE**”) executed an “Asset Purchase Agreement for Ontario, Sierra, Mill Creek and Santa Ana Hydroelectric Projects” (“**APA Agreement**”). The APA Agreement provides for the transfer of “Project Assets,” as defined in Section 1.1 therein, from SCE to San Bernardino Valley.

C. On September 20, 2024, SCE and San Bernardino Valley filed an application with the Federal Energy Regulatory Commission to transfer the licenses for the Santa Ana 1/3 Project (FERC Project No. 1933) and the Mill Creek 2/3 Hydroelectric Project (FERC Project No. 1934). The applicants supplemented the application on October 30, 2025.

D. On April 23, 2026, FERC issued the “Order Approving Transfer of Licenses and Amending Licenses,” 195 FERC 62,053 (“**Transfer Order**”). FERC approved the transfer of the licenses for project Nos. 1933 and 1934 to San Bernardino Valley, subject to satisfaction of three conditions stated in Ordering Paragraph (C) therein.

E. On various dates in June and July 2026, Bear Valley Mutual Water Company, Big Bear Municipal Water District, Crafton Water Company, and San Bernardino Valley (collectively, “**Member Agencies**”) signed a “Joint Exercise of Power Agreement for the Water Users Hydro Authority” (2026) (“**JPA Agreement**”) to create the Authority. Pursuant to Section 3.1 therein, the JPA Agreement will be effective upon written notice from San Bernardino Valley to other Member Agencies that the “SCE Assets” (as defined in Recital D and Section 1 therein) have transferred from SCE to San Bernardino Valley.

F. Pursuant to Recital E of the JPA Agreement, the purpose of the Authority is to operate the SCE Assets to maximize water supply and conservation benefits and to maximize any benefits of hydroelectric generation. Pursuant to Recital F of the JPA Agreement, San Bernardino Valley will be responsible to oversee day-to-day operation and maintenance of the SCE Assets through governance established therein, including financing arrangements specified in Article III therein.

G. Pursuant to Section 4.6 of the JPA Agreement, San Bernardino Valley will work cooperatively to obtain all necessary approvals, and submit all necessary compliance filings, with California and federal regulatory agencies, to transfer the SCE Assets from San Bernardino Valley to the Authority. San Bernardino Valley will use best efforts to complete such transfer within 6 months of receiving the SCE Assets from SCE.

H. On _____, 2026, San Bernardino Valley provided notice to the other Member Agencies and the Authority that it has completed closing under the APA, resulting in the transfer of the SCE Assets to San Bernardino Valley.

I. Accordingly, the Parties desire to enter into this O&M Agreement for the purpose of establishing the terms and conditions for the services that San Bernardino Valley will provide to the Authority for the operation and maintenance of the SCE Assets.

NOW, THEREFORE, in consideration of the mutual covenants below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows.

OPERATIVE PROVISIONS

1. Purposes. This O&M Agreement establishes the terms for the services that San Bernardino Valley will provide to the Authority for the operation and maintenance of the SCE Assets. Such services shall be in compliance with Applicable Law and otherwise consistent with the purposes of maximizing water supply and conservation benefits along with the benefits of hydroelectric generation.

2. Definitions. The terms used in this O&M Agreement are defined as set forth in this section or the Recitals. Any terms that are not expressly defined shall have the same definitions or meanings as established by the JPA.

“APA Agreement” shall have the meaning set forth in Recital B of this O&M Agreement.

“Applicable Law” means any and all federal or state statutes, rules, policies, or other applicable legal requirements for the operation and maintenance of the SCE Assets, including the licenses and related orders issued by FERC for the FERC-Regulated SCE Assets.

“Assignment and Assumption Agreement” means the agreement between SCE-Generation Department and San Bernardino Valley, executed _____, 2026,

with respect to SCE's assignment of Generation Interconnection Agreements ("**GIAs**") to San Bernardino Valley, including San Bernardino Valley's assumption of liabilities under these GIAs.

