2025

PART 3: REGIONAL SUPPORTING INFORMATION

SAN BERNARDINO VALLEY

REGIONAL URBAN WATER MANAGEMENT PLAN

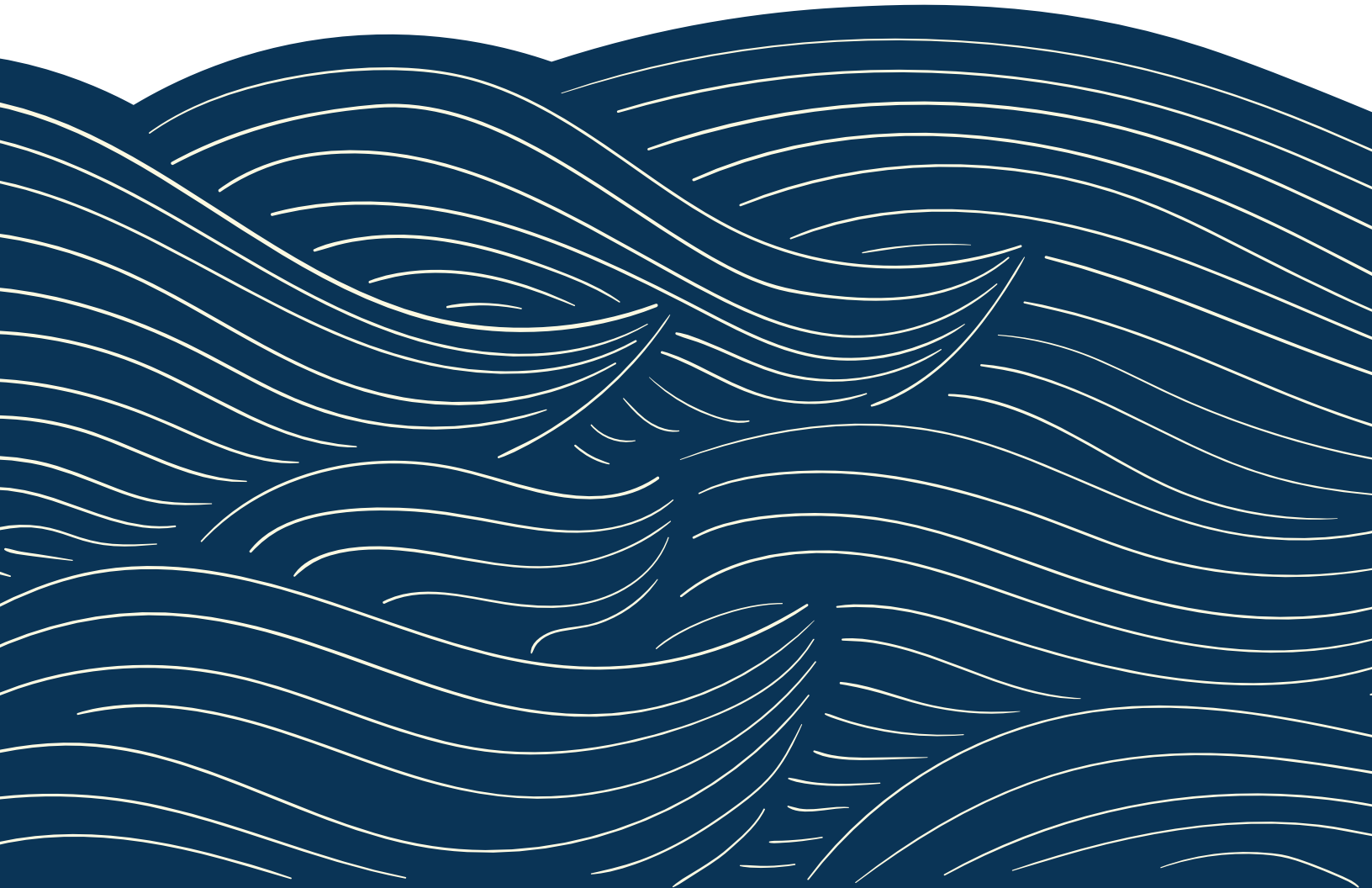


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Appendix A Notices

A

From: Adekunle Ojo <AdekunleO@sbvmwd.com>
Sent: Wednesday, March 4, 2026 12:11 PM
Subject: Notice of Preparation of the 2025 San Bernardino Valley Regional Urban Water Management Plan and Water Shortage Contingency Plan

Dear Regional Stakeholder,

San Bernardino Valley Municipal Water District and its partners (Participating Agencies) are in the process of preparing the 2025 San Bernardino Valley Regional Urban Water Management Plan (RUWMP) and Water Shortage Contingency Plan (WSCP) in compliance with the Urban Water Management Planning Act. An update of the San Bernardino Valley Municipal Water District and its Participating Agencies' UWMP is required every five (5) years.

Water Code section 10621(b) requires an urban water supplier updating its UWMP and WSCP to notify cities and counties within its service area of the update at least sixty (60) days prior to holding a public hearing thereby encouraging public involvement and agency coordination. This letter serves as notice that the Participating Agencies that are using the 2025 RUWMP, plan to adopt and submit the 2025 RUMWP by July 1st, 2026. The Participating Agencies will also be adopting their respective updated WSCPs as part of the 2025 RUWMP.

A copy of the 2025 RUWMP, which will include the WSCPs for each of the Participating Agencies, will be available for review prior to the public hearing and adoption meeting on the Participating Agencies' websites. Each Participating Agency will hold an individual public hearing on their respective chapters of the 2025 RUWMP and WSCP. The public hearings will be noticed and announced by each Participating Agencies' public meeting agenda; each agency's website address is shown in the table below.

Participating Agency	Agency Website	Agency Direct Contact
City of Colton	www.ci.colton.ca.us	Cecilia Griego cgriego@coltonca.gov
City of Loma Linda	www.lomalinda-ca.gov	Jarb Thaipejr jthaipejr@lomalinda-ca.gov
City of Redlands	www.cityofredlands.org	Paul Mariscal pmariscal@cityofredlands.org
City of Rialto	www.rialtoca.gov	Toyasha Sebbag tsebbag@rialtoca.gov
Riverside Highland Water Company	www.rhwco.com	Don Hough dhough@rhwco.com

San Bernardino Municipal Water Department	www.sbmwd.org	Jonathon Schoenen Jonathon.schoenen@sbmwd.org
San Bernardino Valley Municipal Water District	www.sbvmwd.com	Adekunle Ojo adekunleo@sbvmwd.com
South Mesa Water Company	https://southmesawater.com	Brittany Lim blim@southmesawater.com
West Valley Water District	www.wvwd.org	Rocky Welborn rwelborn@wvwd.org

If you have any questions or input regarding these documents, please contact me by email or reach out to the agency direct contact.

Sincerely,

Adekunle Ojo
Manager of Integrative Planning

Phone: 909-387-9231
Mobile: 909-435-1526
Email: adekunleo@sbvmwd.com

San Bernardino Valley Municipal Water District

380 East Vanderbilt Way
San Bernardino, CA 92408

Appendix B Agreements

B

Appendix B - Agreements

1. Orange County Judgment
2. Western Judgment
3. 1961 Rialto Basin Decree
4. Rialto Basin Groundwater Council Agreement
5. Seven Oaks Accord
6. Lytle Creek Judgement
7. 1996 In-Lieu Agreement Valley District and Big Bear Municipal Water District
8. Surplus Water Sale Agreement – Valley District and SGPWA 2018
9. Four Party Implementation Agreement and Amendments
10. Agreement Between OCWD City of Riverside Concerning Water Rights
11. Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin (Exchange Plan)
12. San Bernardino Basin Groundwater Council Framework
13. MOU Between and SBCFCD and SBVWCD
14. Fully Executed Settlement Agreement and Amendments with Quick Guide (Rialto Basin Settlement agreement)
15. Agreement Relating to the Diversion of Water from the Santa Ana River System Among Western Municipal Water District of Riverside County, Valley District and City of Riverside (LF 2151)
16. Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin– January 2008 (LF2181)
17. San Bernardino Valley Municipal Water District and Crestline-Lake Arrowhead Water Agency Demonstration Project Water Exchange Agreement-November 2008 (LF 2206)
18. Understanding Agreement Regarding the Contribution to Replenishment and Deliveries– September 2009 (LF2255)
19. Permit for Diversion and Use of Water – Valley District and Western (LF 2276)
20. Agreement between Kern Delta Water District and the San Bernardino Valley Municipal Water District for a Water Management Program-October 2011 (LF 2327)
21. Agreement to Develop and Operate Enhanced Recharge Facilities between the Conservation District, Valley District and Western -October 2012 (LF 2382)
22. Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder-April 2013 (LF 2392)
23. Agreement Regarding Additional Extractions of New Conservation Water from the San Bernardino Basin Area-July 2013 (LF 2402)
24. Planning Memorandum of Understanding between the San Bernardino County Flood Control District and the San Bernardino Valley Municipal Water District-July 2013 (LF 2404)
25. Amendment to Agreement to Form the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force-September 2013 (LF 2407)
26. Coordinated Operations Agreement between the San Bernardino Municipal Water Department and San Bernardino Valley Municipal Water District -September 2013 (LF 2415)

JUDGMENT

Base Yrs - 26 yr
34/35 → 59/60

APR 17 1969
W. E. ST JOHN, County Clerk
By [illegible] Deputy

ENTERED IN
JUDGMENT BOOK
No. 362 Page 303
Date APR 17 1969

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

ORANGE COUNTY WATER DISTRICT,

Plaintiff,

v.

CITY OF CHINO, et al.,

Defendants.

CITY OF CHINO, et al.,

Cross-Complainants,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

CORONA FOOTHILL LEMON COMPANY, et al.,

Cross-Complainants,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

CITY OF POMONA, a municipal corporation,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

No. 117628

JUDGMENT

CITY OF RIVERSIDE, et al.,

Cross-Complainants,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

BEAR VALLEY MUTUAL WATER COMPANY, et al.,

Cross-Complainants,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, a municipal water district,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

EAST SAN BERNARDINO COUNTY WATER DISTRICT, a county water district,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

CITY OF SAN BERNARDINO, a municipal corporation,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

CITY OF REDLANDS, a municipal corporation,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

CITY OF COLTON, a municipal corporation,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, a water conservation district,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

CITY OF RIALTO, a municipal corporation,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

BIG BEAR MUNICIPAL WATER DISTRICT, a municipal water district,

Cross-Complainant,

v.

CITY OF ANAHEIM, et al.,

Cross-Defendants.

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RECITALS

a. Complaint. The complaint herein was filed on October 18, 1963, seeking an adjudication of water rights against substantially all water users in the area tributary to Prado Dam in the Santa Ana River Watershed.

b. Cross-Complaints. Thirteen cross-complaints were subsequently filed in the period of February 22 to March 22, 1968, by which said adjudication of rights was extended to substantially all water users within the Santa Ana River Watershed downstream from Prado Dam.

c. Physical and Legal Complexities. The physical and legal complexities of the case as framed by the complaint and cross-complaints are unprecedented. In excess of 4,000 individual parties have been served and the water supply and water rights of an entire stream system extending over 2,000 square miles and into four counties have been brought into issue. Every type and nature of water rights known to California law, excepting only Pueblo rights, is in issue in the case. Engineering studies by the parties jointly and severally leading toward adjudication of these rights or, in the alternative, to a physical solution, have required the expenditure of over four years' time and many hundreds of thousands of dollars.

d. Need for Physical Solution. It is apparent to the parties and to the Court that development of a physical solution based upon a formula for inter-basin allocation of obligations and rights is in the best interests of all the parties and is in furtherance of the water policy of the State. For purposes of such a physical solution, it is neither necessary nor helpful to define individual rights of all claimants within the watershed. Nontributary supplemental sources of water are or will be available to the parties in quantities sufficient to assure implementation of a solution involving inter-basin allocation of the natural water

supply of the Santa Ana River system. Sufficient information and data of a general nature are known to formulate a reasonable and just allocation as between the major hydrologic sub-areas within the watershed, and such a physical solution will allow the public agencies and water users within each such major hydrologic sub-area to proceed with orderly water resource planning and development.

e. Parties. Orange County Water District, Chino Basin Municipal Water District, Western Municipal Water District of Riverside County and San Bernardino Valley Municipal Water District are public districts overlying, in the aggregate, substantially all of the major areas of water use within the watershed. Said districts have the statutory power and financial resources to implement a physical solution. Accordingly, dismissals have been entered as to all defendants and cross-defendants other than said four public districts.

f. Cooperation by Dismissed Parties. As a condition of dismissal of said defendants and cross-defendants, certain of said parties have stipulated to cooperate and support the inter-basin water quality and water management objectives of the physical solution and this Judgment.

DECREE

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Jurisdiction. The Court has jurisdiction of the subject matter of this action and of the parties herein.

2. Exhibits. The following exhibits are attached to this Judgment and made a part hereof.

(a) Exhibit A -- map entitled "Santa Ana River Watershed", showing boundaries and other relevant features of the area subject to this Judgment.

(b) Exhibit B -- Engineering Appendix.

3. Definitions. As used in this Judgment, the following

terms shall have the meanings herein set forth:

(a) OCWD -- Orange County Water District, appearing and acting individually and in a representative capacity for and on behalf of all riparian, overlying and other landowners, water users and inhabitants within said District pursuant to Subdivision 7 of Section 2 of the Orange County Water District Act, as amended.

(b) CBMWD -- Chino Basin Municipal Water District, appearing and acting pursuant to Section 71751 of the California Water Code.

(c) WMWD -- Western Municipal Water District of Riverside County, appearing and acting pursuant to said Section 71751.

(d) SBVMWD -- San Bernardino Valley Municipal Water District, appearing and acting pursuant to said Section 71751.

Eastern not included

(e) Upper Districts -- CBMWD, WMWD and SBVMWD.

(f) Upper Area -- The area on Exhibit A which lies upstream from Prado.

(g) Lower Area -- The area on Exhibit A which lies downstream from Prado.

(h) Prado -- Said term shall be synonomous with Prado Dam, a facility constructed and maintained by the United States Corps of Engineers, as shown on Exhibit A.

(i) Riverside Narrows -- That bedrock narrows in the Santa Ana River indicated as such on Exhibit A.

(j) Storm Flow -- That portion of the total surface flow passing a point of measurement, which originates from precipitation and runoff without having first percolated to ground water storage in the zone of saturation, calculated in accordance with procedures

referred to in Exhibit B.

(k) Base Flow -- That portion of the total surface flow passing a point of measurement, which remains after deduction of Storm Flow, and modified as follows:

(1) At Prado. Base Flow shall:

(i) include any water caused to be delivered by CBMWD or WMWD directly to OCWD, pursuant to its direction and control and not measured at the gages at Prado;

(ii) exclude any nontributary water or reclaimed sewage water purchased by OCWD and delivered into the river upstream and which subsequently passes Prado, and

(iii) exclude water salvaged from evapo-transpiration losses by OCWD on lands presently owned by it above Prado.

(2) At Riverside Narrows. Base Flow shall:

(i) include any water caused to be delivered by SBVMWD directly to CBMWD or WMWD pursuant to their direction and control, or directly to OCWD with the consent of CBMWD and WMWD and pursuant to the direction and control of OCWD, and not measured at the gage at Riverside Narrows;

(ii) exclude any nontributary water purchased by CBMWD, WMWD or OCWD and delivered into the river upstream and which subsequently passes Riverside Narrows; and

(iii) exclude any effluent discharged from the City of Riverside sewage treatment plant.

(l) TDS -- Total dissolved solids determined as set forth in Exhibit B.

(m) Water Year -- The period from October 1 to the following September 30. Where reference is made herein to "year" or "annual", such terms shall be construed as referring to Water Year, unless the context indicates otherwise.

(n) Adjusted Base Flow -- Actual Base Flow in each year adjusted for quality as provided hereinbelow. Compliance with the respective obligations under Paragraph 5 shall be measured by the Adjusted Base Flow.

4. Declaration of Rights. Substantially all of the parties to this action, whether situate in Upper Area or Lower Area have or claim rights to the use of a portion of the water supply of the Santa Ana River system. In the aggregate, water users and other entities in Lower Area have rights, as against all Upper Area claimants, to receive an average annual supply of 42,000 acre feet of Base Flow at Prado, together with the right to all Storm Flow reaching Prado Reservoir. Water users and other entities in Upper Area have rights in the aggregate, as against all Lower Area claimants, to divert, pump, extract, conserve, store and use all surface and ground water supplies originating within Upper Area without interference or restraint by Lower Area claimants, so long as Lower Area receives the water to which it is entitled under this Judgment and there is compliance with all of its provisions.

5. Physical Solution. The Court hereby declares the following physical solution to be a fair and equitable basis for satisfaction of all said rights in the aggregate between Lower Area and Upper Area. The parties are hereby ordered and directed to comply with this Physical Solution and such compliance shall constitute full and complete satisfaction of the rights declared in

Paragraph 4 hereof.

(a) General Format. In general outline, SBVMWD shall be responsible for the delivery of an average annual amount of Base Flow at Riverside Narrows. CBMWD and WMWD shall jointly be responsible for an average annual amount of Base Flow at Prado. Insofar as Lower Area claimants are concerned, Upper Area water users and other entities may engage in unlimited water conservation activities, including spreading, impounding and other methods, in the area above Prado Reservoir, so long as Lower Area receives the water to which it is entitled under the Judgment and there is compliance with all of its provisions. Lower Area water users and other entities may make full conservation use of Prado Dam and reservoir, subject only to flood control use.

(b) Obligation of SBVMWD. SBVMWD shall be responsible for an average annual Adjusted Base Flow of 15,250 acre feet at Riverside Narrows. A continuing account, as described in Exhibit B, shall be maintained of actual Base Flow at Riverside Narrows, with all adjustments thereof and any cumulative debit or credit. Each year the obligation to provide Base Flow shall be subject to the following:

(1) Minimum Annual Quantities. Without regard to any cumulative credits, or any adjustment for quality for the current Water Year under subparagraph (2) hereof, SBVMWD each year shall be responsible at Riverside Narrows for not less than 13,420 acre feet of Base Flow plus one-third of any cumulative debit; provided, however, that for any year

commencing on or after October 1, 1986, when there is no cumulative debit, or for any year prior to 1986 whenever the cumulative credit exceeds 10,000 acre feet, said minimum shall be 12,420 acre feet.

(2) Adjustment for Quality. The amount of Base Flow at Riverside Narrows received during any year shall be subject to adjustment based upon the weighted average annual TDS in such Base Flow, as follows:

If the Weighted Average TDS in Base Flow at Riverside Narrows is:	Then the Adjusted Base Flow shall be determined by the formula:
Greater than 700 ppm	$Q - \frac{11}{15,250} Q\ (TDS-700)$
600 ppm - 700 ppm	Q
Less than 600 ppm	$Q + \frac{11}{15,250} Q\ (600-TDS)$

Where: Q = Base Flow actually received.

(3) Periodic Reduction of Cumulative Debit. At least once in any ten (10) consecutive years subsequent to October 1, 1976, SBVMWD shall provide sufficient quantities of Base Flow at Riverside Narrows to discharge completely any cumulative debits. Any cumulative credits shall remain on the books of account until used to offset any subsequent debits, or until otherwise disposed of by SBVMWD.

(c) Obligation of CBMWD and WMWD. CBMWD and WMWD shall be responsible for an average annual Adjusted Base Flow of 42,000 acre feet at Prado. A continuing account, as described in Exhibit B, shall

(l) TDS -- Total dissolved solids determined as set forth in Exhibit B.

(m) Water Year -- The period from October 1 to the following September 30. Where reference is made herein to "year" or "annual", such terms shall be construed as referring to Water Year, unless the context indicates otherwise.

(n) Adjusted Base Flow -- Actual Base Flow in each year adjusted for quality as provided hereinbelow. Compliance with the respective obligations under Paragraph 5 shall be measured by the Adjusted Base Flow.

4. Declaration of Rights. Substantially all of the parties to this action, whether situate in Upper Area or Lower Area have or claim rights to the use of a portion of the water supply of the Santa Ana River system. In the aggregate, water users and other entities in Lower Area have rights, as against all Upper Area claimants, to receive an average annual supply of 42,000 acre feet of Base Flow at Prado, together with the right to all Storm Flow reaching Prado Reservoir. Water users and other entities in Upper Area have rights in the aggregate, as against all Lower Area claimants, to divert, pump, extract, conserve, store and use all surface and ground water supplies originating within Upper Area without interference or restraint by Lower Area claimants, so long as Lower Area receives the water to which it is entitled under this Judgment and there is compliance with all of its provisions.

5. Physical Solution. The Court hereby declares the following physical solution to be a fair and equitable basis for satisfaction of all said rights in the aggregate between Lower Area and Upper Area. The parties are hereby ordered and directed to comply with this Physical Solution and such compliance shall constitute full and complete satisfaction of the rights declared in

Paragraph 4 hereof.

(a) General Format. In general outline, SBVMWD shall be responsible for the delivery of an average annual amount of Base Flow at Riverside Narrows. CBMWD and WMWD shall jointly be responsible for an average annual amount of Base Flow at Prado. Insofar as Lower Area claimants are concerned, Upper Area water users and other entities may engage in unlimited water conservation activities, including spreading, impounding and other methods, in the area above Prado Reservoir, so long as Lower Area receives the water to which it is entitled under the Judgment and there is compliance with all of its provisions. Lower Area water users and other entities may make full conservation use of Prado Dam and reservoir, subject only to flood control use.

(b) Obligation of SBVMWD. SBVMWD shall be responsible for an average annual Adjusted Base Flow of 15,250 acre feet at Riverside Narrows. A continuing account, as described in Exhibit B, shall be maintained of actual Base Flow at Riverside Narrows, with all adjustments thereof and any cumulative debit or credit. Each year the obligation to provide Base Flow shall be subject to the following:

(1) Minimum Annual Quantities. Without regard to any cumulative credits, or any adjustment for quality for the current Water Year under subparagraph (2) hereof, SBVMWD each year shall be responsible at Riverside Narrows for not less than 13,420 acre feet of Base Flow plus one-third of any cumulative debit; provided, however, that for any year

commencing on or after October 1, 1986, when there is no cumulative debit, or for any year prior to 1986 whenever the cumulative credit exceeds 10,000 acre feet, said minimum shall be 12,420 acre feet.

(2) Adjustment for Quality. The amount of Base Flow at Riverside Narrows received during any year shall be subject to adjustment based upon the weighted average annual TDS in such Base Flow, as follows:

If the Weighted Average TDS in Base Flow at Riverside Narrows is:	Then the Adjusted Base Flow shall be determined by the formula:
Greater than 700 ppm	$Q - \frac{11}{15,250} Q (TDS-700)$
600 ppm - 700 ppm	Q
Less than 600 ppm	$Q + \frac{11}{15,250} Q (600-TDS)$

Where: Q = Base Flow actually received.

(3) Periodic Reduction of Cumulative Debit. At least once in any ten (10) consecutive years subsequent to October 1, 1976, SBVMWD shall provide sufficient quantities of Base Flow at Riverside Narrows to discharge completely any cumulative debits. Any cumulative credits shall remain on the books of account until used to offset any subsequent debits, or until otherwise disposed of by SBVMWD.

(c) Obligation of CBMWD and WMWD. CBMWD and WMWD shall be responsible for an average annual Adjusted Base Flow of 42,000 acre feet at Prado. A continuing account, as described in Exhibit B, shall

be maintained of actual Base Flow at Prado, with all adjustments thereof and any cumulative debit or credit. Each year the obligation to provide Base Flow shall be subject to the following:

(1) Minimum Annual Quantities. Without regard to any cumulative credits, or any adjustments for quality for the current Water Year under subparagraph (2) hereof, CBMWD and WMWD each year shall be responsible for not less than 37,000 acre feet of Base Flow at Prado, plus one-third of any cumulative debit; provided, however, that for any year commencing on or after October 1, 1986, when there is no cumulative debit, or for any year prior to 1986 whenever the cumulative credit exceeds 30,000 acre feet, said minimum shall be 34,000 acre feet.

(2) Adjustment for Quality. The amount of Base Flow at Prado received during any year shall be subject to adjustment based upon the weighted average annual TDS in Base Flow and Storm Flow at Prado as follows:

If the Weighted Average TDS in Base Flow and Storm Flow at Prado is:	Then the Adjusted Base Flow shall be determined by the formula:
Greater than 800 ppm	$Q - \frac{35}{42,000} Q\ (TDS-800)$
700 ppm - 800 ppm	Q
Less than 700 ppm	$Q + \frac{35}{42,000} Q\ (700-TDS)$

Where: Q = Base Flow actually received.

(3) Periodic Reduction of Cumulative Debit. At least once in ten (10) consecutive years subsequent to October 1, 1976, CBMWD and WMWD shall

provide sufficient quantities of Base Flow at Prado to discharge completely any cumulative debits. Any cumulative credits shall remain on the books of account until used to offset any subsequent debits, or until otherwise disposed of by CBMWD and WMWD.

(d) Inter-basin Export. Upper Districts are hereby restrained and enjoined from exporting water from Lower Area to Upper Area, directly or indirectly. OCWD is enjoined and restrained from pumping, producing and exporting or directly or indirectly causing water to flow from Upper to Lower Area, except as to salvage of evapo-transpiration losses, as follows: OCWD owns certain lands within and above Prado Reservoir on which it has or claims certain rights to salvage evapo-transpiration losses by pumping or otherwise. Pumping for said salvage purposes shall not exceed 5,000 acre feet of ground water in any water year. Only the actual net salvage, as determined by the Watermaster, shall be excluded from Base Flow.

(e) Inter-basin Acquisition of Rights. The acquisition by Upper Districts or other Upper Area entities of Lower Area water rights shall in no way affect or reduce Lower Area's entitlement; and the acquisition of Upper Area water rights by OCWD or other Lower Area entities shall be deemed to be included within the aggregate entitlement of Lower Area and shall not increase said entitlement.

(f) Effective Date. Obligations under this physical solution shall accrue from and after October 1, 1970.

6. Prior Adjudications. So long as SBVMWD is in

commencing on or after October 1, 1986, when there is no cumulative debit, or for any year prior to 1986 whenever the cumulative credit exceeds 10,000 acre feet, said minimum shall be 12,420 acre feet.

(2) Adjustment for Quality. The amount of Base Flow at Riverside Narrows received during any year shall be subject to adjustment based upon the weighted average annual TDS in such Base Flow, as follows:

If the Weighted Average TDS in Base Flow at Riverside Narrows is:	Then the Adjusted Base Flow shall be determined by the formula:
Greater than 700 ppm	$Q - \frac{11}{15,250} Q\ (TDS-700)$
600 ppm - 700 ppm	Q
Less than 600 ppm	$Q + \frac{11}{15,250} Q\ (600-TDS)$

Where: Q = Base Flow actually received.

(3) Periodic Reduction of Cumulative Debit. At least once in any ten (10) consecutive years subsequent to October 1, 1976, SBVMWD shall provide sufficient quantities of Base Flow at Riverside Narrows to discharge completely any cumulative debits. Any cumulative credits shall remain on the books of account until used to offset any subsequent debits, or until otherwise disposed of by SBVMWD.

(c) Obligation of CBMWD and WMWD. CBMWD and WMWD shall be responsible for an average annual Adjusted Base Flow of 42,000 acre feet at Prado. A continuing account, as described in Exhibit B, shall

be maintained of actual Base Flow at Prado, with all adjustments thereof and any cumulative debit or credit. Each year the obligation to provide Base Flow shall be subject to the following:

(1) Minimum Annual Quantities. Without regard to any cumulative credits, or any adjustments for quality for the current Water Year under subparagraph (2) hereof, CBMWD and WMWD each year shall be responsible for not less than 37,000 acre feet of Base Flow at Prado, plus one-third of any cumulative debit; provided, however, that for any year commencing on or after October 1, 1986, when there is no cumulative debit, or for any year prior to 1986 whenever the cumulative credit exceeds 30,000 acre feet, said minimum shall be 34,000 acre feet.

(2) Adjustment for Quality. The amount of Base Flow at Prado received during any year shall be subject to adjustment based upon the weighted average annual TDS in Base Flow and Storm Flow at Prado as follows:

If the Weighted Average TDS in Base Flow and Storm Flow at Prado is:	Then the Adjusted Base Flow shall be determined by the formula:
Greater than 800 ppm	$Q - \frac{35}{42,000} Q\ (TDS-800)$
700 ppm - 800 ppm	Q
Less than 700 ppm	$Q + \frac{35}{42,000} Q\ (700-TDS)$

Where: Q = Base Flow actually received.

(3) Periodic Reduction of Cumulative Debit. At least once in ten (10) consecutive years subsequent to October 1, 1976, CBMWD and WMWD shall

provide sufficient quantities of Base Flow at Prado to discharge completely any cumulative debits. Any cumulative credits shall remain on the books of account until used to offset any subsequent debits, or until otherwise disposed of by CBMWD and WMWD.

(d) Inter-basin Export. Upper Districts are hereby restrained and enjoined from exporting water from Lower Area to Upper Area, directly or indirectly. OCWD is enjoined and restrained from pumping, producing and exporting or directly or indirectly causing water to flow from Upper to Lower Area, except as to salvage of evapo-transpiration losses, as follows: OCWD owns certain lands within and above Prado Reservoir on which it has or claims certain rights to salvage evapo-transpiration losses by pumping or otherwise. Pumping for said salvage purposes shall not exceed 5,000 acre feet of ground water in any water year. Only the actual net salvage, as determined by the Watermaster, shall be excluded from Base Flow.

(e) Inter-basin Acquisition of Rights. The acquisition by Upper Districts or other Upper Area entities of Lower Area water rights shall in no way affect or reduce Lower Area's entitlement; and the acquisition of Upper Area water rights by OCWD or other Lower Area entities shall be deemed to be included within the aggregate entitlement of Lower Area and shall not increase said entitlement.

(f) Effective Date. Obligations under this physical solution shall accrue from and after October 1, 1970.

6. Prior Adjudications. So long as SBVMWD is in

compliance with the terms of the physical solution herein, OCWD is enjoined and restrained from enforcing the judgments listed below against SBVMWD or any entities within or partially within SBVMWD which have stipulated to accept and adopt such physical solution. So long as WMWD and CBMWD are in compliance with the terms of the physical solution, OCWD is enjoined and restrained from enforcing the judgments listed below against WMWD and CBMWD or any entities within or partially within WMWD or CBMWD which have stipulated to accept and adopt such physical solution.

(a) The Irvine Company, plaintiff, Orange County Water District, intervenor, vs. San Bernardino Valley Water Conservation District, et al., defendants, U. S. Dist. Ct., S.D. Cal. Civ. No. Y-36-M, judgments entered September 11, 1942 (Judgment Book 11 page 134), and recorded Book 1540 page 251 and Book 1541 page 85, Official Records of San Bernardino County.

(b) Orange County Water District vs. City of Riverside, et al., San Bernardino Superior Court No. 84671.

7. Watermaster. The Watermaster, when appointed by the Court, shall administer and enforce the provisions of this Judgment and the instructions and subsequent orders of this Court.

(a) Composition, Nomination and Appointment. The Watermaster shall consist of a committee composed of five (5) persons. CBMWD, WMWD and SBVMWD shall each have the right to nominate one representative and OCWD shall have the right to nominate two (2) representatives to the Watermaster committee. Each such nomination shall be made in writing, served upon the other parties to the Stipulation for this Judgment and filed with the Court. Said Watermaster representatives shall be appointed by and serve at

the pleasure of and until further order of this Court.

(b) Watermaster Determinations. Each and every finding and determination of the Watermaster shall be made in writing certified to be by unanimous action of all members of the Watermaster Committee. In the event of failure or inability of said Watermaster Committee to reach unanimous agreement, the fact, issue, or determination in question shall forthwith be certified to this Court by the Watermaster, and after due notice to the parties and opportunity for hearing, said matter shall be determined by order of this Court.

(c) Annual Report. The Watermaster shall report to the Court and to each party in writing not more than five (5) months after the end of each Water Year, each of the items required by Paragraph 4 of the Engineering Appendix, Exhibit B hereto, and such other items as the parties may mutually request or the Watermaster may deem to be appropriate. All of the books and records of the Watermaster which are used in the preparation of, or are relevant to, such reported data, determinations and reports shall be open to inspection by the parties to the Stipulation for Judgment herein.

(d) Watermaster Service Expenses. The fees, compensation and expenses of each representative on the Watermaster shall be borne by the district which nominated such person. All other Watermaster service costs and expenses shall be borne by the parties in the following proportions:

OCWD - 40%

CBMWD - 20%

SBVMWD - 20%

WMWD - 20%

The Watermaster may from time to time in its discretion require advances of operating capital from the parties in said proportions.

8. Continuing Jurisdiction of the Court. Full jurisdiction, power and authority are retained and reserved by the Court for the purpose of enabling the Court, upon application of any party or of the Watermaster by motion and upon at least 30 days' notice thereof, and after hearing thereon:

(a) To make such further or supplemental orders or directions as may be necessary or appropriate for the construction, enforcement or carrying out of this Judgment, and

(b) To modify, amend or amplify any of the provisions of this Judgment whenever substantial changes or developments affecting the physical, hydrological or other conditions dealt with herein may, in the Court's opinion, justify or require such modification, amendment or amplification; provided, however, that no such modification, amendment or amplification shall change or alter (1) the average annual obligation of CBMWD and WMWD for delivery of 42,000 acre feet of Base Flow per year at Prado, (2) the average annual obligation of SBVMWD for delivery of 15,250 acre feet of Base Flow per year at Riverside Narrows, (3) the respective minimum Base Flows at Riverside Narrows and Prado, nor (4) the right of the parties to this Judgment or of those who stipulate to accept and adopt the physical solution herein to conserve or store flows.

9. Notices. All notices, requests, objections, reports and other papers permitted or required by the terms of this

Judgment shall be given or made by written document and shall be served by mail on each party and its attorney entitled to notice and where required or appropriate, on the Watermaster. For all purposes of this paragraph, the mailing address of each party and attorney entitled to notice shall be that set forth below its signature in the Stipulation for Judgment, until changed as provided below. If any party or attorney for a party desires to change its designation of mailing address, it shall file a written notice of such change with the Clerk of this Court and shall serve a copy thereof by mail on the Watermaster. Upon receipt of any such notice, the Watermaster shall promptly give written notice thereof. Watermaster addresses for notice purposes shall be as specified in the orders appointing each representative on the Watermaster.

10. Successors. No party shall dissolve, nor shall it abandon or transfer all or substantially all of its powers or property, without first providing for its obligations under this Judgment to be assumed by a successor public agency, with the powers and resources to perform hereunder. Any such successor shall be approved by the Court after notice to all parties and an opportunity for hearing.

11. Future Actions. In the event that any Lower Area claimant shall in the future obtain from any court of competent jurisdiction a decree awarding to such claimant a right to receive a stated amount of water from the Upper Area for use in the Lower Area, any water delivered pursuant to such decree shall be considered as part of Base Flow. In the event that the relief obtained by any such claimant is in the form of a restriction imposed upon production and the use of water in Upper Area, rather than a right to receive a stated amount of water, then notwithstanding the proviso in Paragraph 8, any Upper District may apply to the Court to modify the physical solution herein.

12. Costs. None of the parties shall recover any costs from any other party.

Dated: April 17, 1969

Judge

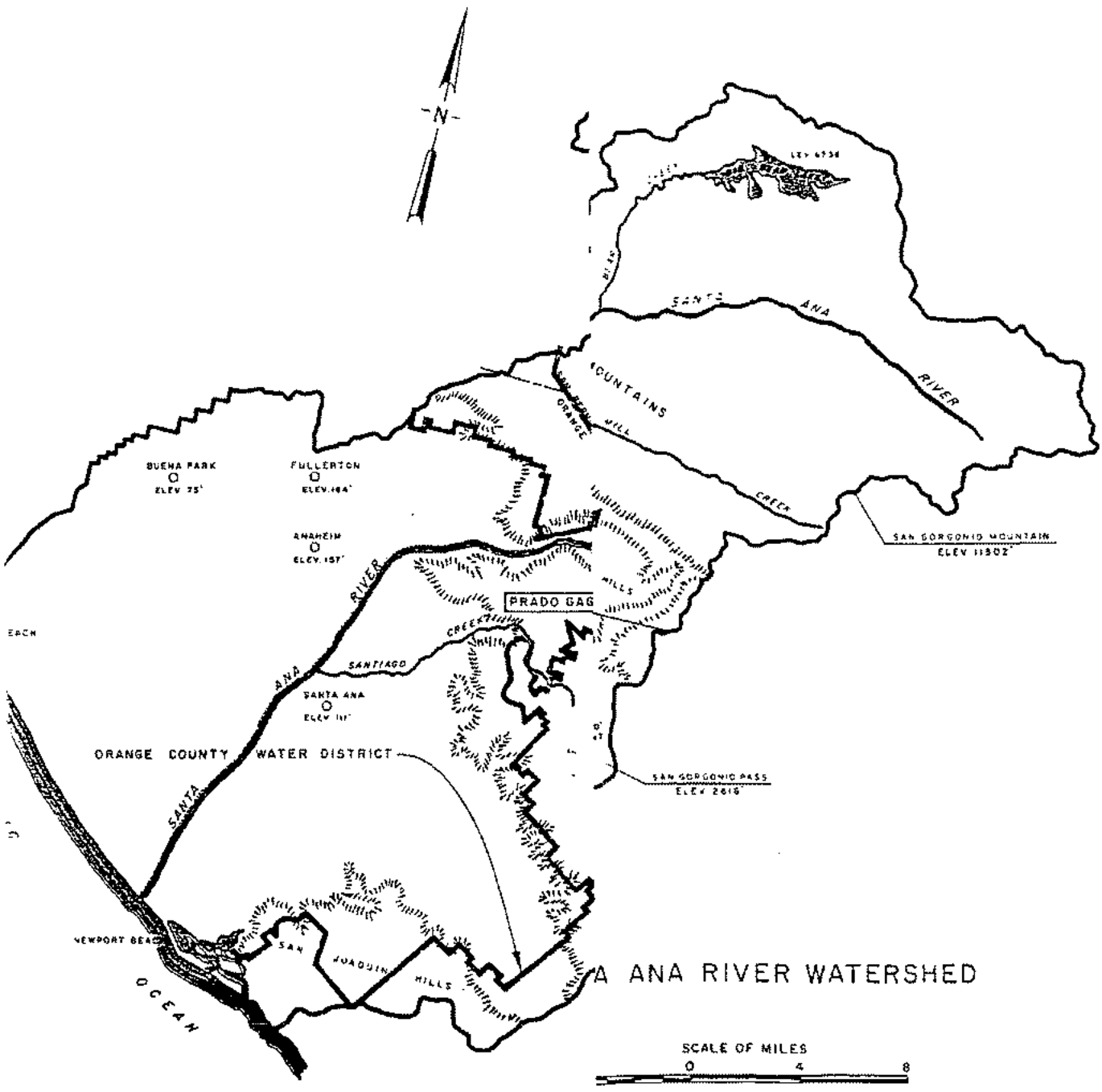

N
SANTA ANA RIVER
ORANGE
CREEK
SAN GORGONIO MOUNTAIN
ELEV 11502'
BUENA PARK
ELEV 75'
FULLERTON
ELEV. 184'
ANAHEIM
ELEV. 157'
SANTIAGO
CREEK
PRADO DAM
SANTA ANA
ELEV 111'
SAN GORGONIO PASS
ELEV 2616'
ORANGE COUNTY WATER DISTRICT
SANTA ANA RIVER
NEWPORT BEACH
SAN JOAQUIN HILLS
OCEAN
SCALE OF MILES
0
4
8

EXHIBIT A

ENGINEERING APPENDIX

The purpose of the Engineering Appendix is to establish the basis for measurements, calculations and determinations required in the operation of the physical solution.

1. Measurements.

In administering the physical solution, it will be necessary to determine the quantity and quality of stream flow and flow in pipelines or other conveyance facilities at several points along the Santa Ana River. Watermaster shall make, or obtain from United States Geological Survey (USGS), flood control districts or other entities, all measurements necessary for making the determinations required by the Judgment.

a. Change in Measuring Device or Location. If any measuring device used or useful in making such determinations is inoperative, abandoned, changed or moved, Watermaster shall estimate the quantity that would have been measured at the station had it been operative at its original location, or may use a substitute device or location.

b. Erroneous Measurement. If Watermaster determines there is an error in any measurement or record, he may utilize his estimate in lieu of said measurement or record.

c. Preliminary Records. Watermaster may utilize preliminary records of measurement. If revisions are subsequently made in the records, Watermaster may reflect such changes in subsequent accounting.

2. Determination of Flow Components.

Since the records available only provide data on the total quantity of surface flow and since storm runoff occurs during and following periods of rainfall, Watermaster must determine what portion of total measured surface flow at Prado and at Riverside

Narrows is Storm Flow and what portion is Base Flow.

Under paragraph 3(k) of the Judgment, certain categories of water are to be included or excluded from Base Flow. As such waters may or may not be measured by the USGS gages at Prado and/or Riverside Narrows, Watermaster must make appropriate adjustments to account for the same.

The parties, in reaching the physical solution provided for in the Judgment, used certain procedures to separate or scalp the Storm Flow from the total measured surface flow and to determine Base Flow. These procedures are reflected in the Work Papers of the engineers, bound copies of which shall be filed with the Watermaster. Watermaster shall use either the same procedures or procedures which will give equivalent results, giving due consideration to all sources of the surface flow measured at the gages, to changes in the amounts and the proportionate contributions of each source, and to changes in location of measuring points.

3. Water Quality Determinations.

It will be necessary to determine for each water year the weighted average Total Dissolved Solids (TDS) content of the Base Flow at Riverside Narrows and of the total flow at Prado.

TDS shall be determined by the method set forth under "B. Filterable Residual", starting on page 245 of Standard Methods for Examination of Water and Wastewater, Twelfth Edition, 1965, Library of Congress Catalog Card No. 55-1979. The drying temperature shall be 180° centigrade. Milligrams per liter (mg/l) shall be deemed equivalent to parts per million (ppm) for purposes of the Judgment.

a. Procedure at Prado.

(1) Determinations of the electrical conductivity at 25°C. near the gaging station at Prado shall be made or obtained.

(2) A sufficient number of determinations of TDS of the flow at the same point shall be

made or obtained to provide the relationship between TDS and electrical conductivity for all rates of flow. This relationship shall be used to determine the average daily TDS weighted by flow, for each day of the year. During periods of Storm Flow, samples shall be taken at least daily.

(3) The annual weighted average TDS of all waters passing Prado shall be determined. Any direct deliveries or flows which are included or excluded in the definition of Base Flow as set forth in paragraph 3(k) of the Judgment, shall be similarly included or excluded in the calculation of the annual weighted average TDS.

b. Procedure at Riverside Narrows. The procedure to adjust Base Flow at Riverside Narrows shall be the same as that outlined in paragraph a. above, except that the annual weighted average TDS of Base Flow only is to be determined. Therefore during periods of Storm Flow, the TDS of Base Flow shall be estimated.

4. Accounting.

Utilizing the appropriate obligations set forth in the Judgment and the measurements, calculations and determinations described in this Engineering Appendix, Watermaster shall maintain a continuing account for each year of the following items.

a. Prado Accounting.

(1) Base Flow at Prado. See Paragraph 2 of this Engineering Appendix and Paragraph 3(k) of the Judgment.

(2) Annual Weighted TDS of Total Flow at Prado. See Paragraph 3a of this Engineering Appendix.

(3) Annual Adjusted Base Flow. See Paragraph 5(c)(2) of the Judgment and items (1) and (2) above.

(4) Cumulative Adjusted Base Flow. This is the cumulation of quantities shown in item (3) above.

(5) Cumulative Entitlement of OCWD at Prado. This is the product of 42,000 acre feet multiplied by the number of years after October 1, 1970.

(6) Cumulative Credit or Debit. This is item (4) minus item (5).

(7) One-third of Cumulative Debit. This is equal to one-third of any cumulative debit shown in item (6) above.

(8) Minimum Required Base Flow in Following Year. This is the minimum quantity of Base Flow at Prado which CBMWD and WMWD must jointly cause to occur in the following year determined in accordance with paragraph 5(c)(1) of the Judgment and utilizing item (7) above.

b. Riverside Narrows Accounting.

(1) Base Flow at Riverside Narrows. See Paragraph 2 of this Engineering Appendix and Paragraph 3(k) of the Judgment.

(2) Annual Weighted TDS of Base Flow at Riverside Narrows. See Paragraph 3b of this Engineering Appendix.

(3) Annual Adjusted Base Flow. See

Paragraph 5(b)(2) of the Judgment and items (1) and (2) above.

(4) Cumulative Adjusted Base Flow. This is the cumulation of quantities shown in item (3) above.

(5) Cumulative Entitlement of CBMWD and WMWD at Riverside Narrows. This is the product of 15,250 acre feet multiplied by the number of years after October 1, 1970.

(6) Cumulative Credit or Debit. This is item (4) minus item (5).

(7) One-third of Cumulative Debit. This is equal to one-third of any cumulative debit shown in item (6) above.

(8) Minimum Required Base Flow in Following Year. This is the minimum quantity of Base Flow at Riverside Narrows which SBVMWD must cause to occur in the following year determined in accordance with Paragraph 5(b)(1) of the Judgment and utilizing item (7) above.

FILED
RIV. APPLE COUNTY

APR 17 1969

DONALD [illegible], Clerk
By [illegible], Deputy

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, a municipal water district; CITY OF RIVERSIDE, a municipal corporation; THE GAGE CANAL COMPANY, a corporation; AGUA MANSA WATER COMPANY, a corporation, MEEKS & DALEY WATER COMPANY, a corporation; RIVERSIDE HIGHLAND WATER COMPANY, a corporation, and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,

Plaintiffs,

-vs-

(A) EAST SAN BERNARDINO COUNTY WATER DISTRICT, et al.,

Defendants

No. 754726

JUDGMENT

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APPENDIX A -- Map showing San Bernardino Basin Area, Colton Basin Area, and Riverside Basin Area situated within San Bernardino County; Riverside Basin Area within Riverside County; Bunker Hill Dike; Riverside Narrows; and

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Boundaries of San Bernardino Valley Municipal Water District & Western Municipal Water District of Riverside County

APPENDIX B -- Extractions by Plaintiffs from San Bernardino Basin Area.

APPENDIX C -- Exports for Use on Lands not Tributary to Riverside Narrows

APPENDIX D -- Miscellaneous Data

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RECITALS

(a) Complaint. The complaint in this action was filed by certain parties exporting water from the area defined herein as the San Bernardino Basin Area for use within Western, and sought a general adjudication of water rights.

(b) Orange County Water District Action. Subsequently the Orange County Water District filed an action for the adjudication of the water rights of substantially all water users in the area tributary to Prado Dam in the Santa Ana River Watershed. A decree of physical solution has been entered in such action whereby individual water users were dismissed, and San Bernardino Valley and Western assumed responsibility for the deliveries of certain flows at Riverside Narrows and Prado respectively.

(c) Physical Solution. The Judgment herein will further implement the physical solution in the Orange County Water District action, as well as determine the rights of the hereinafter named Plaintiffs to extract water from the San Bernardino Basin Area, and provide for replenishment of the area above Riverside Narrows. Such Judgment is fair and equitable, in the best interests of the parties, and in furtherance of the water policy of the State. San Bernardino Valley has the statutory power and resources to effectuate this Judgment and accordingly the other defendants may be dismissed.

(d) Stipulation. The parties named herein through their respective counsel have proposed and filed a written stipulation agreeing to the making and entry of this Judgment. By reason of such stipulation, and good cause appearing

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therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

I

ACTIVE PARTIES

(a) The parties to this Judgment are as follows:

(1) Plaintiff Western Municipal Water District of Riverside County, a California municipal water district, herein often called "Western", appearing and acting pursuant to Section 71751 of the Water Code;

(2) Plaintiff City of Riverside, a municipal corporation;

(3) Plaintiffs Riverside Highland Water Company, Agua Mansa Water Company and Meeks & Daley Water Company, each of which is a mutual water company and a California corporation;

(4) Plaintiff The Regents of the University of California, a California public corporation;

(5) Defendant San Bernardino Valley Municipal Water District, a California municipal water district, herein often called "San Bernardino Valley", appearing and acting pursuant to Section 71751 of the Water Code;

(b) This Judgment shall inure to the benefit of and be binding upon, the successors and assigns of the parties.

II

DISMISSED PARTIES

All parties other than those named in the preceding Paragraph I are dismissed without prejudice.

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III

PRIOR JUDGMENTS

(a) The Judgment dated and entered on May 13, 1959, in that certain action filed in the Superior Court of the State of California in and for the County of San Bernardino, entitled and numbered "San Bernardino Valley Water Conservation District, a State Agency, Plaintiff v. Riverside Water Company, a corporation, et al., Defendants", No. 97031, is superseded effective January 1, 1971, and for so long as this Judgment remains in effect as to any party hereto that was a party to that action, and as to any party hereto that is a successor in interest to the rights determined in that action.

(b) The Judgment dated June 23, 1965, and entered on April 21, 1966, in that certain action filed in the Superior Court of the State of California in and for the County of San Bernardino entitled and numbered "San Bernardino Valley Water Conservation District, a State Agency, Plaintiff, v. Riverside Water Company, a corporation, et al., Defendants," No. 111614, is superseded effective January 1, 1971, and for so long as this Judgment remains in effect as to any party hereto that was a party to that action, and as to any party hereto that is a successor in interest to any rights determined in that action.

(c) As used in this Paragraph III only, "party" includes any person or entity which stipulates with the parties hereto to accept this Judgment.

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IV

DEFINITIONS

The following ground water basins and tributary areas are situated within the Santa Ana River watershed upstream from Riverside Narrows and are tributary thereto, and their approximate locations and boundaries for purposes of this Judgment are shown upon the map attached hereto as Appendix "A"; San Bernardino Basin Area (the area above Bunker Hill Dike, but excluding certain mountainous regions and the Yucaipa, San Timoteo, Oak Glen and Beaumont Basins); Colton Basin Area, Riverside Basin Area within San Bernardino County, and Riverside Basin Area within Riverside County.

As used herein the following terms shall have the meanings herein set forth:

(a) Bunker Hill Dike - The San Jacinto Fault, located approximately as shown on Appendix "A", and forming the principal downstream boundary of the San Bernardino Basin Area.

(b) Riverside Narrows - That bedrock narrows in the Santa Ana River indicated on Appendix "A".

(c) Extractions - Any form of the verb or noun shall include pumping, diverting, taking or withdrawing water, either surface or subsurface, by any means whatsoever, except extractions for hydroelectric generation to the extent that such flows are returned to the stream, and except for diversions for replenishment.

(d) Natural Precipitation - Precipitation which falls naturally in the Santa Ana River watershed.

(e) Imported Water - Water brought into the Santa Ana River watershed from sources of origin outside such watershed.

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(f) Replenishment - Artificial recharge of the ground water body achieved through the spreading or retention of water for the purpose of causing it to percolate and join the underlying ground water body, or injection of water into the ground water resources by means of wells; provided that as used with reference to any obligation of Western to replenish the Riverside Basin Area in Riverside County, the term replenishment shall include any water caused to be delivered by Western for which credit is received by San Bernardino Valley against its obligation under the Orange County Judgment to provide base flow at Riverside Narrows.

(g) Safe Yield - Safe yield is that maximum average annual amount of water that could be extracted from the surface and subsurface water resources of an area over a period of time sufficiently long to represent or approximate long-time mean climatological conditions, with a given areal pattern of extractions, under a particular set of physical conditions or structures as such affect the net recharge to the ground water body, and with a given amount of usable underground storage capacity, without resulting in long-term, progressive lowering of ground water levels or other undesirable result. In determining the operational criteria to avoid such adverse results, consideration shall be given to maincenance of adequate ground water quality, subsurface outflow, costs of pumping, and other relevant factors.

The amount of safe yield is dependent in part upon the amount of water which can be stored in and used from the ground water reservoir over a period of normal water supply under a given set of conditions. Safe yield is thus related to factors which influence or control ground water recharge, and

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to the amount of storage space available to carry over recharge occurring in years of above average supply to years of deficient supply. Recharge, in turn, depends on the available surface water supply and the factors influencing the percolation of that supply to the water table.

Safe yield shall be determined in part through the evaluation of the average net groundwater recharge which would occur if the culture of the safe yield year had existed over a period of normal native supply.

(h) Natural Safe Yield - That portion of the safe yield of the San Bernardino Basin Area which could be derived solely from natural precipitation in the absence of imported water and the return flows therefrom, and without contributions from new conservation. If in the future any natural runoff tributary to the San Bernardino Basin Area is diverted away from that Basin Area so that it is not included in the calculation of natural safe yield, any replacement made thereof by San Bernardino Valley or entities within it from imported water shall be included in such calculation.

(i) New Conservation - Any increase in replenishment from natural precipitation which results from operation of works and facilities not now in existence, other than those works installed and operations which may be initiated to offset losses caused by increased flood control channelization.

(j) Year - A calendar year from January 1 through December 31. The term "annual" shall refer to the same period of time.

(k) Orange County Judgment - The final judgment in Orange County Water District v. City of Chino, et al., Orange County Superior Court No. 117628, as it may from time to

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time be modified.

(l) Return Flow - That portion of the water applied for use in any particular ground water basin which subsequently reaches the ground water body in that basin.

(m) Five Year Period - a period of five consecutive years.

V

EXTRACTIONS FROM THE SAN BERNARDINO BASIN AREA

(a) For Use by Plaintiffs. The average annual extractions from the San Bernardino Basin Area delivered for use in each service area by each Plaintiff for the five year period ending with 1963 are hereby determined to be as set forth in Table B-1 of Appendix "B". The amount for each such Plaintiff delivered for use in each service area as set forth in Table B-1 shall be designated, for purposes of this Judgment, as its "base right" for such service area.

(b) For Use by Others. The total actual average annual extractions from the San Bernardino Basin Area by entities other than Plaintiffs for use within San Bernardino County for the five year period ending with 1963 are assumed to be 165,407 acre feet; the correct figure shall be determined by the Watermaster as herein provided.

VI

SAN BERNARDINO BASIN AREA RIGHTS AND REPLENISHMENT

(a) Determination of Natural Safe Yield. The natural safe yield of the San Bernardino Basin Area shall be computed by the Watermaster, reported to and determined initially by supplemental order of this Court, and thereafter

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shall be subject to the continuing jurisdiction thereof.

(b) Annual Adjusted Rights of Plaintiffs.

1. The annual "adjusted right" of each Plaintiff to extract water from the San Bernardino Basin Area for use in each service area designated in Table B-1 shall be equal to the sum of the following:

(a) its base right for such service area, until the natural safe yield of the San Bernardino Basin Area is determined, and thereafter its percentage of such natural safe yield determined by the methods used in Table B-2; and (b) an equal percentage for each service area of any new conservation, provided the conditions of the subparagraph 2 below have been met.

2. In order that the annual adjusted right of each such Plaintiff shall include its same respective percentage of any new conservation, such Plaintiff shall pay its proportionate share of the costs thereof. Each Plaintiff shall have the right to participate in new conservation projects, under procedures to be determined by the Watermaster for notice to Plaintiffs of the planned construction of such projects. With respect to any new conservation brought about by Federal installations, the term "costs" as used herein shall refer to any local share required to be paid in connection with such project. Each Plaintiff shall make its payment at times satisfactory to the constructing agency, and new conservation shall be credited to any participating Plaintiff as such conservation is effected.

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3. In any five year period, each Plaintiff shall have the right to extract from the San Bernardino Basin Area for use in each service area designated in Table B-1 an amount of water equal to five times its adjusted right for such service area; provided, however, that extractions by each Plaintiff in any year in any service area shall not exceed such Plaintiff's adjusted right for that service area by more than 30 percent.

4. If the natural safe yield of the San Bernardino Basin Area has not been determined by January 1, 1972, the initial determination thereof shall be retroactive to that date and the rights of the Plaintiffs, and the replenishment obligation of San Bernardino Valley as hereinafter set forth, shall be adjusted as of such date. Any excess extractions by Plaintiffs shall be charged against their respective adjusted rights over the next five year period, or in the alternative, Plaintiffs may pay to San Bernardino Valley the full cost of any replenishment which it has provided as replenishment for such excess extractions. Any obligation upon San Bernardino Valley to provide additional replenishment, by virtue of such retroactive determination of natural safe yield, may also be discharged over such next five year period.

5. Plaintiffs and each of them and their agents and assigns are enjoined from extracting any more water from the San Bernardino Basin Area than is permitted under this Judgment. Changes in place

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of use of any such water from one service area to another shall not be made without the prior approval of Court upon a finding of compliance with Paragraph XV(b) of this Judgment. So long as San Bernardino Valley is in compliance with all its obligations hereunder, and Plaintiffs are allowed to extract the water provided for in this Judgment, Plaintiffs are further enjoined from bringing any action to limit the water extracted from the San Bernardino Basin Area for use within San Bernardino Valley.

6. Nothing in this Judgment shall prevent future agreements between San Bernardino Valley and Western under which additional extractions may be made from the San Bernardino Basin Area, subject to the availability of imported water not required by San Bernardino Valley, and subject to payment satisfactory to San Bernardino Valley for replenishment required to compensate for such additional extractions.

(c) San Bernardino Valley Replenishment. San Bernardino Valley shall provide imported water for replenishment of the San Bernardino Basin Area at least equal to the amount by which extractions therefrom for use within San Bernardino County exceed during any five year period the sum of: (a) five times the total average annual extractions determined under Paragraph V(b) hereof, adjusted as may be required by the natural safe yield of the San Bernardino Basin Area; and (b) any new conservation to which users within San Bernardino Valley are entitled. Such replenishment shall be

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supplied in the year following any five year period; provided that during the first five year period, San Bernardino Valley shall supply annual amounts on account of its obligations hereunder, and such amounts shall be not less than fifty percent of the gross amount of excess extractions in the previous year.

1. Against its replenishment obligation over any five year period San Bernardino Valley shall receive credit for that portion of such excess extractions that returns to the ground water of the San Bernardino Basin Area.

2. San Bernardino Valley shall also receive credit against any future replenishment obligations for all replenishment which it provides in excess of that required herein, and for any amounts which may be extracted without replenishment obligation, which in fact are not extracted.

(d) In this subparagraph (d), "person" and "entity" mean only those persons and entities, and their successors in interest, which have stipulated with the parties to this Judgment within six months after its entry to accept this Judgment.

San Bernardino Valley agrees that the base rights of persons or entities other than Plaintiffs to extract water from the San Bernardino Basin Area for use within San Bernardino Valley will be determined by the average annual quantity extracted by such person or entity during the five year period ending with 1963. After the natural safe yield of the San Bernardino Basin Area is determined hereunder, such

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base rights will be adjusted to such natural safe yield; the adjusted right of each such person or entity shall be that percentage of natural safe yield as determined hereunder from time to time which the unadjusted right of such person or entity is of the amount determined under Paragraph V(b).

San Bernardino Valley further agrees that in the event the right to extract water of any of such persons or entities in the San Bernardino Basin Area is adjudicated and legal restrictions placed on such extractions which prevent extracting of water by said persons or entities in an amount equal to their base rights, or after natural safe yield is determined, their adjusted rights, San Bernardino Valley will furnish to such persons or entities or recharge the ground water resources in the area of extraction for their benefit with imported water, without direct charge to such persons or entities therefor, so that the base rights, or adjusted rights, as the case may be, may be taken by the person or entity.

Under the provisions hereof relating to furnishing of such water by San Bernardino Valley, such persons or entities shall be entitled to extract in addition to their base rights or adjusted rights any quantities of water spread for repumping in their area of extractions, which has been delivered to them by a mutual water company under base rights or adjusted base rights included by the Watermaster under the provisions of Paragraph V (b) hereof. Extractions must be made within three years of spreading to so qualify.

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VII

WATER DISCHARGED ACROSS THE BUNKER HILL DIKE

San Bernardino Valley shall keep in force an agreement with the City of San Bernardino that the present annual quantity of municipal sewage effluent discharged across Bunker Hill Dike, assumed for all purposes herein to be 16,000 acre feet annually, shall be committed to the discharge of the downstream obligations imposed on San Bernardino Valley under this Judgment or under the Orange County Judgment, and that such effluent shall comply with the requirements of the Santa Ana River Basin Regional Water Quality Control Board in effect December 31, 1968.

VIII

EXTRACTIONS FROM COLTON BASIN AREA AND RIVERSIDE BASIN AREA IN SAN BERNARDINO COUNTY.

(a) The average annual extractions from the Colton Basin Area and that portion of the Riverside Basin Area within San Bernardino County, for use outside San Bernardino Valley, for the five year period ending with 1963 are assumed to be 3,349 acre feet and 20,191 acre feet, respectively; the correct figures shall be determined by the Watermaster as herein provided.

(b) Over any five year period, there may be extracted from each such Basin Area for use outside San Bernardino Valley, without replenishment obligation, an amount equal to five times such annual average for the Basin Area; provided, however, that if extractions in any year exceed such average by more than 20 percent, Western shall provide replenishment in the following year equal to the excess

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extractions over such 20 percent peaking allowance.

(c). To the extent that extractions from each such Basin Area for use outside San Bernardino Valley exceed the amounts specified in the next preceding Paragraph (b), Western shall provide replenishment. Except for any extractions in excess of the 20 percent peaking allowance, such replenishment shall be supplied in the year following any five year period, and shall not be from reclaimed water produced within San Bernardino Valley. Such replenishment shall also be of a quality at least equal to the water extracted from the Basin Area being recharged; provided, that water from the State Water Project shall be deemed to be of acceptable quality. Replenishment shall be supplied to the Basin Area from which any excess extractions have occurred and in the vicinity of the place of the excess extractions to the extent required to preclude influence on the water level in the three wells below designated; provided that discharge of imported water into the Santa Ana River or Warm Creek from a connection on the State Aqueduct near the confluence thereof, if released in accordance with a schedule approved by the Watermaster to achieve compliance with the objectives of this Judgment, shall satisfy any obligation of Western to provide replenishment in the Colton Basin Area, or that portion of the Riverside Basin Area in San Bernardino County, or the Riverside Basin Area in Riverside County.

(d) Extractions from the Colton Basin Area and that portion of the Riverside Basin Area within San Bernardino County, for use within San Bernardino Valley, shall not be limited. However, except for any required replenishment by Western, San Bernardino Valley shall provide the water to maintain the static water levels in the area, as determined by wells numbered

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1S 4W 21 Q3, 1S 4W 29 H1, and 1S 4W 29 Q1 at an average level no lower than that which existed in the Fall season of 1963. Such 1963 average water level is hereby determined to be 822.04 feet above sea level. In future years, the level shall be computed by averaging the lowest static water levels in each of the three wells occurring at or about the same time of the year, provided that no measurements will be used which reflect the undue influence of pumping in nearby wells, or in the three wells, or pumping from the Riverside Basin in Riverside County in excess of that determined pursuant to Paragraph IX(a) hereof.

(e) Extractions by Plaintiffs from the Colton Basin Area and the portion of the Riverside Basin Area in San Bernardino County may be transferred to the San Bernardino Basin Area if the level specified in Paragraph (d) above is not maintained, but only to the extent necessary to restore such 1963 average water level, provided that Western is not in default in any of its replenishment obligations. San Bernardino Valley shall be required to replenish the San Bernardino Basin Area in an amount equal to any extractions so transferred. San Bernardino Valley shall be relieved of responsibility toward the maintenance of such 1963 average water level to the extent that Plaintiffs have physical facilities available to accommodate such transfers of extractions, and insofar as such transfers can be legally accomplished.

(f) The Colton Basin Area and the portion of the Riverside Basin Area in San Bernardino County constitute a major source of water supply for lands and inhabitants in both San Bernardino Valley and Western, and the parties hereto have a mutual interest in the maintenance of water quality in these Basin Areas and in the preservation of such supply. If

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the water quality in such Areas, as monitored by the City of Riverside wells along the river, falls below the Objectives set therefor by the Santa Ana River Basin Regional Water Quality Control Board, the Court shall have jurisdiction to modify the obligations of San Bernardino Valley to include, in addition to its obligation to maintain the average 1963 water level, reasonable provisions for the maintenance of such water quality.

(g) The primary objectives of Paragraph VIII and related provisions are to allow maximum flexibility to San Bernardino Valley in the operation of a coordinated replenishment and management program, both above and below Bunker Hill Dike; to protect San Bernardino Valley against increased extractions in the area between Bunker Hill Dike and Riverside Narrows, which without adequate provision for replenishment might adversely affect base flow at Riverside Narrows, for which it is responsible under the Orange County Judgment; and to protect the area as a major source of ground water supply available to satisfy the historic extractions therefrom for use within Western, without regard to the method of operation which may be adopted by San Bernardino Valley for the San Bernardino Basin Area, and without regard to the effect of such operation upon the historic supply to the area below Bunker Hill Dike.

If these provisions should prove either inequitable or unworkable, the Court upon the application of any party hereto shall retain jurisdiction to modify this Judgment so as to regulate the area between Bunker Hill Dike and Riverside Narrows on a safe yield basis; provided that under such method of operation, (1) base rights shall be determined on the basis of total average annual extractions for use within San Bernardino Valley and Western, respectively, for the five year period ending

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with 1963; (3) such base rights for use in both Districts shall be subject to whatever adjustment may be required by the safe yield of the area, and in the aggregate shall not be exceeded unless replenishment therefor is provided; (3) in calculating safe yield, the outflow from the area at Riverside Narrows shall be determined insofar as practical by the base flow obligations imposed on San Bernardino Valley under the Orange County Judgment; and (4) San Bernardino Valley shall be required to provide replenishment for any deficiency between the actual outflow and the outflow obligation across Bunker Hill Dike as established by safe yield analysis using the base period of 1934 through 1960.

IX

EXTRACTIONS FROM THE PORTION OF RIVERSIDE BASIN AREA IN RIVERSIDE COUNTY WHICH IS TRIBUTARY TO RIVERSIDE NARROWS.

(a) The average annual extractions from the portion of the Riverside Basin Area in Riverside County which is tributary to Riverside Narrows, for use in Riverside County, for the five year period ending with 1963 are assumed to be 30,044 acre feet; the correct figures shall be determined by the Watermaster as herein provided.

(b) Over any five year period, there may be extracted from such Basin Area, without replenishment obligation, an amount equal to five times such annual average for the Basin Area; provided, however, that if extractions in any year exceed such average by more than 20 percent, Western shall provide replenishment in the following year equal to the excess extractions over such 20 percent peaking allowance.

(c) To the extent that extractions from such Basin Area exceed the amounts specified in the next preceding

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Paragraph (b), Western shall provide replenishment. Except for any extractions in excess of the 20 percent peaking allowance, such replenishment shall be supplied in the year following any five year period, and shall be provided at or above Riverside Narrows.

(d) Western shall also provide such replenishment to offset any reduction in return flow now contributing to the base flow at Riverside Narrows, which reduction in return flow results from the conversion of agricultural uses of water within Western to domestic or other uses connected to sewage or waste disposal systems, the effluent from which is not tributary to the rising water at Riverside Narrows.

X

REPLENISHMENT TO OFFSET NEW EXPORTS OF WATER TO AREAS NOT TRIBUTARY TO RIVERSIDE NARROWS.

Certain average annual amounts of water extracted from the San Bernardino Basin Area and the area downstream therefrom to Riverside Narrows during the five year period ending in 1963 have been exported for use outside of the area tributary to Riverside Narrows and are assumed to be 50,667 acre feet annually as set forth in Table C-1 of Appendix "C"; the correct amount shall be determined by the Watermaster as herein provided. Western shall be obligated to provide replenishment at or above Riverside Narrows for any increase over such exports by Western or entities within it from such areas for use within areas not tributary to Riverside Narrows. San Bernardino Valley shall be obligated to provide replenishment for any increase over the exports from San Bernardino Valley for use in any area not within Western nor tributary to Riverside Narrows as set forth in Table C-2 of

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Appendix "C", such amounts being subject to correction by the Watermaster, or for any exports from the San Bernardino Basin Area for use in the Yucaipa, San Timoteo, Oak Glen and Beaumont Basins.

XI

REPLENISHMENT CREDITS AND ADJUSTMENT FOR QUALITY

(a) All replenishment provided by Western under Paragraph IX and all credits received against such replenishment obligation shall be subject to the same adjustments for water quality applicable to base flow at Riverside Narrows, as set forth in the Orange County Judgment.

(b) Western shall receive credit against its replenishment obligations incurred under this Judgment for the following:

1. As against its replenishment obligation under Paragraph VIII, any return flow to the Colton Basin Area or the portion of the Riverside Basin Area within San Bernardino County, respectively, resulting from any excess extractions therefrom; and as against its replenishment obligation under Paragraph IX, any return flow to the portion of the Riverside Basin Area in Riverside County, which contributes to the base flow at Riverside Narrows, resulting from any excess extractions therefrom, or from the Riverside Basin Area in San Bernardino County, or from the Colton Basin Area.

2. Subject to adjustment under Paragraph (a) hereof, any increase over the present amounts of sewage effluent discharged from

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treatment plants within Riverside County which are tributary to Riverside Narrows, and which results from the use of imported water.

3. Any replenishment which may be provided in excess of that required; any amounts which hereunder are allowed to be extracted from the Colton and Riverside Basin Areas without replenishment obligation by Western, and which in fact are not extracted; any storm flows conserved between Bunker Hill Dike and Riverside Narrows by works financed solely by Western, or entities within it, which would not otherwise contribute to base flow at Riverside Narrows; and any return flow from imported water used in Riverside County which contributes to base flow at Riverside Narrows; provided, however, that such use of the underground storage capacity in each of the above situations does not adversely affect San Bernardino Valley in the discharge of its obligations at Riverside Narrows under the Orange County Judgment, nor interfere with the accomplishment by San Bernardino Valley of the primary objectives of Paragraph VIII, as stated in Subdivision (g).

(c) The replenishment obligations of Western under this Judgment shall not apply during such times as amounts of base flow at Riverside Narrows and the amounts of water stored in the ground water resources below Bunker Hill Dike and tributary to the maintenance of such flow are found by Order of the Court to be sufficient to satisfy any obligation which San Bernardino Valley may have under this Judgment, or under the

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Orange County Judgment, and if the Court further finds by Order that during such times any such increase in pumping, changes in use or exports would not adversely affect San Bernardino Valley in the future.

(d) The replenishment obligations of San Bernardino Valley under Paragraph X of this Judgment for increase in exports from the Colton and Riverside Basin Areas within San Bernardino Valley below the Bunker Hill Dike shall not apply during such times as the amounts of water in the ground water resources of such area are found by Order of the Court to be sufficient to satisfy the obligations which San Bernardino Valley may have to Plaintiffs under this Judgment, and if the Court further finds by Order that during such times any such increases in exports would not adversely affect Plaintiffs in the future.

XII

CONVEYANCE OF WATER BY SAN BERNARDINO VALLEY TO RIVERSIDE NARROWS.

If San Bernardino Valley determines that it will convey reclaimed sewage effluent, or other water, to or near Riverside Narrows, to meet its obligations under this or the Orange County Judgment, the City of Riverside shall make available to San Bernardino Valley for that purpose any unused capacity in the former Riverside Water Company canal, and the Washington and Monroe Street storm drains, without cost except for any alterations or capital improvements which may be required, or any additional maintenance and operation costs which may result. The use of those facilities shall be subject to the requirements of the Santa Ana River Basin Regional Water Quality Control Board and of the State Health Department, and compliance

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therewith shall be San Bernardino Valley's responsibility.

XIII

WATERMASTER

(a) This Judgment and the instructions and subsequent orders of this Court shall be administered and enforced by a Watermaster. The parties hereto shall make such measurements and furnish such information as the Watermaster may reasonably require, and the Watermaster may verify such measurements and information and obtain additional measurements and information as the Watermaster may deem appropriate.

(b) The Watermaster shall consist of a committee of two persons. San Bernardino Valley and Western shall each have the right to nominate one of such persons. Each such nomination shall be made in writing, served upon the other parties to this Judgment, and filed in Court. Such person shall be appointed by and serve at the pleasure of and until further order of this Court. If either Western or San Bernardino Valley shall at any time nominate a substitute appointee in place of the last appointee to represent it, such appointee shall be appointed by the Court in place of such last appointee.

(c) Appendix "D" to this Judgment contains some of the data which have been used in preparation of this Judgment, and shall be utilized by the Watermaster in connection with any questions of interpretation.

(d) Each and every finding and determination of the Watermaster shall be made in writing certified to be by unanimous action of both members of the Watermaster committee. In the event of failure or inability of such Watermaster Committee to reach agreement, the Watermaster committee may determine to submit the dispute to a third person to be selected

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by them, or if they are unable to agree on a selection, to be selected by the Court, in which case the decision of the third person shall be binding on the parties; otherwise the fact, issue, or determination in question shall forthwith be certified to this Court by the Watermaster, and after due notice to the parties and opportunity for hearing, said matter shall be determined by order of this Court, which may refer the matter for prior recommendation to the State Water Resources Control Board. Such order of the Court shall be a determination by the Watermaster within the meaning of this Judgment.

(e) The Watermaster shall report to the Court and to each party hereto in writing not more than seven (7) months after the end of each year, or within such other time as the Court may fix, on each determination made by it pursuant to this Judgment, and such other items as the parties may mutually request or the Watermaster may deem to be appropriate. All of the books and records of the Watermaster which are used in the preparation of, or are relevant to, such reported data, determinations and reports shall be open to inspection by the parties hereto. At the request of any party this Court will establish a procedure for the filing and hearing of objections to the Watermaster's report.

(f) The fees, compensation and expenses of each person on the Watermaster shall be borne by the District which nominated such person. All other Watermaster service costs and expenses shall be borne by San Bernardino Valley and Western equally.

(g) The Watermaster shall initially compute and report to the Court the natural safe yield of the San Bernardino Basin Area, said computation to be based upon the cultural

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conditions equivalent to those existing during the five calendar year period ending with 1963.

(b) The Watermaster shall as soon as practical determine the correct figures for Paragraphs V(b), VI(b)1, VIII(a), IX(a) and X, as the basis for an appropriate supplemental order of this Court.

XIV

CONTINUING JURISDICTION OF THE COURT

(a) The Court hereby reserves continuing jurisdiction of the subject matter and parties to this Judgment, and upon application of any party, or upon its own motion, may review and redetermine, among other things, the following matters and any matters incident thereto:

1. The hydrologic condition of any one or all of the separate basins described in this Judgment in order to determine from time to time the safe yield of the San Bernardino Basin Area.

2. The desirability of appointing a different Watermaster or a permanent neutral member of the Watermaster, or of changing or more clearly defining the duties of the Watermaster.

3. The desirability of providing for increases or decreases in the extraction of any particular party because of emergency requirements or in order that such party may secure its proportionate share of its rights as determined herein.

4. The adjusted rights of the Plaintiffs as required to comply with the provisions hereof with respect to changes in the natural safe yield of the San Bernardino Basin

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Area. If such changes occur, the Court shall adjudge that the adjusted rights and replenishment obligations of each party shall be changed proportionately to the respective base rights.

5. Conforming the obligations of San Bernardino Valley under this Judgment to the terms of any new judgment hereafter entered adjudicating the water rights within San Bernardino Valley, if inconsistencies of the two judgments impose hardship on San Bernardino Valley.

6. Adjusting the figures in Paragraphs V(b), VI(b) 1, VIII(a) IX(a), and X, to conform to determination by the Watermaster.

7. Credit allowed for return flow in the San Bernardino Basin Area if water levels therein drop to the point of causing undue hardship upon any party.

8. Other matters not herein specifically set forth which might occur in the future and which would be of benefit to the parties in the utilization of the surface and ground water supply described in this Judgment, and not inconsistent with the respective rights of the parties as herein established and determined.

(b) Any party may apply to the Court under its continuing jurisdiction for any appropriate modification of this Judgment if its presently available sources of imported water are exhausted and it is unable to obtain additional supplies of imported water at a reasonable cost, or if there is any substantial delay in the delivery of imported water through the State Water Project.

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XV

SAVING CLAUSES

(a) Nothing in this Judgment precludes San Bernardino Valley, Western, or any other party from exercising such rights as it may have or obtain under law to spread, store underground and recapture imported water, provided that any such use of the underground storage capacity of the San Bernardino Basin Area by Western or any entity within it shall not interfere with any replenishment program of the Basin Area.

(b) Changes in the place and kind of water use, and in the transfer of rights to the use of water, may be made in the absence of injury to others or prejudice to the obligations of either San Bernardino Valley or Western under Judgment or the Orange County Judgment.

(c) If any Plaintiff shall desire to transfer all or any of its water rights to extract water within San Bernardino Valley to a person, firm, or corporation, public or private, who or which is not then bound by this Judgment, such Plaintiff shall as a condition to being discharged as hereinafter provided cause such transferee to appear in this action and file a valid and effective express assumption of the obligations imposed upon such Plaintiff under this Judgment as to such transferred water rights. Such appearance and assumption of obligation shall include the filing of a designation of the address to which shall be mailed all notices, requests, objections, reports and other papers permitted or required by the terms of this Judgment.

If any Plaintiff shall have transferred all of its said water rights and each transferee not theretofore bound by this Judgment as a Plaintiff shall have appeared in this action

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and filed a valid and effective express assumption of the obligations imposed upon such Plaintiff under this Judgment as to such transferred water rights, such transferring Plaintiff shall thereupon be discharged from all obligations hereunder. If any Plaintiff shall cease to own any rights in and to the water supply declared herein and shall have caused the appearance and assumption provided for in the third preceding sentence with respect to each voluntary transfer, then upon application to this Court and after notice and hearing such Plaintiff shall thereupon be relieved and discharged from all further obligations hereunder. Any such discharge of any Plaintiff hereunder shall not impair the aggregate rights of defendant San Bernardino Valley or the responsibility hereunder of the remaining Plaintiffs or any of the successors.

(d) Non-use of any right to take water as provided herein shall not result in any loss of the right. San Bernardino Valley does not guarantee any of the rights set out herein for Western and the other Plaintiffs as against the claims of third parties not bound hereby. If Western or the other Plaintiffs herein should be prevented by acts of third parties within San Bernardino County from extracting the amounts of water allowed them by this Judgment, they shall have the right to apply to this Court for any appropriate relief, including vacation of this Judgment, in which latter case all parties shall be restored to their status prior to this Judgment insofar as possible.

(e) Any replenishment obligation imposed hereunder on San Bernardino Valley may be deferred until imported water first is available to San Bernardino Valley under its contract with the California Department of Water Resources and the

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obligation so accumulated may be discharged in five approximately equal annual installments thereafter.

(f) No agreement has been reached concerning the method by which the cost of providing replenishment will be financed, and no provision of this Judgment, nor its failure to contain any provision, shall be construed to reflect any agreement relating to the taxation or assessment of extractions.

XVI

EFFECTIVE DATE

The provisions of Paragraphs III and V to XII of this Judgment shall be in effect from and after January 1, 1971; the remaining provisions are in effect immediately.

XVII

COSTS

No party shall recover its costs herein as against any other party.

THE CLERK WILL ENTER THIS JUDGMENT FORTHWITH.

DATED: April 17, 1969

ENTERED

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JUDGMENT BOOK 124 PG 42

JUDGE OF THE SUPERIOR COURT

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V. DeMoss Wheeler Clerk
By [illegible] DEPUTY

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY, a corporation,

Plaintiff,

vs.

FONTANA RANCHOS WATER COMPANY, a corporation; HIGHLAND AVENUE WATER COMPANY, a corporation; CITIZENS LAND AND WATER COMPANY OF BLOOMINGTON, a corporation; CITY OF RIALTO, a municipal corporation; and CITY OF COLTON, a municipal corporation; et al.,

Defendants.

No. 81264 -

DECREE

WHEREAS, there has been filed in the above-entitled action a Stipulation for Judgment duly executed by and on the part of each and all of the following named parties to said action (who are collectively hereinafter referred to as "stipulating parties"), to-wit: The Lytle Creek Water and Improvement Company, a corporation (hereinafter referred to as "Lytle Creek"); Citizens Land and Water Company of Bloomington, a corporation (hereinafter referred to as "Citizens"); Fontana Union Water Company, a corporation (hereinafter referred to as "Fontana Union"); City of Colton, a municipal corporation (hereinafter referred to as "Colton"); City of Rialto, a municipal corporation (hereinafter referred to as "Rialto"); and Semi-Tropic County Water District, a county water district organized and existing under the California County Water District Law (hereinafter referred to as "Semi-Tropic"); and

WHEREAS, the Fontana Union was sued herein as John Doe

Company No. 1 a corporation and the Complaint herein should be amended accordingly; and

WHEREAS it appears that Semi-Tropic should be joined as a defendant in this action; and

WHEREAS, the action has been dismissed as to each of the defendants Fontana Ranchos Water Company, a corporation, and Highland Avenue Water Company, a corporation; and

WHEREAS the Court has heard and considered evidence on the part of the various stipulating parties; and

WHEREAS the parties have in said Stipulation for Judgment waived Findings of Fact and Conclusions of Law;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

1. The Complaint herein is hereby amended to set forth the true name of the defendant John Doe Company No. 1, a corporation, which is Fontana Union Water Company, a corporation.

2. Semi-Tropic County Water District is hereby joined as a defendant in this action.

3. As used herein the terms listed below shall have the respective meanings next following them, viz:

(a) "Rialto Basin" or "Basin" shall mean that certain territory in the County of San Bernardino State of California, which is more particularly described on Exhibit "1".

(b) "Year" shall mean a twelve month period commencing on October 1 and ending on the next following September 30.

(c) "Acre Foot" of water shall mean that quantity of water which will cover one acre to a depth of one foot, also being 43,560 cubic feet, and which also is equal to a flow of 25.208 miner's inches of water for 24 hours.

4. Except as provided herein no stipulating party shall have any priority to take water from the Basin, and the rights of the parties to take

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water from the Basin as between themselves are set forth herein.

5. Subject to the pro rata reductions hereinafter set forth, the amount of water in acre feet to which the stipulating parties are respectively entitled to extract from the Basin in each year are as follows:

Colton	3,010 acre feet
Rialto	1,580 acre feet
Citizens	3,260 acre feet
Fontana Union	550 acre feet
Lytle Creek	3,600 acre feet
Semi-Tropic	-0- acre feet

6. The following described wells in the Basin are designated and referred to herein as index wells for the purpose of determining the elevation above sea level of the ground waters within the Basin. These wells are as follows:

(a) "Duncan Well" - presently owned by Rialto, having State Location No. 1S/5W-3A1, State Serial No. D-1084, located 109 feet South of the center line of Baseline and 233 feet West of the center line of Cactus Avenue.

(b) "Willow Street Well" - presently owned by Lytle Creek, having State Location No. 1S/5W-2K1, State Serial No. D-1085, located 202 feet East of the center line of Willow Street and 133 feet North of the center line of Victoria Avenue.

(c) "Boyd Well" - presently owned by Citizens, having State Location No. 1S/5W-12L1, State Serial No. D-1095, located 109 feet West of the center line of Eucalyptus Street and 155 feet North of the center line of Wilson Street.

For the purpose of determination of the elevation of water above sea level in the said index wells, the elevation above sea level of each of the index wells is established as follows:

(a) "Duncan Well"	1352.79
(b) "Willow Street Well"	1287.00
(c) "Boyd Well"	1177.19

If for any reason any or all of said wells shall not be available

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for measurement the identity and location of a substitute index well or wells may be determined by a written stipulation executed by at least three-fourths in number of the stipulating parties (or their successor(s) in interest) and filed in this action or in default of said stipulation, by order of this Court.

The elevation of the water level above sea level of each of the index wells shall be measured in each of the months of March, April, and May in each year. Each stipulating party shall be entitled from time to time to designate one individual to be present and observe such measurements. Measurements shall be made by the owners of the respective wells or such other person, firm or corporation which three-fourths in number of the stipulating parties shall designate to do so. Such measurements shall be made at such times as the index well measured is not being pumped and has not been pumped within the preceding twenty-four hours.

7 As used herein the term "spring-high water level" for a year at each of the index wells shall mean the highest elevation in feet above sea level of the surface of the water table which shall be measured in each respective index well at any one of the monthly measurements during either March, April, or May.

In any year in which the average of the elevation of the spring-high water level in the three index wells is above elevation 1002.3 feet above mean sea level, no stipulating party shall be limited in the amount of water which may be pumped from the Basin. However, no stipulating party shall acquire any additional right to extract water from the Basin by reason of extracting more than such party is entitled under paragraph 5 above.

In any year in which the average of the elevations of the spring-high water level in the three index wells is between 1002.3 feet above mean sea level and 969.7 feet above mean sea level, each party shall be entitled to pump from the Basin in such year only the amount of water to which such party is entitled as specified in paragraph 5 above.

In any year in which the average of the elevations of the spring-high water level in the three index wells is below 969.7 feet above mean sea level, then the amount of water which the stipulating parties shall

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be entitled to pump from the Basin during such year shall be reduced one per cent (1%) for each one (1) foot that the said average is below 969.7 feet above mean sea level, and not cumulatively to be reduced more than fifty per cent (50%).

9 If any stipulating party acquires any of the wells located within the Basin which are described on Exhibit "2", which is attached hereto and hereby incorporated herein, such party shall have the additional right to extract water from the Rialto Basin annually in the amount set forth on said Exhibit "2" opposite the description of the respective wells.

10. Each stipulating party shall maintain records of all its extractions of water from the Basin so that it can be determined therefrom what extraction of water was taken from each well or combination of wells or other water sources in the Basin from which such party received water in each year. Each stipulating party shall equip each of its wells with a water metering device which shall accurately measure the entire quantity of water pumped from the well. Each stipulating party shall allow the other stipulating parties access upon reasonable notice to the wells of such party to permit of inspection and testing the metering equipment.