"**FERC**" means the Federal Energy Regulatory Commission.

"**FERC-Regulated SCE Assets**" means the Santa Ana 1/3 Project (FERC Project No. 1932) and Mill Creek 2/3 Project (FERC Project No. 1934).

"**JPA Agreement**" shall have the meaning set forth in Recital E of this O&M Agreement.

"**License Transfer**" means the transfer of the licenses for Santa Ana 1 & 3 Hydroelectric Project and Mill Creek 2/3 Hydroelectric Project from SCE to San Bernardino Valley, effective when the conditions specified in Ordering Paragraph (C) have been satisfied.

"**License Transfer Order**" means FERC's "Order Approving Transfer of Licenses and Amending Licenses," 195 FERC ¶ 62,053 (April 23, 2026), approving the transfer of the licenses for Santa Ana 1 & 3 Hydroelectric Project and Mill Creek 2/3 Hydroelectric Project from SCE to San Bernardino Valley, subject to conditions specified in Ordering Paragraph (C).

"**Member Agencies**" shall have the meaning set forth in Recital E of this O&M Agreement.

"**Mill Creek Project**" means, collectively, the Mill Creek No. 1 Hydroelectric Project and Mill Creek 2/3 Hydroelectric Project.

"**Mill Creek 2/3 Hydroelectric Project**" means the developments (including diversion works, powerplants, appurtenant facilities, lands, and property interests) licensed as FERC Project No. 1934.

"**Operation and Maintenance**" means "needed administration, operation, maintenance, deferred maintenance, repairs, rehabilitations and replacements" of the SCE Assets, as described in Section 11.2 of the JPA Agreement.

"**San Antonio Creek Projects**" means the SCE Assets which are not FERC-regulated, located on San Antonio Creek in Los Angeles County, California, consisting of (a) Ontario Hydroelectric Project comprised of two developments, Ontario No. 1 and Ontario No. 2; and (b) the Sierra Hydroelectric Project.

"**Santa Ana 1 & 3 Hydroelectric Project**" means the developments (including diversion works, powerplants, appurtenant facilities, lands, and property interests) licensed as FERC Project No. 1933.

"**Subsequent Transfer**" means the future transfer of the SCE Assets from San Bernardino Valley to Authority, as proposed in Section 4.6 of the JPA Agreement.

3. Legal Responsibility for Operation and Maintenance. Upon the License Transfer, San Bernardino Valley shall have legal responsibility for Operation and Maintenance of the SCE assets in compliance with Applicable Law. Upon the Subsequent Transfer, the Authority shall function as assignee of San Bernardino Valley and shall assume legal responsibility for Operation and Maintenance of the SCE Assets as provided in Section 4.2 of the JPA Agreement.

3.1 Dam Safety and Repairs. Upon the License Transfer, San Bernardino Valley shall update dam safety documents, undertake repairs, and otherwise operate and maintain the FERC-Regulated SCE Assets, as required by Ordering Paragraphs (E) – (H) of the License Transfer Order and other Applicable Law.

4. Assigned Staff. San Bernardino Valley shall assign employees to serve as staff of the Authority (“***Assigned Staff***”), including the Executive Officer and such other positions as needed for the safe and cost-effective Operation and Maintenance of the SCE Assets in compliance with Applicable Law. Pursuant to Sections 9.2.8, 9.3, and 9.4 of the JPA Agreement, the Executive Officer has discretion to hire or contract for additional staff and other services needed for these purposes.

4.1 Employment Status. Assigned Staff remain employees of San Bernardino Valley, which shall be responsible for payment of salary, benefits, and taxes related to such employment.

4.2 Competency. Assigned Staff shall have the competency, including skill, knowledge and expertise, necessary for Operation and Maintenance of the SCE Assets in compliance with Applicable Law.

4.3 Assigned Staff Roster. Incident to the Authority’s annual budgeting process, San Bernardino Valley shall provide an Assigned Staff roster, which shall identify (a) individual Assigned Staff, (b) assigned responsibilities for work related to Operation and Maintenance, (c) estimated level of effort, (d) fully loaded labor rates, and (e) other relevant information. The roster shall be substantially in the form of ***Exhibit 1*** attached to this O&M Agreement.

4.3.1 Unavailability. If Assigned Staff becomes unavailable due to resignation, sickness, or other factors outside of San Bernardino Valley’s control, San Bernardino Valley shall be responsible for timely assignment of a qualified replacement.

4.3.2 Removal. If the Authority, through its Executive Officer or Board as applicable, provides notice that it desires the removal of Assigned Staff, San Bernardino Valley may invoke the dispute resolution process required by Section 19 of the JPA Agreement.

4.3.3 Roster Update. In each such scenario, San Bernardino Valley shall designate other Assigned Staff as appropriate through an amendment to the Assigned Staff roster.

5. Budgeting for Assigned Staff. For the purpose of the Authority’s development of its budget each year, San Bernardino Valley shall present a staff budget estimating the direct and indirect costs of Assigned Staff as designated on the Assigned Staff roster.

5.1 Compliance Plan. Each such staff budget shall cover the work necessary for Operation and Maintenance of the SCE Assets in compliance with Applicable Law, and in a safe and cost-effective manner consistent with the purposes stated in Section 1 above.

5.2 Spending Cap. Each staff budget shall establish an initial spending cap beyond which the Authority shall not be required to reimburse San Bernardino Valley for the work of Assigned Staff; provided, however, that San Bernardino Valley may, in its discretion and upon notice to the Authority, increase the staff budget and corresponding spending cap at any time if it determines that a change in Operations and Maintenance expenses warrants such an increase.

5.3 Invoicing. Every six months, San Bernardino Valley shall submit an invoice for work performed by Assigned Staff. The invoice shall include a specific description of the work by each Assigned Staff, time spent on the work (stated in ¼ hour increments), fully loaded hourly rate of the Assigned Staff, and an accounting of any reimbursable expenses including receipts.

5.4 Reimbursement. Authority shall pay the undisputed portion of each invoice within 30 days of receipt. Any disputed invoice shall be resolved by dispute resolution as provided in Section 10 below.

6. Performance of Services.

6.1 Standard of Care. Assigned Staff shall undertake work consistent with the standard of care expected in the hydropower industry for safe and cost-effective operation and maintenance of similar assets.

6.2 Cooperation. The Parties shall cooperate in the performance of services, minimizing unnecessary cost or delay in their respective activities, to achieve the purposes of maximizing water supply and conservation benefits and maximizing any benefits of hydroelectric generation. Wherever this O&M Agreement requires the consent or approval of a Party, such consent or approval shall not be unreasonably withheld.

7. Notices. Any notice to be given or to be served upon either Party hereto in connection with this O&M Agreement must be in writing and shall be deemed to have been given and received: (a) when personally delivered; (b) two (2) days after it is sent by Federal Express or similar overnight courier, postage prepaid and addressed to the Party for whom it is intended, at that Party's address specified below; (c) three (3) days after it is sent by certified or registered United States mail, return receipt requested, postage prepaid and addressed to the Party for whom it is intended, at that Party's address specified below; or (d) as of the date of electronic mail transmission addressed to the Party for whom it is intended, at that Party's electronic mail address specified below, and provided that an original of such notice is also sent to the intended addressee by means described in clauses (a), (b), or (c) within two (2) business days after such transmission. Either Party may change the place for the giving of notice to it by thirty (30) days prior written notice to the other Party as provided herein.