Upon written demand of any stipulating party, the party keeping such records shall within thirty (30) days after receipt of such demand supply to the party making such demand or other person designated by such party in such demand a written statement of the amount of water (in acre feet) so taken from each such well or combination of wells or other sources for each year after 1961 with respect to which no such statement has previously been supplied.

11. Every provision of this judgment in favor of all applies to any party hereto and also applies to and inures to the benefit of and shall also bind all of the heirs, legal representatives successors and assigns of such party.

12. Nothing in this judgment contained shall prevent any stipulating party from selling or otherwise disposing of or purchasing or otherwise acquiring any rights to extract water from the Basin which may be adjudged to belong to any other stipulating party; but any such right to acquire or to dispose of shall remain subject to any limitation or restrictions herein expressed.

13. The stipulating parties will unite in opposing any new taking

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of water from the Basin by other than a stipulating party or parties and will prorate the expenses in making such opposition, including litigation or engineering expenses, provided that:

(a) The term "new taking" shall not include any water development in the Basin hereafter made for the sole purpose of maintaining but not increasing any quantity of water now being taken from the Basin by the person who may hereafter make such development; or in the exercise by any person of an overlying right who is not a stipulating party.

(b) If any stipulating party does not join in prosecuting any future suit to prevent, enjoin or limit any such new or unlawful taking, such stipulating party not so joining shall bear proratably the expenses of such suit, including attorneys' fees and engineering fees, only if final judgment is rendered in such suit preventing enjoining or limiting such taking.

14. No stipulating party shall be entitled to recover court costs from any other stipulating party in this proceeding.

15. The court will retain jurisdiction to enter modifications of this decree upon a finding of changed circumstances.

16. In the event through litigation of the supply of water in the Basin, or by reason of adjudication in any subsequent action, the stipulating parties in the aggregate shall be unable to pump and extract from the Basin a quantity of water so great as the aggregate water is set forth herein, the stipulating parties shall prorate the aggregate quantity of water available in the Basin as long as such inability shall continue.

17. The listing herein of any number of acre feet for any party to this action other than a stipulating party shall not be deemed an admission by any stipulating party that a non-stipulating party is entitled to any water whatsoever from the Basin, nor as to the quantity which such non-stipulating party may take from the Basin, but each such figure for any non-stipulating party is listed in order that the stipulating parties may between themselves agree as to their rights to extract water on account of acquisition of the wells of non-stipulating parties.

18. As between stipulating parties only no extraction of water

from the Basin by any stipulating party in excess of the amount herein provided to be taken by such party shall be deemed adverse to any other stipulating party, and each stipulating party hereby waives as against each other stipulating party the right to plead any statute of limitation or latches with respect to water extracted by such party in excess of such amount.

19. No objection shall ever be made by any party to this judgment as to the interest or right of any such party as herein defined or as to the validity of this judgment not so defining such interest or right on the ground that such interest or right as so defined is not consistent with or warranted by the pleadings in this action relative thereto, and if in any case it shall appear that any such interest or right as so defined is in fact not consistent with or warranted by such pleadings then such pleadings shall be deemed and treated as amended to conform to and sustain such interest and right as herein defined, and said pleadings shall be deemed sufficient to support this judgment.

Each of the parties to this judgment waives all right of appeal therefrom and no appeal shall be taken by any party hereto from this judgment or any part thereof and the same shall constitute a final judgment.

DONE IN OPEN COURT this 24th day of November, 1964.

Judge of the Superior Court

BURR & MELLYER
ATTORNEYS AT LAW
SAN BERNARDINO, CALIFORNIA

DESCRIPTION OF BOUNDARIES OF RIALTO BASIN

BEGINNING at a point on the centerline of Meridian Avenue, as shown on plat of Town of Rialto and Adjoining Subdivisions, as recorded in Map Book 4, page 11, records of the County Recorder of said County, said point being 950 feet North of the intersection of said Meridian Avenue and San Bernardino Avenue, thence Northwesterly to a point on the centerline of Rialto Avenue (Arrow Route) as shown on said subdivision plat, said point being 400 feet East of the intersection of West Rialto Avenue and Cactus Avenue; thence Northwesterly to a point on the center line of Foothill Boulevard (State Highway Route No. 9), said point being 1,050 feet East of the intersection of said Foothill Boulevard and Linden Avenue, said intersection being the Southwest corner of Section 3, T1S, R5W, SBB&M; thence Northwesterly to a point in said Linden Avenue, said point being 700 feet North of said Foothill Boulevard; thence Northwesterly to a point in the centerline of Laurel Avenue as shown on said subdivision plat, said point being 3,600 feet North of said Foothill Boulevard; thence Northwesterly to the intersection of Alder Avenue and Baseline Road, said intersection being the Southeast corner of Section 32, T1N, R5W, SB9&M; thence Northwesterly to a point at the base of the San Gabriel Mountains, said point being 1,100 feet North and 1,400 feet West of the Southeast corner of Section 15, T1N, R6W, SBE&M; thence Northeasterly along the base of the San Gabriel Mountains in a direct line to a point in the East line of Section 13, T1N, R6W said point being 3,700 feet North of the Southeast corner of said Section 13; thence Northeasterly along the base of the San Gabriel Mountains in a direct line to a point in fractional Section 7, T1N, R5W, said point being 2,200 feet North and 3,700 feet East of the Southwest corner of said Section 7; thence Southeasterly to a point in Muscupiabe Rancho, said point being 2,500 feet North and 950 feet East of the Southwest corner of fractional Section 22, T1N, R5W, SBB&M; thence Southeasterly to a point in said Muscupiabe Rancho, said point being 700 feet North and 3,700 feet East of the Southwest corner of said fractional Section 22, thence Southeasterly to a point in said Muscupiabe Rancho, said point being 4,000 feet North and 2,500 feet East of the Southwest corner of fractional Section 26, T1N, R5W, SBB&M; thence Southeasterly to a point in fractional Section 6, T1S, R4W, SBB&M, said point being 1,500 feet North and 4,300 feet East of the Southwest corner of said fractional Section 6; thence Southeasterly to a point on the centerline of Mill Street, as shown on plat The Martin Tract, as recorded in Map Book 3, page 27, Records of the County Recorder of said County, said point being 1,050 feet West of the intersection of said Mill Street and Mt. Vernon Avenue; thence Southwesterly to the point of beginning.

Exhibit 1

STATE WELL NUMBER		LOCATION	STIPULATED RIGHT ACRE FEET
Location Number	Serial Number		
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1S/5W-3J1	D-1083a	1,371 feet North of Foothill Blvd. 703 feet West of Cactus Avenue	490
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1S/4W-7C1	E-8a	92 feet South of center line Foothill Blvd., 1,484 feet East of center line Meridian Avenue	290
1S/4W-18B2	E-70c	705 feet South of center line Mill Street, 1,085 feet West of Rancho Avenue	370
1S/4W-18E1	E-70a	416 feet East of center line Meridian Avenue, 608 feet North of center line Randall Avenue	160
1S/4W-18K1	E-70e	47 feet South of center line Citrus Avenue, 87 feet East of West line of Northeast 1/4 of Section 18	360
1N/5W-17K1	D-1170b	3,937 feet measured Southeasterly along the center line of Riverside Avenue from its intersection with the North line of Section 17, and 352 feet Southwest of the center line of Riverside Avenue measured at right angles	90
1N/5W-17G1	D-1170d	3,625 feet measured Southeasterly along the center line of Riverside Avenue from its intersection with the North line of Section 17, and 161 feet Southwest of the center line of Riverside Avenue measured at right angles	90
1N/5W-28J1	D-1177a	63 feet West of Linden Avenue, 45 feet South of Vineyard 0.36 miles North of Highland Avenue	40
1N/5W-31A1	D-1166	66 feet South of center line of Highland Avenue 361 feet East of center line of Juniper	370

Exhibit "2"

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599 Arrowhead Avenue
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Telephone: TUrner 4-4704

Attorneys for Lytle Creek Water and Improvement Company and Citizens Land and Water Company of Bloomington



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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY, a corporation, Plaintiff, vs. FONTANA RANCHOS WATER COMPANY, a corporation; HIGHLAND AVENUE WATER COMPANY, a corporation; CITIZENS LAND AND WATER COMPANY OF BLOOMINGTON, a corporation; CITY OF RIALTO, a municipal corporation; and CITY OF COLTON, a municipal corporation; et al., Defendants.	No. 81264 DECREE

WHEREAS, there has been filed in the above-entitled action a Stipulation for Judgment duly executed by and on the part of each and all of the following named parties to said action (who are collectively hereinafter referred to as "stipulating parties"), to-wit: The Lytle Creek Water and Improvement Company, a corporation (hereinafter referred to as "Lytle Creek"); Citizens Land and Water Company of Bloomington, a corporation (hereinafter referred to as "Citizens"); Fontana Union Water Company, a corporation (hereinafter referred to as "Fontana Union"); City of Colton, a municipal corporation (hereinafter referred to as "Colton"); City of Rialto, a municipal corporation (hereinafter referred to as "Rialto"); and Semi-Tropic County Water District, a county water district organized and existing under the California County Water District Law (hereinafter referred to as "Semi-Tropic"); and

WHEREAS, the Fontana Union was sued herein as John Doe

Company No. 1, a corporation, and the Complaint herein should be amended accordingly; and

WHEREAS, it appears that Semi-Tropic should be joined as a defendant in this action; and

WHEREAS, the action has been dismissed as to each of the defendants Fontana Ranchos Water Company, a corporation, and Highland Avenue Water Company, a corporation; and

WHEREAS, the Court has heard and considered evidence on the part of the various stipulating parties; and

WHEREAS, the parties have in said Stipulation for Judgment waived Findings of Fact and Conclusions of Law;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

1. The Complaint herein is hereby amended to set forth the true name of the defendant John Doe Company No. 1, a corporation, which is Fontana Union Water Company, a corporation.

2. Semi-Tropic County Water District is hereby joined as a defendant in this action.

3. As used herein the terms listed below shall have the respective meanings next following them, viz:

(a) "Rialto Basin" or "Basin" shall mean that certain territory in the County of San Bernardino, State of California, which is more particularly described upon Exhibit "1", and which also includes all percolating water and underground water and water sources underlying said territory.

(b) "Year" shall mean a twelve month period commencing on October 1 and ending on the next following September 30.

(c) "Acre Foot" of water shall mean that quantity of water which will cover one acre to a depth of one foot, also being 43,560 cubic feet, and which also is equal to a flow of 25.208 miner's inches of water for 24 hours.

4. Except as provided herein no stipulating party shall have any priority to take water from the Basin, and the rights of the parties to take

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water from the Basin as between themselves are set forth herein.

5. Subject to the pro rata reductions hereinafter set forth, the amount of water in acre feet to which the stipulating parties are respectively entitled to extract from the Basin in each year are as follows:

Colton	3,010 acre feet - 3400
Rialto	1,580 acre feet - 3100
Citizens	3,260 acre feet
Fontana Union	550 acre feet — 970 - 1200
Lytle Creek	3,600 acre feet

6. The following described wells in the Basin are designated and referred to herein as index wells for the purpose of determining the elevation above sea level of the ground waters within the Basin. These wells are as follows:

(a) "Duncan Well" - presently owned by Rialto, having State Location No. 1S/5W-3A1, State Serial No. D-1084, located 109 feet South of the center line of Baseline and 233 feet West of the center line of Cactus Avenue.

(b) "Willow Street Well" - presently owned by Lytle Creek, having State Location No. 1S/5W-2K1, State Serial No. D-1085, located 202 feet East of the center line of Willow Street and 133 feet North of the center line of Victoria Avenue.

(c) "Boyd Well" - presently owned by Citizens, having State Location No. 1S/5W-12L1, State Serial No. D-1095, located 109 feet West of the center line of Eucalyptus Street and 155 feet North of the center line of Wilson Street.

For the purpose of determination of the elevation of water above sea level in the said index wells, the elevation above sea level of each of the index wells is established as follows:

(a) "Duncan Well"

(b) "Willow Street Well"

(c) "Boyd Well"

If for any reason any or all of said wells shall not be available

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for measurement, the identity and location of a substitute index well or wells may be determined by a written stipulation executed by at least three-fourths in number of the stipulating parties (or their successor(s) in interest) and filed in this action, or in default of said stipulation, by order of this Court.

The elevation of the water level above sea level of each of the index wells shall be measured in each of the months of March, April, and May in each year. Each stipulating party shall be entitled from time to time to designate one individual to be present and observe such measurements. Measurements shall be made by the owners of the respective wells or such other person, firm or corporation which three-fourths in number of the stipulating parties shall designate to do so. Such measurements shall be made at such times as the index well measured is not being pumped and has not been pumped within the preceding twenty-four hours.

7. As used herein the term "spring-high water level" for a year at each of the index wells shall mean the highest elevation in feet above sea level of the surface of the water table which shall be measured in each respective index well at any one of the monthly measurements during either March, April, or May.

In any year in which the average of the elevation of the spring-high water level in the three index wells is above elevation 1002.3 feet above mean sea level, no stipulating party shall be limited in the amount of water which may be pumped from the Basin. However, no stipulating party shall acquire any additional right to extract water from the Basin by reason of extracting more than such party is entitled under paragraph 5 above.

In any year in which the average of the elevations of the spring-high water level in the three index wells is between 1002.3 feet above mean sea level and 969.7 feet above mean sea level, each party shall be entitled to pump from the Basin in such year only the amount of water to which such party is entitled as specified in paragraph 5 above.

In any year in which the average of the elevations of the spring-high water level in the three index wells is below 969.7 feet above mean sea level, then the amount of water which the stipulating parties shall

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be entitled to pump from the Basin during such year shall be reduced ten per cent (10%) for each one (1) foot that the said average is below 969.7 feet above mean sea level.

9. If any stipulating party acquires any of the wells located within the Basin which are described on Exhibit "2", which is attached hereto and hereby incorporated herein, such party shall have the additional right to extract water from the Rialto Basin annually in the amount set forth on said Exhibit "2" opposite the description of the respective wells.

10. Each stipulating party shall maintain records of all extractions of water from the Basin so that it can be determined therefrom what extraction of water was taken from each well or combination of wells or other water sources in the Basin from which such party received water in each year.

Upon written demand of any stipulating party, the party keeping such records shall within thirty (30) days after receipt of such demand supply to the party making such demand, or other person designated by such party in such demand, a written statement of the amount of water (in acre feet) so taken from each such well or combination of wells or other sources for each year after 1961 with respect to which no such statement has previously been supplied.

11. Every provision of this judgment in favor of all applies to any party hereto and also applies to and inures to the benefit of and shall also bind all of the heirs, legal representatives, successors and assigns of such party.

12. Nothing in this judgment contained shall prevent any stipulating party from selling or otherwise disposing of or purchasing or otherwise acquiring any rights to extract water from the Basin which may be adjudged to belong to any other stipulating party; but any such right to acquire or so dispose of shall remain subject to any limitation or restrictions herein expressed.

13. The stipulating parties will unite in opposing any new taking of water from the Basin other than a stipulating party or parties and will prorate the expenses in making such opposition, including litigation or engineer-

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ing expenses, provided that:

(a) The term "new taking" shall not include any water development in the Basin hereafter made for the sole purpose of maintaining but not increasing any quantity of water now being taken from the Basin by the person who may hereafter make such development.

(b) If any stipulating party does not join in prosecuting any future suit to prevent, enjoin or limit any such new or unlawful taking, such stipulating party not so joining shall bear proratably the expenses of such suit, including attorneys' fees and engineering fees, only if final judgment is rendered in such suit preventing enjoining or limiting such taking.

14. No stipulating party shall be entitled to recover court costs from any other stipulating party in this proceeding.

15. The Court will render jurisdiction to enter modifications of this decree.

16. In the event through litigation of the supply of water in the Basin, or by reason of adjudiciation in any subsequent action, the stipulating parties in the aggregate shall be unable to pump and extract from the Basin a quantity of water so great as the aggregate water is set forth herein, the stipulating parties shall prorate the aggregate quantity of water available in the Basin as long as such inability shall continue.

17. The listing herein of any number of acre feet for any party to this action other than a stipulating party shall not be deemed an admission by any stipulating party that a non-stipulating party is entitled to any water whatsoever from the Basin, nor as to the quantity which such non-stipulating party may take from the Basin, but each such figure for any non-stipulating party is listed in order that the stipulating parties may between themselves agree as to their rights to extract water on account of acquisition of the wells of non-stipulating parties.

18. As between stipulating parties only no extraction of water from the Basin by any stipulating party in excess of the amount herein provided to be taken by such party shall be deemed adverse to any other stipulating party, and each stipulating party hereby waives as against each other stipulating

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party the right to plead any statute of limitation or latches with respect to water extracted by such party in excess of such amount.

19. No objection shall ever be made by any party to this judgment as to the interest or right of any such party as herein defined or as to the validity of this judgment not so defining such interest or right on the ground that such interest or right as so defined is not consistent with or warranted by the pleadings in this action relative thereto, and if in any case it shall appear that any such interest or right as so defined is in fact not consistent with or warranted by such pleadings then such pleadings shall be deemed and treated as amended to conform to and sustain such interest and right as herein defined, and said pleadings shall be deemed sufficient to support this judgment.

Each of the parties to this judgment waives all right of appeal therefrom and no appeal shall be taken by any party hereto from this judgment or any part thereof and the same shall constitute a final judgment.

DONE IN OPEN COURT this _____ day of _____, 1961.

_____
Judge of the Superior Court

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SAN BERNARDINO, CALIFORNIA

DESCRIPTION OF BOUNDARIES OF RIALTO BASIN

BEGINNING at a point on the centerline of Meridian Avenue, as shown on plat of Town of Rialto and Adjoining Subdivisions, as recorded in Map Book 4, page 11, records of the County Recorder of said County, said point being 950 feet North of the intersection of said Meridian Avenue and San Bernardino Avenue; thence Northwesterly to a point on the centerline of Rialto Avenue (Arrow Route) as shown on said subdivision plat, said point being 400 feet East of the intersection of West Rialto Avenue and Cactus Avenue; thence Northwesterly to a point on the center line of Foothill Boulevard (State Highway Route No. 9), said point being 1,050 feet East of the intersection of said Foothill Boulevard and Linden Avenue, said intersection being the Southwest corner of Section 3, T1S, R5W, SBB&M; thence Northwesterly to a point in said Linden Avenue, said point being 700 feet North of said Foothill Boulevard; thence Northwesterly to a point in the centerline of Laurel Avenue as shown on said subdivision plat, said point being 3,600 feet North of said Foothill Boulevard; thence Northwesterly to the intersection of Alder Avenue and Baseline Road, said intersection being the Southeast corner of Section 32, T1N, R5W, SBB&M; thence Northwesterly to a point at the base of the San Gabriel Mountains, said point being 1,100 feet North and 1,400 feet West of the Southeast corner of Section 15, T1N, R6W, SBB&M; thence Northeasterly along the base of the San Gabriel Mountains in a direct line to a point in the East line of Section 13, T1N, R6W, said point being 3,700 feet North of the Southeast corner of said Section 13; thence Northeasterly along the base of the San Gabriel Mountains in a direct line to a point in fractional Section 7, T1N, R5W, said point being 2,200 feet North and 3,700 feet East of the Southwest corner of said Section 7; thence Southeasterly to a point in Muscupiabe Rancho, said point being 2,500 feet North and 950 feet East of the Southwest corner of fractional Section 22, T1N, R5W, SBB&M; thence Southeasterly to a point in said Muscupiabe Rancho, said point being 700 feet North and 3,700 feet East of the Southwest corner of said fractional Section 22, thence Southeasterly to a point in said Muscupiabe Rancho, said point being 4,000 feet North and 2,500 feet East of the Southwest corner of fractional Section 26, T1N, R5W, SBB&M; thence Southeasterly to a point in fractional Section 6, T1S, R4W, SBB&M, said point being 1,500 feet North and 4,300 feet East of the Southwest corner of said fractional Section 6; thence Southeasterly to a point on the centerline of Mill Street, as shown on plat The Martin Tract, as recorded in Map Book 3, page 27, Records of the County Recorder of said County, said point being 1,050 feet West of the intersection of said Mill Street and Mt. Vernon Avenue; thence Southwesterly to the point of beginning.

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1N/5W-31A1	D-1176	66 feet South of center line of Highland Avenue 361 feet East of center line of Juniper	370

Exhibit "2"

RIALTO BASIN GROUNDWATER COUNCIL

FRAMEWORK AGREEMENT

This RIALTO BASIN **GROUNDWATER COUNCIL FRAMEWORK AGREEMENT** ("**Agreement**") is entered into and effective this ___ day of _____, 2020 by and among the City of Colton ("**Colton**"), the City of Rialto ("**Rialto**"), Fontana Union Water Company ("**FUWC**") and West Valley Water District ("**WVWD**"), each of which is referred to as a "**Party**," for the purpose of coordinating, developing, and implementing groundwater management activities that individually or cumulatively address groundwater management in, and groundwater sustainability throughout, the Rialto Basin as defined in Section 1.1.8 below.

RECITALS

WHEREAS, on and after September 12, 2018, in an effort to commit to sustainable groundwater management principles, the Parties, San Bernardino Valley Municipal Water District, San Gabriel Valley Water Company, Fontana Water Company and Cucamonga Valley Water District ("Cucamonga") entered into a Settlement Agreement as defined in Section 1.1.9 below;

WHEREAS, the Settlement Agreement requires completion of this Framework Agreement within one year of the final Settlement Agreement amendments executed in February 2019;

WHEREAS, the Settlement Agreement contained Condition 3, titled "Cooperative and Sustainable Groundwater Management of the Rialto-Colton Basin;"

WHEREAS, Condition 3 (1.) of the Settlement Agreement requires the parties to develop, adopt and implement a sustainable groundwater management plan.

WHEREAS, Condition 3 (l.) of the Settlement Agreement states that if the Parties agree, the sustainable groundwater management plan is to include a new index well regime, the possibility of establishing an operating safe yield, and/or other groundwater management tools.

WHEREAS, by joining the Settlement Agreement, the Parties to this Agreement accepted and agreed to the Recitals, Definitions, Principles and Agreements set forth in the Settlement Agreement, including Condition 3 (l.).

WHEREAS, the Parties to this Agreement all overlie, produce water from, or are otherwise invested in the management and long-term sustainability of the groundwater of the Rialto Basin as identified on the Map attached hereto as Exhibit A;

WHEREAS, The Rialto Basin is part of the Rialto Subbasin which underlies a portion of the upper Santa Ana Valley in southwestern San Bernardino County and northwestern Riverside County. This Subbasin is bounded by the San Gabriel Mountains on the north, the San Jacinto

fault on the east, the Rialto Basin boundary on the south, and the Rialto fault on the west. Lytle Creek flows through this part of the valley southeastward to its confluence with the Santa Ana River in the southern part of the Subbasin;

WHEREAS, the groundwater supplies of the Rialto Basin are governed by a court decree dated December 22, 1961 (the "1961 Decree") in the case styled *The Lytle Creek Water and Improvement Company v. Fontana Ranchos Water Company, et al.*, San Bernardino County Superior Court, Case No. 81264. A copy of the 1961 Decree is attached hereto as Exhibit D;

WHEREAS, pursuant to the Settlement Agreement, FUWCs No Man's Land production of 5,014 acre feet/year will be counted as part of the Rialto Basin production limits in the 1961 decree, and it is the intention of the Parties in forming the Rialto Basin Groundwater Council to apply, administer, and conform to the requirements and provisions of the 1961 Decree.

WHEREAS, Water Code Section 10720.8(a) identifies the Rialto Basin as an adjudicated groundwater basin. As such, the Rialto Basin is exempt from the Sustainable Groundwater Management Act (SGMA) passed by the California Legislature in September 2014, other than providing certain kinds of data to the Department of Water Resources per Water Code Section 10720.8(f);

WHEREAS, notwithstanding that the Rialto Basin is not required to comply with SGMA, the Parties to this Agreement wish to coordinate their efforts to identify their respective access to, and application of, water supplies, and to harmonize use of such supplies with available groundwater in the Rialto Basin. Working to ensure that the water imported into the Rialto Basin and the facilities used to apply both imported and native water supplies to productive beneficial uses for groundwater replenishment, will allow the Rialto Basin to be maintained and managed in a sustainable manner over the long-term. The Parties recognize that the key to success in this effort is a coordinated effort with other groundwater management entities as well as the development of a strategy for coordination of recharge activities throughout the Rialto Basin;

WHEREAS, ensuring water supply reliability and long-term effectiveness and viability of recharge facilities has become increasingly important, and proactive efforts are needed to improve and mitigate low groundwater levels in the Rialto Basin through the spreading of imported water supplies, which at times are limited in availability, due to drought, environmental, and other restrictions. One purpose of this Agreement is to facilitate the cooperation of the Parties which is essential to prevent overdraft or other negative impacts during an extended drought, and for the foreseeable future;

WHEREAS, the Parties, individually and collectively, are committed to cost effective and cooperative groundwater management that respects the interests and concerns of all of the parties and the communities that they serve and which rely on the Rialto Basin for their water supply;.

WHEREAS, **t**he Parties hereby enter into this Agreement for the purpose of establishing the Rialto Basin Groundwater Council ("RBGC") to take the preliminary steps necessary to prepare for and coordinate the management of groundwater supply resources throughout the

Rialto Basin, coordinate maintenance of conveyance and recharge facilities, and coordinate with existing groundwater agencies in the Rialto Basin to expedite such management strategies. The RBGC will ensure overall coordination and sustainable management of the Rialto Basin; and,

WHEREAS, the Parties have agreed that the preliminary steps for establishing RBGC will include preparation of formation documents and procedures, the engagement of necessary experts, and the development of a budget and funding procedure for the RBGC as memorialized in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the matters recited and the mutual promises, covenants, and conditions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 Definitions. In addition to the terms that may be defined elsewhere in this Agreement, the following terms when used in this Agreement shall be defined as follows:

1.1.1 "***Agreement"*** means this Rialto Basin Groundwater Council Agreement.

1.1.2 ***"Annual Rialto Basin Groundwater Report***" shall mean the annual report prepared by the RBGC, to cover topics including, but not limited to, the following: annual production, recharge, environmental issues, exchanges, and all other actions and topics material to groundwater conditions in the Rialto Basin. In preparing such report, the RBGC may consult with, and draw from, data and information provided by Santa Ana River and Western/ San Bernardino Watermasters and/or other reliable sources regarding annual groundwater conditions.

1.1.3 "***BTAC***" shall mean the Basin Technical Advisory Committee, as originally created under the auspices of the Upper Santa Ana River Watershed Integrated Regional Water Management Plan, as such Committee may be modified from time to time to allow for the additional participation of one or more Parties to this Agreement. The RBGC may request BTAC to undertake specified actions in support of the RBGC's efforts.

1.1.4 **"Cost Share"** shall mean that portion of the overall annual operating costs of the RBGC assigned to a Party pursuant to the Equitable Allocation, as based on the annual budget of the RBGC.

1.1.5 "***Effective Date***" shall mean the date that the last Party executes this Agreement.

1.1.6 "***Equitable Allocation***" shall mean the manner of determining the facilities' operations and maintenance ("O&M") costs and supplemental water cost, for each Party based on an annual approved budget. This allocation will be shared equally by the Parties for the applicable RBGC budget year.

1.1.7 **No Man's Land"** shall mean that portion of the Rialto-Colton Basin that is outside the Rialto Basin as shown on the maps attached as Exhibit A to the Settlement Agreement.

1.1.8 **"Rialto Basin"** shall mean that portion of the Rialto-Colton Basin defined in the 1961 Decree.

1.1.9 **"Settlement Agreement"** shall mean the settlement agreement dated September 12, 2018, as amended, that concluded the litigation styled *San Bernardino Municipal Water District et al v. San Gabriel Water Company et al,* a copy of which is attached as Exhibit C to this Agreement.

2. TERM

This Agreement shall become operative on the Effective Date.

3. COUNCIL CREATION AND PURPOSE

3.1 Creation of the RBGC. There is hereby created the Rialto Basin Groundwater Council. The RBGC shall be, to the extent permitted by law, the forum within which the Parties shall coordinate the access to and utilization of native and imported water supplies for application to the recharge and replenishment of the Rialto Basin, and for the maintenance, and repair of recharge and conveyance facilities for both native and imported supplies to replenish the Rialto Basin, consistent with applicable law and judicial decrees. The RBGC is not a public agency subject to Government Code Sections 54950 et seq.,nor is it a joint exercise of powers agreement as defined by Government Code sections 6300 et seq.

3.2 Purpose of the Agreement. The purpose of this Agreement, and the creation of the RBGC, is to provide for the funding, integration, and coordination of the management of native and imported water and associated groundwater replenishment facilities within the Rialto Basin. The purpose is also the facilitation of implementation of policies and initiatives through the legal authorities of one or more Parties for the purpose of cooperatively managing certain aspects of the Rialto Basin including, but not limited to, accessing and applying imported water supplies to augment and complement native water supplies toward the goal of maintaining the long-term yield of the Rialto Basin, ensuring that overdraft or other negative impacts are prevented in the future and eliminated over time, and undertaking supply reliability activities that are approved by the RBGC and included in the annual approved budget.

3.3 Membership of the RBGC. The RBGC shall consist of one representative and one alternate from each Party. RBGC members shall be appointed in the manner set forth in Section 3.4 of this Agreement.

3.4 Appointment of Members to the RBGC. For Colton, Rialto and WVWD, the representative member of the RGBC shall be a publicly elected official of the Party and for FUWC the representative shall be a member of its Board of Directors. Each Party shall also appoint one alternate representative who shall be a publicly elected official of the Party or a member of its Board of Directors or senior management level employee of the Party.

Members of the RBGC shall serve throughout the term of this Agreement, provided that such members may be subject to removal and replacement by the appointing Party.

4. COUNCIL MEETINGS AND ACTIONS

4.1 Initial Meeting. The initial meeting of the RBGC shall be held at a location overlying the Rialto Basin. The RBGC shall select a President to chair its meetings, a Vice President to serve if the President is unavailable, a Secretary to record RBGC proceedings and actions, and any other officers it deems appropriate for the successful and efficient conduct of its business.

4.2 Regular Meeting Schedule and Rules of Proceeding. The RBGC shall establish a regular meeting time and place. The RBGC may vote to change the regular meeting time and place, provided that the new location remains at a place overlying the Rialto Basin. The RBGC may adopt, promulgate, repeal, or revise further rules of debate, presentation of motions, voting and proxies, process, or proceedings, as it may deem appropriate. The Parties agree that the RBGC and its Board of Directors is and shall be subject to the Ralph M. Brown Act (Cal. Government Code section 54953 et seq.,) ("Brown Act") and that meetings and other applicable operations of the RBGC will be undertaken in compliance with the Brown Act..

4.3 Quorum. A quorum of the RBGC shall consist of three members. In the absence of a quorum, no business may be transacted beyond the adjournment of a meeting by the remaining members. For efficiency, business may be discussed and action recommended for the consent calendar ratification at the next regular meeting. A member shall be deemed present for the determination of a quorum if the member is present at the meeting in person, or if the member participates in the meeting telephonically upon such rules and procedures as the RBGC may promulgate.

4.4 RBGC Voting Rights. Each member of the RBGC shall have an equal voting right and three votes are required to pass any proposals for organizational, procedural, and administrative purposes only.

4.4.1 Fiscal items, including but not limited to, approval of the annual budget of the RBGC and any expenditures for O& M expenses related to groundwater recharge and replenishment activities, costs of such facilities, and the cost of purchasing, transporting, and delivering supplemental water for groundwater recharge shall require the unanimous vote of the members and the subsequent approval by their respective governing boards or councils.

4.4.2 Subject to the Equitable Allocation and Cost Share requirements, any change in annual assessments necessary to support the work of the RBGC shall require the unanimous vote of the members and the subsequent approval by their respective governing boards or councils.

4.5 Minutes. The RBGC shall cause minutes to be kept of all meetings of the RBGC and any appointed Ad Hoc or Standing Committees. The RBGC shall further cause a copy of draft minutes to be forwarded to each member of the RBGC and to each Party, which may be done electronically, or by way of posting to a commonly available website or digital portal.

5. ANNUAL BUDGETING AND EXPENDITURE APPROVAL

5.1 The fiscal year of the RBGC shall be July 1 through June 30. The RBGC shall develop, circulate, and approve an annual budget for the funding of native supply capture and bringing water supply to the Rialto Basin, and for the maintenance and repair of groundwater recharge or water conveyance facilities serving replenishment of the Rialto Basin. The RBGC shall coordinate with BTAC to determine the likely allocation of available State Water Project imported water supplies, and other available non-native sources of water, the likely unit cost of such water, and the recharge needs of the Rialto Basin, in terms of quantities of water, locations where Rialto Basin conditions would most benefit from recharge, condition and availability of facilities to accomplish such recharge, and cost. From these sources, the RBGC shall prepare a budget that recommends all of the following:

(a) the amount of water supplies available to be purchased or otherwise acquired by RBGC members in the coming year;

(b) the recommended application or distribution of such water supplies to various parts of the Rialto Basin as recharge or as in-lieu supplies;

(c) the estimated cost of all ongoing maintenance, repair, and operation costs for then-existing and future groundwater recharge and conveyance facilities serving to replenish the Rialto Basin;

(d) any capital improvement projects approved by the RBGC

(e) any administrative costs of the RBGC; and

(f) proposed allocation of all expenditures in the budget among RBGC members as their portion of the Cost Share based upon the Equitable Allocation and Cost Share Requirements in this Agreement.

5.1.2 No later than March 1 prior to the beginning of the year for which the budget is to operate, the proposed budget shall be presented and circulated to all RBGC members for review and analysis. The circulated budget shall include the underlying presumptions and worksheets upon which it is based.

5.1.3 No later than sixty (60) days after each member agency's budget has been approved by their respective governing bodies, the RBGC shall meet to deliberate and pass upon the budget. The RBGC may accept, reject, or modify in any way the budget as proposed. Adoption of the budget shall require unanimous approval by the members and the subsequent approval by their respective governing boards or councils.

5.2 The RBGC shall appoint an entity that is responsible for the accounting and revenue collection functions of the RBGC by tracking and securing the funding from the RBGC members pursuant to the approved annual budget, and consistent with the approved cost allocations among the RBGC members therein, for all imported water supplies. The appointed

entity shall perform the accounting and revenue collection functions of the RBGC in tracking and securing the funding from its members pursuant to the approved annual budget, and consistent with the approved cost allocations among the RBGC members therein, for all facilities costs. In the event of any delinquency, the approved entity may request the RBGC to appoint it, or any other RBGC member or group of members, to represent the RBGC in securing collection of unpaid and owing amounts from any delinquent member or members. The reasonably incurred costs of such collection efforts may be reimbursed to the agent the RBGC authorized to go forward with them, and may be added as an administrative cost to other members, or as a credit against future amounts owing to the RBGC from such authorized agent.

5.3 No later than six (6) months into the budget year for which any budget is adopted by the RBGC, the RBGC shall prepare a year-in-process budget review, to assess the validity and accuracy of the presumptions upon which the budget was based, identify any budget savings or additional expenditures, assess any additional opportunities for groundwater replenishment that may have come available since the passing of the budget, and otherwise assess and recommend to the RBGC any potential amendment to the existing year budget, or suggestions for the following year's budget, as changing conditions may warrant.

6. COUNCIL POWERS AND DUTIES

6.1 The RBGC shall exercise the following powers:

6.1.1 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the RBGC.

6.1.2 To produce an Annual Rialto Basin Groundwater Report, using as may be appropriate data regarding groundwater conditions available from Western Municipal Watermaster, or other sources. The Annual Report shall include data showing each Party's production from the Rialto Basin and recharge or replenishment, if any, to the Rialto Basin.

6.1.3 To monitor groundwater production and extractions in coordination with BTAC.

6.1.4 To make, after consultation with BTAC, annual recommendations for the amount of additional artificial recharge for the Rialto Basin from imported sources as a complement to native sources, and to plan for the development and application of such additional sources of recharge.

6.1.5 To establish as-needed Ad Hoc and Standing Committees for the purpose of making recommendations to the RBGC. Committees shall exist for the term specified in the action creating the committee, and the RBGC may dissolve a committee at any time through a majority vote of three voting members.

6.1.6 To contract, on behalf of the RBGC, for the services of engineers, attorneys, planners, financial consultants, and separate and apart therefrom, to appoint agents and representatives to employ such other staff persons as necessary. The BTAC will provide technical support for the RBGC, upon such terms as the RBGC and BTAC shall agree in writing.

6.1.7 To collect and monitor all data related and beneficial to the development, adoption and implementation of appropriate groundwater level management for the Rialto Basin.

6.1.8 To collect assessments from RBGC members as authorized in the approved budget.

6.1.9 To cooperate, act in conjunction, and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the purposes of this Agreement.

6.1.10 To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the RBGC.

6.1.11 As may be permitted by law, to apply for and accept grants, contributions, donations and loans, including under any federal, state or local programs for assistance in developing or implementing any of its projects or programs in connection with any project untaken in the RBGC's name.

6.1.12 To implement the Cost Share in a manner that qualifies as a pass through charge under the Constitutional requirements of Proposition 218, California Public Utilities Commission ratemaking policies and procedures, and similar revenue-raising requirements.

6.1.13 To exercise any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Parties to this Agreement.

7. FUNDING RBGC ACTIVITIES

7.1 Funding for RBGC activities shall be as provided in Section 1.1.6. This mechanism is based in part on a regional sharing of Operation and Maintenance costs for Rialto Basin recharge activities, as those Operation and Maintenance costs shall be determined by the RBGC in its annual budgeting, in conjunction with BTAC. All Parties shall share in the Operation and Maintenance cost components in accordance with the provisions in Section 1.1.6 of this Agreement.

8. DISPUTE RESOLUTION

8.1 The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree that they may attempt to resolve disputes as follows:

8.2 Statement Describing Alleged Violation of Agreement. A Party or Parties alleging a violation of this Agreement (the "**Initiating Party(ies)**") shall provide a written

statement describing all facts that it believes constitute a violation of this Agreement to the Party(ies) alleged to have violated the terms of this Agreement (the "**Responding Party(ies)**").

8.3 Response to Statement of Alleged Violation. The Responding Party(ies) shall have sixty (60) days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party(ies) or to cure the alleged violation to the reasonable satisfaction of the Initiating Party(ies). The Initiating Party(ies) and the Responding Party(ies) shall then meet within thirty (30) days of the date of the response to attempt to resolve the dispute amicably.

8.4 Mediation of Dispute. If the Initiating Party(ies) and the Responding Party(ies) cannot resolve the dispute within ninety (90) days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by a representative with authority to settle. These representatives of the Initiating Party(ies) and the Responding Party(ies) may consult with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be divided evenly between the Initiating Party(ies) and the Responding Party(ies). The decision of the mediator shall be non-binding.

8.5 Reservation of Rights. Subject to the above requirements, in the event that mediation fails, each Party retains and may exercise all legal and equitable rights and remedies it may have to enforce the terms of this Agreement; provided, that prior to commencing litigation, a Party shall provide at least five (5) calendar days' written notice of its intent to sue to all Parties.

9 RELATIONSHIP TO WATER RIGHTS AND PRIOR AGREEMENTS

9.1 Water Rights and Existing Agreements. Nothing in this Agreement is intended to modify the water rights of the Parties, whether existing under a judgment, proceedings of the State Water Resources Control Board, or the common law, other than incorporating production right from No Man's Land Basin into the Rialto Basin. Nothing in this Agreement is intended to modify any existing agreements between and among the Parties, unless expressly stated herein.

9.2 Agreements Among Water Users. Nothing in this Agreement is intended to modify the rights of the signatories of this Agreement among themselves.

9.3 Judgments. Nothing in this Agreement is intended to modify the rights of the Parties under the terms of the 1961 Decree.. However, FUWC's production capacities of 5,014 acre-feet/year from No Man's Land shall be acknowledged and incorporated into the Rialto Basin production capacity limits in the 1961 decree.. It is the intention of the Parties in forming the RBGC to apply, administer, and conform to the requirements and provisions of the 1961 Decree. In the event of any conflict, except for incorporating FUWC's production in No Man's Land into the Rialto Basin production capacity limits in the 1961 decree, between the actions of the RBGC and the requirements and provisions of the 1961 Decree, the latter shall control.

9.4 No Admissions. Nothing in this Agreement shall be construed as an admission by any Party regarding any subject matter of this Agreement, including but not limited to the water rights or priorities of the Parties.

9.5 Preservation of Rights. The Parties agree that this Agreement, to the extent allowed by law, preserves all rights of the Parties as they may exist as of the Effective Date of this Agreement. Except as provided in Section 9.3, nothing in this Agreement is to be construed as altering the priorities or entitlements of water right holders among themselves to water from the Santa Ana River or the Rialto Basin.

10. MISCELLANEOUS

10.1 Authority. Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement, and that by doing so, such Party is not in breach or violation of any other agreement or contract.

10.2 Amendment. This Agreement may be amended or modified only by a written instrument approved by all voting members.

10.3 Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the Superior Court, County of San Bernardino, California and shall be deemed related to the 1961 Rialto Basin Decree, San Bernardino County Superior Court Action No. 81264 and to *San Bernardino Valley Municipal Water District et al. v. San Gabriel Water Company et al*..

10.4 Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

10.5 Construction and Interpretation. This Agreement has been arrived at through negotiations, and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

10.6 Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to its subject matter, and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

10.7 Partial Invalidity. If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws or adjudicatory decisions effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof; there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

10.8 Successors and Assigns. To the extent authorized by law, this Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

10.9 Waivers. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement, and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

10.10 Necessary Actions. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

10.11 Compliance with Law. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

10.12 Third Party Beneficiaries. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

10.13 Notices. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the Party by delivery to the person(s) at the address(es) designated below, which designation may be changed from time to time by a Party in writing; (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

To CITY OF COLTON:	CITY OF COLTON Attn: Utilities Director 650 N. La Cadena Drive Colton, CA 92324
To CITY OF RIALTO:	CITY OF RIALTO Attn: Utilities Manager 150 S. Palm Avenue Rialto, CA 92376
To WEST VALLEY WATER DISTRICT:	WEST VALLEY WATER DISTRICT Attn: General Manager 855 W. Baseline Road Rialto, CA 92376
	FONTANA UNION WATER COMPNY

To FONTANA UNION WATER COMPANY:	Attn: President 15966 Arrow Route Fontana, CA 92335
With Copy to:	FONTANA UNION WATER COMPANY Attn: Director of Operations 15966 Arrow Route Fontana, CA 92335

10.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

CITY OF COLTON,
a California general law city and municipal corporation

DATED: _____, 2020

By:_____
William R. Smith, City Manager

[Signatures continued on next page]

CITY OF RIALTO
a California general law city and municipal corporation

DATED: _____, 2020

By:_____
Sean Grayson, Acting City Manager

[Signatures continued on next page]

WEST VALLEY WATER DISTRICT

DATED: _____, 2020

By:_____
Clarence Mansell,
General Manager

[Signatures continued on next page]

FONTANA UNION WATER COMPANY

DATED: _____, 2020

By:_____
John Bosler, President

EXHIBIT A

Map of Rialto Basin

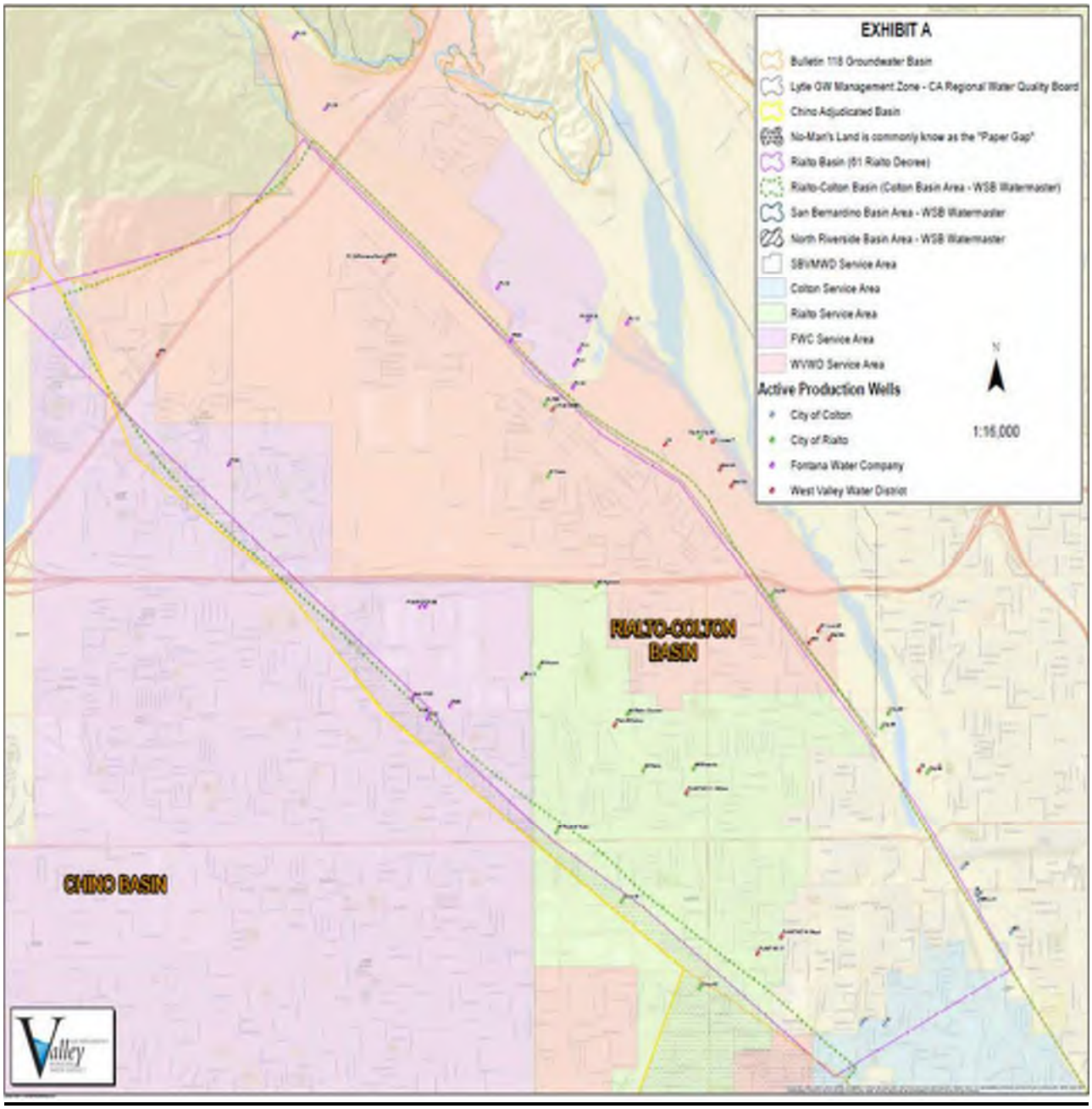


Exhibit B

WATER RIGHTS SUMMARY

The Parties to this agreement have agreed to the following water rights allocation:

Member	Adjustable Rights	Fixed Rights	No Man's Land Adjustable Rights	Total Rights	Water Rights Allocation Percentage
Colton	3,010	890	0	3,900	19%
Rialto	2,846	1,520	0	4,366	22%
WVWD	5,594	510	0	6,104	30%
FUWC	550	370	5,014	5,934	29%

SETTLEMENT AGREEMENT

Relating to the Diversion of Water From the Santa Ana River System

(the "Seven Oaks Accord")

July 21, 2004

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SETTLEMENT AGREEMENT

Relating to the Diversion of Water from the Santa Ana River System

This Settlement Agreement Relating to the Diversion of Water From the Santa Ana River ("**Agreement**") is entered into this 21st day of July, 2004 ("Effective Date") by and among: San Bernardino Valley Municipal Water District ("**Muni**") and Western Municipal Water District of Riverside County ("**Western**") (collectively, Muni and Western are referred to as the "**Applicants**"); the City of Redlands ("**Redlands**"); East Valley Water District ("**East Valley**"); and Bear Valley Mutual Water Company, Lugonia Water Company, North Fork Water Company and Redlands Water Company ("**Bear Valley**"), (collectively, Redlands, East Valley and Bear Valley are referred to as the "**Water Users**"). Each of the parties to this Agreement is referred to herein as a "**Party**" and the parties are collectively referred to herein as the "**Parties**."

Recitals

Applicants have filed with the State Water Resources Control Board ("**SWRCB**") Application Nos. 31165 and 31370 (collectively, the "**Applications**") to appropriate water from the Santa Ana River for direct diversion and/or storage. Water Users have filed protests against the Applications alleging infringement of Water Users' senior water rights and adverse impacts on the environment. The Parties wish to resolve these protests without the need for a lengthy and expensive water rights hearing.

Agreements

1. *Withdrawal of Protests Presently Pending Before the SWRCB.*

   a. *Withdrawal of Protests.* Within twenty business days after the date on which Water Users receive a draft environmental impact report on the Applications for public review, Water Users shall each send to the SWRCB, via certified mail with a copy to Applicants, a letter withdrawing their respective protests against the Applications. Said letters shall be in the form provided in Exhibit A and incorporated herein by reference. Applicants shall provide Water Users with notice of the release of the draft environmental impact report via facsimile transmission upon its release.

   b. *Support for Applications.* Water Users shall, simultaneously with the withdrawal of their respective protests to the Applications, also each send, via certified mail with a copy to Applicants, letters to the SWRCB supporting the issuance of permits to Applicants for the diversion and storage of the full quantities of water from the Santa Ana River identified in the Applications. Such letters shall be in the form provided in Exhibit B and incorporated herein by reference. Water Users shall also, upon written request by Applicants, send similar letters to local, state and federal agencies supporting the issuance of all other permits or regulatory approvals that may be necessary for Applicants to implement their plans to divert water from the Santa Ana River, including seasonal water conservation at Seven Oaks Dam and Reservoir, as reflected in the Applications. A list of all permits/approvals that Applicants presently believe may be required to implement the Applications is included in Exhibit B and incorporated herein by reference. Applicants shall update this list annually if additional permits/approvals become necessary to implement the plans identified in the Applications and Water Users agree not to object to such additional permits/approvals that may be needed to implement the Applications.

c. *Incorporation of Settlement in Applications.* Applicants shall, within twenty business days of the date on which Applicants issue a draft environmental impact report on the Applications for public review, amend the Applications to incorporate the terms of this Agreement therein and request the SWRCB to incorporate the terms of this Agreement in any permits issued to Applicants.

2. *Effect of Agreement.* Paragraphs 3 to 11 of this Agreement shall not take effect unless and until: (i) the Parties complete the review and analysis, if any, that may be required by the terms of the California Environmental Quality Act of the potential physical change in the environment of implementing those provisions and (ii) the SWRCB approves the Applications, in whole or in part, and issues water rights permits to Applicants pursuant thereto. In the event that the SWRCB denies the Applications in their entirety, paragraphs 3 to 11 of this Agreement shall immediately be deemed null and void and no Party shall be bound thereby. In the event that the SWRCB approves the Applications by the issuance of permits which contain terms or provisions that are inconsistent with the terms or provisions of this Agreement, the Parties shall implement the terms or provisions of this Agreement to the extent legally permissible.

3. *Diversions from the Santa Ana River*

a. *Diversions by Water Users.* Subject to the conditions contained in subparagraphs 3(a)(1) to 3(a)(7) below, any rights granted Applicants by the SWRCB to divert water from the Santa Ana River shall be subject to the prior right of Water Users to divert up to the first 88 cfs of the natural flow of the Santa Ana River and Applicants shall not, during the term of this Agreement, object to, nor challenge by way of any administrative proceeding, judicial proceeding or otherwise, Water Users' combined diversion of up to the first 88 cfs of the natural flow of the Santa Ana River, as defined in paragraph 3(a)(7) below. Such diversion may include, without limitation, Water Users' diversion of water at rates sufficient to:

(i) equal the present and future treatment capacity of the Hinckley Treatment Plant or other water treatment plants used to deliver water for municipal and industrial purposes within Water Users' respective service areas, (ii) meet the irrigation demand from agricultural areas within Water Users' respective service areas, and (iii) satisfy other permitted uses of water as described in paragraphs 3(a)(1) and 3(a)(6) below. Nothing in this Agreement shall be interpreted to allow Water Users, under any circumstances, to divert water other than the first 88 cfs of the natural flow of the Santa Ana River.

(1) *"Run of the River" Basis for Diversions.* All diversions by Water Users from the Santa Ana River must be made on a "run of the river" basis (i.e., diversions for immediate delivery for beneficial use without storage of any kind, either above or below ground) for delivery within Water Users' combined service areas, *provided, however*, that Water Users may spread a portion of the natural flow of the Santa Ana River as provided in paragraph 4 below and may store a portion of the natural flow of the Santa Ana River as provided in paragraph 3(a)(6) below.

(2) *Natural Flow of the Santa Ana River.* The "natural flow of the Santa Ana River" is defined for purposes of this Agreement as the flow of the Santa Ana River in the Southern California Edison Company power conduit as measured downstream of Seven Oaks Dam, and the river pickup located downstream from Seven Oaks Dam and upstream from the afterbay of Southern California Edison Santa Ana River Powerhouse No. 3, less: (1) any releases from Bear Valley's Lake Account, and/or (2) any releases or spills from Big Bear Municipal Water District's Lake Account, as those accounts are defined in the 1977 judgment in *Big Bear Municipal Water District v. North Fork Water Company et al.* (San

Bernardino County Superior Court No. 165493) dated February 4, 1977, a copy of which is attached hereto as Exhibit C and incorporated herein by reference (the "**1977 Judgment**"). Water Users may divert up to the full 88 cfs using the combination of the Southern California Edison power conduit and the river pickup located downstream from Seven Oaks Dam and upstream from the afterbay of Southern California Edison Santa Ana River Powerhouse No. 3. The facilities described in this subparagraph are depicted in the map attached hereto as Exhibit D and incorporated herein by reference. If Southern California Edison sells or otherwise disposes of the power conduit system, Water User's right to divert the first 88 cfs of the natural flow of the Santa Ana River shall remain unaffected.

(3) *Water Users' Service Areas.* The Water Users' combined service areas are defined more precisely in Exhibit E, which is attached hereto and incorporated herein by reference.

(4) *Water Users' Points of Diversion.* Nothing in this Agreement is intended to prevent the Water Users from diverting water from points of diversion that they each respectively use at present. A list of such points of diversion is attached as Exhibit F and incorporated herein by reference. Water Users agree that Applicants may divert the water that is the subject of the Applications from Water Users' points of diversion, *provided* that Applicants may only divert water from Water Users' points of diversion during those times when there is diversion capacity available at those points of diversion which is excess to the needs of Water Users. Water Users shall execute the necessary documents, if any, to evidence full permission to Applicants to

divert water from Water Users' points of diversion, subject to the above restriction.

(5) *Cooperative Water Project Agreement Credits.* Nothing in this Agreement is to be construed as precluding Water Users from delivering water in a manner that generates Deferred Exchange Water Credits under the terms of the Santa Ana River-Mill Creek Cooperative Water Project Agreement (the "Cooperative Water Project Agreement").

(6) *Permitted Surface Storage.* Nothing in this Agreement shall: (i) preclude Bear Valley from storing water to the extent needed for system surface storage in the Mentone Reservoir at its present location to meet the needs/demands of its shareholders or (ii) preclude Bear Valley's shareholders from storing water in Crafton Reservoir at its present location to meet the needs/demands of its shareholders. Nothing in this Agreement is intended to interfere with Redlands' and East Valley's regulatory storage of potable water above ground prior to delivery of that water to retail or wholesale customers.

(7) *No Rights to Seven Oaks Reservoir.* Nothing in this Agreement shall be construed as granting Water Users any right to water that is conserved at Seven Oaks Reservoir or as granting Water Users any right to store water at Seven Oaks Reservoir; provided, however, Water Users may divert, at the Bear Valley River Pickup, up to 88 cfs of the natural flow of the Santa Ana River that is temporarily detained behind Seven Oaks Dam.

b. *Applicants' Diversion Rights.* Water Users shall not object to Applicants' diversion, pursuant to a permit or license issued by the SWRCB, of all water in the Santa Ana River in excess of the actual combined diversions

of Water Users, which, pursuant to paragraph 3(a) above, shall not exceed 88 cfs. Water Users shall have no claims to or rights in the water diverted by Applicants provided that nothing in this Agreement is to be construed as prohibiting Water Users from participating in programs developed or implemented by Applicants on the same terms and conditions as other water purveyors in the San Bernardino Valley.

4. *Groundwater Spreading Program.* Applicants, after consultation with Water Users, shall develop and manage a groundwater spreading program that is intended to maintain groundwater levels at the wells specified in Exhibit G at relatively constant levels, in spite of the inevitable fluctuations due to hydrologic variation. The groundwater spreading program shall identify target water level ranges in the specified wells and shall be subject to the requirement that such spreading not worsen the problem of high groundwater levels in the Pressure Zone. The determination of whether a particular action will worsen groundwater levels in the Pressure Zone shall be made using the integrated surface and groundwater models used by Applicants in the environmental impact report for the Applications, as those models may be refined in the future.

a. *Development and Implementation of Program.* Applicants shall adopt such an integrated management program within five years of the date on which the SWRCB grants Applicants a permit to divert water from the Santa Ana River. Water Users agree to limit spreading in the San Bernardino Basin Area so as to conform to an annual management plan adopted by Applicants that is consistent with the terms of this Agreement.

b. *Spreading by Water Users.* As part of the groundwater spreading program developed by Applicants, Bear Valley may, in lieu of a portion of its share of the 88 cfs of direct diversions of the natural flow of the Santa Ana River described in paragraph 3(a) above, divert up to a maximum collective total of 9 cfs for spreading at either the South Airport spreading basins and/or at the West Mill Creek spreading grounds. These spreading

grounds are shown on the map depicted in Exhibit H and incorporated herein by reference. The other Water Users, including but not limited to Redlands and East Valley, will also be able to participate in the spreading program by spreading a portion of their respective shares of the natural flows of the Santa Ana River within the 88 cfs limit described in paragraph 3(a) at the locations specified in Exhibit H. The maximum total spreading that may be done by all Water Users, in all locations at any given time, may not exceed a rate of 20 cfs, provided that such spreading shall not worsen high groundwater levels in the Pressure Zone as defined in paragraph 4 above. All spreading by Water Users is intended to be operated on a "put and take" basis with extractions occurring within one year of the date spread and Water Users shall report all spreading to Applicants on an annual basis for inclusion in the Watermaster's report pursuant to the *Western* Judgment identified in paragraph 7(c) below.

5. *Service of Water by Water Users.* In accordance with all applicable provisions of law, Water Users shall only deliver surface water or groundwater:

a. within Water Users' respective Service Areas as identified in Exhibit E, as modified from time to time in accordance with applicable law;

b. on a retail basis in areas outside Water Users' respective Service Areas where a Water User provides such service on a 365 day/year basis; or

c. on a non-retail basis outside Water Users' respective Service Areas and within the San Bernardino Basin Area, *provided that* if a Water User wishes to provide water on a non-retail basis outside its Service Area and within the San Bernardino Basin Area, it shall provide Applicants with at least 30 days' written notice of such proposed non-retail service. If Applicants do not object in writing to such proposed non-retail service within 15 days from the date of the notice, the Water User may proceed with such non-retail service of water. If Applicants object to such

proposed non-retail service, Applicants and the Water User shall promptly meet to consider whether the provision of non-retail water service would reduce or interfere with the diversion of water by Applicants. If the integrated groundwater/surface water model referred to in paragraph 4 above shows that the proposal for non-retail service would not have any impacts on the location, timing, quantity, spreading or other characteristic of Applicants' diversions, then the Water User may implement the proposal. In all other cases, the proposal for non-retail service shall only be implemented with the prior written consent of Applicants, which shall not be unreasonably withheld or unduly delayed.

6. *Banking and Exchanges.*

a. *By Water Users.* Save in cases of emergencies, water diverted by Water Users may only be wheeled, banked, exchanged or transferred, directly or indirectly, in lieu or otherwise in the manner allowed by the Cooperative Water Project Agreement.

b. *By Applicants.* Water Users acknowledge that Applicants intend to bank and/or exchange substantial quantities of native Santa Ana River water for water imported from the State Water Project or other sources of imported or native water pursuant to a comprehensive program for water banking and/or exchanges in the San Bernardino Valley and elsewhere in Southern California that includes, but is not limited to, the groundwater spreading plan described in paragraph 4 above, and that is not inconsistent with the terms of this Agreement.

c. *Pursuant to Applicants' Program.* Water Users acknowledge that Applicants intend to develop a comprehensive program for water banking and/or exchanges in the San Bernardino Valley and elsewhere in Southern California that includes, but is not limited to, the groundwater spreading plan described in paragraph 4 above. Water Users may participate in such

comprehensive water banking/exchange program on the same terms as other water purveyors.

d. *Definition of Emergency.* For purposes of this Agreement, the term "**emergency**" shall be defined as provided in California Code of Regulations, title 14, section 15359.

7. *State Project Water.* Applicants reserve the right to store State Water Project water in Seven Oaks Reservoir, either in conjunction with or separately from, the storage of conserved water from the Santa Ana River system. Water Users will not object to such storage of State Water Project water in Seven Oaks Reservoir to the extent that such storage is not inconsistent with the terms of this Agreement.

8. *Water Subject to Agreement.* This Agreement addresses the Parties' use of raw water (including surface water, non-contaminated groundwater and groundwater treated to remove contaminants) and potable water. Nothing in this Agreement shall be construed to regulate the Parties' use of recycled municipal wastewater.

9. *Relationship to Other Agreements and Judgments.*

a. *Cooperative Water Project Agreement.* Nothing in this Agreement is intended to modify the rights of the Parties under the Cooperative Water Project Agreement.

b. *Agreements Among Water Users.* Nothing in this Agreement is intended to modify the rights of Water Users among themselves.

c. *Judgments.* Nothing in this Agreement is intended to modify the rights of the Parties under the terms of the 1977 Judgment or the judgments in *Orange County Water District v. City of Chino et al.* (Orange County Superior Court, Case No. 117628, April 17, 1969) and *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969).

10. *No Admissions.* Nothing in this Agreement shall be construed as an admission by any Party regarding any subject matter of this Agreement, including but not limited to the water rights of the Parties. The Parties agree that Evidence Code sections 1152 and 1154 render this Agreement inadmissible as evidence against any of the Parties in any adjudicative proceeding, except a proceeding to enforce or interpret the terms or conditions of this Agreement and/or the terms or conditions of a permit or permits issued to Applicants by the SWRCB pursuant to the Applications. In particular, nothing in this Agreement shall be construed as an admission by Applicants relating to the priority, nature, quantity or other characteristic of the water rights claimed by Water Users or a waiver of any contentions by Applicants relating to Water Users' claimed water rights.

11. *Preservation of Rights.* The Parties agree that this Agreement is in settlement of water right disputes and preserves all rights of the Parties as they may exist as of the Effective Date of this Agreement. Nothing in this Agreement is to be construed as altering the priorities or entitlements of Water Users among themselves to water from the Santa Ana River.

12. *Administration of Agreement*

a. *Recordation of Agreement.* Applicants shall, within ten days of the Effective Date of this Agreement, cause this Agreement to be recorded in the Official Records of the County of San Bernardino. Applicants shall provide Water Users with recorded copies of this Agreement promptly upon the receipt of such copies from the County of San Bernardino.

b. *Books and Records.* Each Party shall have access to and the right to examine any of the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement. The Parties shall each retain all such books, documents, papers or other records to facilitate such review. Access to

each Party's books and records shall be during normal business hours only. Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

c. *Disputes*. The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree that they may attempt to resolve disputes as follows:

(1) *Statement Describing Alleged Violation of Agreement.* A Party or Parties alleging a violation of this Agreement (the "**Initiating Party(ies)**") shall provide a written statement describing all facts that it believes constitute a violation of this Agreement to the Party(ies) alleged to have violated the terms of this Agreement (the "**Responding Party(ies)**").

(2) *Response to Statement of Alleged Violation.* The Responding Party(ies) shall have sixty days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party(ies) or to cure the alleged violation to the reasonable satisfaction of the Initiating Party(ies). The Initiating Party(ies) and the Responding Party(ies) shall then meet within thirty days of the date of the response to attempt to resolve the dispute amicably.

(3) *Mediation of Dispute.* If the Initiating Party(ies) and the Responding Party(ies) cannot resolve the dispute within ninety days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by a Director or Trustee. These representatives of the Initiating Party(ies) and the Responding Party(ies) may consult

with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be divided evenly between the Initiating Party(ies) and the Responding Party(ies).

(4) *Reservation of Rights.* Nothing in this paragraph 12 shall require a Party to comply with the dispute resolution process contained herein and each Party retains and may exercise at any time all legal and equitable rights and remedies it may have to enforce the terms of this Agreement; provided, that prior to commencing litigation, a Party shall provide at least five calendar days' written notice of its intent to sue to all Parties.

13. *Implementation of Agreement.* This Agreement shall become effective upon its approval by Muni, Western, Redlands, Bear Valley Mutual Water Company, and East Valley. Other Parties identified above shall have 90 days from the Effective Date to execute this Agreement.

14. *Environmental Impact Report.* Applicants shall include thresholds of significance and mitigation measures in substantially the form set forth in Exhibit I in their environmental impact report for the Applications.

15. *General Provisions.*

a. *Authority.* Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendment.* This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for

its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

d. *Headings.* The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

e. *Construction and Interpretation.* This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

f. *Entire Agreement.* This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

g. *Partial Invalidity.* If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

h. *Successors and Assigns.* This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this

Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

i. *Waivers*. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

j. *Attorneys' Fees and Costs*. The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.

k. *Necessary Actions*. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

l. *Compliance with Law*. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

m. *Third Party Beneficiaries*. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

n. *Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

o. *Notices*. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given

and received on: (i) the date of service if served personally or served by facsimile transmission on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

BEAR VALLEY MUTUAL WATER COMPANY:

Bear Valley Mutual Water Company
101 E. Olive Avenue
Redlands, CA 92373
(909) 793-4901
(909) 793-7073 (FAX)
Attn: General Manager

CITY OF REDLANDS:

City of Redlands
35 Cajon Street
Redlands, CA 92373
(909) 798-7533
(909) 798-7535 (FAX)
Attn: Municipal Utilities Director

EAST VALLEY WATER DISTRICT:

East Valley Water District
1155 Del Rosa Avenue
P.O. Box 3427
San Bernardino, CA 92413
(909) 885-4900
(909) 889-5732 (FAX)
Attn: General Manager

LUGONIA WATER COMPANY:

Lugonia Water Company
101 E. Olive Avenue
Redlands, CA 92373
(909) 793-4901
(909) 793-7073 (FAX)
Attn: General Manager

NORTH FORK WATER COMPANY

North Fork Water Company
1155 Del Rosa Avenue
P.O. Box 3427
San Bernardino, CA 92413
(909) 885-4900
(909) 889-5732 (FAX)
Attn: General Manager

REDLANDS WATER COMPANY

Redlands Water Company
101 E. Olive Avenue
Redlands, CA 92373
(909) 793-4901
(909) 793-7073 (FAX)
Attn: General Manager

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT:

San Bernardino Valley Municipal Water District
1350 S. "E" Street (92408-2725)
P. O. Box 5906 (92412-5906)
San Bernardino, CA
(909) 387-9222
(909) 387-9247 (FAX)
Attn: General Manager

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY:

Western Municipal Water District of Riverside County
450 Alessandro Boulevard
Riverside, CA 92508
(909) 789-5000
(909).780-3837 (FAX)
Attn: General Manager

BEAR VALLEY MUTUAL WATER COMPANY

By: _____
Robert A. Hinze
President, Board of Directors

Attest:

By: _____
Charlotte L. Van Eck
Secretary

CITY OF REDLANDS

By: _____
Susan Peppler
Mayor

Attest:

By: _____
Lorrie Poyzer
City Clerk

EAST VALLEY WATER DISTRICT

By: _____
George E. (Skip) Wilson
President, Board of Directors

LUGONIA WATER COMPANY

By: _____
David B. Knight
President

Attest:

By: _____
Charlotte Van Eck
Secretary

NORTH FORK WATER COMPANY

By: _____
Arnold Wright
President, Board of Directors

REDLANDS WATER COMPANY

By: _____
Joseph P. Buoye
President, Board of Directors

Attest:

By: _____
Charlotte L. Van Eck
Secretary

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Patrick Milligan
President, Board of Directors

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

By: _____
Wayne Holcomb
President, Board of Directors

List of Exhibits

Exhibit	Title
A	Form of Letter to the State Water Resources Control Board From Water Users Withdrawing Water Users' Protests
B	Form of Letter to the State Water Resources Control Board From Water Users Supporting the Issuance of Permits to Applicants (includes list of permits)
C	Judgment in *Big Bear Municipal Water District v. North Fork Water Company et al.* (San Bernardino Superior Court, No. 165493, February 4, 1977).
D	Map of Santa Ana River Facilities
E	Water Users' Service Areas
F	Water Users' Points of Diversion
G	SBBA Index Wells
H	Map of Water Users' Spreading Grounds
I	Thresholds of Significance and Mitigation Measures to be Included in Applicants' EIR

EXHIBIT A

Arthur G. Baggett, Jr.
Chairman
State Water Resources Control Board
1101 I Street
Sacramento, California 95814

Re: Withdrawal of Protest by _____
Application Nos. 31165 and 31370
Santa Ana River, San Bernardino County

Dear Chairman Baggett:

_____ ("Protestant") has filed protests against Application Nos. 31165 and 31370 which have been filed with the State Water Resources Control Board (the "SWRCB") by San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County ("Applicants"). Protestant and Applicants have now approved a settlement agreement that resolves all of the matters that were the subjects of Protestant's objections to Application Nos. 31165 and 31370. Protestant, accordingly, hereby withdraws its protests to Application Nos. 31165 and 31370. A copy of that executed settlement agreement is enclosed with this letter.

Please feel free to call if you or your staff have questions regarding this withdrawal of protests.

Very truly yours,

ENIBIT B

Arthur G. Baggett, Jr.
Chairman
State Water Resources Control Board
1101 I Street
Sacramento, California 95814

Re: Letter of Support by _____
Application Nos. 31165 and 31370
Santa Ana River, San Bernardino County

Dear Chairman Baggett:

_____ ("Protestant") has filed protests against Application Nos. 31165 and 31370 (collectively, the "Applications") which have been filed with the State Water Resources Control Board ("SWRCB") by San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County (collectively, "Applicants"). Protestant and Applicants have now approved and executed a settlement agreement that resolves all of the matters that were the subjects of Protestant's objections to the Applications.

Protestant hereby supports the SWRCB's issuance of permits to Applicants for the diversion and storage of the full quantities of water from the Santa Ana River identified in the Applications. Protestant also supports the issuance of all other permits or other regulatory approvals that may be necessary for Applicants to implement their plans to divert water from the Santa Ana Rive, including seasonal water conservation at Seven Oaks Dam and Reservoir, as reflected in the Applications.

Please feel free to call if you or your staff have questions regarding this letter in support of the Applications.

Very truly yours,

Permits Potentially Required for Water Conservation at Seven Oaks Dam

The following is a list of permits that may, depending upon site-specific circumstances, be required in order for the Applicants to implement their plans for seasonal water conservation at Seven Oaks Dam. Applicants will identify necessary permits after the completion of the Final EIR on seasonal water conservation.

Agency	*Permits/Approvals*
U.S. Army Corps of Engineers	• Approval for any physical alterations to Seven Oaks Dam and its operations, including seasonal water conservation • Approval for new pipelines to connect to facilities of Seven Oaks Dam • Permits/approvals per Section 404 of the Clean Water Act (for the discharge of dredged and fill material into waters of the United States) • Permits/approvals per Section 10 of the Rivers and Harbors Act (for construction in waterways) • Compliance with the National Environmental Policy Act (in conjunction with other Federal agencies)
U.S. Fish and Wildlife Service	• Permits/approvals per the Federal Endangered Species Act, Fish & Wildlife Coordination Act, Migratory Bird Treaty Act and similar statutes (including, if needed, incidental take permits)
U.S. Forest Service	• Access agreements/permits for construction within the San Bernardino National Forest and other compliance with applicable Forest Plan(s) • Special use permit for water conservation at Seven Oaks Dam
California State Water Resources Control Board	• Approval of Muni/Western water rights applications 31165 and 31370 • Clean Water Act Section 401 certification for all federal permits
Santa Ana Regional Water Quality Control Board	• Clean Water Act Section 401 certification for water quality/stormwater runoff during construction • National Pollutant Discharge Elimination System (NPDES) permit for ongoing pipeline cleaning and maintenance activities
California Department of Fish and Game	• Section 2081 and other permits per the California Endangered Species Act, the Fully Protected Species Act, the Natural Communities Conservation Program Act, and similar statutes (including, if needed, incidental take permits) • Section 1602 Streambed Alteration Agreement • Compliance with Section 5937 and similar statutes requiring that fish be kept in good condition below a dam or reservoir

Agency	*Permits/Approvals*
State Historic Preservation Officer	• Consultation per Section 106 of the National Historic Preservation Act
South Coast Air Quality Control Board	• Permit to Construct • Approval of the fugitive dust emissions plan
County of San Bernardino	• Road Encroachment and Closure permit • Flood Control Right-of-Way (for construction in the floodplain) • Soil Erosion and Sediment Control Permit
City of Highland	• Grading permits • Road encroachment and closure permits
City of Rialto	• Grading permits • Road encroachment and closure permits
San Bernardino Flood Control District, Orange County Flood Control District, and Riverside County Flood Control and Water Conservation District (Local Sponsors of Seven Oaks Dam)	• Encroachment permits and access agreements • Agreement(s) to implement seasonal water conservation at Seven Oaks Dam
Metropolitan Water District of Southern California	• Encroachment permits and access agreements • Exchange agreement (Attachment 5 to Coordinated Operating Agreement for Conveyance Facilities and State Water Project Supplies)

EXHIBIT C

Original Filed

FEB 7 1977

V. Dennis Wardle
County Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

BIG BEAR MUNICIPAL WATER DISTRICT, Plaintiff v. NORTH FORK WATER COMPANY et al., Defendants	No. 165493 JUDGMENT

This action having been pending on appeal from a prior judgment of this Court, and the parties having stipulated to a form of judgment disposing of the issues raised by the complaint, and the Court of Appeal, pursuant to stipulation, having remanded the case for proceedings in accordance with said Stipulation for Judgment, and good cause appearing

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

I. DEFINITIONS AND EXHIBITS

1. Definitions. As used in this judgment, the following terms shall have the meanings herein set forth:

(a) Basin Make-up Water. Water provided by District to

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ATTORNEY AT LAW
33 BUSINESS CENTER
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replace water lost to San Bernardino Basin by reason of operations under terms of the physical solution herein.

(b) Bear Creek. That certain tributary of the Santa Ana River rising in Upper Bear Creek Watershed and flowing past the Dam and down to the confluence of said creek and river, all as shown on Exhibit "A".

(c) Confluence. The point at which Bear Creek joins the Santa Ana River, as shown on Exhibit "A".

(d) Conservation District. San Bernardino Valley Water Conservation District.

(e) Dam. The multiple-arch concrete dam constructed in 1911 at the location shown on Exhibit "A".

(f) District. Big Bear Municipal Water District.

(g) Division Box. The structure at the discharge from Power Plant No. 3, where Mutual divides the flow from the Edison Conduit between the North Fork and Redlands Canals.

(h) Edison. Southern California Edison Company.

(i) Edison Diversion. The works and facilities of Edison at the Confluence used to divert water into the Edison Conduit.

(j) Edison Conduit. The canal, pipeline and tunnels extending from the Edison Diversion, through Power Plants Nos. 1, 2 and 3 to the High Line and Division Box.

(k) Fiscal Year. July 1 to June 30, following.

(l) In Lieu Water. Water which is to be provided pursuant to the Physical Solution to Mutual by District, without cost to Mutual, in lieu of releases of Lake water.

(m) Lake. Big Bear Lake, being the body of water

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ATTORNEY AT LAW
[illegible] BUSINESS CENTER
DRIVE

impounded by the Dam.

(n) Lake Storage Right. The right of Mutual to use the full storage capacity of the Lake for storage of water diverted at the Dam, pursuant to Mutual's appropriative right, which storage right was expressly reserved by Mutual in its conveyance of the Lake Properties to Bear Valley Mutual Water Company Partial Liquidation Trust.

(o) Mill Creek Exchange. The Santa Ana River-Mill Creek Cooperative Water Project Agreement, dated May 3, 1976, as amended from time to time.

(p) Mouth of the Canyon. The location at which the Santa Ana River passes from its mountain canyon onto the alluvial valley overlying San Bernardino Basin, as shown on Exhibits "A" and "C".

(q) Mutual. Bear Valley Mutual Water Company.

(r) Mutual's Lake Water Operations. The calculated, hypothetical account of operation of the lake under conditions of In Lieu Water deliveries pursuant to the physical solution herein, which account shall be maintained by Watermaster in accordance with Watermaster Criteria.

(s) North Fork Agreement. That certain agreement dated May 23, 1885, between Bear Valley Land and Water Company and North Fork Water Company, attached as Exhibit "E".

(t) Prior Right Agreements. Collectively, the North Fork Agreement and the Sunnyside Agreement, Exhibits "E" and "F".

(u) Prior Right Companies. Collectively, North Fork Water Company, Lugonia Water Company and Redlands Water

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ATTORNEY AT LAW
MB BUSINESS CENTER
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IRVINE, CALIF. 92715

Company.

(v) San Bernardino Basin. The ground water basin underlying the San Bernardino Valley above the Bunker Hill Fault and downstream from the Mouth of the Canyon.

(w) Sunnyside Agreement. That certain agreement dated February 27, 1886, between The Shareholders in South Fork Ditch of the Santa Ana River, Sunnyside Division, and Bear Valley Land and Water Company, attached as Exhibit "F".

(x) Upper Bear Creek Watershed. The surface drainage area tributary to the Dam and drained by Bear Creek and its tributaries, as shown on Exhibit "A".

(y) Upper Santa Ana River Watershed. The surface drainage area tributary to the Edison Diversion on the Santa Ana River, as shown on Exhibit "A".

(z) Watermaster Criteria. The detailed engineering criteria, set forth in Exhibit "D".

Geographical Names, not otherwise defined herein, are used with reference to their appearance on Exhibits "A", "B" and "C".

2. Exhibits. The following exhibits are attached to this Judgment and by this reference are made a part hereof:

"A" -- General Location Map.

"B" -- Hydrologic Map of Upper Bear Creek Watershed.

"C" -- Map showing diversion facilities and relevant system of Mutual.

"D" -- Watermaster Operating Criteria.

"E" -- North Fork Agreement.

"F" -- Sunnyside Agreement.

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ATTORNEY AT LAW
881 BUSINESS CENTER DRIVE
IRVINE, CALIF. 92715
(714) 752-0471

II. DECLARATIONS

A. HYDROLOGY

3. Upper Bear Creek Watershed is commonly known as Bear Valley. Its surrounding mountains rise to elevations of 8500 feet, and the watershed extends down to the Dam at elevation 6743 feet. Said watershed is drained by Bear Creek and its tributaries. Immediately easterly of Upper Bear Creek Watershed is the watershed of Baldwin Lake. The dominant geographic feature in Upper Bear Creek Watershed is the Lake, which has existed continuously since 1883. Surrounding the Lake are several mountain communities, the largest of which is Big Bear Village, situate on the southerly border of the Lake. Easterly of Big Bear Village and within Baldwin Lake Watershed is Big Bear City. Domestic water service in Upper Bear Creek Watershed is provided by Southern California Water Company, a public utility, Big Bear City Community Services District, and through individual domestic wells. All of the privately-held lands in Upper Bear Creek Watershed lie within the boundaries of District.

4. Early Santa Ana River Diversions. The earliest appropriations of water from the Santa Ana River commence in 1856 from the Santa Ana River as it traversed San Bernardino Basin. Two successor diversions developed by progressive moving of canal and diversion facilities upstream to the Mouth of the Canyon, from which the North Fork Canal distributed water northwesterly into San Bernardino Basin and the Sunnyside Ditch distributed water southwesterly to the vicinity of Redlands. Above these canals there subsequently developed ancillary facilities to serve higher ground through the Edwards Canal and High Line, respectively. The

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North Fork and Sunnyside diversions had established and claimed rights to substantially the entire surface flow of the Santa Ana River at the Mouth of the Canyon by 1883, when the predecessors of Mutual undertook to build the original dam at the Lake. In order to preserve the prior appropriative rights of the North Fork and Sunnyside diversions, Mutual's predecessors entered into the Prior Right Agreements, which agreements are still in effect.

5. Mutual's Diversion Practices. Mutual has multiple sources of supply, but its major, historic source is and has been stream flow from the Santa Ana River at the Edison Diversion, the supplementing of flows between the Edison Diversion and Mouth of the Canyon, and releases by Edison onto the High Line and to the Division Box. From the end of the Edison Conduit delivery is made through the Edwards and North Fork Canals and the Redlands Canal and High Line to satisfy the rights of Prior Right Companies and to meet the needs of Mutual's irrigation shareholders. The diversion facilities utilized by Mutual are shown on Exhibit "C".

6. District's Water Supply. District and its inhabitants rely entirely upon the precipitation and runoff within Upper Bear Creek Watershed for their water supplies for direct use and for recharge of the several small ground water basins in said watershed. District does not have physical, or economically-feasible, access to significant supplies of supplemental nontributary sources of water. Although some inhabitants of District have riparian, overlying and appropriative rights to waters of Upper Bear Creek Watershed, neither District nor its inhabitants have any rights to water in storage in the Lake, or the right to store water in the Lake except to the extent that there is surplus

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storage capacity in the Lake not utilized by Mutual.

B. DECLARATION OF RIGHTS

7. Mutual. Mutual is the owner of an appropriative right, with the priorities of 1883 and 1909, to divert at the Dam and store in the Lake for subsequent release and beneficial use within Mutual's service area of all of the flow of Bear Creek at the Dam and Lake. Said diversion shall be at such rate as may be reasonably necessary to meet the requirements of Mutual's stockholders, not exceeding 65,000 acre feet in any ten (10) year period, as determined by the Board of Directors of Mutual in its sole discretion. Said rights have become prescriptive in nature as to all water right claimants downstream from the Dam, excepting only the rights of Prior Right Companies.

8. Prior Right Companies. Prior Right Companies, as the successors to the earliest diversion rights at the Mouth of the Canyon, are the owners of the prior appropriative rights confirmed by the Prior Right Agreements, which contractual rights constitute a burden and charge upon the said appropriative right of Mutual. The exact nature, scope and extent of the rights of prior right companies are set forth in said Prior Right Agreements (Exhibits "E" and "F"), and said agreements are hereby confirmed and shall remain otherwise unimpaired by the declarations and determination of this Judgment.

9. Conservation District. Conservation District owns an appropriative right to divert and spread storm flows of the Santa Ana River at and below the Mouth of the Canyon, for the benefit of water right claimants within Conservation District. Said rights are derived from and based upon

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License No. 2831, Permit No. 2488 (0300 acre feet) and License No. 2832, Permit No. 2593 (2100 acre feet), issued by the Division of Water Rights of the California Water Resources Control Board, and from a prior statutory filing by Conservation District's predecessors dated October 6, 1911.

10. San Bernardino Basin Producers within the boundaries of Conservation District have rights in and to the safe yield of said San Bernardino Basin. Said safe yield is dependent, in part, on the flow of the river at the Mouth of the Canyon and return flows from applied water delivered by Mutual to its stockholders for use overlying the Basin. Both of said sources have historically included, from time to time, waters released from Upper Bear Creek Watershed through or over the Dam.

11. District. District owns the Dam and reservoir behind it, subject to the right of Mutual to store water in the Lake, pursuant to its appropriative right. To the extent that, at any time, there is surplus storage capacity in the reservoir not utilized by Mutual, District has the right to store water therein, including water acquired by reason of operation of the physical solution herein decreed or from any source or sources other than the surface flow of Bear Creek and its tributaries, or from non-tributary streams provided such non-tributary water has been diverted into the Lake by Mutual.

III. INJUNCTIONS

12. Against District. District, its officers, agents and employees are hereby ENJOINED AND RESTRAINED from interfering with

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the release of water from the Lake to meet the requirements of Mutual, except in compliance with the physical solution hereinafter decreed.

IV. CONTINUING JURISDICTION

13. Continuing Jurisdiction. Full jurisdiction, power and authority are retained and reserved to the Court for the purpose of enabling the Court, upon application of any party by motion and upon 30 days' notice hereof, and after hearing thereon, to make such further and supplemental orders or directions as may be necessary or appropriate for interpretation, enforcement or carrying out this Judgment. The Court may award attorneys' fees to the prevailing party in any further proceedings, pursuant to this paragraph.

V. WATERMASTER

A. APPOINTMENT AND COMPOSITION

14. Watermaster Committee. The Court will appoint a Watermaster Committee, by subsequent order, in accordance with the following procedure:

(a) Nominations. On or before sixty (60) days after entry of judgment herein, nominations shall be submitted by a separate pleading filed herein. For said purpose, one nominee each shall be submitted by District, Mutual and Conservation District.

(b) Appointment. The three nominees, if acceptable to the Court, will thereupon be appointed by such subsequent order.

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(c) Term. Watermaster representatives shall serve for terms of five (5) years, unless sooner removed by the Court on its own motion or at the request of the party nominating any such Watermaster representative.

(d) Watermaster Action. Said Watermaster members, acting as a committee, shall be and constitute the Watermaster, for purposes of administering the provisions of this Judgment and subsequent orders of the Court. Action of a majority of Watermaster members shall constitute action of Watermaster.

B. POWERS AND DUTIES

15. Powers and Duties. Subject to the continuing supervision and control of the Court, Watermaster shall have and may exercise the express powers, and shall perform the duties, as provided in this Judgment or hereafter ordered or authorized by the Court in the exercise of the Court's continuing jurisdiction.

16. Rules and Regulations. Watermaster shall make and adopt appropriate rules and regulations for conduct of Watermaster affairs, including meeting schedules and procedures. Said rules and regulations shall be submitted to and approved by the Court. Thereafter, Watermaster may amend said rules from time to time, upon notice to all parties and with the approval of the Court. A copy of said rules and regulations, and of any amendments thereof, shall be mailed to each party.

17. Studies. Watermaster shall undertake such studies and investigations and collect and maintain such hydrologic and other data and records as are necessary to implement the Physical Solution herein.

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18. Accounting. Watermaster shall make calculations and maintain accounts to reflect both actual operation of Big Bear Lake and Mutual's Lake Water Operations. Said accounts shall be maintained in accordance with Watermaster Criteria.

19. Watermaster Expenses. Each party shall pay the costs and expenses of the representative of such party on Watermaster. The obligation for and cost of making measurements and accumulating basic data shall be assumed and paid as follows:

(a) At and upstream from Dam -- District.

(b) Downstream from Dam -- Mutual and Conservation District, in shares to be agreed upon from time to time.

New or additional measurements, relevant hydrologic studies or other activities of Watermaster involving significant cost shall be paid pursuant to unanimous agreement entered into before such costs are incurred. In the absence of agreement, the Court will, by subsequent order, allocate any necessary common Watermaster expenses.

20. Reports. Watermaster shall prepare, serve on all parties and file with the Court an annual report on or before April 1 of each year, which shall set forth the accounting for water under the Physical Solution, and a report on all significant Watermaster activity during the preceding calendar year.

21. Review Procedures. All actions, decisions or rules of Watermaster shall be subject to review by the Court on its own motion or on timely motion by any party or Watermaster member, as follows:

(a) Effective Date of Watermaster Action. Any action,

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decision or rule of Watermaster shall be deemed to have occurred or been enacted on the date on which written notice thereof is mailed. Mailing of copies of approved Watermaster minutes to the parties shall constitute such notice to all parties.

(b) Noticed Motion. Any party or Watermaster member may, by a regularly noticed motion, apply to the Court for review of any Watermaster's action, decision or rule. Notice of such motion shall be mailed to Watermaster and to all parties. Unless otherwise ordered by the Court, such motion shall not operate to stay the effect of such Watermaster action, decision or rule.

(c) Time for Motion. Notice of motion to review any Watermaster action, decision or rule shall be served and filed within ninety (90) days after such Watermaster action, decision or rule.

(d) De Novo Nature of Proceedings. Upon the filing of any such motion, the Court shall require the moving party to notify the parties and Watermaster of a date for taking evidence and argument. On the date so designated, the Court will review de novo the question at issue. Watermaster's findings or decision, if any, may be received in evidence at said hearing, but shall not constitute presumptive or prima facie proof of any fact in issue.

(e) Decision. The decision of the Court in such proceeding shall be an appealable supplemental order in this case. When the same is final, it shall be binding upon the Watermaster and all parties.

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VI. PHYSICAL SOLUTION

23. Need For Physical Solution. There exists a need for additional water for recreational and wildlife enhancement purposes within District. There is not an economically feasible source of supplemental water available to meet the needs of District and its inhabitants for such purposes. Any such use by District of the waters in storage in the Lake will be junior to the declared rights of Mutual and other defendants herein. Supplemental sources of water may, from time to time, be available within defendants' areas of use (other than Edison), but are more expensive than waters which might be diverted from storage in the Lake. In order to assure the maximum beneficial use of waters of the State, in accordance with the mandate Article X Section 2 of the Constitution, it is appropriate that the Court adopt a physical solution herein.

24. General Plan of Operation. In general terms, the physical solution hereafter decreed will provide for retention of waters of Bear Creek in the Lake by reason of delivery of In Lieu Water to Mutual's system. The costs of In Lieu Water and Basin Make-up Water shall be borne solely by District as consideration for the right to retain an equivalent quantity of stored water in the Lake for District's account.

25. District's Right to Provide In Lieu Water. District shall have the right to provide In Lieu Water to Mutual, at District's sole expense, to be delivered into Mutual's system at locations designated by Mutual, as a condition of retaining in the

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Lake water which would otherwise be required by Mutual for its use. Such In Lieu Water may be provided from any one or more of the following sources, or any other source usable for Mutual's purposes, and of comparable quality to waters released or subject to release from the Lake:

(a) Wells in San Bernardino Basin owned by Mutual.

(b) Third party wells or other sources, which are available under contract, lease or other arrangements with Mutual.

(c) Exchange water under the Mill Creek Exchange.

(d) State Project Water.

Provided, that Watermaster shall determine whether production of ground water pursuant to subparagraphs (a) or (b) hereof will hav an unreasonable and adverse effect on water levels in any adjacen wells. In the event of such finding, Watermaster may prohibit us of such well or wells for production of In Lieu Water until Watermaster determines that such adverse effect is eliminated.

Provided, moreover:

(e) High Line Obligation. Because of the requirements by Mutual for delivery of water through its High Line and to the Edwards Canal, it is necessary that a minimum of 12 cfs be diverted into the Edison Conduit from all sources, including Santa Ana River and Bear Creek water at the Edison Diversion, canyon wells and surface inflow between the Ediso Diversion and the Mouth of the Canyon. To the extent that said supplies fall below 12 cfs at the forebay of Edison Power House No. 3, being the start of the High Line, Distric shall release water to make up any deficiency therein from

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water in storage in the Lake. Said High Line obligation shall supersede District's In Lieu Water right unless and until In Lieu Water can be provided by District to meet said High Line requirements from other sources.

(f) Dry Year Releases. In the event, by reason of natural disaster or extreme drought, or otherwise, Mutual is unable to meet its obligation under the Prior Right Agreements to Prior Right Companies, and there exists water in storage in the Lake which is not otherwise available to Mutual, District shall make such releases as are necessary t enable Mutual to meet said Prior Right obligations. In such event, District shall acquire a right to replacement of suc quantities in the Lake for its account from the next natural inflow to the Lake, which would otherwise be credited to Mutual.

26. Basin Make-up Water. District's lake stabilization operations by exercise of its in lieu right may have some adverse impact on the supplies of water to the San Bernardino Basin.

27. Procedures for In Lieu Water. In the operation of District's In Lieu right, the following procedures shall be followed:

(a) District's Election to Provide In Lieu Water. District shall, on or before April 15 of each year, notify Mutual of District's intent to provide In Lieu Water during the following fiscal year, and shall designate the maximum amount it is prepared to so provide. District may, during any year, on ninety (90) day written notice, amend or modify the amount of In Lieu Water so specified.

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(b) Mutual's Order. At such time as Mutual's board, in its sole discretion, may determine that it requires the release of water from the Lake for the use of Mutual and the Prior Right Companies, Mutual shall notify District and, to the extent that District has indicated an intent to provide In Lieu Water, Mutual shall reasonably cooperate with, and give assistance to District in obtaining water from In Lieu Water sources. Any Lake water required by Mutual and not supplied by In Lieu Water shall be provided by District by Lake releases on at least 12 hours' notice by Mutual.

(c) Costs. Costs of In Lieu Water obtained by Mutual on behalf of District shall include all actual operating, maintenance and administrative costs attributable, in good accounting practice, to the acquisition of such In Lieu Water. Said costs shall also include pump tax applicable to such water, if any. In the event any well, pump, motor, booster pump or pipeline of Mutual used for production or delivery of In Lieu Water is required to be replaced at a time when such facility is being used for the production or delivery of In Lieu Water, District shall advance the cost of replacing such item; provided, however, that at the end of ten years after the completion of such replacement Mutual will reimburse District that percentage of the cost of such replacement which the number of hours said facility has been used by Mutual for its account during such ten-year period bears to the total number of hours such facility has been used during the ten-year period, plus interest on such amount at the rate of six percent (6%) per annum. In the event an

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such facility is being used by Mutual for its own account at the time of such replacement, Mutual shall pay such replacement cost and shall be reimbursed by District in the same manner as provided above. All such replacement facilities shall be and remain the property of Mutual.

(d) Payment. Any costs incurred by Mutual with relation to In Lieu Water deliveries shall be paid by District within thirty (30) days of receipt of approved billing therefor. All bills for such In Lieu Water shall be submitted to and approved by Watermaster, provided, however, that Watermaster may, if it deems it to be appropriate, require District to maintain on deposit reasonable sums to insure advance payment of current costs in order to relieve Mutual of any financial burden in connection with said In Lieu Water.

28. Procedure for Basin Make-up Water. Watermaster shall annually calculate the net amount of these various adjustments. District shall be obligated to periodically balance any resulting net deficiencies in recharge to the San Bernardino Basin as Watermaster shall determine. Balancing of any deficiency in said account shall occur at least once in each ten (10) year period, the time of delivery within said period to be at the option of District; provided, that in no event shall such negative impact be allowed to exceed 15,000 acre feet; provided, further, that if the net deficiency exceeds 10,000 acre feet, District shall reduce the net deficiency to at least 10,000 acre feet within the succeeding two (2) years; provided, however, that District shall, at the election of Conservation District on or before January 1, 1981,

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reimburse Conservation District for the cost of up to 10,000 acre feet of replenishment water, at not to exceed the Mill Creek Exchange price to members. Such payment shall result in an equivalent credit to District's account for Basin Make-up Water. To the extent practical, recharge will be directed to the sub-basins of San Bernardino Basin proportionally to the pattern of extraction of In Lieu Water hereunder.

29. Accounting. Watermaster shall maintain three basic accounts, in accordance with Watermaster Operating Criteria, as follows:

(a) District's Lake Water Operation. A detailed account to reflect actual operation of the Lake by District shall be maintained.

(b) Mutual's Lake Water Operations. In addition, a corollary account shall be maintained to simulate the effect of Mutual's operations with regard to Lake water under the In Lieu Water operations.

(c) Basin Make-up Account. An account of District's annual and cumulative obligation for Basin Make-up Water shall also be maintained.

30. District's Obligation to Maintain Dam. Pursuant to District's stipulation and agreement, District shall perpetually maintain and protect the Dam and Lake to preserve and maintain the existing usable storage capacity of the Lake and shall comply with all dam safety regulations of the State of California or other appropriate public authority. No excavation or filling of the Lake or any part thereof shall be done within 500 feet of the Dam, except as necessary for repair, maintenance or replacement of the

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Dam.

31. District to Hold Mutual Harmless. District shall hold Mutual free and harmless from any and all liability, cost or expense (including attorney's fees) arising from District's operation of the Lake pursuant to the Lake Surface Rights, and shall cause Mutual to be named as an additional insured on any public liability insurance policies which District may obtain covering its operation of the Lake.

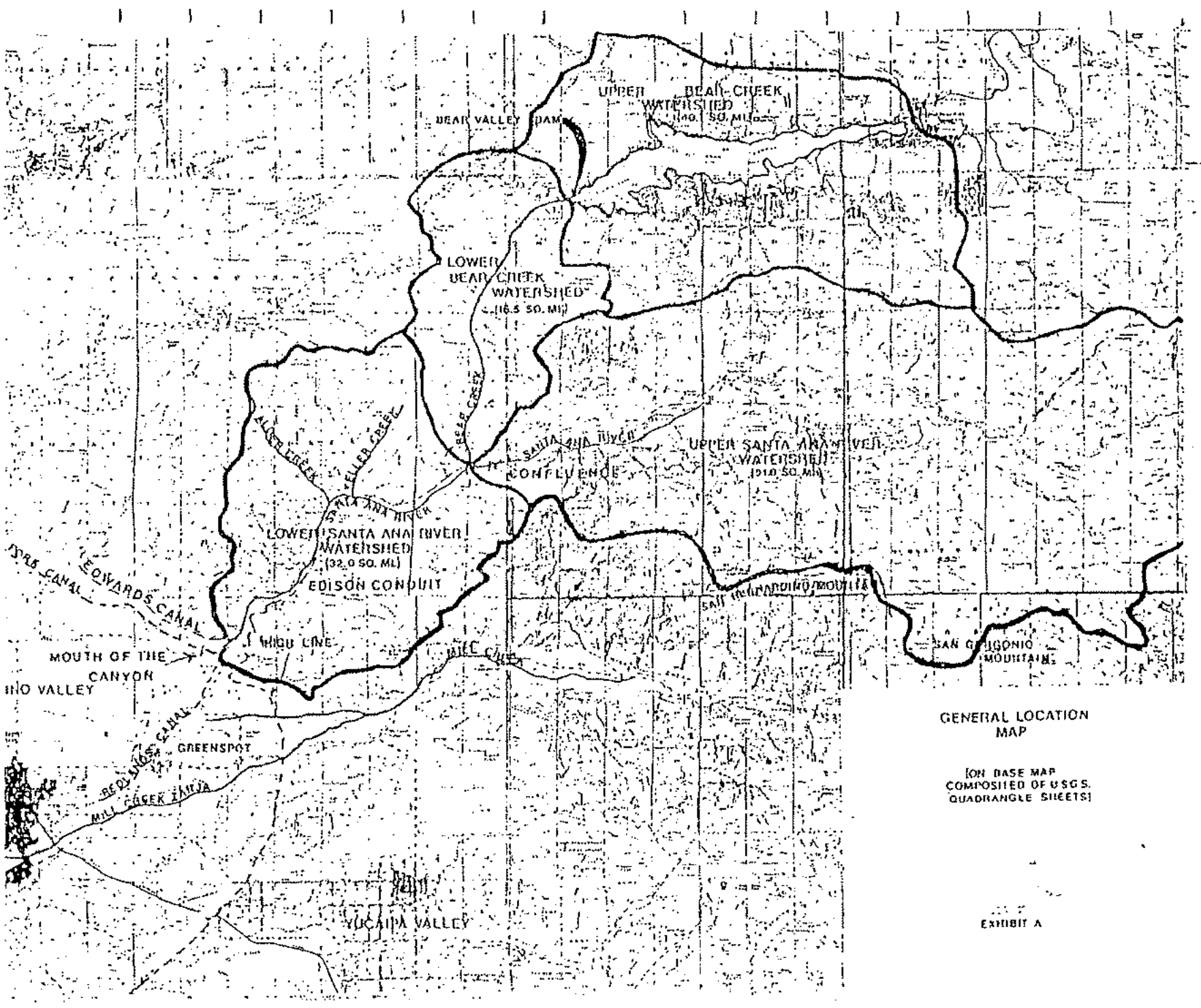
32. Physical Solution Agreement. That certain "Physical Solution Agreement" heretofore entered into between District, Mutual and Conservation District on December 23, 1976, is superseded by this Judgment.

33. Costs. No party shall recover any costs in this proceeding from any other party.

DATED: FEBRUARY 4, 1977.

JOSEPH B. CAMPBELL
Judge

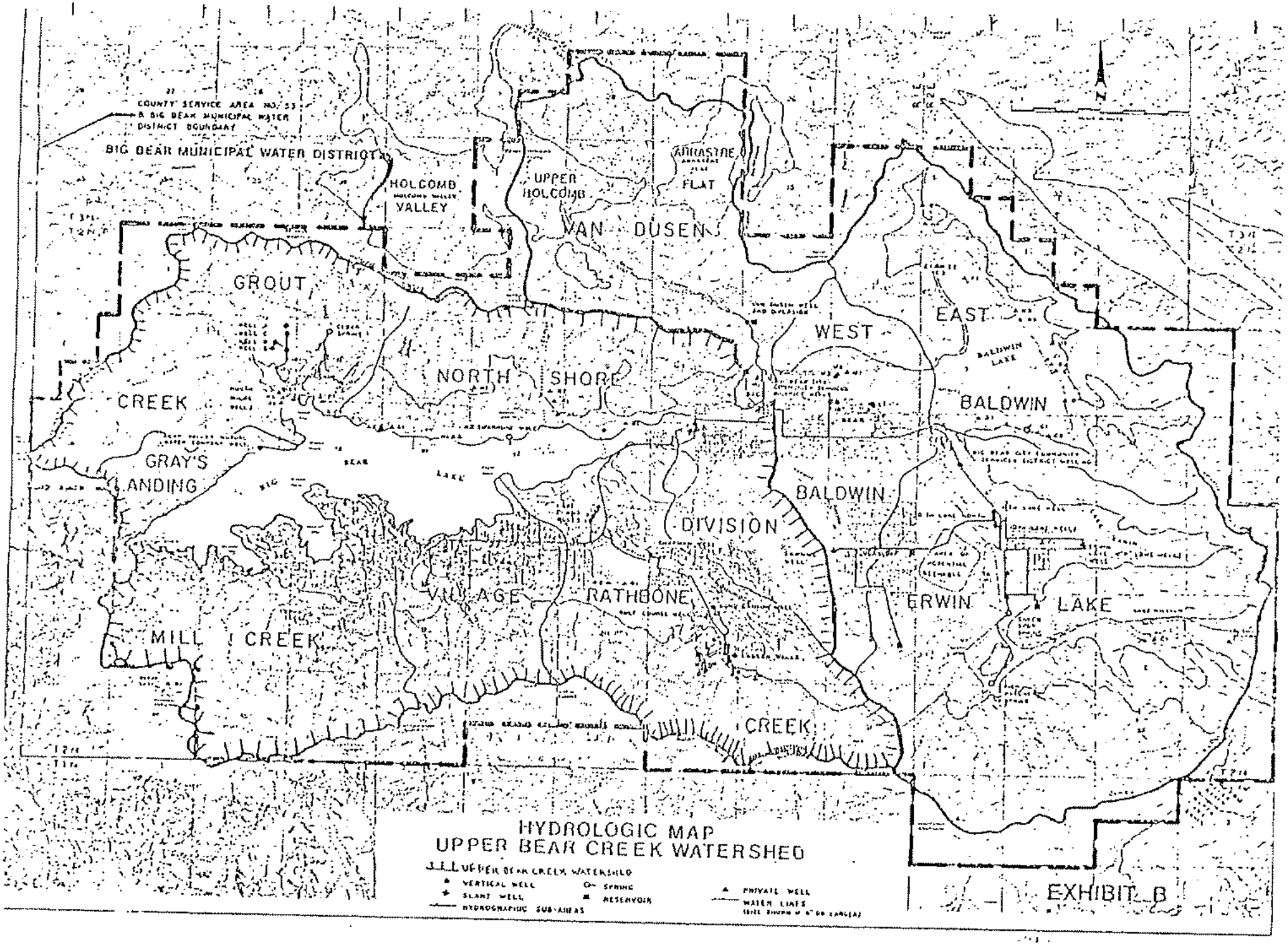
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GENERAL LOCATION MAP

(ON BASE MAP COMPOSITED OF U.S.G.S. QUADRANGLE SHEETS)

EXHIBIT A


COUNTY SERVICE AREA NO. 53
& BIG BEAR MUNICIPAL WATER
DISTRICT BOUNDARY
BIG BEAR MUNICIPAL WATER DISTRICT
HOLCOMB VALLEY
UPPER HOLCOMB
ARRASTRE FLAT
VAN DUSEN
GROUT CREEK
NORTH SHORE
WEST
EAST
BALDWIN
GRAY'S LANDING
BEAR LAKE
BALDWIN
DIVISION
VILLAGE
RATHBONE
ERWIN
LAKE
MILL CREEK
CREEK
N
HYDROLOGIC MAP
UPPER BEAR CREEK WATERSHED
UPPER BEAR CREEK WATERSHED
VERTICAL WELL
SLANT WELL
HYDROGRAPHIC SUB-AREAS
SPRING
RESERVOIR
PRIVATE WELL
WATER LINES
EXHIBIT B

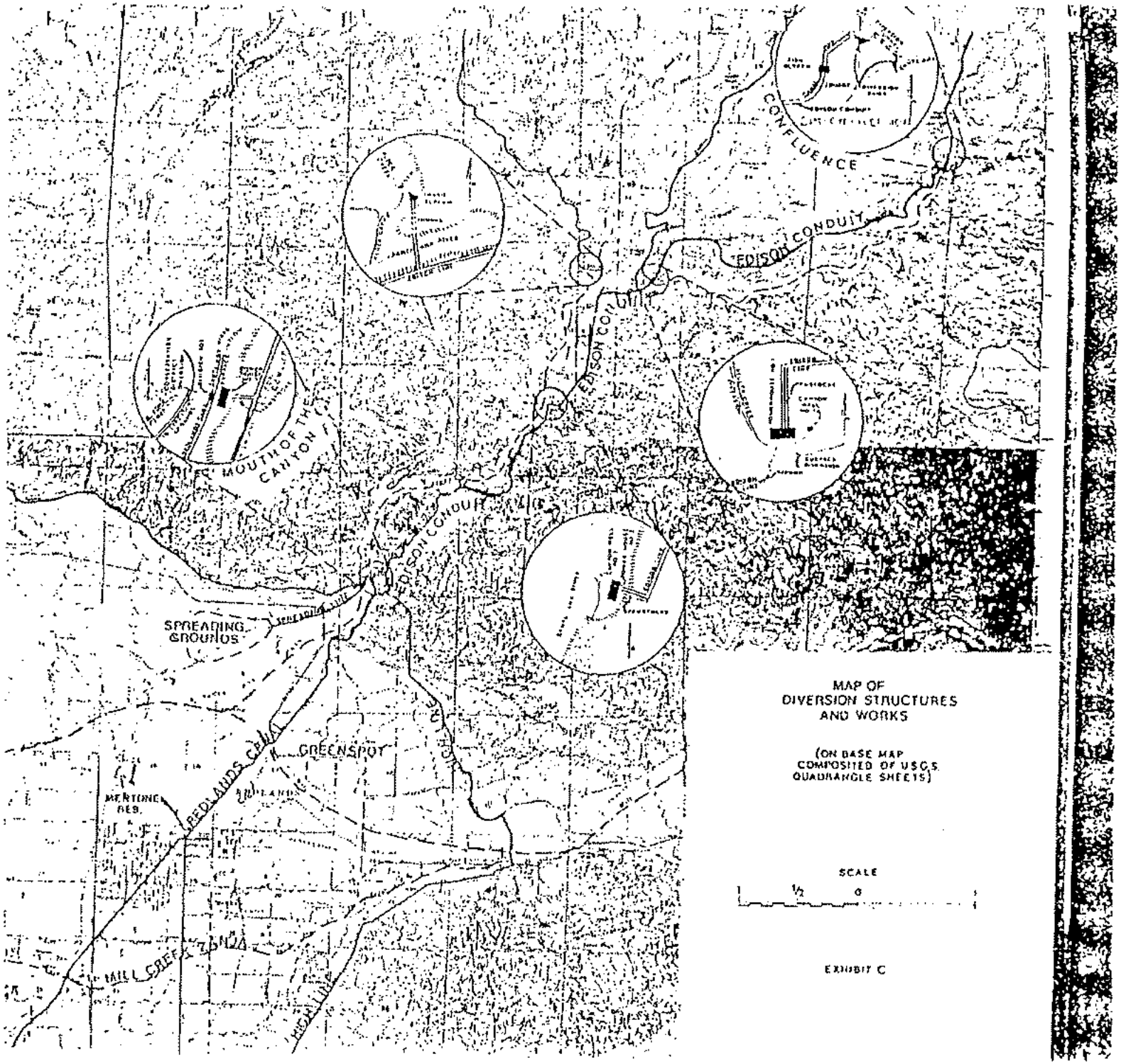

CONFLUENCE
EDISON CONDUIT
EDISON CONDUIT
MOUTH OF THE CANYON
EDISON CONDUIT
SPREADING GROUNDS
REDLANDS CANAL
GREENSPOT
MERTON RES.
MILL CREEK ZANJA
MAP OF
DIVERSION STRUCTURES
AND WORKS
(ON BASE MAP
COMPOSITED OF U.S.G.S.
QUADRANGLE SHEETS)
SCALE
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EXHIBIT C

EXHIBIT "D"

WATERMASTER OPERATING CRITERIA

The following operating criteria shall guide and bind Watermaster in administering the provisions of this Physical Solution Agreement:

1. Basic Data. Watermaster shall accumulate basic data in the form of measurements or estimates of the following flows or hydrologic facts which Watermaster may determine to be necessary to maintenance of accounts required by the physical solution. In the accumulation of such data, Watermaster shall observe the following criteria:

(a) Lake Elevations. Monthly readings shall be taken on or about the first of each month of the elevation of the lake surface as shown on the gage located at the Dam.

(b) Lake Evaporation. Evaporation stations shall be strategically located in the vicinity of the lake and average monthly rates of evaporation shall be calculated therefrom.

(c) Precipitation. Average total rainfall in Upper Bear Creek Watershed shall be derived from weighted analysis of rainfall stations to be designated or established by Watermaster.

(d) Surface Flows.

(1) Natural Tributary Inflow to Lake. All

measurable or observable surface inflow to the lake from Upper Bear Creek Watershed shall be measured or estimated, directly or indirectly, and aggregated monthly.

(2) Non-tributary Diversions to Lake. Mutual currently causes waters of Siberia Creek Watershed to be diverted from Bluff Lake into Lake, and flood flows of Van Dusen Creek in Baldwin Lake Watershed to be similarly diverted. Such diversions of non-tributary waters, together with any additional such diversions shall be measured or calculated monthly and credited to the party causing such diversion. In the event Mutual desires to cease or abandon either its Bluff Lake or Van Dusen diversions, and District maintains or enlarges such flows at District's expense, such flows shall be credited to District's account in calculating water in storage vis-a-vis Mutual. In such event, accounting for such flows, for purposes of Basin Make-up Water obligations, shall depend upon whether the waters diverted are naturally tributary to the Santa Ana River or not.

(3) Dam Releases. All intentional releases of water through the Dam shall be continuously measured and recorded.

(4) Dam Spills. Any spills of water over the Dam shall be measured or estimated and recorded monthly.

(5) Dam Leakage. All leakage through the dam shall be measured or estimated and a correlation between leakage and lake elevation shall be developed if possible.

(6) Santa Ana River at the Confluence with Bear Creek shall be calculated.

(7) Bear Creek at the Confluence with Santa Ana River shall be calculated.

(8) Santa Ana River at the Mouth of the Canyon shall be measured and average daily flows recorded. (This is currently being maintained by U.S.G.S.)

(e) Canyon Subsurface Diversions. Average subsurface diversions at Canyon Wells #1 and #2 shall be recorded monthly.

(f) Diversions at Mouth of the Canyon. Monthly quantities diverted at the Mouth of the Canyon shall be separately measured and recorded for diversions to

(1) High Line

(2) Redlands Canal

(3) North Fork Canal

(4) Edwards Canal

(5) Conservation District Spreading Grounds.

(6) Amount not diverted.

(g) In Lieu Water Deliveries shall be separately recorded as to place of delivery into Mutual's system, monthly quantity and type of source, i.e., whether from

(1) Mutual's wells

(2) Third party wells

(3) Exchange Water, or

(4) Direct Delivery of State Project Water.

(h) New Water Use by Mutual's Shareholders in Upper Santa Ana River Watershed, by reason of location of additional shares in said area, shall be accumulated monthly and recorded.

(i) Additional Points of Measurement as determined from time to time to be necessary, in the opinion of Watermaster.

2. Determinations and Calculations. Based upon the foregoing basic data, Watermaster shall make the following determinations and calculations:

(a) Net Monthly Lake Inflow shall be determined, together with its components of:

(1) Natural inflow and precipitation on the Lake, plus

(2) Diverted non-tributary inflows by reason of

[a] Mutual's activity (i.e., Van Dusen Creek and Bluff Lake),

[b] District's activity (such as,

but not limited to, proposed Rathbone reclamation operation), less

(3) Export from Upper Bear Creek Watershed (i.e., BBAWA project).

(b) Monthly Evaporation shall be calculated for both

(1) Actual lake operations, and

(2) Mutual's Lake Water Operation.

(c) Monthly Releases shall be accumulated for both

(1) Actual lake operations, and

(2) In Lieu Water deliveries.

(d) Spills and Leakage shall be accumulated for

(1) Actual lake operations, and

(2) Mutual's Lake Water Operation.

(e) Monthly Change in Storage shall be calculated for

(1) Actual lake operations, and

(2) Mutual's Lake Water Operation.

(f) Area and Capacity Curve will be developed for the Lake under current conditions.

3. Accounts.

(a) Mutual's Water In Storage shall be determined as follows for each month:

Beginning storage

+ Total Inflow

- Import from Non-tributary sources by District

- Pumped groundwater introduced into Lake

+ Net Sewage Export from Upper Bear Creek Watershed

- In Lieu Water delivered

- Releases or uses by Mutual

- Spill chargeable to Mutual account

- Leakage chargeable to Mutual operation

- Evaporation charged to Mutual operation

= Mutual's month-end water in storage.

(b) District's Water in Storage. Any water actually in storage in excess of Mutual's water in storage, as calculated above, shall be for the account of District. So long as District has water in storage, all spills from the Lake shall be deemed District water.

(c) Basin Make-Up Water Account. Accounting for Basin Make-up Water Deficiency or Credit shall be pursuant to the following:

$$[(.50)(R_d) + (.51)(S_d) + (.50)(P_d)] - [(.50)(R_m) + (.51)(S_m)] = \text{Deficiency or Credit.}$$

Wherein:

R_m = Releases which would have been made under Mutual Operation.

S_m = Spill which would have occurred under Mutual Operation.

R_d = Releases actually made under District Operation.

S_d = Spill which actually occurred under District Operation.

P_d = In lieu water purchased by District from San Bernardino Valley MWD or the Management Committee of the Mill Creek Exchange and delivered under District Operation to Mutual for service area requirements.

4. Supplemental Inflow to Lake and Export from Upper Bear Creek Watershed. In accounting for water in storage in the Lake to Mutual's account and calculating District's obligation for Basin make-up water, the effect of certain existing and potential diversion and export practices must be accommodated.

(a) Supplemental Inflow. Whether inflow to the Lake is supplemented from surface streams, production of ground water, diversion of reclaimed water or otherwise, it shall be credited to the water-in-storage account of Mutual or District, in accordance with which party causes such inflow to be so supplemented. In the event an existing diversion by Mutual is enlarged or expanded by District, at its sole expense, an allocation of resulting flows shall be made by Watermaster.

Such supplemented inflow shall be accounted for in the calculation of District's Basin Make-up Water obligation depending upon whether the source of any such surface water was tributary or non-tributary to the Santa Ana River.

(b) Export from Upper Bear Creek Watershed. Conservation District has entered into an agreement with Big Bear Area Regional Wastewater Agency, County

Service Area No. 53, and the Big Bear Lake Sanitation District relating to the export of wastewater from the Santa Ana Watershed by said agencies. The agreement terminates on June 30, 1985.

In the event gross export from Upper Bear Creek Watershed to any area not tributary to the Santa Ana River exceeds gross import to the Santa Ana River Watershed within Upper Bear Creek Watershed, calculated inflow to the Lake shall be increased each year, beginning with the calendar year 1986 by the amount by which such gross export exceeds imports. If gross import exceeds gross export, said excess shall be credited against District's Basin Make-up Water obligation.

EXHIBIT "E"

THIS AGREEMENT, made this 23rd. day of May, 1905, by and between the Bear Valley Land and Water Company, a corporation party of the first part, and the North Fork Water Company, a corporation, and the undersigned, other than the said two corporations owners of water in the North Fork Ditch of the Santa Ana River, and Crum and Van Leuven Ditch, parties of the second part;

WITNESSETH: Parties of the second part are desirous of making an arrangement with the party of the first part whereby the supply of water available to said parties of the second part may be made certain and secure during the months of June, July, August, September, October and November, and are further desirous of increasing the present capacity of the said North Fork Ditch and completing the construction of the same,

NOW THEREFORE, Know all men by these presents;

I.

Parties of the second part agree that all their respective water, water rights and interests over and above the amount or quantity herein stipulated to be furnished and allowed to or attained by the parties of the second part may be perpetually held and enjoyed by the party of the first part for its use, benefit and disposal, subject to the terms and conditions of this agreement, and except as herein limited, it being expressly understood however, that each party of the second part retain the right to sell, convey, transfer, mortgage, pledge or otherwise dispose of his or its respective rights or interests in said water or water rights or in this agreement, subject also to the terms and conditions hereof.

II.

The parties of the first part agree to furnish and deliver to the parties of the second part continuously during the following months of each and every year hereafter the number of inches of water, under a four inch pressure, hereinafter mentioned, as allotted to each of said monthsrespectively, to-wit; June, Five Hundred (500) inches; July, Six Hundred (600) in inches;; August, Six Hundred (600) inches; September, Five Hundred and fifty (550) inches; October, Four Hundred and fifty (450) inches; November, Four Hundred (400) inches.

It being expressly understood and agreed that at the written request of a majority in interest of the parties of the second part, based upon their respective interests, in said water and water rights the amount to said months as above respectively allotted, may be changed for the current year in which said request is made, in the manner following, to-wit; If it is desired that the allowance as above set forth for any month be lessened, such diminution shall be allowed and the amount so diminished from any one month shall be added to some other of said months succeeding; provided that the allowance or addition so made shall not increase for any one month the amount of six hundred inches.

III.

It is understood and agreed that during the months of December, January, February, March, April and May, one-fourth of all the water flowing in the Santa Ana River at the point known as the Divide, (exclusive of water placed therein by parties of the first part) being the only place where the

waters of the North Fork and South Fork Ditches, so called, are divided, shall belong and be delivered to parties of the second part by parties of the first part. It being further understood and agreed that the surplus of all waters so apportioned to parties of the second part which is not required or desired to be used by parties of the second part, may be used by parties of the first part; always providing that parties of the second part shall be the sole judges of whether such surplus water is or is not required by them; all waste water at the end of the said North Fork Ditch shall belong to party of the first part. This stricken out by supplemental agreement

IV.

It is further understood and agreed that in the event of there being upwards of Thirteen Hundred (1300) inches of water in the said Santa Ana River at the point of 'Divide' aforesaid, in its natural flow exclusive of water therein placed by act of parties of the first part during the month of June of any year, then one-half of the surplus of said water shall belong and be delivered by party of the first part to parties of the second part and the division and allotment of surplus shall in no way affect or control the allotment of water hereinbefore specified under Caption II hereof, and shall be considered as and be wholly independent thereof.

This stricken out by supplemental agreement

V.

All division or allotment of water under this agreement as between party of the first part and the parties of the second part shall be measured and made at the point on the Santa Ana Canon or River hereinbefore referred to and known as the 'Divide'.

VI.

Parties of the second part agree within two years from

the date hereof to complete the Ditch of the North Fork Water Company by enlarging the same where not already paved and cemented and where not already of such capacity to a size sufficient to carry fifteen hundred (1500) inches of water, and by substantially cementing and paving such portions so to be enlarged aforesaid and to pay one-half of the expense of such enlargement, paving and cementing together with one-half of the expense of maintaining the said ditch when completed as aforesaid, and party of the first part hereby agrees to pay the other half of said expense.

VII.

On the execution of this agreement party of the first part agrees to pay the parties of the second part the sum of Two Thousand ($2000) Dollars, and on the first day of January, 1886, the further sum of Two Thousand ($2000) Dollars as a consideration for the half interest in the said North Fork Ditch mentioned. By the North Fork Ditch is meant the main ditch commencing at or near the 'Divide' aforementioned, and extending to Raven corner and as described in Articles of Incorporation of North Fork Ditch Company.

VIII.

It is further understood and agreed that until said ditch shall be enlarged to a capacity of Fifteen Hundred (1500) inches as hereinbefore stated, no greater amount of water shall be allowed to flow into or through said ditch by party of the first part than twelve hundred (1200) inches without the written consent of a majority of the water interests of parties of the second part.

IX.

The capacity of said ditch may be at any time hereafter

increased beyond said fifteen hundred (1500) inches by either party of the first part or parties of the second part, in which event the expense of said enlargement may be borne in equal proportions by the parties hereto, and in that event said parties shall be entitled to share equally in the use and enjoyment of said increased capacity. In the event however, that either of the parties hereto shall fail or refuse to unite with the other of said parties in effecting said increase of capacity, or in promptly paying one-half of the expenses of making the same, then and in that case the parties so failing or refusing shall not be entitled to the use or enjoyment of said increased capacity or of any of the benefits thereof.

X.

It is understood and agreed that substantially one-half of all water taken from the Santa Ana River aside from that which may be supplied from the Bear Valley Reservoir shall at all times flow in said North Fork Ditch.

XI.

It is further understood and agreed that the party of the first part shall be under no obligation to furnish water to parties of the second part as hereinbefore provided until on and after June 1st, 1886. And that until said date all the water of said River which parties of the second part have used, or to which they have been entitled prior to the date hereof shall be used as heretofore and in the same proportions irrespective of the allotments mentioned under this agreement.

XII.

Each individual of the parties of the second part agrees

for himself and itself and his and its successors in interest respectively to contribute and pay the proportions of the expenses necessary to carry out and fulfill so much of this agreement as is to be carried out, fulfilled or performed by or on the part of the parties of the second part in proportion to the interest or shares of parties of the second part in the said water rights, ditches or privileges owned by each of said parties of the second part in said North Fork Ditch and water right.

For the purpose of equitably adjusting and distributing the division of the expenses aforesaid for the construction and maintainance of said North Fork Ditch among the owners thereof, parties hereto of the second part among themselves, said ditch shall be considered in two sections; one from the divide aforesaid down to and including the head or distributing gate of the Crum Ditch known as section one; and the other from said head or distributing gate of the Crum Ditch to the end of said North Fork Ditch, known as section two.

Those using water or drawing water from any portion of said North Fork Ditch shall pay in proportion to their respective rights or shares in and to said ditch, water or water privileges for the expenses of constructing or repairing of said section one, and those using water in or from section two of said ditch shall pay according to their respective shares or rights in said ditch, water or water privileges for the construction and repair of said section.

XIII.

If at any time the party of the first part shall fail to

comply with the terms and conditions of this agreement in furnishing and delivering water to the parties of the second part or their successors in interest, then it shall forfeit all right, franchises, privileges and interest derived from parties of the second part, under and by virtue of this agreement, and all rights, franchises and privileges or interests hereby conceded to it by said parties of the second part, or created in pursuance of the terms hereof, may be resumed and retained by said parties of the second part, the same as if this agreement had not been made. And all rights and interests of said party of the first part to the said North Fork Ditch shall cease and determine. But a temporary failure or interruption of not more than ten days after said party of the first part has received written notice thereof from said parties of the second part, resulting from unforeseen or unexpected accident not attributable to the negligence or fault of the party of the first part shall not be considered such a failure as to work such forfeiture— it being the intention not to favor or take advantage of mere technical breaches of this agreement, but that the same shall receive a fair and liberal construction to promote substantial justice and fair dealing between the parties hereto.

XIV.

In all matters or things to be acted upon or done or decided by or concerning the affairs, conduct, management or interest of the parties of the second part under this agreement; A majority in interest of said parties of the second part shall control.

XV.

The parties of both parts (that is, each part) are each to have an equal voice in the construction, management and repairs of said ditch, and if they cannot agree in respect to such matters or any of them, then each party shall select a referee to decide such matters of difference; with power to said referees in case of a disagreement between them to select an umpire or third person, and a decision of a majority of said referees so selected shall be binding upon the parties hereto.

XVI.

It is understood and agreed by all the parties hereto that time is of the essence of this agreement — but if from act of God or any unforeseen accident, elemental or otherwise, not attributable to the negligence or default of party of the first part whereby their dam or other works for the supply of water may be temporarily destroyed or injured; then in event that all of the natural flow of the water of the Santa Ana River and its tributaries to which parties of the second part may be entitled independent of this agreement, be permitted by party of the first part to flow down to the "Divide" of the North Fork and South Fork Ditches, - then no damages or forfeiture is to ensue.

XVII.

It is further agreed by party of the first part that in event of said party increasing the capacity of said North Fork ditch beyond fifteen hundred (1500) inches and conducting a greater amount of water therein than said number of inches an any breakage or damage to said ditch or any part thereof shall be caused attributable to said increased flow - then said party of the first part is at its own expense to immediately

repair said ditch and to pay all of said damages.

IN WITNESS, WHEREOF, the parties hereto sign their respective names this 23 day of May 1885.

L. C. Waite, A. M. Aplin, Mrs. D. C. Randall, Geo. Miller, Th. C. Waite, Proxy, C. B. Wilke by N. Laycock, Proxy, Nelson Laycock, John Stone by R. F. Cunningham, Proxy, R. F. Cunningham, D. A. Coddington by R. F. Cunningham, Proxy, R. F. Cunningham, Dodd Dwyer, S. F. Crow by W. F. Crow, L. E. Rice, W. R. and T. S. Ingham.

John Cheny,
Wm. H. Cheny,
Seth Marshall
G. W. Beattie, Mrs. Anjelica Beattie by G. W. Beattie, Proxy, M.M. Strong by G. W. Beattie, Att'y in Fact, John W? Downs, A. B. Crier, R. B. Passendon, C. K. Mattison, M. Cleghorn, L. F. Cram, J. C. Hooks, H. J. Quiman, Christian Kurtz, Mary Ely, F. H. Cavalier,

By their Attorney in Fact
H. M. Willis.

(SEAL)

North Fork Water Company
By L. C. Waite, President
G. W. Beattie, Secretary.

State of California
County of San Bernardino
} SS.

On this 23d day of May, one thousand eight hundred and eighty-five, before me H. Connor, Court Commissioner in and for the said County of San Bernardino, Personally appeared L. C. Waite and G. W. Beattie, known to me to be the President and Secretary respectively of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

EXHIBIT "E"

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in the said County of San Bernardino, the day and year in this certificate first above written.

(SEAL)

H. Conner,
Court Commissioner.

Bear Valley Land and Water Company,

(SEAL) By J. G. Hart, President.

E. A. Holt, Secretary.

State of California } SS.
County of San Bernardino }

On this 23d day of May, one thousand eight hundred and eighty five, before me, H. Conner, Court Commissioner in and for the said County of San Bernardino, personally appeared J. G. Hart, and E. A. Holt, known to me to be the President and Secretary respectively of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal at my office in said County of San Bernardino the day and year in this certificate first above written.

(SEAL)

H. Conner,
Court Commissioner.

EXHIBIT "E"

This supplemental agreement made this 27th day of June 1895 by and between the North Fork Water Company of the one part and the Bear Valley Land and Water Company of the other part, all of San Bernardino County, State of California, with intent to modify and render more definite and certain a certain contract heretofore made between said parties and other owners of the North Fork Water Ditch and Right.

WITNESSETH: That it is understood and agreed that section four of said agreement of May 23, 1895, be, and the same is hereby stricken out, cancelled and declared of no force and effect.

It is also understood, covenanted and agreed by the said Bear Valley Land and Water Company to and with the said North Fork Water Company and other owners of and in the North Fork Ditch, not members of said corporation, that during the months of June, July, August and September of each year the parties of the second part in said agreement of May 23, 1895, shall have the right to pass over or draw back any amount of water they may designate from any month to any month of either of their aforesaid months, not exceeding the limit of six hundred inches in any one month and the aggregate amount of water for said four months shall not exceed twenty-two hundred and fifty inches.

The last clause of section three of the agreement of May 23, 1895, in reference to waste water is stricken out.

This agreement is intended to embrace all parties drawing water through the North Fork Ditch, and especially the portion of said water belonging to the Crane and Van Leuven Ditch.

And subject to the modification herein contained all

EXHIBIT "E"

other provisions of said agreement of May 22nd, 1885, are in full force and effect.

In Witness Whereof, the respective parties hereto have set their hands and seals this day and year first above written.

North Fork Water Company,

(SEAL) By L. C. Waite, President.

C. W. Beattie, Secretary.

Bear Valley Land and Water Company,

(SEAL) By J. S. Burt, President.

E. A. Holt, Secretary.

State of California, }
County of San Bernardino, } ss.

On this 27th. day of June, one thousand eight hundred and eighty-five before me, E. N. Morse, a Notary Public in and for the said County of San Bernardino, personally appeared L. C. Waite and C. W. Beattie, respectively President and Secretary of the North Fork Water Company and J. S. Burt and E. A. Holt respectively President and Secretary of the Bear Valley Land and Water Company, personally known to me to be the persons described in and the respective officers of the corporations that executed the within instrument, and acknowledged to me that such corporations executed the same. In Witness Thereof, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(SEAL)

E. N. Morse,

Notary Public.

EXHIBIT "E"

This Memorandum, made this 27th day of February, A. D., 1906, between the undersigned of the shareholders in the South Fork Ditch of the Santa Ana River, Sunnyside Division, parties of the first part, and the Bear Valley Land and Water Company, a corporation, party of the second part witnesseth:

Whereas parties of the first part and their co-owners in the said ditch above named are the owners of the right to use all of the half of the flow of the Santa Ana River divided at the point in the mouth of the Santa Ana Canon commonly known as the divide, and are desirous of making an arrangement with party of the second part thereby the supply of water available to parties of the first part, may be made certain and secure during the months of May, June, July, August and September and October.

Now Therefore, know all men by these presents, I. That parties of the first part agree that all of their respective water water-rights and interests in such water and ditches hereinbefore mentioned over and above the amount or quantity herein stipulated to be furnished and allowed to or retained by said parties of the first part may be perpetually held and enjoyed by party of the second part for its use, benefit and disposal subject to the terms and conditions of this agreement and except as herein limited; it being expressly understood however that each party of the first part retains the right to sell, convey, transfer, mortgage, pledge or otherwise dispose of his respective right or interests in said water or water rights or in this agreement subject also to the terms and conditions hereof.

II. The party of the second part agrees to furnish and de-

liver to parties of the first part continuously through the following named months of each and every year hereafter the number of inches of water under a four inch pressure hereinafter next mentioned as alloted to each of said months respectively, to-wit:

May	466-2/3	inches.
June	466-2/3	inches.
July	466-2/3	inches.
August	466-2/3	inches.
September	466-2/3	inches
October	466-2/3	inches

It being expressly understood and agreed that upon the written request of a majority in interest of the parties of the first part based upon their respective interests in said water and water-rights, the amounts to said months above respectively alloted may be changed for the current year in which said request is made in the manner following, to-wit:

If it be desired that the allowance as above set forth for any of said months be lessened, such a diminution shall be allowed and the amount so diminished from any one month shall be added to some other of said months designated by parties of the first part, provided that the allowance or addition so made shall not increase for any one month the amount to more than six hundred (600) inches, such request to be made in writing to party of second part on or before April 20th of such year.

III. The party of the second part agrees to furnish and deliver to parties of the first part continuously through the following named months, three hundred (3000 inches of

water measured under a four (4) inch pressure, to-wit; November, December, January, February, March of each and every year hereafter; provided that in case in any such months in any year it is found that there is flowing in said river at the divide a greater quantity of water than six hundred inches going to parties of the second part by the terms of this contract, then one half of the excess above six hundred inches up to and making a maximum of six hundred inches going to parties of the first part, shall be added to and be furnished to parties of the first part for such three hundred inches for any of such months and on the other hand; if it is found that there is flowing in said river at the divide a less quantity of water than six hundred inches going to parties of the second part by the terms of this contract, then one half of such deficiency shall be deducted from three hundred inches and the remainder only shall be for such months furnished to parties of the first part.

IV. It is understood and agreed that a quantity of water taken from the Santa Ana River aside from that which may be supplied from the Bear Valley reservoir substantially the same as that which has heretofore ordinarily flowed through the ditch of parties of the first part shall at all times hereafter flow through said ditch or such other ditch as may be constructed in lieu thereof.

V. It is further understood and agreed that the party of the second part shall be under no obligation to furnish water to parties of the first part as hereinbefore provided until on and after June 1st, 1886, and that until said date all the water of said river which parties of the first part have used, or to which they have been entitled prior to the date hereof,

EXHIBIT "B"

shall be used as heretofore and in the same proportions irrespective of the allotments mentioned under this agreement.

VI. It is further understood and agreed that party of the second part shall bear the whole cost and expense of constructing any ditch, or continuation, extension or enlargement of any ditch that may be built in lieu of addition to or in connection with the whole or any part of the ditch of parties of the first part and shall further keep said ditch in good repair and condition at its own cost and expense.

VII. If at any time party of the second part shall fail to comply with the terms and conditions of this agreement in furnishing and delivering water to the parties of the first part or their successors in interest, in that event, it shall forfeit all rights, franchises, privileges and interests derived from parties of the first part under and by virtue of this agreement and all rights, franchises, and privileges and interests hereby conceded to it by said parties of the first part or created in pursuance of the terms hereof may be reclaimed and retained by said parties of the first part the same as if this agreement had not been made, and all rights and interests of said party of the second part in the said ditch of parties of the first part shall cease and determine, and further, in the event of such failure on the part of the party of the second part and of the forfeiture hereinbefore provided for in case party of the second part shall have constructed any ditch in lieu of the whole or any portion of the ditch of parties of the first part, or shall have improved or increased the same, then and in that event parties of the first part are hereby granted the right to purchase such new or increased or

improved ditch constructed or to be constructed in lieu of their old ditch or any part thereof as aforesaid, if such purchase seems to them expedient upon the basis and at a price to be fixed as follows; to-wit: Parties of the first part and party of the second part shall each respectively appoint a disinterested person to act as an appraiser and in the event of said appraisers failing to agree, the two appraisers thus appointed shall select a third person to act with them as appraiser, and in the event of their failing to agree upon such third person, the Judge of the Superior Court of the County of San Bernardino may appoint such person, and a decision of the majority of said appraisers shall control in the event that said ditch so proposed to be purchased as aforesaid shall be of a capacity no greater than that required to ~~maxmx~~ convey two thousand (2000) inches of water measured under a four inch pressure; said appraisers shall view said ditch and determine its actual value at the time of such examination and shall report the result of their determination in the matter in writing within ten (10) days thereafter to the parties hereto or their assigns, and in the event of said ditch being of a capacity to convey more than two thousand (2000) inches of water measured under a four (4) inch pressure then said appraisers in making their estimate shall disregard the excess of capacity over two thousand (2000) inches, and shall appraise said ditch at the price that a ditch with a ~~~~ capacity of no more than two thousand (2000) inches similarly constructed and in like repair would be reasonably worth.

And in either event, the parties hereto bind themselves, their heirs, executors, administrators, assigns and succes-

sors, to abide by the decision of said appraisers or a majority of them in the premises.

In case however, the forfeiture of the right of party of the second part as hereinbefore set forth, parties of the first part do not elect to purchase said ditch as hereinbefore provided, then, and in that event, it is understood and agreed that said parties of the first part shall have and they are hereby granted a perpetual right of way through such ditch for the conveyance of 600 inches of water; the excess over 600 inches of capacity of such ditch to belong to parties of second part.

It is further understood and agreed in regard to the matter of forfeiture hereinbefore referred to that a temporary failure or interruption in the performance of the condition and agreements herein stipulated as by party of the second part to be kept and performed if for not more than ten (10) days after party of the second part has received written notice thereof from parties of the first part resulting from unforseen or unexpected accident not attributable to the negligence or fault of party of the second part shall not be considered such failure as to work such forfeiture; it being the intention of all the parties hereto not to favor or take advantage of mere technical breaches of this agreement, but that the same shall receive a fair and liberal construction to promote substantial justice and fair dealing between the parties hereto.

VIII. In all matters or things to be acted upon or done or decided by or concerning the affairs, conduct, management or interests of parties of the first part under this agreement,

d/majority in interest of said parties of said parties of the first part shall control.

IX. It is understood and agreed by all the parties hereto that time is of the essence of this agreement; but if from the act of God, or any unforseen accident elemental or otherwise not attributable to the negligence or default of the party of the second part whereby its dam or other works for the supply of water may be temporarily destroyed or injured, then in the event that all the natural flow of the water of the Santa Ana River and its tributaries to which the parties of the first part may be entitled, independent of this agreement, be permitted by party of the second part to flow down to the divide with the Redlands ditch at the place commonly known as the Sycamore Tree, then no damage shall be claimed or forfeiture ensue.

X. It is further understood and agreed that party of the second part shall permit no trespass upon, nor interference with the right of parties of the first part in or to any of the waters of the Santa Ana River during the time that this contract shall remain in force and that said party of the second part may take such prompt steps by litigation, or otherwise lawfully and which the particular exigency may require to prevent any infringement by third parties upon the rights of parties of the first part, or any of them, in or to any of said water.

And it is further understood and agreed that in the event of the failure of party of the second part to take such necessary steps for the purposes aforesaid parties of the first part hereby reserve to themselves the right to proceed in

their own manner and behalf in said matter in such way as to them seems most advisable for the abatement or prosecution of such trespass or interference, anything in this contract to the contrary notwithstanding.

XI. All division or allotment of water under this agreement as between parties of the first part and party of the second part shall be measured and made at the divide, so called, between the ditch of parties of the first part and the Redlands Ditch at or near the point commonly known as the Sycamore Tree

In Witness Whereof the parties hereto have hereunto interchangeably set their hands and seals the day and year first above written.

	Shares.	
I.D.R.Stillman,	52	(Seal)
Seal. J. Hayes,	1	(Seal)
T. C. Starr,	1-1/2	(Seal)
A. L. Park,	1	(Seal)
D. B. Alverson,	1	(Seal)
D. M. Balch,	8	(Seal)
E. C. Judson, by his attorney in fact, F. E. Brown,		
F. E. Brown,	10	(Seal)
E. A. Holt,	5-1/2	(Seal)
Mrs. Mary Hopkins,	5	(Seal)
L. C. Haight,	5	(Seal)
James Garrison,	5	(Seal)
Geo. A. Cook,	1-3/4	(Seal)
F.A.Forund by C.A.Cook, Atty in fact 1		(Seal)
D.J.Abbott by J.C.Reeves, Atty in fact 1-1/2		
August M. S. Kelley,	2-1/2	
Joseph S. Hale,	2	(Seal)

EXHIBIT "F"

E. P. Ball,	2
J. B. Clover,	2-1/2
Israel Heal,	4-3/4
Redlands Water Company,	50
By David Morey, President	
J. S. Edwards, Secy.	
R. E. Smith,	4
Truman Reeves,	1
D. L. Clark,	1
Wm. and E. Leindenberg,	4-1/2
Wm. H. Reeves and R. A. Reeves,	3
Mrs. Germlit (May)	1
W. C. Butler,	3-1/2
L. Fegler,	1
Ben Barton,	15
D. L. Adams and Julia and T. Adams	4
E. E. Booth,	1/2
C. E. Thompson by E. E. Booth	1/2
Mrs. Jane D. Hale,	1
Lugonia Fruit Packing Co.,	
by Geo. A. Cook, President,	1
2nd Congregational Church of San Bernardino at Lugonia by Geo. A. Cook, Prest Board Trustees	1/4
Mrs. A. M. Tichenor	3
E. I. Fullerton,	1/2
A. Elliot Paine,	1
Lugonia Fruit Growing and Packing Company by Henry M. Robinson, Prest and Charles W. Sumner, Treasr.	20
A. F. Jones,	1/2

EXHIBIT "F"

John Aikon Preston,	3
G. W. Chadwick,	1
H. H. Dunham,	1
Chas Frank Day,	1/2
H. Clarence Eddy,	2
Sara Hughey Eddy,	
Mira Hughes,	1
Charles H. Morse,	2
D. A. Shaw,	11-1/2
L. N. Shaw,	2
N. J. Fullerton,	1
Frank Hinkley,	21
Wm. R. Tolles,	41-1/2
C. P. Serrors,	3
C. H. Lathrop,	1-1/2
W. W. Camp,	1/4
H. M. Gonsalves	
C. A. Shaw,	2
William Gregory,	1
Bear Valley Land and Water Co.	300.5 shares of total 375
by Jas. G. Burt, Prest.	(Corporate) (Seal)
A. Holt, Secy.	

A full, true and correct copy of the original Recorded at the request of J. G. Burt, Sept. 5th A.D. 1887, at 4:35 o'clock P.M.

Legare Allen,

County Recorder,

By O.J.Troen, Deputy.

EXHIBIT "F"

STATE OF CALIFORNIA,)
) SS.
COUNTY OF SAN BERNARDINO.)

I, LEGARE ALLEN, County Recorder of said county, hereby certify the foregoing to be a full, true and correct copy of the Agreement between I. D. B. Stillman, et al, and the Bear Valley Land and Water Company, as recorded in Book I of Agreements, page 315, Records of San Bernardino County.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 4th day of September, A.D. 1908. (Seal)

Legare Allen, County Recorder.

By W. M. Winkler, Deputy.

EXHIBIT "F"

Original Filed

FEB 7 1977

V. Dennis Wardle
County Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

BIG BEAR MUNICIPAL WATER DISTRICT, Plaintiff, v. NORTH FORK WATER COMPANY, et al., Defendants.	No. 165493 ORDER APPOINTING WATERMASTER

Paragraph 14 of the Judgment herein provides for the appointment of a Watermaster Committee, consisting of representatives nominated by District, Conservation District and Mutual. Court, having received and filed the nominations by said parties, and good cause appearing,

IT IS HEREBY ORDERED that the following representatives be, and they are hereby appointed for the term and pursuant to the conditions SPECIFIED IN said Paragraph 14 of the Judgment, as the Watermaster Committee for purposes of administration of the Judgment and physical solution pursuant to this Court's continuing jurisdiction and subsequent orders:

CLAYSON, ROTHROCK & MANN
EUGENE A. NAZAREK
601 South Main Street
Corona, California 91720
Telephone: (714) 737-1910

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

BIG BEAR MUNICIPAL WATER DISTRICT, Plaintiff, v. NORTH FORK WATER COMPANY, et al., Defendants.	No. 165493 NOTICE OF WITHDRAWAL OF SPECIAL COUNSEL FOR PLAINTIFF

PLEASE TAKE NOTICE that DONALD D. STARK, special counsel for Plaintiff herein, hereby withdraws as counsel of record for purposes of the Court's continuing jurisdiction. Co-counsel of record

CLAYSON, ROTHROCK & MANN
EUGENE A. NAZAREK
601 South Main Street
Corona, California 91720
Telephone: (714) 737-1910

who are general counsel for Plaintiff District, will remain as sole counsel of record for said party.

DATED: February 14, 1977.

Donald D. Stark

STARK
AT LAW
CENTER
CA
[illegible]

PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within-entitled action; my business address is 2061 Business Center Drive, Irvine, California 92715. On February 15, 1977, I served the within Notice of Withdrawal of Special Counsel for Plaintiff on the Defendants in said action, by placing a true copy in a sealed envelope with postage thereon fully prepaid, in the United States mail at Irvine, California, addressed as follows:

Mr. James Edwards
Surr & Hellyer
599 Arrowhead Avenue
San Bernardino, Calif. 92412

Mr. Denslow Green
Green & Green
P. O. Box 1018
Madera, Calif. 93637

Mr. Richard A. Mulligan
323 Court Street
San Bernardino, Calif. 92401

Mr. Edwin B. Hales
Hales & Hales
Box 188
Redlands, Calif. 92373

Mr. Edward F. Taylor
Welebir, Brunick & Taylor
Box 351
San Bernardino, Calif. 92402

Mr. Thomas Gilfoy
Southern California Edison Company
P. O. Box 800
Rosemead, California

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on February 15, 1977, at Irvine, California.

Judy Patton

IN THE COURT OF APPEAL

FOURTH APPELLATE DISTRICT, DIVISION TWO

STATE OF CALIFORNIA

BIG BEAR MUNICIPAL WATER DISTRICT,

Plaintiff and Petitioners,

v.

NORTH FORK WATER COMPANY, et al.,

Defendants and Respondents.

STIPULATION FOR ABANDONMENT AND

DISMISSAL OF APPEAL

GREEN & GREEN
P. O. Box 1019
Madera, California 93637
(209) 674-5656

Attorneys for Respondent
North Fork Water Company

DONALD D. STARK
2061 Business Center Drive
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Attorney for Appellant
Big Bear Municipal Water District

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P. O. Box 188
Redlands, California 92373
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Attorneys for Respondent
Lugonia Water Company

SURR & HELLYER
599 Arrowhead Avenue
San Bernardino, California 92412
(714) 884-4704

Attorneys for Respondent
Bear Valley Mutual Water Company

WELEBIR, BRUNICK & TAYLOR
P. O. Box 351
San Bernardino, California 92402
(714) 885-6838

Attorneys for Respondent
Redlands Water Company

RICHARD A. MULLIGAN
323 Court Street, Suite 201
San Bernardino, California 92401
(714) 884-2191

Attorney for Respondent
San Bernardino Valley Water
Conservation District

STIPULATION FOR ABANDONMENT AND

DISMISSAL OF APPEAL

RECITALS:

This action is pending on appeal from judgment entered on an order sustaining a demurrer to the amended complaint, without leave to amend.

Pending this appeal, the parties have succeeded at negotiating an agreed solution to the several lawsuits and disputes which have heretofore existed between them.

It is the purpose of this stipulation to obtain an order of this Honorable Appellate Court dismissing the appeal and issuing a remittitur forthwith, with each party to bear its own costs on appeal.

STIPULATION:

IT IS HEREBY STIPULATED by and between the parties hereto that the appeal herein is abandoned and dismissed and that this Honorable Appellate Court may enter its order remitting this matter forthwith to the Superior Court of the State of California, for the County of San Bernardino, with each party to bear its own costs on appeal.

Dated: January 19, 1977.

Donald D. Stark
Special Counsel for Big Bear Municipal Water District

SURR & HELLYER

By _____

Attorneys for Respondent Bear Valley Mutual Water Company

GREEN & GREEN

By _____

Attorneys for Respondent North Fork Water Company

HALES & HALES

By _____

Attorneys for Respondent Lugonia Water Company

WELEBIR, BRUNICK & TAYLOR

By _____

Attorneys for Respondent Redlands Water Company

_____

Attorney for Respondent San Bernardino Valley Water Conservation District

Langdon W. Owen
2061 Business Center Drive
Suite 203
Irvine, California 92715
(714) 752-9082

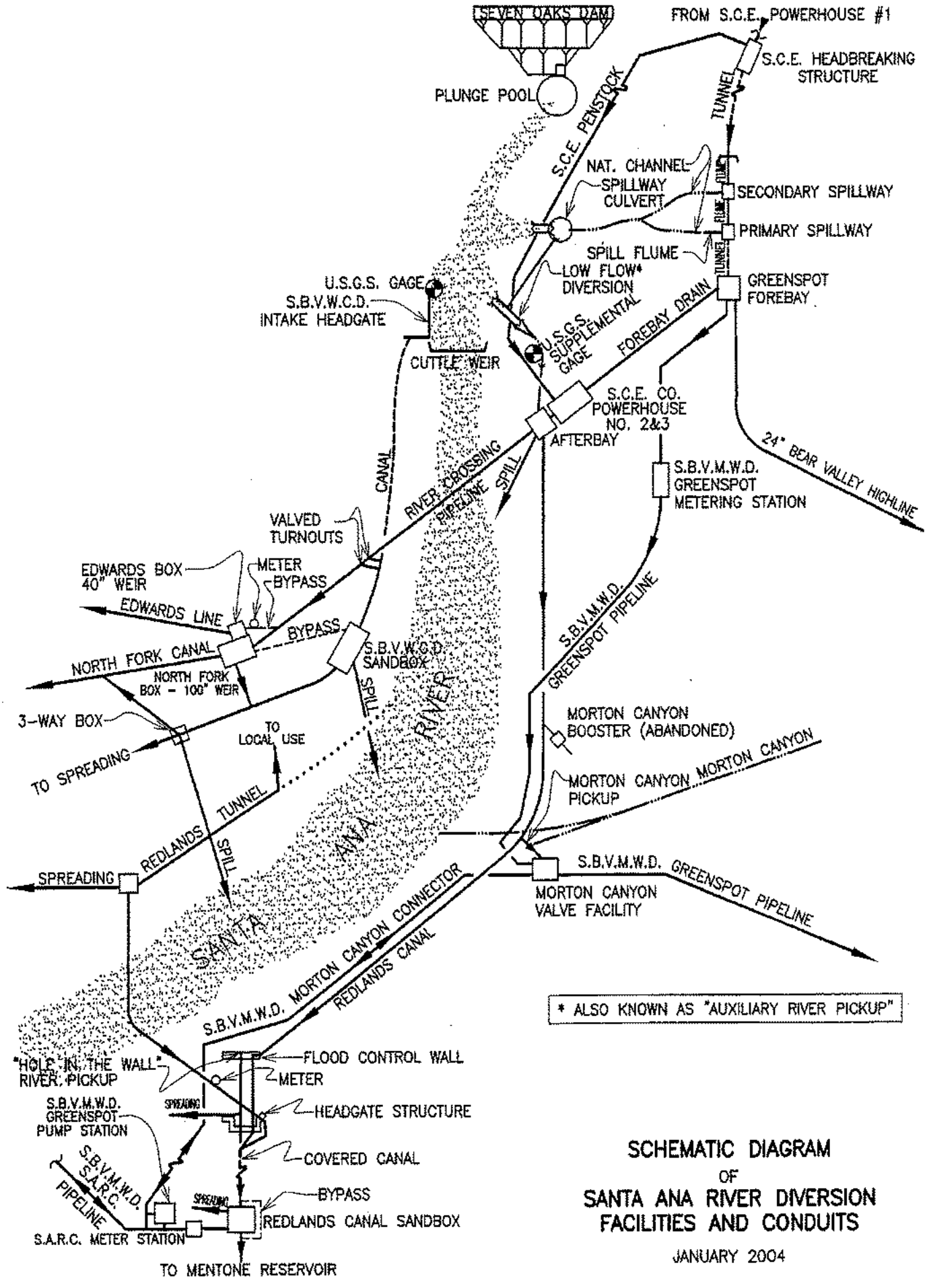
Horace P. Hinckley
101 East Olive Street
Redlands, California
(714) 793-4901

William J. Hiltgen
303 Brookside Avenue
Redlands, California 92373
(714) 793-2503

DATED: February 4, 1977.

JOSEPH B. CAMPBELL
Judge of the Superior Court

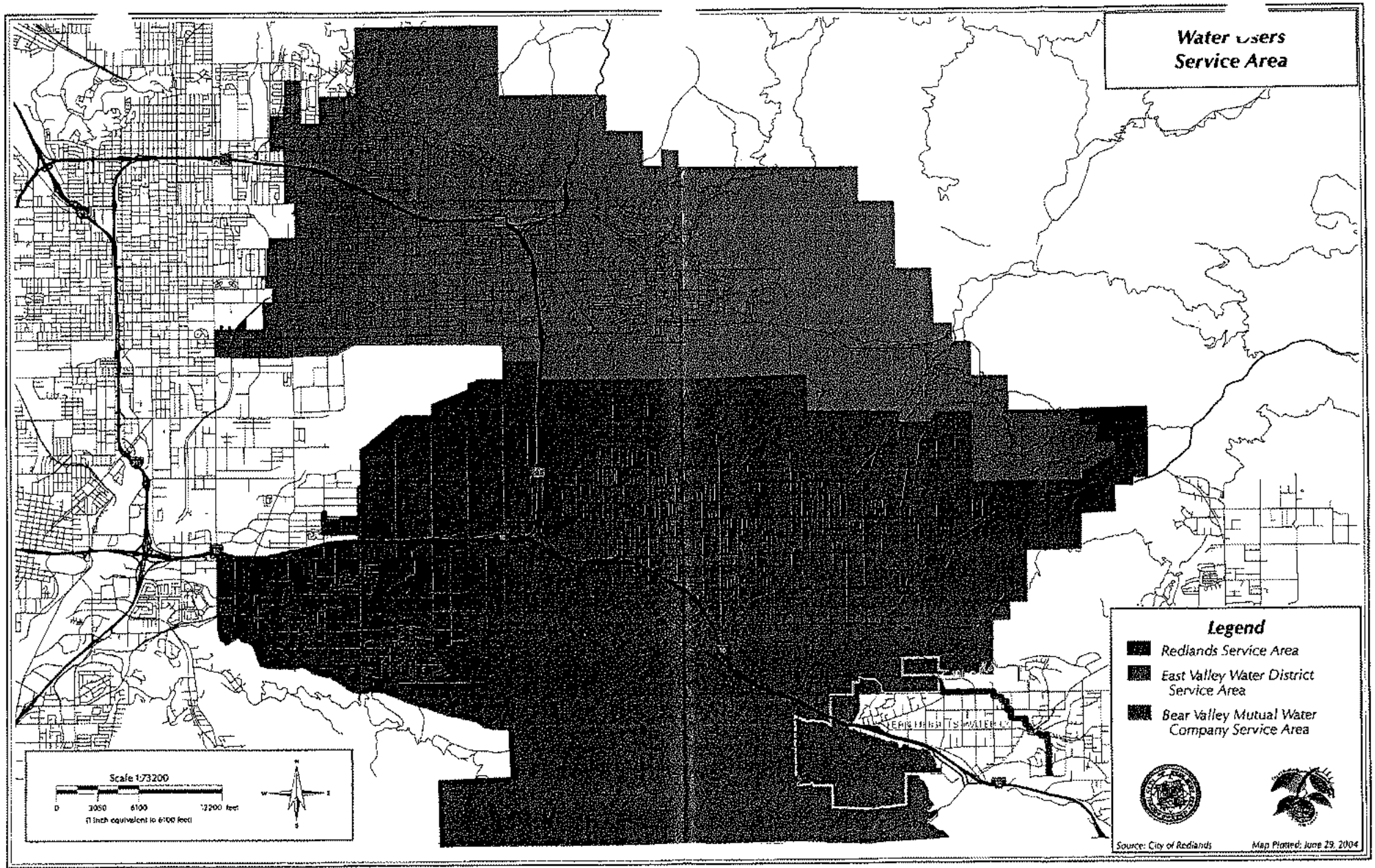
EXHIBIT D



SCHEMATIC DIAGRAM
OF
SANTA ANA RIVER DIVERSION FACILITIES AND CONDUITS

JANUARY 2004

EXHIBIT E


Water Users
Service Area
Legend
Redlands Service Area
East Valley Water District
Service Area
Bear Valley Mutual Water
Company Service Area
Scale 1:73200
0 3050 6100 12200 feet
(1 inch equivalent to 6100 feet)
N
W
E
S
Source: City of Redlands
Map Plotted: June 29, 2004
W.O.#: 374

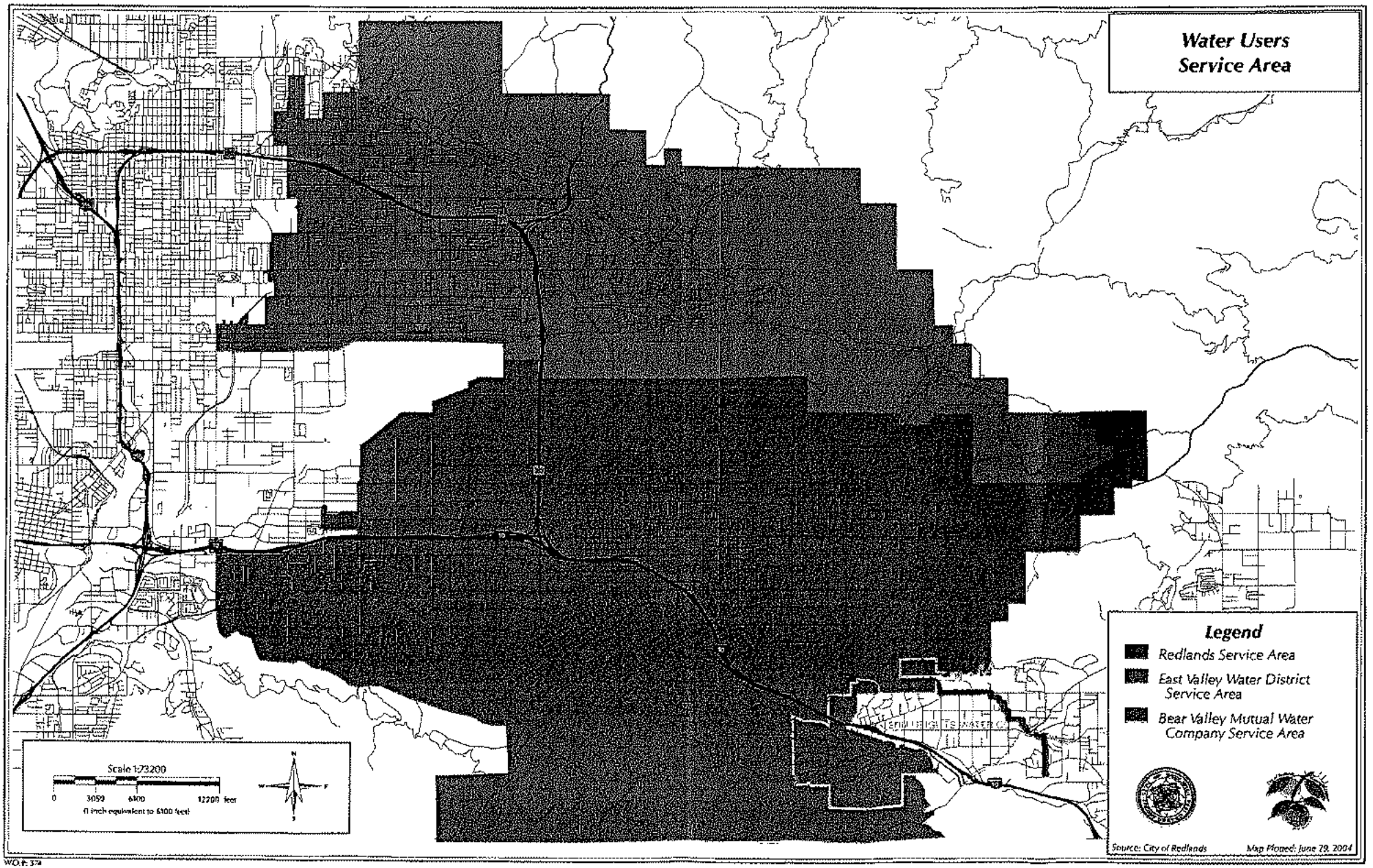

Water Users
Service Area
Legend
Redlands Service Area
East Valley Water District
Service Area
Bear Valley Mutual Water
Company Service Area
Scale 1:73200
0 3050 6100 12200 feet
1 inch equivalent to 6100 feet
N
W E
S
Source: City of Redlands
Map Moved: June 29, 2004

EXHIBIT F

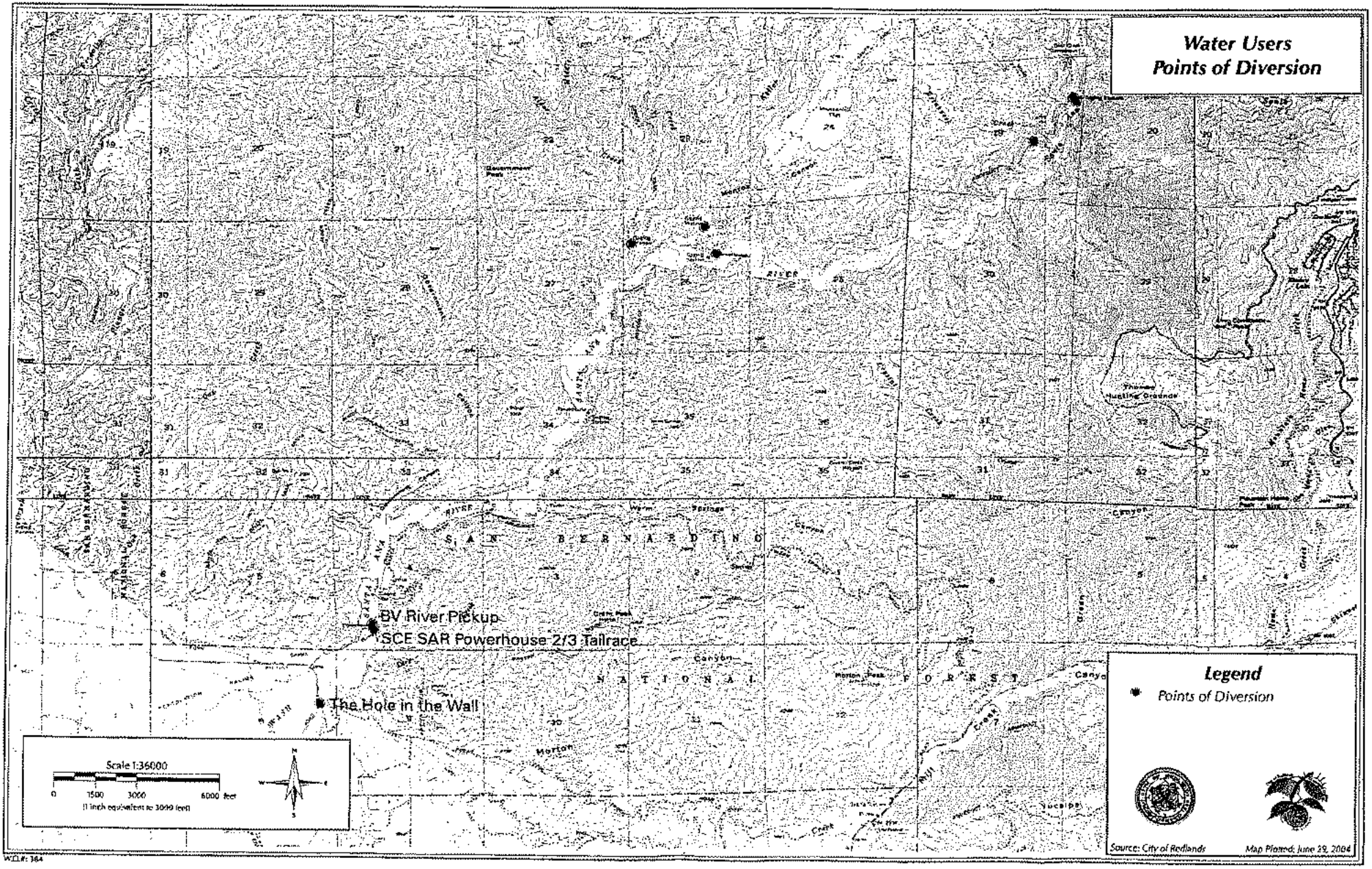

Water Users
Points of Diversion
BV River Pickup
SCE SAR Powerhouse 2/3 Tailrace
The Hole in the Wall
SAN BERNARDINO
NATIONAL
FOREST
Scale 1:36000
0 1500 3000 6000 feet
1 inch equivalent to 3000 feet
Legend
Points of Diversion
Source: City of Redlands
Map Plotted: June 29, 2004
WELL#: 384

EXHIBIT G

SBBA Index Wells

Well No.	State Well Number	Owner	Well Name
1	02N05W19Q01S	City of San Bernardino MWD	Vincent Well
2	01N04W06H02S	City of San Bernardino MWD	Devil Canyon No. 3
3	01N04W08M01S	City of San Bernardino MWD	Devil Canyon No. 1
4	01N05W03H01S	City of San Bernardino MWD	Cajon Well No. 1
5	01N04W31A01S	City of San Bernardino MWD	Mt. Vernon
6	01N05W06G01S	Fontana Union Water Company	Well 27
7	01N05W07H01S	Fontana Union Water Company	Well 26
8	01N05W22A01S	Fontana Union Water Company	Well 13
9	01N05W36H04S	West Valley Water District	Lord 7
10	01N04W26A02S	East Valley Water District	Well 24A
11	01S04W14P02S	City of Riverside	Raub 1
12	01S04W23Q	Gage Canal Company	Lower Kelly
13	01N04W16E03S	City of San Bernardino MWD	Newmark 3
14	01N04W27A02S	City of San Bernardino MWD	Leroy Street Well
15	01S03W04N01S	East Valley Water District	Well 40
16	01S03W15F01S	City of Redlands	Orange Street Well
17	01S03W21H01S	City of Redlands	Well 32
18	01N03W30J01S	East Valley Water District	Well 62
19	01S02W19A01S	City of Redlands	Agate 2
20	01S03W23A03S	Bear Valley Mutual Water Company	Nelson Street
21	01S03W13M01S	City of Redlands	Airport 2
22	01S03W13Q01S	San Bernardino Valley MWD	San Bernardino Ave. Well
23	01S03W02J02S	East Valley Water District	Well 120
24	01S03W03R04S	East Valley Water District	Well 146A
25	01S02W07R01S	East Valley Water District	Observation Well

EXHIBIT H

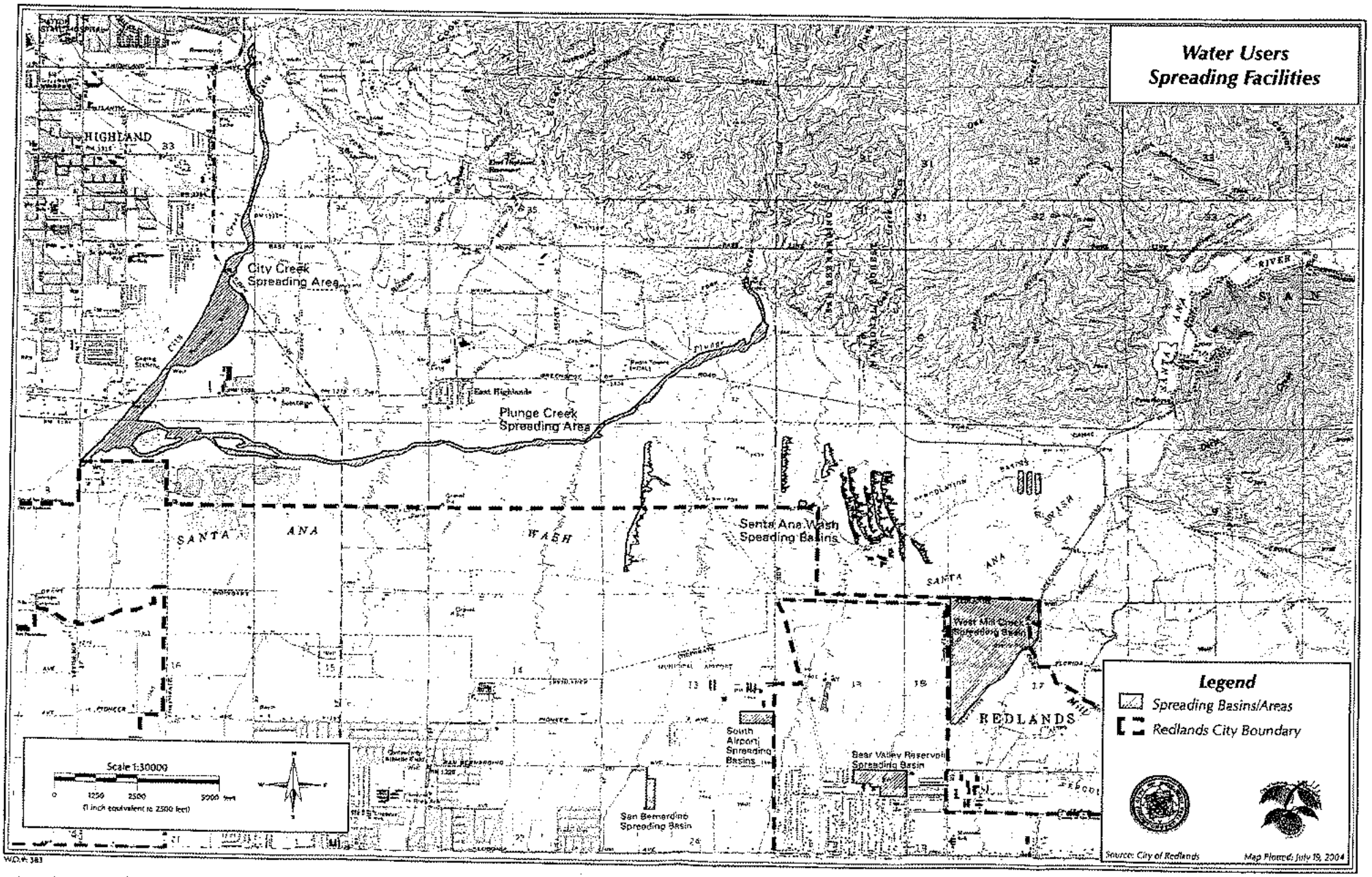

Water Users
Spreading Facilities
HIGHLAND
City Creek
Spreading Area
East Highlands
Plunge Creek
Spreading Area
SANTA ANA WASH
Santa Ana Wash
Spreading Basins
West Mill Creek
Spreading Basin
REDLANDS
South
Airport
Spreading
Basins
Bear Valley Reservoir
Spreading Basin
San Bernardino
Spreading Basin
Scale 1:30000
0 1250 2500 5000 feet
(1 inch equivalent to 2500 feet)
Legend
Spreading Basins/Areas
Redlands City Boundary
Source: City of Redlands
Map Plotted: July 19, 2004
W.O.#: 383

EXHIBIT I

Thresholds of Significance and Mitigation Measures
To be Included in Applicants' EIR

1. Threshold of Significance: Reduction in Groundwater Levels at Index Wells Outside the Pressure Zone

A reduction in groundwater levels outside the Pressure Zone is significant if the analysis in this EIR, using the integrated surface water and groundwater model developed by the project proponents, predicts that the project would reduce static groundwater levels at one or more index wells, on average, by more than 10 feet during a repetition of the 39-year base period hydrology, as compared to static water levels in the absence of the project.

2. Threshold of Significance: Increase in Groundwater Levels at Index Wells Within the Pressure Zone

An increase in groundwater levels in the Pressure Zone is significant if the analysis in this EIR, using the integrated surface water and groundwater model developed by the project proponents, predicts that the project would increase static groundwater levels at one or more index wells in the Pressure Zone, on average, by more than 10 feet during a repetition of the 39-year base period hydrology, as compared to static water levels in the absence of the project.

3. Mitigation Measure : Targeted Sp reading to Maintain Groundwater Levels

To avoid a significant effect on groundwater levels at one or more index wells located outside the Pressure Zone, the project proponents shall spread sufficient water to maintain static groundwater levels at the affected index wells to reduce this project impact to a less-than-significant level.