If to San Bernardino Valley:

San Bernardino Valley Municipal Water District
Attn: Heather Dyer, CEO/General Manager
380 East Vanderbilt Way
San Bernardino, California 92408
Telephone No.: (909) 387-9200
E-mail: heatherd@sbvmwd.com

If to Authority:

San Bernardino Watershed Hydro Authority
Attn: _____

Telephone No.: (____) _____
E-mail: _____

8. **Insurance.** With respect to performance under this O&M Agreement, each Party shall hold insurance as described in ***Exhibit 2***, naming the other as Additional Insured.

9. **Indemnification.** Authority shall indemnify, defend, protect, hold harmless, and release San Bernardino Valley, including its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, fines, penalties, costs (including attorneys' fees and witness costs), or other liability created by any act or omission of San Bernardino Valley in undertaking (a) the administration of the Authority, (b) the operation and maintenance of the SCE Assets, or (c) actions under the GIAs, excepting liability created by grossly negligent or reckless acts of San Bernardino Valley.

10. **Dispute Resolution.** The Parties will use the dispute resolution procedures stated in Section 19 of the JPA Agreement to resolve any disputes that arise under this O&M Agreement.

11. **General Provisions.**

11.1 **Effective Date.** This O&M Agreement is effective upon the later of: (a) notice by San Bernardino Valley to other Member Agencies that the SCE Assets have been completely transferred to San Bernardino Valley, resulting in the effectiveness of the JPA Agreement pursuant to Section 3.1.1 therein; and (b) signature by both Parties of this O&M Agreement.

11.2 **Term.** As provided in Section 9.1.2 of the JPA Agreement, this O&M Agreement has a term of three years, subject to automatic renewal for successive three-year terms unless either Party gives notice of non-renewal not less than 90 days prior to expiration of the then-current term.

11.3 **Amendments.** Any amendment shall be written and executed by both Parties.

11.4 **Rules of Construction.** To the fullest extent allowed by law, the terms and conditions of this O&M Agreement shall be construed and given effect in a manner that avoids any violation of Applicable Law.

11.4.1 **Mutual Drafting.** Authority and San Bernardino Valley acknowledge that they have each contributed to the making of this O&M Agreement and that, in the event of a

dispute over the interpretation of this O&M Agreement, the terms of the O&M Agreement will not be construed against one Party in favor of the other. Authority and San Bernardino Valley acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this O&M Agreement.

11.4.2 Severability. The parties covenant and agree that in the event that any term or condition of this O&M Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

11.5 No Third Party Beneficiaries. Nothing contained in this O&M Agreement shall be construed to create, and the Parties do not intend to create, any rights in third parties.

11.6 Applicable Law. This O&M Agreement shall be governed by and interpreted in accordance with the laws of the State of California, excluding any choice of law provision that would apply the laws of any other jurisdiction. Any action taken to enforce this O&M Agreement shall be maintained exclusively in the Superior Court of the State of California, San Bernardino County. Each Party expressly consents to the exclusive jurisdiction of said court and waives any right it may otherwise have to challenge the appropriateness of such forum, whether on the basis of the doctrine of forum *non conveniens* or otherwise.

11.7 Whole Agreement. This O&M Agreement is intended as the final expression of the terms agreed-to between the Parties with respect to San Bernardino Valley's providing staffing for the Operation and Maintenance of the SCE Assets. This O&M Agreement is also a complete and exclusive statement of the terms of the O&M Agreement pursuant to Code of Civil Procedure section 1856. Each Party acknowledges that, in entering into this O&M Agreement, it has not relied on any representation or undertaking, whether oral or in writing, other than those which are expressly set forth in this O&M Agreement.

11.8 Counterparts. This O&M Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same instrument. Signatures may be delivered electronically and shall be binding upon the Parties as if they were originals.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereby execute this O&M Agreement as of the Effective Date set forth above.