4. Mitigation Measure : Limitation on Spreading to Prevent High Groundwater Levels.

To avoid a significant effect on groundwater levels in the Pressure Zone, the project proponents shall curtail their spreading or direct other parties engaged in the spreading of water to replenish the San Bernardino Basin to curtail their spreading to reduce this project impact to a less-than-significant level.

Notice of Exemption

To: ☒ Office of Planning and Research
PO Box 3044, 1400 Tenth Street, Rm. 222
Sacramento, CA 95812-3044

☒ County Clerks
County of San Bernardino
222 West Hospitality Lane
San Bernardino, California 92415

County of Riverside
P.O. Box 751
Riverside, California 92501

From: San Bernardino Valley Municipal Water District
1350 S. "E" Street (92408-2725)
P.O. Box 5906 (92412-5906)
San Bernardino, California

Western Municipal Water District of Riverside County
450 Alessandro Blvd.
Riverside, CA 92508

City of Redlands
35 Cajon Street, Suite 15-A
Redlands, CA 92373

East Valley Water District
1155 Del Rosa Avenue
San Bernardino, CA 92413

Project Title: Settlement Agreement Relating to the Diversion of Water from the Santa Ana River System (the "Seven Oaks Accord")

Project Location - Specific: See description of project, below.

Project Location – Cities: San Bernardino, Highland, Rialto, Colton, Redlands, and Terrace, Loma Linda, and Yucaipa

Project Location - Counties: San Bernardino and Riverside Counties

Description of Nature, Purpose, and Beneficiaries of Project:
San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County have filed applications with the State Water Resources Control Board ("SWRCB") to appropriate water from the Santa Ana River for direct diversion and/or storage. The City of Redlands, East Valley Water District and Bear Valley Mutual Water Company (among others) have filed protests against the applications alleging infringement of their senior water rights and adverse impacts on the environment. The project is the execution of a settlement agreement, approved by the parties, to resolve the protests without the need for a lengthy and expensive water rights hearing. The execution of the settlement agreement will have no physical impact on the environment.

Name of Public Agency Approving Project: San Bernardino Valley Municipal Water District, Western Municipal Water District of Riverside County, City of Redlands, East Valley Water District.

Name of Person or Agency Carrying Out Project: San Bernardino Valley Municipal Water District, Western Municipal Water District of Riverside County, the City of Redlands, East Valley Water District, Bear Valley Mutual Water Company, Lugonia Water Company, North Fork Water Company, and Redlands Water Company.

Exempt Status: (*check one*)

☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption. State type and section number:
☐ Statutory Exemptions:State code number:

Reasons why project is exempt: The project is the execution of a settlement agreement which requires the withdrawal of protests to applications presently pending before the SWRCB, the submission of letters in support of the applications, and an amendment to the applications. Consequently, there is no possibility that the project will result in a physical change to the environment and the project is exempt pursuant to the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. CEQA Guidelines §15061(b)(3).

Please see attached.

Lead Agency Contact Person:

Robert Reiter	(909) 387-9222
John Rossi	(909) 789-5000
Douglas Headrick	(909) 798-7698
Robert Martin	(909) 889-9501

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature:_ Date: Title:

☐ Signed by Lead Agency
☐ Signed by Applicant

Date received for filing at OPR:_

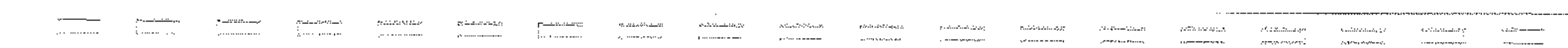
Determination of Exempt Status – Execution of Seven Oaks Accord

The execution of the Seven Oaks Accord is a project that is exempt from environmental analysis under the terms of the California Environmental Quality Act ("CEQA"). A project is exempt from CEQA if a lead agency can determine with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (Cal. Code Regs. tit. 14, §15061, subd. (b)(3)); No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68, 74.) The purpose of this exemption is to provide "a short way for agencies to deal with discretionary activities which could arguably be subject to the CEQA process but which common sense provides should not be subject to the Act." (Cal. Code Regs. tit. 14, discussion following §15061; Davidon Homes v. City of San Jose (1997) 54 Cal.App.4th 106, 112.)

An agency can determine that a project will have no significant effect on the environment where the project will have no direct environmental effect and is not an implementation step in a comprehensive plan which can ultimately result in physical changes to the environment. (Kaufman & Broad-South Bay, Inc. v. Morgan Hill Unified School District (1992) 9 Cal.App.4th 464, 474, 476.) In Kaufman & Broad-South Bay, Inc., the court held that an environmental analysis was not required for the formation of a community facilities district, emphasizing the absence of a causal link between the action and the alleged environmental impact, the construction of new schools. (Id. at 474.) Although the District could foreseeably construct new schools in the future, the court found that the formation of a community facilities district was not an "essential step" in a chain of events leading to a change in the environment. (Id.)

Here, the project involves the execution of a settlement agreement that resolves protests against water rights applications presently pending before the State Water Resources Control Board. The project itself requires administrative activities consisting of the withdrawal of protests to applications, a submission of letters in support of applications, and an amendment to the application. The project is exempt from CEQA for at least two reasons. First, the execution of a settlement agreement is not an "essential step" in the processing of the two water right applications before the State Water Resources Control Board; accordingly, under Kaufman & Broad-South Bay, Inc., the adoption of the settlement agreement is exempt from further analysis under CEQA. Second, given the nature of the project (i.e., the exchange of correspondence with the State Water Resources Control Board), common sense dictates that it can be seen with certainty that the project will not have an adverse impact on the physical environment. Similar to Kaufman & Broad-South Bay, Inc., and consistent with the terms of the settlement agreement itself, environmental impacts resulting from future decisions related to the Project will be examined at the time those decisions are made. (9 Cal.App.4th at 473.)

For these reasons, San Bernardino Valley Municipal Water District, Western Municipal Water District of Riverside County, the City of Redlands, and East Valley Water District can determine with certainty that there is no possibility that the project may have a significant effect on the environment.



Copy

OF

Certified Copy

OF

JUDGMENT

Rendered in the Superior Court of San Bernardino County, California, on January 28th, 1924, in Action No. 17030 and Entitled:

"City of San Bernardino vs. Fontana Water Co. et al."

Recorded in Book 829, Page 293 of Deeds, San Bernardino County Records

Judgment

In the Superior Court of the State of California in and for the County of San Bernardino

CITY OF SAN BERNARDINO,
a municipal corporation,

Plaintiff.

vs.

FONTANA WATER COMPANY, a corporation, FONTANA UNION WATER COMPANY, a corporation, FONTANA POWER COMPANY, a corporation, FONTANA FARMS COMPANY, a corporation, FONTANA COMPANY, a corporation, LYTLE CREEK WATER AND IMPROVEMENT COMPANY, a corporation, CITIZENS LAND AND WATER COMPANY OF BLOOMINGTON, a corporation, RIVERSIDE HIGHLAND WATER COMPANY, a corporation, RANCHERIA WATER COMPANY, a corporation, MUTUAL LAND AND WATER COMPANY OF RIALTO, a corporation, TERRACE WATER COMPANY, a corporation, THE GAGE CANAL COMPANY, a corporation, RIVERSIDE TRUST COMPANY, LIMITED, a corporation, RIVERSIDE

No. 17030

ORANGE COMPANY, LIMITED, a corporation, CITY OF COLTON, a municipal corporation, GATE CITY ICE AND PRECOOLING COMPANY, a corporation, COLTON CITY WATER COMPANY, a corporation, MEEKS AND DALEY WATER COMPANY, a corporation, FONTANA LAND COMPANY, a corporation, JOHNHUB WATER COMPANY, a corporation, FONTANA DEVELOPMENT COMPANY, a corporation, NORTH COLTON WATER COMPANY, a corporation, LAWSON WELL COMPANY, a corporation, ALTA VISTA WATER COMPANY, a corporation, CLARA VISTA WATER COMPANY, a corporation, ORCHARD MUTUAL WATER COMPANY, a corporation, EAST RIVERSIDE WATER COMPANY, a corporation, JAMES BARNHILL, JOHN DOE, RICHARD ROE, SAM BLACK, JOE WHITE, SAM WHITE, CHARLES WHITE, TOM BROWN, SARAH BROWN, CHARLES BROWN, MARY BROWN, CHARLES LOW and JOHN LOW, and RIALTO DOMESTIC WATER COMPANY, a corporation,

Defendants.

WHEREAS there has been filed in this action a stipulation for judgment, duly executed by and on the part of the plaintiff above named and by and on the part of each and all of the following named defendants in this action, to-wit: Fontana Water Company, a corporation;

Fontana Union Water Company, a corporation; Fontana Power Company, a corporation, Fontana Farms Company, a corporation; Fontana Land Company, a corporation, Lytle Creek Water and Improvement Company, a corporation; Citizens Land and Water Company of Bloomington, a corporation; Riverside Highland Water Company, a corporation; Rancheria Water Company, a corporation; Mutual Land and Water Company of Rialto, a corporation; Terrace Water Company, a corporation; City of Colton, a municipal corporation; Rialto Domestic Water Company, a corporation; and James Barnhill (said Barnhill being erroneously sued herein, under the name of "W. W. Barnhill"),

NOW THEREFORE, by reason of said stipulation, and pursuant to the terms and provisions thereof,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Court as follows:

I.

This action is hereby dismissed as to each and all of the defendants, other than those above named as parties to said stipulation; and each and all cross-complaints or cross-actions, filed or pending by or between any of the parties to said stipulation, above named are dismissed.

II.

As between the plaintiff and each and all of the defendants, above named, as parties to said stipulation, and as to each and all of said defendants as between themselves, excepting as set forth in Paragraph XXI hereof, it is further

ADJUDGED AND DECREED, as follows:

III.

That an inch of water, as the term is used herein, shall mean such quantity of water, in continuous flow, as will supply one-fiftieth part of a cubic foot of water per second of time.

IV.

That from time immemorial, there has flowed, and now flows, in Lytle Creek Canyon, in San Bernardino County, California, a natural stream, known as "Lytle Creek," and there exists below the mouth of said canyon, a certain pressure pipe line, belonging to said Power Company, and the cement intake diverting water into said pipe line, is situate on the west side of said stream, very near the mouth of said canyon, and at a distance of about 1662 feet north of a point in the north boundary of the Muscupiabe Rancho, between stations 48 and 49 thereof, where said boundary intersects the center line of Riverside Avenue, as delineated on the map showing subdivision of the lands of the Semi-Tropic Land and Water Company, (said location of said intake having been sometimes heretofore erroneously designated in the pleadings herein and elsewhere, as being about 2375 feet north of said point of intersection), said Map being recorded in the office of the County Recorder of said County, in Book 6 of Maps, page 12 thereof; and said Power Company, for more than five years last past, has been and now is diverting from said creek, at said intake, by means of said pipe line, the waters of said Creek, flowing at said intake not exceediig 3000 inches, and is conducting said waters to the power house of said Power Company, situated on Farm Lot 66, designated on said Map, which waters,

upon being discharged from said Power House, belong to and are distributed to sundry parties, for their use, in proportion to their rights and interests therein.

V.

That in the San Bernardino Valley in said County, there exists, and lies below, and to the southeast of the mouth of said canyon, an area of land herein designated as "Lytle Creek Region" which, for the purposes of this decree, is defined and described as follows:

Commencing at a point in the center line of Mill Street, in the City of San Bernardino, in said County, situate 300 feet east of the center line of Mt. Vernon Avenue; thence north 400 feet; thence west to the center line of Mt. Vernon Avenue; thence running north along the center line of Mt. Vernon Avenue, to the intersection thereof with the center line of Fourth Street, (said street being identical with Foothill Boulevard); thence running west along the center line of Fourth Street, to a point where the center line of Fourth Street would intersect the center line of Muscott Avenue, if said Avenue were extended south; thence running north to the point of intersection of center line of Muscott Avenue with center line of Base Line; thence running west along center line of Base Line, to the southeast corner of Section 31, Township 1 North, Range 4 West, S. B. B. & M.; thence running north to the southwesterly boundary of the right of way of Atchison, Topeka and Santa Fe Railway Company (on which right of way are located the main railroad tracks of said Railroad Company, running from said City, through Cajon Pass); thence following along said southwesterly boundary of said right of way, to the point of intersection thereof, with the State Highway

at Verdemont; thence following said Highway to the point of intersection thereof, with the north line of Township 1 North, Range 5 West, San Bernardino Base and Meridian; thence running west, along the north line of Township 1 North, Range 5 West, San Bernardino Base and Meridian, to the northwest corner of said last mentioned township; thence running southeasterly to a point situate five feet east of the most easterly point of said intake of said pipe line of said Power Company, thence running southeasterly and following upon and along a line parallel with the east side of that certain cement canal, formerly known as the "Semi-Tropic Canal" (the intake of which canal is identical with said intake of said pipe line), and at all points five feet distant in a northeasterly direction from the east side of said Canal, to a point where said line would intersect the northwesterly line of Farm Lot 68, designated on said Map, if said northwesterly line of said Lot were projected southwest; thence along said northwesterly line of said Lot, to the foot of the ridge or bluff known as the "Rialto Bench," thence running southeasterly along the foot of said bluff, to a point where the foot of said bluff intersects the center line of said Mill Street; running thence east, along the center line of Mill Street, to the place of beginning.

VI.

That whenever there shall be discharge from said Power House, surplus water in excess of the quantity at the time required to satisfy the domestic and irrigation needs of the respective parties, entitled to receive and use water discharged from said Power House, all of such surplus water, so discharged, shall be used for

replenishing the underground water sources of said Lytle Creek Region, and to that end, shall be delivered by said Power Company, to and upon the wash of said Lytle Creek, by a cement conduit, at the highest point on the westerly margin of said wash, to which such water can reasonably be conducted by gravity flow from said Power House. Such replenishment work, as to the water so delivered upon said wash, shall be performed under the supervision and direction of the Committee hereinafter mentioned.

VII.

That all water flowing at said intake of said pipe line of said Power Company, between the 15th day of December, and the 15th day of the next succeeding month of April, of each year hereafter elapsing, shall be diverted and applied in the manner and in accordance with the priorities hereinafter set forth, to-wit:

First: To supply to said pipe line 2000 inches of water, or such larger quantity as may, at the time, be required and taken for immediate use for irrigation or domestic purposes, by the parties entitled to receive and use water discharged from said Power House, not exceeding the extent of their respective rights to such water.

Second: To supply additional water to said pipe line, to the extent of an aggregate amount of 3000 inches, (inclusive of the water specified in the next preceding subdivision "First"), except and provided that all or any part of such additional water shall be allowed to flow past said intake, into the wash or channel of said creek, for replenishing the underground water of said

Region, whenever so requested in writing by the said Improvement Company, except during periods:

(a) When the quantity of water flowing in said creek at said intake, exceeds 4000 inches, in which event such excess water may be diverted through said pipe line, until the total quantity of water, diverted therethrough, amounts to 2500 inches, or

(b) When the quantity of water, flowing in said creek, at said intake exceeds 5000 inches, in which event, such excess water may be diverted through said pipe line, until the total quantity of water, diverted therethrough, amounts to 3000 inches.

Third: All water, so permitted to pass said intake, shall be used, as far as reasonably practicable, for replenishing the underground water contained in the entire area of the Lytle Creek Wash, situate below said intake, provided that at all times, so far as is reasonably practicable, the upper portion of said wash shall be so replenished with water until no more water can be sunk therein, before such replenishment is performed on the portion of said wash lying south of Highland Avenue, or lying east of the west boundary of the lands in said Region now owned by the Muscoy Water Company.

Fourth: If, at the end of five years, from date hereof, said Improvement Company or their successors in interest, decide that the water producing capacity of wells, situate south of an east and west line drawn through said Power House, and north of said Highland Avenue, would be benefited and increased by conducting at said intake, into said pipe line, a quantity of water not exceeding 3000 inches, then and in that event, all of the water flowing at said intake, shall at all times

thereafter, be turned into said pipe line, to the extent of said 3000 inches, instead of permitting a portion of such waters to flow past said intake, as aforesaid, and at said Power House, all surplus water, in excess of the quantity at the time required to meet the then requirements of the respective parties, entitled to receive and use water discharged from said Power House, shall be used in accordance with, and be subject to the provisions of Paragraph VI hereof.

VII-a

That no water shall ever be conducted by any party hereto, from that certain tract of land, situated in said San Bernardino County, described as follows:

Beginning at a point on the center line of hereinbefore mentioned Muscott Avenue, said point being situate one-half mile north of said Base Line; running thence south to the center line of said Fourth Street; running thence west, along said center line of Fourth Street, to the point of intersection thereof with the center line of the right of way, for electrical transmission line, of Southern Sierras Power Company; running thence northwesterly along said center line of said right of way, to a point where said center line of said right of way would intersect a line drawn due west from said point of beginning; thence running east to said point of beginning.

VIII.

That in order to conserve, in the most economical and effectual method, all waters which, under the provisions hereof, are from time to time to be used for replenishing the underground water sources of said Region, and also, for further replenishing the underground water

supply of said Region, to conserve, so far as may be reasonably practicable, the surplus, or flood waters, of streams or canyons tributary to said Region, a committee of five persons shall annually be appointed in the month of September of each year, which committee shall have full charge and direction of such water conservation work, and of all expenditures relating thereto, provided that, in case of disagreement or difference of opinion, the power of such committee shall be exercised by concurrence of a majority of its members. One of the members of said committee shall be so appointed by said Improvement Company; one by said Citizens Company; one by said Union Water Company, one by said Mutual Company, Rancheria Water Company, Riverside Company and said City of San Bernardino; and one by said Terrace Water Company, James Barnhill and City of Colton, and each of said members shall serve for one year, and until his successor is appointed and no member of said committee shall receive any compensation for serving thereon. Vacancies on said committee shall also be filled by appointment, to be made in like manner as aforesaid, by the party or parties which made the appointment of the member whose place so becomes vacant, and any person appointed to fill such vacancies shall fill out the unexpired term of his predecessor. Subject to the provisions hereof, said committee is hereby authorized to, from time to time, install any water conservation works, including the construction of dams, ditches, cuts, obstructions, and shafts on land in said Lytle Creek Wash, lying north of Fourth Street, (said street being identical with Foothill Boulevard) and also in and along any canyon, the waters of which are tributary to said Region, and take all other steps,

as in its uncontrolled discretion may be deemed expedient, in order to accomplish the underground conservation of such waters, provided that nothing herein shall be construed as authorizing said committee to trespass upon the property or rights of any party or to do any act that would infringe upon or impair or interfere with the right of any party to the use of any water to which such party shall be entitled. The expense of installing such system and maintaining the same, and carrying on said work of water conservation, shall be borne and paid, subject to the provisions hereof, by the Fontana Companies, Citizens Company, Riverside Company, Improvement Company, Mutual Company, Rancheria Water Company, Rialto Domestic Water Company, City of Colton, City of San Bernardino, Terrace Water Company, and James Barnhill, in the same proportions that the maximum quantity of water which each of said eleven parties (or group of parties), is allotted hereunder, the right to pump from said Region, bears to the aggregate maximum quantity of water which all of said parties are alloted hereunder the right to pump from said Region, provided that in the event of any other person or corporation joining in said conservation work, and paying a proportion of the expense thereof, the proportions of said expense to be borne by said parties, as hereinbefore set forth, shall be correspondingly and equitably reduced. Said committee, in the month of October of each year, and from time to time thereafter, as they may deem proper, shall make an estimate of the amount of money at the time required to be paid to said committee by said eleven parties hereto above named, in order to meet the expense for conservation work as aforesaid, at the

time being undertaken, or in contemplation by said committee.

Said committee shall thereupon present to each of said eleven parties, a bill for the proportionate amount so to be paid by such party, and if any party shall fail to pay such bill, within thirty days after it shall be so presented to such party, then said committee may bring, and it shall be its duty to bring, suit against such party for the amount of such bill, together with costs, including a reasonable attorneys' fee to be fixed by the court in which such suit shall be brought.

Any and all lands, owned by any of said specified parties who are to bear the expense of said conservation work as aforesaid, situate in said Lytle Creek Region, and lying north of said "Fourth Street," and not suitable for the growing of crops thereon, may be used at any and all times for spreading water thereon, and sinking and conserving water therein, by means of dams, obstructions, ditches, cuts and shafts, or by taking such other steps as may be deemed expedient by said committee, provided however, that such water conservation work shall not be done in such a manner as to injure or interfere with the use of any pumping plant, structure or other improvement, situate on any land where such work is performed.

IX.

That the maximum quantity of water which said plaintiff, City of San Bernardino, shall be, and is entitled to take from said Region, and use beyond the confines thereof, is such quantity of water, which when added to the water said plaintiff is entitled to have delivered to it, from said Lytle Creek, will amount in the

aggregate, (inclusive of said Lytle Creek Water) to 325 inches of water, and said plaintiff shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 325 inches. Of said quantity of water, 225 inches and no more may be pumped or diverted from that certain tract of land in said Region, comprising 10.09 acres, and forming a part of tract known as the "McKenzie Tract" (said tract of 10.09 acres being more particularly described in that certain deed running from William L. McKenzie, and others, to said plaintiff, and recorded in Book 109 of Deeds, at page 303 thereof, in the office of the County Recorder of said San Bernardino County), and none of said 225 inches shall ever be diverted by plaintiff from any other portion of said Region.

Said plaintiff is also the owner of the right to take, divert and use water from that portion of the San Bernardino Valley, lying east of the easterly boundary line of said Lytle Creek Region and east of a line beginning at the point of intersection of the State Highway with the south boundary line of Section 34, Township 2 North, Range 5 West, S. B. B. & M., and running thence to the northwest corner of said Section 34, and north of the center line of Mill Street, extended east to Sterling Avenue, and from streams tributary to said portion of said valley, situate in said portion of said valley, either from the surface flow of such streams, or from wells bored or to be bored in said portion of said valley, to such extent as may be reasonably necessary to supply the needs of said city and its inhabitants with water for supplying needs and purposes within said City. The right of said plaintiff to take water from the surface flow of Lytle Creek, to the extent of 100 inches, shall

not be affected or diminished by any claims of the Fontana Companies, or any of them to salvage water, by reason of any water of Lytle Creek being conducted or conveyed in or through pipe lines, or conduits of any kind.

X.

That, subject to the provisions of this paragraph, the maximum quantity of water which said Rialto Domestic Water Company shall be, and is entitled to take from said Region and use beyond the confines thereof, is such quantity of water which, when added to the water said Company is entitled to have delivered to it from said Lytle Creek, will amount in the aggregate (inclusive of said Lytle Creek Water) to 143.22 inches of water, and said Company shall not be entitled to divert, at any time from said Region, an amount of water in excess of said quantity hereinbefore in this paragraph specified. Of said quantity of water, 100 inches and no more may be pumped from said Region by said Company, provided that:

(a) None of said 100 inches of water shall be taken from any well or water development situate south of a line located parallel to, and situate three-fourths of a mile north of, Highland Avenue.

(b) The right of said Company to so pump and take said one hundred inches of water, shall be exercised only to such extent as shall be necessary to supply the City of Rialto, and the inhabitants thereof, with water for municipal and domestic uses and purposes, and for the irrigation of flowers, trees and lawns, within said City, and then only during such times as the 43.22 inches of water (now supplied by said Company to the

inhabitants of said City) is inadequate, or unsuitable for such purposes or uses.

(c) None of said 100 inches of water shall, at any time, be used outside of the now, or hereafter existing corporate limits of said City of Rialto, except to the extent that said 43.22 inches is now being used outside said City.

(d) Nothing in this Paragraph X contained shall be construed as vesting in said Company the right to take any portion of said 100 inches of water from any well or water development, without the consent of the owner of the land on which such well or water development is situated.

(e) The right to pump and take said 100 inches of water from said region shall be exercised only in the event such right shall be transferred to the City of Rialto.

(f) The water derived from said 100 inches water right, other than water supplied for fire hydrants, sewers, stores and buildings, not used for dwellings, shall not be furnished to the inhabitants of said City of Rialto, except through meters and when charged for at meter rates.

XI.

That the maximum quantity of water which said Improvement Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is, such quantity of water, which when added to the water said Company is entitled to have delivered to it from said Lytle Creek, will amount in the aggregate (inclusive of said Lytle Creek Water), to 1026.23 inches, and said Improvement Company shall not be en-

titled to divert at any time, from said Region, an amount of water in excess of said quantity in this paragraph hereinbefore specified. 'Of said quantity of water, only 700 inches may be pumped and diverted from said Region, by said Improvement Company, except during such periods when the quantity of water said Company is deriving from said Lytle Creek, is temporarily reduced to a quantity of less than 326.23 inches, during which periods additional water may be pumped and diverted from said Region by said Company, but only to an extent sufficient to supply such deficiency of said Lytle Creek Water, and only so long as such deficiency continues. Said pumping of said 700 inches of water by said Improvement Company shall be confined to the Ferguson Ranch, (said Ranch being the real property described in that certain deed, dated November 20th, 1908, and executed by Fontana Development Company, and recorded in the office of the County Recorder of said San Bernardino County, in Book 429 of Deeds, page 103 thereof), and said Company is not entitled to pump any water from any other part of said Region.

XII.

That the maximum quantity of water, which said Mutual Company shall be, and is entitled to take and conduct from said Region, and use beyond the confines thereof, is 125 inches of water, and said Mutual Company shall not be entitled to divert at any time, from said Region, an amount of water in excess of said 125 inches, all of which said quantity of water may be pumped by said Company from said Region, but all of said water shall be taken from wells, or water de-

velopments situate south of Highland Avenue, and north of Base Line.

XIII.

That the maximum quantity of water which said Riverside Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is 450 inches of water, and said Riverside Company shall not be entitled to divert at any time, from said Region, an amount of water in excess of said 450 inches, all of which said quantity of water may be pumped or diverted by said Company from said Region, but all of said water shall be taken from wells or water developments situate south of Highland Avenue, and north of Base Line.

XIV.

That the maximum quantity of water which said Rancheria Water Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is 120 inches of water, and said Company shall not be entitled to divert at any time from said Region, an amount of water in excess of 120 inches, all of which said quantity of water may be pumped or diverted by said Company from said Region, but all of said water shall be taken from wells or water developments, situate south of Highland Avenue, and north of said Fourth Street.

XV.

That the maximum quantity of water which said Citizens Company shall be, and is entitled to take from

said Region, and use beyond the confines thereof, is 1300 inches of water, and said Citizens Company shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 1300 inches, all of which said quantity of water may be pumped or diverted by said Company from said Region, provided that:

(a) No more than 200 inches shall ever be diverted or pumped by said Citizens Company, from that part of said Ferguson Ranch specified in that certain deed, executed by the Semi-Tropic Land and Water Company, to the Rialto Irrigation District, and recorded in the office of the County Recorder of said San Bernardino County, in Book 187 of Deeds, at page 213 thereof, and

(b) No more than 585 inches shall ever be diverted from said Region by said Citizens Company, from the northeast quarter of Section 36, Township 1 North, Range 5 West, S. B. B. & M., and

(c) No more than 150 inches shall ever be diverted or pumped by said Citizens Company, from that certain tract of land, situate in said Region, described as follows, to-wit:

Commencing at a point on the Base Line two thousand and fifty feet east of the southwest corner of Township 1 North, Range 4 West, San Bernardino Base and Meridian, and running thence due east 250 feet; thence north 14 degrees west, 344 feet; thence north 24 degrees 10 minutes West, 839.7 feet; thence north 39 degrees, 56 minutes west, 1096 feet; thence due west 674 feet; thence south 8 degrees, 20 minutes east, 500 feet; thence south 34 degrees, 15 minutes east, 1119 feet; thence south 58 degrees, 35 minutes east, 998-7/10 feet, to the place of beginning.

(d) None of the remaining quantity of said 1300 inches of water shall ever be diverted or pumped by said Citizens Company, from any lands in said Region, lying to the north of Base Line, but nothing herein contained shall be construed as obligating said Citizens Company, to divert any specific quantity of water from lands lying north of Base Line, to the end that any quantity of water may be diverted by said Company, from lands in said Region lying south of Base Line, so long as such quantity, when added to the quantity of water which said Company may be then contemporaneously taking from said Region, from lands north of Base Line, shall not exceed in the aggregate, said maximum quantity of 1300 inches of water; provided however, that in the event of said Company diverting at any time from said Region, a total quantity of water, exceeding 1100 inches, then all of such excess water shall be taken by said Company from lands in said Region lying south of a line drawn parallel to, and situate 2500 feet south of Base Line.

(e) Said Citizens Company shall never be entitled to divert any water from that certain tract of land situate in said Region, and described as follows:

Beginning at the southeast corner of the northeast quarter of the northeast quarter of Section 36, Township 1 North, Range 5 West, San Bernardino Base and Meridian; running thence west, 11.89 chains to a post, thence north 3 degrees 10 minutes west, 20 chains to a post on the north line of said Section, thence east 1 chain, thence south 32 degrees east, 8.32 chains to a post; thence south 2 degrees west, 2.06 chains to a post; thence south 54 degrees east, 4.59 chains to a post; thence south 83 degrees east, 4.40 chains to the east line

of said Section, thence south 8.48 chains to the place of beginning.

XVI.

The maximum quantity of water which James Barnhill (sued herein under the erroneus name of "W. W. Barnhill"), shall be, and is entitled to take from said Region, and use beyond the confines thereof, is seventy-five inches of water and said Barnhill shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 75 inches, all of which said quantity of water may be pumped by him from said Region, but all of said water shall be taken from wells, or water developments, situate south of the existing right of way of Atchison, Topeka and Santa Fe Railway Company (on which said right of way are located the railroad tracts extending from said City of San Bernardino, to the City of Rialto), and north of said Mill Street.

XVII.

That the maximum quantity of water, which said Terrace Water Company shall be, and is entitled to take from said Region, and use beyond the confines thereof, is 150 inches of water, and said Terrace Water Company shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 150 inches, but all of said water shall be taken from wells or water developments, situate south of said right of way of said Railway Company mentioned in the next preceding paragraph hereof, and north of said Mill Street. All of said water may be pumped.

XVIII.

That the maximum quantity of water which said City of Colton shall be, and is entitled to take from said

and its tributaries, and from said Lytle Creek Region, and conduct from said Region, and use beyond the confines thereof, shall amount to an aggregate quantity of 3480.78 inches, and said Fontana Companies shall never be entited either collectively or separately to divert, beyond said confines, at any time from said water sources, or any of them, an amount of water in excess of said quantity in this paragraph hereinbefore specified. Of said 3480.78 inches of water, 1300 inches and no more may be pumped and diverted from said Region, by said Fontana Companies, provided that:

(a) No more than three hundred inches shall ever be pumped from the next hereinafter described tract of land, and said 300 inches shall be pumped from no other place; said tract being that certain tract, in said Region, described as follows:

That portion of the Southwest portion of the Muscupiabe Rancho, described as follows:

Beginning at station O of the north boundary of the Muscupiabe Rancho, which point is situate near the northeasterly bank of Lytle Creek, and near the mouth of Lytle Creek Canyon;

Thence following and along the northerly boundary of said Muscupiabe Ranch, South 67 degrees, 52 minutes East, thirty-five and fifty-three hundredths (35.53) chains to station 1 of said Muscupiabe Rancho; thence south 48 degrees, 14 minutes west, fifty-six and seventy-six hundredths (56.76) chains to the southwesterly corner of Farm Lot Ten (10) designated on the Map showing SUBDIVISION OF LANDS BELONGING TO SEMI-TROPIC LAND AND WATER COMPANY, recorded in Book 6 of Maps, at page 12, in the office of the County Recorder of said San Bernardino County;

Region, and use beyond the confines thereof, is 600 inches of water, and said City shall not be entitled to divert, at any time, from said Region, an amount of water in excess of said 600 inches, all of which said quantity of water may be pumped by said City from said Region, but all of said water shall be taken from wells or water developments situate south of the last mentioned right of way of said Railway Company, and north of said Mill Street, and none of said water shall be used west of the highway, running approximately north and south, situate on the Rialto Bench, and known as "Rancho Avenue."

XIX.

As used herein, (1) the term "Fontana Companies," refers to Fontana Water Company, Fontana Union Water Company, Fontana Power Company, Fontana Farms Company, and Fontana Land Company; (2) the term "Citizens Company" refers to the Citizens Land and Water Company of Bloomington; (3) the term "Riverside Company" refers to the Riverside Highland Water Company; (4) the term "Improvement Company" refers to the Lytle Creek Water and Improvement Company; (5) the term "Mutual Company" refers to the Mutual Land and Water Company of Rialto; (6) the term "Power Company" refers to the Fontana Power Company, and (7) the term "Union Water Company" refers to Fontana Union Water Company.

XX.

That the maximum quantity of water which said Fontana Companies shall be, and are collectively entitled to take from the surface and sub-surface waters of said Lytle Creek, and from said Lytle Creek Canyon,

Thence north 24 degrees, 43 minutes west, eighty-four and twenty-four hundredths (84.24) chains to a point in the north boundary of said Muscupiabe Rancho; said point being identical with the north corner of Farm Lot One (1), designated on said Map; thence, following and along the north boundary of the Muscupiabe Ranch, south fifty-one degrees, thirty minutes east, eleven and fifty-hundredths (11.50) chains to Station 49 thereof;

Thence, south 63 degrees, 00 minutes east, 40 chains to Station 0 of said Muscupiabe Rancho, the place of beginning.

Containing two hundred twelve and nineteen hundredths (212.19) acres.

(b) No more than 200 inches shall ever be pumped and diverted from said Region, from that certain tract of land in said Region, described as follows:

Commencing at a point on Line 2-3 of the northeasterly boundary of the southwest portion of the Rancho Muscupiabe, said point being north 45 degrees, 0 minutes west, one hundred thirty-seven and three-tenths chains from the southeast corner of Section 25, Township 1 North, Range 5 West, San Bernardino Base and Meridian; thence following the northeasterly boundary line of lands heretofore conveyed by the Fontana Development Company, to the Lytle Creek Water and Improvement Company, by deed recorded in Book 429 of Deeds, page 103, south 71 degrees, 13 minutes west, thirty-four and twenty-eight hundredths chains; thence still following said boundary north eighty-two degrees, fifty-nine minutes west, eighteen and seventy-three hundredths chains, for a point of beginning; thence from said point of beginning north fifty-four degrees,

fifteen minutes west, eighty-three and four hundredths chains; thence south 35 degrees, 45 minutes west, along the boundary line of the land conveyed by the Fontana Development Company to the Fontana Union Water Company, by deed recorded in Book 505 of Deeds, page 274, to the northwesterly corner of Lot 64, of Map showing subdivision of lands belonging to the Semi-Tropic Land and Water Company, as per plat recorded in Book 6 of Maps, page 12, of the records of said County, including the western portion of the Muscupiabe Grant, as per plat recorded in Book 7 of Maps, page 23, of the records of said County; thence from said northwesterly corner of said Lot 64, easterly and along the northeast line of Lots 64, 66, 68, 70, 72, 74 and 76, to the westerly point of land conveyed by the Fontana Development Company to the Lytle Creek Water and Improvement Company, by deed recorded in Book 429 of Deeds, page 103, et. seq.; thence following the north boundary of said tract south 82 degrees, 59 minutes east, twenty-six and twenty-seven hundredths chains, more or less, to point of beginning.

(c) None of the remaining 800 inches, or any portion of said 1300 inches of water, shall ever be pumped by said Fontana Companies, or any of them, from any portion of said Region lying to the south, or southeasterly of a line drawn from the southeast corner of Farm Lot 68, designated on said Map, to that certain point situate on the boundary of said Muscupiabe Rancho, designated or known as "Stake No. 3" (which said last mentioned point is situate very near to the northeast corner of Section 22, Township 1 North, Range 5 west, S. B. B. & M.); thence running due east to the southwesterly boundary of said right of way of

said Atchison, Topeka and Santa Fe Railway Company, hereinbefore mentioned, save and except that 150 inches of said 1300 inches of water may be pumped or diverted from lands in said Region lying below or to the south or southeasterly of said line.

(d) No water, pumped in said Region by any of said Fontana Companies, shall ever be conducted east of the west boundary of the lands in said Region now owned by the Muscoy Water Company, a corporation, provided however, that if any of the said Fontana Companies shall exercise the right to substitute for 150 inches of the surface waters of said Lytle Creek other water (said right being specifically provided for in that certain judgment rendered by the Superior Court of said San Bernardino County, in Action numbered 9383 in said Court, a copy of which judgment is recorded in the office of the County Recorder of said County, in Book 369 of Deeds at page 323 thereof, which said judgment is based upon that certain contract, dated October 26, 1891, wherein John L. Campbell granted to the Semi-Tropic Land and Water Company, the right to make such substitution of such water), then and in that event, such substituted water, not exceeding 150 inches, may be conducted anywhere.

(e) No water, except the 300 inches permitted to be pumped hereunder, from the tract of land described in Subdivision (a) of this Paragraph XX, shall ever be pumped and diverted by any of said Fontana Companies, from said Region, except and provided that whenever the quantity of water which said Fontana Companies are deriving from said Lytle Creek, at said intake, when added to any water that shall at the time be actually pumped from said tract (there shall be no

obligation to pump any water from said tract), shall amount in the aggregate to less than 2500 inches, then, so long as such deficiency shall continue, said Fontana Companies may take and divert from said Region from any or all of said other areas hereinbefore specified (but not more from any one of said areas than the maximum that they are entitled to take from such tract as hereinbefore stated) such quantity of water as may be necessary to make up such deficiency and maintain such aggregate supply of 2500 inches.

(f) Said quantity of 2500 inches and said maximum quantity of 3480.78 inches of water, hereinbefore referred to in this Paragraph XX, both relate exclusively to water which said Fontana Companies are entitled to take for their own use for irrigation and other beneficial purposes, beyond the confines of said Region.

XXI.

Nothing herein contained shall settle, bind or affect any question, matter or right existing between any of said Fontana Companies only, the purpose of this decree being to define and adjudicate the rights involved herein, of each and all of the respective parties hereto, other than said Fontana Companies, and also to adjudicate the collective rights of all of said Fontana Companies, constituting one group of defendants, without affecting any right which any of said Fontana Companies may have against any other of said Fontana Companies.

XXII.

That, except as provided in Paragraph XXIV hereof, no well shall ever be sunk hereafter by any party to

this action, within a distance of 200 feet of the north boundary line of said Ferguson Ranch, and it is further decreed that none of said Fontana Companies shall be entitled to hereafter pump any water in said Lytle Creek Canyon, at any time when such water is not needed for irrigation purposes.

XXIII.

Nothing contained herein shall be construed as permitting or shall permit, any water to be diverted from said Region, or from any water sources herein menitoned, at any time when the water so diverted is not reasonably needed for some useful or beneficial purpose, and it shall not be deemed a useful or beneficial purpose within the meaning of this paragraph, to use water:

(a) For irrigating, between the 15th day of November and the 15th day of March, of the next succeeding year, any grain or cereal crop, unless such crop is growing in an orchard;

(b) For saturating or causing water to sink in lands, lying outside of the said Region and canyon, for the purpose of accomplishing underground storing of water, or of adding to the water contained in such lands, nor for excercising unreasonable irrigation of crops or trees growing thereon.

XXIV.

That none of the parties to this action shall ever be entitled hereafter, to sink any well within a distance of 500 feet from any other well, owned, or operated by any other party to this action, except for substituting a new well in lieu of any now existing well, within said distance, for the sole purpose of maintaining, but not in-

creasing, the quantity of water now taken by such existing well, within such distance, provided however, that if it is desired to sink such new well within said distance, then such new well shall be always located as near as reasonably practicable to the existing old well for which it is to be substituted, as aforesaid.

XXV.

That each and all of the parties to this action, when taking any water from any water source mentioned herein, shall install, and at all times maintain respectively, at every point at which such water is so taken, such measuring box or weir or other measuring device, as will show readily and accurately the quantity of water at the time being taken at such point, which box and weir or other device, shall be installed and maintained as directed by, and to the satisfaction of said committee on water conservation, and shall at all times be open to inspection by an member of said committee, and by any party to this action.

XXVI.

Nothing herein contained shall be construed as vesting any new right in any of the parties hereto, to enter upon and take water from any water development or well situate on any property of any other party hereto, but the provisions of this paragraph shall not impair or affect any existing right of any party hereto.

XXVII.

That the rights of each and all of the said parties to pump water from said Region, as hereinbefore specified and defined are, as between said parties, equal and cor-

relative, without any priority or superiority of right, except as hereinbefore specifically stated or provided as to a particular interest or right, as between particular specified parties.

XXVIII.

That every provision of this decree in favor of, or applying to any party hereto, shall also apply to, and inure to the benefit of, and also bind each and all of the heirs, legal representatives, successors and assigns of such party.

XXIX.

That nothing herein decreed shall impair, abridge, or affect any existing right of any party hereto, which is now established by decree of court, or by other record, to have delivered, or to share in water from the surface flow of said Lytle Creek, except as may hereinbefore be otherwise specifically provided. Nothing herein decreed shall impair, abridge or affect any existing right of any party hereto to practice water conservation by sinking water in said Lytle Creek Canyon.

XXX.

That each and all of the parties hereto, and the agents and employees of each of them, are hereby perpetually restrained and enjoined from doing any act or thing in violation of the provisions of this decree.

XXXI.

None of the several maximum quantities of water which the parties hereto are respectively entitled to take from said Region, and use beyond the confines thereof, as herein specified, shall be increased or affected by the

future acquiring of additional lands in said Region by any of said parties; provided, however, anything to the contrary herein contained notwithstanding, should any party hereto hereafter purchase from any other party hereto the herein specified right to divert water of such other party, such purchasing party shall be entitled to exercise such purchased right of diverting water from said Region, in addition to the right allotted hereunder to such purchasing party.

XXXII.

No objection shall ever be made by any of said parties as to the interest or right of any party, as hereinbefore specified and defined, or as to the validity of this judgment in so specifying or defining such interest or right, on the ground that such interest or right, as so specified or defined, is not consistent with or warranted by the pleadings relative thereto; and if, in any case, it shall appear that any such interest or right, as so specified and defined, is in fact not consistent with or warranted by such pleading as actually filed, then such pleading shall be deemed and treated as amended, to conform to and sustain such interest and right as hereinbefore specified and defined.

XXXIII.

Each of said parties waives all right of appeal from this judgment, and no appeal shall be taken by any party or parties from this judgment or any part thereof.

XXXIV.

No party to this judgment shall be entitled to recover costs from any other party.

Dated: January 28th, 1924.

BENJAMIN F. WARMER,
Judge.

Endorsed:
Filed Jan. 28, 1924

HARRY L. ALLISON, Clerk
By M. L. ALDRIDGE, Deputy.

Docketed: Jan. 30, 1924, at 1:35 o'clock P. M.

Entered: Jan. 28, 1924, Book 41, Page 154.

HARRY L. ALLISON, Clerk
By R. M. SCHMIDT, Deputy Clerk

STATE OF CALIFORNIA,
COUNTY OF SAN BERNARDINO, } ss.

I, HARRY L. ALLISON, County Clerk and ex-officio Clerk of the Superior Court, do hereby certify the foregoing to be a full, true and correct copy of the original on file in my office.

Witness my hand and seal of the Superior Court, this 14th day of Feb., 1924.

HARRY L. ALLISON, County Clerk.
By R. M. SCHMIDT, Deputy.

Recorded at request of Leonard, Surr & Hellyer, Feb. 16, 1924, at 28 minutes past 9.00 A. M., in Book 829, Page 293, of Deeds, Records San Bernardino County.

FULTON G. FERAUD, County Recorder.
By IRENE MCINERNY, Deputy Recorder.
Fee $13.50.

I hereby certify that I have correctly tanscribed this instrument on the records in the office of the Recorder of San Bernardino County.

R. EASTON, Copyist.

Compared:
M. ALEXANDER,—R. EASTON.

AGREEMENT
BETWEEN
BIG BEAR MUNICIPAL WATER DISTRICT
AND
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

This Agreement is entered into between Big Bear Municipal Water District (hereinafter "BIG BEAR") and San Bernardino Valley Municipal Water District (hereinafter "VALLEY MUNICIPAL").

R E C I T A L S

A. BIG BEAR is obligated to release water from Big Bear Lake (hereinafter "Lake") to Bear Valley Mutual Water Company (hereinafter "BEAR VALLEY"), or to provide other water in lieu of releases from the Lake. This obligation arises from the judgment in *Big Bear Municipal Water District* v. *North Fork Water Co. et al.*, Case 165493, Superior Court, County of San Bernardino (hereinafter "1977 Judgment"). The 1977 Judgment also created the Big Bear Watermaster. Under the 1977 Judgment, BEAR VALLEY may call on BIG BEAR to deliver up to 65,000 acre-feet of water from the Lake in any ten-year period if BEAR VALLEY has water in BEAR VALLEY's Lake Account, as determined by the Big Bear Watermaster.

B. BIG BEAR wishes to obtain a long-term supply of in-lieu water to satisfy part of the obligation to deliver water to BEAR VALLEY. VALLEY MUNICIPAL has a long-term water supply contract with the California Department of Water Resources and access to other sources, and wishes to provide in-lieu water to BIG BEAR.

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SBVMWD LEGAL
DOCUMENT 1645

C. If BIG BEAR's Lake Release Policy first adopted May 1, 1987 (hereinafter "Lake Release Policy") had been in effect under the 1977 Judgment, BIG BEAR would have released 2,000 acre-feet of water per year, on average, from the Lake to Bear Creek for use by BEAR VALLEY during the 26-year period, October 1, 1934 to September 30, 1960. This policy is attached as Exhibit "1". BIG BEAR currently removes up to 1,000 acre-feet per year of snow-making water from the Lake, half of which returns to the Lake when the snow melts. The Lake Release Policy contemplates continuation of this activity at current volumes.

D. If the 1977 Judgment, the Lake Release Policy and this Agreement had been in effect in said period, VALLEY MUNICIPAL would have been called upon to deliver to BEAR VALLEY up to 4,500 acre-feet of water per year, on average, as in-lieu water for BIG BEAR.

E. VALLEY MUNICIPAL has instituted litigation against BIG BEAR and others, which litigation seeks a judicial determination of the rights of the water producers and users within the San Bernardino Basin (hereinafter "Basin") to water from the Basin and to water which historically flowed from Bear Creek and the Lake to the Basin. This litigation is currently on appeal in the California Court of Appeal, Fourth District, Division One, in San Diego (No. D020907).

F. BIG BEAR and VALLEY MUNICIPAL wish to enter into an agreement which will satisfy the in-lieu water requirements of BIG BEAR and end said litigation.

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C O V E N A N T S

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. In each calendar year, when BEAR VALLEY demands Lake water pursuant to the 1977 Judgment, BIG BEAR shall make Lake releases to meet such demands to the extent such releases are consistent with the Lake Release Policy. Releases shall be made in response to any demand which BEAR VALLEY is entitled to make pursuant to the 1977 Judgment, whether for irrigation or other purposes. If BIG BEAR acquires any right (a) to store in the Lake reclaimed water currently discharged outside the watershed or other water imported from outside the watershed, or (b) to remove water from the Lake, then the parties shall make reasonable adjustment of this release obligation to allow BIG BEAR to enjoy the benefits of such water, provided that no such adjustment shall have the effect of reducing the average annual quantity of usable Lake releases contemplated under this Agreement.

2. In each calendar year, whenever Lake releases under the Lake Release Policy are not sufficient to meet BEAR VALLEY's Lake release demands, VALLEY MUNICIPAL shall deliver in-lieu water to satisfy the remainder of those demands. For purposes hereof BEAR VALLEY's Lake release demands shall be limited to water which BEAR VALLEY is entitled to demand from BIG BEAR (a) out of its Lake account under the 1977 Judgment, computed using the same formulas and coefficients used in the Big Bear Watermaster Eighteenth Annual Report dated July 26, 1995, or (b) pursuant to subparagraphs 25(e) and 25(f) of the 1977 Judgment. This water can be provided from the State Water Project, wells, the Santa Ana

River, Exchange Water under the "Santa Ana River – Mill Creek Cooperative Water Project Agreement" (dated May 3, 1976 and recorded in Book 9008, Pages 1 *et seq.*, Official Records of San Bernardino County) or any other lawful source. If VALLEY MUNICIPAL's in-lieu deliveries result in an obligation by BIG BEAR to provide Basin Make-up water under the 1977 Judgment (as determined using the same formulas and coefficients used in the Big Bear Watermaster's Eighteenth Annual Report dated July 26, 1995), VALLEY MUNICIPAL shall provide replenishment water to bring the Basin Make-up Account up to the minimum balance contemplated by the 1977 Judgment. For purposes of the immediately preceding sentence, the percentage credit allowance for stock water deliveries for spreading in Table 4.C of said Annual Report shall be assumed to be 0%.

3. Prior to May 1, 1996, VALLEY MUNICIPAL shall pay sufficient amounts into an escrow account to provide for defeasance of BIG BEAR's remaining payments under the 1989 Certificates of Participation which funded purchase of the well and well sites described in Exhibit "2" attached hereto. Immediately after establishment of the escrow account BIG BEAR shall convey by grant deed to VALLEY MUNICIPAL marketable title to said well and well sites.

4. Immediately after execution of this Agreement BIG BEAR shall convey to VALLEY MUNICIPAL, free of liens and unpaid assessments, all right, title and interest in and to all BEAR VALLEY stock now owned by BIG BEAR, as described in Exhibit "3" attached hereto.

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5. BIG BEAR shall pay VALLEY MUNICIPAL the following amounts:

a. Commencing July 1, 1996 and on each July 1 through 2005, BIG BEAR shall pay VALLEY MUNICIPAL the smaller of:

i. $834,000, or

ii. The product of $834,000 times a fraction in which the denominator is BIG BEAR's assessed value for fiscal year 1995-96 and the numerator is BIG BEAR's assessed value for the fiscal year prior to the fiscal year in which the payment is due. Provided that the annual amount paid shall be not less than 90% of $834,000.

b. Commencing July 1, 2006 and on each July 1 through 2016, BIG BEAR shall pay VALLEY MUNICIPAL the larger of:

i. $834,000, or

ii. The product of $834,000 times a fraction in which the denominator is BIG BEAR's assessed value for fiscal year 2004-05 and the numerator is BIG BEAR's assessed value for the fiscal year prior to the fiscal year in which the payment is due.

c. Commencing July 1, 2017 and on each July 1 thereafter during the life of this Agreement, BIG BEAR shall pay VALLEY MUNICIPAL the larger of:

i. $895,000, or

ii. The product of $895,000 times a fraction in which the denominator is BIG BEAR's assessed value for fiscal year 2004-05 and the numerator is BIG BEAR's assessed value

for the fiscal year prior to the fiscal year in which the payment is due.

As used in this section the term "assessed value" means the Total Net Value After RDA as determined by the San Bernardino County Auditor-Controller. For example, the "assessed value" for 1995-96 is $2,087,130,141.

6. BIG BEAR hereby pledges revenues from its general property tax allocation through the County of San Bernardino as sole security for the payments set forth in this Agreement.

7. BIG BEAR shall not acquire stock, or exercise rights pursuant to stock, in water companies within VALLEY MUNICIPAL.

8. As long as VALLEY MUNICIPAL meets its obligation to deliver water hereunder, BIG BEAR shall not drill or operate wells, or cause wells to be drilled or operated on its behalf, within VALLEY MUNICIPAL except wells which may be operated by, or on behalf of, VALLEY MUNICIPAL to meet the terms of this Agreement.

9. BIG BEAR shall keep adequate records of the water level in the Lake and of the date and amount of each release made in response to demands from BEAR VALLEY and shall submit these records annually to VALLEY MUNICIPAL. VALLEY MUNICIPAL shall keep adequate records of the source and quantity of all water it delivers under this Agreement and shall submit these records annually to BIG BEAR.

10. As long as BIG BEAR makes the releases and payments set forth in paragraphs 1 and 5 hereof, VALLEY MUNICIPAL shall not

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make any other claim regarding prior obligations of BIG BEAR to the Basin.

11. Each party to this Agreement shall abandon or dismiss its appeal in the pending litigation (No. D020907), with each party bearing its own costs and attorney fees therein.

12. This Agreement shall remain in force through the term of VALLEY MUNICIPAL's water supply contract with the California Department of Water Resources, as it may be extended from time to time.

13. This Agreement may be amended only by written agreement of the Parties hereto pursuant to action of their respective boards of directors.

14. **ARBITRATION OF DISPUTES:**

Any disputes between the Parties arising from this Agreement shall be resolved by binding arbitration in accordance with the California Code of Civil Procedure, Part III, Title 9 (commencing with section 1280) and Title 9.3 (commencing with section 1298). Provided, however, parties shall be entitled to discovery under the rules of the Code of Civil Procedure, the arbitrator(s) shall issue a written opinion adequately explaining the basis of the award, and in any proceeding to confirm, correct or vacate an award, the court may consider and correct errors of law.

NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS

PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.

If the dispute in arbitration involves changes in circumstances after execution of this Agreement, the arbitrator(s) shall consider any remedies which may be legally available in response to such changes.

15. Nothing in this Agreement is intended to create, nor shall anything herein be construed as creating, any rights in, benefits for or obligations to, any person or entity other than BIG BEAR and VALLEY MUNICIPAL.

16. This Agreement shall be effective as of the date set forth below.

IN WITNESS WHEREOF this Agreement is executed by the persons authorized by the parties' respective Boards of Directors.

DATED: February 1, 1996

BIG BEAR
MUNICIPAL WATER DISTRICT

By: _____

By: _____

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

By: _____

By: _____

EXHIBIT "1"

Big Bear Municipal Water District's Lake Release Policy was first adopted on May 1, 1987.

Policy states:

"1. When the Lake is within the top four feet, the irrigation demands from Bear Valley Mutual will be met with Lake releases;

2. When the Lake is between four and six feet below full, the District intends to obtain in-lieu water between the months of May 1 and October 31. Between November 1 and April 30, water required would be released from Big Bear Lake.

3. When the Lake is between six and seven feet below full, the Board of Directors shall determine whether to release from the Lake;

4. When the Lake is more than seven feet below full, the District intends to obtain in-lieu water throughout the year."

EXHIBIT "2"

Big Bear Municipal Water District Well Sites and Well

1. Well site only San Bernardino County APN 168-091-07.

2. Well site and well San Bernardino County APN 168-091-08.

These sites are as shown on San Bernardino County Assessor's Map Book 0168 Page 09 which follows and further described in the Grant Deed recorded as document 88-323072 in the Official Records of San Bernardino County.

EXHIBIT "2"

Order No. 919783
Escrow No. 10604-JP
Loan No.

RECORDED AT THE REQUEST OF
FIRST AMERICAN TITLE INSURANCE CO.

WHEN RECORDED MAIL TO:

Big Bear Municipal
Water District
P.O. Box 2863
Big Bear Lake, CA 92315

$FEE			
Ø			
5 SVY	5 29 DTT		5.01
10	42.90	G	

RECORDED IN OFFICIAL RECORDS
SEP 27 1988 AT 8:00 AM
SAN BERNARDINO COUNTY, CALIF.

88-323072

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:

SAME

DOCUMENTARY TRANSFER TAX $ 42.90

X Computed on the consideration or value of property conveyed; OR
..... Computed on the consideration or value less liens or encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax – Firm Name

GRANT DEED

PORTION OF 168-091-06

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

AIRPORT INDUSTRIAL, a California Limited Partnership

hereby GRANT(S) to

BIG BEAR MUNICIPAL WATER DISTRICT

the real property in the City of Redlands
County of SAN BERNARDINO, State of California, described as

COMPLETE LEGAL DESCRIPTION ATTACHED AND MADE A PART HERETO

AS EXHIBIT "A"

919783 2nd

THE RIGHT OF ENTRY TO THESE WELL SITES SHALL BE OFF OF SAN BERNARDINO AVENUE.

Airport Industrial, a California
Limited Partnership

By: Western International Associates

By: Houshang Sanai

By: Khosrow Sohrab

Dated July 28, 1988

STATE OF CALIFORNIA)
COUNTY OF) ss.

On

before me, the undersigned, a Notary Public in and for said State, personally appeared

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS my hand and official seal.

Signature

(This area for official notarial seal)

1002 (6/82)

MAIL TAX STATEMENTS AS DIRECTED ABOVE

88-323072

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY FOR BIG BEAR MUNICIPAL WATER DISTRICT

Well Site #2:

All that portion of the Southwest 1/4 of the Southeast 1/4 of Section 13, Township 1 South, Range 3 West, SAN BERNARDINO MERIDIAN, in the City of Redlands, County of San Bernardino, State of California, described as follows:

COMMENCING at the Southeast corner of said Section 13 in the centerline of 66 foot wide San Bernardino Avenue; thence along said centerline, South 89° 13' 16" West 1620.00 feet; thence at right angles leaving said centerline, North 0° 46' 44" West 44.00 feet to the TRUE POINT OF BEGINNING; thence from the TRUE POINT OF BEGINNING, continuing North 0° 46' 44" West 50.00 feet; thence North 89° 13' 16" East 50.00 feet; thence South 0° 46' 44" East 50.00 feet; thence South 89° 13' 16" West 50.00 feet to the TRUE POINT OF BEGINNING.

Well Site #3:

All that portion of the Southeast 1/4 of the Southeast 1/4 of Section 13, Township 1 South, Range 3 West, SAN BERNARDINO MERIDIAN, in the City of Redlands, County of San Bernardino, State of California, described as follows:

COMMENCING at the Southeast corner of said Section 13 in the centerline of 66 foot wide San Bernardino Avenue; thence along said centerline, South 89° 13' 16" West 620.00 feet; thence at right angles leaving said centerline, North 0° 46' 44" West 44.00 feet to the TRUE POINT OF BEGINNING; thence from the TRUE POINT OF BEGINNING, continuing North 0° 46' 44" West 50.00 feet; thence North 89° 13' 16" East 50.00 feet; thence South 0° 46' 44" East 50.00 feet; thence South 89° 13' 16" West 50.00 feet to the TRUE POINT OF BEGINNING.

Prepared by: H. R. Hartwick

March 22, 1988



EXHIBIT "2"

[redacted]

Acknowledgment Partnership

STATE OF CALIFORNIA
COUNTY OF ORANGE } ss

88-323072

On this 28th day of July 19 88 before me, the undersigned a Notary Public in and for said County and State, personally appeared Houshang Sanai

personally known to me (or proved to me on the basis of satisfactory evidence) to be an individual doing business as Western International Associates one of the general partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.
WITNESS my hand and official seal.

Susan Mae Kibel
Notary signature

OFFICIAL SEAL
SUSAN MAE KIBEL
NOTARY PUBLIC - CALIFORNIA
ORANGE COUNTY
My comm. expires MAR 8, 1991

(This area for official seal)

Acknowledgment Partnership

STATE OF CALIFORNIA
COUNTY OF ORANGE } ss.

On this 28th day of July 19 88 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Khosrow Sohrab

personally known to me (or proved to me on the basis of satisfactory evidence) to be one of the general partners of the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.
WITNESS my hand and official seal.

Debra Campbell
Notary signature

OFFICIAL SEAL
DEBRA CAMPBELL
NOTARY PUBLIC - CALIFORNIA
ORANGE COUNTY
My Comm. Expires April 24, 1992

(This area for official seal)

EXHIBIT "2"

88-323072

R.V.E. CO. REC'D JUL 1 [illegible]

THIS IS TO CERTIFY THAT THE INTEREST IN THE REAL PROPERTY CONVEYED BY THE WITHIN INSTRUMENT TO BIG BEAR MUNICIPAL WATER DISTRICT, A BODY CORPORATE AND POLITIC, IS HEREBY ACCEPTED BY ORDER OF THE BOARD OF DIRECTORS MADE ON FEBRUARY 26, 1988 AND THE GRANTEE CONSENTS TO THE RECORDATION THEREOF BY ITS DULY AUTHORIZED OFFICER.

Richard A. Lewsader

RICHARD A. LEWSADER
SECRETARY/TREASURER OF THE BIG BEAR MUNICIPAL WATER DISTRICT AND THE BOARD OF DIRECTORS THEREOF

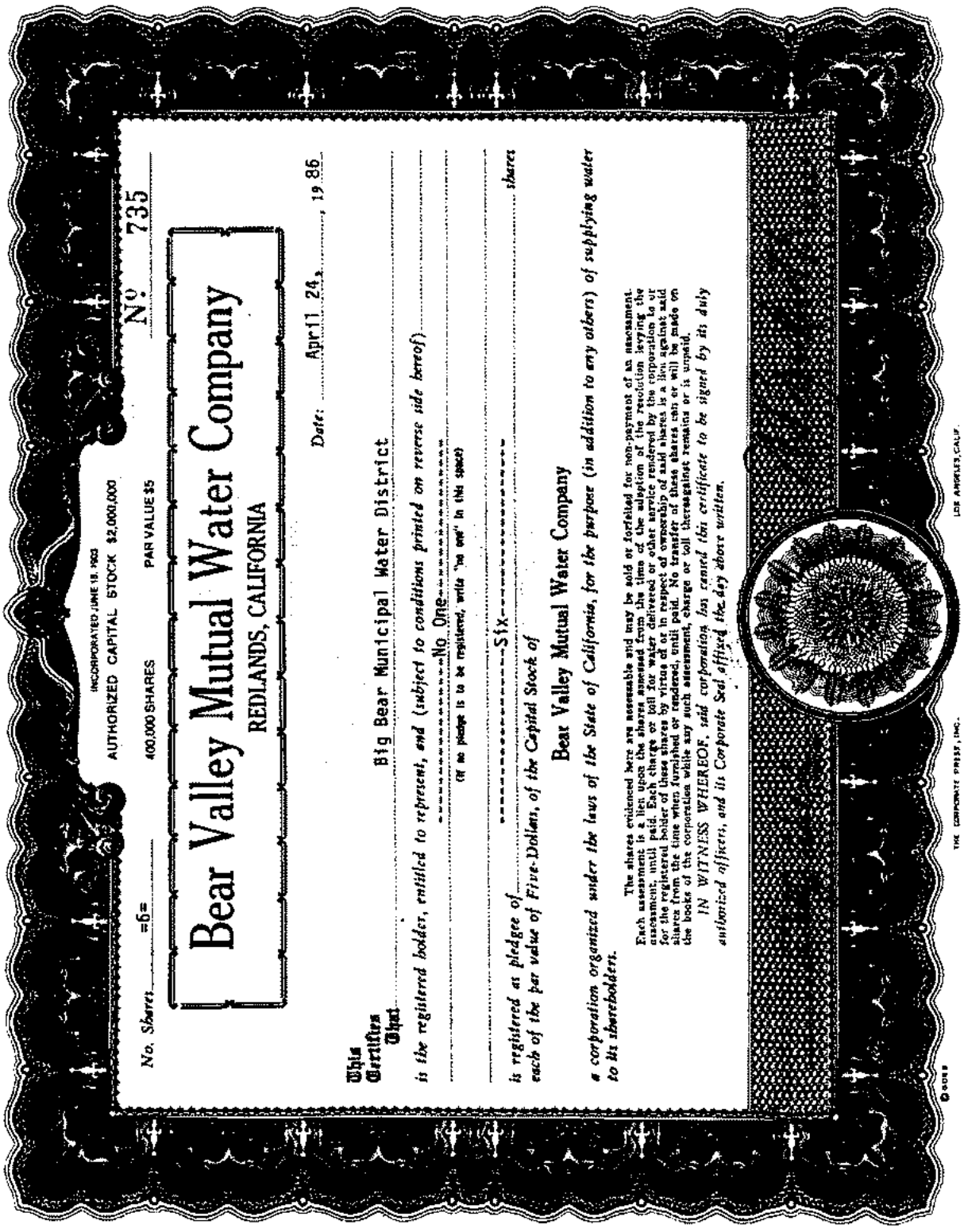
EXHIBIT "3"

Big Bear Municipal Water District

Bear Valley Mutual Water Company Stock Ownership

5 attached stock certificates summarized below:

No. 735	April 24, 1986	6 Shares
No. 771	March 16, 1987	950 Shares
No. 823	February 29, 1988	200 Shares
No. 879	January 25, 1989	19,870 Shares
No. 1044	January 8, 1993	154 Shares
	Total	21,180 Shares



INCORPORATED JUNE 18, 1903

AUTHORIZED CAPITAL STOCK $2,000,000

No. 735

No. Shares =6= 400,000 SHARES PAR VALUE $5

Bear Valley Mutual Water Company

REDLANDS, CALIFORNIA

Date: April 24, 1986

This Certifies That Big Bear Municipal Water District

is the registered holder, entitled to representation, and (subject to conditions printed on reverse side hereof) ---------- No. One ----------

(If no pledge is to be registered, write "no one" in this space)

---------- Six ----------

shares

is registered as pledge of

each of the par value of Five Dollars, of the Capital Stock of

Bear Valley Mutual Water Company

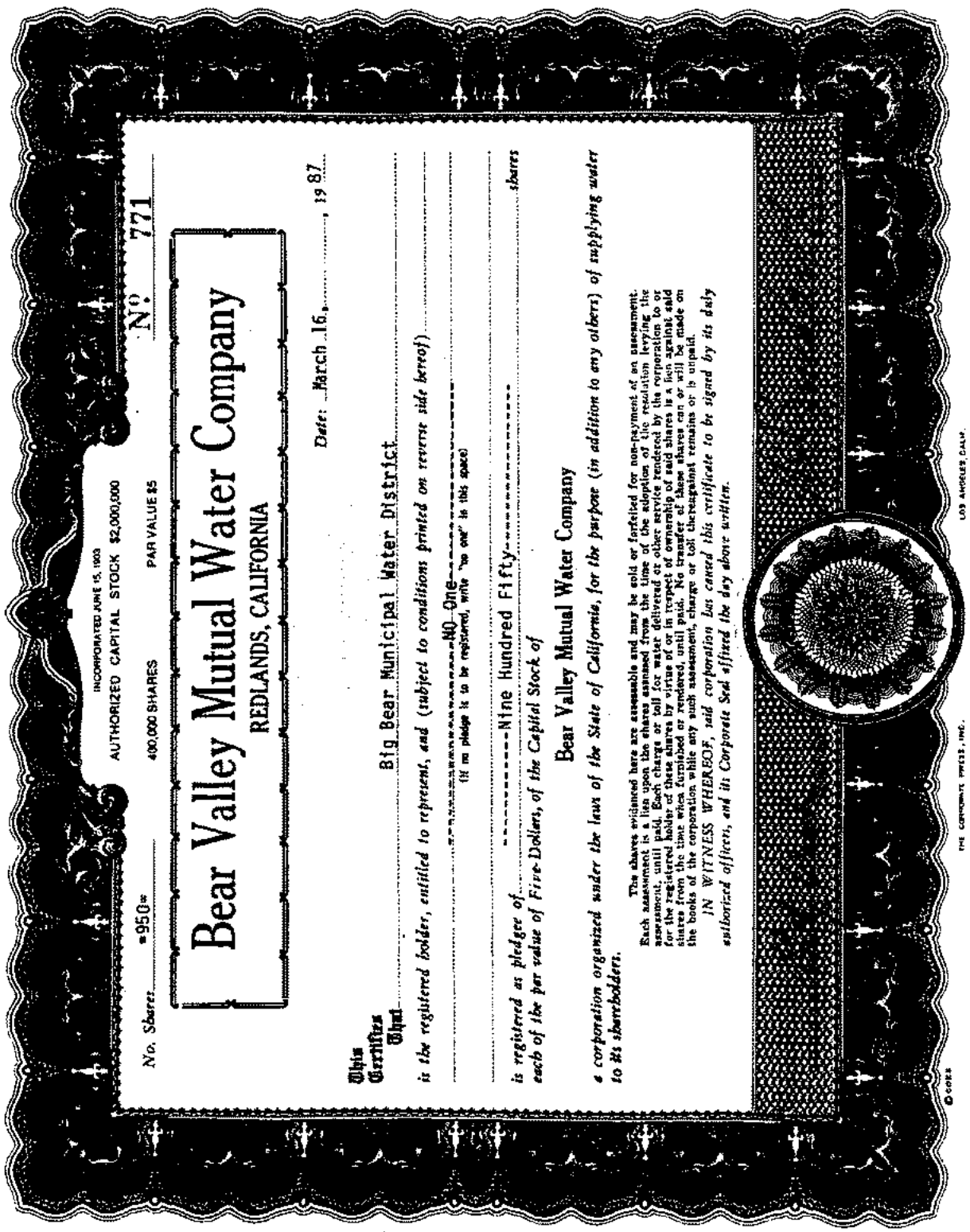
a corporation organized under the laws of the State of California, for the purpose (in addition to any others) of supplying water to its shareholders.

The shares evidenced hereby are assessable and may be sold or forfeited for non-payment of an assessment. Each assessment is a lien upon the shares assessed from the time of the adoption of the resolution levying the assessment, until paid. Each charge or toll for water delivered or other service rendered by the corporation to or for the registered holder of these shares by virtue of or in respect of ownership of said shares is a lien against said shares from the time when furnished or rendered, until paid. No transfer of these shares can or will be made on the books of the corporation while any such assessment, charge or toll thereagainst remains or is unpaid.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed by its duly authorized officers, and its Corporate Seal affixed the day above written.

©6088

THE CORPORATE PRESS, INC. LOS ANGELES, CALIF.



INCORPORATED JUNE 15, 1903

AUTHORIZED CAPITAL STOCK $2,000,000

No. 771

No. Shares .950 400,000 SHARES PAR VALUE $5

Bear Valley Mutual Water Company

REDLANDS, CALIFORNIA

Date: March 16, 1987

This Certifies that Big Bear Municipal Water District

is the registered holder, entitled to represent, and (subject to conditions printed on reverse side hereof)

(If no pledge is to be registered, write "no one" in this space) NO One

is registered as pledgee of Nine Hundred Fifty shares

each of the par value of Five Dollars, of the Capital Stock of

Bear Valley Mutual Water Company

a corporation organized under the laws of the State of California, for the purpose (in addition to any others) of supplying water to its shareholders.

The shares evidenced here are assessable and may be sold or forfeited for non-payment of an assessment. Each assessment is a lien upon the shares assessed from the time of the adoption of the resolution levying the assessment, until paid. Each charge or bill for water delivered or other service rendered by the corporation to or for the registered holder of these shares by virtue of or in respect of ownership of said shares is a lien against said shares from the time when furnished or rendered, until paid. No transfer of these shares can or will be made on the books of the corporation while any such assessment, charge or bill thereagainst remains or is unpaid.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed by its duly authorized officers, and its Corporate Seal affixed the day above written.

©CBS

THE CORPORATE PRESS, INC., LOS ANGELES, CALIF.

INCORPORATED JUNE 15, 1903

AUTHORIZED CAPITAL STOCK $2,000,000

No. 823

Bear Valley Mutual Water Company

REDLANDS, CALIFORNIA

No. Shares =200= 400,000 SHARES PAR VALUE $5

Date: February 29, 1988

This Certifies that Big Bear Municipal Water District

is the registered holder, entitled to representation, and (subject to conditions printed on reverse side hereof) ---------- No One ----------

(If no pledge is to be registered, write "no one" in this space)

is registered as pledge of ---------- Two Hundred ---------- *shares each of the par value of Five Dollars, of the Capital Stock of*

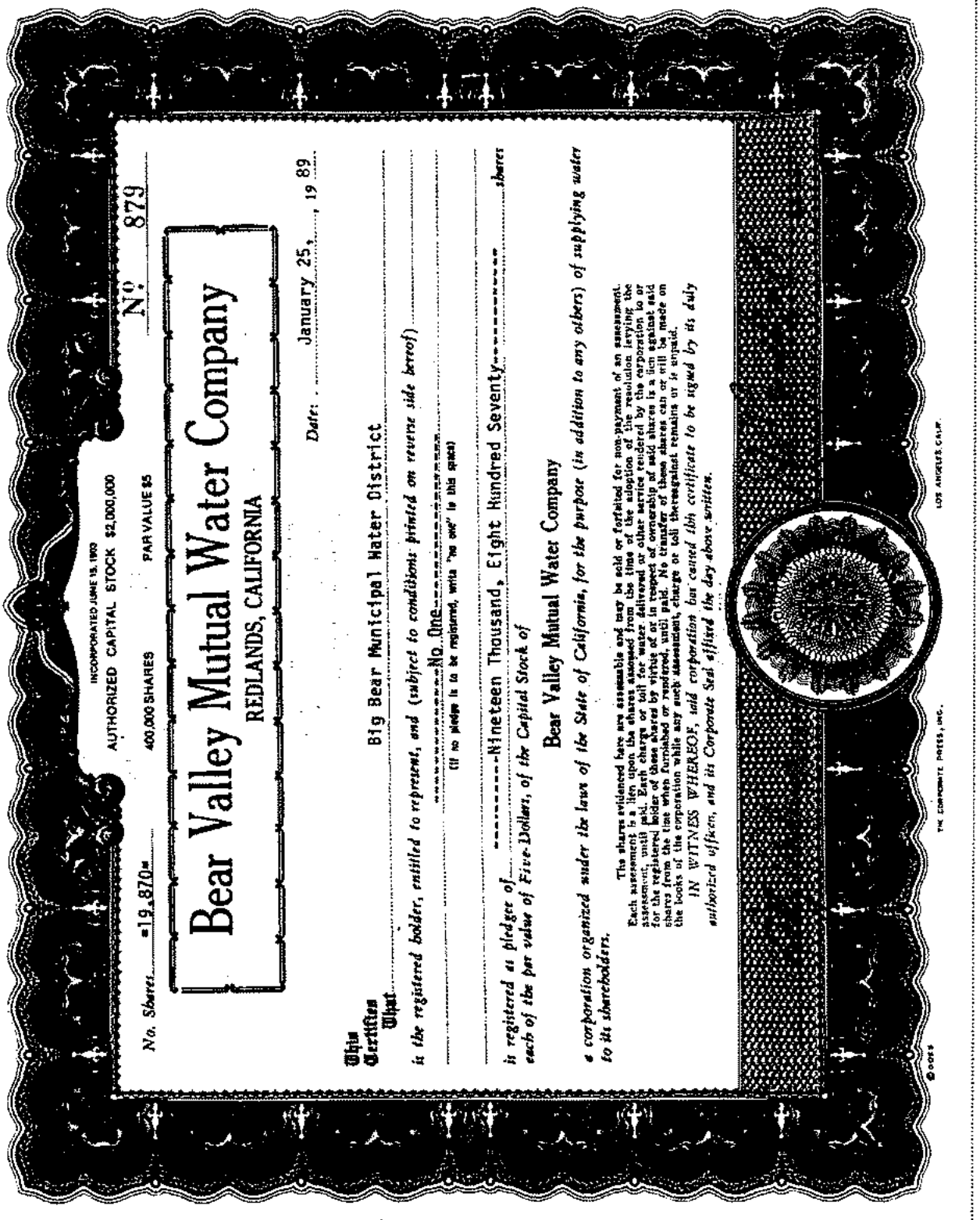
Bear Valley Mutual Water Company

a corporation organized under the laws of the State of California, for the purpose (in addition to any others) of supplying water to its shareholders.

The shares evidenced hereby are assessable and may be sold or forfeited for non-payment of an assessment. Each assessment is a lien upon the shares assessed from the time of the adoption of the resolution levying the assessment, until paid. Such charge or lien for water delivered or other service rendered by the corporation to or for the registered holder of these shares by virtue of or in respect of ownership of said shares is a lien against said shares from the time when furnished or rendered, until paid. No transfer of these shares can be will be made on the books of the corporation while any such assessment, charge or lien thereagainst remains or is unpaid.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed by its duly authorized officers, and its Corporate Seal affixed the day above written.

THE CORPORATE PRESS, INC. LOS ANGELES, CALIF.



INCORPORATED JUNE 15, 1909
AUTHORIZED CAPITAL STOCK $2,000,000

No. 879

Bear Valley Mutual Water Company

REDLANDS, CALIFORNIA

No. Shares 19,870 — 400,000 SHARES — PAR VALUE $5

Date: January 25, 1989

This Certifies That Big Bear Municipal Water District

is the registered holder, entitled to represent, and (subject to conditions printed on reverse side hereof) .....No. One.....

(If no pledge is to be registered, write "no one" in this space)

is registered as pledgee of .....Nineteen Thousand, Eight Hundred Seventy..... shares each of the par value of Five Dollars, of the Capital Stock of

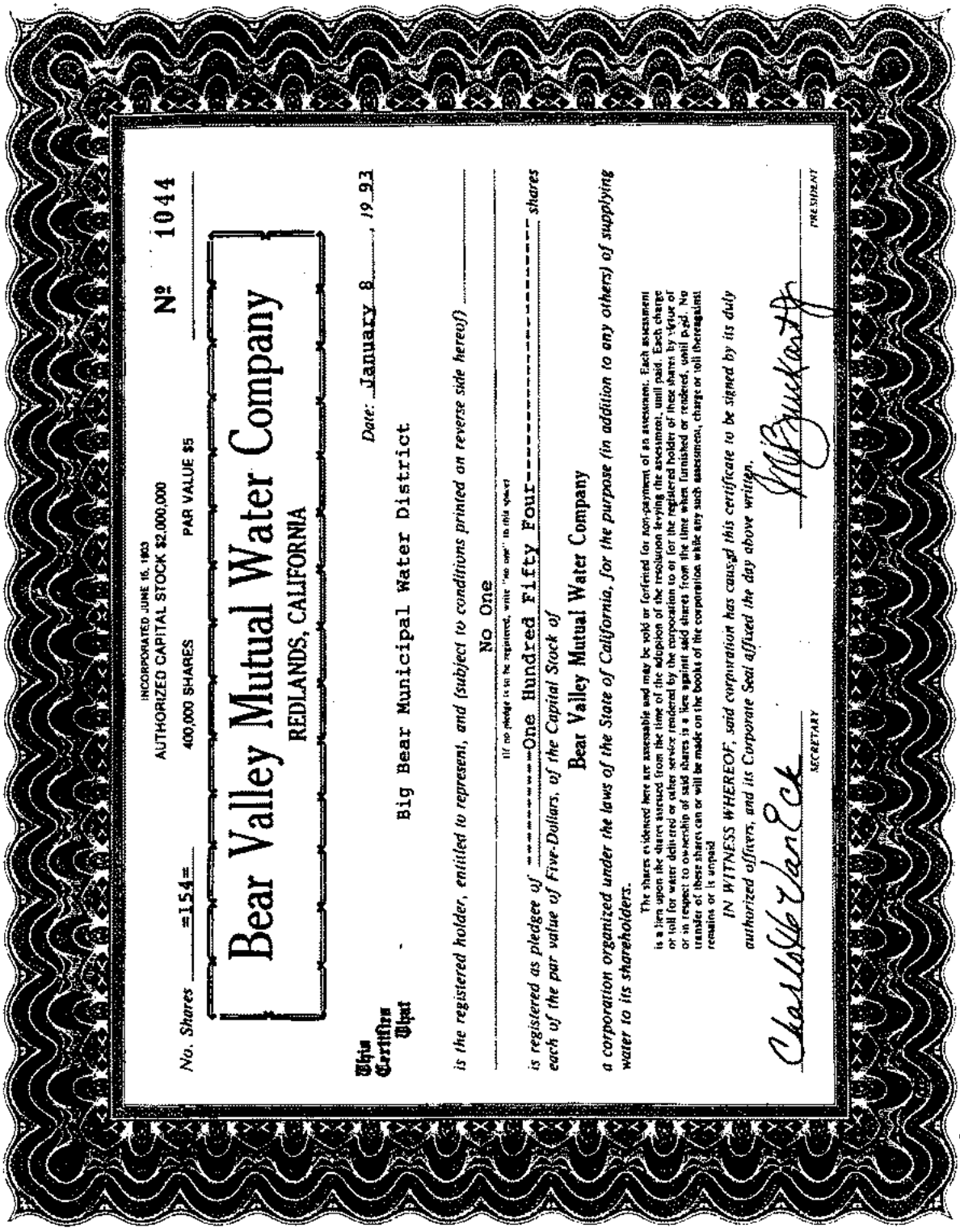
Bear Valley Mutual Water Company

a corporation organized under the laws of the State of California, for the purpose (in addition to any others) of supplying water to its shareholders.

The shares evidenced here are assessable and may be sold or forfeited for non-payment of an assessment. Each assessment is a lien upon the shares assessed from the time of the adoption of the resolution levying the assessment, until paid. Each charge or toll for water delivered or other service rendered by the corporation to or for the registered holder of these shares by virtue of or in respect of ownership of said shares is a lien against said shares from the time when furnished or rendered, until paid. No transfer of these shares can or will be made on the books of the corporation while any such assessment, charge or toll thereagainst remains or is unpaid.

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed by its duly authorized officers, and its Corporate Seal affixed the day above written.

THE CORPORATE PRESS, INC. LOS ANGELES, CALIF.



INCORPORATED JUNE 16, 1953
AUTHORIZED CAPITAL STOCK $2,000,000
400,000 SHARES PAR VALUE $5

No. Shares =154= Nº 1044

Bear Valley Mutual Water Company

REDLANDS, CALIFORNIA

This Certifies That Big Bear Municipal Water District

Date: January 8, 19 93

is the registered holder, entitled to represent, and (subject to conditions printed on reverse side hereof) No One

(If no pledge is to be registered, write "no one" in this space)

is registered as pledgee of ----------One Hundred Fifty Four---------- shares each of the par value of Five Dollars, of the Capital Stock of

Bear Valley Mutual Water Company

a corporation organized under the laws of the State of California, for the purpose (in addition to any others) of supplying water to its shareholders.

The shares evidenced here are assessable and may be sold or forfeited for non-payment of an assessment. Each assessment is a lien upon the shares assessed from the time of the adoption of the resolution levying the assessment, until paid. Each charge or toll for water delivered or other service rendered by the corporation to or for the registered holder of these shares by virtue of or in respect to ownership of said shares is a lien against said shares from the time when furnished or rendered, until paid. No transfer of these shares can or will be made on the books of the corporation while any such assessment, charge or toll therefrom remains or is unpaid

IN WITNESS WHEREOF, said corporation has caused this certificate to be signed by its duly authorized officers, and its Corporate Seal affixed the day above written.

Charles Vanderlip — SECRETARY

[illegible] — PRESIDENT

SURPLUS WATER SALE AGREEMENT

This Surplus Water Sale Agreement ("Agreement") is made and entered into as of 6th day of June, 2018, by and between the SAN GORGONIO PASS WATER AGENCY ("Agency") and SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ("District"). Agency and District are sometimes individually referred to herein as a "Party" and collectively as the "Parties".

RECITALS

A. Agency and District are state water contractors and regional water agencies that provide water on a wholesale basis to retail water providers and other public agencies within their respective service areas. There are two retail water providers that are within the service areas of both Agency and District. Those retailers are the Yucaipa Valley Water District and the South Mesa Water Company (collectively referred to as "Retailers"); and

B. Agency desires additional water supplies of all kinds to improve its water supply reliability, including wet year yield; and

C. Agency and District have a long history of cooperative efforts to serve water to their respective service areas, including water exchanges and sharing capacity in the East Branch Extension; and

D. District anticipates that from time to time, it may have surplus State Water Project water ("Surplus Water") that is surplus to the needs of its retail customers; and

E. District has adopted its Ordinance 79 which establishes procedures for the surplus and sale of surplus State Water Project Water; and

F. District desires to provide Agency the first right of refusal to purchase up to 5,000 acre-feet of District's Surplus Water per calendar year; and

G. Agency desires to purchase Surplus Water from District under the terms and conditions set forth in this Agreement and in a manner that is consistent with Ordinance 79.

NOW THEREFORE, in consideration of the foregoing recitals and the promises and covenants contained herein, the Parties agree as follows:

1. **Term of Agreement.**

The term of this Agreement shall commence on January 1, 2018 and end on December 31, 2032. ("Term").

2. **Purchase and Sale of Surplus Water.**

(a) District may determine, in its sole discretion, the amount of Surplus Water that will be available for purchase during each calendar year of the term of this Agreement. Notwithstanding the foregoing, if District determines that Surplus Water is available, District shall provide Agency the right of first refusal to purchase up to the first 5,000 acre feet of said Surplus Water.

(b) On or before June 15 of each year during the Term, District shall provide notice to Agency of the amount of Surplus Water that is available for purchase for that calendar year. Agency shall then have 30 days from the date of said notice to notify District of the amount of said Surplus Water that it wishes to purchase for that applicable year.

3. **Purchase Price for Surplus Water.**

The purchase price for Surplus Water delivered by District to Agency shall be the sum of the costs as calculated in subsections (a) and (b) below.

(a) The cost of the water shall be based on the State Water Project Table A allocation as determined for the applicable year as follows:

Final SWP Allocation	Cost Per Acre-Foot
0 - 20%	$400
21 - 40%	$300
41 - 60%	$200
61 - 100%	$100

(b) The power cost to move the Surplus Water through the State Water Project facilities, District facilities, and then to the Point of Delivery as defined herein, shall be paid as follows: (i) Agency shall pay to District power costs at the power cost rate established for the State Water Project for the applicable year. The actual power costs shall be reconciled on or before the end of the calendar year following the year of the delivery. In the event it is determined that Agency has underpaid power costs, Agency shall make payment for the amount owed to District within 30 days of said determination. In the event it is determined that Agency has overpaid power costs, Agency may elect to either receive payment from District within 30 days from the date of said determination or to apply said amount as a credit toward power costs for a subsequent year.

(c) On or before expiration of each 5-year period during the Term, the Parties shall meet and confer in good faith in regard to whether the amount and/or calculation of the purchase price should be changed. In the event the Parties cannot agree as to a new or different amount or calculation, then either Party shall have the right to terminate this Agreement. Unless a Party elects to so terminate this Agreement, the purchase price then in effect shall remain in effect unless or until the Parties reach an agreement to make any such change.