**SAN BERNARDINO VALLEY MUNICIPAL
WATER DISTRICT**

By: _____
Heather P. Dyer
CEO/General Manager

**SANTA ANA WATERSHED HYDRO
AUTHORITY**

By: _____

Name: _____

Its: _____

EXHIBIT 1

FORM OF ASSIGNED STAFF ROSTER

DRAFT

EXHIBIT 1 ASSIGNED STAFF ROSTER

Agreement for the Operation and Maintenance of the SCE Assets

Fiscal Year: _____

Roster Date: _____

Amendment No.: _____

No.	Name	Position / Classification	Assigned O&M Responsibilities	Est. Annual Hours	Fully Loaded Hourly Rate (\$)	Est. Annual Cost (\$)	Notes
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
	TOTAL						

Est. Annual Cost = Est. Annual Hours × Fully Loaded Hourly Rate.

Submitted by San Bernardino Valley:

Received by Santa Ana Watershed Hydro Authority:

_____ Date: _____

_____ Date: _____

Name / Title: _____

Name / Title: _____

EXHIBIT 2
INSURANCE

DRAFT

EXHIBIT 2 INSURANCE REQUIREMENTS

Agreement for the Operation and Maintenance of the SCE Assets

Coverage	Minimum Limits	Carried By	Source
Workers' Compensation	As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.	San Bernardino Valley	GIA Art. 18.3.1
Commercial General Liability	\$1,000,000 per occurrence; \$2,000,000 aggregate	Authority	JPA §18.1; GIA Art. 18.3.2
Errors and Omissions	[Amount typical for similar public agencies — to be confirmed]	Authority	JPA §18.1
Business Automobile Liability (owned, non-owned and hired)	\$1,000,000 combined single limit per occurrence for bodily injury, including death and property damage	Each Party, for vehicles it owns or uses	GIA Art. 18.3.3
Excess / Umbrella Liability	\$5,000,000 per occurrence and aggregate	Authority	GIA Art. 18.3.4
Property (including boiler and machinery)	[Replacement value of facilities — to be confirmed]	Authority	Owner's risk of loss

General Requirements

- Insurers rated A- or better by A.M. Best and authorized to do business in California.
- The Authority's policies name San Bernardino Valley and each Member Agency, and their officers, officials and employees, as additional insureds. San Bernardino Valley's policies name the Authority as additional insured.
- Until the interconnection agreements are assigned to the Authority, the Commercial General Liability, Automobile and Excess policies also name Southern California Edison Company, its parent, its subsidiaries, and their directors, officers, agents and employees as additional insureds (GIA Art. 18.3.5).
- Waiver of subrogation in favor of the additional insureds.
- Commercial General Liability and Automobile policies are primary and non-contributory.
- Policies written on a claims-made basis are maintained for two years after termination.
- Each Party is responsible for its own deductibles and self-insured retentions.
- Coverage through ACWA JPIA or a qualified self-insurance program satisfies these requirements if accepted by the other Party and, for coverage required under the interconnection agreements, by Southern California Edison.
- Each Party provides certificates of insurance and endorsements to the other before the Effective Date and at each renewal. Certificates required under the interconnection agreements are delivered to Southern California Edison as provided in GIA Art. 18.3.9.



DATE: October 14, 2026

TO: Board of Directors

FROM: Karen Resendez, Human Resources and Risk Manager
Leo Ferrando, Assistant Chief Engineer

SUBJECT: Status Update on Insurance for the Hydroelectric Facilities

Staff Recommendation

Staff recommend that the Board of Directors (BOD) receive a status update on insurance for the hydroelectric facilities and give staff direction on next steps.

Summary

For the past several months, staff have worked with ACWA JPIA and two insurance brokers (Aon and EPIC) to place insurance on the seven hydroelectric facilities acquired from Southern California Edison (SCE). The market for small, older hydroelectric facilities is extremely limited. The ACWA JPIA has declined to provide general liability or property coverage for the facilities. EPIC would only consider coverage if San Bernardino Valley (District) moved its entire insurance and benefits portfolio away from ACWA JPIA. Through Aon, staff obtained a quote for general liability and excess liability from two specialty insurance companies, QBE and Ascot, which share the risk 60/40 on both policies. The quote meets the liability insurance requirements of the Generator Interconnection Agreements (GIAs) with SCE. It totals approximately \$287,000 per year, which reflects how few carriers are willing to write the risk. Staff are working through several coverage terms before bringing a recommendation to the BOD. No property insurance quote has been received so far. AEGIS, a principal carrier for utility property risks, declined to quote property through Aon, and the outlook for property coverage is unclear at this point. Staff will give a presentation at the meeting covering the placement effort, the liability and excess liability coverage, the status of property coverage, and potential options for the BOD to consider.