4. **Delivery of Water.**

(a) **Point of Delivery.** The physical point of delivery ("Point of Delivery") of Surplus Water pursuant to this Agreement includes, but is not limited to, the following locations:

Delivery Location	Reach Number
Various locations in the San Bernardino Basin	EBX – 1, 2A, 2B, 2C
Various locations in the Yucaipa Basin	EBX – 3B
Various locations in the Beaumont Basin;	EBX – 4A, 4B

(b) **Delivery Schedule.** District will cooperate with Agency to coordinate for the delivery at the Point of Delivery upon a mutually agreeable delivery schedule.

5. **Use of Water in the San Gorgonio Pass Water Agency Service Area.** Agency shall only purchase the amount of Surplus Water that it is able to put to beneficial use within its service area.

6. **Resale of Surplus Water.** During the applicable year, Agency shall first offer to sell fifty percent (50%) of any Surplus Water to the Retailers, per the current pricing policy of Agency.

The Retailers share of Surplus Water described in this Section will be equally divided up to a Retailer share of two thousand (2,000) acre-feet. Any Retailer share more than 2,000 acre-feet will be offered to the Retailers in proportion to the amount of imported water each Retailer has purchased from Agency over the previous 3 calendar years.

Each Retailer shall notify Agency within 30 days of said offer as to whether, and to what extent, each Retailer desires to purchase Surplus Water. If one Retailer elects not to purchase any share, or elects to purchase less than its share, then the balance shall be made available to the other Retailer.

In the event the Retailers elect not to purchase all of the water described in this Section, Agency may purchase the remainder of the water.

7. **Regulatory Requirements**. The implementation of this Agreement shall be subject to satisfaction by District and Agency of applicable legal and regulatory requirements.

8. **Default and Termination**. In the event either Party fails to make any payment under this Agreement when due, or fails to perform any obligation otherwise required by this Agreement, the non-defaulting Party shall demand in writing that the defaulting Party cure such non-performance. The defaulting Party shall have ninety (90) days after receipt of such demand to cure. In the event the defaulting Party fails to cure a default within the ninety (90) day period, the non-defaulting Party may pursue any applicable action in law or equity including, but not limited to, termination, specific performance and/or damages for breach of this Agreement.

9. **Entire Agreement**. This Agreement contains the entire understanding between the Parties with respect to its subject matter, and supersedes all prior agreements, oral or written, and all prior or contemporaneous discussions or negotiations between the Parties. This Agreement cannot be amended except in writing signed by both Parties.

10. **No Waiver**. Any failure or delay on the part of either Party to exercise any right under this Agreement shall not constitute a waiver of the right, and shall not preclude such Party from exercising or enforcing the right, or any other provision of this Agreement, on any subsequent occasion.

11. **Notices**. All notices or other communications required or desired to be given pursuant to this Agreement shall be in writing and shall be hand-delivered or sent by a reputable overnight courier service providing delivery confirmation. Each such notice or communication shall be deemed to be duly given when hand-delivered or one (1) day after being deposited for next day delivery with an overnight courier. Each such notice or communication shall be

addressed to the Parties at their respective addresses set forth next to their signatures below, or such other address as a Party notifies the other in writing.

12. **Severability**. If any provision of this Agreement is finally determined by a court to be invalid or unenforceable as written, the provision shall, if possible, be enforced to the extent reasonable under the circumstances and otherwise shall be deemed deleted from this Agreement. The other provisions of this Agreement shall remain in full force and effect so long as the material purposes of the Agreement and understandings of the Parties are not impaired.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date first written above.

DISTRICT:

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: Douglas D. Headrick

Name: Douglas D. Headrick

Title: General Manager

Address: 380 E. Vanderbilt Way
San Bernardino, CA 92408

AGENCY:

SAN GORGONIO PASS WATER AGENCY

By: Jeffrey W Davis

Name: Jeff Davis

Title: General Manager

Address: 1210 Beaumont Ave
Beaumont, CA 92223

EXHIBIT A

Resale of Surplus Water Examples

			Amount to Each Retailer	
Amount of Surplus Water	SGPWA	Total Retailer Share	SMWC	YVWD
1,000 AF	500 AF	500 AF	250 AF	250 AF
2,000 AF	1,000 AF	1,000 AF	500 AF	500 AF
5,000 AF	2,500	2,500 AF	1,000 AF + PROPORTION OF 500	1,000 AF + PROPORTION OF 500

PROPORTION OF 500: The remaining 500 AF will be proportioned per Section 6 of this agreement, in proportion to the amount of SWP water each retailer purchased over the previous three (3) years

FOUR PARTY IMPLEMENTATION AGREEMENT

This Implementation Agreement ("Agreement") is made and entered into on the Effective Date (as defined herein) by and between Emhart Industries, Inc. ("Emhart"), the City of Rialto and the Rialto Utility Authority (collectively, "Rialto"), the City of Colton, ("Colton"), and the County of San Bernardino ("County"). Emhart, Rialto, Colton and the County are referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS

The Purpose of this Agreement

A. This Agreement facilitates implementation of the interim remedial action required by the Consent Decree (Dkt. No. 1820) entered on July 2, 2013, by the United States District Court for the Central District of California (the "District Court"), in *City of Colton v. American Promotional Events, Inc.-West, et al.*, Case No. ED CV 09-01864 PSG (SSx), and related consolidated actions (the "Work Consent Decree").

B. The remedial action required by the Work Consent Decree was selected and approved, and will be overseen, by the United States Environmental Protection Agency ("USEPA" or "EPA") pursuant to its authority under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601, *et seq*. (the "EPA Remedy," as defined below). The EPA Remedy is designed to capture and remove perchlorate and trichloroethylene ("TCE") in groundwater in the Rialto-Colton Groundwater Basin ("Basin") emanating from a 160-acre parcel located in Rialto, California (the "160-Acre Parcel").

C. As set forth herein and in the County/Emhart Implementation Agreement, the EPA Remedy will be combined with an existing groundwater extraction and treatment remedy designed and constructed by the County to capture and remove perchlorate and TCE in the Basin as required by the California Regional Water Quality Control Board, Santa Ana Region (the "Regional Board Remedy," as defined below).

D. Upon Emhart's completion of construction and permitting necessary to combine the EPA Remedy and the Regional Board Remedy ("Combined

Remedies," as defined below), Rialto will operate the Combined Remedies to provide potable drinking water to Rialto's and, if necessary, Colton's municipal water supply systems.

The Regional Board Remedy

E. In January 2003, the Regional Water Quality Control Board, Santa Ana Region ("Regional Board") adopted Cleanup and Abatement Order No. R8-2003-0013, which required the County to develop and implement a remedial action to abate perchlorate in groundwater in the Basin allegedly migrating from County property ("Cleanup Order"). In September 2004, the Regional Board adopted Order No. R8-2004-0072, amending the Cleanup Order to require the County to provide Rialto with replacement water for City of Rialto Well No. 3 ("CR-3") ("Water Replacement Order"). The Cleanup Order and the Water Replacement Order are collectively referred to herein as the "Regional Board Order."

F. In 2005, pursuant to the Regional Board Order, the County completed a remedial investigation and feasibility study ("RI/FS") which identified a former bunker area where munitions had been stored during the Second World War ("Bunker Area") and the Stonehurst Property (which is not owned or operated by the County) as potential source areas of perchlorate subject to the Regional Board Order. The RI/FS and subsequent studies by the County concluded that current and past disposal units of the Mid-Valley Sanitary Landfill ("MVSL") were not sources of perchlorate contamination. The RI/FS concluded that perchlorate and VOC impacts to groundwater near CR-3 likely originated in source areas located in the vicinity of Unit 5 of the MVSL and/or the Stonehurst Property.

G. In 2005, the County and Rialto entered into an agreement titled "Water Replacement Order Implementation Agreement and Water Rights Lease," effective April 1, 2005 ("County/Rialto Implementation Agreement"), which, among other things, facilitates the County's compliance with the Regional Board Order.

H. In 2006, the County commenced operation of the Regional Board Remedy under the oversight of the Regional Board pursuant to the Regional Board Order. In December 2007, the County issued an updated design report that proposed to install two additional groundwater extraction wells, now known as

Miro-2 and Miro-3, to be connected to the treatment plant at CR-3. In February 2008, the Regional Board approved this plan as proposed by the County. In July 2011, the County submitted to the Regional Board an Operations, Monitoring and Maintenance Plan ("OMMP"), which among other things, proposed to vary the production rate from the Regional Board Remedy by season, to enable the output from the County's groundwater treatment plant to better match the Rialto seasonal water demand (compared to operating at a fixed rate 24 hours a day, 365 days a year). In February 2012, the Regional Board approved the OMMP pumping schedule as proposed by the County. As the permitee under its Domestic Water Supply Permit No. 71-009, Rialto operates the County's groundwater treatment plant located on Linden Avenue adjacent to CR-3 as set forth in the County/Rialto Implementation Agreement.

I. In August 2010, the County, Colton, and Rialto entered into a Standby Agreement whereby the County leased certain water rights from Colton ("County/Colton/Rialto Standby Agreement"), which, among other things, further facilitates the County's compliance with the Regional Board Order.

The EPA Remedy

J. In January 2009, USEPA commenced its RI/FS process for the 160-Acre Parcel, which is located immediately north and east of the County's MVSL. In September 2009, USEPA listed the 160-Acre Parcel on the National Priorities List ("NPL") as the B.F. Goodrich Superfund Site. By placing the B.F. Goodrich Superfund Site on the NPL, USEPA assumed jurisdiction and control over its cleanup. On December 11, 2013, USEPA changed the name of the B.F. Goodrich Superfund Site to the Rockets, Fireworks, and Flares Superfund Site.

K. In September 2010, the USEPA issued the *Interim Action Record of Decision* for the Source Area Operable Unit ("SAOU") of the B.F. Goodrich Superfund Site ("2010 ROD"), requiring the installation, operation, and maintenance of a groundwater pump-and-treat system to intercept and control the spread of contaminated groundwater from the 160-Acre Parcel.

Federal Court Actions

L. In 2004, Rialto filed an action in the District Court, known as *City of Rialto v. United States Department of Defense et al.*, Civil Action No. ED CV 04-00079-PSG-SSx. In early 2005, Colton filed a similar action in the District Court,

known as *City of Colton v. American Promotional Events, Inc.-West, et al.*, Civil Action No. ED CV 05-01479 PSG (SSx). Rialto and Colton brought their respective actions against a number of defendants, including the County and Emhart, seeking response costs and injunctive relief to, among other things, ensure that perchlorate and TCE in the Basin would be cleaned up.

M. In February 2010, the United States, on behalf of USEPA, filed an action in the District Court under CERCLA and the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901, *et seq*., known as *United States of America v. Goodrich Corporation et al.*, CV 10-8245 PSG (SSx), seeking, among other things, from a number of defendants, including Emhart but not the County, response costs and performance of the necessary response actions at the B.F. Goodrich Superfund Site (the "United States Action"). Emhart and other defendants sued by the United States then filed Third-Party Complaints and Cross-Claims against the County and others.

N. In June 2010, the District Court consolidated the United States Action with actions which had been re-filed by: Rialto, Case No. 09-07501 PSG (SSx) in October 2009; Colton, Case No. CV 09-01864 PSG (SSx) in October 2009; Emhart, Case No. 09-07508 PSG (SSx) in October 2009, the County, Case No. 09-06632 PSG (SSx) in September 2009, and two additional cases related to groundwater contamination in the Basin, also re-filed in late 2009, as *City of Colton v. American Promotional Events, Inc.-West, et al.*, Case No. 09-01864 (SSx) (the "Consolidated Actions").

O. Between 2011 and 2014, the claims, which had been brought by and against the United States, the County, Rialto, Colton, Emhart, and most other parties in the Consolidated Actions, were resolved by settlements memorialized in the Work Consent Decree, the County Consent Decree entered in January 2012, the PSI Consent Decree entered in March 2013, the Goodrich/UTC Consent Decree entered in July 2013, and other settlements.

The Combined Remedies

P. In June 2013, the USEPA approved Emhart's proposal for a Combined Capture System. In May 2014, the USEPA approved the final design of the Combined Remedies including a Combined Treatment Plant.

Q. In accordance with Paragraphs 10 and 12 of the Work Consent Decree, this Agreement sets forth the Parties' respective rights and obligations regarding implementation of the Combined Remedies. The Parties have separately entered into additional agreements (e.g., the County/Rialto Implementation Agreement, the County/Colton/Rialto Standby Agreement, the County/Emhart Implementation Agreement, and the County Consent Decree) which address, among other things, certain rights and obligations among the parties to those agreements related to the Regional Board Remedy, the EPA Remedy, and/or the Combined Remedies.

Recitals A through Q, above, are not intended to and do not create any rights or obligations among the Parties to this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

I. Definitions

A. "1961 Decree" means the Decree entered on December 22, 1961, in *The Lytle Creek Water and Improvement Co. v. Fontana Ranchos Water Co. et al.,* San Bernardino County Superior Court Case No. 81264, as it may be modified.

B. "Basin" means the Rialto-Colton Groundwater Basin.

C. "Claims" means any third-party claim for losses, damages, actions or liability.

D. "Closure" means, for Emhart, EPA's determination that the Performance Standards set forth in the Work Consent Decree have been met so that Emhart has no further obligation to operate any portion of the Combined Remedies; and, for the County, the Regional Board's determination that the County has met its remedial obligations so that the County has no further obligation to operate any portion of the Combined Remedies.

E. "Colton Water Budget" means a document, detailing Colton's anticipated month-by-month minimum needs and maximum capacity to accept water generated by the Combined Remedies for the upcoming Water Year, subject to the Colton Water Rights, that Colton will provide annually to Rialto, the

County, and Emhart to assist the Parties in their development of the annual Water Management Plan for the Combined Remedies.

F. "Colton's DDW Permit" means domestic water supply Permit No. 03-13-96P-001 issued to Colton by DDW on June 28, 1996, as it has been and may be amended in the future.

G. "Colton Water Rights" means Colton's water rights in the Basin under the 1961 Decree.

H. "Combined Capture System" means the extraction wells and associated conveyance piping connected to the Combined Treatment Plant necessary for operation of the Combined Remedies. There are currently three existing extraction wells (Miro-2, Miro-3, and CR-3) and one planned extraction well (EW-1) that will be connected to the Combined Treatment Plant; the locations of these wells and associated piping are shown on Exhibit C (Conceptual Diagram of Combined Capture System). This definition includes any additional extraction wells and associated piping that may be added in the future, as necessary or appropriate to comply with the Work Consent Decree or Regional Board Order.

I. "Combined Remedies" means the Combined Capture System and the Combined Treatment Plant, but does not include groundwater monitoring wells.

J. "Combined Treatment Plant" or "CTP" means a system of groundwater treatment components, consisting of (1) the County treatment plant at CR-3, in place as of the Effective Date, constructed by the County to comply with the Regional Board Order; (2) the expansion of the County treatment plant constructed by Emhart, after the Effective Date, to comply with the Work Consent Decree (as described in detail in the final design approved by EPA on May 19, 2014); and (3) any future expansion of such treatment plant as necessary or appropriate to comply with the Work Consent Decree or the Regional Board Order.

K. "Combined Treatment Plant Lease Area" means the Combined Treatment Plant Lease Area as defined in Exhibit J hereto.

L. "County Consent Decree" means the Consent Order and Judgment entered by the United States District Court for the Central District of California on

January 31, 2012 in *City of Colton v. American Promotional Events, Inc-West et al.*, Case No. 09-1864 PSG (SSx) (Dkt. No. 1258).

M. "County/Emhart Implementation Agreement" means the separate Implementation Agreement entered into between the County and Emhart in accordance with Paragraph 12 of the Work Consent Decree concurrently with this Agreement.

N. "County/Rialto Implementation Agreement" means the agreement titled "Water Replacement Order Implementation Agreement and Water Rights Lease," entered by Rialto, the Rialto Utility Authority, and the County, effective April 1, 2005.

O. "CR-3" means City of Rialto well No. 3.

P. "DDW" means the California State Water Resources Control Board Division of Drinking Water, formerly, the California Department of Public Health Division of Drinking Water.

Q. "Effective Date" means the date the last Party executes this Agreement.

R. "EPA" or "USEPA" means the United States Environmental Protection Agency.

S. "EPA Remedy" means the system of extraction wells, conveyance pipelines, and the expansion of the County's groundwater treatment plant to be constructed by Emhart required by the Work Consent Decree.

T. "Regional Board Order" means Cleanup and Abatement Order No. R8-2003-0013, adopted by the Regional Water Quality Control Board, Santa Ana Region ("Regional Board"), on January 17, 2003, as amended by Order No. R8-2004-0072, adopted by the Regional Board, on September 17, 2004, and as Order No. R8-2003-0013 may be amended in the future.

U. "Regional Board Remedy" means the system of extraction wells, conveyance pipelines, and groundwater treatment plant operated by the County in compliance with the Regional Board Order.

V. "Replacement Water" means potable water acquired from a water purveyor other than Rialto holding a DDW domestic water supply permit and delivered to Rialto, or the acquisition of additional water rights in the Basin, by the County for use by Rialto.

W. "Rialto Water Budget" means a document, detailing Rialto's anticipated month-by-month minimum needs and maximum capacity to accept water generated by the Combined Remedies for the upcoming Water Year, subject to the Rialto Water Rights, that Rialto will provide annually to Colton, the County, and Emhart to assist the Parties in their development of the annual Water Management Plan for the Combined Remedies.

X. "Rialto Water Rights" means certain water rights in the Basin that Rialto has leased to the County as set forth in the County/Rialto Implementation Agreement.

Y. "Rialto's DDW Permit" means domestic water supply Permit No. 71-009 issued to Rialto by DDW on January 8, 1971, as amended by Permit Amendment No. 05-13-06PA-005 issued on May 8, 2006, Permit Amendment No. 05-13-09PA-042 issued on January 4, 2010, and as permit No. 71-009 may be amended in the future.

Z. "SOW" means the Statement of Work attached as Appendix F to the Work Consent Decree.

AA. "Summer Months" means May through September, inclusive.

BB. "Water Year" means October 1 through the following September 30.

CC. "Winter Months" means October through the following April, inclusive.

DD. "Work" means all activities and obligations Emhart is required to perform under the Work Consent Decree, except the activities required under Section XXIII (Retention of Records) of the Work Consent Decree.

EE. "Work Consent Decree" means the Consent Decree entered by the United States District Court for the Central District of California on July 2, 2013 in *City of Colton v. American Promotional Events, Inc-West et al.*, Case No. 09-1864 PSG (SSx) (Dkt. No. 1820) as it may be amended in the future.

II. The Remedial Objectives of the Combined Remedies

A. Emhart is responsible for meeting the remedial action objectives set forth in the Work Consent Decree.

B. The County is responsible for complying with the Regional Board Order, including meeting the remedial action objectives developed pursuant thereto.

C. If, in the future, in connection with their respective responsibilities to meet the remedial action objectives the Regional Board Order or the Work Consent Decree, the County or Emhart needs to modify or expand the Combined Remedies, associated conveyance pipelines, monitoring wells, or any part thereof, the Parties shall meet and confer in good faith to discuss any such necessary expansion or modification in accordance with their obligations under the Work Consent Decree, the County Consent Decree and the County/Rialto Implementation Agreement. Nothing in this Paragraph limits or expands the rights and obligations of the Parties under such agreements.

III. The Design, Permitting, Installation, and Construction of the Work

A. Emhart's Responsibilities

1. Emhart shall ensure that knowledgeable representatives are available, as reasonably necessary, to consult with Rialto, Colton, and the County during the design, permitting, installation, and construction phases of the Work.

2. Subject to the terms of the Work Consent Decree, Emhart is responsible for the cost of the design, permitting, installation, and/or construction of:

a. the new extraction well(s) necessary to perform the Work;

b. the expansion of the County's groundwater treatment plant at CR-3 necessary to perform the Work;

c. the additional piping and infrastructure necessary to:

i. connect the new extraction well(s) to the Combined Treatment Plant;

ii. connect the Combined Treatment Plant to the existing Rialto municipal water supply system;

iii. deliver water to the Colton municipal water supply system pursuant to Emhart's lease of Colton Water Rights either through the existing Rialto municipal water supply system or by some other means agreed to by the Parties in writing; and

iv. deliver water to a water purveyor (other than Colton) which is to receive water pursuant to a lease of water rights to Emhart, either through the existing Rialto municipal water supply system or by some other means agreed to by the Parties;

d. obtaining modification of Colton and Rialto's DDW Permits as necessary for operation of the Combined Remedies to satisfy Emhart's obligations under the Work Consent Decree; and

e. any expansion or modification of the Combined Remedies required to satisfy Emhart's obligations under the Work Consent Decree.

3. During the design, permitting, installation, construction, startup and shakedown phases of the Work, and prior to obtaining modification of Colton and Rialto's DDW Permits as necessary for operation of the Combined Remedies, Emhart shall not interfere with the County's ability to operate the Regional Board Remedy in a manner consistent with and without degradation to the County's obligations under the Regional Board Order and the County/Rialto Implementation Agreement.

4. During the design, permitting, installation, and construction phases of the Work within the jurisdiction of Rialto or Colton, Emhart shall comply with the applicable permitting and approval processes required by the Rialto or Colton municipal codes, as applicable, as set forth in Paragraphs VII. A and B, below.

B. Colton's Responsibilities

1. During the design, permitting, installation, and construction phases of the Work, Colton shall (a) ensure that knowledgeable representatives

are available, as reasonably necessary, to work with Emhart, Rialto, and the County; and (b) provide Emhart access as set forth in Paragraph VII.A, below.

C. Rialto's Responsibilities

1. During the design, permitting, installation, and construction phases of the Work, Rialto shall ensure that knowledgeable representatives are available, as reasonably necessary, to work with Colton and the County.

2. During the design, permitting, installation, and construction phases of the Work, Rialto shall ensure that knowledgeable representatives are available, as reasonably necessary, to work with Emhart, provided that Emhart reimburses Rialto for:

a. the cost of time incurred by Rialto's consultant Peter Fox (or Rialto's designated alternate consultant, West Yost Associates) reasonably required to provide information, evaluate information provided, or attend meetings, as needed, during the design, permitting and construction phases of the Work, except for the first 10 hours of the consultant's time, on a "time and materials" basis (the procedure for reimbursement of these costs is set forth in Exhibit A); and

b. any other Rialto personnel or consultant costs, including, but not limited to, costs to conduct any required plan checks, engineering checks, and/or reviews associated with permits issued by Rialto which are necessary during the design, permitting, and construction phases of the Work, up to a total amount not to exceed $20,000, which, as of the Effective Date, Emhart has paid to Rialto.

3. During the design, permitting, installation and construction phase of the Work, Rialto shall provide Emhart access as set forth in Paragraph VII.B, below.

D. County Responsibilities

During the design, permitting, installation, and construction phases of the Work, the County shall: (a) not unreasonably deny the availability of knowledgeable representatives to work with Rialto, Colton, and Emhart; and (b) provide Emhart with access to the County's groundwater treatment plant at CR-3 as necessary to expand the treatment plant consistent with the

County/Emhart Implementation Agreement. Upon the effective date of the lease attached hereto as Exhibit J, Rialto consents to the County's grant of such access to Emhart in accordance with Paragraph 10.a.v of the County/Rialto Implementation Agreement and Paragraph 36 of Exhibit K thereto.

IV. Operation and Maintenance of the Combined Remedies

A. Commencement of Rights and Obligations in Paragraph IV

1. The Parties' rights and obligations in this Paragraph IV shall be effective upon approval by DDW of the amendment of Colton and Rialto's DDW Permits necessary to allow water generated by the Combined Remedies to be delivered to Rialto and Colton customers.

2. Prior to issuance of the amendment of Rialto's DDW Permit to operate the Combined Remedies, Emhart is required by DDW to demonstrate effective operation of the new treatment components of the Combined Treatment Plant. Emhart shall be responsible for all costs of energy used by Emhart as a result of that demonstration. Following completion of the demonstration period, Emhart, the County and Rialto shall meet and confer to determine the costs of energy, for which Emhart and the County shall reimburse Rialto consistent with the cost allocation methodology set forth in Paragraphs IV.F.2.d.ii and iii.

B. Party Coordination During the Operation and Maintenance of the Combined Remedies

Emhart, the County, Rialto, and Colton shall not unreasonably deny the availability of knowledgeable representatives to consult with each other during the operation and maintenance of the Combined Remedies.

C. Operation and Maintenance of the Combined Treatment Plant

1. Rialto, as the operator of the Combined Treatment Plant and permitee under Rialto's DDW Permit, shall, in its sole discretion, operate and maintain the Combined Treatment Plant.

2. Rialto shall employ or contract with a qualified person or persons who is/are authorized by law to operate the Combined Treatment Plant.

3. The Anticipated Combined Remedies Operation and Maintenance Activities are set forth in Exhibit B, hereto.

4. As set forth in Paragraph IV.F, below, Emhart and the County shall pay to Rialto the cost to operate and maintain the Combined Treatment Plant.

D. Operation, Maintenance, and Management of the Combined Capture System

1. Rialto shall, in its sole discretion, operate and maintain the Combined Capture System, except that Emhart and the County shall determine the pump rates for each extraction well necessary to achieve the remedial objectives of the Combined Remedies.

2. As set forth in Paragraph IV.F, below, Emhart and the County shall pay to Rialto the cost to operate and maintain the Combined Capture System.

3. Unless otherwise agreed to in writing between Rialto, the County and Emhart (at the sole discretion of each), Rialto shall be responsible for collecting and analyzing all groundwater samples as required under Rialto's DDW Permit; provided, however, as of the Effective Date (and until otherwise agreed in writing by Rialto and the County), the County shall be responsible for collecting and analyzing groundwater samples from County-installed monitoring wells, as required by Rialto's DDW Permit, and providing that data to Rialto.

4. As between Rialto and the County, this Paragraph IV and Exhibits B (Anticipated Combined Remedies Operation and Maintenance Activities) and H (Annual Allocation of CR-3/CTP Energy Costs and Reconciliation of Combined Remedies Energy Costs) supersede and supplant Paragraphs 4, 5.a.i and 5.b and Exhibit I of the County/Rialto Implementation Agreement.

E. Transport and Distribution of Water

1. The treated water generated by the Combined Remedies shall be delivered to the Rialto municipal water supply system. Rialto shall transport water through its existing municipal water supply system: (a) for distribution to Rialto's customers pursuant to County's lease of Rialto Water Rights; (b) to Colton's municipal water supply system pursuant to Emhart and the County's

leases of Colton Water Rights (to the extent the piping and infrastructure for such transport exist or are constructed by Emhart pursuant to Paragraph IV.E.2); and (c), if necessary, to a water purveyor other than Colton, if the piping and infrastructure exists for such transport and if such water purveyor agrees to accept such water at no increased cost to Rialto. Nothing in this Paragraph precludes the Parties from arranging, by written agreement, for the transportation of water to Colton or any other water purveyor by other means, in accordance with the requirements in Paragraph V.B.1.a.

2. To the extent that Rialto's existing piping and infrastructure are insufficient to allow transport of the volume of water necessary to meet Emhart's remedial obligations under the Work Consent Decree to the Colton municipal water supply system, or, if necessary, the municipal water supply system of a water purveyor other than Colton, and the Parties do not otherwise arrange for delivery of water to Colton or another water purveyor by other means, Emhart shall install reasonably necessary additional piping and infrastructure to allow such transport (between Rialto and Colton or between Rialto and another water purveyor, at locations within the jurisdictional boundaries of Rialto approved by Rialto in its sole discretion).

3. Nothing in this Agreement alters, limits, or otherwise affects Rialto's authority to properly and safely operate and maintain, in its sole discretion, the Rialto municipal water supply system. Nothing in this Agreement, including the preceding sentence, alters, limits, or otherwise affects Rialto's obligation to deliver water as set forth in the Work Consent Decree.

4. **Water Quality Requirements**

a. Rialto Resolution No. 5248 (June, 21, 2005), attached as Exhibit E, requires Rialto groundwater production wells to be shut down and prohibits water from entering Rialto's municipal water supply system when standard water testing techniques show any detectable levels of perchlorate in such water.

b. Treated water generated by the Combined Remedies: (i) shall meet all federal and state statutory and regulatory requirements governing municipal drinking water; (ii) shall be non-detect for perchlorate under the California state detection limit for purposes of reporting ("DLR") set forth in Title 17 of the California Code of Regulations, Section 64432(d), Table 64432-A,

which is currently 0.004 mg/L; and (iii) shall not be blended with any water in which perchlorate was detected in a test using the DLR.

c. The Parties recognize that the DLR for perchlorate may change. If such a change occurs and the treated water from the Combined Remedies is unable to satisfy the requirements of Paragraph IV.E.4.b.ii, above, the Parties shall meet and confer in good faith to discuss whether any potential modification to the Combined Treatment Plant is feasible in order to meet the requirements in Paragraph IV.E.4.b.ii, above and, if not, whether any potential modification to Paragraph IV.E.4.b.ii, above, is appropriate. Nothing in this Paragraph IV.E.4.c affects Paragraph IV.E.4.f., below.

d. If the Parties are unable to reach an agreement on any dispute arising under Paragraph IV.E.4.c, above, that dispute shall be resolved in accordance with the dispute resolution provisions set forth in Paragraph 10.2 of the County Consent Decree. While Emhart is not a party to the County Consent Decree, it hereby agrees, with regard to disputes arising under Paragraph IV.E.4.c, above, to be bound by the dispute resolution process set forth in Paragraph 10.2 of the County Consent Decree.

e. Notwithstanding the requirements of Paragraph IV.E.4.b.ii, or the outcomes of the processes described in Paragraphs IV.E.4.c or d, above, the water generated by the Combined Remedies shall be treated to obtain a water quality consistent with (but not greater than) the level of the water quality obtained by other treatment systems used by Rialto to treat water produced from its other groundwater production wells impacted by perchlorate.

f. Nothing in this Paragraph IV.E.4 modifies the rights of the County, Rialto, or Colton in Paragraphs 4.2 and 10.2 of the County Consent Decree.

F. Cost of Operating and Maintaining the Combined Remedies

1. Governing Principles

a. As provided for in Paragraphs IV.C.1 and IV.D.1, above, Rialto shall operate and maintain the Combined Remedies as described in Exhibit B, hereto, subject to Emhart's and the County's responsibility for the actual costs of such operation and maintenance as set forth in this Paragraph IV.F.

Exhibit B describes the anticipated activities for operation and maintenance of the Combined Remedies and is for illustration and budgeting purposes only and does not create any legal rights, obligations, responsibilities or duties, contractual or otherwise, among the Parties or any third party.

b. Emhart is responsible, as set forth in the Work Consent Decree, for the costs to operate and maintain the Combined Remedies to meet the remedial action objectives described in Paragraph 3.1 of the SOW.

c. The County is responsible, as set forth in the Regional Board Order, for the costs to operate and maintain the Combined Remedies to meet the remedial action objectives set forth in the Regional Board Order.

d. The County and Emhart have agreed to allocate the costs of operation and maintenance of the Combined Remedies as set forth in the County/Emhart Implementation Agreement. Nothing in the County/Emhart Implementation Agreement supersedes, abrogates or modifies Emhart's or the County's responsibility for the costs to operate and maintain the Combined Remedies as set forth herein.

2. **Billing and Payment of Operation and Maintenance Costs**

a. **Administrative Costs:** Following the submission of an invoice by Rialto, Emhart and the County shall pay Rialto for its annual administrative staff costs on the first business day following October 1 of each year, or within sixty days of receipt of the invoice from Rialto, whichever occurs later. This payment is to compensate Rialto for its annual administrative staff costs incurred in implementing this Agreement.

i. For the first five years of operation of the Combined Remedies, the amount of the administrative cost shall be $25,000.

ii. The administrative cost shall be adjusted annually by the percentage change, if any, in the fully burdened rate for Rialto's Director of Public Works/City Engineer.

iii. After the first five years of operation of the Combined Remedies, and every five years thereafter, the County, Emhart, and Rialto shall meet and confer in good faith to determine whether the administrative cost shall be modified to more accurately reflect actual annual

administrative staff costs incurred by Rialto in implementing this Agreement. If the County, Emhart, and Rialto are unable to agree, the payment for Rialto's administrative staff costs set forth in Paragraphs IV.f.2.a.i. and ii shall not change.

iv. Upon termination of participation in the Combined Remedies by either the County or Emhart pursuant to Paragraph XIII. A., the non-terminating Party and Rialto shall meet and confer to determine an appropriate administrative cost to accurately reflect Rialto's administrative staff costs to implement this Agreement thereafter. If Rialto and the non-terminating Party are unable to agree, the dispute shall be resolved pursuant to the Dispute Resolution provisions of Paragraph XII.

b. **Operation and Maintenance Costs:** Emhart and the County shall pay Rialto the cost to operate and maintain the Combined Remedies, as follows:

i. By August 1 of each year, Rialto (or its third party contractor) shall prepare and submit to Emhart and the County a budget for the work necessary to operate and maintain the Combined Remedies in a cost-effective manner ("Annual O&M Budget"). The form to be used for the Annual O&M Budget is attached hereto as Exhibit F.

ii. If no changes are proposed, the Annual O&M Budget for the prior year shall continue in effect for the coming year.

iii. Within 10 business days of Emhart's and the County's receipt of the Annual O&M Budget from Rialto, the County and Emhart shall submit their joint comments on the Annual O&M Budget in good faith, which Rialto shall review and consider in good faith. Within 10 business days of submission of the joint comments, Emhart, the County, and Rialto shall, if necessary, meet and confer to discuss those comments. Any disputes regarding the appropriateness of the Annual O&M Budget shall be raised within 10 business days of that meeting and shall be subject to the Dispute Resolution provisions of Paragraph XII.

iv. Upon resolution of the Annual O&M Budget, Rialto shall send a single invoice to both Emhart and the County for 50% of the total budgeted amount set forth therein. Within 60 days of receipt of Rialto's invoice, Emhart and the County shall pay Rialto that invoiced amount. On or after

February 1 of the following year, Rialto shall invoice Emhart and the County for the balance of the total budgeted amount set forth in the Annual O&M Budget. Within 60 days of Rialto's invoice, Emhart and the County shall pay Rialto that invoiced amount. Rialto shall deposit and maintain the monies paid in these installments in a separate restricted fund that is committed to be used only for the purpose of paying for items set forth in the Annual O&M Budget.

v. Rialto shall timely pay invoices for the costs of operation and maintenance of the Combined Remedies.

vi. For purposes of tracking the monthly costs incurred pursuant to the Annual O&M Budget, Rialto shall submit to the County and Emhart, on or before the fifth day of each month, copies of invoices for the costs of work paid in the preceding month in accordance with the Annual O&M Budget, along with any supporting documentation reasonably requested by Emhart and/or the County.

vii. On or before October 1 of each year, Rialto, the County, and Emhart shall meet and confer to reconcile any variance between actual costs of operation and maintenance of the Combined Remedies incurred and paid by Rialto and the Annual O&M Budget and corresponding payments made by Emhart and the County for the preceding year.

1. If, pursuant to Paragraph IV.F.2.b.vii, Rialto, the County, and Emhart agree that the actual costs of operation and maintenance of the Combined Remedies incurred and paid by Rialto were *greater* than the Annual O&M Budget and corresponding payments made by Emhart and the County, Emhart and the County shall, within 45 days of such determination, make an additional payment equal to the amount by which the actual costs incurred and paid by Rialto exceeded the Annual O&M Budget.

2. If, pursuant to Paragraph IV.F.2.b.vii, Rialto, the County, and Emhart agree that the actual costs of operation and maintenance of the Combined Remedies incurred and paid by Rialto were *less* than the Annual O&M Budget and corresponding payments made by Emhart and the County, Emhart and the County shall reduce the next installment payment due under Paragraph IV.F.2.b.iv by an amount equal to the amount by which the actual costs incurred and paid by Rialto were less than the Annual O&M Budget.

3. To the extent Rialto, the County, and Emhart are unable to agree as provided for in Paragraph IV.F.2.b.vii.1 and 2, above, any undisputed amount shall be paid as provided above, and the disputed amount shall be resolved pursuant to Paragraph XII, below. If, upon resolution of the dispute, a payment is due to Rialto, the County and Emhart shall pay Rialto the amount due within 45 days. If, upon resolution of the dispute, a credit is due to the County and Emhart, that credit shall be applied against the next installment payment due under Paragraph IV.F.2.b.iv.

c. **Vendor Costs:** Operation and maintenance of the Combined Remedies will require, from time to time, materials, services, and equipment repair or replacement provided by third-party vendors ("Vendor Services"). Rialto, or its third party contractor, as operator of the Combined Remedies, shall have authority to approve or reject any contracted Vendor Services in its sole discretion. Prior to DDW's issuance of the amendments to Rialto and Colton's DDW Permits necessary for operation of the Combined Remedies and Rialto's commencement of such operation, the County and Emhart shall contract (either together or separately) with Rialto, Rialto's third party contractor, or another third-party contractor to obtain, pay for, and bill the County and Emhart directly for such Vendor Services.

d. **Energy Costs:** The Parties shall allocate the energy costs to operate the Combined Remedies as set forth in this Paragraph IV.F.2.d, as follows:

i. **Combined Capture System Lifting Costs**

1. Colton shall reimburse Emhart for the lifting cost of each acre foot of water delivered to Colton (pursuant to Emhart's lease of Colton Water Rights under Paragraph V.B) at the rate of the electrical costs that Colton would otherwise incur to lift an acre foot of water when operating its extraction wells in the Basin ("Colton's Baseline Lifting Cost"). The procedure for determining Colton's Baseline Lifting Cost is set forth in Exhibit G.

2. Colton shall reimburse the County for the lifting cost of each acre foot of water delivered to Colton (pursuant to the County's lease of Colton Water Rights under Paragraph V.A) at the rate of Colton's Baseline Lifting Cost.

3. Because Rialto pays the energy costs metered at CR-3, the County shall reimburse Rialto for all costs to lift water pumped at CR-3 and delivered to Colton for compliance with the Regional Board Order.

4. Because Rialto pays the energy costs metered at CR-3, Emhart shall reimburse Rialto for all costs to lift water pumped at CR-3 and delivered to Colton for compliance with the Work Consent Decree.

5. Emhart shall reimburse the County for the cost of lifting water pumped at Miro-2 and/or Miro-3 and delivered to Colton for compliance with the Work Consent Decree, if any, equal to the actual lifting costs for such water.

6. The County shall reimburse Rialto for the net incremental cost of lifting water pumped at CR-3 for compliance with the Regional Board Order and delivered to Rialto, which is intended to represent the additional cost of lifting groundwater at CR-3 for compliance with the Regional Board Order during Southern California Edison's peak demand period when Rialto would not normally operate, as partially offset by the reduced electrical costs that are related to pumping groundwater from CR-3 to an open reservoir rather than to Rialto's pressurized pipeline.

7. Rialto shall reimburse the County for the cost of lifting water that Rialto receives for its use from wells for which the County initially pays the lifting costs (i.e., Miro-2 and Miro-3) pursuant to the County's lease of Rialto Water Rights equal to (a) the cost Rialto would otherwise incur to lift such water at CR-3 absent the Combined Remedies, or (b) the actual costs to the County, whichever is less.

ii. **Combined Treatment Plant Energy Costs:** Because Rialto initially pays the energy costs metered at CR-3, which include both energy used to operate the Combined Treatment Plant components and energy used to pump groundwater at CR-3, the County and Emhart shall reimburse Rialto for all energy costs to operate the Combined Treatment Plant.

iii. **Procedures for Reimbursement of Energy Costs**

1. Exhibit H sets forth the procedures for reimbursement of the energy costs identified in Paragraphs IV.F.2.d.i. and ii, above.

2. The energy cost allocations in this Paragraph VI.F.2.d and Exhibit H are not intended to affect or impair the ability of the County and Emhart to agree on a different allocation between themselves.

e. **Dispute Resolution Regarding Costs of Operation and Maintenance of the Combined Remedies:** If the County and/or Emhart believe that any cost of operation and/or maintenance of the Combined Remedies as provided in this Paragraph IV.F incurred by Rialto is unnecessary, the County, Emhart, and Rialto shall meet and confer in good faith to resolve the dispute. If the Parties are unable to agree, Emhart and the County shall nevertheless pay the disputed amount, subject to any reimbursement or credit from Rialto upon a determination, pursuant to the Dispute Resolution provisions in Paragraph XII, that such work was unnecessary.

V. The Lease of Colton and Rialto Water Rights Necessary for the Combined Remedies

A. Rialto and Colton Water Rights Leased to the County

1. Rialto has leased its water rights in the Basin to the County to the extent set forth in the County/Rialto Implementation Agreement.

2. Colton has leased 200 acre-feet (AF) per Water Year of its water rights in the Basin to the County as set forth in the County/Colton/Rialto Standby Agreement.

3. To the extent Emhart does not use all Colton Water Rights leased to Emhart as described below, in a given Water Year, the County may, in that Water Year, utilize such rights on the same terms that Colton leases those rights to Emhart as set forth in this Paragraph V so long as an equivalent volume of water is delivered to Colton in that Water Year consistent with the WMP.

B. Colton Water Rights Leased to Emhart

1. Colton hereby leases to Emhart its water rights in the Basin necessary to perform the Work to the maximum extent Colton has such rights

under the 1961 Decree, less the 200 AF leased to the County in the County/Colton/Rialto Standby Agreement, as follows:

a. In each Water Year, Colton shall receive an amount of potable water, either from the Rialto municipal water supply system or by some other means agreed to by the Parties in writing, equal to the amount of water rights utilized by Emhart in that Water Year as provided in this Paragraph V.

b. Colton shall, at Emhart's request, take all reasonable actions to manage its municipal water supply system, including, if necessary, curtailing production at other Colton-owned water production wells in the Basin, to ensure that its water rights leased to Emhart as provided in this Paragraph V can be utilized for the Work.

c. To the extent that the County does not use all of the 200 AF of Colton Water Rights leased to the County in a given Water Year, Emhart may utilize the remainder to pump and treat water for compliance with the Work Consent Decree so long as an equivalent volume of water is delivered to Colton in that Water Year consistent with the WMP.

C. General Terms Related to County and Emhart Leases of Colton Water Rights

1. In any given Water Year, Emhart and the County may deliver water to Colton, pursuant to their respective water rights leases on a schedule designed to maximize the efficiency and minimize the cost of the operation of the Combined Remedies subject to Colton's seasonal water demands and the WMP in accordance with Paragraph VI.

2. In any given Water Year, to the extent that Emhart and the County do not utilize all of Colton's available water rights in the Basin pursuant to their respective water rights leases and this Agreement, Colton shall have the right to use or sell any of its remaining water rights in the Basin as it sees fit.

3. If Emhart terminates its participation in this Agreement pursuant to Paragraph XIII and the County continues to operate the Combined Remedies, or any portion thereof, the County shall, at its option, succeed to Emhart's lease of Colton water rights.

VI. Management and Distribution of Treated Water

A. Recitals

1. This Paragraph VI.A provides background to guide the Parties' in their development of an ongoing water management plan that balances the extraction requirements of the Combined Remedies, the Rialto and Colton Water Rights, and the water supply needs of Colton and Rialto ("Water Management Plan" or "WMP").

2. The County believes that delivery of water leased by the County and Emhart from Rialto and Colton on a coordinated schedule may reduce the need for the County to provide Replacement Water to Rialto as provided in the County/Rialto Implementation Agreement while meeting Rialto's water demands as set forth in the Rialto Water Budget.

3. The County desires to minimize the use of Rialto Water Rights in the low demand Winter Months by prioritizing distribution of the Combined Treatment Plant output to Colton during the Winter Months, thereby maximizing the availability of Rialto Water Rights in the Summer Months.

4. Emhart, Colton, and Rialto support including the County's desired prioritized distribution of water in the WMP, as set forth in this Paragraph VI. A and subject to the provisions in this Paragraph VI.

5. Nothing in this Paragraph VI. A. creates any rights or obligations among the Parties.

B. The Water Management Plan

The Water Management Plan (WMP) is the Microsoft Excel file contained in the compact disc (CD) attached as Exhibit I. To assist and guide the Parties in their annual preparation of the WMP, Exhibit I also includes a paper copy of a WMP with sample inputs and a paper copy of the WMP displaying the spreadsheet formulas used in the file.

1. Information Exchange

a. On or about April 15 of each year, Colton, Rialto, the County, and Emhart shall meet and confer to develop the WMP for the upcoming

Water Year. At least one week prior to this meeting, the Parties shall exchange the following information for input into the WMP (Exhibit I) as follows:

i. Step 1: the County and Emhart shall provide the Parties with their planned month-by-month water output from the Combined Remedies (i) by well and (ii) allocated between the volume of water required to achieve the remedial obligations of Emhart and the County, respectively, as provided in the County/Emhart Implementation Agreement.

ii. Step 2: Colton shall provide the Parties with the Colton Water Rights that Colton anticipates will be available. Rialto shall provide the Parties with the Rialto Water Rights that Rialto anticipates will be available.

iii. Step 3: Colton shall provide the Parties with its anticipated month-by-month minimum needs for water generated by the Combined Remedies during the Summer Months and maximum ability to accept water from the Combined Remedies during the Winter Months ("Colton Water Budget") as follows:

1. In determining its minimum needs for water generated by the Combined Remedies during the Summer Months, Colton shall consider the availability and cost of utilizing its out-of-Basin resources during the Summer Months. To the extent such utilization does not, in a material way, increase costs or administrative burdens, or otherwise restrict Colton's ability to manage its water resources, Colton will endeavor to utilize those resources during the Summer Months.

2. If Colton determines that its use of out-of-Basin resources would result in such material costs, burdens, or restrictions, Colton and the County shall meet and confer, if the County so requests, to provide the County with the opportunity to compensate Colton for such costs, burdens, and/or restrictions in exchange for Colton's use of those resources to facilitate the County's desired water distribution schedule. If the County elects not to so compensate Colton, Colton shall have no obligation to use its out-of-Basin resources pursuant to this Paragraph.

iv. Step 4: Rialto shall provide the Parties with the (1) the monthly maximum volume of water deliverable to the Rialto municipal water supply system from the Combined Remedies; and (2) the maximum

monthly operational flow rate for delivery of water to Colton through the Rialto municipal water supply system unless the Parties agree in writing for delivery of water to Colton by some other means. If the Parties agree in writing for delivery of water to Colton by some other means, the Parties shall provide the maximum monthly operational flow rate for delivery of water to Colton by those means.

v. Step 5: Rialto shall provide the Parties with its anticipated month-by-month minimum needs for water generated by the Combined Remedies, subject to the Rialto Water Rights that Rialto anticipates will be available ("Rialto Water Budget").

b. During the period of demonstration required for amendment of Rialto's DDW Permit necessary for operation of the Combined Remedies, the Parties shall meet and confer to discuss initiation of the WMP commencing with the issuance of such amendment.

2. **Prioritization of Water Production and Distribution**

a. Step 6: Emhart and the County shall seek to prioritize production of water in the Summer Months over production in the Winter Months, and the Parties shall seek to prioritize distribution of that produced water to Colton during the Winter Months, to the extent that such prioritization:

i. does not exceed the total necessary annual output of the Combined Remedies for the Water Year as determined in Step 1 of the WMP;

ii. meets Colton's minimum water needs as set forth in Step 3 of the WMP;

iii. does not exceed Colton's maximum water needs during the Winter Months as set forth in Step 3 of the WMP;

iv. does not exceed the maximum operational flow rates set forth in Step 4 of the WMP;

v. meets Rialto's minimum water needs during the Winter Months, as set forth in Step 5 of the WMP;

vi. does not require Emhart, Colton, or Rialto to incur additional material costs it would not otherwise incur;

vii. does not impair Emhart's ability to comply with the terms of the Work Consent Decree; and

viii. provides that Emhart has priority to deliver water associated with its pumping to Colton, up to the maximum operational flow rate for delivery of water to Colton as set forth in Step 4 of the WMP to the extent such operational flow rate exists as a result of infrastructure improvements funded by Emhart.

ix. provides that, in any month, to the extent that water pumped by Emhart does not meet Colton's minimum water needs as set forth in Step 3 of the WMP, the County shall preferentially utilize the Colton Water Rights it has leased from Colton and an equivalent amount of water shall be delivered to Colton, provided such a shift does not require the County to incur additional material costs it would not otherwise incur.

b. Step 7: The Parties shall make any necessary modifications to the WMP as required by the limitations of Paragraph VI.B.2.a.

c. If the Parties agree upon a prioritized production and distribution schedule for the WMP, that plan shall be memorialized in Table 1 of Exhibit I and water shall be produced and distributed as set forth therein, subject to any modifications made pursuant to the Parties' monthly review described in Paragraph VI.C.

3. **Default Distribution and Production of Water**

a. If, after completing the process described in Paragraph VI.B.2, the Parties are unable to agree upon a prioritized distribution and production schedule for the WMP for the upcoming Water Year, the WMP shall default to the schedule provided in Table 2 of Exhibit I (Default Water Delivery Schedule), as follows:

i. During the Winter Months, Colton shall receive, in each month: (a) a volume of water equivalent to that pumped by Emhart to achieve its remedial obligations during that month as set forth in Step 1 of the WMP, subject to Colton's seasonal water needs; and (b) 28.6 AF (200 AF divided

by seven Winter Months) of Colton Water Rights leased to the County, as pumped to achieve the County's remedial obligations, subject to the limitations in Paragraph VI.B.3.b. To the extent that such 28.6 AF cannot be delivered in a Winter Month, the balance of such water shall be distributed to Colton in Summer Months, subject to the limitations in Paragraph VI.B.3.b;

ii. During the Winter Months, Rialto shall receive, in each month, a volume of water equivalent to that pumped by the County to achieve its remedial obligations during that month as set forth in Step 1 of the WMP, minus the amount delivered to Colton for the County as set forth in Paragraph VI.B.3.a.i;

iii. During the Summer Months, Colton shall receive, in each month, a volume of water equivalent to that pumped by Emhart to achieve its remedial obligations during that month as set forth in Step 1 of the WMP;

iv. During the Summer Months, Rialto shall receive, in each month, a volume of water equivalent to that pumped by the County to achieve its remedial obligations during that month; and

v. If Emhart does not use all of the Colton Water Rights in a Water Year, the County may pump and treat that unused water for delivery to Colton if needed for the County remedial obligations or negotiate with Colton regarding other use of such water.

b. Any default WMP shall:

i. not exceed the total necessary annual output of the Combined Remedies for the Water Year as determined in Step 1 of the WMP;

ii. meet Colton's minimum water needs as set forth in Step 3 of the WMP;

iii. not exceed Colton's maximum water needs during the Winter Months as set forth in the Colton Water Budget;

iv. not exceed the maximum operational flow rates set forth in Step 4 of the WMP;

v. meet Rialto's minimum water needs during the Winter Months, as set forth in the Rialto Water Budget; and

vi. provide that Emhart has priority to deliver water associated with its pumping to Colton, up to the maximum operational flow rate for delivery of water to Colton set forth in Step 4 of the WMP to the extent such operational flow rate exists as a result of infrastructure improvements funded by Emhart.

c. For Step 7 of the WMP, the Parties shall make any necessary modifications to the WMP as required by the limitations of Paragraph VI.B.3.b.

d. If the Parties have not agreed upon a production and distribution schedule, the default production and distribution schedule for the WMP shall be memorialized in Table 2 of Exhibit I and water shall be produced and delivered according to that schedule for that Water Year until an alternative schedule is agreed upon by the Parties.

4. **Other Limitations Applicable to All WMPs**

a. The Combined Remedies shall not produce more water than is required to meet the County's and Emhart's respective remedial obligations, absent an agreement of the Parties to do so.

b. The amount of water delivered to Rialto for use by and distribution to Rialto customers from the Combined Remedy in each Winter Month shall not exceed the volume of water pumped for compliance with the Regional Board Order in that month.

5. **Effect of Rialto Water Budget on Replacement Water Obligations Under County/Rialto Implementation Agreement**

a. As between Rialto and County: If the Rialto Water Budget, subject to Rialto Water Rights, in a given Water Year will not be satisfied by treated water from the Combined Remedies on a per month basis, then the requirements and procedures relating to Replacement Water as set forth in the County/Rialto Implementation Agreement shall apply as between the County and Rialto to the extent those provisions require the County to provide Replacement Water to Rialto. In the event Rialto's Water Budget requires more than 100 AF

per month in the Winter Months, then the County will not have a Replacement Water obligation for the water Rialto receives pursuant to Rialto's Water Budget in excess of 100 AF per month in the Winter Months. In the event that Rialto receives 100 AF per month or less in a Winter Month consistent with the Rialto Water Budget, the County shall not have a Replacement Water obligation to Rialto associated with those water rights.

b. As between Rialto and the County: The annual planning meeting required pursuant to Paragraph VI.B.1.a of this Agreement shall occur in conjunction with the annual planning meeting required pursuant to Paragraph 2.a of the County/Rialto Implementation Agreement and that all references to "annual planning meeting" in the County/Rialto Implementation Agreement shall mean the annual planning meeting required pursuant to Paragraph VI.B.1.a. This Agreement hereby supersedes subparts (a), (b), and (c) of the first sentence of Paragraph 2.a, at page 9, of the County/Rialto Implementation Agreement.

C. Monthly Review of WMP

1. On or about the fifth day of each month (other than the one in which the annual planning meeting occurs), the Parties shall meet and confer in good faith to review the WMP for the balance of the Water Year and determine whether any adjustments to the WMP are needed based on any changes in (a) anticipated output from the Combined Remedies; (b) the Rialto Water Budget; (c) the Colton Water Budget; (d) available Rialto Water Rights; or (e) available Colton Water Rights.

2. In the event that a change in the anticipated output of the Combined Remedies would result in the Combined Remedies not meeting Colton's minimum water needs, Emhart and the County shall provide Colton with at least four (4) months' notice prior to implementing such change in output.

3. If pursuant to Paragraph VI.C.1. the Parties determine that adjustments to the WMP, consistent with Paragraphs VI.B.2.a. (for prioritized delivery) or VI.B.3.a. (for default delivery), are necessary, the Parties shall modify the WMP for that Water Year accordingly.

4. If the Parties are unable to agree upon a requested modification to the WMP for that Water Year under this Paragraph VI.C, such dispute shall be resolved pursuant to the dispute resolution provisions of

Paragraph XII. Until any such dispute is resolved, water shall be delivered, to the extent feasible, pursuant to the most recently agreed upon WMP.

5. As between Rialto and the County, the monthly planning meeting required pursuant to Paragraph 2.c of the County/Rialto Implementation Agreement shall occur in conjunction with the monthly meeting required pursuant to Paragraph VI.C.1 of this Agreement. This Paragraph IV.C.5 does not otherwise modify Paragraph 2.c of the County/Rialto Implementation Agreement.

D. Delivery and Acceptance of Treated Water

1. The water generated by the Combined Remedies shall be delivered to the Rialto municipal water supply system in volumes and at times in accordance with the WMP. Rialto shall meter and record the volume of water extracted from the Combined Capture System in accordance with the WMP and report those metered totals to the Parties at the monthly meetings described in Paragraph VI.C.1.

2. If its municipal water supply system has sufficient capacity, Rialto shall accept the total output delivered from the Combined Remedies to the Rialto municipal water supply system in volumes and at times in accordance with the WMP.

3. Subject to Paragraph IV.E, Rialto shall deliver water from its municipal water supply system to the Colton municipal water supply system in volumes and at times in accordance with the WMP, provided that Rialto receives the necessary volume of water from the Combined Remedies as provided for in the WMP. Rialto shall meter and record the volume of water delivered to Colton and report those metered totals to the Parties at the monthly meetings described in Paragraph VI.C.1. Alternatively, the Parties may agree in writing for some other means of delivering some or all of such water to Colton.

4. Colton shall accept, in each Water Year, water delivered from the Rialto municipal water supply system to the Colton municipal water supply system, or by some other means agreed to by the Parties in writing, in volumes and at times in accordance with the WMP.

5. Rialto shall receive, in each Water Year, a volume of water from the Combined Remedies equivalent to the Rialto Water Rights utilized by the County for the Combined Remedies in accordance with the WMP. If, in any Water

Year, Rialto receives less water from the Combined Remedies than the Rialto Water Rights, the County shall notify Rialto that it may pump a volume of water equivalent to those remaining Rialto Water Rights from its other wells in the Basin.

6. Colton shall receive, in each Water Year, a volume of water from the Combined Remedies equivalent to the Colton Water Rights utilized by the County and Emhart for the Combined Remedies in accordance with the WMP. If, in any Water Year, Colton receives less water from the Combined Remedies than the Colton Water Rights, the County and Emhart shall notify Colton that it may pump a volume of water equivalent to those remaining Colton Water Rights from its other wells in the Basin.

7. Nothing in this Agreement supersedes, abrogates or modifies the County's obligation to provide Replacement Water to Rialto as provided in the County/Rialto Implementation Agreement, except as provided in Paragraph VI.B.5.

8. As between the County and Rialto, water delivered to Colton pursuant to this Agreement is not subject to Paragraph 3.c of the County/Rialto Implementation Agreement.

VII. Access to Colton and Rialto Property

A. Emhart Access to Colton Property

1. Colton shall provide Emhart with access to and use of Colton real property and/or public rights of way for construction (at Emhart's cost) of the piping and infrastructure necessary to provide for delivery of water to the Colton municipal water supply system as set forth in Paragraph VI. This access shall be provided in the form of a Right-of-Way Permit issued by Colton in accordance with Chapter 12.12 of the Colton Municipal Code.

2. As provided for in Paragraph 10. a. 1) of the Work Consent Decree, Colton shall provide Emhart access to the Colton real property and/or rights-of-way as described in Paragraph VII. A. 1. for no fee, cost, or charge of any kind that would otherwise be required by the Colton Municipal Code.

B. Emhart Access to Rialto Property; Rialto Permitting, Review and Approvals

1. Rialto shall provide Emhart with access to certain real property and public rights of way owned and/or controlled by Rialto to be used for the following:

a. Up to two groundwater extraction wells (EW-1 and EW-2) to be reviewed and approved pursuant to Rialto's "Conditional Development Permit" in accordance with Chapter 18.66 of the Rialto Municipal Code and "Precise Plan of Design" approval process as provided in Rialto City Council Resolution No. 2507, dated April 5, 1983. This access shall be documented in an encroachment permit issued by Rialto in accordance with Chapter 11.04 of the Rialto Municipal Code and a lease agreement to be executed following the foregoing approval in the form attached hereto as Exhibit J.

b. Conveyance piping connecting the extraction well(s) to the Combined Treatment Plant, to be reviewed and approved pursuant to Rialto's "Conditional Development Permit" in accordance with Chapter 18.66 of the Rialto Municipal Code and "Precise Plan of Design" approval process as provided in Rialto City Council Resolution No. 2507, dated April 5, 1983. Upon such approval, this access shall be documented in an Encroachment License Agreement in accordance with Chapter 11.05 of the City of Rialto Municipal Code. The conveyance piping connecting EW-1 to the Combined Treatment Plant shall be installed (i) prior to, or (ii) at the same time and in coordination with Rialto's project to widen Ayala Drive from Baseline Road to Renaissance Parkway.

c. Development and/or future modification of the Combined Treatment Plant, within the footprint depicted in Exhibit K, to be reviewed and approved pursuant to Rialto's "Conditional Development Permit" in accordance with Chapter 18.66 of the Rialto Municipal Code and "Precise Plan of Design" approval process as provided in Rialto City Council Resolution No. 2507, dated April 5, 1983. This access shall be documented in a lease agreement to be executed following the foregoing approval in the form attached hereto as Exhibit J.

d. Distribution piping and any necessary valves connecting the Combined Treatment Plant to Rialto's municipal water supply system, to be reviewed and approved pursuant to Rialto's "Conditional Development Permit" in

accordance with Chapter 18.66 of the Rialto Municipal Code and "Precise Plan of Design" approval process as provided in Rialto City Council Resolution No. 2507, dated April 5, 1983. Upon such approval, this access shall be documented in an Encroachment Permit issued by Rialto in accordance with Chapter 11.04 of the City of Rialto Municipal Code. The location of the currently anticipated new pipeline needed to connect the Combined Treatment Plant to Rialto's municipal water supply system shall be consistent with the location/alignment of the piping depicted in the conceptual diagram included as Exhibit D.

e. If needed, distribution piping (including sampling station) and infrastructure necessary for the delivery of water to Colton's municipal water supply system to be reviewed and approved pursuant to Rialto's "Conditional Development Permit" in accordance with Chapter 18.66 of the Rialto Municipal Code and "Precise Plan of Design" approval process as provided in Rialto City Council Resolution No. 2507, dated April 5, 1983. Upon such approval, this access shall be documented in an Encroachment Permit issued by Rialto in accordance with Chapter 11.04 of the City of Rialto Municipal Code.

f. If needed, and as reasonably necessary, distribution piping and infrastructure necessary for the delivery of water to a water purveyor other than Colton, to be reviewed and approved pursuant to Rialto's "Conditional Development Permit" in accordance with Chapter 18.66 of the Rialto Municipal Code and "Precise Plan of Design" approval process as provided in Rialto City Council Resolution No. 2507, dated April 5, 1983. Upon such approval, this access shall be documented in an Encroachment Permit issued by Rialto in accordance with Chapter 11.04 of the City of Rialto Municipal Code.

g. Up to seven monitoring wells, two piezometers required by DDW for EW-1, one piezometer required by DDW for CR-3, and additional piezometers as may be required by DDW upon installation of EW-2; installation of these wells and piezometers shall be reviewed and approved pursuant to encroachment permits issued by Rialto in accordance with Chapter 11.04 of the City of Rialto Municipal Code.

2. All wells, pipelines, and other facilities described above and within the jurisdictional boundaries of Rialto, shall: (a) be located, to the maximum extent feasible, in public rights of way; (b) be consistent with Rialto's land use and development plans and entitlements for such properties; and (c) be in locations approved by Rialto in its sole discretion.

3. Costs of Access, Permitting, Review, and Approvals:

a. Because Emhart has paid Rialto $20,000 as described in Paragraph III.C.2.b., Rialto shall not charge Emhart any additional fee or cost in providing the access, review, and approvals described in Paragraph VII.B.1.

b. Access for monitoring and sampling of wells and piezometers located on Rialto real property or rights of way shall be documented in an Encroachment License Agreement in accordance with Chapter 11.05 of the City of Rialto Municipal Code; provided that Rialto shall not charge Emhart any fee or cost associated with such agreement or sampling.

c. Nothing in this Agreement modifies Rialto's and Emhart's rights and obligations under the Work Consent Decree regarding access, permitting, review, and approvals necessary to perform the Work beyond that identified in Paragraph VII.B.1.

4. Emhart shall pay Rialto, within 60 days of the Effective Date, $50,000 to (a) un-encumber the land within the Combined Treatment Plant Lease Area that is subject to Rialto's agreements with Lewis-Hillwood Rialto Company, LLC ("LHR"); and (b) satisfy all aesthetic requirements of Rialto and/or LHR (or any subsequent developer) for the Combined Treatment Plant Lease Area.

C. County Access to Rialto Property

1. Rialto shall provide the County access to certain Rialto property as set forth in the County/Rialto Implementation Agreement, the lease executed pursuant to that agreement, and any amendment to that lease.

2. The County shall pay Rialto, within 60 days of the Effective Date of the Agreement, $50,000 to (a) un-encumber the land within the Combined Treatment Plant Lease Area that is subject to Rialto's agreements with LHR; and (b) satisfy all aesthetic requirements of Rialto and/or LHR (or any subsequent developer) for the Combined Treatment Plant Lease Area.

VIII. Ownership of Combined Remedies Components

A. Ownership of the components of the Regional Board Remedy by Rialto and the County is controlled by the County/Rialto Implementation Agreement.

B. Upon DDW issuance of the amendment to Rialto's DDW Permit required by this Agreement:

1. Rialto shall own (i) the conveyance pipelines connecting the Combined Treatment Plant to the Rialto municipal water supply system; and (ii) that portion of any conveyance pipeline and infrastructure, constructed by Emhart within the jurisdictional boundaries of Rialto, connecting the Rialto and Colton municipal water supply systems. By owning such components, Rialto does not assume any of Emhart's obligations under this Agreement for the costs to operate and maintain such components.

2. Colton shall own that portion of any conveyance pipeline and infrastructure, constructed by Emhart within the jurisdictional boundaries of Colton, connecting the Rialto and Colton municipal water supply systems. By owning such components, Colton does not assume any of Emhart's obligations under this Agreement for the costs to operate and maintain such components.

3. In the event the Parties agree in writing to deliver water to Colton by means other than a connection between the Rialto and Colton municipal water supply systems, that agreement shall control ownership of any pipelines, valves or other components constructed pursuant thereto.

4. All other components of the Combined Remedies installed and/or constructed by Emhart, including but not limited to extraction well EW-1, the conveyance pipeline from EW-1 to the Combined Treatment Plant, and the Combined Treatment Plant expansion components, shall be owned by Emhart.

IX. Indemnification

A. Emhart's Indemnification Obligations

1. Emhart shall indemnify, defend, and hold harmless Rialto, Colton, and the County, and their officials, agents, employees, contractors, subcontractors, and representatives from any and all Claims arising out of any negligent or wrongful acts or omissions of Emhart and its officers, agents, employees, consultants, contractors, subcontractors, and representatives in performing any activities under this Agreement.

2. Emhart shall indemnify, defend, and hold harmless Rialto and its officials, agents, employees, contractors, subcontractors, and representatives,

from any Claims against Rialto, based solely on Rialto's status as an owner of real property or its status as an operator of the Combined Treatment Plant or the Combined Capture System, arising out of the release of a hazardous substance caused by Emhart or its officers, agents, employees, consultants, contractors, subcontractors, and representatives in performing any activities under this Agreement, after the Effective Date of this Agreement, brought under any federal or state environmental law.

3. Emhart shall indemnify, defend, and hold harmless Rialto, Colton, and the County from mechanics' liens and other liens levied against property owned by Rialto, Colton, or the County for any labor or material furnished to Emhart, its agents, or contractors in connection with Emhart's performance of any activities under this Agreement. In the event any such liens are recorded, then upon written demand by Rialto, Colton, or the County, Emhart shall promptly obtain and record releases of any such liens.

4. Emhart shall indemnify, defend, and hold harmless the County, Colton, and Rialto, and their elected officials, employees, and agents, from any Claims arising out of the failure of Emhart, its agents, or contractors to comply with any federal or state prevailing wage law in performing any activities under this Agreement. For purposes of this Paragraph, Colton, Rialto, and the County are not contractors or agents of Emhart.

B. The County's Indemnification Obligations

1. The County shall indemnify, defend, and hold harmless Rialto, Colton, and Emhart, and their officials or officers, agents, employees, contractors, subcontractors, and representatives from any and all Claims arising out of any negligent or wrongful acts or omissions of the County and its officials, agents, employees, consultants, contractors, subcontractors, and representatives in performing any activities under this Agreement.

2. The County shall indemnify, defend, and hold harmless Rialto, Colton, and Emhart from mechanics' liens and other liens levied against property owned by Rialto, Colton, or Emhart for any labor or material furnished to the County, its agents, or contractors in connection with the County's performance of any activities under this Agreement. In the event any such liens are recorded, then upon written demand by Rialto, Colton, or Emhart, the County shall promptly obtain and record releases of any such liens.

3. The County shall indemnify, defend, and hold harmless Colton, Rialto, and Emhart, and their elected officials or officers, employees, and agents, from any Claims arising out of the failure of the County, its agents, or contractors to comply with any federal or state prevailing wage law in performing any activities under this Agreement. For purposes of this Paragraph, Colton, Rialto, and Emhart are not contractors or agents of the County.

4. Paragraph 11 of the County/Rialto Implementation Agreement sets forth existing defense and indemnification obligations of the County to Rialto. Nothing in this Agreement supersedes, abrogates, or modifies those obligations as to activities covered therein.

C. Rialto's Indemnification Obligations

1. Rialto shall indemnify, defend, and hold harmless Colton and Emhart and their officials or officers, agents, employees, contractors, subcontractors, and representatives from any and all Claims arising out of any negligent or wrongful acts or omissions of Rialto and its officers, agents, employees, consultants, contractors, subcontractors, and representatives in performing any activities under this Agreement.

2. Rialto shall indemnify, defend, and hold harmless the County, and its officials, agents, employees, contractors, subcontractors, and representatives, from any and all Claims arising out of any negligent or wrongful acts or omissions of Rialto and its officials, agents, employees, consultants, contractors, subcontractors, and representatives in performing any activities under this Agreement not covered by the defense and indemnity obligations in Paragraph 11 of the County/Rialto Implementation Agreement.

3. Rialto shall indemnify, defend, and hold harmless Colton, the County, and Emhart from mechanics' liens and other liens levied against property owned by Colton, the County, or Emhart for any labor or material furnished to Rialto, its agents, or contractors in connection with the Rialto's performance of any activities under this Agreement. In the event any such liens are recorded, then upon written demand by Colton, the County, or Emhart, Rialto shall promptly obtain and record releases of any such liens.

4. Rialto shall indemnify, defend, and hold harmless Colton, the County, and Emhart and their elected officials or officers, employees, and agents,

from any Claims arising out of the failure of Rialto, its agents, or contractors to comply with any federal or state prevailing wage law in performing any activities under this Agreement. For purposes of this Paragraph, Colton, the County, and Emhart are not contractors or agents of Rialto.

5. Paragraph 11 of the County/Rialto Implementation Agreement sets forth existing indemnification obligations of the County to Rialto. Nothing in this Agreement supersedes, abrogates, or modifies those obligations as to activities covered therein.

D. Colton's Indemnification Obligations

Colton shall indemnify, defend, and hold harmless Rialto, Emhart, and the County, and their officials, agents, employees, contractors, subcontractors, and representatives, from any and all Claims arising out of any negligent or wrongful acts or omissions of Colton and its officials, agents, employees, consultants, contractors, subcontractors, and representatives in performing any activities under this Agreement.

E. Defense of Claims

1. Any Party seeking to enforce any indemnification right or obligation under Paragraph IX (the "Indemnified Party") shall give prompt written notice of the Claim to the Party against which it seeks to enforce such rights (the "Indemnifying Party").

2. Upon receipt of such notice, the Indemnifying Party shall, within 30 days, provide written notice of its acceptance or rejection of the tendered defense. If the Indemnifying Party rejects the tendered defense, it shall provide a detailed explanation for the rejection. If the tendered defense is accepted, the Indemnifying Party shall defend the Claim.

3. The Indemnified Party shall be entitled, at its own expense, to participate in the defense of the Claim.

4. The Indemnifying Party shall obtain written approval from the Indemnified Party prior to entering into any settlement agreement regarding the Claim that imposes any obligation, duty, limitation or restriction of any kind on the Indemnified Party.

5. An Indemnified Party will not admit any liability or agree to settle or compromise any Claim without the written consent of the Indemnifying Party.

6. In the event an Indemnifying Party rejects or fails to act upon a tendered defense as provided for in Paragraph IX, the dispute shall be resolved pursuant to the Dispute Resolution provisions in Paragraph XII without any obligation to comply with any governmental tort claim procedure.

F. Released Claims

The indemnification rights and obligations of the Parties under Paragraph IX do not extend to any Claims released or the subject of a covenant not to sue in the Work Consent Decree or the County Consent Decree.

X. Insurance Requirements

A. Emhart's Insurance Obligations

Emhart shall secure insurance coverage, to the extent comparable insurance is not already in place, as follows:

1. Occurrence-based Commercial General Liability insurance coverage:

a. to be secured no later than 15 days following the Effective Date and maintained until the first anniversary of Emhart's termination of its participation in this Agreement;

b. with limits of $5,000,000 in the aggregate;

c. that includes each other Party as an additional insured (including coverage within the products-completed operations hazard);

d. under which the insurer waives any right to subrogation as to claims against each other Party; and

e. which applies on a primary and non-contributory basis.

2. Occurrence-based Automobile Liability insurance coverage:

a. to be secured no later than 15 days following the Effective Date and maintained until the first anniversary of Emhart's termination of its participation in this Agreement;

b. with a per occurrence combined single limit of $2,000,000;

c. with each other Party included as an additional insured;

d. under which the insurer waives any right to subrogation as to claims against each other Party; and

e. which applies on a primary and non-contributory basis.

3. Worker's Compensation insurance: To be secured and maintained as required by all applicable laws and regulations.

4. Occurrence-Based Contractor's Pollution Liability insurance:

a. to be secured at least 15 days prior to the commencement, by Emhart, of construction, operation, and/or maintenance activities on any portion of the Combined Remedies, and maintained until the completion of such activities; and

b. with a per-occurrence combined single limit of $1,000,000.

5. Professional Liability insurance. In the event Emhart or its agents uses professional engineering or land surveyor services in connection with the design, permitting, construction, and physical modification of the Combined Remedies, Emhart or its agents shall require the providers of such services to secure and maintain professional liability insurance with limits of $1,000,000 per claim covering negligent acts, errors, or omissions in the performance of such services. For a period of three years after the completion of its services, the professional engineering or land surveying contractor shall either maintain coverage or purchase an extended reporting period on the policy required by this Paragraph.

6. First-Party Property insurance:

a. to be secured upon EPA's Certification of Completion of Construction as provided in the Work Consent Decree and maintained until the first anniversary of the Emhart's termination of its participation in this Agreement;

b. covering equipment and facilities owned by Emhart (as set forth in Paragraph VIII) in sufficient amounts to cover replacement value of the property involved.

B. County's Insurance Obligations

The County shall secure insurance coverage, to the extent comparable insurance not already in place, as follows:

1. Occurrence-based Commercial General Liability insurance coverage:

a. to be secured no later than 15 days following the Effective Date and maintained until the first anniversary of the County's termination of its participation in this Agreement

b. with limits of $5,000,000 in the aggregate;

c. that includes each other Party as an additional insured (including coverage within the products-completed operations hazard);

d. under which the insurer waives any right to subrogation as to claims against each other Party; and

e. which applies on a primary and non-contributory basis.

2. Occurrence-based Automobile Liability insurance coverage:

a. to be secured no later than 15 days following the Effective Date and maintained until the first anniversary of the County's termination of its participation in this Agreement;

b. with a per occurrence combined single limit of $2,000,000;

c. with each other Party included as an additional insured;

d. under which the insurer waives any right to subrogation as to claims against each other Party; and

e. which applies on a primary and non-contributory basis.

3. Worker's Compensation insurance:

To be secured and maintained as required by all applicable laws and regulations.

4. Occurrence-Based Contractor's Pollution Liability insurance:

a. to be secured, in the event that the County performs construction, operation, and/or maintenance activities on any portion of the Combined Remedies, at least 15 days prior to the commencement of such activities, and maintained until the completion of such activities; and

b. with a per-occurrence combined single limit of $1,000,000.

5. Professional Liability insurance: In the event the County or its agents uses professional engineering or land surveyor services in connection with the design, permitting, construction, and physical modification of the Combined Remedies, the County or its agents shall require the providers of such services to secure and maintain professional liability insurance with limits of $1,000,000 per claim covering negligent acts, errors, or omissions in the performance of such services. For a period of three years after the completion of its services, the professional engineering or land surveying contractor shall either maintain coverage or purchase an extended reporting period on the policy required by this Paragraph.

6. First-Party Property insurance:

a. to be secured no later than 15 days following the Effective Date and maintained until the first anniversary of the County's termination of its participation in this Agreement;

b. covering equipment and facilities owned by the County (as set forth in Paragraph VIII) in sufficient amounts to cover replacement value of the property involved.

C. Rialto's Insurance Obligations

Rialto shall secure insurance coverage, to the extent comparable insurance is not already in place, as follows:

1. Occurrence-based Commercial General Liability insurance coverage:

a. to be secured, at least 15 days prior to commencement of Rialto's operation of the Combined Treatment Plant and Combined Capture System, and maintained until the first anniversary of Rialto's termination of its participation in this Agreement;

b. with limits of $5,000,000 in the aggregate;

c. that includes each other Party as an additional insured (including coverage within the products-completed operations hazard);

d. under which the insurer waives any right to subrogation as to claims against each other Party; and

e. which applies on a primary and non-contributory basis.

2. Occurrence-based Automobile Liability insurance coverage:

a. to be secured, prior to commencement of Rialto's operation of the Combined Treatment Plant and Combined Capture System, and maintained until the first anniversary of Rialto's termination of its participation in this Agreement;

b. with a per occurrence combined single limit of $2,000,000;

c. with each other Party included as an additional insured;

d. under which the insurer waives any right to subrogation as to claims against each other Party; and

e. which applies on a primary and non-contributory basis.

3. Worker's Compensation insurance: To be secured and maintained as required by all applicable laws and regulations.

4. Occurrence-Based Pollution Liability insurance:

a. to be secured, at least 15 days prior to commencement of Rialto's operation of the Combined Treatment Plant and Combined Capture System and maintained until Rialto's termination of its participation in this Agreement; and

b. with a per-occurrence combined single limit of $1,000,000.

5. Professional Liability insurance. In the event Rialto or its agents uses professional engineering, consulting or land surveyor services in connection with Rialto's operation and maintenance of the Combined Remedies, Rialto or its agents shall require the providers of such services to secure and maintain professional liability insurance with limits of $1,000,000 per claim covering negligent acts, errors, or omissions in the performance of such services. For a period of three years after the completion of its services, the professional engineering or land surveying contractor shall either maintain coverage or purchase an extended reporting period on the policy required by this Paragraph.

6. First-Party Property insurance:

a. to be secured upon EPA's Certification of Completion of Construction as provided in the Work Consent Decree and maintained until the first anniversary of the termination of this Agreement;

b. covering equipment and facilities owned by Rialto (as set forth in Paragraph VIII) in sufficient amounts to cover replacement value of the property involved.

D. Colton's Insurance Obligations

Colton shall secure insurance coverage, to the extent comparable insurance is not already in place, as follows:

1. Professional Liability insurance. In the event Colton or its agents uses professional engineering, or land surveyor services in connection with the design, permitting, construction, and physical modification of the Combined Remedies, Colton or its agents shall require the providers of such services to secure and maintain professional liability insurance with limits of $1,000,000 per

claim covering negligent acts, errors, or omissions in the performance of such services. For a period of three years after the completion of its services, the professional engineering or land surveying contractor shall either maintain coverage or purchase an extended reporting period on the policy required by this Paragraph.

2. First-Party Property insurance:

a. to be secured upon EPA's Certification of Completion of Construction as provided in the Work Consent Decree and maintained until the first anniversary of the termination of this Agreement;

b. covering equipment and facilities owned by Colton (as set forth in Paragraph VIII) in sufficient amounts to cover replacement value of the property involved.

E. General Terms Applicable to Insurance as Required by this Agreement

1. The insurance company or companies with which the Parties contract (either directly or, for governmental entities, indirectly through a joint powers authority) for insurance as required by this Paragraph X shall: (1) be legally authorized to engage in the business of furnishing insurance in the State of California; and (2) have a current A.M. Best Rating not less than "A-VIII" and "BBB" in Standard & Poor's.

2. In the event that a Party concludes the limits or terms of the coverage identified above are no longer adequate or the policies as described herein are no longer available under then-existing market conditions or, for government entities, no longer available through a joint powers insurance authority, that Party shall so notify the other Parties and the Parties shall meet and confer to discuss the need to adjust such insurance coverage requirements. In the event the Parties are unable to agree, the dispute shall be resolved pursuant to the Dispute Resolution provisions of Paragraph XII.

3. Each Party may satisfy its obligations in Paragraph X by demonstrating that any contractor or subcontractor it engages to perform the activities for which it is responsible under this Agreement maintains the appropriate types and amounts of required insurance coverage for those activities including, if required above, additional insured certificates.

4. Upon request, each Party shall provide any other Party with certificates of insurance, or other documentation, necessary to evidence the existence and maintenance of the insurance coverage required in this Agreement. The responding Party shall include information regarding deductibles and self-insurance, if any. If a Party is satisfying an insurance coverage obligation in this Agreement using (1) a self-insured retention ("SIR") of $500,000 or greater or (2) a deductible of $500,000 or greater, any other Party may request documentation that the insured Party has dedicated funds or another financial assurance that demonstrates the ability of such Party to pay such deductible or SIR. Unless agreed to in writing by the other Parties, which agreement shall not be unreasonably withheld, a Party may not satisfy an insurance coverage requirement of this Agreement solely through self-insurance without an excess insurance policy in place over the self-insurance. Disputes arising under this Paragraph shall be subject to the Dispute Resolution provisions of Paragraph XII.

XI. Record Retention

A. Emhart shall reimburse Rialto for costs it incurs for record retention relating to the Work, and the copying or production of such records to EPA as may be required from time to time under the Work Consent Decree. To the extent it incurs such costs, Rialto shall annually submit an invoice for such costs to Emhart. Emhart shall pay such invoices within 30 days of receipt.

XII. Dispute Resolution

A. Except as provided in Paragraph B, below, any dispute arising under this Agreement shall be resolved pursuant to Paragraph 86 of the Work Consent Decree, which provides:

> 86. Dispute Resolution By or Between Settling Work Defendant [Emhart], Rialto, Colton, and or the County of San Bernardino Regarding Implementation Agreements Entered Pursuant to Paragraphs 10 and 12.
>
> a. Informal Dispute Resolution. Any dispute regarding the implementation agreements entered into by and between Rialto, Colton, the County of San Bernardino, and Settling Work Defendant as provided for in Paragraphs 10 and 12 initially shall be the subject

of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed twenty (20) Days from the time the dispute arises, unless it is modified by written agreement of the parties to the dispute. The dispute shall be considered to have arisen when one party send the other parties a written Notice of Dispute, a copy of which shall be provided to EPA, Rialto, Colton, the County of San Bernardino, the Settling Federal Agencies, and the Settling Work Defendant.

b. Resolution by this Court. If the parties are unable to resolve their dispute through informal dispute resolution, any party to the dispute may commence a proceeding in this action [the Consolidated Federal Actions] before this Court [the United States District Court for the Central District of California] by motion as provided for in the Local Rules of the Central District of California.

c. Standard for Dispute Resolution. This Court shall resolve any dispute brought before it under this Paragraph under California contract law.

B. As set forth in Paragraph IV.E.4.d, disputes regarding application of Rialto's water quality standards arising under Paragraph IV.E.4.c shall be resolved pursuant to the dispute resolution provisions set forth in Paragraph 10.2 of the County Consent Decree.

XIII. Termination

A. Duration of the Agreement

1. This Agreement will continue in effect until both the County and Emhart have terminated their participation in this Agreement under this Paragraph XIII.

2. If the County believes it has met the requirements for Closure, it shall, at least 60 days prior to seeking Regional Board approval of such Closure, provide written notice to Emhart, Rialto, and Colton of its intention to do so.

Within 30 days after such notice, the Parties shall meet and confer to discuss the steps, following the Regional Board's approval of the County's request for Closure, to be taken to effectuate the County's termination of participation in this Agreement, including, but not limited to, the requirements of Paragraph XIII.B.1 and B.2, and, as necessary, what, if any, provisions of this Agreement should continue in effect to address any ongoing post-Closure requirements (e.g., groundwater monitoring). If the Parties are unable to so agree, the dispute shall be resolved pursuant to the Dispute Resolution provisions of Paragraph XII.

3. If Emhart believes it has met the requirements for Closure, it shall, at least 60 days prior to seeking EPA approval of such Closure, provide written notice to the County, Rialto, and Colton of its intention to do so. Within 30 days after such notice, the Parties shall meet and confer to discuss the steps, following EPA's approval of Emhart's request for Closure, to be taken to effectuate Emhart's termination of participation in this Agreement, including, but not limited to, the requirements of Paragraph XIII.B.1 and B.3. and, as necessary, what, if any, provisions of this Agreement should continue in effect to address any ongoing post-Closure requirements (e.g., groundwater monitoring). If the Parties are unable to so agree, the dispute shall be resolved pursuant to the Dispute Resolution provisions of Paragraph XII.

4. If either the County or Emhart obtains approval for Closure, provided that it has notified the Parties as set forth above, all of its obligations under this Agreement shall terminate 30 days after receipt of such approval, except its obligations set forth in Paragraphs IX (Indemnification), X (Insurance) XIII.A.2. and 3. (ongoing post-closure requirements), XIII.B. (termination by either Emhart or the County), and XIII.C (termination by both Emhart and the County). Unless otherwise agreed, the meet and confer process referenced in Paragraphs XIII.A.2. and 3. shall conclude by this date.

5. Nothing in this Agreement supersedes, modifies, or abrogates the rights and obligations of the County and Emhart to each other set forth in the termination provisions of the County/Emhart Implementation Agreement.

6. As between the County and Rialto, this Paragraph XIII supersedes Paragraph 7.b of County/Rialto Implementation Agreement and Paragraph 11.b of Exhibit K of the County/Rialto Implementation Agreement.

B. Effect of Termination by Either Emhart or the County

1. **Termination by the County or Emhart:** From the date either the County or Emhart terminates its participation in this Agreement as provided in Paragraph XIII.A.3, while the other (the "Non-Terminating Party") continues to participate:

a. The Non-Terminating Party shall have the right to continue to use the Combined Remedies and any distribution piping and infrastructure constructed to allow delivery of water to Colton's municipal water supply system, as necessary; and

b. The Non-Terminating Party shall assume all rights, responsibilities, and obligations under this Agreement associated with the operation and maintenance of the Combined Remedies, including the costs to operate and maintain the Combined Remedies as provided in Paragraph IV.F.

2. **County Termination Before Emhart:** If the County terminates its participation in this Agreement before Emhart terminates its participation:

a. Disposition and/or use of components of the Combined Remedies owned by the County that are located on real property owned by Rialto shall be addressed as follows:

i. Emhart may, at its option, assume ownership of some or all of such components.

ii. To the extent Emhart does not elect to assume ownership of some or all of such components, the County shall have the right to remove such components. If the County so elects, the County shall remove at its expense such components of the Combined Remedies and restore such ground surface to pre-construction conditions.

iii. To the extent that Emhart does not elect to assume such ownership and the County does not elect to remove such components, Rialto, at its option, may elect to assume ownership of such components. Upon transfer of ownership, Rialto shall be responsible for the use, costs, operation, maintenance, and/or subsequent abandonment of all such components for which it has assumed ownership.

iv. To the extent that Emhart and Rialto do not elect to assume such ownership pursuant to Paragraphs XIII.B.2.a.i and XIII.B.2.a.iii, the County shall remove such components at the County's expense, and restore the ground surface to pre-construction conditions.

v. As part of the meet and confer pursuant to Paragraph XIII.A.1, the Parties shall discuss any transfer of ownership provided for in this Paragraph XIII.B.2, and execute any documents necessary to effectuate such transfer. Unless otherwise agreed, any removal of components and restoration shall be completed within one year of the County's termination. In connection with the removal and restoration required by this paragraph, the Parties shall cooperate in good faith to minimize the impact on the Combined Remedies and the components to be left in place.

b. Disposition and/or use of components of the Combined Remedies owned by the County that are located on real property owned by the County shall be addressed as follows:

i. Emhart may, at its option, elect to use some or all of such components. This election shall be made during the meet and confer process provided for in Paragraph XIII.A.1. The County and Emhart shall thereafter negotiate appropriate terms for access to County-owned land to permit Emhart to use such components, including standard terms for security, insurance, maintenance, repair, termination and other reasonable terms. Such access shall be provided without the need for payment of rent or other similar monetary consideration.

ii. If Emhart does not elect to use some or all of such components, the County shall have the right to use, or grant the right to use, such components at its discretion.

c. Emhart shall not succeed to the County's lease of Rialto Water Rights.

3. **Emhart Termination Before County:** If Emhart terminates its participation in this Agreement before the County terminates its participation:

a. The County may, at its option, succeed to Emhart's lease of Colton Water Rights. Such election shall be discussed as part of the meet and confer pursuant to Paragraph XIII.A.2; and

b. The County may, at its option, assume ownership of some or all of the components of the Combined Remedies owned by Emhart. To the extent the County does not elect to assume such ownership, Rialto may, at its option, elect to assume ownership of remaining components of the Combined Remedies previously owned by Emhart, and shall thereafter be responsible for the use, operation, maintenance, and/or subsequent abandonment of such components for which it has assumed ownership. To the extent neither the County nor Rialto elects to assume such ownership, Emhart shall remove such components, at its expense, and restore the ground surface to pre-construction conditions.

c. As part of the meet and confer pursuant to Paragraph XIII.A.2, the Parties shall discuss any transfer of ownership provided for in this Paragraph XIII.B.3., and execute any documents necessary to effectuate such transfer. Unless otherwise agreed, any removal of components and restoration shall be completed within one year of the Emhart's termination. In connection with the removal and restoration required by this paragraph, the Parties shall cooperate in good faith to minimize the impact on the Combined Remedies and the components to be left in place.

C. Ownership/Removal of Infrastructure Upon Termination by Both County and Emhart

1. Once both the County and Emhart have terminated their respective participation in this Agreement, the owner of any portion of the Combined Remedies (i.e., Emhart and/or the County), at its sole expense as provided in the County/Emhart Implementation Agreement and the County/Rialto Implementation Agreement, shall have the right to remove any and all components of the Combined Remedies within one year and to restore the ground surface to pre-construction conditions.

2. To the extent that the County and/or Emhart do not elect to exercise such right to remove any component of the Combined Remedies as provided in Paragraph XIII.C.1, Rialto shall either (a) require Emhart, at Emhart's sole expense, to remove any remaining component of the Combined Remedies and restore the ground surface to pre-construction conditions, or (b) elect to take possession of all such remaining components of the Combined Remedies which shall thereupon become the property of Rialto. Thereafter, Rialto shall be

responsible for the use, operation, maintenance, and/or subsequent abandonment of such components for which it has assumed ownership.

3. In removing components of the Combined Remedies, Emhart and the County shall comply with all applicable provisions of the Rialto Municipal Code.

XIV. Notice

Whenever, under the terms of this Agreement, written notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. All notices and submissions shall be considered effective upon receipt, unless otherwise provided.

As to Colton:

City Manager
Attn: Bill Smith
City of Colton
650 North LaCadena Dr.
Colton, CA 92324

-and-

City Attorney
Attn: Carlos Campos
Best Best & Krieger LLP
74760 Highway 111, Suite 200
Indian Wells, CA 92210

As to the County:

Director, Department of Public Works
825 East Third Street
San Bernardino, CA 92415-0835

-and-

County of San Bernardino
Office of County Counsel
385 North Arrowhead Avenue, 4th Floor
San Bernardino, CA 92415-0140

-and-

The Gallagher Law Group, a Professional Corporation (for notice only, not for service of process)
1875 Century Park East, Suite 1550
Los Angeles, CA 90067
Attn: Timothy V.P. Gallagher

As to Emhart: Joseph W. Hovermill, Esq.
Miles & Stokbridge PC
100 Light Street
Baltimore, MD 21202

As to Rialto: City Attorney for City of Rialto
Attn: Fred Galante
Aleshire & Wynder, LLP
3880 Lemon St., Suite 520
Riverside, CA 92501

-and-

Paul Hastings LLP (for notice only, not for service of process)
55 Second Street
Twenty-Fourth Floor
San Francisco, CA 94105
Attn: Peter H. Weiner

XV. Miscellaneous Terms

A. Headings.

All paragraph headings in this Agreement are for convenience of reference only and shall have no effect on the interpretation of any paragraph or provision of this Agreement.

B. Exhibits.

All exhibits to in this Agreement are incorporated as binding parts of this Agreement unless otherwise stated in the exhibit. The documents labeled "example" in Exhibits F, H, and I are for illustration purposes only and are not binding parts of this Agreement. The notes in italic and underline format in the spreadsheets attached as parts of Exhibits H and I are for guidance only and are not intended to be binding parts of this Agreement. To the extent any notes in those spreadsheets conflict with the terms of the body of this Agreement, the terms of the body of this Agreement shall control. The formulas in those spreadsheets are intended to be binding parts of this Agreement.

C. Construction.

This Agreement shall be interpreted and construed as drafted by all Parties with equal participation in its drafting.

D. Force Majeure.

1. For purposes of this Agreement, "Force Majeure" means any event arising from causes beyond the control of a Party or its contractors that delays or prevents the performance of any obligation under this Agreement despite that Party's best efforts to fulfill the obligation or avoid the event. Force Majeure includes, but is not limited to: acts of God; fire, flood, windstorm, or earthquake; explosion, riot, or sabotage; war, terrorism, threat of terrorism, or any resulting security measures; strikes, lockouts, or other concerted work stoppages; injunctions; inability to obtain raw material, supplies, or energy; or unscheduled outages, shutdowns, or other loss of any necessary utility.

2. The Party whose performance is delayed or prevented by Force Majeure shall inform the other Parties: (1) orally as soon as possible but no later than 48 hours of learning of the possible delay; and (2) in writing no more than five working days from the commencement of the Force Majeure.

3. The Party whose performance is delayed or prevented by Force Majeure shall use best efforts to minimize the effect and duration of such Force Majeure.

4. Any delay in or failure to perform any obligation under this Agreement by a Party caused by Force Majeure shall not constitute a breach of this Agreement or give rise to any claim for damages.

E. Assumption of Certain Emhart Obligations by Black & Decker Inc.

Black & Decker Inc. agrees to assume Emhart's obligations set forth in Paragraphs IV.F, IX.A, X.A. and XIII of this Agreement in the event Emhart defaults on those responsibilities or obligations.

F. Good Faith and Fair Dealing.

The Parties shall deal with each other in good faith and fairly in all matters arising under this Agreement. The presence or absence of a specific reference to good faith in any paragraph of this Agreement does not affect the obligation of the Parties to deal with each other in good faith and fairly in all matters arising under this Agreement.

G. Governing Law.

This Agreement should be construed in accordance with the laws of the State of California.

H. Signatories.

Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he executes this Agreement. Each Party represents that it has the legal authority to enter into this Agreement.

I. Multiple Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original.

J. Effect of this Agreement on Other Existing Agreements Among the Parties.

1. Nothing in this Agreement supersedes, abrogates, amends, or modifies the provisions of the County/Rialto Implementation Agreement, the terms of which are preserved, except as expressly set forth herein.

2. As between Rialto and the County, Rialto and the County agree that execution of this Agreement does not implicate Paragraph 10.a.vi of the County/Rialto Implementation Agreement.

3. Rialto and Colton are not parties to, nor are they bound in any way by, the County/Emhart Implementation Agreement.

4. To the extent that this Agreement conflicts with the Rialto/Emhart Cost Agreement dated October 4, 2013, this Agreement shall control.

K. Amendment.

This Agreement may be amended at any time, but only by written agreement executed by all Parties then participating in the Agreement.

FOR EMHART INDUSTRIES, INC.:

By: _____

Theodore Morris
Vice President
Emhart Industries, Inc.

Date: August 4, 2015

FOR THE CITY OF RIALTO AND THE RIALTO UTILITY AUTHORITY:

By: _____

Deborah Robertson
Mayor, City of Rialto
Chair, Rialto Utility Authority

Date: 8/26/15

ATTEST:

By: _____

Barbara McGee
City Clerk/Authority Secretary

Approved as to Legal Form:

By: _____

Fred Galante
City Attorney/Authority Counsel

FOR THE CITY OF COLTON:

By: _____

Richard A. DeLaRosa
Mayor, City of Colton

Date: 8/20/15

ATTEST:

By: _____

Carolina R. Padilla
City Clerk

Approved as to Form:

BEST BEST & KRIEGER

By: _____

Danielle G. Sakai
City Attorney

FOR COUNTY OF SAN BERNARDINO:

By: _____

James Ramos
Chairman, Board of Supervisors

Date: SEP 01 2015

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Laura H. Welch
Clerk of the Board of Supervisors
Of the County of San Bernardino

By: _____

Deputy

Approved as to form:

JEAN-RENE BASLE, COUNTY COUNSEL

By: _____

Penny Alexander-Kelley
Principal Assistant County Counsel

Date: 8-26-2015

Exhibit A

Procedure for Reimbursement of Rialto Consultant Costs Under Paragraph III.C.2.a

The procedure for Rialto to submit requests for reimbursement of Rialto consultant costs as provided for in Paragraph III.C.2.a incurred during the design, permitting, and construction phases of the Work, ("Reimbursement Request") shall be as follows:

1. Peter Fox and West Yost Associates Costs: No more frequently than once per quarter, Rialto shall submit its Reimbursement Request to Emhart for costs of time incurred by Peter Fox or West Yost Associates as reasonably required to provide information, evaluate information provided, or attend meetings, as needed, during the design, permitting, and construction phases of the Work, at the ordinary and customary hourly rates charged by Peter Fox and West Yost Associates to perform other such work for Rialto, and supporting documentation. The Reimbursement Request shall include:

    a. A written summary of the tasks performed, the time and costs associated with each task, and supporting documentation;

    b. Confirmation of Rialto's payment of the invoices described in Paragraph 1, above; and

    c. But, in no event, shall Rialto seek payment for (i) the cost of the first 10 hours of time incurred by Peter Fox or West Yost Associates; (ii) the next $8,057.20 of such costs beyond those addressed in Paragraph 1.c.(i); or (iii) costs resolved by the Agreement for Resolution of Emhart/Rialto Cost Issues entered on October 4, 2013, by Emhart and Rialto.

2. Within 30 days after Emhart's receipt of a Reimbursement Request, Emhart shall pay the appropriate reimbursement amount to Rialto.

Exhibit B

Anticipated Combined Remedies Operation and Maintenance Activities
San Bernardino County, California

I. Introduction

This document describes the anticipated activities for operation and maintenance of the Combined Remedies. This document is for illustration and budgeting purposes only and does not create any legal rights, obligations, responsibilities or duties, contractual or otherwise, among the Parties to the Four Party Implementation Agreement or any third party. To assist in preparation of an Annual O&M Budget for the Combined Remedies, this document will be evaluated annually and updated as necessary.

The design and operation of the Combined Remedies merge the existing Regional Board Remedy with the planned groundwater extraction well and treatment plant expansion. Emhart Industries, Inc. ("Emhart") and the County of San Bernardino (the "County") anticipate that the operation and maintenance of the Combined Remedies will achieve the remedial objectives of: (1) the Work Consent Decree, which Emhart is required to meet; and (2) the Regional Board Order, which the County is required to meet.

The activities to operate and maintain the Combined Remedies as described herein, are: (1) operation and maintenance of the Combined Capture System; (2) operation and maintenance of the Combined Treatment Plant; (3) assisting the Parties in implementation of the Water Management Plan; (4) compliance with Rialto's DDW Permit (including compliance sampling monitoring and compilation and distribution of monthly reports in accordance with the DDW permit); and (5) overall project management and oversight of all of the above.

II. Definitions

A. "Annual O&M Budget" means the budget prepared Rialto (or its third party contractor) and submitted to Emhart and the County by August 1 of each year shall for the work necessary to operate and maintain the Combined Remedies in a cost-effective manner.

B. “Combined Capture System” means the extraction wells and associated conveyance piping connected to the Combined Treatment Plant necessary for operation of the Combined Remedies. There are currently three existing extraction wells (Miro-2, Miro-3, and Rialto-3) and one planned extraction well (EW-1) that will be connected to the Combined Treatment Plant; the locations of these wells and associated piping are shown on Attachment B-1 (Locations of Combined Treatment Plant and Combined Capture System). This definition includes any additional extraction wells and associated piping that may be added in the future, as needed.

C. “Combined Remedies” means the Combined Capture System and the Combined Treatment Plant, but does not include groundwater monitoring wells.

D. “Combined Treatment Plant” means a system of groundwater treatment components, consisting of (1) the County treatment plant at CR-3, in place as of the Effective Date, constructed by the County to comply with the Regional Board Order; (2) the expansion of the County treatment plant constructed by Emhart, after the Effective Date, to comply with the Work Consent Decree (as described in detail in the final design approved by EPA on May 19, 2014); and (3) any future expansion of such treatment plant as necessary or appropriate to comply with the Work Consent Decree or the Regional Board Order.

E. “DDW” means the California State Water Resources Control Board Division of Drinking Water, formerly, the California Department of Public Health Division of Drinking Water.

F. “Parties” means the County, Rialto, Colton, and Emhart.

G. “Rialto-3” means City of Rialto Well No. 3, also referred to as “CR-3.”

H. “Rialto’s DDW Permit” means domestic water supply Permit No. 71-009 issued to Rialto by DDW on January 8, 1971, as amended by Permit Amendment No. 05-13-06PA-005 issued on May 8, 2006, Permit Amendment No. 05-13-09PA-042 issued on January 4, 2010, and as Permit No. 71-009 may be amended in the future.

I. “Water Management Plan” or “WMP” means the water management plan developed by the Parties pursuant to Paragraph VI of the Four Party Implementation Agreement.

III. Background Information

A. Site Setting

The locations of the Combined Remedies facilities are displayed in **Attachment B-1**. A Process Flow Diagram is included as **Attachment B-2**.

B. Combined Treatment Plant Operational Information

As designed, the Combined Remedies will consist of the following equipment:

- Four groundwater extraction well pumps with variable frequency drives (at extraction wells Rialto-3, Miro-2, Miro-3, and EW-1);
- 100,000-gallon steel bolted reservoir (equalization tank);
- Desander unit (for Rialto-3);
- Six bag filter units (for all influent water);
- An ultraviolet (UV) system (for Rialto-3);
- Two booster pumps – 250 horsepower (hp), 150 pounds per square inch (psi) rated at 2,250 gpm each;
- Sulfuric acid injection unit (pH adjustment) – this unit is not operational at this time and there is no requirement to resume its operation;
- Six ion exchange resin (IX) vessels;
- Eight granular activated carbon (GAC) vessels; and
- Hypochlorination injection system.

C. Untreated Groundwater Constituents of Concern

The Combined Treatment Plant is designed to remove the following constituents of concern from extracted groundwater:

- Perchlorate; and

- VOCs, including trichloroethene (TCE)

The influent stream of the Combined Treatment Plant is expected to contain VOCs and perchlorate. The influent from CR-3 may also contain coliform bacteria on an intermittent basis, which if present is treated prior to the water entering the equalization tank to protect the downstream treatment vessels.

IV. Anticipated Operation and Maintenance Activities

A. Combined Capture System

Operation of the Combined Capture System includes, but is not limited to, regulating extraction rates as directed by Emhart and the County to (1) achieve Emhart's and the County's respective remedial requirements; and (2) ensure that the volume of water extracted does not exceed the water rights leased to the County by Rialto and Colton, and to Emhart by Colton. Attachment B-3 identifies routine (daily) and non-routine (periodic) operation, maintenance, and monitoring activities.

B. Combined Treatment Plant

Operation of the Combined Treatment Plant includes, but is not limited to, those routine (daily) and non-routine (periodic) activities identified in Attachment B-3.

C. DDW Permit Compliance

Operation of the Combined Remedies shall, at all times, be in compliance with Rialto's DDW Permit (including compliance sampling monitoring and compilation and distribution of monthly reports in accordance with Rialto's DDW Permit). Compliance with Rialto's DDW Permit is anticipated to include, at a minimum, compliance monitoring and sampling at the following locations:

- The influent stream from operating extraction wells (Attachment B-2);
    - Rialto-3 – Location 1A;
    - Miro-2 – Location 1B;
    - Miro-3 – Location 1C; and

- EW-1 - Location 1D.

- The effluent point of the UV system (Attachment B-2, Location 2);
- The effluent point of each of the two lead perchlorate removal (IX) vessels (Attachment B-2, Location 4) (two sample locations);
- The effluent point of each of the first lag IX vessels (Attachment B-2, Location 5) (two sample locations);
- The effluent point of each of the second lag IX vessels (Attachment B-2, Location 6) (two sample locations);
- The midpoint between each of the four pairs of GAC vessels (Attachment B-2, Location 7) (four sample locations);
- The post-treatment effluent stream (Attachment B-2, Location 9) (two sample locations); and
- Near-field monitoring wells (as identified by Rialto to be sampled by the Operator upon issuance of the amendment to Rialto's DDW Permit).

D. Assisting in Implementation of the Water Management Plan

During operation of the Combined Remedies, the operator will attend meetings to assist in the development and documentation of the WMP as directed by the Parties and to thereafter implement the WMP.

E. Overall Management and Oversight

Operation of the Combined Remedies includes overall management and oversight of the activities described in Paragraphs IV.A through D, above.

F. Excluded Activities

The following activities are excluded from operation and maintenance of the Combined Remedies:

- Determination of extraction well pump rates required for the County and Emhart to meet their respective remedial objectives of the

Regional Board Order (for the County) and the Work Consent Decree (for Emhart) and the corresponding interaction with the Regional Board and USEPA;

- Collection of groundwater monitoring data from County-installed monitoring wells and piezometers pursuant to Paragraph IV.D.3 of the Four Party Implementation Agreement;

- Collection of groundwater monitoring data from Emhart-installed monitoring wells and piezometers that Emhart may, in the future, elect to collect itself as provided for in Paragraph IV.D.3 of the Four Party Implementation Agreement;

- Preparation of quarterly monitoring reports to the Regional Board on behalf of the County;

- Preparation of compliance reporting to USEPA on behalf of Emhart; and

- Major equipment replacement and/or capital improvements.

G. Contractor Qualifications

It is anticipated that the Combined Treatment Plant will be classified as a T3 or T4 treatment facility. The operator must be authorized by law to operate and maintain the Combined Remedies including all operator and shift operator qualification requirements set forth in Rialto's DDW Permit. The operator also must be 40-Hour HAZWOPER-trained, excluding subcontractors, and all operator personnel must possess valid drivers' licenses at the appropriate levels as necessary to perform essential job functions.

V. Attached Support Documents and Reports

The following are attached as referenced herein:

- Attachment B-1 – Locations of Combined Treatment Plant and Combined Capture System

- Attachment B-2 – Process Flow Diagram

- Attachment B-3 Combined Remedies Operation and Maintenance Activities

ATTACHMENT B-1



Legend

- Proposed Extraction Well Location
- City of Rialto Production Well
- Miro Wells
- Pipeline Connecting EW-1 to Combined Treatment Plant
- Pipeline Connecting Miro-2 and Miro-3 to the Combined Treatment Plant

Source: Image courtesy of USGS © 2013 Microsoft Corporation.

N

0 400

Scale in Feet

SOURCE AREA OPERABLE UNIT
ROCKETS, FIREWORKS, AND FLARES SITE

Attachment B-1
LOCATIONS OF COMBINED TREATMENT PLANT AND COMBINED CAPTURE SYSTEM

ERM

PREPARED BY:
AJP (ERM)

JOB NO. 0179962
FILE: Attachment B1.mxd

M:\Projects\Emhart_Rialto\Portland\GIS\AA\Attachment B1.mxd AJP 5/6/2015

ATTACHMENT B-2

1B From Miro-2 (0 gpm)
1C From Miro-3 (0 gpm)
At Treatment Plant

At EW-1 Wellhead

EW-1 Discharge to Waste

1D

10

T-1
100,000 Gallon
RESERVOIR TANK
(Existing)

INFILTRATION POND
(Existing)

2

UV-1
UV Disinfection
(Proposed, to be determined pending water quality)

EW-1
(Proposed)

3

BAG FILTERS
F-201/202
(Proposed)

BOOSTER PUMP
BP-2
(Proposed)

BOOSTER PUMP
BP-1
(Existing)

BAG FILTERS
F-100A/B
(Proposed)

UV SYSTEM - 1
(Existing)

5 4

IX TANK
T-301C
(Proposed)

IX TANK
T-301B
(Proposed)

IX TANK
T-301A
(Proposed)

11

6 7

GAC TANKS
T-401A/B
(Proposed)

IX TANK
T-103
(Proposed)

IX TANK
T-102
(Existing)

IX TANK
T-101
(existing)

CARBON VESSELS - 1
(Existing)

CHLORINE INJECTION
(Proposed)

9 8

DISCHARGE to WATER DISTRIBUTION SYSTEM

GAC TANKS
T-402A/B
(Proposed)

CHLORINE INJECTION
(Existing)

CARBON VESSELS - 2
(Existing)

BAG FILTERS
(Existing)

DE-SANDER
(Existing)

At Treatment Plant

1A

Rialto - 3
(Existing)

LEGEND:

gpm	=	Gallons per Minute
°F	=	Degrees Fahrenheit
psig	=	Pounds per Square Inch
TCE	=	Trichloroethylene
µg/L	=	Micrograms per Liter
IX	=	Ion Exchange

SOURCE AREA OPERABLE UNIT
Rockets, Fireworks, and Flares Superfund Site

ATTACHMENT B-2

PROCESS FLOW DIAGRAM

ERM

PREPARED BY:
B.SWENSON (ERM)

JOB NO. 0179962
FILE: Rialto 0x Process Flow.dwg

G:\DWGS\0179962--Rialto\01\D\Rialto Fig 2 Process Flow.dwg May 29, 2015.

Anticipated Average Flow and Concentration Conditions

	flowrate	service	temperature	pressure	maximum concentration (µg/L)	
	(gpm)		(F)	(psig)	TCE	Perchlorate
1A	1700	EW-1 Groundwater Extraction	70	5-10	10	239
1B	1300	Rialto-3 Groundwater Extraction	70	5-10	4	25
2	200 - 2400	Discharge to Waste - EW-1	70	5-10	10	239
3	1500	IX Influent	70	5-10	7	146
4	1500	IX Midpoint 1	70	5-10	7	<4 - 146
5	1500	IX Midpoint 2	70	5-10	7	<4
6	750	Carbon Influent	70	5-10	7	<4
7	750	Carbon Midpoint	70	5-10	<2.5	<4
8	1500	Carbon Effluent	70	5-10	<2.5	<4
9	1500	Groundwater Treated Discharge	70	5-10	<2.5	<4
10	200 - 2400	Influent EW-1 Development and Testing	70	5-10	10	239
11	200 - 2400	Effluent EW-1 Development and Testing	70	5-10	<2.5	<4

Maximum or Worst Case Concentration Conditions

	flowrate	service	temperature	pressure	maximum concentration (µg/L)	
	(gpm)		(F)	(psig)	TCE	Perchlorate
1A	1700	EW-1 Groundwater Extraction	70	5-10	10	239
1B	0	Rialto-3 Groundwater Extraction	-	-	-	-
2	200 - 2400	Discharge to Waste - EW-1	70	5-10	10	239
3	850	IX Influent	70	5-10	10	239
4	850	IX Midpoint 1	70	5-10	10	<4 - 239
5	850	IX Midpoint 2	70	5-10	10	<4
6	425	Carbon Influent	70	5-10	10	<4
7	425	Carbon Midpoint	70	5-10	<2.5	<4
8	850	Carbon Effluent	70	5-10	<2.5	<4
9	850	Groundwater Treated Discharge	70	5-10	<2.5	<4
10	200 - 2400	Influent EW-1 Development and Testing	70	5-10	10	239
11	200 - 2400	Effluent EW-1 Development and Testing	70	5-10	<2.5	<4

Maximum or Worst Case Flow Conditions

	flowrate	service	temperature	pressure	maximum concentration (µg/L)	
	(gpm)		(F)	(psig)	TCE	Perchlorate
1A	2040	EW-1 Groundwater Extraction	70	5-10	10	239
1B	1850	Rialto-3 Groundwater Extraction	70	5-10	4	25
2	200 - 2400	Discharge to Waste - EW-1	70	5-10	10	239
3	1945	IX Influent	70	5-10	7	137
4	1945	IX Midpoint 1	70	5-10	7	<4 - 137
5	1945	IX Midpoint 2	70	5-10	7	<4
6	972	Carbon Influent	70	5-10	7	<4
7	972	Carbon Midpoint	70	5-10	<2.5	<4
8	1945	Carbon Effluent	70	5-10	<2.5	<4
9	1945	Groundwater Treated Discharge	70	5-10	<2.5	<4
10	200 - 2400	Influent EW-1 Development and Testing	70	5-10	10	239
11	200 - 2400	Effluent EW-1 Development and Testing	70	5-10	<2.5	<4

NOTES:
1. ACTUAL EFFLUENT DISCHARGE LIMITS WILL BE BASED UPON FUTURE AMENDMENT OF THE EXISTING CALIFORNIA DEPARTMENT OF PUBLIC HEALTH (CDPH) PERMIT 71-009 TO PROVIDE FOR THE EXISTING COUNTY CR-3 SYSTEM, EXTRACTION FROM NEW WELLS, AND EXPANSION OF THE TREATMENT SYSTEM.

SOURCE AREA OPERABLE UNIT
Rockets, Fireworks, and Flares Superfund Site

ATTACHMENT B-2

PROCESS FLOW DIAGRAM

ERM

PREPARED BY: B.SWENSON (ERM)

JOB NO. 0179962
FILE: Rialto 0x Process Flow.dwg

Plot Date: 12/04/14 - 5:42pm, Plotted by:Luke, Drawing Path: N:\Swap\AcPublish_9320\Drawing Name:Rialto Fig 2 Process Flow.dwg

ATTACHMENT B-3

COMBINED REMEDIES OPERATION AND MAINTENANCE ACTIVITIES

Daily Activities

	Description	Standard in-house operations to be performed by Operator Per Fixed Price Contract	Third Party Contractor Cost to be reimbursed as Needed	Notes
D1	Check operational status.	Operator to perform work. Third party not needed.	None	
D2	Visually inspect and record reservoir level and verify that level does not exceed high-high or low-low levels.	Operator to perform work. Third party not needed.	None	
D3	Check control panel for any alarms.	Operator to perform work. Third party not needed.	None	
D4	Verify that pump motors in Rialto 3, EW-1, Miro-2 and Miro-3 are or have recently been operating (to the extent such wells are being utilized for the Combined Remedies).	Operator to perform work. Third party not needed.	None	
D5	Visually inspect and record totalized flow immediately downstream of all operating wells.	Operator to perform work. Third party not needed.	None	
D6	Meter and record the volume of water delivered to Colton.			
D7	Visually inspect and record pressure drop across the Krebbs Desander. Verify that Krebbs Desander is functioning and that water is not overflowing its waste pit. (if Rialto-3 is operating)	Operator to perform work. Third party not needed.	None	
D8	Visually inspect and record pressure readings on either side of the six bag filters. If pressure is equal to or greater than allowable pressure rating for the filter	Operator to perform work. Third party not needed.	None	

	Description	Standard in-house operations to be performed by Operator Per Fixed Price Contract	Third Party Contractor Cost to be reimbursed as Needed	Notes
	bags, arrange for bag filter change-out.			
D9	Visually inspect and record lamp status for the Ultra-Violet (UV) system(s).	Operator to perform work. Third party not needed.	None	
D10	Visually inspect Booster Pumps (BP-1 and BP-2) status and record totalized flow immediately downstream	Operator to perform work. Third party not needed.	None	
D11	Visually inspect ion-exchange (IX) vessels and verify absence of leaks. Verify proper valve alignment. Record pressure drop across each vessel. Record totalized flow immediately downstream of IX vessels.	Operator to perform work. Third party not needed.	None	
D12	Visually inspect granular activated-carbon (GAC) vessels and verify absence of leaks. Verify proper valve alignment. Record pressure drop across each vessel. Record totalized flow immediately downstream of each GAC vessel.	Operator to perform work. Third party not needed.	None	
D13	Visually inspect and verify proper operation of Chlorination Systems.	Operator to perform work. Third party not needed.	None	
D14	Combined Treatment Plant monitoring to comply with DDW permit.	Operator should collect samples and manage logistics of sampling and analysis.	Third party laboratory charges to be reimbursed.	

Non-Daily Duties

ND1	Monthly reporting to DDW and other appropriate agencies regarding treatment plant operations, throughput, contaminant mass removal, daily amount of water treated, water	Operator should prepare and submit monthly reports in accordance with Rialto's DDW permit.	None.	

	Description	Standard in-house operations to be performed by Operator Per Fixed Price Contract	Third Party Contractor Cost to be reimbursed as Needed	Notes
	quality monitoring results, and a summary of alarms and shutdowns experienced at the treatment plant and any corrective actions taken.			
ND2	Combined Treatment Plant and near-field monitoring well (identified by Rialto) sampling and analyses to comply with DDW permit.	Operator should collect samples and manage logistics of sampling and analysis.	Third party laboratory charges to be reimbursed.	
ND3	Monthly shaft rotation for all inactive pump motor equipment (e.g., Miro-2 and Miro-3)	Operator to perform work. Third party not needed.	None	
ND4	Assure proper lubrication of operating pumps and motors (e.g., Rialto-3, EW-1, BP-1, and BP-2).	Operator to perform work. Third party not needed.	None.	
ND5	Assure proper lubrication of inactive pumps and motors (e.g., Miro-2 and Miro-3).	Operator to perform work. Third party not needed.	None	
ND6	Trouble-shooting when operational status is inconsistent with expectations.	Operator to (1) perform initial troubleshooting to determine appropriate action; (2) oversee logistics of hiring third party contractors as needed; and (3) oversee work as it is completed.	Third party contractors as needed (e.g., programmer, electrician, manufacturer's rep) to be reimbursed.	
ND7	Trouble-shooting when reservoir levels are inconsistent with programming.	Operator to (1) perform initial troubleshooting to determine appropriate action; (2) oversee logistics of hiring third party contractors as needed; and (3) oversee work as it is completed.	Third party contractors as needed (e.g., programmer, electrician, manufacturer's rep) to be reimbursed.	
ND8	Trouble-shooting to determine cause of control panel alarms.	Operator to (1) perform initial troubleshooting to determine appropriate action; (2) oversee logistics of hiring third party contractors as	Third party contractors as needed (e.g., programmer, electrician, manufacturer's rep) to be reimbursed..	

	Description	Standard in-house operations to be performed by Operator Per Fixed Price Contract	Third Party Contractor Cost to be reimbursed as Needed	Notes
		needed; and (3) oversee work as it is completed.		
ND9	Trouble-shooting to determine cause for non-operational pump motors.	Operator to (1) perform initial troubleshooting to determine appropriate action; (2) oversee logistics of hiring third party contractors as needed; and (3) oversee work as it is completed.	Third party contractors as needed (e.g., programmer, electrician, manufacturer's rep) to be reimbursed.	
ND10	Trouble-shooting to determine cause for malfunctioning flow totalizers and motorized valves (including valves on conveyance lines).	Operator to (1) perform initial troubleshooting to determine appropriate action; (2) oversee logistics of hiring third party contractors as needed; and (3) oversee work as it is completed.	Third party contractors as needed (e.g., programmer, electrician, manufacturer's rep) to be reimbursed.	
ND11	Trouble-shooting to determine cause of excess pressure across the Krebbs Desander or for excess water overflowing its waste pit.	Operator to perform work. Third party not needed.	None	
ND12	Bag filter change-outs when pressure is equal to or greater than allowable bag pressure rating, arrange for bag filter change-out.	Operator to perform work. Third party not needed.	Cost of replacement bag filters to be reimbursed.	
ND13	Manual and/or chemical cleaning of quartz sleeves in the UV unit when coliform is detected downstream of the UV unit. Bulb replacement may also be required.	Operator handles logistical issues of identifying problem, hiring third party contractors to repair as needed, overseeing repairs and confirming repairs were successful.	Costs of third party experts on UV systems or other third party contractors as needed to be reimbursed.	
ND14	Manual cleaning and/or chemical cleaning of quartz sleeves in the UV unit when UV bulb intensity is less than 400 J/m2. Bulb replacement may also be required.	Operator handles logistical issues of identifying problem, hiring third party contractors to repair, overseeing repairs and confirming repairs were successful.	Costs of third party experts on UV systems or other third party contractors as needed to be reimbursed.	

	Description	Standard in-house operations to be performed by Operator Per Fixed Price Contract	Third Party Contractor Cost to be reimbursed as Needed	Notes
ND15	Arrange for IX and GAC vessel seal repair/replacement when leaks are observed.	Operator handles logistical issues of identifying problem, developing and processing RFP, selecting contractor, overseeing work and confirming work completed successfully.	Costs of third party contractors to be reimbursed.	
ND16	Arrange for and supervise media replacement when lead vessel IX or GAC "break-through" occurs.	Operator handles logistical issues of identifying problem, developing and processing RFP, selecting contractor, overseeing work and confirming work completed successfully.	Costs of third party contractors to be reimbursed.	
ND17	Arrange for media inspection/replacement if problematic differential pressure conditions are identified at the treatment vessels.	Operator handles logistical issues of identifying problem, developing a solution, selecting contractor, overseeing work and confirming work completed successfully.	Costs of third party contractors to be reimbursed.	
ND18	Trouble-shooting to resolve problematic conditions at the chlorination system.	Operator to perform work. Third party not needed.	None	
ND19	Reprogramming the control panel to adjust for seasonal pumping rates or otherwise.	Operator handles logistical issues of identifying problem, hiring experts as needed, and overseeing work and confirming work completed successfully.	Costs of third party programmer to be reimbursed.	
ND20	Pump and/or motor removal, service, and re-installation when required.	Operator handles logistical issues of identifying problem, hiring experts as needed, and overseeing work and confirming work completed successfully.	Costs of third party contractors to be reimbursed.	
ND21	Housekeeping, weed abatement in and around	Operator to perform work. Third party not needed.	None.	

	Description	Standard in-house operations to be performed by Operator Per Fixed Price Contract	Third Party Contractor Cost to be reimbursed as Needed	Notes
	treatment system and wells.			

Exhibit C

Conceptual Diagram of Combined Capture System



Legend

- Proposed Extraction Well Location
- City of Rialto Production Well
- Miro Wells
- Pipeline Connecting EW-1 to Combined Treatment Plant
- Pipeline Connecting Miro-2 and Miro-3 to the Combined Treatment Plant

Source: Image courtesy of USGS © 2013 Microsoft Corporation.

N

0 400

Scale in Feet

SOURCE AREA OPERABLE UNIT
ROCKETS, FIREWORKS, AND FLARES SITE

EXHIBIT C
CONCEPTUAL DIAGRAM OF
COMBINED CAPTURE SYSTEM

ERM

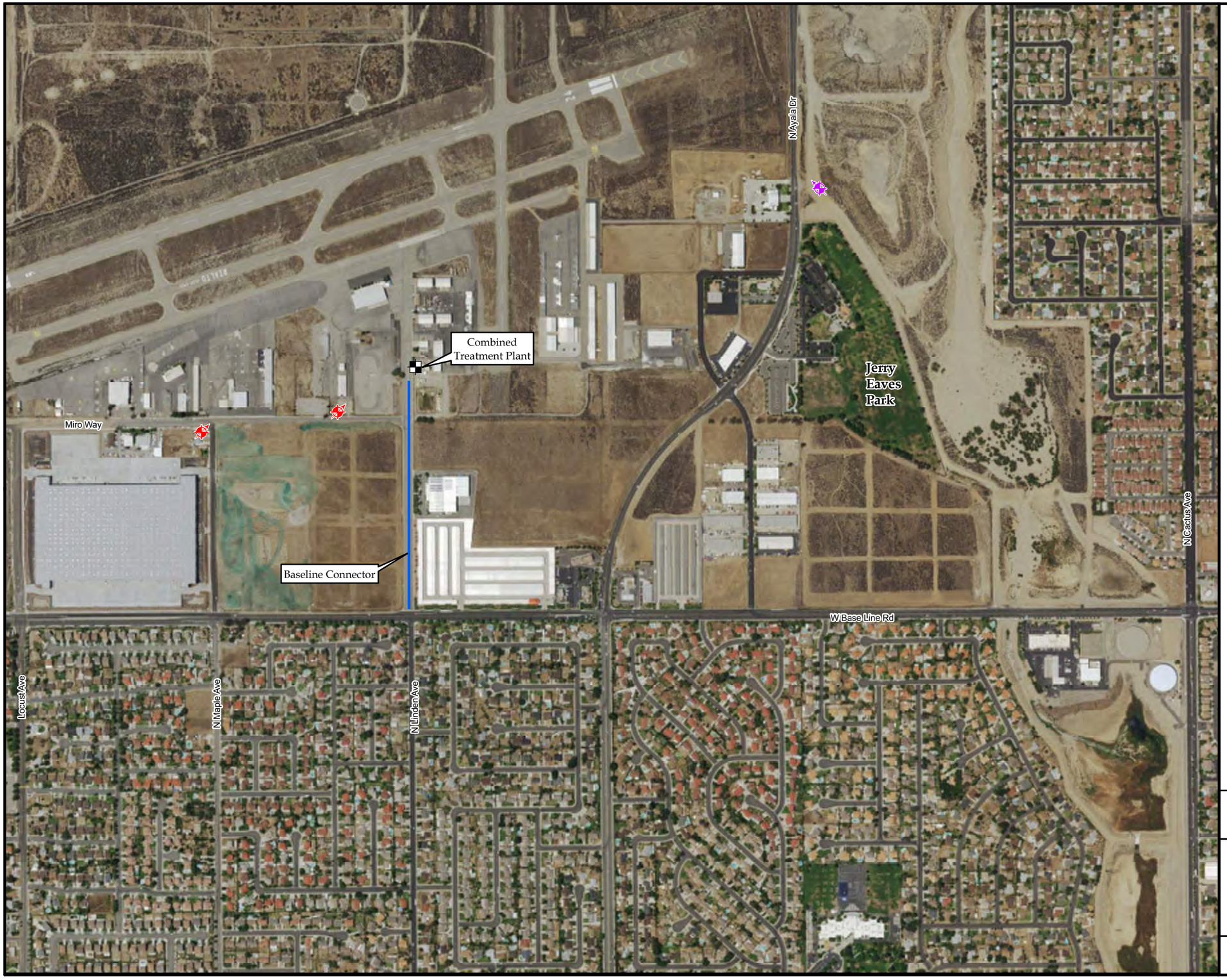
PREPARED BY:
AJP (ERM)

JOB NO. 0179962
FILE: Exhibit C.mxd

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Exhibit D

Conceptual Diagram of Distribution Piping



Legend

- Miro Wells
- Proposed Extraction Well Location
- City of Rialto Production Well
- Conveyance Pipeline

Source: ESRI Aerial Imagery Webservice, USDA, June 3, 2014.

N

0 1,400 Feet

SOURCE AREA OPERABLE UNIT
ROCKETS, FIREWORKS, AND FLARES SITE

EXHIBIT D
CONEPTUAL DIAGRAM OF
DISTRIBUTION PIPING

ERM

PREPARED BY:
AJP (ERM)

JOB NO. 0179962.08.B1
FILE: ExhibitD_ConceptualDiagram_ConveyancePipelinesRev1.mxd

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Exhibit E

Rialto Resolution 5248

RESOLUTION NO. 5248

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIALTO, CALIFORNIA RECONFIRMING ITS ZERO TOLERANCE POLICY REGARDING PERCHLORATE CONTAMINATION

WHEREAS, perchlorate is a strong oxidizing agent and is used extensively in explosives, fireworks and rocket fuel; and

WHEREAS, perchlorate has been found in the environment as a result of spills, leaks, improper disposal and accidental release to soil followed by infiltration into the ground water drinking supply, food and milk; and

WHEREAS, perchlorate can disrupt the thyroid gland and its production of hormones that regulate metabolism and growth; and

WHEREAS, infants and pregnant women are particularly at risk to the health effects caused by the disruption of thyroid and growth; and

WHEREAS, exposure to perchlorate during key windows of time in the growth and development of babies could lead to health complications and intellectual limitations; and

WHEREAS, perchlorate is a clear threat to public health and the environment; zero exposure is the only strategy that truly protects public health; and perchlorate exposure affects all residents of the City of Rialto and Inland Counties; and

WHEREAS, an independent study conducted by the Press Enterprise found 13 of 18 samples of lettuce grown in Inland Counties contained levels of perchlorate two (2) to three (3) times greater than four (4) to nine (9) parts per billion found in the Colorado River; and

WHEREAS, three hundred sixty-five (365) perchlorate contaminated drinking water wells have been identified in California, eighty-two (82) of which are located in San Bernardino County, and twenty-two (22) wells have been shut down in the cites of Rialto, Fontana, Bloomington and Colton; and

WHEREAS, the chemical perchlorate (a rocket fuel ingredient used in the manufacture of military rockets, pistol flares, fireworks and munitions) has been detected in significant concentrations in the Rialto/Colton Basin; and

WHEREAS, five of the City's twenty-two water wells have been shut down due to perchlorate contamination; and

WHEREAS, The City Council has previously announced a "zero tolerance" policy towards perchlorate; and

WHEREAS, the City of Rialto wishes to follow the Regional Water Quality Control Board's orders issued regarding perchlorate contamination and cleanup;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

Section 1. The recitals to this resolution are true and correct and are incorporated herein by this reference, and relied upon by the City Council in adopting this resolution.

Section 2. The City Council finds that there is significant disagreement within the scientific community regarding the long term health effects of the regular ingestion of perchlorate. Because of this disagreement, the fact that scientists on both sides appear credible, and the fact that the whole perchlorate phenomenon has come to light only within the last decade, and only as a result of improved testing technologies, the City Council has concluded that until there is substantially greater agreement within the scientific community as to what, if any, levels or amounts of perchlorate are unquestionably safe for regular human ingestion, the City of Rialto will continue with its "zero tolerance" policy for perchlorate. When standard water testing techniques show any detectible levels of perchlorate in City water wells, those wells will be shut down, and no water therefrom is to be put into the Rialto Water System unless and until those wells can be treated back down to "non-detect" levels.

Section 3. The City Council urges its state elected officials to concur in this policy and authorize Regional Water Quality Control Boards throughout this state to issue clean-up and abatement orders and water replacement orders based upon the detection of <u>any</u> perchlorate found in public drinking water supplies.

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WHEREFORE, this Resolution is passed, approved and adopted by a four-fifth vote this 21st day of June, 2005.

GRACE VARGAS, Mayor

ATTEST:

BARBARA A. McGEE, City Clerk

APPROVED AS TO FORM:

ROBERT A. OWEN, City Attorney

(Original printed on acid-free paper)

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)ss
CITY OF RIALTO)

I Barbara A. McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. 5248 was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the 21st day of June, 2005.

Upon motion of Councilmember Robertson, seconded by Councilmember Scott, the foregoing Resolution No. 5248 was dully passed and adopted.

Vote on the motion:

AYES: Mayor Vargas, Council Members Robertson, Hanson, Sampson & Scott

NOES: None

ABSENT: None

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this 20th day of July, 2005.

BARBARA A. McGEE, CITY CLERK

(Original printed on acid-free paper)

Exhibit F

Combined Remedies Annual O&M Budget Form

(Example)

Task No.	Description	Annual Hours	Hourly Rate	Total	Comments
D1-D14	Daily Observation and Recordings				___ hours per day
ND1	Monthly Reporting				___ hours per month
ND2	DDW WQ Sampling				___ hours per month
ND3	Shaft Rotation				___ hours per month
ND4-ND5	Well Lubrication				___ hours per month
ND6-ND11	Trouble-shooting				___ hours per month
ND12	Bag Filter Change-out				___ hours per quarter
ND13-ND14	UV Maintenance				___ hours per month
ND15	Coordinate the Repair and Maintenance of IX and GAC				___ hours per month
ND16-ND17	Coordinate the change-out of resin or GAC				___ hours per quarter
ND18	Chlorine System Maintenance				___ hours per week
ND19	Adjust Control Panel and Programming				___ hours per year
ND20	Pump Motor Service				___ hours per year
ND21	House Keeping Weed Abatement				___ hours per month

ANNUAL LABOR SUBTOTAL	_____
ADMINISTRATIVE FEE	_____
ANNUAL LABOR TOTAL	_____

MATERIALS/EXPENSES

Materials, expenses and supplies to be billed at cost.

Exhibit G

Procedure for Calculating Colton's Baseline Lifting Cost

As set forth in Paragraph V of this Agreement, Colton has leased certain of its water rights in the Basin to Emhart and the County to be utilized to meet the objectives of the Combined Remedies. Colton, Emhart, and the County shall use the following procedure set forth this Exhibit G to calculate the baseline electrical costs that Colton would incur to lift an acre foot of water when operating its extraction wells in the Basin ("Colton's Baseline Lifting Cost").

The Colton Baseline Lifting Cost is used to calculate the amount Colton shall reimburse Emhart and the County for water pumped by Emhart and the County and delivered to the Colton municipal water supply system pursuant to Emhart and the County's respective leases of Colton Water Rights.

1. Within 30 days following DDW issuance of the amendment of Colton and Rialto's DDW Permits necessary for operation of the Combined Remedies, Emhart, the County, and Colton shall meet and confer to calculate Colton's Baseline Lifting Cost using the following formula: Colton's Baseline Lifting Cost = (the total electrical costs ($) incurred to lift water at Colton wells C-15 and C-17 to the surface in the three years immediately prior to the calculation) ÷ (the total volume of water pumped at C-15 and C-17 (AF) in that same three year period). Colton's Baseline Lifting Cost shall be stated in dollars per acre foot of water ($/AF).

2. If: (1) a change in groundwater levels materially impacts lifting costs in the Basin; or (2) a change in electrical energy costs materially impacts lifting costs in the Basin; Colton, the County, and Emhart shall meet and confer to re-assess whether Colton's Baseline Lifting Cost fairly and adequately represents the cost Colton would otherwise incur to lift an acre foot of water at its extraction wells in the Basin.

Exhibit H

Annual Allocation of CR-3/CTP Energy Costs and Reconciliation of Combined Remedies Energy Costs

This Exhibit H sets forth the procedures for annually (1) allocating the energy costs to operate CR-3 and the CTP ("CR-3/CTP Energy Costs"); and (2) allocating and reconciling all energy costs to operate the Combined Remedies.

Attached hereto is a compact disc (CD) containing a Microsoft Excel Workbook titled "Tables H-1 and H-2.XLSX." That file contains monthly spreadsheets for allocation of CR-3/CTP Energy Costs (Table H-1) and an annual reconciliation spreadsheet (Table H-2). To assist in the preparation of the annual allocation of CR-3/CTP Energy Costs and reconciliation of Combined Remedies energy costs, attached are paper copies of Tables H-1 and H-2 with sample inputs and Tables H-1 and H-2 displaying the spreadsheet formulas used in the file.

I. Allocation of CR-3/CTP Energy Costs (Table H-1)

CR-3/CTP Energy Costs include (1) the cost of energy used to operate the Combined Treatment Plant; and (2) the cost of energy used to extract groundwater at CR-3. Southern California Edison ("SCE") bills Rialto for CR-3/CTP Energy Costs. CR-3/CTP Energy Costs shall be allocated annually using the following procedure:

1. As the service customer on the monthly invoices from SCE for CR-3/CTP Energy Costs, Rialto shall pay those invoices, subject to reimbursement as set in Paragraph II, below.

2. To facilitate allocation of CR-3/CTP Energy Costs, the County and Emhart shall annually request that SCE perform the following energy efficiency tests:

    a. A test to determine the energy required to pump an acre foot of groundwater at CR-3 to the 100,000-gallon equalization tank at the Combined Treatment Plant which shall be reported as "EQ Tank kWh/AF";

    b. A test to determine the energy that Rialto would otherwise use, absent the Combined Remedies, to pump an acre foot of

groundwater from the groundwater table to its municipal water supply system which shall be reported as "Rialto Baseline kWh/AF". To perform this test, groundwater shall be pumped from CR-3 to the infiltration pond at the Combined Treatment Plant through conveyance piping which shall be partially closed to simulate the pressure conditions in adjacent pipelines in Rialto's domestic water supply system.

3. Following the end of the Water Year, Rialto shall prepare the initial draft of Table H-1 for each monthly invoice paid by Rialto. Table H-1 is used to allocate CR-3/CTP Energy Costs on each monthly SCE invoice for reimbursement of Rialto by the County and Emhart in accordance with Paragraph IV.F.2.d of the Agreement. Table H-1 contains the following five data entry steps:

STEP 1: Enter the EQ Tank kWh/AF value determined under Paragraph 2.a, above.

STEP 2: Enter the Rialto Baseline kWh/AF value determined under Paragraph 2.b, above.

STEP 3: Enter the metered volume of water pumped from CR-3 during the monthly billing period ("CR-3 AF").

STEP 4: Enter the energy use values from the monthly SCE invoice.

STEP 5: Based on the numbers entered in Steps 1 through 4, Table H-1 automatically calculates the allocation of CR-3/CTP Energy Costs for each monthly SCE invoice.

II. Reconciliation of Paid and Projected Combined Remedies Energy Costs (Table H-2)

1. In conjunction with the annual preparation of Table H-1, Rialto shall collect and input the data necessary to complete Table H-2. Table H-2 is used to reconcile the previous Water Year's payments for energy costs associated with operation and maintenance of the Combined Remedies, on an annual basis and set the projected quarterly payments for the next Water Year, as follows:

STEP 1: Input monthly water production for each well.

STEP 2: Input monthly delivery of water to Rialto and Colton.

STEP 3: Table H-2 automatically calculates the annualized allocation of CR-3/CTP Energy Costs among the Parties based on the data in Table H-1.

STEP 4: Input percent of pumping at CR-3, Miro-2 and Miro-3 pumped for compliance with the Work Consent Decree and delivery to Colton (to be supplied by County/Emhart).

STEP 5: Input Colton's Baseline Lifting Cost ($/AF) as determined pursuant to Exhibit G; Actual Miro-2 and Miro-3 Lifting Costs ($/AF) as provided by County; and Actual EW-1 Lifting Cost ($/AF) as provided by Emhart.

STEP 6: Input allocation between Emhart and County of Regional Board Remedy Driven Incremental Lifting Costs (CR-3)[1] as provided by County and Emhart.

STEP 7: Input Quarterly Payments made for past Water Year (i.e. the year for which energy costs are being reconciled). In the first Water Year, or any portion thereof, during which the Combined Remedies operate, the Parties shall use available information to estimate the projected quarterly payments.

2. Rialto shall circulate the draft Tables H-1 and H-2 to Emhart, County and Colton, along with the monthly energy bills used to generate the tables, for review by the Parties at the next monthly meeting.

3. The Parties shall meet and confer at the monthly meeting following distribution of the draft Tables H-1 and H-2, and review the documents. Once Tables H-1 and H-2 are finalized and agreed to by the Parties , Rialto shall circulate the approved tables to the Parties, and each Party shall use

[1] Regional Board Remedy Driven Incremental Lifting Costs (CR-3) represent the incremental costs that SCE bills Rialto for energy used to extract groundwater at CR-3 for the County to meet the remedial action objectives of the Regional Board Order. Emhart and the County allocate such costs between them pursuant to the County/Emhart Implementation Agreement.

the tables to invoice other Parties for net amounts estimated to be paid during the next Water Year in quarterly payments, as set forth in Table H-2, with the first payment reflecting a “true-up” credit or debit for the prior year per Exhibit H-2.

4. Payments shall be made quarterly on November 1, February 1, May 1, and August 1, or 60 days from receipt of an invoice for the amount due, whichever is later.

Table H-1

Allocation of CR-3/CTP Energy Costs
(Example)

Table H-1
Allocation of CR-3/CTP Energy Costs
(Example)
Based on SCE August 14 - September 1, 2014 Bill to Rialto

STEP 1	Enter EQ Tank kWh/AF based on SCE testing	878	*This value changes **annually** based on SCE testing*	*Annual Input*
STEP 2	Enter Rialto Baseline kWh/AF	945	*This value changes **annually** based on SCE testing*	*Annual Input*
STEP 3	Enter CR-3 AF	89.8	*This value changes **monthly** based on CR-3 metered water flow measurements*	*Monthly Input*

STEP 4 Enter energy use from monthly SCE bill — Changes ***monthly*** based on SCE bill

	kWh	Energy delivery charges	Generation Charges	*Notes*
Charges Based on kWh				
Delivery				
On peak	8,945	$0.02188	$0.09335	
Off peak	46,761	$0.02188	$0.06078	
Super Off Peak	18,452	$0.02188	$0.01768	
Off peak	39,827	$0.02188	$0.06085	
Super Off Peak	13,812	$0.02188	$0.02812	
Total	127,797			
DWR Bond		$0.00513		*Based on SCE metered total kWh*
Customer Charge		$ 193.26		
Power factor Adj		$ 73.44		
Taxes		$ 0.0003		*Based on SCE metered total kWh*
Energery Credit		$ (0.00037)		*Based on SCE metered total kWh*
Charges Based on kW				
	kW			
Facilities Demand	259	$ 7.86		*kW Based on SCE monthly metering*
On Peak	258	$ 27.31		
Ratio of peak days to billing cycle days		0.5625		*From SCE invoice showing count of peak demand days*

STEP 5

Spreadsheet Calculation of Rialto Baseline energy use as percentage of total metered energy for billling period		
Rialto Baseline energy use	84,861	*Rialto Baseline kWh/AF (from Step 2) X CR-3 AF (from Step 3)*
Rialto Baseline energy use as percentage of total Metered Energy (Rialto %)	66.4%	*Rialto Baseline energy use/Total kWh for billing period (from Step 4)*

Spreadsheet Calculation of relative energy use by CR-3 pumping and CTP operation		
kWh for CR-3 pumping (to EQ Tank)	78,844	*EQ Tank kWh/AF (from Step 1) X CR-3 AF (from Step 3)*
CR-3 pumping as percentage of total Metered Energy	61.7%	*kWh for CR-3 pumping/Total kWh for billing period (from Step 4)*
CTP operation as percentage of total Metered Energy (CTP %)	38.3%	*1 minus CR-3 pumping percentage*

EXAMPLE

Principles for allocation of CR-3/CTP Energy Costs (non-peak, peak and kW-based charges)

The formulas in this Table H-1 are based on the following principles. To the extent that these principles conflict with the provisions of Paragraph IV.F.2.d of the Agreement, the langage of the Agreement shall control.

Non-peak kWh Usage Charges (excludes charges above mid-peak rate)		
Principle	***Allocation***	***Notes***
County/Emhart are responsible for the non-peak kWh attributable to the CTP	*CTP% (see step 5)*	*CTP% is percent of electricity used by CTP in that month (as a share of total kWh)*
Rialto is responsible for the kWh attributable to lifting CR3 Water (using the non-peak rates) to pipeline pressure	*Rialto% (see step 5)*	*Represents percent of electricity used that month (as a share of the total kWh) to lift water to the surface at CR3 to pipeline pressure*
County/Emhart are responsible for incremental lifting costs at CR3 at non-peak rates (which due to pumping into a reservoir rather than to pipeline pressure should be a credit)	*Balance (may be negative)*	*The amount of non-peak kWh charges remaining to be paid once CTP% and Rialto% are paid (non-peak charges)*
Peak kWh Usage Charges (charges above mid-peak rates)		
County/Emhart are responsbile for the peak kWh (above mid-peak rates) attributable to the CTP	*CTP% (see step 5)*	*CTP% is percent of electricity used by CTP in that month (as a share of total kWh)*
Rialto not responsible for costs above mid-peak	*Zero percent*	
County/Emhart responsible for incremental lifting costs at CR3 (due to charges above mid-peak)	*Balance of Peak kWh usage charges*	*Peak charges remaining after CTP% is paid represent peak charges of lifting water at CR3*
Charges Based on kW of equipment onsite (size of equipment at site)		
County/Emhart are responsible for electrical delivery charges for the electrical equipment associated with the CTP	*CTP% (see step 5)*	*Percent of power used by CTP is a proxy for delivery charges*
Rialto is responsible for electrical delivery charges for the CR3 pump	*Balance*	*The amount of charges based on kW of equipment onsite remaining to be paid once CTP% is paid*

EXAMPLE

SPREADSHEET ALLOCATION OF CR-3/CTP Energy Costs

CR-3/CTP Energy Costs (populate automatically from Step 4 above)					CTP Operation (based on reservior test) (County/Emhart pay)	Baseline Lifting Costs (based on pipeline pressure test) (Rialto pays)	Incremental Lifting Costs (County/Emhart pay)	***Notes***
Source	**DELIVERY CHARGES**	**kW**	**Rate**	**Charge**	38.3%	66%		*Does not add to 100% becauase pumping to reservoir is more efficient*
SCE Bill	Facilites rel Demand	259	$7.86	$2,035.74	$779.79	$1,255.95	$0.00	*Allocate to treatment plant and Rialto only*
		kWh	**Rate**					
SCE Bill	On Peak	8945	$0.02188	$195.72	$74.97	$129.96	-$9.21	*Standard Split*
SCE Bill	Mid Peak	46761	$0.02188	$1,023.13	$391.91	$679.39	-$48.17	*Standard Split*
SCE Bill	Off Peak	18452	$0.02188	$403.73	$154.65	$268.09	-$19.01	*Standard Split*
SCE Bill	On Peak	39827	$0.02188	$871.41	$333.80	$578.65	-$41.03	*Standard Split*
SCE Bill	Mid Peak	13812	$0.02188	$302.21	$115.76	$200.67	-$14.23	*Standard Split*
SCE Bill	DWR BOND	127797	$0.00513	$655.60	$251.13	$435.34	-$30.87	*Standard Split*
SCE Bill	Customer Charge		$193.26	$193.26	$74.03	$128.33	-$9.10	*Standard Split*
SCE Bill	Power factor Adj		$73.44	$73.44	$28.13	$48.77	-$3.46	*Standard Split*
	GENERATION CHARGES							
	SERVICE DEMAND	**kW**	**Rate**					
SCE Bill	On Peak	258	$27.31	$3,963.36	$1,518.17	$0	$2,445.20	*No peak charges to Rialto*
	ENERGY DEMAND CHARGES	**kWh**	**Rate**					
SCE Bill	Peak kWh at peak rate (from SCE bill)	8,945	$0.09335	$835.02				
Calculation	Peak kWh at mid-peak rate (breakdown of SCE Bill Value)	8,945	$0.06078	$543.68	$208.26	$361.02	-$25.60	*Standard Split*
Calculation	Peak costs chageable to remedy (both CR-3 lifting and treatment plant)	8,945	$0.03257	$291.34	$111.60	$0.00	$179.74	*Allocate to combined remedy -- none to Rialto*
SCE Bill	Off Peak	46,761	$0.06078	$2,842.13	$1,088.68	$1,887.26	-$133.81	*Standard Split*
SCE Bill	Super Off Peak	18,452	$0.01768	$326.23	$124.96	$216.63	-$15.36	*Standard Split*
SCE Bill	Off Peak	39,827	$0.06085	$2,423.47	$928.31	$1,609.26	-$114.10	*Standard Split*
SCE Bill	Super Off Peak	13,812	$0.02812	$388.39	$148.77	$257.90	-$18.29	*Standard Split*
	OTHER	**kWh**	**Rate**					
SCE Bill	Taxes	127797	$0.00029	$37.06	$14.20	$24.61	-$1.74	*Standard Split*
SCE Bill	Energy Credit	127797	-$0.00037	-$47.28	-$18.11	-$31.40	$2.23	*Standard Split*
TOTAL				**$16,522.62**	**$6,328.99**	**$8,050.42**	**$2,143.22**	
				100%	**38.3%**	**48.7%**	**13.0%**	

EXAMPLE

Table H-1

Allocation of CR-3/CTP Energy Costs
(Excel Spreadsheet Formulas)

Table H-1
Allocation of CR-3/CTP Energy Costs
(Excel Spreadsheet Formulas)
Based on SCE August 14 - September 1, 2014 Bill to Rialto

STEP 1	Enter EQ Tank kWh/AF based on SCE testing		*This value changes **annually** based on SCE testing*	*Annual Input*
STEP 2	Enter Rialto Baseline kWh/AF		*This value changes **annually** based on SCE testing*	*Annual Input*
STEP 3	Enter CR-3 AF		*This value changes **monthly** based on CR-3 metered water flow measurements*	*Monthly Input*

STEP 4 Enter energy use from monthly SCE bill — Changes ***monthly*** based on SCE bill

	kWh	Energy delivery charges	Generation Charges	*Notes*
Charges Based on kWh				
Delivery				
On peak				
Off peak				
Super Off Peak				
Off peak				
Super Off Peak				
Total	=SUM(C15:C19)			
DWR Bond				*Based on SCE metered total kWh*
Customer Charge				
Power factor Adj				
Taxes				*Based on SCE metered total kWh*
Energery Credit				*Based on SCE metered total kWh*
Charges Based on kW				
	kW			
Facilities Demand				*kW Based on SCE monthly metering*
On Peak				
Ratio of peak days to billing cycle days				*From SCE invoice showing count of peak demand days*

STEP 5

Spreadsheet Calculation of Rialto Baseline energy use as percentage of total metered energy for billling period		
Rialto Baseline energy use	=C7*C9	*Rialto Baseline kWh/AF (from Step 2) X CR-3 AF (from Step 3)*
Rialto Baseline energy use as percentage of total Metered Energy (Rialto %)	=C37/C20	*Rialto Baseline energy use/Total kWh for billing period (from Step 4)*

Spreadsheet Calculation of relative energy use by CR-3 pumping and CTP operation		
kWh for CR-3 pumping (to EQ Tank)	=C5*C9	*EQ Tank kWh/AF (from Step 1) X CR-3 AF (from Step 3)*
CR-3 pumping as percentage of total Metered Energy	=C41/C20	*kWh for CR-3 pumping/Total kWh for billing period (from Step 4)*
CTP operation as percentage of total Metered Energy (CTP %)	=1-C42	*1 minus CR-3 pumping percentage*

Principles for allocation of CR-3/CTP Energy Costs (non-peak, peak and kW-based charges)

The formulas in this Table H-1 are based on the following principles. To the extent that these principles conflict with the provisions of Paragraph IV.F.2.d of the Agreement, the langage of the Agreement shall control.

Non-peak kWh Usage Charges (excludes charges above mid-peak rate)

Principle	***Allocation***	***Notes***
County/Emhart are responsible for the non-peak kWh attributable to the CTP	*CTP% (see step 5)*	*CTP% is percent of electricity used by CTP in that month (as a share of total kWh)*
Rialto is responsible for the kWh attributable to lifting CR3 Water (using the non-peak rates) to pipeline pressure	*Rialto% (see step 5)*	*Represents percent of electricity used that month (as a share of the total kWh) to lift water to the surface at CR3 to pipeline pressure*
County/Emhart are responsible for incremental lifting costs at CR3 at non-peak rates (which due to pumping into a reservoir rather than to pipeline pressure should be a credit)	*Balance (may be negative)*	*The amount of non-peak kWh charges remaining to be paid once CTP% and Rialto% are paid (non-peak charges)*
Peak kWh Usage Charges (charges above mid-peak rates)		
County/Emhart are responsbile for the peak kWh (above mid-peak rates) attributable to the CTP	*CTP% (see step 5)*	*CTP% is percent of electricity used by CTP in that month (as a share of total kWh)*
Rialto not responsible for costs above mid-peak	*Zero percent*	
County/Emhart responsible for incremental lifting costs at CR3 (due to charges above mid-peak)	*Balance of Peak kWh usage charges*	*Peak charges remaining after CTP% is paid represent peak charges of lifting water at CR3*
Charges Based on kW of equipment onsite (size of equipment at site)		
County/Emhart are responsible for electrical delivery charges for the electrical equipment associated with the CTP	*CTP% (see step 5)*	*Percent of power used by CTP is a proxy for delivery charges*
Rialto is responsible for electrical delivery charges for the CR3 pump	*Balance*	*The amount of charges based on kW of equipment onsite remaining to be paid once CTP% is paid*

	A	B	C	D	E	F	G	H	I
62	**SPREADSHEET ALLOCATION OF CR-3/CTP Energy Costs**								
63	**CR-3/CTP Energy Costs (populate automatically from Step 4 above)**					**CTP Operation (based on reservior test) (County/Emhart pay)**	**Baseline Lifting Costs (based on pipeline pressure test) (Rialto pays)**	**Incremental Lifting Costs (County/Emhart pay)**	***Notes***
64	**Source**	**DELIVERY CHARGES**	**kW**	**Rate**	**Charge**	=C43	=C38		*Does not add to 100% becauase pumping to reservoir is more efficient*
65	SCE Bill	Facilites rel Demand	=C28	=D28	=D64*C64	=E64*F63	=E64-F64	=E64-(F64+G64)	*Allocate to treatment plant and Rialto only*
66			**kWh**	**Rate**					
67	SCE Bill	On Peak	=C15	=D15	=D66*C66	=E66*F$63	=E66*G$63	=E66-G66-F66	*Standard Split*
68	SCE Bill	Mid Peak	=C16	=D16	=D67*C67	=E67*F$63	=E67*G$63	=E67-G67-F67	*Standard Split*
69	SCE Bill	Off Peak	=C17	=D17	=D68*C68	=E68*F$63	=E68*G$63	=E68-G68-F68	*Standard Split*
70	SCE Bill	On Peak	=C18	=D18	=D69*C69	=E69*F$63	=E69*G$63	=E69-G69-F69	*Standard Split*
71	SCE Bill	Mid Peak	=C19	=D19	=D70*C70	=E70*F$63	=E70*G$63	=E70-G70-F70	*Standard Split*
72	SCE Bill	DWR BOND	=C20	=$D$21	=D71*C71	=E71*F$63	=E71*G$63	=E71-G71-F71	*Standard Split*
73	SCE Bill	Customer Charge		=$D$22	=D72	=E72*F$63	=E72*G$63	=E72-G72-F72	*Standard Split*
74	SCE Bill	Power factor Adj		=$D$23	=D73	=E73*F$63	=E73*G$63	=E73-G73-F73	*Standard Split*
75		**GENERATION CHARGES**							
76		**SERVICE DEMAND**	**kW**	**Rate**					
77	SCE Bill	On Peak	=C29	=D29	=D76*C76*(D33)	=E76*F$63	$0	=E76-F76	*No peak charges to Rialto*
81		**ENERGY DEMAND CHARGES**	**kWh**	**Rate**					
82	SCE Bill	Peak kWh at peak rate (from SCE bill)	=C15	=E15	=D81*C81				
83	Calculation	Peak kWh at mid-peak rate (breakdown of SCE Bill Value)	=C15	=E16	=D82*C82	=E82*F$63	=E82*G$63	=E82-G82-F82	*Standard Split*
84	Calculation	Peak costs chageable to remedy (both CR-3 lifting and treatment plant)	=C82	=D81-D82	=D83*C83	=E83*F$63	$0.00	=E83-F83	*Allocate to combined remedy -- none to Rialto*
85	SCE Bill	Off Peak	=C16	=E16	=C84*D84	=E84*F$63	=E84*G$63	=E84-G84-F84	*Standard Split*
86	SCE Bill	Super Off Peak	=C17	=E17	=C85*D85	=E85*F$63	=E85*G$63	=E85-G85-F85	*Standard Split*
87	SCE Bill	Off Peak	=C18	=E18	=C86*D86	=E86*F$63	=E86*G$63	=E86-G86-F86	*Standard Split*
88	SCE Bill	Super Off Peak	=C19	=E19	=C87*D87	=E87*F$63	=E87*G$63	=E87-G87-F87	*Standard Split*
89									
90		**OTHER**	**kWh**	**Rate**					
91	SCE Bill	Taxes	=C20	=D24	=C90*D90	=E90*F$63	=E90*G$63	=E90-G90-F90	*Standard Split*
92	SCE Bill	Energy Credit	=C20	=D25	=C91*D91	=E91*F$63	=E91*G$63	=E91-G91-F91	*Standard Split*
93	**TOTAL**				**=SUM(E64:E90)-E81+E91**	**=SUM(F64:F91)**	**=SUM(G64:G91)**	**=SUM(H64:H91)**	
94					**=E92/$E92**	**=F92/E92**	**=G92/E92**	**=H92/E92**	

Table H-2

Reconciliation of Paid and Projected Combined Remedies Energy Costs (Example)

Table H-2
Reconciliation of Paid and Projected Combined Remedies Energy Costs
(Example)

Step 1: Input monthly water production (acre feet) for each well (from Operator/Rialto water flow meter readings)

Production Well	October	November	December	January	February	March	April	May	June	July	August	September	Total (AF)	*$ Per AF*	*Total Cost of Pumping Water (by well)*	*Source of $ per AF value*	*Initial Payee*
CR-3	102	102	102	102	102	101	101	100	100	100	100	100	1212	*$101*	*$122,324*	*Exhibit H*	*Rialto*
Miro 2	0	0	0	0	0	0	0	15	15	15	15	15	75	*$105*	*$7,875*	*From County*	*County*
Miro 3	0	0	0	0	0	0	0	100	100	100	100	100	500	*$105*	*$52,500*	*From County*	*County*
EW-1	220	220	220	220	220	220	220	220	220	220	220	220	2640	*$150*	*$396,000*	*From Emhart*	*Emhart*
Total	322	322	322	322	322	321	321	435	435	435	435	435	4427				

Step 2: Input monthly water delivery (acre feet) to Rialto and Colton (from Operator/Rialto water flow meter readings)

	October	November	December	January	February	March	April	May	June	July	August	September	Total (AF)
Delivery to Rialto	56	56	56	56	56	55	55	240	240	240	240	240	1590
Delivery to Colton	266	266	266	266	266	266	266	195	195	195	195	195	2837
Total	322	322	322	322	322	321	321	435	435	435	435	435	4427

Blue Italic Text means that delivery to Cities does not match output from CTP

Step 3: Monthly allocation of CR-3 Lifting Costs and Combined Treatment Plant Energy Costs (from Exhibit H-1 output)

	October	November	December	January	February	March	April	May	June	July	August	September	Total ($)	Per AF
Rialto base lifting costs (CR-3)	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$8,050	$96,605	$80
Remedy-driven incremental lifting costs (CR-3)	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$2,143	$25,719	$21
CTP energy costs	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$6,329	$75,948	$17

EXAMPLE

Red value for AF cost of Incremental CR-3 means no CR-3 lifting occurred so value should be entered manually.

Step 4: Input Pumping at County Wells Required By EPA Remedy Delivered to Colton (%) (based County/Emhart IA)

CR-3	0%
Miro-2	0%
Miro-3	0%

Step 5: Input Lifing Costs ($/AF)

Lifting Cost		Notes	
Colton's Baseline Lifting Cost	$125	*Exhibit G (should not change too often)*	*This is made up for this example.*
Rialto's Baseline Lifting Cost (CR-3)	$80	*Calculated in Step 3*	*This is made up for this example.*
Actual Miro-2 Lifting Cost	$105	*County to provide annual averages.*	*Not important unless Emhart is using part of Miro wells for its remedy.*
Actual Miro-3 Lifting Cost	$105		
Actual EW-1 Lifting Cost	$150	*Emhart to provide annual averages*	*This is made up for this example.*

Step 6: Input allocation of Regional Board Remedy-Driven Icremental Lifting Costs (CR-3) (from County/Emhart IA)

County Share of Regional Board Remedy CR-3 Pumping	80%
Emhart Share of Regional Board Remedy CR-3 Pumping	20%

EXAMPLE

TABLE 1: ANNUALIZED WATER ALLOCATION										***Notes***
	EW1 (AF)	**CR-3 (AF)**	**Miro 2 (AF)**	**Miro 3 (AF)**	**Total (AF)**	**For Colton (AF)**	**Percent to Colton**	**For Rialto (AF)**	**Percent to Rialto**	
Pumping for Emhart Remedy	2640	0	0	0	2640	2640	100%	0	0%	*Colton gets all water pumped for Emhart remedy on an annual basis*
Pumping for County Remedy	0	1212	75	500	1787	197	11%	1590	89%	*Colton gets from County the delta between water delivered Colton minus what Emhart pumped that water year. Rialto gets all water not delivered to Colton.*
Total	2640	1212	75	500	4427	2837	64%	1590	36%	

TABLE 2: CALCULATION OF LIFTING COST ALLOCATION (excludes electrical from Treatment Plant, addressed separately below)									
Description	**Cash flow**	**AF**	**Base Cost**	**Total Cost**	***Cost note***	**To Rialto**	**To County**	**To Emhart**	**to Colton**
Total Emhart Remedy Pumping (delivered to Colton)	Colton pays Emhart	2640	$125	$330,000	*Colton Base Lifting Costs*			$330,000	($330,000)
Total County Remedy Pumping that was Delivered to Colton	Colton pays County	197	$125	$24,625			$24,625		($24,625)
County Remedy Pumping at CR-3 that was Delivered to Colton	County pays Rialto	134	$80	$10,650	*From Exhibit H -- Rialto Base CR-3 Lifting Costs (annual average)*	$10,650	($10,650)		
Emhart Remedy Pumping at CR-3 that was delievered to Colton	Emhart pays Rialto	0	$101	$0		$0		$0	
County Remedy Pumping at Miro 2 and Miro 3 that was delivered to Rialto	Rialto Pays County	512	$80	$40,779		($40,779)	$40,779		
County share of Regional Board Remedy-driven Incremental Lifting Costs (CR-3)	County pays Rialto	1212	$17	$20,575	*80% of Remedy-driven incremental (per County/Emhart Agreement; Exhibit H)*	$20,575	($20,575)		
Emhart Share of Regional Boad Remedy-driven Incremental Lifting Costs (CR-3)	Emhart pays Rialto	1212	$4	$5,144	*20% of Remedy-driven incremental (per County/Emhart Agreement; Exhibit H)*	$5,144		($5,144)	
Emhart Remedy Pumping at Miro 2 and Miro 3 (delivered to Colton)	Emhart to County	0	$105	$0	*Actual lifting costs at Miro 2/3 (County to provide if needed)*		$0	$0	

EXAMPLE

TABLE 3: ALLOCATION OF TREATMENT PLANT ELECTRICAL COSTS			
	Percent	Annual Amount	*Notes*
County Share of CTP Energy Costs	35%	$26,499	*Per County Emhart Allocation Agreement (County share is 80% of CR-3 flow+ 100% of Miro 2 and Miro 3) (first 2 years)*
Emhart Share of CTP Energy Costs	65%	$49,449	*Per County Emhart Allocation Agreement (Emhart share is 20% of CR-3 flow plus 100% of EW1 Share)(first 2 years)*
Total		$75,948	

TABLE 4: COMBINED REMEDY SHARE OF ELECTRICAL AT CR-3 METER (CR-3 INCREMENTAL PLUS CTP)			
	To Rialto	County Share	Emhart Share
Remedy-drive Incremental lifting at CR-3	$25,719	$20,575	$5,144
CTP energy costs	$75,948	$26,499	$49,449
Total	$101,666	$47,073	$54,593

TABLE 5: END OF YEAR WATER SUMMARY (Annual Total Based on Water and Treatment Plant Use)				
	To Rialto	**To Emhart**	**To County**	***Notes***
County Owes	$57,723	NA	NA	*County pays to Rialto its share of CTP Energy, its share of remedy-driven incremental at CR-3, and for CR-3 water delivered to Colton*
Colton Owes	NA	$330,000	$24,625	*Colton pays its base lifting costs * AF of water received (to Emhart or County)*
Rialto Owes	NA	NA	$40,779	*Rialto pays its lifting costs for water it receives from Miro 2 and Miro 3*
Emhart Owes	$54,593	NA	$0	*Emhart pays to Rialto, its share of CTP Energy, its share of remedy-driven incremental at CR-3, its share of CR-3 pumped for Emhart remedy; Emhart pays to County for Miro 2 and Miro 3 water Emhart delivers to Colton (if any)*

EXAMPLE

Step 7: Annual Energy Cost Reconciliation

	Previous Water Year Payments				Reconciliation and Estimated Next Water Year Payments			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Previous Water Year Payments	Actual Allocated Cost	Balance Due	Estimated Quarterly Payments for Next Water Year
County to Rialto	$9,500	$9,500	$9,500	$9,500	$38,000	$16,944	($21,056)	$4,236
Colton to Emhart	$84,200	$84,200	$84,200	$84,200	$336,800	$330,000	($6,800)	$82,500
Colton to County	$4,200	$4,200	$4,200	$4,200	$16,800	$24,625	$7,825	$6,156
Emhart to Rialto	$29,000	$29,000	$29,000	$29,000	$116,000	$54,593	($61,407)	$13,648
Emhart to County	$0	$0	$0	$0	$0	$0	$0	$0
Explanatory Notes						*Use this Column to determine Annual Payments for next Water Year*	*Negative value means payee writes a check to payor. Can handle as credit on first quarterly payment*	*Current Year Actual divided by 4*

EXAMPLE

Table H-2

Reconciliation of Paid and Projected Combined Remedies Energy Costs (Excel Spreadsheet Formulas)

Table H-2
Reconciliation of Paid and Projected Combined Remedies Energy Costs
(Excel Spreadsheet Formulas)

Step 1: Input monthly water production (acre feet) for each well (from Operator/Rialto water flow meter readings)

Production Well	October	November	December	January	February	March	April	May	June	July	August	September	Total (AF)	*$ Per AF*	*Total Cost of Pumping Water (by well)*	*Source of $ per AF value*	*Initial Payee*
CR-3													=SUM(B7:M7)	*=O23+O22*	*=O7*N7*	*Exhibit H*	*Rialto*
Miro 2													=SUM(B8:M8)	*=B35*	*=O8*N8*	*From County*	*County*
Miro 3													=SUM(B9:M9)	*=B36*	*=O9*N9*	*From County*	*County*
EW-1													=SUM(B10:M10)	*=B37*	*=O10*N10*	*From Emhart*	*Emhart*
Total	=SUM(B7:B10)	=SUM(C7:C10)	=SUM(D7:D10)	=SUM(E7:E10)	=SUM(F7:F10)	=SUM(G7:G10)	=SUM(H7:H10)	=SUM(I7:I10)	=SUM(J7:J10)	=SUM(K7:K10)	=SUM(L7:L10)	=SUM(M7:M10)	=SUM(N7:N10)				

Step 2: Input monthly water delivery (acre feet) to Rialto and Colton (from Operator/Rialto water flow meter readings)

	October	November	December	January	February	March	April	May	June	July	August	September	Total (AF)
Delivery to Rialto													=SUM(B15:M15)
Delivery to Colton													=SUM(B16:M16)
Total	=SUM(B15:B16)	=SUM(C15:C16)	=SUM(D15:D16)	=SUM(E15:E16)	=SUM(F15:F16)	=SUM(G15:G16)	=SUM(H15:H16)	=SUM(I15:I16)	=SUM(J15:J16)	=SUM(K15:K16)	=SUM(L15:L16)	=SUM(M15:M16)	=SUM(N15:N16)

Blue Italic Text means that delivery to Cities does not match output from CTP

Step 3: Monthly allocation of CR-3 Lifting Costs and Combined Treatment Plant Energy Costs (from Exhibit H-1 output)

	October	November	December	January	February	March	April	May	June	July	August	September	Total ($)	Per AF
Rialto base lifting costs (CR-3)	='Table H-1 OCT'!$G$92	='Table H-1 NOV'!$G$92	='Table H-1 DEC'!$G$92	='Table H-1 JAN'!$G$92	='Table H-1 FEB'!$G$92	='Table H-1 MAR'!$G$92	='Table H-1 APR'!$G$92	='Table H-1 MAY'!$G$92	='Table H-1 JUN'!$G$92	='Table H-1 JUL'!$G$92	='Table H-1 AUG'!$G$92	='Table H-1 SEP'!$G$92	=SUM(B22:M22)	=IF(N7'=0,O8, N22/N7)
Remedy-driven incremental lifting costs (CR-3)	='Table H-1 OCT'!$H$92	='Table H-1 NOV'!$H$92	='Table H-1 DEC'!$H$92	='Table H-1 JAN'!$H$92	='Table H-1 FEB'!$H$92	='Table H-1 MAR'!$H$92	='Table H-1 APR'!$H$92	='Table H-1 MAY'!$H$92	='Table H-1 JUN'!$H$92	='Table H-1 JUL'!$H$92	='Table H-1 AUG'!$H$92	='Table H-1 SEP'!$H$92	=SUM(B23:M23)	=IF(N7'=0,0,N23/N7)
CTP energy costs	='Table H-1 OCT'!$F$92	='Table H-1 NOV'!$F$92	='Table H-1 DEC'!$F$92	='Table H-1 JAN'!$F$92	='Table H-1 FEB'!$F$92	='Table H-1 MAR'!$F$92	='Table H-1 APR'!$F$92	='Table H-1 MAY'!$F$92	='Table H-1 JUN'!$F$92	='Table H-1 JUL'!$F$92	='Table H-1 AUG'!$F$92	='Table H-1 SEP'!$F$92	=SUM(B24:M24)	=N24/N11

Red value for AF cost of Incremental CR-3 means no CR-3 lifting occurred so value should be entered manually.