Background

San Bernardino Valley closed on its acquisition of the seven hydroelectric facilities from SCE in September 2026: Santa Ana River 1 and 3, Mill Creek 1 and 3, Ontario 1 and 2, and Sierra. With the transfer, SCE's insurance on the facilities ended, and responsibility for insuring them passed to the new owner.

The only insurance requirements tied to the transaction come from the seven GIAs. They require commercial general liability, excess liability scaled to plant capacity, automobile liability, and workers' compensation coverage. They also require SCE to be named as an additional insured. None of the transaction documents require property insurance. However, the risk of physical loss to the facilities now rests with the owner.

Staff, together with District risk management, have approached the ACWA JPIA and two brokers, Aon and EPIC. Aon has approached a range of carriers over the past several months to provide General Liability, Excess Liability, and Property insurance coverage. Automobile liability for District fleet vehicles and workers' compensation for District staff are provided through District's ACWA JPIA coverage.

In July 2026, after site visits and a review of the facilities, ACWA JPIA informed the District that it is unable to offer property or liability coverage for the hydroelectric facilities. JPIA cited the age and condition of the infrastructure, facilities that are out of service and in need of significant repairs, wildfire, earthquake, and other catastrophic loss exposure, as well as the specialized generating and electrical equipment with long replacement lead times, high-voltage, dam safety risks, and a limited loss history for the facilities.

Other carriers have raised the same concerns, and Aon has advised that no standard (admitted) insurer will write this type of risk. The carriers that did respond are surplus line insurers. Surplus lines insurers are specialty carriers that are not licensed by the California Department of Insurance but are permitted to cover risks the standard market will not. With so few carriers willing to quote, there is little price competition. Surplus lines also carry an additional state tax, are not backed by the California Insurance Guarantee Association if a carrier fails, and generally include more exclusions than standard policies.

The current status is:

- **Liability:** A quote has been received through Aon that meets the GIA limits. The coverage is \$1 million in general liability plus \$4 million in excess liability, for a total of \$5 million per occurrence with a \$10,000 deductible. It is placed with two A-rated surplus lines carriers (QBE and Ascot). The carriers have indicated that the policy would exclude the diversion dams and water conveyance assets, which would mean that the policy primarily covers the powerhouse operations. Staff have requested the endorsement wording to confirm the scope of this exclusion. If confirmed, third-party liability arising from water conveyance assets would not be insured. Open items include the named insured and the change when ownership transfers to the Authority (Aon has indicated the JPA can only be added as an additional insured, not as a named insured), and confirmation that SCE will accept surplus lines carriers under the GIA requirement for carriers authorized in California.
- **Property:** No quote yet. ACWA JPIA and AEGIS have declined to quote through Aon, who continues to market the risk to wholesale/specialty carriers. Aon has requested a meeting with staff to help present the facilities to additional underwriters.

Staff seeks the Board's direction on how to proceed. Options include finalizing the liability placement, continuing to pursue property coverage, and evaluating alternatives for any risks that cannot be insured at a reasonable cost.

Fiscal Impact

The liability quote totals \$275,710.80 in annual premium, plus surplus lines taxes of about 4%, for roughly \$287,000 per year. This cost is for general and excess liability only, with the prior described exclusions. The premium includes a 15% broker commission, as Aon will service this program. Optional terrorism coverage is available for an additional \$2,607. The cost of property coverage is unknown until a quote is received.