	A	B	C	D	E	F	G	H
26	**Step 4: Input Pumping at County Wells Required By EPA Remedy Delivered to Colton (%) (based County/Emhart IA)**							
27	CR-3							
28	Miro-2							
29	Miro-3							
30								
31	**Step 5: Input Lifing Costs ($/AF)**							
32	**Lifting Cost**		**Notes**					
33	Colton's Baseline Lifting Cost		*Exhibit G (should not change too often)*	*This is made up for this example.*				
34	Rialto's Baseline Lifting Cost (CR-3)	=O22	*Calculated in Step 3*	*This is made up for this example.*				
35	Actual Miro-2 Lifting Cost		*County to provide annual averages.*	*Not important unless Emhart is using part of Miro wells for its remedy.*				
36	Actual Miro-3 Lifting Cost							
37	Actual EW-1 Lifting Cost		*Emhart to provide annual averages*	*This is made up for this example.*				
38								
39	**Step 6: Input allocation of Regional Board Remedy-Driven Icremental Lifting Costs (CR-3) (from County/Emhart IA)**							
40	County Share of Regional Board Remedy CR-3 Pumping							
41	Emhart Share of Regional Board Remedy CR-3 Pumping	=1-B40						

TABLE 1: ANNUALIZED WATER ALLOCATION

	EW1 (AF)	CR-3 (AF)	Miro 2 (AF)	Miro 3 (AF)	Total (AF)	For Colton (AF)	Percent to Colton	For Rialto (AF)	Percent to Rialto	***Notes***
Pumping for Emhart Remedy	=N10	=N7*B27	=N8*B28	=N9*B29	=SUM(B44:E44)	=F44	=G44/F44	0	=I44/H44	*Colton gets all water pumped for Emhart remedy on an annual basis*
Pumping for County Remedy	0	=N7-C44	=N8-D44	=N9-E44	=SUM(B45:E45)	=N16-G44	=G45/F45	=F45-G45	=I45/F45	*Colton gets from County the delta between water delivered Colton minus what Emhart pumped that water year. Rialto gets all water not delivered to Colton.*
Total	=SUM(B44:B45)	=SUM(C44:C45)	=SUM(D44:D45)	=SUM(E44:E45)	=SUM(F44:F45)	=SUM(G44:G45)	=G46/F46	=SUM(I44:I45)	=I46/F46	

TABLE 2: CALCULATION OF LIFTING COST ALLOCATION (excludes electrical from Treatment Plant, addressed separately below)

Description	Cash flow	AF	Base Cost	Total Cost	***Cost note***	To Rialto	To County	To Emhart	to Colton
Total Emhart Remedy Pumping (delivered to Colton)	Colton pays Emhart	=F44	=$B$33	=D50*C50	*Colton Base Lifting Costs*			=E50	=0-E50
Total County Remedy Pumping that was Delivered to Colton	Colton pays County	=G45	=$B$33	=D51*C51			=E51		=0-E51
County Remedy Pumping at CR-3 that was Delivered to Colton	County pays Rialto	=C45*H45	=$O$22	=D52*C52	*From Exhibit H -- Rialto Base CR-3 Lifting Costs (annual average)*	=E52	=0-E52		
Emhart Remedy Pumping at CR-3 that was delievered to Colton	Emhart pays Rialto	=C44	=$O$22+$O$23	=D53*C53		=E53		=0-E53	
County Remedy Pumping at Miro 2 and Miro 3 that was delivered to Rialto	Rialto Pays County	=(D45+E45)*(1-H45)	=$O$22	=D54*C54		=0-E54	=E54		
County share of Regional Board Remedy-driven Incremental Lifting Costs (CR-3)	County pays Rialto	=C45	=O23*B40	=D55*C55	*80% of Remedy-driven incremental (per County/Emhart Agreement; Exhibit H)*	=E55	=0-E55		
Emhart Share of Regional Boad Remedy-driven Incremental Lifting Costs (CR-3)	Emhart pays Rialto	=C45	=O23*B41	=D56*C56	*20% of Remedy-driven incremental (per County/Emhart Agreement; Exhibit H)*	=E56		=0-E56	
Emhart Remedy Pumping at Miro 2 and Miro 3 (delivered to Colton)	Emhart to County	=D44+E44	=B35	=D57*C57	*Actual lifting costs at Miro 2/3 (County to provide if needed)*		=E57	=0-E57	

TABLE 3: ALLOCATION OF TREATMENT PLANT ELECTRICAL COSTS

	Percent	Annual Amount	*Notes*
County Share of CTP Energy Costs	=(B40*C45+D45+E45)/F46	=B61*N$24	*Per County Emhart Allocation Agreement (County share is 80% of CR-3 flow+ 100% of Miro 2 and Miro 3) (first 2 years)*
Emhart Share of CTP Energy Costs	=1-B61	=B62*N$24	*Per County Emhart Allocation Agreement (Emhart share is 20% of CR-3 flow plus 100% of EW1 Share)(first 2 years)*
Total		=SUM(C61:C62)	

TABLE 4: COMBINED REMEDY SHARE OF ELECTRICAL AT CR-3 METER (CR-3 INCREMENTAL PLUS CTP)

	To Rialto	County Share	Emhart Share
Remedy-drive Incremental lifting at CR-3	=SUM(N23)	=H61*B40	=H61*B41
CTP energy costs	=C63	=C61	=C62
Total	=SUM(H61:H62)	=SUM(I61:I62)	=SUM(J61:J62)

TABLE 5: END OF YEAR WATER SUMMARY (Annual Total Based on Water and Treatment Plant Use)

	To Rialto	**To Emhart**	**To County**	***Notes***
County Owes	=H52+H55+C61	NA	NA	*County pays to Rialto its share of CTP Energy, its share of remedy-driven incremental at CR-3, and for CR-3 water delivered to Colton*
Colton Owes	NA	=J50	=I51	*Colton pays its base lifting costs * AF of water received (to Emhart or County)*
Rialto Owes	NA	NA	=I54	*Rialto pays its lifting costs for water it receives from Miro 2 and Miro 3*
Emhart Owes	=C62+H56+H53	NA	=I57	*Emhart pays to Rialto, its share of CTP Energy, its share of remedy-driven incremental at CR-3, its share of CR-3 pumped for Emhart remedy; Emhart pays to County for Miro 2 and Miro 3 water Emhart delivers to Colton (if any)*

	A	B	C	D	E	F	G	H	I
74	**Step 7: Annual Energy Cost Reconciliation**								
75		Previous Water Year Payments				Reconciliation and Estimated Next Water Year Payments			
76		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Previous Water Year Payments	Actual Allocated Cost	Balance Due	Estimated Quarterly Payments for Next Water Year
77	County to Rialto					=SUM(B77:E77)	=B69-D71	=G77-F77	=G77/4
78	Colton to Emhart					=SUM(B78:E78)	=J50	=G78-F78	=G78/4
79	Colton to County					=SUM(B79:E79)	=I51	=G79-F79	=G79/4
80	Emhart to Rialto					=SUM(B80:E80)	=B72	=G80-F80	=G80/4
81	Emhart to County					=SUM(B81:E81)	=D72	=G81-F81	=G81/4
82	*Explanatory Notes*						*Use this Column to determine Annual Payments for next Water Year*	*Negative value means payee writes a check to payor. Can handle as credit on first quarterly payment*	*Current Year Actual divided by 4*

Exhibit I

Water Management Plan
(Example)

EXHIBIT I - COMBINED REMEDIES ANNUAL WATER MANAGEMENT PLAN

Step 1: Input Planned Combined Remedies Output

PLANNED COMBINED REMEDIES OUTPUT									
Month	Emhart Pumping[1 2]			County Pumping[2 3]				Combined Remedies Total	
Winter Months	EW-1 (gpm)	Possible EW-2 (gpm)	Emhart Total (AF)[3]	RIALTO-3 (gpm)	Miro-2 (gpm)	Miro-3 (gpm)	County Total (AF)	(gpm)	(AF)
October	1635		220	800			108	2435	328
November	1635		220	800			108	2435	328
December	1635		220	800			108	2435	328
January	1635		220	800			108	2435	328
February	1635		220	800			108	2435	328
March	1635		220	800			108	2435	328
April	1635		220	800			108	2435	328
Summer Months									
May	1635		220	1540			207	3175	427
June	1635		220	1540			207	3175	427
July	1635		220	1540			207	3175	427
August	1635		220	1540			207	3175	427
September	1635		220	1530			206	3165	426
Annual Total			**2639**				**1788**		**4427**
Annual Average	**1635**		**220**	**1108**			**149**	**2743**	**369**
								Red Box means that treatment plant production exceeds ability to deliver water to Colton	*Red Box means that treatment plant production exceeds available water rights*

EXAMPLE

Notes

1 *Emhart pumping not to exceed "Current Rights Available to Emhart" identified below.*

2 *Emhart pumping may in the future include a portion of other extraction wells, such as Rialto-3. In that instance, table can be modified as appropriate.*

3 *County pumping not to exceed "Current Rights Available to County" identified below.*

4 *County pumping may in the future include other wells. In that instance, table can be modified as appropriate.*

5 *1 gpm = 0.134506281 Acre Feet per Month*

Step 2: Input Available Water Rights

AVAILABLE RIALTO AND COLTON WATER RIGHTS (AF)							
City	Rights per 1961 Decree	Current Required % Reduction per 1961 Decree (cannot be greater than 50%)	Current Rights Per 1961 Decree (AF)	Rialto Rights Unavailable to Rialto due to Standby Agreement	Current Rights Available to Emhart (AF) [Accounting for 200 AF agreement between Colton and County]	Current Rights Available to County (AF)	Combined Remedy Rights Available for Treatment Plant (AF)
Rialto	4366	27%	3187	1600	0	1587	1587
Colton	3900	27%	2847	NA	2647	200	2847
Total	8266		6034		2647	1787	4434

Step 3: Input Colton Monthly Minimum Needs and Maximum Capacity to Accept Water from the Combined Remedies

COLTON WATER BUDGET (AF)			
Month	Minimum Water Needs	Maximum Capacity of Colton to Accept Water	
October	115	300	*Text is red if value exceeds water delivery capacity to Colton*
November	115	300	
December	115	300	
January	115	300	
February	115	300	
March	115	300	
April	115	300	
May	196	400	
June	196	400	
July	196	400	
August	196	400	
September	196	400	
TOTAL*	1785	*Box is red if minimum water needs exceed Colton Water Rights*	

** Not to exceed Colton Water Rights*

Step 4: Input Monthly Maximum Operational Flow Rate for Delivery of Water to Rialto and Colton

	Maximum Operational Flow Rate (gpm)	Maximum Volume of Water Deliverable to Colton (AF)	Upper Limit for Delivery of Water to Colton* (AF)	
Octboer	2040	274	274	*Text is red if maximum volume of water deliverable to Colton is less than Colton minimum water needs*
November	2040	274	274	
December	2040	274	274	
January	2040	274	274	
February	2040	274	274	
March	2040	274	274	
April	2040	274	274	
May	2040	274	274	
June	2040	274	274	
July	2040	274	274	
August	2040	274	274	
September	2040	274	274	
Total	2040	3293		

** Lesser of Maximum Capacity of Colton to Accept Water (Step 3, Column C) and Maximum Volume of Water Deliverable to Colton (Step 4, Column C)*

Maximum Water Deliverable to Rialto Per Month (AF)	(gpm)	(AF)
	4000	538

EXAMPLE

Step 5: Input Rialto Month-by-Month Minimum Needs

RIALTO WATER BUDGET	
Month	**Minimum Water Needs (AF)**
October	75
November	75
December	75
January	75
February	75
March	75
April	75
May	200
June	200
July	200
August	200
September	200
Total*	1525

Box is red if minimum water needs exceed Rialto Water Rights

** Not to exceed Rialto Water Rights*

Step 6: Parties meet and confer to determine if they can agree upon maximum prioritized delivery of water to Colton in winter months (Table 1) or must revert to default water delivery schedule (Table 2)

For Table 1

Calculation of Maximum Monthly Delivery to Colton in Winter (to ensure Colton can receive its minimum needs in the summer)

Colton Water Rights	Minimum Summer Needs (sum of minimum for each summer month)	Water Rights Available in Winter Months (rights minus summer minimum needs)	Maximum Monthly Delivery to Colton in Winter to Preserve Rights for Summer (available winter rights/7)*
2847	980	1867	267

Calculation of Water Pumped for Colton for County Remedy

What County Pumped	Annual Delivery Capacity Available to County for Initial 200 AF	Rialto Water Rights	Amount Rialto can Pump from other wells (before any adjustments)	Water County Pumps for Colton Above 200 AF (per Water Year)
1788	200	1587	0	0

** Purple Box indicates value exceeds capacity tp deliver water to Colton*

Calculation of Water to Colton in the Summer Months

What Emhart Pumped (all for Colton) (AF per water year)	What County Pumped for Colton (AF per water year)	Total to Colton (AF per water year)	Total Water to Colton in Summer Months (AF)	Monthly Total to Colton in Summer Months (AF per month) (assuming Rialto rights utilized as much as possible for County Remedy)	Maximum Potential Water to Colton in Summer (assuming Colton uses all its water rights available after subtracting winter use)
2639	200	2839	1072	214	216
(From production values above)	*(From table above)*	*(Emhart delivery plus County delivery)*	*(Annual total AF to Colton minus water to Colton in winter)*	*If cell is green, delivery to Colton will be limited by delivery capacity*	*Used to calculate potential shift of water to Colton in summer to meet minimum Colton needs (which in turn allows Rialto to produce more from its other wells). Green indicates potential delivery limited by delivery capacity to Colton.*

EXAMPLE

Table 1 - Maximum Prioritized Delivery of Water to Colton in Winter Months						
Month	**Planned Combined Remedies Output (AF)**	**Planned Delivery to Rialto (AF)**	**Remaining Rialto Water Rights (AF)**	**Planned Delivery to Colton (AF)**	**Remaining Colton Water Rights (AF)**	**If Planned Delivery to Colton (Column E) is less than Colton's minimum water needs in a given month, and Colton has additional available water rights, the Parties may manually increase the Planned Delivery to Colton by inputting the amount of Colton Water Rights to be preferentially used by the County (per Paragraph VI. B. 2. a. ix.) (AF)**
Start (Total Water Rights)			1587		2847	
October	328	75	1512	253	2594	0
November	328	75	1437	253	2342	0
December	328	75	1362	253	2089	0
January	328	75	1287	253	1837	0
February	328	75	1212	253	1584	0
March	328	75	1137	253	1332	0
April	328	75	1062	253	1079	0
May	427	213	849	214	865	0
June	427	213	637	214	651	0
July	427	213	424	214	436	0
August	427	213	211	214	222	0
September	426	211	0	214	8	0
Total Water Delivered	**4427**	**1587**		**2839**		
Unused Water Rights for Water Year			**0**		**8**	0
	Box is Red if CTP produces more than capacity to deliver water to Colton.	*Red Box means CTP output does not match water provided to Rialto and Colton. Blue Box means delivery is less than minimum monthly need. Green Box means that production plus other water rights meets minimum monthly needs in summer.*	*Red Box means delivery exceeds water rights.*	*Red Box means CTP output does not match water provided to Rialto and Colton. Blue Box means delivery is less than minimum monthly need. Yellow text means that delivery to Colton limited by delivery capacity to Colton. Purple text means some CTP Output shifted to Colton from Rialto.*	*Red Box means delivery exceeds water rights*	*Red Box Means Value Causes water to Colton to exceed delivery capacity to Colton*

EXAMPLE

Under the "Maximum Prioritized Delivery" schedule:

In each Winter Month:

1 *Colton receives the lesser of (1) a value equal to 1/7th of the Colton Water Rights minus the total summer minimum water needs (2)the monthly treatment plant output minus the lesser of (Rialto minimum monthly needs and the amount pumped for the County*

2 *Rialto receives all water that is not delivered to Colton. The Colton delivery calculation ensures that Rialto receives at least its minimum needs, provided that such volume does not exceed the volume of water pumped by the County in that month*

In each Summer Month:

1 *Colton receives the lesser of (1) a value equal to 1/5th of the total to be pumped for Colton in that water year less the amount pumped in the winter months (2) the monthly maximum capacity to deliver water to Colton and (3) Colton's maximum capacity to accept water*

2 *Rialto receives all water that is not delivered to Colton.*

If remaining water rights are less than zero, County/Emhart will need to evaluate changes to production rates or alternative sources of water.

Table 2 - Default Water Delivery Schedule								
Month	**Planned Combined Remedies Output (AF)**	**Colton 200 AF Pumped for County Remedy Delivered to Colton (AF)**	**Planned Delivery to Rialto (AF)**	**Remaining Rialto Water Rights (AF)**	**Planned Delivery to Colton (AF) for Emhart**	**Planned Delivery to Colton (AF) for Combined Remedy**	**Remaining Colton Water Rights (AF)**	**Surplus Available to County to Pump for Colton (AF)**
Start (Total Water Rights)				1587			2847	
October	328	28.6	79	1508	220	248	2599	
November	328	28.6	79	1429	220	248	2350	
December	328	28.6	79	1350	220	248	2102	
January	328	28.6	79	1271	220	248	1853	
February	328	28.6	79	1192	220	248	1605	
March	328	28.6	79	1113	220	248	1356	
April	328	28.6	79	1034	220	248	1108	
May	427	0	207	827	220	220	888	
June	427	0	207	620	220	220	668	8
July	427	0	207	413	220	220	448	8
August	427	0	207	205	220	220	228	8
September	426	0	206	0	220	220	8	8
Total Water Delivered	**4427**	**200**	**1588**		**2639**	**2839**		
Unused Water Rights for Water Year				**0**			**8**	
	Red Box indicates mismatch between CTP output and delivery to cities.	*Delivery is reduced if capacity to deliver water to Colton is not sufficient to deliver 200 AF to Colton.*	*Blue Box means delivery is less than minimum monthly need.*	*Red Box means delivery exceeds water rights.*	*Blue Box means delivery is less than minimum monthly need. Green text means that delivery to Colton limited by delivery capacity.*	*Blue Box means delivery is less than minimum monthly need. Green text means that delivery to Colton limited by delivery capacity.*	*Red Box means delivery exceeds water rights.*	

EXAMPLE

Under the "Default Delivery" schedule:

Rialto receives all water pumped by County (except for 200 AF that the County may pump for Colton and Colton receives all water pumped by Emhart plus the 200 AF that the County may pump for Colton. The Colton 200 AF from the County is divided equally among the Winter Months.

If remaining water rights are less than zero, County/Emhart will need to evaluate changes to production rates or alternative sources of water.

Step 7: Parties shall make any necessary modifications to the WMP as required by the limitations of Paragraph VI.B.2.a of the Four Party Implementation Agreement

Instructions

1. County and Emhart provide data for yellow boxes in rows 9 to 21

2. Rialto and Colton provide anticipated percent reductions for yellow boxes on rows 36 and 37

3. Colton provides its minimum needs and maximum capacity to receive water by month (yellow boxes on rows 44 to 55)

4. Colton and Rialto identify capacity values for yellow cells on rows 61 and 72, 75 (likely no change year to year)

5. Rialto provide its minimum needs by month (rows 82 to 93)

6. County and Emhart adjust anticipated treatment plant output (yellow cells on rows 9 to 21) to ensure minimum needs are met and water rights not exceeded (based on data provided by cities). Check

7. Each month, update yellow cells using actual production and delivery data (rows 9 to 21 and 82 to 93). Adjust future months as appropriate.

8. After trigger measurements reported in June, parties adjust data to reflect deliveries and pumping to date (for that water year) and curtailment. Parties make other adjustments as needed to pumping pattern to ensure pumping does not exceed water rights.

9. If Colton has extra water rights, it can request additional deliveries up to production of treatment plant, provided that Rialto is able to increase its production at other wells to accommodate a reduced

10. After trigger measurement, County can request use of additional Colton water rights (subject to delivery capacity restraints) or Colton can utilize those rights at its other wells.

11. Rialto can produce from its other wells an amount equal to its excess rights, following reporting of the curtailment, if such rights are not needed for the County Remedy.

Some things to Check:

1. Does minimum need of each city fall within its water rights?

2. Is each city getting its minimum needs met?

3. Can an adjustments to seasonal pumping fix a problem with 2?

4. If capacity to deliver water to Colton is limited, can water be wheeled to Colton in another way?

5. If production exceeds water rights, will need to reduce pumping from treatment plant unless Emhart or County can get additional water rights.

EXAMPLE

Exhibit I

Water Management Plan
(Excel Spreadsheet Formulas)

EXHIBIT I - COMBINED REMEDIES ANNUAL WATER MANAGEMENT PLAN

Step 1: Input Planned Combined Remedies Output

PLANNED COMBINED REMEDIES OUTPUT

Month	Emhart Pumping[1 2]			County Pumping[2 3]				Combined Remedies Total	
	EW-1 (gpm)	Possible EW-2 (gpm)	Emhart Total (AF)[3]	RIALTO-3 (gpm)	Miro-2 (gpm)	Miro-3 (gpm)	County Total (AF)	(gpm)	(AF)
Winter Months									
October			=SUM(B9:C9)*$C$30				=SUM(E9:G9)*$C$30	=SUM(B9:C9,E9:G9)	=D9+H9
November			=SUM(B10:C10)*$C$30				=SUM(E10:G10)*$C$30	=SUM(B10:C10,E10:G10)	=D10+H10
December			=SUM(B11:C11)*$C$30				=SUM(E11:G11)*$C$30	=SUM(B11:C11,E11:G11)	=D11+H11
January			=SUM(B12:C12)*$C$30				=SUM(E12:G12)*$C$30	=SUM(B12:C12,E12:G12)	=D12+H12
February			=SUM(B13:C13)*$C$30				=SUM(E13:G13)*$C$30	=SUM(B13:C13,E13:G13)	=D13+H13
March			=SUM(B14:C14)*$C$30				=SUM(E14:G14)*$C$30	=SUM(B14:C14,E14:G14)	=D14+H14
April			=SUM(B15:C15)*$C$30				=SUM(E15:G15)*$C$30	=SUM(B15:C15,E15:G15)	=D15+H15
Summer Months									
May			=SUM(B17:C17)*$C$30				=SUM(E17:G17)*C$30	=SUM(B17:C17,E17:G17)	=D17+H17
June			=SUM(B18:C18)*$C$30				=SUM(E18:G18)*C$30	=SUM(B18:C18,E18:G18)	=D18+H18
July			=SUM(B19:C19)*$C$30				=SUM(E19:G19)*C$30	=SUM(B19:C19,E19:G19)	=D19+H19
August			=SUM(B20:C20)*$C$30				=SUM(E20:G20)*C$30	=SUM(B20:C20,E20:G20)	=D20+H20
September			=SUM(B21:C21)*$C$30				=SUM(E21:G21)*C$30	=SUM(B21:C21,E21:G21)	=D21+H21
Annual Total			**=SUM(D9:D21)**				**=SUM(H9:H21)**		**=SUM(J9:J21)**
Annual Average	**=AVERAGE(B9:B21)**		**=AVERAGE(D9:D21)**	**=AVERAGE(E9:E21)**			**=AVERAGE(H9:H21)**	**=AVERAGE(I9:I21)**	**=AVERAGE(J9:J21)**

Red Box means that treatment plant production exceeds ability to deliver water to Colton

Red Box means that treatment plant production exceeds available water rights

Notes

1 *Emhart pumping not to exceed "Current Rights Available to Emhart" identified below.*

2 *Emhart pumping may in the future include a portion of other extraction wells, such as Rialto-3. In that instance, table can be modified as appropriate.*

3 *County pumping not to exceed "Current Rights Available to County" identified below.*

4 *County pumping may in the future include other wells. In that instance, table can be modified as appropriate.*

5 *1 gpm = 0.134506281 Acre Feet per Month*

Step 2: Input Available Water Rights

AVAILABLE RIALTO AND COLTON WATER RIGHTS (AF)							
City	Rights per 1961 Decree	Current Required % Reduction per 1961 Decree (cannot be greater than 50%)	Current Rights Per 1961 Decree (AF)	Rialto Rights Unavailable to Rialto due to Standby Agreement	Current Rights Available to Emhart (AF) [Accounting for 200 AF agreement between Colton and County]	Current Rights Available to County (AF)	Combined Remedy Rights Available for Treatment Plant (AF)
Rialto	4366		=B36-4366*C36	1600	0	=D36-E36	=SUM(F36:G36)
Colton	3900		=B37-B37*C37	NA	=D37-200	200	=SUM(F37:G37)
Total	=SUM(B36:B37)		=SUM(D36:D37)		=SUM(F36:F37)	=SUM(G36:G37)	=SUM(F38:G38)

Step 3: Input Colton Monthly Minimum Needs and Maximum Capacity to Accept Water from the Combined Remedies

COLTON WATER BUDGET (AF)			
Month	Minimum Water Needs	Maximum Capacity of Colton to Accept Water	
October			*Text is red if value exceeds water delivery capacity to Colton*
November			
December			
January			
February			
March			
April			
May			
June			
July			
August			
September			
TOTAL*	=SUM(B44:B55)	*Box is red if minimum water needs exceed Colton Water Rights*	

** Not to exceed Colton Water Rights*

Step 4: Input Monthly Maximum Operational Flow Rate for Delivery of Water to Rialto and Colton

	Maximum Operational Flow Rate (gpm)	Maximum Volume of Water Deliverable to Colton (AF)	Upper Limit for Delivery of Water to Colton* (AF)	
Octboer		=B61*$C$30	=MIN(C44,C61)	*Text is red if maximum volume of water deliverable to Colton is less than Colton minimum water needs*
November		=B62*$C$30	=MIN(C45,C62)	
December		=B63*$C$30	=MIN(C46,C63)	
January		=B64*$C$30	=MIN(C47,C64)	
February		=B65*$C$30	=MIN(C48,C65)	
March		=B66*$C$30	=MIN(C49,C66)	
April		=B67*$C$30	=MIN(C50,C67)	
May		=B68*$C$30	=MIN(C51,C68)	
June		=B69*$C$30	=MIN(C52,C69)	
July		=B70*$C$30	=MIN(C53,C70)	
August		=B71*$C$30	=MIN(C54,C71)	
September		=B72*$C$30	=MIN(C55,C72)	
Total	=AVERAGE(B61:B72)	=SUM(C61:C72)		

** Lesser of Maximum Capacity of Colton to Accept Water (Step 3, Column C) and Maximum Volume of Water Deliverable to Colton (Step 4, Column C)*

Maximum Water Deliverable to Rialto Per Month (AF)	(gpm)	(AF)
		=C76*C30

Step 5: Input Rialto Month-by-Month Minimum Needs

RIALTO WATER BUDGET	
Month	**Minimum Water Needs (AF)**
October	
November	
December	
January	
February	
March	
April	
May	
June	
July	
August	
September	
Total*	=SUM(B82:B93)

Box is red if minimum water needs exceed Rialto Water Rights

** Not to exceed Rialto Water Rights*

Step 6: Parties meet and confer to determine if they can agree upon maximum prioritized delivery of water to Colton in winter months (Table 1) or must revert to default water delivery schedule (Table 2)

For Table 1

Calculation of Maximum Monthly Delivery to Colton in Winter (to ensure Colton can receive its minimum needs in the summer)

Colton Water Rights	Minimum Summer Needs (sum of minimum for each summer month)	Water Rights Available in Winter Months (rights minus summer minimum needs)	Maximum Monthly Delivery to Colton in Winter to Preserve Rights for Summer (available winter rights/7)*
=D37	=SUM(B51:B55)	=A101-B101	=C101/7

Calculation of Water Pumped for Colton for County Remedy

What County Pumped	Annual Delivery Capacity Available to County for Initial 200 AF	Rialto Water Rights	Amount Rialto can Pump from other wells (before any adjustments)	Water County Pumps for Colton Above 200 AF (per Water Year)
=H22	=MIN(C73-$D$22,200)	=G36	=IF(A105-(B105+C105)<0,(B105+C105)-A105,0)	=IF(A105-(B105+C105)>0,A105-(B105+C105),0)

** Purple Box indicates value exceeds co*

Calculation of Water to Colton in the Summer Months

What Emhart Pumped (all for Colton) (AF per water year)	What County Pumped for Colton (AF per water year)	Total to Colton (AF per water year)	Total Water to Colton in Summer Months (AF)	Monthly Total to Colton in Summer Months (AF per month) (assuming Rialto rights utilized as much as possible for County Remedy)	Maximum Potential Water to Colton in Summer (assuming Colton uses all its water rights available after subtracting winter use)
=D22	=MIN(B105+E105,C73)	=B109+A109	=C109-SUM(E115:E121)	=D109/5	=(D37-SUM(E115:E121))/5
(From production values above)	*(From table above)*	*(Emhart delivery plus County delivery)*	*(Annual total AF to Colton minus water to Colton in winter)*	*If cell is green, delivery to Colton will be limited by delivery capacity*	*Used to calculate potential shift of water to Colton in summer to meet minimum Colton needs (which in turn allows Rialto to produce more from its other wells). Green indicates potential delivery limited by delivery capacity to Colton.*

	A	B	C	D	E	F	G	H
111								
112	**Table 1 - Maximum Prioritized Delivery of Water to Colton in Winter Months**							
113	**Month**	**Planned Combined Remedies Output (AF)**	**Planned Delivery to Rialto (AF)**	**Remaining Rialto Water Rights (AF)**	**Planned Delivery to Colton (AF)**	**Remaining Colton Water Rights (AF)**	**If Planned Delivery to Colton (Column E) is less than Colton's minimum water needs in a given month, and Colton has additional available water rights, the Parties may manually increase the Planned Delivery to Colton by inputting the amount of Colton Water Rights to be preferentially used by the County (per Paragraph VI. B. 2. a. ix.) (AF)**	
114	Start (Total Water Rights)			=D36-E36		=D37		
115	October	=MIN(J9,D$76)	=MIN(MAX((B115-E115),B82),H9)-G115	=D114-C115	=MIN(C61,D61,(B115-MIN(B82,H9)),D$101)+G115	=F114-E115		
116	November	=MIN(J10,D$76)	=MIN(MAX((B116-E116),B83),H10)-G116	=D115-C116	=MIN(C62,D62,(B116-MIN(B83,H10)),D$101)+G116	=F115-E116		
117	December	=MIN(J11,D$76)	=MIN(MAX((B117-E117),B84),H11)-G117	=D116-C117	=MIN(C63,D63,(B117-MIN(B84,H11)),D$101)+G117	=F116-E117		
118	January	=MIN(J12,D$76)	=MIN(MAX((B118-E118),B85),H12)-G118	=D117-C118	=MIN(C64,D64,(B118-MIN(B85,H12)),D$101)+G118	=F117-E118		
119	February	=MIN(J13,D$76)	=MIN(MAX((B119-E119),B86),H13)-G119	=D118-C119	=MIN(C65,D65,(B119-MIN(B86,H13)),D$101)+G119	=F118-E119		
120	March	=MIN(J14,D$76)	=MIN(MAX((B120-E120),B87),H14)-G120	=D119-C120	=MIN(C66,D66,(B120-MIN(B87,H14)),D$101)+G120	=F119-E120		
121	April	=MIN(J15,D$76)	=MIN(MAX((B121-E121),B88),H15)-G121	=D120-C121	=MIN(C67,D67,(B121-MIN(B88,H15)),D$101)+G121	=F120-E121		
122	May	=MIN(J17,D$76)	=B122-E122	=D121-C122	=(MIN(IF(B51>E$109,IF($F$109>=B51,B51,$F$109),$E$109),$C68,D68))+G122	=F121-E122		
123	June	=MIN(J18,D$76)	=B123-E123	=D122-C123	=(MIN(IF(B52>E$109,IF($F$109>=B52,B52,$F$109),$E$109),$C69,D69))+G123	=F122-E123		
124	July	=MIN(J19,D$76)	=B124-E124	=D123-C124	=(MIN(IF(B53>E$109,IF($F$109>=B53,B53,$F$109),$E$109),$C70,D70))+G124	=F123-E124		
125	August	=MIN(J20,D$76)	=B125-E125	=D124-C125	=(MIN(IF(B54>E$109,IF($F$109>=B54,B54,$F$109),$E$109),$C71,D71))+G125	=F124-E125		
126	September	=MIN(J21,D$76)	=B126-E126	=ROUND(D125-C126,0)	=(MIN(IF(B55>E$109,IF($F$109>=B55,B55,$F$109),$E$109),$C72,D72))+G126	=ROUND(F125-E126,0)		
127	Total Water Delivered	**=SUM(B115:B126)**	**=SUM(C115:C126)**		**=SUM(E115:E126)**			
128	Unused Water Rights for Water Year			**=D126**		**=F126**	=SUM(G115:G126)	
129		*Box is Red if CTP produces more than capacity to deliver water to Colton.*	*Red Box means CTP output does not match water provided to Rialto and Colton. Blue Box means delivery is less than minimum monthly need. Green Box means that production plus other water rights meets minimum monthly needs in summer.*	*Red Box means delivery exceeds water rights.*	*Red Box means CTP output does not match water provided to Rialto and Colton. Blue Box means delivery is less than minimum monthly need. Yellow text means that delivery to Colton limited by delivery capacity to Colton. Purple text means some CTP Output shifted to Colton from Rialto.*	*Red Box means delivery exceeds water rights*	*Red Box Means Value Causes water to Colton to exceed delivery capacity to Colton*	
130								
131	*Under the "Maximum Prioritized Delivery" schedule:*							
132	*In each Winter Month:*							
133	*1*	*Colton receives the lesser of (1) a value equal to 1/7th of the Colton Water Rights minus the total summer minimum water needs (2)the monthly treatment plant output minus the lesser of (Rialto minimum monthly needs and the amount pumped for the County*						
134	*2*	*Rialto receives all water that is not delivered to Colton. The Colton delivery calculation ensures that Rialto receives at least its minimum needs, provided that such volume does not exceed the volume of water pumped by the County in that month*						
135	*In each Summer Month:*							
136	*1*	*Colton receives the lesser of (1) a value equal to 1/5th of the total to be pumped for Colton in that water year less the amount pumped in the winter months (2) the monthly maximum capacity to deliver water to Colton and (3) Colton's maximum capacity to accept water*						
137	*2*	*Rialto receives all water that is not delivered to Colton.*						
138	*If remaining water rights are less than zero, County/Emhart will need to evaluate changes to production rates or alternative sources of water.*							

	A	B	C	D	E	F	G	H	I
139	**Table 2 - Default Water Delivery Schedule**								
140	**Month**	**Planned Combined Remedies Output (AF)**	**Colton 200 AF Pumped for County Remedy Delivered to Colton (AF)**	**Planned Delivery to Rialto (AF)**	**Remaining Rialto Water Rights (AF)**	**Planned Delivery to Colton (AF) for Emhart**	**Planned Delivery to Colton (AF) for Combined Remedy**	**Remaining Colton Water Rights (AF)**	**Surplus Available to County to Pump for Colton (AF)**
141	Start (Total Water Rights)				=D36-E36			=D37	
142	October	=J9	=MIN(H9,IF(D9+200/7>$C$61,($C$61-D9),200/7))	=H9-C142	=E141-D142	=D9	=F142+C142	=H141-G142	
143	November	=J10	=MIN(H10,IF(D10+200/7>$C$61,($C$61-D10),200/7))	=H10-C143	=E142-D143	=D10	=F143+C143	=H142-G143	
144	December	=J11	=MIN(H11,IF(D11+200/7>$C$61,($C$61-D11),200/7))	=H11-C144	=E143-D144	=D11	=F144+C144	=H143-G144	
145	January	=J12	=MIN(H12,IF(D12+200/7>$C$61,($C$61-D12),200/7))	=H12-C145	=E144-D145	=D12	=F145+C145	=H144-G145	
146	February	=J13	=MIN(H13,IF(D13+200/7>$C$61,($C$61-D13),200/7))	=H13-C146	=E145-D146	=D13	=F146+C146	=H145-G146	
147	March	=J14	=MIN(H14,IF(D14+200/7>$C$61,($C$61-D14),200/7))	=H14-C147	=E146-D147	=D14	=F147+C147	=H146-G147	
148	April	=J15	=MIN(H15,IF(D15+200/7>$C$61,($C$61-D15),200/7))	=H15-C148	=E147-D148	=D15	=F148+C148	=H147-G148	
149	May	=J17	=MIN(IF(SUM(C$142:C$148)<200,MIN((200-SUM(C$142:C$148))/5),IF(D17+(200-SUM(C$142:C$148))/5>$C68,($C68-D17),0)),$C68-F149)	=H17-C149	=E148-D149	=D17	=F149+C149	=H148-G149	
150	June	=J18	=MIN(IF(SUM(C$142:C$148)<200,MIN((200-SUM(C$142:C$148))/5),IF(D18+(200-SUM(C$142:C$148))/5>$C69,($C69-D18),0)),$C69-F150)	=H18-C150	=E149-D150	=D18	=F150+C150	=H149-G150	=IF(H$155>0,H$155,0)
151	July	=J19	=MIN(IF(SUM(C$142:C$148)<200,MIN((200-SUM(C$142:C$148))/5),IF(D19+(200-SUM(C$142:C$148))/5>$C70,($C70-D19),0)),$C70-F151)	=H19-C151	=E150-D151	=D19	=F151+C151	=H150-G151	=IF(H$155>0,H$155,0)
152	August	=J20	=MIN(IF(SUM(C$142:C$148)<200,MIN((200-SUM(C$142:C$148))/5),IF(D20+(200-SUM(C$142:C$148))/5>$C71,($C71-D20),0)),$C71-F152)	=H20-C152	=E151-D152	=D20	=F152+C152	=H151-G152	=IF(H$155>0,H$155,0)
153	September	=J21	=MIN(IF(SUM(C$142:C$148)<200,MIN((200-SUM(C$142:C$148))/5),IF(D21+(200-SUM(C$142:C$148))/5>$C72,($C72-D21),0)),$C72-F153)	=H21-C153	=ROUND(E152-D153,0)	=D21	=F153+C153	=ROUND(H152-G153,0)	=IF(H$155>0,H$155,0)
154	Total Water Delivered	**=SUM(B142:B153)**	**=SUM(C142:C153)**	**=SUM(D142:D153)**		**=SUM(F142:F153)**	**=SUM(G142:G153)**		
155	Unused Water Rights for Water Year				**=E153**			**=H153**	
156		*Red Box indicates mismatch between CTP output and delivery to cities.*	*Delivery is reduced if capacity to deliver water to Colton is not sufficient to deliver 200 AF to Colton.*	*Blue Box means delivery is less than minimum monthly need.*	*Red Box means delivery exceeds water rights.*	*Blue Box means delivery is less than minimum monthly need. Green text means that delivery to Colton limited by delivery capacity.*	*Blue Box means delivery is less than minimum monthly need. Green text means that delivery to Colton limited by delivery capacity.*	*Red Box means delivery exceeds water rights.*	
157									
158	*Under the "Default Delivery" schedule:*								
159	*Rialto receives all water pumped by County (except for 200 AF that the County may pump for Colton and Colton receives all water pumped by Emhart plus the 200 AF that the County may pump for Colton. The Colton 200 AF from the County is divided equally among the Winter Months.*								
160	*If remaining water rights are*								
161									
162	**Step 7: Parties shall make any necessary modifications to the WMP as required by the limitations of Paragraph VI.B.2.a of the Four Party Implementation Agreement**								

	A	B	C	D	E	F
163						
164	***Instructions***					
165	*1. County and Emhart provide data for yellow boxes in rows 9 to 21*					
166	*2. Rialto and Colton provide anticipated percent reductions for yellow boxes on rows 36 and 37*					
167	*3. Colton provides its minimum needs and maximum capacity to receive water by month (yellow boxes on rows 44 to 55)*					
168	*4. Colton and Rialto identify capacity values for yellow cells on rows 61 and 72, 75 (likely no change year to year)*					
169	*5. Rialto provide its minimum needs by month (rows 82 to 93)*					
170	*6. County and Emhart adjust anticipated treatment plant output (yellow cells on rows 9 to 21) to ensure minimum needs are met and water rights not exceeded (based on data provided by cities). Check red and blue shaded cells for potential issues.*					
171	*7. Each month, update yellow cells using actual production and delivery data (rows 9 to 21 and 82 to 93). Adjust future months as appropriate.*					
172	*8. After trigger measurements reported in June, parties adjust data to reflect deliveries and pumping to date (for that water year) and curtailment. Parties make other adjustments as needed to pumping pattern to ensure pumping does not exceed water rights.*					
173	*9. If Colton has extra water rights, it can request additional deliveries up to production of treatment plant, provided that Rialto is able to increase its production at other wells to accommodate a reduced delivery schedule from the CTP (rows 103 to 114)*					
174	*10. After trigger measurement, County can request use of additional Colton water rights (subject to delivery capacity restraints) or Colton can utilize those rights at its other wells.*					
175	*11. Rialto can produce from its other wells an amount equal to its excess rights, following reporting of the curtailment, if such rights are not needed for the County Remedy.*					
176						
177						
178	***Some things to Check:***					
179	*1. Does minimum need of each city fall within its water rights?*					
180	*2. Is each city getting its minimum needs met?*					
181	*3. Can an adjustments to seasonal pumping fix a problem with 2?*					
182	*4. If capacity to deliver water to Colton is limited, can water be wheeled to Colton in another way?*					
183	*5. If production exceeds water rights, will need to reduce pumping from treatment plant unless Emhart or County can get additional water rights.*					

Exhibit J

Rialto/Emhart Real Property Lease Agreement

1. **PARTIES**:

This Lease is made by and between the City of Rialto ("Rialto") and Emhart Industries, Inc. ("Emhart").

2. PREMISES LEASED:

The premises subject to this Lease ("Premises") are:

a. Combined Treatment Plant Lease Area:

THOSE PORTIONS OF LOTS 19 AND 20 OF THE PALMER SUBDIVISION, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 18, PAGE 72 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT A POINT IN THE CENTERLINE OF LINDEN AVENUE, AS SHOWN ON PARCEL MAP NO. 427, FILED IN BOOK 4, PAGE 7, OF PARCEL MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, DISTANT THEREON
NORTH 00° 02' 00" EAST 430.00 FEET FROM THE INTERSECTION OF MIRO WAY AND LINDEN AVENUE AS SHOWN ON SAID PARCEL MAP NO. 427; THENCE SOUTH 89° 58' 00" EAST 44.00 FEET TO THE NOW EXISTING EASTERLY LINE OF SAID LINDEN AVENUE AND **THE TRUE POINT OF BEGINNING** ; THENCE SOUTH 89° 58' 00" EAST 139.23 FEET; THENCE SOUTH 00° 02' 00" WEST 98.96 FEET; THENCE NORTH 89° 57' 13" EAST 60.77 FEET; THENCE SOUTH 00° 02' 00" WEST 288.83 FEET TO THE NORTHERLY LINE OF MIRO WAY AS DESCRIBED IN RESOLUTION RECORDED DECEMBER 22, 2012 AS DOCUMENT NO. 2014-0488256, OF OFFICIAL RECORDS,
RECORDS OF SAID COUNTY; THENCE SOUTH 89° 57' 49" WEST ALONG SAID NORTHERLY LINE 183.98 FEET TO AN ANGLE POINT THEREON; THENCE CONTINUING ALONG SAID NORTHERLY LINE NORTH 42° 15' 49" WEST 23.80 FEET TO A LINE THAT BEARS NORTH 00° 02' 00" EAST AND PASSES THROUGH THE TRUE POINT OF

BEGINNING; THENCE NORTH 00° 02’ 00” EAST 370.32 FEET TO THE TRUE POINT OF BEGINNING.

The Combined Treatment Plant Lease Area is depicted on Exhibit J 1.

b. EW-1 Lease Area

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

COMMENCING AT THE CENTER OF SAID SECTION 34 AS SHOWN ON PARCEL MAP NO. 5020 FILED IN BOOK 47, PAGES 74 THROUGH 76, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE NORTH 89° 55’ 30” EAST ALONG THE NORTHERLY LINE OF SAID SOUTHEAST QUARTER 53.54 FEET; THENCE SOUTH 00° 03’ 40” EAST PARALLEL TO THE EASTERLY BOUNDARY OF SAID PARCEL MAP NO. 5020 A DISTANCE OF 22.60 FEET TO THE **TRUE POINT OF BEGINNING** ; THENCE SOUTH 00° 03’ 40” EAST 49.00 FEET; THENCE SOUTH 89° 56’ 20” WEST 29.50 FEET; THENCE NORTH 01°41’ 32” EAST 49.02 FEET TO A LINE HAVING A BEARING OF NORTH 89° 56’ 20” EAST AND THAT PASSES THROUGH THE TRUE POINT OF BEGINNING; THENCE NORTH 89° 56’ 20” EAST ALONG SAID LINE 28.00 FEET TO THE TRUE POINT OF BEGINNING.

The EW-1 Lease Area is depicted on Exhibit J-2.

c. EW-2 Lease Area

As of the date upon which this Lease was entered, it was unknown whether U.S. EPA would require Emhart to install EW-2 to achieve the remedial objectives set forth in the Work Consent Decree. In the event EW-2 is to be installed on Rialto property, this Lease shall be amended to include a description of the parcel(s) upon written agreement of Rialto and Emhart, in accordance with Paragraph 10.b.1) of the Work Consent Decree and Paragraph VII.B of the Four Party Implementation Agreement.

3. **TERM OF LEASE**: This Lease shall remain in effect until one year after Emhart terminates its participation in the Four Party Implementation Agreement, or after it removes components of the Combined Remedies for which it is responsible (if any) and restores the ground surface as provided for in Paragraph XIII of the Four Party Implementation Agreement, whichever occurs first.

4. **IMPROVEMENTS**: Emhart shall place on the Premises only those improvements required by the Work Consent Decree (which currently include, as described in the Four Party Implementation Agreement, the Combined Treatment Plant; EW-1; and, if required, EW-2). In the event that Rialto and/or Lewis-Hillwood Rialto Company, LLC ("LHR") underground utilities providing services to the Combined Treatment Plant Lease Area, Emhart and the County (as provided in its lease for the Combined Treatment Plant Lease Area) shall, at no cost to Rialto, underground all associated utilities located on or at the Combined Treatment Plant Lease Area.

   Ownership of improvements by Emhart on the Premises and removal of such improvements upon termination of this Lease shall be governed by Paragraphs VIII.B.3. (ownership by Emhart) and XIII B. and C. (removal) of the Four Party Implementation Agreement.

5. **COMPLIANCE WITH APPLICABLE LAWS:** Emhart shall perform all of its activities on the Premises in compliance with applicable federal, state, or local rules, regulations, ordinances, or laws. In the event that Emhart's activities violate applicable federal, state, or local rules, regulations, ordinances, or law, Emhart shall promptly, upon written notice from Rialto, come into compliance with such law, including the removal or modification of any installation to conform with the applicable laws.

6. ENVIRONMENTAL MATTERS:

6.1 Definition of Hazardous Substance. For the purposes of this Lease, the term "Hazardous Substance" shall mean any material or substance which is or becomes (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control

Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated byphenyls, (viii) defined as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1321), (ix) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (x) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C § 9601).

6.2 Hazardous Substances on Premises. Emhart shall not permit or authorize at any time the presence, use, manufacture, handling, generation, storage, treatment, discharge, release, burial or disposal of any Hazardous Substance on, under or about the Premises, or authorize the transportation of any Hazardous Substance to or from the Premises, except those Hazardous Substances associated with the construction, operation, maintenance, and/or future modification of the Combined Remedies in accordance with all federal, state, and local environmental laws and regulations with respect to the storage, use, generation, transportation, handling, and disposal of Hazardous Substances on the Premises. In the event Emhart causes a release of any Hazardous Substance on the Premises, Emhart shall assume responsibility for investigation, and cleanup of such substances as provided by law. In such event, Emhart shall promptly notify Rialto of the release and provide copies of any reports or correspondence with government agencies relating thereto.

7. **USE:** Emhart shall use the Premises for installation, construction, operation, and maintenance of the Combined Remedies as set forth in the Four Party Implementation Agreement. Emhart shall maintain the Premises in a neat and orderly condition. During construction of the Combined

Remedies, Emhart shall, as is reasonably feasible, maintain the Premises in a neat and orderly condition.

8. **ASSIGNMENT AND SUBLETTING:** Emhart may not assign or sublease the Premises without the written consent of Rialto, which consent may be withheld in the sole and absolute subjective discretion of Rialto.

9. **THIRD PARTY ACCESS:** Except as required for the installation, construction, operation and maintenance of the Combined Remedies as provided for in the Four Party Implementation Agreement, Emhart shall not allow any third party (excluding the County) access to the Premises, without Rialto's prior written consent.

10. **REPAIRS**: Emhart must repair any damage to the Premises caused by its acts, omissions, negligence, or willful misconduct.

11. **RIALTO'S ACCESS TO PREMISES:** Rialto and its authorized representatives shall have the right to enter the Premises at any time for any purpose.

12. **RETURN OF PREMISES TO PRE-CONSTRUCTION CONDITIONS:** Emhart shall remove components of the Combined Remedies owned by Emhart and return the Premises to pre-construction conditions as provided in Paragraph XIII.C of the Four Party Implementation Agreement.

13. **RENT:** Rialto shall not charge Emhart rent for the Premises.

14. **AMENDMENTS:** This Lease may be amended only by written agreement of Emhart and Rialto.

15. **WARRANTY OF TITLE:** Rialto warrants that there are no encumbrances of record or not of record concerning the Premises that will inhibit Emhart's use of the Premises as provided in this Lease.

16. **CONDITION OF PREMISES:** Prior to execution of this Lease, Emhart has not conducted any investigation of the condition of the Premises and Rialto has provided no representations or warranties, express or implied, regarding the condition of the Premises.

17. **DEFINED TERMS:** Defined terms used in this Lease shall have the meanings provided in the Four Party Implementation Agreement.

18. **INTERPRETATIONS:** This Lease shall be interpreted and construed (1) in accordance with the laws of the State of California; and (2) as drafted by all Parties with equal participation in its drafting.

19. **EXHIBITS:** All exhibits referred to are attached to this Lease and incorporated by reference.

20. **EFFECTIVE DATE OF THIS LEASE:** This lease shall be effective upon _____, 2015.

EMHART INDUSTRIES, INC.

By: _____
Theodore Morris
Vice President
Emhart Industries, Inc.

Date: August 4, 2015

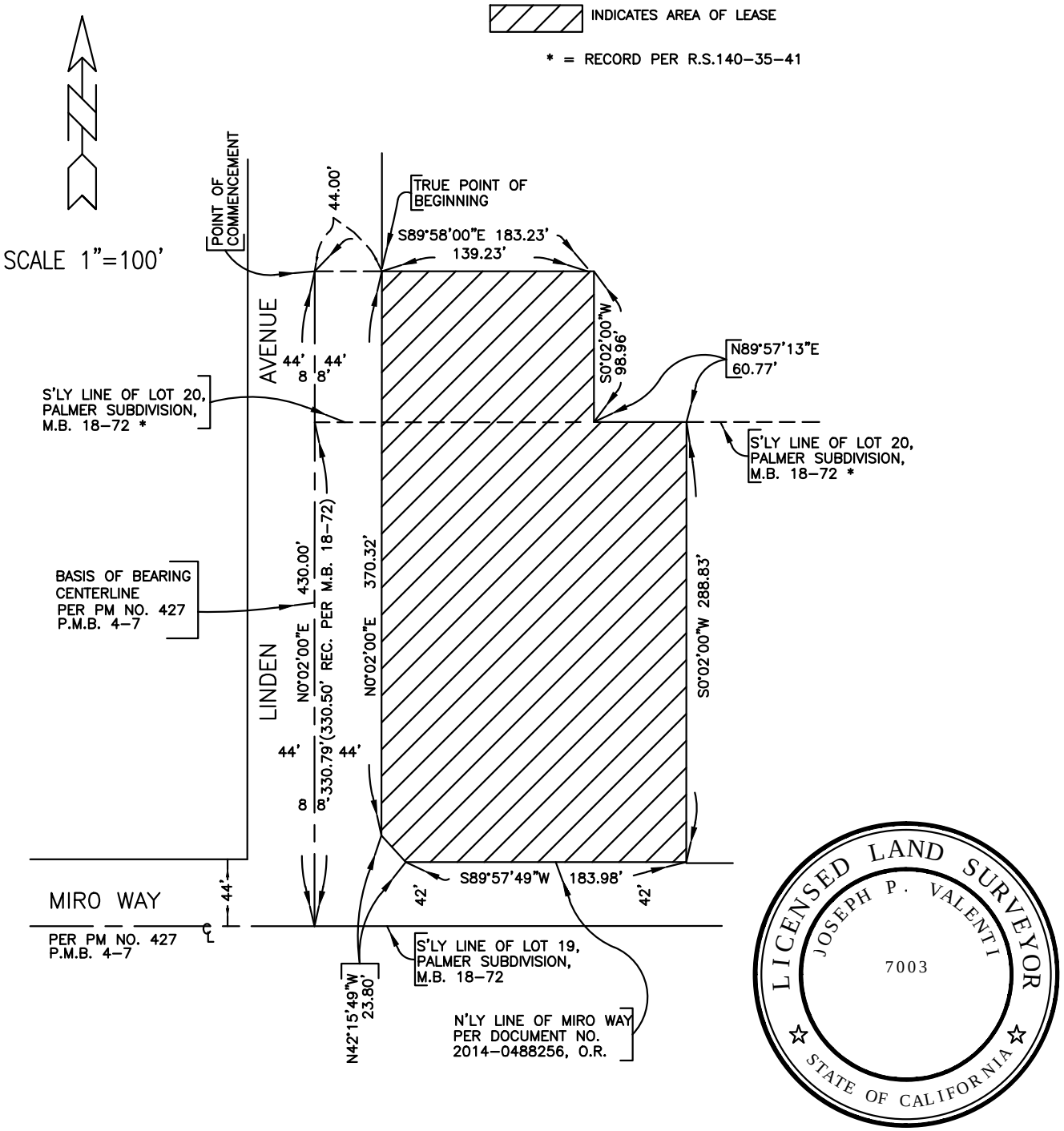
THE CITY OF RIALTO

By: _____
Deborah Robertson
Mayor, City of Rialto

Date: 8/26/15

Approved as to Legal Form:

By: _____
Fred Galante
City Attorney



PLANS PREPARED BY:

CIVILTEC engineering inc.

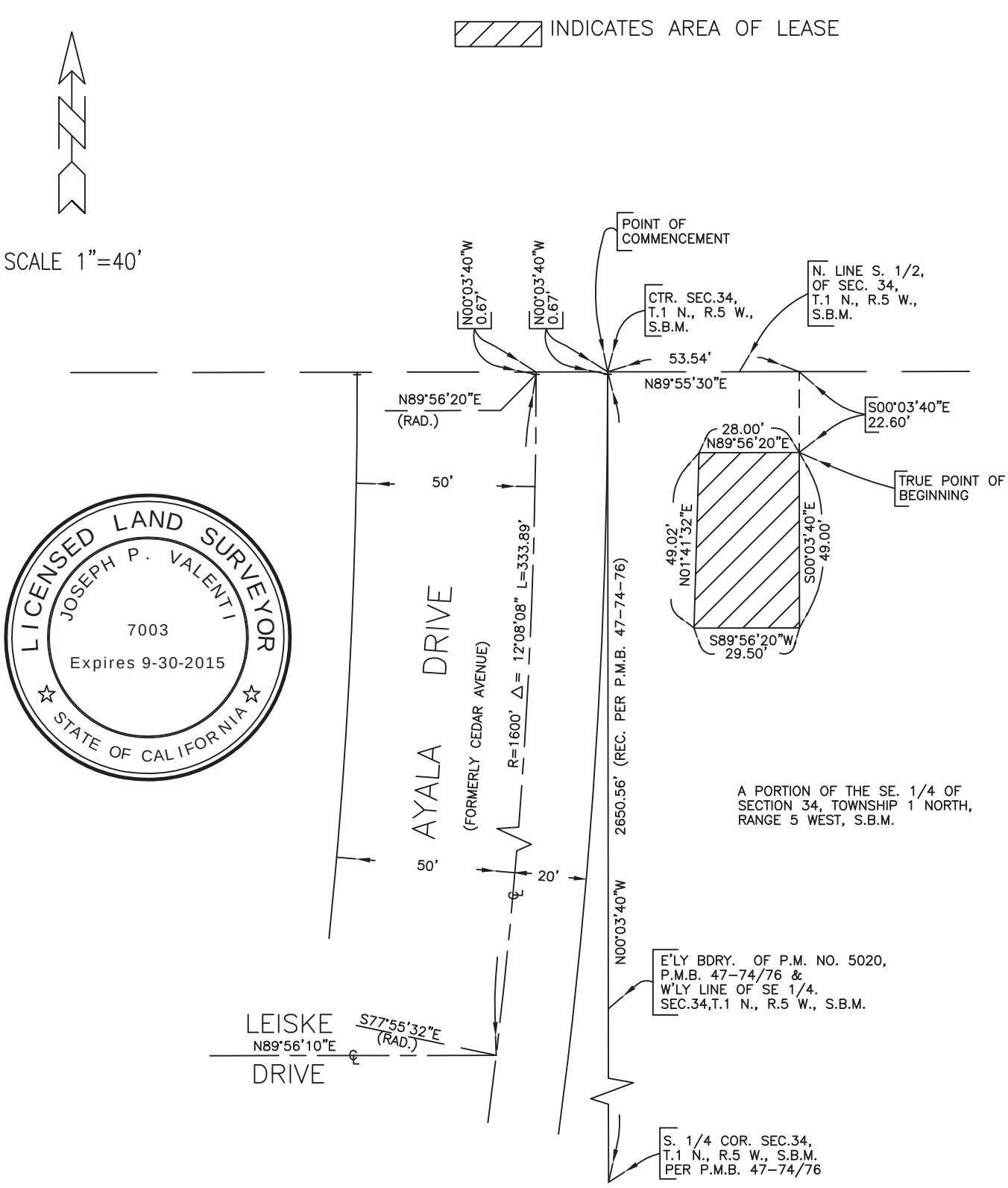
General Civil, Municipal, Water and Wastewater Engineering, Planning, Construction Management and Surveying

118 WEST LIME AVENUE
MONROVIA, CA 91016
PHONE: (626) 357-0588
FAX: (626) 303-7957

EXHIBIT J-1 - COMBINED TREATMENT PLANT LEASE AREA

REVISED: 05-01-2015
REVISED: 03-24-2015

DATE: 02-23-2015	DRAWN: J. P. V.	SCALE: 1" = 100'
DRAWING No.:G-6PLANTSITE	SHEET 1 OF 1	



PLANS PREPARED BY:

CIVILTEC engineering inc.

General Civil, Municipal, Water and Wastewater Engineering, Planning, Construction Management and Surveying

118 WEST LIME AVENUE
MONROVIA, CA 91016
PHONE: (626) 357-0588
FAX: (626) 303-7957

EXHIBIT J-2 - EW-1 LEASE AREA

REVISED: 02-25-2015

DATE: 02-21-2015	DRAWN: J. P. V.	SCALE: 1" = 40'
DRAWING No.: C-2WELLSITE	SHEET 1 OF 1	

Exhibit K

Combined Treatment Plant Site Plan



Legend

Combined Treatment Plant Footprint

N

0 25 50

Feet

SOURCE AREA OPERABLE UNIT ROCKETS, FIREWORKS AND FLARES SUPERFUND SITE

EXHIBIT K
COMBINED TREATMENT PLANT SITE PLAN

ERM

PREPARED BY:
AP (ERM)

JOB NO. 0179962.03.A
FILE: Exhibit K.mxd

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First Amendment to Four Party Implementation Agreement
(Regarding Costs of Construction, Operation, and Maintenance of Liquid Chlorinator)

This agreement amends the Four Party Implementation Agreement made and entered into effective September 1, 2015, by and between Emhart, Rialto, Colton, and the County ("4-Party IA") to provide terms not addressed in the 4-Party IA regarding the costs of construction, operation, and maintenance of a liquid chlorinator to be used to disinfect extracted groundwater after treatment for perchlorate and VOCs by the Combined Treatment Plant and prior to distribution as domestic water supply via the Rialto municipal water supply system. Terms defined in the 4-Party IA and used in this agreement shall have the meanings set forth in the 4-Party IA.

Recitals

Whereas, Colton's DDW Permit and Rialto's DDW Permit require disinfection of all groundwater extracted from the Basin, regardless of whether it is impacted by perchlorate and/or VOCs.

Whereas, pursuant to Rialto's DDW Permit, Rialto operates and maintains chlorination systems to disinfect all water it extracts pursuant to Rialto Water Rights, including paying all costs of operation and maintenance of its chlorinator located at CR-3.

Whereas, pursuant to Colton's DDW Permit, Colton operates and maintains chlorination systems to disinfect all water it extracts pursuant to Colton Water Rights, including paying all costs of operation and maintenance of its chlorinator located at the Domecq Reservoir Site.

Whereas, to facilitate operation of the Combined Remedies, Colton and Rialto have leased their respective water rights in the Basin to Emhart and the County as described in Paragraph V of the 4-Party IA.

Whereas, as set forth in the 4-Party IA, upon startup, the Combined Remedies will pump water from the Basin, treat that water at the Combined Treatment Plant to remove perchlorate and VOCs, and deliver the treated water to Rialto.

Whereas, as set forth in the 4-Party IA, Rialto will receive all water treated by the Combined Treatment Plant, and deliver to Colton a volume of water equivalent to the Colton Water Rights utilized by the County and Emhart at the Combined Treatment Plant.

Whereas, the Work Consent Decree, 4-Party IA, County/Rialto Implementation Agreement, and County/Colton/Rialto Standby Agreement do not address payment of the costs to operate and maintain the chlorination systems required by DDW for all water extracted from the Basin.

Whereas, the Parties believe that replacing the existing tablet chlorinator at CR-3 with a single liquid (sodium hypochlorite) chlorinator to disinfect all treated water to be generated by the Combined Treatment Plant ("Liquid Chlorinator") would be more efficient and less expensive to operate and maintain.

Agreement

Now, therefore, the Parties agree to amend the 4-Party IA as follows:

1. **Design and Construction of the Liquid Chlorinator**

    a. Emhart has designed the Liquid Chlorinator in accordance with Rialto's requested design parameters and submitted the design to Rialto, Colton, and the County for review and comment. Rialto has approved the design for the Liquid Chlorinator. A copy of the approved Liquid Chlorinator design is attached hereto as Exhibit 1-A.

    b. Emhart shall construct the Liquid Chlorinator consistent with the approved design.

    c. The estimated capital cost of the Liquid Chlorinator is $652,988, which consists of (i) the construction contractor bid price of $499,000; (ii) estimated contingency and contractor integration costs of $25,000; (iii) pre-purchased long-lead chlorinator equipment costs of $78,258; and (iv) design costs of $50,730.

    d. Except as set forth in this paragraph, Rialto, Colton, and Emhart shall share equally (1/3 each) the final total capital cost of the Liquid Chlorinator, including, but not limited to, the costs identified in paragraph 1.c. and any change order amounts necessary to address

issues not anticipated by the design or that otherwise may arise during construction. Notwithstanding any other provision(s) in this paragraph or agreement, Colton's share of the final total capital cost of the Liquid Chlorinator shall not exceed $218,000. The County is not responsible for paying any of the capital or related costs of the Liquid Chlorinator.

e. Emhart shall pay its contractors and subcontractors to construct the Liquid Chlorinator. Within 30 days of completion of construction of the Liquid Chlorinator, Emhart shall submit invoices to Rialto and Colton for their 1/3 shares of the capital cost of the Liquid Chlorinator. Rialto shall pay its 1/3 share in the form of offsets against amounts due to Rialto from Emhart pursuant to Paragraph IV.F. of the 4-Party IA, until the full amount of Rialto's share of the Liquid Chlorinator capital cost has been paid. Colton shall pay its share in equal quarterly installments to be paid along with Colton's payments to Emhart for Colton Baseline Lifting Costs, over a period not to exceed five years.

f. Any dispute regarding an invoice for Liquid Chlorinator capital costs shall be resolved pursuant to Paragraph XII of the 4-Party IA.

2. **Operation and Maintenance of the Liquid Chlorinator**

a. Rialto, as the owner of its municipal water supply system, shall own, operate, and maintain the Liquid Chlorinator.

b. Colton shall reimburse Rialto for the costs of operation and maintenance of the Liquid Chlorinator pursuant to the following formula:

> Colton reimbursement to Rialto = total cost of Liquid Chlorinator O&M x (volume of water delivered to Colton by Rialto/total volume of water delivered to Rialto from Combined Treatment Plant)

c. Rialto shall invoice Colton for its share of Liquid Chlorinator operation and maintenance costs monthly. Upon request by Colton, Rialto shall provide records documenting the volume of water

treated at the Liquid Chlorinator, the operation and maintenance costs of the Liquid Chlorinator and any other documents necessary to determine or verify the amounts invoiced.

d. Colton shall pay the invoiced amount within 30 days of receipt of an invoice from Rialto.

e. Neither the County nor Emhart are responsible for the costs of operation and maintenance of the Liquid Chlorinator.

f. Any dispute regarding an invoice for Liquid Chlorinator operation and maintenance costs shall be resolved pursuant to Paragraph XII of the 4-Party IA.

FOR EMHART INDUSTRIES, INC.:

By: _____
Emhart Industries, Inc.

Date: _____

FOR THE CITY OF RIALTO:

By: _____
City of Rialto

Date: _____

FOR THE CITY OF COLTON:

By: _____
City of Colton

Date: _____

FOR THE COUNTY OF SAN BERNARDINO:

By: _____
County of San Bernardino

Date: _____

EXHIBIT 1-A

ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE

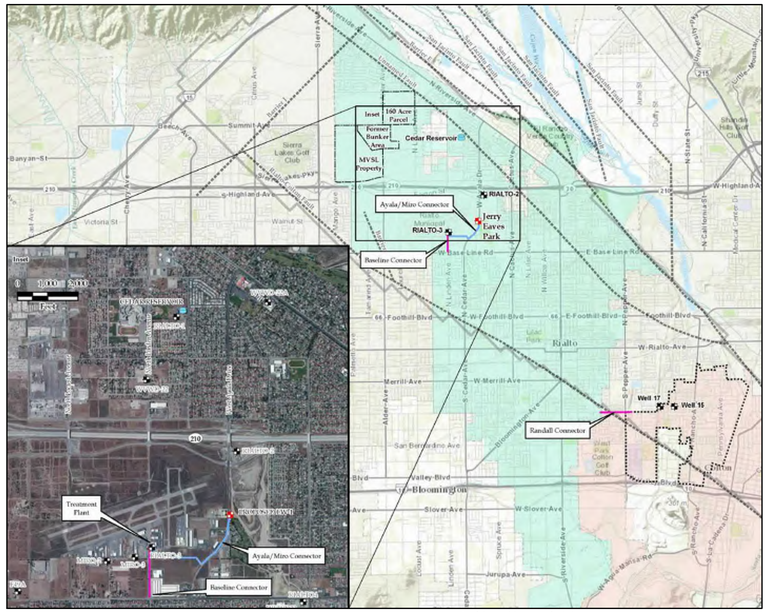
SOURCE AREA OPERABLE UNIT

RIALTO, CALIFORNIA

ADDENDUM NO. 3

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY CHLORINATION SYSTEM INSTALLATION

FEBRUARY 2020



SITE LOCATION MAP



NOT TO SCALE

LIST OF DRAWINGS

SHEET NO.	DRAWING NO.	DESCRIPTION
1	G-1	COVER SHEET
2	G-2	GENERAL NOTES, ABBREVIATIONS, AND SYMBOLS
3	D-1	DEMOLITION PLAN
4	C-1	CIVIL PIPING PLAN
5	C-2	CIVIL DETAILS
6	S-1	GENERAL STRUCTURAL NOTES
7	S-2	DESIGN CRITERIA AND STRUCTURAL ABBREVIATIONS
8	S-3	SPECIAL INSPECTIONS AND STRUCTURAL OBSERVATIONS
9	S-4	FOUNDATION PLAN
10	S-5	SECTIONS
11	S-6	STRUCTURAL DETAILS
12	M-1	CHEMICAL TANKS ENCLOSURE PLAN
13	M-2	CHEMICAL TANKS ENCLOSURE SECTIONS
14	M-3	CHEMICAL FEED SYSTEM PLAN
15	M-4	CHEMICAL FEED SYSTEM SECTIONS
16	M-5	MECHANICAL DETAILS – 1
17	M-6	MECHANICAL DETAILS – 2
18	E-1	ELECTRICAL PLAN
19	E-2	ELECTRICAL DETAIL PLAN – 1
20	E-3	ELECTRICAL DETAIL PLAN – 2
21	N-1	INSTRUMENTATION LEGEND
22	N-2	CHLORINATION SYSTEM P&ID
23	N-3	INSTRUMENTATION DETAILS

DIAL 811
DIG ALERT
UNDERGROUND SERVICE ALERT
PLAY IT SAFE. DIAL BEFORE YOU DIG!
AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER
BRYAN C. PAINE
No. C64334
Exp. 06/30/21
CIVIL
STATE OF CALIFORNIA

PLANS PREPARED BY:

AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN	SHEET 1
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759	

COVER SHEET

DWG NO. G-1

\\USORA1PFLWO01.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENVA\60438759_RFF_RIALTO_TREATMENT\900-CAD-GIS\2018_CHLORINATION_SYSTEM_PROJECT\SHEETS\G-1.DWG (02-11-20, 11:11:58AM)

LEGEND & SYMBOLS

- A/V — AIR AND VACUUM VALVE
- B.O. — BLOW-OFF
- WM — WATER SERVICE METER
- REDUCER/ENLARGER
- END CAP
- TEE
- STREET LIGHT
- PULL BOX
- FIRE HYDRANT
- OR — GATE OR BUTTERFLY VALVES
- SMH — EXISTING SEWER MANHOLE
- SMH — PROPOSED SEWER MANHOLE
- OR — THRUST BLOCK
- 3309 — ADDRESS – PROPERTY ADDRESS
- 000-0-000-000 — APN – ASSESSOR'S PARCEL NUMBER
- PRV — PRESSURE REGULATING VALVE
- W — EXISTING WATER MAIN
- S — EXISTING SEWER MAIN
- G — EXISTING GAS MAIN
- E — EXISTING ELECTRICAL LINE
- TV — EXISTING CABLE TV LINE
- (OH) — EXISTING OVER HEAD ELECTRICAL LINE
- T — EXISTING TELEPHONE LINE
- PROPERTY LINE
- RIGHT-OF-WAY
- CITY BOUNDARY
- PAINTED DIRECTIONAL ARROW
- PAINTED ACCESSIBILITY SYMBOL
- FENCING MATERIAL AND SPECIFICATIONS ARE PENDING
- EXISTING RETAINING WALL

- DECOMPOSED GRANITE
- PROPOSED CONCRETE
- NON-SKID SURFACE
- EXISTING CONTOUR
- 85 — PROPOSED CONTOUR
- X — PROPOSED FENCE
- X — EXISTING FENCE
- PROPOSED A.C. PAVEMENT
- EXISTING EDGE OF PAVEMENT CONCRETE PAVEMENT
- EXISTING CONCRETE
- CONCENTRATED FLOW
- SHEET FLOW
- DAYLIGHT
- 250 — EXISTING CONTOUR
- 250 — PROPOSED CONTOUR
- (102.78) — EXISTING GRADE
- EDGE OF A. C. PAVEMENT
- FINISHED CONCRETE SURFACE
- 59.15 FG — EXISTING ELEVATION
- O — OIL PIPELINE
- EXISTING STORM DRAIN
- E — PROPOSED CONDUIT
- STREET CENTERLINE (℄)
- GRAVEL BED
- COMPACTED FILL
- LANDSCAPED AREA
- PROPOSED FLANGED GATE VALVE
- PROPOSED FLANGED PLUG VALVE
- PROPOSED FLANGED CHECK VALVE
- PROPOSED FLANGED BUTTERFLY VALVE
- TYPICAL STEEL-RING FLANGE

PROFILE NUMBER 2 / 3 PROFILE SCALE — DRAWING NUMBER FROM WHICH THE PROFILE WAS TAKEN.

SEE PROFILE 2 / 3 — PROFILE NUMBER; DRAWING NUMBER ON WHICH THE DETAIL APPEARS.

SECTION LETTER A / 10 — SHEET ON WHICH THE SECTION IS SHOWN IN DETAIL

DETAIL SCALE 1 / 2 — DETAIL NUMBER; DWG ON WHICH THE SECTION IS CUT THROUGH IN PLAN VIEW

SECTION SCALE A / 3 — SECTION LETTER; DWG ON WHICH THE SECTION IS CUT THROUGH IN PLAN VIEW

- EX. BUILDING
- EX. TREES
- NEW CURB
- NEW GUTTER
- NEW BUILDING
- NEW VESSELS

ABBREVIATIONS

ALT.	ALTERNATE
& OR &	AND
∠	ANGLE
∠	ANGLE (STRUCTURAL)
∠S	ANGLES
APPD. EQ.	APPROVED EQUAL
APPROX.	APPROXIMATE
A.C.P.	ASBESTOS-CEMENT PIPE
A.C.	ASPHALT CONCRETE
ASSY.	ASSEMBLY
ASTM.	AMERICAN SOCIETY FOR TESTING AND MATERIALS
ART.	ARTICLE
@	AT
AVE.	AVENUE
B.C.	BEGINNING OF CURVE
B.&S.	BELL AND SPIGOT
B.M.	BENCH MARK
B.C.	BOLT CIRCLE
B.P.	BOOSTER PUMP
BOT.	BOTTOM
BLVD.	BOULEVARD
BDRY.	BOUNDARY
BLDG.	BUILDING
B'FLY.	BUTTERFLY
B.V.	BUTTERFLY VALVE
BW	BACK OF WALK
CALCS	CALCULATIONS
CB	CATCH BASIN
C.I.	CAST IRON
C.I.P.	CAST IRON PIPE
℄ OR CL	CENTER LINE
CTR.	CENTER
C.L.F.	CHAIN LINK FENCE
CH'KD PL	CHECKERED PLATE
C.C.	CENTER TO CENTER
C.M.L.	CEMENT MORTAR LINED
CML & C	CEMENT MORTAR LINED & COATED
CML & P	CEMENT MORTAR LINED & PAINTED
C.M.C.	CEMENT MORTAR COATED
CL.	CLASS
COEF.	COEFFICIENT
COL.	COLUMN
CO.	COMPANY
CONC.	CONCRETE
CONST.	CONSTRUCTION
CONT.	CONTINUOUS
COORD.	COORDINATE
COR.	CORNER
CORP.	CORPORATION
CORR.	CORRUGATED
C.M.P.	CORRUGATED METAL PIPE
CPLG.	COUPLING
C.A.B.	CRUSHED AGGREGATE BASE
CS	CARBON STEEL
CU.	CUBIC
C.F.	CURB FACE
C.Y.	CUBIC YARD
CYL.	CYLINDER
CLRN.	CLEARANCE
° OR DEG.	DEGREE
Δ	DELTA
DEPT.	DEPARTMENT
DET.	DETAIL
D, DIA., OR ø	DIAMETER
DWG.	DRAWING
DR.	DRIVE
D.I.	DUCTILE IRON
D.I.P.	DUCTILE IRON PIPE
EA.	EACH
E.F.	EACH FACE
E.W.	EACH WAY
E.W.E.F.	EACH WAY EACH FACE
E.	EAST
E/O	EAST OF
ECC.	ECCENTRIC
EP	EDGE OF PAVEMENT
EMH	ELECTRICAL MANHOLE
EL. OR ELEV.	ELEVATION
ELL.	ELBOW
E.C.	END OF CURVE
EQ. OR =	EQUAL
EXIST. OR EX.	EXISTING
FT.	FOOT OR FEET
FIG.	FIGURE
FIN.	FINISH
FF.	FINISHED FLOOR
FS.	FINISHED SURFACE
FG.	FINISHED GRADE
FLG.	FLANGE
FLGD.	FLANGED
FE.	FLANGED END
FH	FIRE HYDRANT
FL.	FLOW LINE
GA.	GAGE OR GAUGE
GAC.	GRANULAR ACTIVATED CARBON
GAL.	GALLON
GALV.	GALVANIZED
G.I.P.	GALV. IRON PIPE
G.M.	GAS METER
G.V.	GATE VALVE
G.B.	GRADE BREAK
GND.	GROUND
H.P.	HIGH POINT
HWY.	HIGHWAY
HORIZ.	HORIZONTAL
HP.	HORSE POWER
IN. OR "	INCH
INCL.	INCLUDING
I.D.	INSIDE DIAMETER
INST.	INSTALL
INC.	INCORPORATED
INT.	INTERIOR
INV.	INVERT
I.P.S.	IRON PIPE SIZE
IX	ION EXCHANGE
LN.	LANE
LAT.	LATITUDE
LT.	LEFT
LG.	LENGTH
L.F.	LINEAR FOOT
LG.	LONG
LGAC.	LIQUID PHASE GRANULAR ACTIVATED CARBON
LONG.	LONGITUDINAL
LL	LOT LINE
LP	LOW POINT
LUB.	LUBRICATED
M.H.	MANHOLE
MHR	MANHOLE RIM
MFR.	MANUFACTURER
MAX.	MAXIMUM
M.S.L.	MEAN SEA LEVEL
M.J.	MECHANICAL JOINTS
MID.	MIDDLE
MI.	MILE
MIN.	MINIMUM
' OR MIN.	MINUTE
MISC.	MISCELLANEOUS
MON.	MONUMENT
NEG.	NEGATIVE
N.	NORTH
N.C.	NORMALLY CLOSED
N/O	NORTH OF
N.I.C.	NOT IN CONTRACT
N.T.S.	NOT TO SCALE
NO. OR #	NUMBER
NOS.	NUMBERS
O.C.	ON CENTER
O.A.E.	OR APPROVED EQUAL
O.D.	OUTSIDE DIAMETER
O.H.	OVER HEAD
PVMT.	PAVEMENT
P.E.	PAD ELEVATION
PLT.	PLATE
PE	PLAIN END
P.A.	PLANTER AREA
PAV'T	PAVEMENT
P.C.C.	POINT OF COMPOUND CURVE OR PORTLAND CEMENT CONCRETE
P.C.	POINT OF CURVE
P.I.	POINT OF INTERSECTION
P.O.S.	POINT OF SLOPE
P.T.	POINT OF TANGENCY
PT.	POINT
P.V.C.	POLYVINYL CHLORIDE
POS.	POSITIVE
LB.	POUND
P.S.I.	POUND PER SQUARE INCH
P.P.	POWER POLE
PVT.	PRIVATE
PROJ.	PROJECT
℄	PROPERTY LINE
PROP.	PROPOSED
R. OR RAD.	RADIUS
RD	RELATIVE DENSITY
RL	RIDGELINE
R.R.	RAILROAD
R.G.	ROUGH GRADE
RY.	RAILWAY
REF.	REFERENCE
REINF.	REINFORCING
R.C.P.	REINFORCED CONC. PIPE
RES.	RESERVOIR
R.W.G.V.	RESILIENT WEDGE GATE VALVE
REV.	REVISION
RT.	RIGHT
R/W	RIGHT-OF-WAY
RD.	ROAD
RS4	SINGLE FAMILY RESIDENCE
" OR SEC.	SECOND
SD	STORM DRAIN
SDR	STANDARD DIMENSION RATIO
SECT.	SECTION
SHC	SODIUM HYPOCHLORITE
SHT.	SHEET
S.	SOUTH
S/O	SOUTH OF
SPEC'S.	SPECIFICATIONS
SQ.	SQUARE
SS	SANITARY SEWER OR STAINLESS STEEL
STD.	STANDARD
STA.	STATION
STL.	STEEL
S.C.C.P.	STL. CYL. CONC. PIPE
SDMH	STORM DRAIN MANHOLE
ST.	STREET
ST. LT.	STREET LIGHT
STR.	STRUCTURAL
S1S1E	SURFACED 1 SIDE & 1 EDGE
S2S1E	" 2 SIDES & 1 EDGE
S1S2E	" 1 SIDE & 2 EDGES
S1E	" 1 EDGE
S1S	" 1 SIDE
S2E	" 2 EDGES
S4S	" 4 SIDES
SYM.	SYMMETRICAL
TMH	TELEPHONE MANHOLE
T.P.	TELEPHONE POLE
TEMP.	TEMPERATURE
TERR.	TERRACE
THD.	THREAD
TOE	TOE OF SLOPE
TC	TOP OF CURB
TF	TOP OF FOOTING
T.G.	TOP OF GRATE
TOP	TOP OF SLOPE
T.P.	TOP OF PLATFORM
T.V.	TOP OF VAULT
TW	TOP OF WALL
TRANS.	TRANSITION
TYP.	TYPICAL
TJ	TYTON JOINT
VERT.	VERTICAL
V.C.P.	VITRIFIED CLAY PIPE
VOC	VOLATILE ORGANIC COMPOUND
W.I.	WROUGHT IRON
WM	WATER METER
WV	WATER VALVE
WT.	WEIGHT
W.	WEST
W/O	WEST OF
W/	WITH
WS	WATER SURFACE

GENERAL NOTES

1. THE CHLORINATION SYSTEM SHALL BE CONSTRUCTED IN ACCORDANCE WITH THESE PLANS AND SPECIFICATIONS, CURRENT CITY OF RIALTO STANDARDS, AND THE "STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION" LATEST EDITION. ALL WORK SHALL BE SUBJECT TO THE INSPECTOR'S ACCEPTANCE AS A CONDITION OF COMPLETION OF WORK BY THE CONTRACTOR. IN ADDITION, ALL TRENCH BACKFILL, A.C. PAVING, AND CONCRETE REPLACEMENT SHALL BE SUBJECT TO THE ENGINEER'S ACCEPTANCE AS A CONDITION OF COMPLETION OF WORK BY THE CONTRACTOR.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR MAKING HIMSELF FAMILIAR WITH ALL UNDERGROUND UTILITIES, PIPES AND STRUCTURES. THE CONTRACTOR SHALL VERIFY SITE CONDITIONS AND MAKE NECESSARY POT HOLES, AND NOTIFY THE VARIOUS UTILITIES TO MAKE NECESSARY ARRANGEMENTS FOR ANY RELOCATION OF THESE UTILITIES WITH THE OWNER OF THE UTILITY. ANY DELAY OR INCONVENIENCE CAUSED BY THE CONTRACTOR IN THE RELOCATION OF VARIOUS UTILITIES SHALL BE INCIDENTAL TO THE CONTRACT, NO EXTRA COMPENSATION WILL BE ALLOWED. CONTRACTOR SHALL TAKE SOLE RESPONSIBILITY FOR COST INCURRED DUE TO DAMAGE AND REPLACEMENT OF SAID UTILITIES.
3. CONTRACTOR SHALL NOT WILLFULLY PROCEED WITH CONSTRUCTION AS DESIGNED WHEN IT IS OBVIOUS THAT UNKNOWN OBSTRUCTIONS AND/OR DISCREPANCIES EXIST THAT MAY NOT HAVE BEEN KNOWN DURING DESIGN. THE ENGINEER SHALL BE CONSULTED TO MAKE ANY/ALL REQUIRED INTERPRETATIONS OF THE PLANS, HOWEVER, THIS IN NO WAY RELIEVES THE CONTRACTOR OF HIS RESPONSIBILITY FOR CONSTRUCTING THE PROJECT TO ACCOMPLISH THE INTENT OF THE PLANS. THE CONTRACTOR SHALL ASSUME FULL RESPONSIBILITY FOR ALL NECESSARY REVISIONS DUE TO A FAILURE TO GIVE SUCH NOTIFICATION.
4. CONTRACTOR SHALL BE RESPONSIBLE FOR ANY COORDINATION WITH OTHER SUBCONTRACTORS AS REQUIRED TO ACCOMPLISH CONSTRUCTION OPERATIONS.
5. ALL CONTRACTOR AND SUBCONTRACTORS PERFORMING WORK SHOWN ON OR RELATED TO THESE PLANS SHALL CONDUCT THEIR OPERATIONS SO THAT ALL EMPLOYEES ARE PROVIDED A SAFE PLACE TO WORK AND THE PUBLIC IS PROTECTED.
6. ALL CONTRACTOR AND SUBCONTRACTORS SHALL COMPLY WITH THE "OCCUPATIONAL SAFETY AND HEALTH REGULATION" OF THE U.S. DEPARTMENT OF LABOR, AND WITH THE STATE OF CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS' "CONSTRUCTION SAFETY ORDERS."
7. CONTRACTOR SHALL SUBMIT "AS-BUILT" CHLORINATION SYSTEM PLANS TO THE OWNER.
8. THE CONTRACTOR MUST HAVE A VALID CLASS "A" GENERAL CONTRACTORS LICENSE.
9. CONTRACTOR SHALL OBTAIN CONSTRUCTION PERMITS FROM THE CITY OF RIALTO PRIOR TO BEGINNING ANY WORK IN THEIR PUBLIC RIGHT OF WAY.
10. THE CONTRACTOR SHALL NOTIFY RESPECTIVE CITY, PUBLIC WORKS DEPARTMENT FIVE (5) WORKING DAYS PRIOR TO BEGINNING CONSTRUCTION AND AT LEAST TWO (2) WORKING DAYS NOTICE WHEN INSPECTIONS OR ENGINEERING JUDGEMENTS BECOME NECESSARY AS SET FORTH IN THE STANDARDS.
11. ALL PERMIT WORK SHALL CONFORM TO PERMIT REQUIREMENTS AT ALL TIMES. THE PLANS, SPECIFICATIONS AND ALL NECESSARY PERMITS REQUIRED BY THE OWNER AND THE RESPECTED CITY SHALL BE ON THE JOB SITE AT ALL TIMES.
12. ALL WORK WHICH IS NOT IN THE PUBLIC RIGHT OF WAY SHALL BE DONE AT THE LEAST INCONVENIENCE TO THE PROPERTY OWNER, CONTRACTOR SHALL MINIMIZE DAMAGE TO EXISTING LANDSCAPING. ALL PRIVATE OR PUBLIC WALLS, FENCES, SOILS REMOVED FOR THE CONSTRUCTION OF THE CHLORINATION SYSTEM SHALL BE REPLACED TO MATCH EXISTING. CONTRACTOR SHALL FILL ALL TURF & LANDSCAPED AREAS TO ORIGINAL GRADE TO ORIGINAL CONDITION.
13. SHUT DOWN OF EXISTING TRANSMISSION MAINS SHALL BE LIMITED TO TWO (2) HOURS MAXIMUM, UNLESS DIRECTED OTHERWISE BY THE OWNER.
14. CONNECTIONS TO EXISTING WATER LINES SHALL BE DONE ONLY IN THE PRESENCE OF THE WATER COMPANY INSPECTOR OR ITS DESIGNATED PERSONNEL.
15. ALL PRESSURE TESTS SHALL BE APPROVED BY THE OWNER'S INSPECTOR PRIOR TO PLACEMENT OF PERMANENT RESURFACING.
16. DISCHARGE OF MATERIAL OTHER THAN STORM WATER ARE ALLOWED ONLY WHEN NECESSARY FOR PERFORMANCE AND COMPLETION OF CONSTRUCTION PRACTICES AND WHERE THEY DO NOT CAUSE OR CONTRIBUTE TO A VIOLATION OF ANY WATER QUALITY STANDARD; CAUSE OR THREATEN TO CAUSE POLLUTION, CONTAMINATION OR NUISANCE; OR CONTAIN A HAZARDOUS SUBSTANCE IN A QUANTITY REPORTABLE UNDER FEDERAL REGULATIONS 40 CFR, PARTS 117 AND 302.
17. POTENTIAL POLLUTANTS INCLUDE, BUT ARE NOT LIMITED TO: WASTES GENERATED DURING DRILLING ACTIVITIES, SOLID OR LIQUID CHEMICAL SPILLS; WASTES FROM PAINTS, STAINS, SEALANTS, GLUES, LIMES, PESTICIDES, HERBICIDES, WOOD PRESERVATIVES AND SOLVENTS; ASBESTOS FIBERS, PLANT FLAKES OR STUCCO FRAGMENTS; FUELS, OILS, LUBRICANTS AND HYDRAULIC, RADIATOR OR BATTERY FLUIDS; FERTILIZERS, VEHICLE/EQUIPMENT AND CONCRETE WASH WATER; CONCRETE, DETERGENT OR FLOATABLE FROM ANY ENGINE/EQUIPMENT STEAM CLEANING OR CHEMICAL DEGREASING; AND SUPER-CHLORINATED POTABLE WATER LINE FLUSHING.
18. DURING CONSTRUCTION, DISPOSAL OF SUCH MATERIALS SHOULD OCCUR IN A SPECIFIED AND CONTROLLED TEMPORARY AREA ON-SITE, PHYSICALLY SEPARATED FROM POTENTIAL STORM WATER RUN-OFF, WITH ULTIMATE DISPOSAL IN ACCORDANCE WITH LOCAL, STATE AND FEDERAL REQUIREMENTS.
19. CONTRACTOR SHALL NOTIFY ENGINEER TWO WORKING DAYS IN ADVANCE OF ANY DISPOSAL ACTIVITIES.

DIAL 811 DIGALERT — UNDERGROUND SERVICE ALERT

PLAY IT SAFE. DIAL BEFORE YOU DIG!

AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER — BRYAN C. PAINE — No. C64334 — Exp. 06/30/21 — CIVIL — STATE OF CALIFORNIA

PLANS PREPARED BY:

AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE
CHLORINATION SYSTEM INSTALLATION

REV 9

SCALE	DESIGNED BY	DRAWN BY	DRAWING NUMBER	SHEET
AS SHOWN	B. PAINE	D. LAFRANCE	AS SHOWN	2
DATE	CHECKED	APPROVED	JOB NUMBER	
FEBRUARY 2020	J. ZIMMERLE	J. ZIMMERLE	60438759	

GENERAL NOTES, ABBREVIATIONS, AND SYMBOLS

DWG NO. G-2

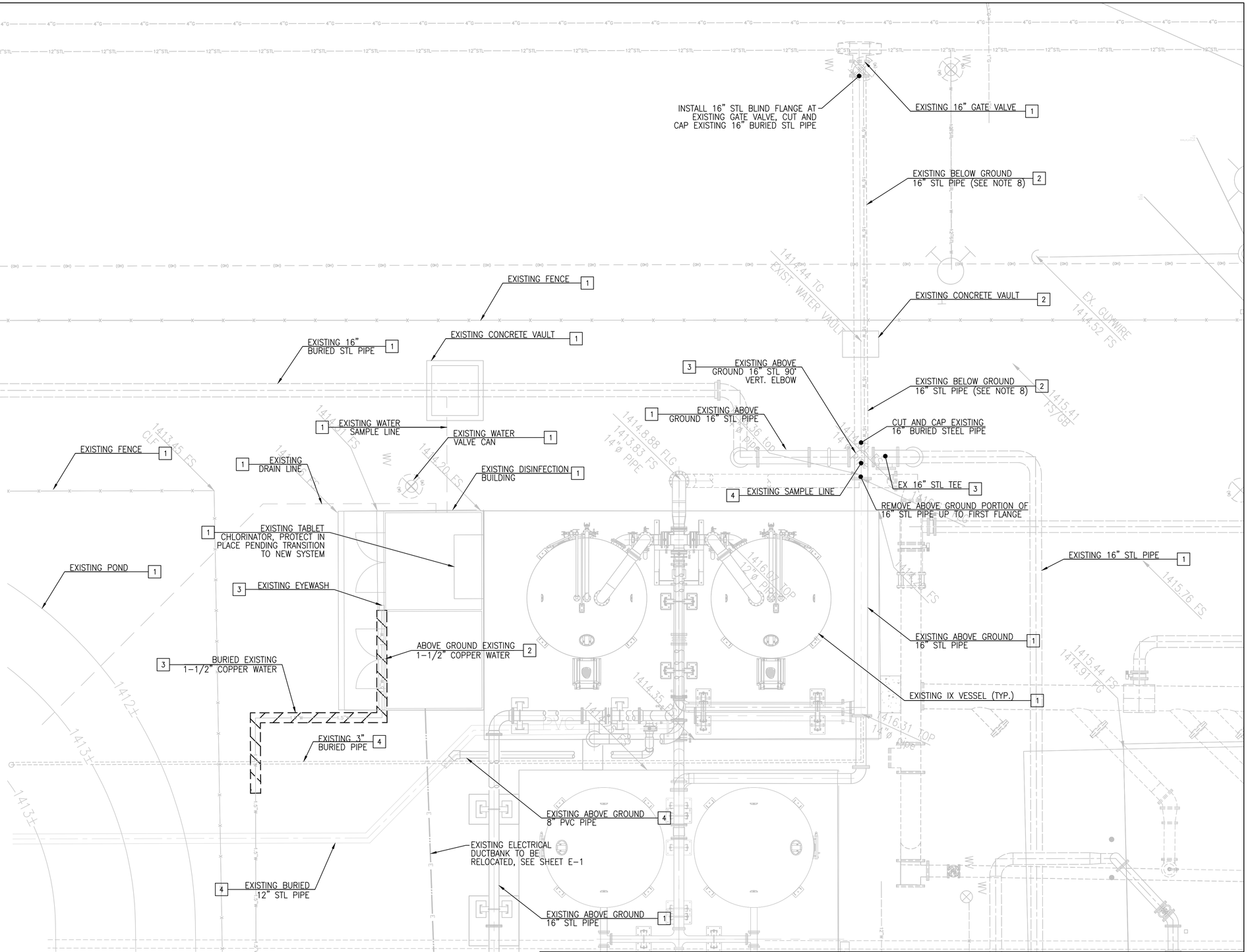
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DISPOSITION NOTES

1. PROTECT–IN–PLACE
2. ABANDON–IN–PLACE, REMOVE INTERFERING PORTIONS AS REQUIRED
3. REMOVE IN ITS ENTIRETY
4. RELOCATE AS REQUIRED PER OWNER'S DIRECTION

DEMOLITION NOTES

1. ALL FACILITIES NOT SPECIFICALLY IDENTIFIED TO BE REMOVED SHALL BE PROTECTED–IN–PLACE.
2. THE CONTRACTOR SHALL PROMPTLY NOTIFY ALL APPLICABLE UTILITY PROVIDERS PRIOR TO THE COMMENCEMENT OF ANY DEMOLITION WORK.
3. THIS PLAN MAY NOT SHOW ALL EXISTING ON–SITE UTILITIES AND/OR EXISTING SUBSTRUCTURES. CONTRACTOR SHALL COORDINATE WITH UTILITY PROVIDERS PRIOR TO DETERMINE LOCATION OF ON–SITE STRUCTURES.
4. CONTRACTOR TO DOCUMENT EXISTING CONDITION OF SURROUNDING FACILITIES PRIOR TO THE COMMENCEMENT OF DEMOLITION WORK.
5. ALL DEMOLITION AND CONSTRUCTION ACTIVITIES SHALL BE DONE IN ACCORDANCE WITH APPLICABLE REGULATIONS, ORDINANCES, AND CODES.
6. STREETS, PROPERTY ACCESS, STORM DRAINS, AND SEWERS SHALL REMAIN OPEN AND OPERABLE AT ALL TIMES.
7. MATERIALS RESULTING FROM DEMOLITION SHALL BECOME THE PROPERTY OF THE CONTRACTOR, UNLESS OTHERWISE NOTED, DEBRIS AT THE SITE SHALL NOT BE ALLOWED TO ACCUMULATE.
8. CONTRACTOR SHALL ABANDON UNDERGROUND PIPING DESIGNATED HERON BY CUTTING AND CAPPING THE PIPE AND FILLING WITH 2–SACK SAND–CEMENT SLURRY.



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REGISTERED PROFESSIONAL ENGINEER BRYAN C. PAINE No. C64334 Exp. 06/30/21 CIVIL STATE OF CALIFORNIA

PLANS PREPARED BY:

AECOM

999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE
CHLORINATION SYSTEM INSTALLATION

REV 9

SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN	SHEET 3
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759	

DEMOLITION PLAN

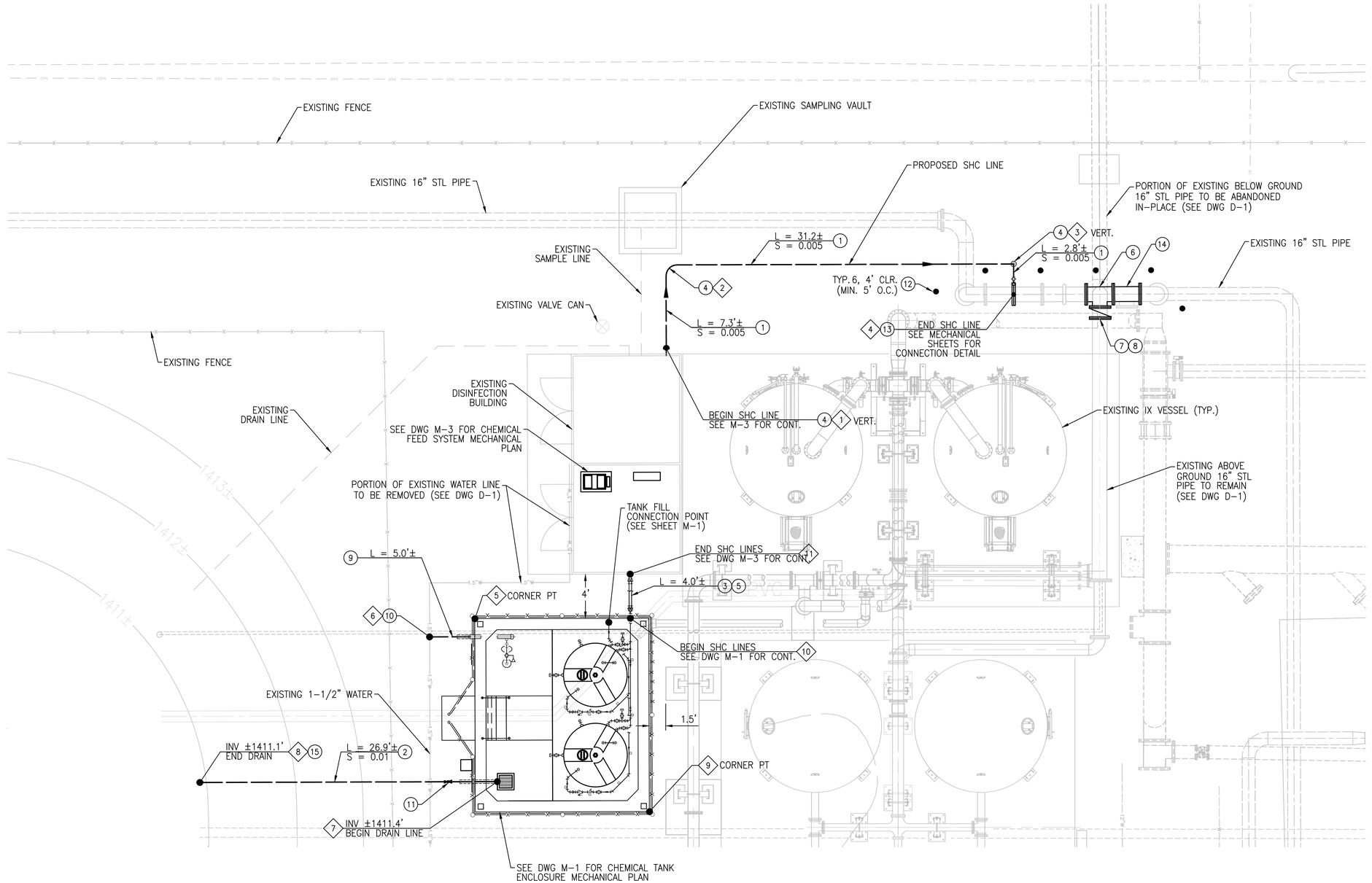
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POINT TABLE		
POINT	NORTHING	EASTING
1	1868668.83	6743016.72
2	1868669.13	6743009.46
3	1868700.28	6743009.17
4	1868700.28	6743011.99
5	1868651.46	6743041.14
6	1868647.35	6743042.77
7	1868653.46	6743055.89
8	1868626.53	6743055.89
9	1868667.21	6743058.64
10	1868665.52	6743041.14
11	1868665.52	6743037.14

CONSTRUCTION NOTES

1. INSTALL 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING SHC LINE PER DETAIL 3, DWG C-2, 30" MIN COVER
2. 4" SCH 80 PVC DRAIN LINE, 30" MIN COVER
3. 3/4" SCH. 80 CPVC RECIRCULATION LINE, 30" MIN COVER
4. INSTALL 1-1/2" SCH. 80 CPVC 90° LONG RADIUS ELBOW WITH 1/2" TEFLON TUBING
5. 3/4" SCH. 80 CPVC METERING PUMP SUCTION, 30" MIN COVER
6. INSTALL 16" SCH. 40 STL TEE, FE X FE X FE
7. INSTALL 16" WAFER STYLE CHECK VALVE, FE X FE
8. INSTALL 16" SLIP-ON WELDING FLANGE
9. INSTALL 1-1/2" TYPE K WITH TAPE COAT, HARD OR SOFT ANNEALED, COPPER PIPE WATER LINE PER DETAIL 3, DWG C-2, 30" MIN COVER
10. INSTALL 1-1/2" TYPE K WITH TAPE COAT, HARD OR SOFT ANNEALED COPPER TEE WITH PLUG
11. INSTALL 4" CPVC GATE VALVE, SPEARS 2023-040C WITH TN-040 2" OPERATOR NUT (OR APPROVED EQUAL), AND TRAFFIC RATED VALVE BOX PER DETAIL 1, DWG C-2
12. INSTALL PIPE BOLLARD PER DETAIL 2, DWG C-2
13. 16" DIA SS WAFER STYLE STATIC MIXER WITH INJECTION PORT AT TOP, WESTFALL 2800 SERIES OR APPROVED EQUAL, PER DETAIL 5, DWG M-3
14. INSTALL 16" SCH. 40 STL PIPE SPOOL, FE X FE
15. INSTALL 4" TIDEFLEX DUCK BILL CHECK VALVE, SERIES TF-1, 316 SS CLAMPS, OR APPROVED EQUAL



GENERAL NOTE

1. CONTRACTOR SHALL FIELD VERIFY ALL EXISTING PIPING AND APPURTENANCES SHOWN HEREON AND INFORM THE ENGINEER OF ANY DISCREPANCIES PRIOR TO STARTING ANY WORK.

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N
0 2.5' 5' 10'
0 1" 2"

REGISTERED PROFESSIONAL ENGINEER
BRYAN C. PAINE
No. C64334
Exp. 06/30/21
CIVIL
STATE OF CALIFORNIA

PLANS PREPARED BY:
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GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

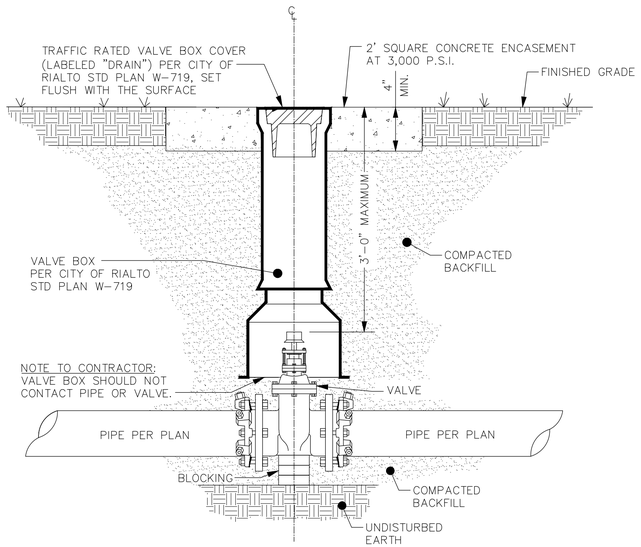
SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 4

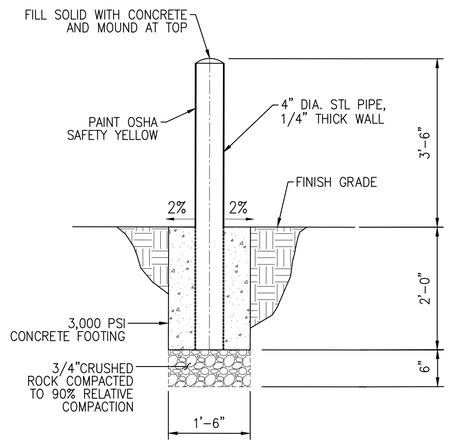
CIVIL PIPING PLAN

DWG NO. C-1

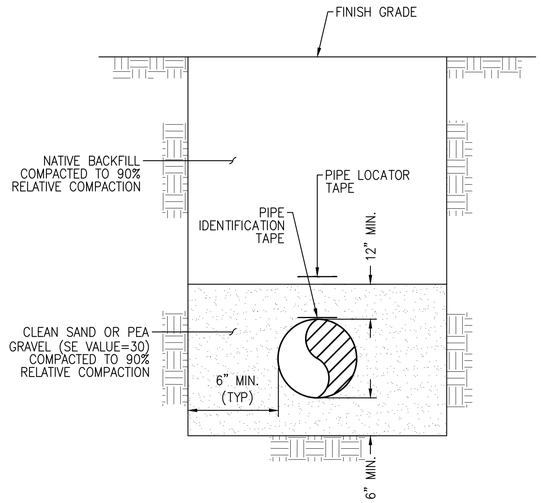
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VALVE BOX 1
NOT TO SCALE



BOLLARD POST 2
NOT TO SCALE



PIPE TRENCH 3
NOT TO SCALE

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REV 9

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DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 5

CIVIL DETAILS

DWG NO. C-2

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GENERAL STRUCTURAL NOTES

THESE NOTES SHALL APPLY UNLESS SHOWN/INDICATED OTHERWISE ELSEWHERE ON THE STRUCTURAL DRAWINGS.

GENERAL

1. ALL MATERIALS AND CONSTRUCTION SHALL CONFORM TO THE 2019 CALIFORNIA BUILDING CODE (CBC), BASED UPON THE 2018 EDITION OF THE INTERNATIONAL BUILDING CODE (IBC). WHERE CONFLICTS BETWEEN BUILDING CODES AND SPECIFICATIONS OCCUR, THE MOST STRINGENT REQUIREMENTS SHALL GOVERN. ALL ASTM DESIGNATIONS REFERRED TO ON THESE DRAWINGS SHALL BE THE LATEST ADOPTED OR REVISED SPECIFICATION, AS OF THE DATE OF THESE DRAWINGS.

2. THE STRUCTURAL DRAWINGS ARE TO BE USED IN CONJUNCTION WITH CIVIL AND MECHANICAL DRAWINGS. NO PORTION OF STRUCTURAL RELATED WORK, INCLUDING SHOP DRAWING DEVELOPMENT, SHALL BE PERFORMED WITHOUT CONSIDERING REQUIREMENTS OF CONTRACT DOCUMENTS IN THEIR ENTIRETY.

3. NEITHER THE OWNER NOR THE STRUCTURAL ENGINEER WILL ENFORCE SAFETY MEASURES OR REGULATIONS. THE CONTRACTOR SHALL, AT HIS OWN EXPENSE, DESIGN, CONSTRUCT AND MAINTAIN ALL SAFETY DEVICES, INCLUDING SHORING AND BRACING AND SHALL BE SOLELY RESPONSIBLE FOR CONFORMING TO ALL LOCAL, STATE AND FEDERAL SAFETY AND HEALTH STANDARDS, LAWS AND REGULATIONS. SITE OBSERVATION VISITS BY THE STRUCTURAL ENGINEER SHALL NOT INCLUDE INSPECTION OF THE ABOVE SAFETY ITEMS. IF A LAWSUIT IS FILED BY ONE OF THE CONTRACTOR'S OR SUBCONTRACTOR'S EMPLOYEES, OR ANY ONE ELSE, THE CONTRACTOR WILL INDEMNIFY, DEFEND AND HOLD THE OWNER AND AECOM, THEIR PARENT AND SUBSIDIARY COMPANIES HARMLESS OF ANY AND ALL SUCH CLAIMS.

4. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO ENSURE THAT ALL WALLS, ETC. ARE ADEQUATELY BRACED AND SHORED DURING CONSTRUCTION. ALL BRACING/SHORING SHALL BE DESIGNED BY A REGISTERED ENGINEER HIRED BY THE CONTRACTOR. NO BACKFILL OR LOADING OF CONCRETE WALLS SHALL OCCUR UNTIL CONCRETE HAS REACHED ITS 28-DAY COMPRESSIVE STRENGTH.

5. CONTRACTOR SHALL VERIFY ALL EXISTING CONDITIONS AND DIMENSIONS BEFORE STARTING WORK. SHOULD CONDITIONS EXIST WHICH ARE CONTRARY TO THOSE SHOWN ON PLANS, THE ENGINEER SHALL BE NOTIFIED IN WRITING BEFORE PROCEEDING WITH WORK.

6. UNLESS DETAILED, SPECIFIED, OR INDICATED OTHERWISE, CONSTRUCTION SHALL BE AS INDICATED IN THE APPLICABLE TYPICAL DETAILS AND THESE GENERAL NOTES. TYPICAL DETAILS ARE MEANT TO APPLY EVEN THOUGH NOT REFERENCED AT SPECIFIC LOCATIONS ON DRAWINGS WHERE THEY OCCUR.

7. THE CONTRACT DRAWINGS AND SPECIFICATIONS REPRESENT THE FINISHED STRUCTURE. THEY DO NOT INDICATE THE MEANS AND METHODS TO ACCOMPLISH THE CONSTRUCTION. THE CONTRACTOR SHALL PROVIDE ALL MEASURES NECESSARY TO PROTECT THE STRUCTURE, WORKERS AND PEDESTRIANS DURING CONSTRUCTION. SUCH MEASURES SHALL INCLUDE, BUT NOT BE LIMITED TO BRACING, SHORING FOR LOADS DUE TO CONSTRUCTION EQUIPMENT, TEMPORARY STRUCTURES, AND PARTIALLY COMPLETED WORK, ETC. OBSERVATION VISITS TO THE SITE BY THE ENGINEER SHALL NOT BE CONSIDERED AS INSPECTION OF SUCH ITEMS.

8. DIMENSIONS SHALL TAKE PRECEDENCE OVER SCALES SHOWN ON DRAWINGS.

9. ALL WORK SHALL CONFORM TO THE PLANS AND SPECIFICATIONS IN ALL RESPECTS AND SHALL BE SUBJECT TO APPROVAL BY THE ENGINEER.

10. THE STRUCTURAL DRAWINGS SHOW ONLY THE STRUCTURAL REQUIREMENTS. REFER TO CIVIL AND MECHANICAL DRAWINGS FOR NON-STRUCTURAL ITEMS, SUCH AS:

    A. SIZE AND LOCATION OF ALL OPENINGS.
    B. SIZE AND LOCATION OF ALL CONCRETE CURBS, WALKS, FLOOR DRAINS, ETC.
    C. DIMENSIONS WHICH ARE NOT SHOWN ON STRUCTURAL DRAWINGS.

11. CONSTRUCTION MATERIALS SHALL BE EVENLY DISTRIBUTED IF PLACED ON FRAMED FLOORS OR ROOF. LOAD SHALL NOT EXCEED DESIGN LIVE LOAD FOR EACH PARTICULAR LEVEL. WHEN WEIGHT OF MATERIALS OR EQUIPMENT MAY EXCEED DESIGN LOAD, STRUCTURAL SYSTEMS SHALL BE SHORED.

12. SOIL PROPERTIES, ALLOWABLE DESIGN VALUES, GRADING AND COMPACTION REQUIREMENTS AS PER GEOTECHNICAL EXPLORATION REPORT BY LEIGHTON CONSULTING, INC, PROJECT NO. 11107.001 DATED NOVEMBER 18, 2015. THIS REPORT SHALL BE CONSIDERED A PART OF THESE PLANS AND SHALL BE KEPT AT THE JOB SITE AT ALL TIMES. A COPY OF THIS REPORT IS AVAILABLE FOR REVIEW IN THE ENGINEER'S OFFICE.

13. CONTRACTOR SHALL VERIFY LOCATION OF ALL SITE UTILITIES PRIOR TO STARTING WORK, BOTH ABOVE GROUND AND BELOW GROUND, WHICH MAY BE IMPACTED BY THE WORK SHOWN ON THESE DRAWINGS. ANY CONFLICTS SHALL BE BROUGHT TO THE ATTENTION OF THE ENGINEER.

14. ALL ITEMS SHOWN ON THESE PLANS ARE NEW UNLESS NOTED (E), EXIST. OR EXISTING.

REINFORCING STEEL

1. REINFORCEMENT FOR CONCRETE SHALL BE DEFORMED BARS CONFORMING TO ASTM SPECIFICATION A615 (A706/A706M FOR WELDED REINFORCING). GRADE 60 STEEL SHALL BE USED EXCEPT THAT #3 BARS AND SMALLER MAY BE GRADE 40 STEEL.

2. WIRE MESH SHALL CONFORM TO ASTM A1064. LAP 12" WHERE SPLICED.

3. ALL REINFORCEMENT, ANCHOR BOLTS, AND OTHER ANCHORAGES PLACED IN CONCRETE SHALL BE ACCURATELY PLACED AND POSITIVELY SECURED AND SUPPORTED BY CONCRETE BLOCKS, METAL CHAIRS, SPACERS, OR METAL HANGERS, AND SHALL BE IN POSITION BEFORE CONCRETE PLACING OR GROUTING IS BEGUN. DETAILING AND PLACING OF BARS SHALL CONFORM TO THE ACI MANUAL OF STANDARD PRACTICES.

4. BARS SPECIFIED AS "CONTINUOUS" SHALL EXTEND THE FULL LENGTH OF THE MEMBER CONTAINING THEM AND MAY BE SPLICED (UNLESS NOTED OR SHOWN WITHOUT SPLICES ON THE PLANS). IN CONCRETE, PROVIDE LAPS PER DETAIL 3 ON DRAWING S-6. STAGGER ALL SPLICES.

5. DOWELS SHALL BE PROVIDED AT ALL POUR JOINTS AND SHALL BE THE SAME SIZE AND SPACING AS REINFORCING DIRECTLY BEYOND POUR JOINTS.

6. ALL REINFORCING BAR BENDS SHALL BE MADE COLD, UNLESS OTHERWISE PERMITTED BY THE ENGINEER. REBENDING OF BARS IS NOT PERMITTED.

7. WELDING OF REINFORCING STEEL, METAL INSERTS AND CONNECTIONS IN REINFORCED CONCRETE OR MASONRY CONSTRUCTION SHALL CONFORM TO ANSI/AWS D1.4-11. USE LOW HYDROGEN E-70 SERIES ELECTRODES FOR WELDING OF REINFORCING BARS. CONTINUOUS INSPECTION IS REQUIRED OF ALL FIELD WELDING IN ACCORDANCE WITH CBC CHAPTER 17.

8. THE SPECIFIED DIMENSIONS OF THE VERTICAL LEGS OF "L" DOWELS, WHOSE HORIZONTAL LEGS ARE CAST INTO A FOOTING OR SLAB CAST ON TOP OF EARTH, ARE BASED UPON THE SLAB THICKNESS AS SHOWN ON THE DRAWINGS. IF A SLAB IS POURED THICKER THAN SHOWN ON THE DRAWINGS, SUCH AS FOR THE SUBGRADE OCCURRING AT A LOWER ELEVATION THAN SHOWN, THE VERTICAL LEGS MUST BE FABRICATED TO A LONGER LENGTH OR THE HORIZONTAL TAILS MUST BE SUPPORTED ABOVE SUBGRADE HIGH ENOUGH TO PROVIDE THE SAME AMOUNT OF LAP LENGTH BETWEEN THE DOWEL AND THE WALL VERTICAL REINFORCING.

9. CONDUIT AND PIPING SHALL BE FABRICATED AND INSTALLED SO THAT CUTTING, BENDING, OR DISPLACEMENT OF REINFORCEMENT FROM ITS SPECIFIED LOCATION WILL NOT BE REQUIRED. (REF. ACI 318-14, SECTION 26.8.2).

CONCRETE

1. AGGREGATES FOR CONCRETE SHALL CONFORM TO ASTM C33. CONCRETE f'c AT 28 DAYS SHALL BE AS NOTED BELOW. REQUIRED AVERAGE COMPRESSIVE STRENGTH (f'cr) SHALL BE IN ACCORDANCE WITH ACI 301-16, ARTICLE 4.2.3.

CONCRETE SCHEDULE

ITEMS	28 DAY COMPRESSIVE CYLINDER STRENGTH	
	2500 PSI	4000 PSI
ALL CONCRETE, U.N.O.		X
PIPE BLOCKS AND APPURTENANCES, ELECTRICAL EQUIPMENT PADS, PIPE ENCASEMENTS, DUCT BANKS		X
CURB AND GUTTER, SIDEWALKS, MISC. SITE WORK	X	

2. CEMENT FOR CONCRETE SHALL BE TYPE II PORTLAND CEMENT CONFORMING TO ASTM C150.

3. READY MIXED CONCRETE SHALL CONFORM TO ASTM C94.

4. CONCRETE COVER FOR REINFORCING BARS SHALL BE:
   CAST AGAINST AND PERMANENTLY EXPOSED TO EARTH = 3"
   EXPOSED TO EARTH OR WEATHER: = 2"

5. DRYPACK SHALL BE 1 PART CEMENT AND 3 PARTS SAND (BY VOLUME).

6. NO PIPES OR DUCTS SHALL BE PLACED IN STRUCTURAL CONCRETE UNLESS SPECIFICALLY DETAILED. SEE MECHANICAL AND/OR ELECTRICAL DRAWINGS FOR LOCATION OF SLEEVES THROUGH WALLS AND FLOORS.

7. REFER TO DRAWING DETAILS FOR ALL MOLDS, GROOVES, CLIPS, GROUNDS, ORNAMENTS AND OTHER INSERTS TO BE CAST IN CONCRETE.

8. THE LOCATION OF ALL CONSTRUCTION JOINTS NOT SPECIFICALLY NOTED OR SHOWN SHALL BE APPROVED BY THE STRUCTURAL ENGINEER.

9. "ROUGHENED SURFACES", WHERE SPECIFIED ON THE DRAWINGS, SHALL BE MECHANICALLY ROUGHENED SUCH THAT A 1/4"± AMPLITUDE IS ACHIEVED BETWEEN HIGH AND LOW SPOTS OF THE ROUGHENED SURFACE. THE SURFACE SHALL BE CLEAN AND FREE OF LAITANCE.

10. ALL SLABS SHALL HAVE A TROWEL FINISH EXCEPT AS NOTED ON THE DRAWINGS.

11. PROVIDE 3/4" CHAMFER AT ALL EXPOSED (I.E., NOT BURIED OR CONCEALED FROM VIEW OR ACCESS) CONCRETE EDGES AND CORNERS.

STEEL

1. ALL STRUCTURAL AND MISCELLANEOUS STEEL SHALL BE ASTM A36 UNLESS NOTED OTHERWISE AND SHALL BE FABRICATED IN ACCORDANCE WITH THE AISC SPECIFICATION FOR THE DESIGN, FABRICATION AND ERECTION OF STRUCTURAL STEEL FOR BUILDINGS. SPECIAL INSPECTION SHALL BE PROVIDED FOR ALL STRUCTURAL STEEL UNLESS FABRICATION IS PERFORMED ON THE PREMISES OF A FABRICATOR REGISTERED AND APPROVED TO PERFORM SUCH WORK WITHOUT SPECIAL INSPECTION, IN ACCORDANCE WITH THE PROJECT SPECIFICATIONS AND SECTION 1704.2.5.1 OF THE 2019 CBC. AT THE COMPLETION OF FABRICATION, THE APPROVED FABRICATOR SHALL SUBMIT A CERTIFICATE OF COMPLIANCE TO THE CITY BUILDING OFFICIAL AND TO THE ENGINEER STATING THAT THE WORK WAS PERFORMED IN ACCORDANCE WITH THE CONTRACT DOCUMENTS.

2. ALL WIDE FLANGE SECTIONS (W SHAPES) SHALL CONFORM TO ASTM A992, Fy = 50 KSI.

3. STEEL TUBES SHALL CONFORM TO ASTM A500, GRADE B OR BETTER, UNLESS NOTED OTHERWISE.

4. STEEL PIPES SHALL CONFORM TO ASTM A53, GRADE B.

5. BOLTS SHALL CONFORM TO ASTM A307 OR BETTER, UNLESS NOTED OTHERWISE.

6. HOLES FOR BOLTS IN STEEL SHALL BE OF SAME DIAMETER AS BOLT +1/16" MAXIMUM. CONNECTED MEMBERS SHALL BEAR ONLY UPON UNTHREADED PORTIONS OF BOLTS.

7. ALL WELDING SHALL BE SHIELDED ARC TYPE IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICAN WELDING SOCIETY CODE D1.1, AND SHALL BE PERFORMED BY A CERTIFIED WELDER IN A FABRICATION SHOP REGISTERED AND APPROVED IN ACCORDANCE WITH STEEL NOTE 1 ABOVE. CONTINUOUS INSPECTION IS REQUIRED OF ALL FIELD WELDING IN ACCORDANCE WITH AISC 360, SECTION N5.4.

8. NO STRUCTURAL STEEL MEMBER SHALL BE CUT FOR PIPES, DUCTS, ETC. UNLESS SPECIFICALLY DETAILED AND APPROVED BY THE STRUCTURAL ENGINEER.

9. STAINLESS STEEL SHALL CONFORM TO ASTM A276/AISI 316. STAINLESS STEEL BOLTS AND THREADED RODS SHALL CONFORM TO ASTM F593. STAINLESS STEEL NUTS SHALL CONFORM TO ASTM F594.

10. WELDING OF STAINLESS STEEL SHALL CONFORM TO STRUCTURAL WELDING CODE - STAINLESS STEEL, ANSI/AWS D1.6-07

11. WHERE SPECIFIED, USE OF HIGH-STRENGTH BOLTS SHALL CONFORM TO THE PROVISIONS OF THE "SPECIFICATION FOR STRUCTURAL JOINTS USING ASTM A325 OR A490 BOLTS" APPROVED BY THE RESEARCH COUNCIL ON STRUCTURAL CONNECTIONS OF THE ENGINEERING FOUNDATION (RCSC). SPECIAL INSPECTION OF HIGH-STRENGTH BOLT CONNECTIONS IS REQUIRED.

12. ALL CARBON STEEL EXPOSED TO WEATHER OR DAMP/WET CONDITION SHALL BE HOT DIP GALVANIZED IN ACCORDANCE WITH ASTM A123, A153, A385 AFTER FABRICATION. REPAIR/TOUCHUP OF GALVANIZING SHALL BE IN ACCORDANCE WITH ASTM A780. ALL OTHER CARBON STEEL SHALL RECEIVE TWO COATS OF SHOP APPLIED PRIMER AND BE COATED IN ACCORDANCE WITH THE SPECIFICATIONS.

13. ANCHOR RODS SHALL CONFORM TO ASTM F1154, GRADE 36.

CONTRACTOR PROVIDED STRUCTURAL DESIGNS

CONTRACTOR SHALL PROVIDE DESIGN BY A LICENSED ENGINEER FOR EACH OF THE FOLLOWING:

1. ROOF CANOPY, CANOPY SUPPORT COLUMNS, LATERAL BRACING AND THEIR ANCHORAGES

2. CHEMICAL STORAGE TANKS

3. CHEMICAL STORAGE TANKS AND EQUIPMENT ANCHORAGE (SEE CHEMICAL STORAGE TANKS AND EQUIPMENT ANCHORAGE NOTES BELOW

CHEMICAL STORAGE TANK AND EQUIPMENT ANCHORAGE

1. ANCHORAGE FOR CHEMICAL STORAGE TANKS AND OTHER EQUIPMENT SHALL BE PROVIDED BY THE CONTRACTOR. THE CONTRACTOR SHALL SUBMIT CALCULATIONS AND SHOP DRAWINGS SIGNED AND STAMPED BY A CALIFORNIA LICENSED CIVIL OR STRUCTURAL ENGINEER PRIOR TO FABRICATION.

2. TANK ANCHORS SHALL BE ASTM F1554, GRADE 36 CAST-IN-PLACE ANCHOR BOLTS OR THREADED ROD ADHESIVE ANCHORS UNLESS NOTED OTHERWISE. ANCHORS FOR OTHER EQUIPMENT SHALL BE 316 STAINLESS STEEL CAST-IN-PLACE ANCHOR BOLTS OR THREADED ROD ADHESIVE ANCHORS, UNLESS NOTED OTHERWISE. EXPANSION ANCHORS MAY NOT BE USED FOR THE ANCHORAGE.

3. TANK AND VESSEL ANCHORS SHALL BE DESIGNED IN ACCORDANCE WITH ASCE 7-16 SECTION 15.7.5 AND ACI 318-14 CHAPTER 17. IN SEISMIC DESIGN CATEGORY C, D, E, AND F, THE ANCHOR EMBEDMENT INTO THE CONCRETE SHALL BE DESIGNED TO DEVELOP THE STEEL STRENGTH OF THE ANCHOR IN TENSION DETERMINED IN ACCORDANCE WITH ACI 318, EQ. 17.4.1.2. THE ANCHOR SHALL HAVE A MINIMUM GAUGE LENGTH OF EIGHT DIAMETERS. POST-INSTALLED ANCHORS ARE PERMITTED TO BE USED IN ACCORDANCE WITH ASCE 7-16 SECTION 15.4.9.3 PROVIDED THAT THE ANCHOR EMBEDMENT INTO THE CONCRETE IS DESIGNED TO DEVELOP THE STEEL STRENGTH OF THE ANCHOR IN TENSION. LOAD COMBINATIONS INCLUDING OVERSTRENGTH ARE NOT TO BE USED TO SIZE THE ANCHOR BOLTS FOR TANKS AND HORIZONTAL AND VERTICAL VESSELS.

ADHESIVE ANCHORS (HILTI)

1. ADHESIVE ANCHORS SHALL BE "HILTI HIT-RE 500 V3" ADHESIVE ANCHORS FOR CONCRETE AS MANUFACTURED BY HILTI, INC.

2. ANCHORS SHALL BE INSTALLED IN ACCORDANCE WITH ICC EVALUATION REPORT No. 3814 FOR CONCRETE.

3. SPECIAL INSPECTION PER CHAPTER 1704.13 OF THE CBC SHALL BE PROVIDED DURING ANCHOR INSTALLATION.

4. AN ALTERNATIVE ADHESIVE ANCHOR PRODUCT MAY BE SUBMITTED TO THE ENGINEER FOR APPROVAL, PROVIDED THAT IT HAS A CURRENT ICC EVALUATION REPORT APPROVAL.

5. ALL ABANDONED HOLES SHALL BE FILLED WITH A DRYPACK GROUT WITH A MINIMUM 28-DAY COMPRESSIVE STRENGTH OF 5,000 PSI. THE FILLED HOLE(S) SHALL BE PREPARED AND CLEANED AS REQUIRED BY THE GROUT MANUFACTURER.

6. LOCATE EXISTING REINFORCING USING A NON-DESTRUCTIVE METHOD (PACHOMETER OR OTHER), PRIOR TO DRILLING HOLES FOR ANCHORS. MAINTAIN A MINIMUM CLEARANCE OF 1" BETWEEN THE REINFORCEMENT AND THE ANCHOR.

7. CONCRETE IN WHICH ADHESIVE ANCHORS ARE INSTALLED SHALL HAVE A MINIMUM AGE OF 21 DAYS AT TIME OF ANCHOR INSTALLATION.

8. ADHESIVE ANCHORS IN MASONRY SHALL HAVE A MINIMUM EDGE DISTANCE AND BOLT SPACING OF 4 INCHES.

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AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER DALE E. WAH No. 25827 STRUCTURAL STATE OF CALIFORNIA
1/17/20

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

SCALE	AS SHOWN	DESIGNED BY	D. KUANG	DRAWN BY	T. NGUYEN	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 6

GENERAL STRUCTURAL NOTES

DWG NO. S-1

\\USORAFFILW001.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM\PROJECT\SHEETS\S-1 GENERAL STRUCTURAL NOTES.DWG (02-11-20 12:58:17PM)

STRUCTURAL ABBREVIATIONS

&	AND
@	AT
#	NUMBER
ø	DIAMETER
AB	ANCHOR BOLT
ABS	ANCHOR BOLTS
ACI	AMERICAN CONCRETE INSTITUTE
ADJ	ADJACENT
AISC	AMERICAN INSTITUTE OF STEEL CONSTRUCTION
AISI	AMERICAN IRON AND STEEL INSTITUTE
ALUM	ALUMINUM
ALT	ALTERNATE
APROX	APPROXIMATE
ARCH	ARCHITECTURAL
ASCE	AMERICAL SOCIET OF CIVIL ENGINEERS
ASTM	AMERICAN SOCIETY FOR TESTING AND MATERIALS
AWS	AMERICAN WELDING SOCIETY
BLKG	BLOCKING
BLDG	BUILDING
BM	BEAM
BOT	BOTTOM
BRG	BEARING
BS	BOTH SIDES
BTWN	BETWEEN
C	CHANNEL
CALC'S	CALCULATIONS
CBC	CALIFORNIA BUILDING CODE
CC,C/C	CENTER-TO-CENTER
CF	CUBIC FOOT
CI	CAST-IRON
CJ	CONSTRUCTION JOINT
CJP	COMPLETE JOINT PENETRATION
℄	CENTERLINE
CLG	CEILING
CLK(G)	CAULK(ING)
CLR	CLEAR
CMU	CONCRETE MASONRY UNIT
CNJ	CONTROL JOINT
CNTR	CENTER
COL	COLUMN
CONC	CONCRETE
CONST	CONSTRUCTION
CONT	CONTINUOUS
C.S.	CARBON STEEL
DBL	DOUBLE
DEPT	DEPARTMENT
DET	DETAIL
DIA	DIAMETER
DIM	DIMENSION
DL	DEAD LOAD
DN	DOWN
DO	DITTO
DIV	DIVISION
DR	DOOR
DWG(S)	DRAWINGS
DWL	DOWEL
(E)	EXISTING
EA	EACH
EF	EACH FACE
EJ	EXPANSION JOINT
EL	ELEVATION
EMBED	EMBEDMENT
EQ	EQUAL
EQUIP	EQUIPMENT
ES	EACH SIDE
EW	EACH WAY
EXP	EXPANSION
EXT	EXTERIOR
(F)	FUTURE
FD	FLOOR DRAIN
FDN	FOUNDATION
FF	FINISH FLOOR
FIN	FINISH
FLR	FLOOR
FNDN/FDN	FOUNDATION
FO_	FACE OF _____
FRMG	FRAMING
FRP	FIBERGLASS REINFORCED PLASTIC
FT	FOOT/FEET
FTG	FOOTING
GA	GAGE/GAUGE
GALV	GALVANIZED
GI	GALVANIZED IRON
GRD	GRADE
HDG	HOT DIP GALVANIZED
HDR	HEADER
(H)/HORIZ	HORIZONTAL
HM	HOLLOW METAL
HP	HIGH POINT
HSB	HIGH STRENGTH BOLT
HSS	HOLLOW STRUCTURAL SECTION
HT	HEIGHT
HVAC	HEATING,VENTILATION,&AIR CONDITIONING
IBC	INTERNATIONAL BUILDING CODE
ICC	INTERNATIONAL CODE COUNCIL
ID	INSIDE DIAMETER
IF	INSIDE FACE
IN	INCH
INT	INTERIOR
JST	JOIST
JT	JOINT
KIP	1,000 POUNDS
KSI	KIPS PER SQUARE INCH
∠	ANGLE
LB(S)	POUNDS
LB/SF	POUND(S) PER SQUARE FOOT
LF	LINEAR FOOT
LG	LONG
LL	LIVE LOAD
LLH	LONG LEG HORIZONTAL
LLV	LONG LEG VERTICAL
LLBB	LONG LEG BACK-TO-BACK
LONGIT	LONGITUDINAL
LP	LOW POINT
LW	LIGHT WEIGHT
MAS	MASONRY
MAT	MATERIAL
MAX	MAXIMUM
MB	MACHINE BOLT
MECH	MECHANICAL
MIN	MINIMUM
MISC	MISCELLANEOUS
MFG	MANUFACTURER
MO	MASONRY OPENING
MTL	METAL
(N)	NEW
NDT	NON-DESTRUCTIVE TEST(ING)
NIC	NOT IN CONTACT
NO	NUMBER
NOM	NOMINAL
NS	NEAR SIDE
NSG	NON-SHRINK GROUT
NTS	NOT TO SCALE
OC	ON CENTERS
OD	OUTSIDE DIAMETER
OH	OPPOSITE HAND, OVERHEAD
OPNG(S)	OPENING(S)
OPP	OPPOSITE
PCF	POUNDS PER CUBIC FOOT
PERP	PERPENDICULAR
PJP	PARTIAL JOINT PENETRATION
PLF	POUNDS PER LINEAL FOOT
PNL	PANEL
PREFAB	PREFABRICATED
PP	PARTIAL PENETRATION
PSF	POUNDS PER SQUARE FOOT
PSI	POUNDS PER SQUARE INCH
PT(S)	POINT(S)
PVC	POLYVINYL CHLORIDE
R, RAD	RADIUS
RD	ROOF DRAIN
RECT	RECTANGLE, RECTANGULAR
REF	REFERENCE
REINF	REINFORCING, REINFORCEMENT
REQ'D	REQUIRED
REV	REVISION
SCH	SCHEDULE
SECT	SECTION
SF	SQUARE FOOT
SHT	SHEET
SIM	SIMILAR
SLH	SHORT LEG HORIZONTAL
SLV	SHORT LEG VERTICAL
SMS	SHEET METAL SCREW
SOG	SLAB ON GRADE
SPEC(S)	SPECIFICATION(S)
SQ	SQUARE
SS, SST	STAINLESS STEEL
STD	STANDARD
STIFF	STIFFENER
STL	STEEL
STRUC	STRUCTURE
STS	SELF TAPPING SCREW
SUSP	SUSPENDED
SYM/SYMM	SYMMETRICAL
SYS	SYSTEM
T	THICKNESS
T&B	TOP AND BOTTOM
TEMP	TEMPORARY
THK	THICK
TL	TOTAL LOAD
TMS	THE MASONRY SOCIETY
TOC	TOP OF CONCRETE
TOF	TOP OF FOOTING
TOS	TOP OF STEEL
TYP	TYPICAL
TW	TOP OF WALL
UON/ UNO	UNLESS OTHERWISE NOTED
UT	ULTRASONIC TESTING
(V)/VERT	VERTICAL
VIF	VERIFY IN FIELD
W/	WITH
W.P.	WORKING POINT
W/O	WITHOUT
WP	WATERPROOF/WORK POINT
WT	WEIGHT, STRUCTURAL TEE, WALL THICKNESS
YD	YARD

DESIGN CRITERIA

DESIGN CODES AND REFERENCES:
- CALIFORNIA BUILDING CODE, 2019 EDITION
- ACI 318-14
- ASCE 7-16

CANOPY LOADING:
ROOF DL = 5 PSF (ASSUMED)
ROOF LL = 20 PSF (ASSUMED)

SEISMIC DESIGN PARAMETERS:
ANALYSIS PROCEDURE USED: EQUIVALENT LATERAL FORCE PROCEDURE
LOCATION: 34.126 N. LAT., 117.9358 W. LONG.
RISK CATEGORY: IV
SITE CLASS: D
SEISMIC DESIGN CATEGORY: D

S_s = 1.945 S_1 = 0.867
F_a = 1.0 F_v = 1.5
S_{DS} = 1.297 S_{D1} = 0.867
IE = 1.50
R = 3 (FLAT BOTTOM GROUND SUPPORTED TANKS, MECHANICALLY ANCHORED)
R = 1.25 (STEEL ORDINARY CANTILEVER COLUMN SYSTEM)

WIND LOAD DESIGN PARAMETERS:
BASIC WIND SPEED: 115 MPH (3-SECOND GUST)
EXPOSURE CATEGORY: C
WIND DIRECTIONAL FACTOR, Kd = 0.85

SOIL DESIGN PARAMETERS:
ALLOWABLE SOIL BEARING = 1500 PSF (w/ 1/3 INCREASE FOR WIND OR SEISMIC FORCES)

SODIUM HYPOCHLORITE TANK:
WEIGHT = 270 LBS EMPTY
WEIGHT = 10,000 LBS FULL
CENTER OF GRAVITY = 2'-10"

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REV 9

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DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 7

DESIGN CRITERIA AND STRUCTURAL ABBREVIATIONS

DWG NO. S-2

\\USORA1FILW001.NA.AECOMNET.COM\ORANGE\DGS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION_SYSTEM_PROJECT\SHEETS\S-2 STRUCTURAL ABBREVIATIONS AND DESIGN CRITERIA.DWG (02-11-20 12:58:59PM)

SPECIAL INSPECTION PROGRAM - APPLIES TO ALL TABLES

THE SPECIAL INSPECTIONS LISTED ARE IN ADDITION TO THE CALLED INSPECTIONS REQUIRED BY CBC 2019 CHAPTER 1 SECTION 110. THE SPECIAL INSPECTIONS IDENTIFIED ON PLANS ARE IN ADDITION TO, AND NOT A SUBSTITUTE FOR, THOSE INSPECTIONS REQUIRED TO BE PERFORMED BY THE GOVERNING JURISDICTION'S BUILDING INSPECTOR. THE GOVERNING JURISDICTION IS DEFINED AS THE CITY, COUNTY, OR GOVERNMENTAL UNIT THAT IS RESPONSIBLE FOR THE INSPECTIONS OF CONSTRUCTION OR WORK AS SPECIFIED IN THE CONTRACT DOCUMENTS.

SPECIAL INSPECTIONS REQUIRED FOR THIS PROJECT SHALL BE PERFORMED IN ACCORDANCE WITH CBC CHAPTER 17. SPECIAL INSPECTIONS SHALL BE PERFORMED BY AN APPROVED INSPECTION AGENCY U.N.O, EMPLOYED BY THE OWNER.

THE SPECIAL INSPECTOR SHALL BE CERTIFIED BY THE INTERNATIONAL CODE COUNCIL (ICC) TO PERFORM INSPECTION FOR THE PARTICULAR TYPE OF CONSTRUCTION OR OPERATION REQUIRING SPECIAL INSPECTION PRIOR TO THE COMPLETION OF THAT PHASE OF THE WORK.

THE SPECIAL INSPECTOR SHALL FURNISH INSPECTION REPORTS TO THE BUILDING OFFICIAL AND/OR THE ENGINEER. ALL DISCREPANCIES SHALL BE BROUGHT TO THE IMMEDIATE ATTENTION OF THE CONTRACTOR FOR CORRECTION, THEN, IF UNCORRECTED, TO THE STRUCTURAL ENGINEER AND TO THE BUILDING OFFICIAL.

THE SPECIAL INSPECTOR SHALL SUBMIT A FINAL SIGNED REPORT STATING WHETHER THE WORK REQUIRING SPECIAL INSPECTION WAS, TO THE BEST OF THE INSPECTOR'S KNOWLEDGE, IN CONFORMANCE WITH THE APPROVED PLANS AND SPECIFICATIONS AND THE APPLICABLE WORKMANSHIP PROVISIONS OF THIS CODE.

IT SHALL BE THE CONTRACTOR'S SOLE RESPONSIBILITY TO PROVIDE AT LEAST 48 HOURS ADVANCE NOTICE TO THE OWNER/OWNER'S REPRESENTATIVE WHEN HIS WORK IS READY FOR ANY REQUIRED SPECIAL INSPECTIONS.

SHOP INSPECTION OF STEEL CONSTRUCTION IS NOT REQUIRED WHEN THE WORK IS DONE ON THE PREMISES OF A FABRICATOR REGISTERED AND APPROVED TO PERFORM SUCH WORK WITHOUT SPECIAL INSPECTION. APPROVAL SHALL BE BASED UPON REVIEW OF THE FABRICATOR'S WRITTEN PROCEDURAL AND QUALITY CONTROL MANUALS AND PERIODIC AUDITING OF FABRICATION PRACTICES BY AN APPROVED SPECIAL INSPECTION AGENCY. AT COMPLETION OF FABRICATION, THE APPROVED FABRICATOR SHALL SUBMIT A CERTIFICATE OF COMPLIANCE TO THE BUILDING OFFICIAL STATING THAT THE WORK WAS PERFORMED IN ACCORDANCE WITH THE APPROVED CONSTRUCTION DOCUMENTS.

CONTRACTOR RESPONSIBILITY

EACH CONTRACTOR RESPONSIBLE FOR THE CONSTRUCTION OF A MAIN WIND- OR SEISMIC-FORCE-RESISTING SYSTEM, DESIGNATED SEISMIC SYSTEM OR A WIND- OR SEISMIC-RESISTING COMPONENT LISTED IN THE STATEMENT OF SPECIAL INSPECTIONS SHALL SUBMIT A WRITTEN STATEMENT OF RESPONSIBILITY TO THE BUILDING OFFICIAL AND THE OWNER PRIOR TO THE COMMENCEMENT OF WORK ON THE SYSTEM OR COMPONENT. THE CONTRACTOR'S STATEMENT OF RESPONSIBILITY SHALL CONTAIN ACKNOWLEDGMENT OF AWARENESS OF THE SPECIAL REQUIREMENTS CONTAINED IN THE STATEMENT OF SPECIAL INSPECTION.

OWNER OR OWNER'S REPRESENTATIVE SHALL BE SYNONYMOUS WITH 'BUILDING OFFICIAL' IN THE FOREGOING IF THE PROJECT IS NOT UNDER THE JURISDICTION OF A BUILDING DEPARTMENT.

SPECIAL INSPECTION SHALL BE PROVIDED FOR THE FOLLOWING TYPES OF WORK PERFORMED IN THE FIELD, OR NOT PERFORMED IN AN APPROVED FABRICATION SHOP AS DEFINED ABOVE, UNLESS NOTED AS "N/A".

CONTINUOUS AND PERIODIC INSPECTIONS:

1. WHERE CONTINUOUS SPECIAL INSPECTION IS REQUIRED, THE SPECIAL INSPECTOR SHALL CONTINUOUSLY PROVIDE FULL-TIME VERIFICATION OF THE WORK.
2. WHERE PERIODIC SPECIAL INSPECTION IS REQUIRED, THE SPECIAL INSPECTOR SHALL PROVIDE VERIFICATION THAT THE PERIODIC INSPECTION WAS PERFORMED.

MAIN WIND- OR SEISMIC-FORCE RESISTING SYSTEMS, DESIGNATED SEISMIC SYSTEMS, AND SEISMIC RESISTING COMPONENTS SUBJECT TO SPECIAL INSPECTIONS:

- FOR ACTIVE MECHANICAL AND ELECTRICAL EQUIPMENT THAT MUST REMAIN OPERABLE FOLLOWING THE DESIGN EARTHQUAKE GROUND MOTION, INSPECTION/VERIFICATION THAT THE LABEL, ANCHORAGE AND MOUNTING CONFORM TO THE CERTIFICATE OF COMPLIANCE
- PERIODIC SPECIAL INSPECTION FOR INSTALLATION OF ELECTRICAL EQUIPMENT ANCHORAGE
- PERIODIC SPECIAL INSPECTION FOR INSTALLATION OF PIPING SYSTEMS AND DUCTWORK DESIGNED TO CARRY HAZARDOUS MATERIALS AND THEIR ASSOCIATED MECHANICAL UNITS

REQUIRED VERIFICATION AND INSPECTION OF SOILS:

		CONTINUOUS INSPECTION	PERIODIC INSPECTION	N/A
1.	VERIFY MATERIALS BELOW SHALLOW FOUNDATIONS ARE ADEQUATE TO ACHIEVE THE DESIGN BEARING CAPACITY.	☐	■	☐
2.	VERIFY EXCAVATIONS ARE EXTENDED TO PROPER DEPTH AND HAVE REACHED PROPER MATERIAL.	☐	■	☐
3.	PERFORM CLASSIFICATION AND TESTING OF COMPACTED FILL MATERIALS	☐	■	☐
4.	VERIFY USE OF PROPER MATERIALS, DENSITIES AND LIFT THICKNESSES DURING PLACEMENT AND COMPACTION OF COMPACTED FILL.	■	☐	☐
5.	PRIOR TO PLACEMENT OF COMPACTED FILL, OBSERVE SUBGRADE AND VERIFY THAT SITE HAS BEEN PREPARED PROPERLY.	☐	■	☐

REQUIRED SPECIAL INSPECTIONS AND TESTS OF CONCRETE CONSTRUCTION:

		CONTINUOUS INSPECTION	PERIODIC INSPECTION	N/A
1.	INSPECTION OF REINFORCING STEEL, INCLUDING PLACEMENT.	☐	■	☐
2.	INSPECTION OF REINFORCING STEEL WELDING IN ACCORDANCE WITH TABLE 1705.3	☐	☐	■
3.	INSPECT ANCHORS CAST IN CONCRETE, PRIOR TO AND DURING PLACEMENT OF CONCRETE	☐	■	☐
4.	INSPECT ANCHORS POST-INSTALLED IN HARDENED CONCRETE MEMBERS.			
	A. ADHESIVE ANCHORS INSTALLED IN HORIZONTALLY OR UPWARDLY INCLINED ORIENTATIONS TO RESIST SUSTAINED TENSION LOADS.	■	☐	☐
	B. MECHANICAL ANCHORS AND ADHESIVE ANCHORS NOT DEFINED IN 4.A.	☐	■	☐
5.	VERIFY USE OF REQUIRED DESIGN MIX.	☐	■	☐
6.	PRIOR TO CONCRETE PLACEMENT, FABRICATE SPECIMENS FOR STRENGTH TESTS, PERFORM SLUMP AND AIR CONTENT TESTS, AND DETERMINE THE TEMPERATURE OF THE CONCRETE	■	☐	☐
7.	INSPECT CONCRETE AND SHOTCRETE PLACEMENT FOR PROPER APPLICATION TECHNIQUES	■	☐	☐
8.	VERIFY MAINTENANCE OF SPECIFIED CURING TEMPERATURE AND TECHNIQUES	☐	■	☐
9.	INSPECT ERECTION OF PRECAST CONCRETE MEMBERS	☐	■	☐
10.	VERIFY OF IN-SITU CONCRETE STRENGTH, PRIOR TO REMOVAL OF SHORES AND FORMS FROM BEAMS AND STRUCTURAL SLABS.	☐	■	☐
11.	INSPECT FORMWORK FOR SHAPE, LOCATION AND DIMENSIONS OF THE CONCRETE MEMBER BEING FORMED.	☐	■	☐

LEVEL C SPECIAL INSPECTION OF MASONRY:

- VERIFY f'_m IN ACCORDANCE WITH ACI 530.1, ARTICLE 1.4B PRIOR TO CONSTRUCTION AND FOR EVERY 5,000 SQ. FT. DURING CONSTRUCTION
- VERIFY PROPORTIONS OF MATERIALS IN PREMIXED OR PREBLENDED MORTAR, AND GROUT OTHER THAN SELF-CONSOLIDATING GROUT, AS DELIVERED TO THE JOB SITE.
- VERIFY SLUMP FLOW AND VISUAL STABILITY INDEX (VSI) AS DELIVERED TO THE JOB SITE IN ACCORDANCE WITH ACI 510.1, ARTICLE 1.5B.1.b.3 FOR SELF-CONSOLIDATING GROUT.

		CONTINUOUS INSPECTION	PERIODIC INSPECTION	N/A
1.	VERIFY COMPLIANCE WITH THE APPROVED SUBMITTALS	☐	☐	■
2.	VERIFY THAT THE FOLLOWING ARE IN COMPLIANCE:			
	a. PROPORTIONS OF SITE-MIXED MORTAR AND GROUT.	☐	☐	■
	b. GRADE, TYPE, AND SIZE OF REINFORCEMENT AND ANCHOR BOLTS	☐	☐	■
	c. PLACEMENT OF MASONRY UNITS AND CONSTRUCTION OF MORTAR JOINTS	☐	☐	■
	d. PLACEMENT OF REINFORCEMENT AND CONNECTORS	☐	☐	■
	e. GROUT SPACE PRIOR TO GROUTING	☐	☐	■
	f. PLACEMENT OF GROUT	☐	☐	■
	g. SIZE AND LOCATION OF STRUCTURAL ELEMENTS	☐	☐	■
	h. TYPE, SIZE, AND LOCATION OF ANCHORS INCLUDING OTHER DETAILS OF ANCHORAGE OF MASONRY TO STRUCTURAL MEMBERS, FRAMES, OR OTHER CONSTRUCTION	☐	☐	■
	i. WELDING OF REINFORCING BARS	☐	☐	■
	j. PREPARATION, CONSTRUCTION AND PROTECTION OF MASONRY DURING COLD WEATHER (TEMPERATURE BELOW 40°F) OR HOT WEATHER (TEMPERATURE ABOVE 90°F)	☐	☐	■
3.	OBSERVE PREPARATION OF GROUT SPECIMENS, MORTAR SPECIMENS AND/OR PRISMS SHALL BE OBSERVED.	☐	☐	■

STEEL CONSTRUCTION (OTHER THAN STRUCTURAL STEEL)

		CONTINUOUS INSPECTION	PERIODIC INSPECTION	N/A
1.	MATERIAL VERIFICATION OF COLD-FORMED STEEL DECK			
	A. IDENTIFICATION MARKINGS TO CONFORM TO ASTM STANDARDS SPECIFIED IN THE APPROVED CONSTRUCTION DOCUMENTS	☐	■	☐
	B. MANUFACTURER'S CERTIFIED TEST REPORTS	☐	■	☐
2.	INSPECTION OF WELDING IN ACCORDANCE WITH AWS D1.3 AND SDI QA/QC			
	A. COLD-FORMED STEEL DECK			
	• FLOOR AND ROOF DECK WELDS	☐	■	☐

OPEN-WEB STEEL JOISTS AND JOIST GIRDERS:

		CONTINUOUS INSPECTION	PERIODIC INSPECTION	N/A
1.	INSTALLATION OF OPEN-WEB STEEL JOISTS AND JOIST GIRDERS			
	A. END CONNECTIONS - WELDING OR BOLTED	☐	☐	■
	B. BRIDGING - HORIZONTAL OR DIAGONAL			
	• STANDARD BRIDGING	☐	☐	■
	• BRIDGING THAT DIFFERS FROM SJI K OR SJI LH/DLH SPECIFICATIONS	☐	☐	■

STEEL CONSTRUCTION (STRUCTURAL STEEL):

O - OBSERVE THESE ITEMS ON A RANDOM BASIS, OPERATIONS NEED NOT BE DELAYED PENDING THESE INSPECTIONS

P - PERFORM THESE TASKS FOR EVERY LOCATION

		P	O
1.	INSPECTION TASKS PRIOR TO WELDING		
	A. WELDING PROCEDURE SPECIFICATIONS (WPSs) AVAILABLE	■	☐
	B. MANUFACTURERS CERTIFICATIONS FOR WELDING CONSUMABLES AVAILABLE	■	☐
	C. MATERIAL IDENTIFICATION (TYPE/GRADE)	☐	■
	D. WELDER IDENTIFICATION SYSTEM	☐	■
	E. FIT-UP OF GROOVE WELDS (INCLUDING GEOMETRY)	☐	■
	• JOINT PREPARATION		
	• DIMENSIONS (ALIGNMENT, ROOT OPENING, ROOT FACE, BEVEL)		
	• CLEANLINESS (CONDITION OF STEEL SURFACES)		
	• TACKING (TACK WELD QUALITY AND LOCATION)		
	• BACKING TYPE AND FIT (IF APPLICABLE)		
	F. CONFIGURATION AND FINISH OF ACCESS HOLES	☐	■
	G. FIT-UP OF FILLET WELDS	☐	■
	• DIMENSIONS (ALIGNMENT, GAPS AT ROOT)		
	• CLEANLINESS (CONDITION OF STEEL SURFACES)		
	• TACKING (TACK WELD QUALITY AND LOCATION)		
2.	INSPECTION TASKS DURING WELDING		
	A. USE OF QUALIFIED WELDERS	☐	■
	B. CONTROL AND HANDLING OF WELDING CONSUMABLES	☐	■
	• PACKAGING		
	• EXPOSURE CONTROL		
	C. NO WELDING OVER CRACKED TACK WELDS	☐	■
	D. ENVIRONMENTAL CONDITIONS	☐	■
	• WIND SPEED WITHIN LIMITS		
	• PRECIPITATION AND TEMPERATURE		
	E. WPS FOLLOWED	☐	■
	• SETTINGS ON WELDING EQUIPMENT		
	• TRAVEL SPEED		
	• SELECTED WELDING MATERIALS		
	• SHIELDING GAS TYPE/FLOW RATE		
	• PREHEAT APPLIED		
	• INTERPASS TEMPERATURE MAINTAINED (MIN./MAX.)		
	• PROPER POSITION (F, V, H, OH)		
	F. WELDING TECHNIQUES	☐	■
	• INTERPASS AND FINAL CLEANING		
	• EACH PASS WITHIN PROFILE LIMITATIONS		
	• EACH PASS MEETS QUALITY REQUIREMENTS		
3.	INSPECTION TASKS AFTER WELDING		
	A. WELDS CLEANED	☐	■
	B. SIZE, LENGTH, AND LOCATION OF WELDS	■	☐
	C. WELDS MEET VISUAL ACCEPTANCE CRITERIA	■	☐
	• CRACK PROHIBITION		
	• WELD/BASE-METAL FUSION		
	• CRATER CROSS SECTION		
	• WELD PROFILES		
	• WELD SIZE		
	• UNDERCUT		
	• POROSITY		
	D. ARC STRIKES	■	☐
	E. K-AREA	■	☐
	• WHEN WELDING OF DOUBLER PLATES, CONTINUITY PLATES OR STIFFENERS HAS BEEN PERFORMED IN THE K-AREA, VISUALLY INSPECT THE WEB K-AREA FOR CRACKS WITHIN 3 IN. (75MM) OF THE WELD		
	F. BACKING REMOVED AND WELD TABS REMOVED (IF REQUIRED)	■	☐
	G. REPAIR ACTIVITIES	■	☐
	H. DOCUMENT ACCEPTANCE OR REJECTION OF WELDED JOINT OR MEMBER	■	☐
4.	INSPECTION TASKS PRIOR TO BOLTING		
	A. MANUFACTURER'S CERTIFICATION AVAILABLE FOR FASTENER MATERIAL	■	☐
	B. FASTENERS MARKED IN ACCORDANCE WITH ASTM REQUIREMENTS	☐	■
	C. PROPER FASTENERS SELECTED FOR THE JOINT DETAIL (GRADE, TYPE, BOLT LENGTH IF THREADS ARE TO BE EXCLUDED FROM SHEAR PLANE)	☐	■
	D. PROPER BOLTING PROCEDURE SELECTED FOR JOINT DETAIL	☐	■
	E. CONNECTING ELEMENTS, INCLUDING THE APPROPRIATE FAYING SURFACE CONDITION AND HOLE PREPARATION, IF SPECIFIED, MEET APPLICABLE REQUIREMENTS	☐	■
	F. PRE-INSTALLATION VERIFICATION TESTING BY INSTALLATION PERSONNEL OBSERVED AND DOCUMENTED FOR FASTENER ASSEMBLIES AND METHODS USED	☐	■
	G. PROPER STORAGE PROVIDED FOR BOLTS, NUTS, WASHERS AND OTHER FASTENER COMPONENTS	☐	■
5.	INSPECTION TASKS DURING BOLTING		
	A. FASTENER ASSEMBLIES, OF SUITABLE CONDITION, PLACED IN ALL HOLES AND WASHERS (IF REQUIRED) ARE POSITIONED AS REQUIRED	☐	■
	B. JOINT BROUGHT TO THE SNUG-TIGHT CONDITION PRIOR TO THE PRETENSIONING OPERATION	☐	■
	C. FASTENER COMPONENT NOT TURNED BY THE WRENCH PREVENTED FROM ROTATING	☐	■
	D. FASTENERS ARE PRETENSIONED IN ACCORDANCE WITH THE RCSC SPECIFICATION, PROGRESSING SYSTEMATICALLY FROM THE MOST RIGID POINT TOWARD THE FREE EDGES	☐	■
6.	INSPECTION TASKS AFTER BOLTING		
	A. DOCUMENT ACCEPTANCE OR REJECTION OF BOLTED CONNECTIONS	■	☐
7.	INSPECTION OF STEEL ELEMENTS OF COMPOSITE CONSTRUCTION PRIOR TO CONCRETE PLACEMENT		
	A. PLACEMENT AND INSTALLATION OF STEEL DECK	■	☐
	B. PLACEMENT AND INSTALLATION OF STEEL HEADED STUD ANCHORS	■	☐
	C. DOCUMENT ACCEPTANCE OR REJECTION OF STEEL ELEMENTS	■	☐

STRUCTURAL OBSERVATION

THE STRUCTURAL ENGINEER, OR ANOTHER ENGINEER DESIGNATED BY THE STRUCTURAL ENGINEER SHALL BE RETAINED BY THE DISTRICT TO PERFORM STRUCTURAL OBSERVATION AS REQUIRED BY CBC CHAPTER 17. STRUCTURAL OBSERVATION SHALL BE PROVIDED DURING THE STAGES OF CONSTRUCTION LISTED BELOW. IT SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR TO PROVIDE AT LEAST 48 HOURS ADVANCE NOTICE TO THE STRUCTURAL ENGINEER WHEN HIS WORK IS READY FOR STRUCTURAL OBSERVATION FOR EACH OF THESE STAGES.

		SUBMITTALS REQUIRED (■ YES ☐ NO)	N/A
1.	CONCRETE: REINFORCING STEEL AND EMBEDDED STRUCTURAL ANCHORAGES PRIOR TO PLACEMENT OF CONCRETE FOR THE FOLLOWING:		
	A. FOUNDATIONS	■	☐
	B. SLABS-ON-GRADE (EXCEPT SITE PAVING AND FLATWORK)	☐	☐
	C. WALLS	■	☐
	D. STRUCTURAL FLOOR SLABS AND BEAMS NOT SUPPORTED ON-GRADE	☐	☐
	E. ROOF SLABS AND BEAMS	☐	☐
2.	MASONRY:		
	A. REINFORCING STEEL AND EMBEDDED STRUCTURAL ANCHORAGES PRIOR TO GROUTING OF MASONRY WALLS	☐	■
3.	STRUCTURAL STEEL:		
	A. ERECTED COLUMN, BEAMS AND GIRDERS, PRIOR TO INSTALLATION OF ROOF AND FLOOR JOISTS, TRUSSES AND DECKING	■	☐
4.	WOOD FRAMING:		
	A. ROOF, FLOOR AND WALL FRAMING AND MEMBER CONNECTIONS, AND STRUTS AND CHORDS, PRIOR TO INSTALLATION OF SHEATHING OR ANY COVERING THAT WOULD CONCEAL THE STRUCTURAL FRAME	☐	■
	B. PLYWOOD ROOF, FLOOR AND WALL SHEATING PRIOR TO INSTALLATION OR ROOFING AND ANY OTHER BUILDING MATERIALS THAT WOULD CONCEAL THE NAILING	☐	■

DEFERRED SUBMITTALS/CERTIFICATIONS

		SUBMITTALS REQUIRED (■ YES ☐ NO)	N/A
1.	OFF-SITE FABRICATION: FABRICATORS SHALL BE CITY, COUNTY AND/OR CBC APPROVED FABRICATORS. FABRICATORS FOR ALL OFF-SITE FABRICATION OF THE ITEMS LISTED BELOW:		
	A. TRUSSES	☐	■
	B. GLU-LAMINATED MEMBERS	☐	■
	C. PRECAST CONCRETE	☐	■
	D. STRUCTURAL STEEL (MILL REPORTS AND IDENTIFICATION OF STEEL, AFFIDAVIT OF COMPLIANCE)	■	☐
	E. OTHER: _____	☐	☐
2.	DEFERRED SUBMITTALS: SUBMITTAL DOCUMENTS FOR THE DEFERRED SUBMITTAL ITEMS LISTED BELOW SHALL BE DESIGNED BY A PE OR SE LICENSED IN THE STATE OF CALIFORNIA AND SUBMITTED BY THE CONTRACTOR TO THE BUILDING DEPARTMENT/APPROVAL AGENCY AND STRUCTURAL ENGINEER FOR REVIEW AND APPROVAL. THE DEFERRED SUBMITTAL ITEMS SHALL NOT BE INSTALLED UNTIL THEIR DESIGN AND SUBMITTAL DOCUMENTS HAVE BEEN APPROVED BY THE AFOREMENTIONED.		
	A. PREFABRICATED TRUSSES	☐	■
	B. PRECAST VAULTS	☐	■
	C. CONCRETE MIX	■	☐
	D. OTHER: PRE-ENGINEERED METAL CANOPY	■	☐
	E. OTHER: CHEMICAL STORAGE TANK AND EQUIPMENT ANCHORAGE	■	☐

DIAL 811 DIGALERT — UNDERGROUND SERVICE ALERT

PLAY IT SAFE. DIAL BEFORE YOU DIG! — AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER — DALE E. WAH — No. 25827 — STRUCTURAL — STATE OF CALIFORNIA — 1/17/20

PLANS PREPARED BY:

AECOM

999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

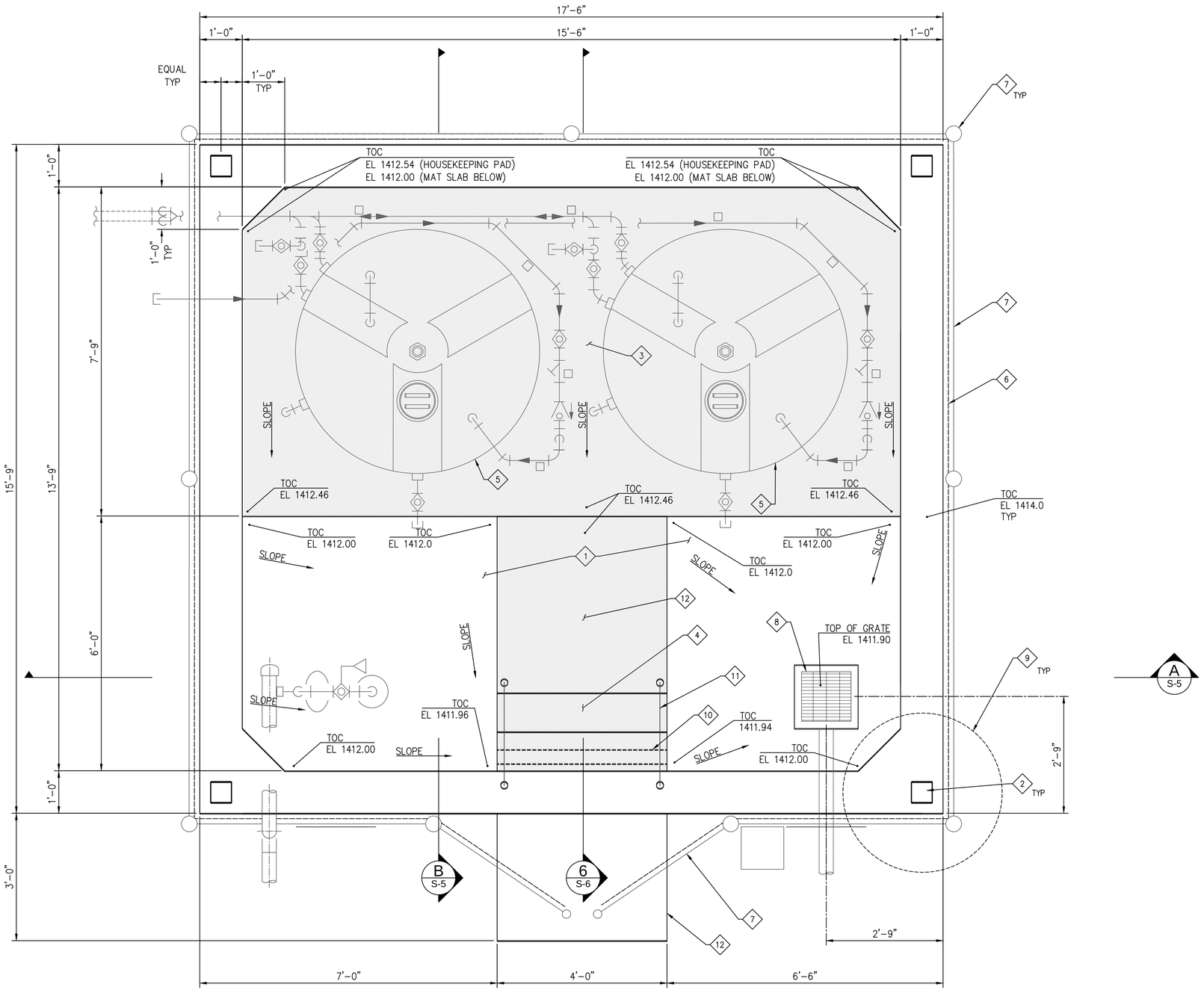
GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

SCALE	DESIGNED BY	DRAWN BY	DRAWING NUMBER	SHEET
AS SHOWN	D. KUANG	T. NGUYEN	AS SHOWN	8
DATE	CHECKED	APPROVED	JOB NUMBER	DWG NO.
FEBRUARY 2020	J. ZIMMERLE	J. ZIMMERLE	60438759	S-3

SPECIAL INSPECTIONS AND STRUCTURAL OBSERVATIONS

\\USGRAPPEWK001.NA.AECOMNET.COM\ORANGE\JOCS\PROJECTS\ENV\60438759 RFF RWTO_TREATMENT\900-CAD-GIS\2018_CHLORINATION_SYSTEM_PROJECT\SHEETS\S-3_SPECIAL_INSPECTIONS_AND_STRUCTURAL_OBSERVATIONS.DWG (02-11-20, 12:59:25PM)



KEYNOTES

1. 14" (MIN) THK CONCRETE CONTAINMENT SLAB w/ #6 @ 12" EW, T&B
2. COLUMN FOR PRE-ENGINEERED/PRE-MANUFACTURED METAL CANOPY BOLTED ON TOP OR EMBEDDED IN WALL - TO BE DESIGNED BY CONTRACTOR
3. TANK HOUSEKEEPING PAD PER DETAIL 6 ON DRAWING S-6 (SHADED AREA)
4. CONCRETE STEPS PER DETAIL 6 ON DRAWING S-6
5. SODIUM HYPOCHLORITE STORAGE TANKS - SEE MECHANICAL DRAWINGS
6. SUN SHADE ALL AROUND CHEMICAL CONTAINMENT FACILITY - SEE MECHANICAL DRAWINGS
7. CHAINLINK GATE, FENCING, AND POSTS - SEE MECHANICAL DRAWINGS
8. 18" SQUARE x 6" DEEP SUMP w/ FRP GRATING - SEE DETAIL 8 ON DRAWING S-6
9. FOR STEM WALL CORNER REINFORCEMENT, SEE DETAIL 4 ON DRAWING S-6
10. 4" SCH 80 PVC DRAIN PIPE - SET PIPE INVERT AT TOP OF SLAB
11. HANDRAIL - SEE DETAIL 7 ON DRAWING S-6 AND MECHANICAL DRAWINGS
12. CONCRETE LANDING - SEE SECTION 6 ON DRAWING S-6

FOUNDATION PLAN

SCALE: 3/4" = 1'-0"

DIAL 811
DIGALERT
UNDERGROUND SERVICE ALERT
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AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER
DALE E. WAH
No. 25827
STRUCTURAL
STATE OF CALIFORNIA
1/17/20

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

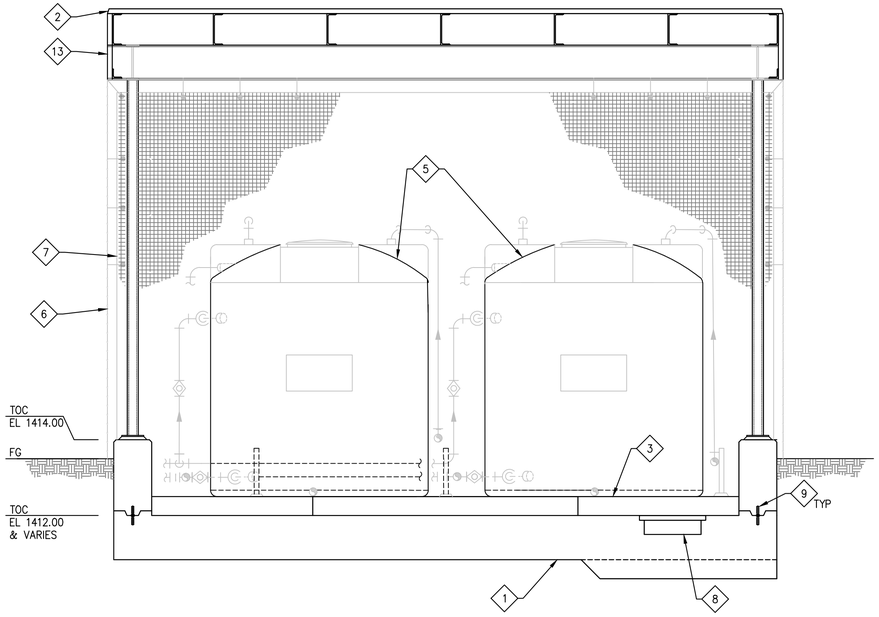
REV 9

SCALE	DESIGNED BY	DRAWN BY	DRAWING NUMBER	SHEET
AS SHOWN	D. KUANG	T. NGUYEN	AS SHOWN	9
DATE	CHECKED	APPROVED	JOB NUMBER	
FEBRUARY 2020	J. ZIMMERLE	J. ZIMMERLE	60438759	

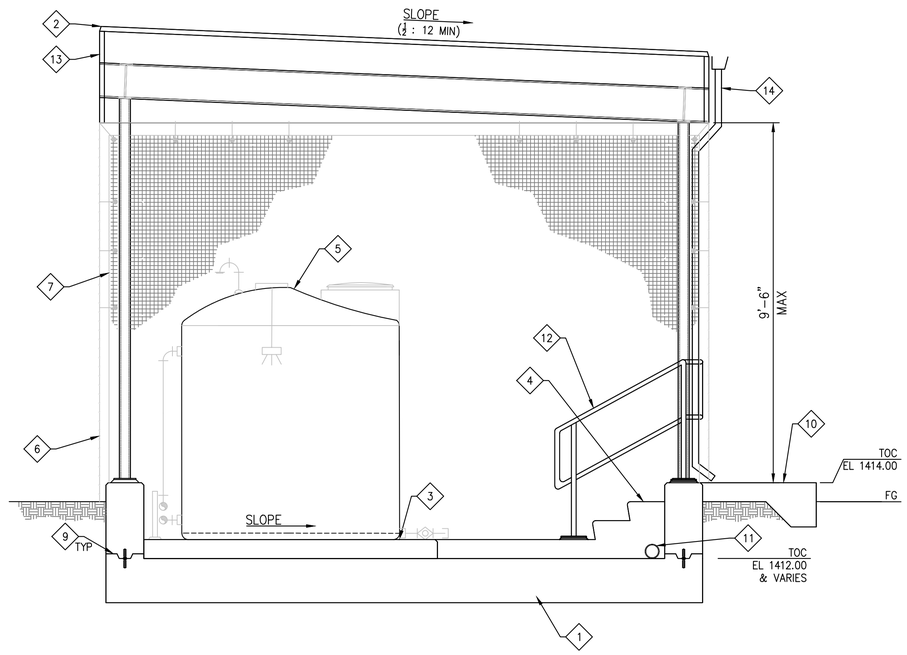
FOUNDATION PLAN

DWG NO. S-4

\\USORA1FILW001.NA.AECOMNET.COM\ORANGE\JOCS\PROJECTS\ENVX\60438759 RFF RIALTO_TREATMENT\900-CAD-GIS\2018_CHLORINATION_SYSTEM_PROJECT\SHEETS\S-4 FOUNDATION PLAN.DWG (02-11-20 1:00:01PM)



SECTION A
SCALE: 1/2" = 1'-0"



SECTION B
SCALE: 1/2" = 1'-0"

KEYNOTES

1. CONCRETE CONTAINMENT SLAB
2. PRE-ENGINEERED/PRE-MANUFACTURED METAL CANOPY - TO BE DESIGNED BY CONTRACTOR
3. TANK HOUSEKEEPING PAD PER DETAIL 6 ON DRAWING S-6
4. CONCRETE STEPS PER DETAIL 6 ON DRAWING S-6
5. SODIUM HYPOCHLORITE STORAGE TANKS - SEE MECHANICAL DRAWINGS
6. SUN SHADE ALL AROUND CHEMICAL CONTAINMENT FACILITY - SEE MECHANICAL DRAWINGS
7. CHAINLINK GATE, FENCING, AND POSTS - SEE MECHANICAL DRAWINGS
8. SUMP - SEE DETAIL 8 ON DRAWING S-6
9. STARTER WALL w/ WATERSTOP - SEE DETAIL 10 AND 11 ON DRAWING S-6
10. CONCRETE LANDING - SEE DETAIL 6 ON DRAWING S-6
11. PVC DRAIN PIPE
12. HANDRAIL - SEE DETAIL 7 ON DRAWING S-6
13. VERTICAL FASCIA SIDING
14. ROOF DRAINAGE SYSTEM WITH GUTTER AND DOWNSPOUT AT COLUMN - TO BE PROVIDED BY CONTRACTOR

0 2' 4' 6'
SCALE: 1/2" = 1'-0"

DIAL 811
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UNDERGROUND SERVICE ALERT
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AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER
DALE E. WAY
No. 25827
STRUCTURAL
STATE OF CALIFORNIA
1/17/20

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

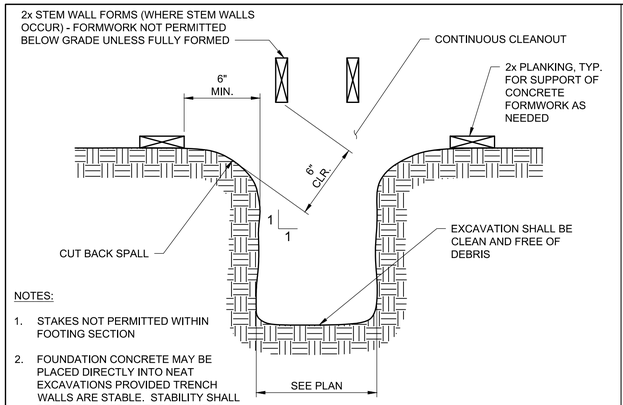
SCALE	AS SHOWN	DESIGNED BY	D. KUANG	DRAWN BY	T. NGUYEN	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 10

SECTIONS

DWG NO. S-5

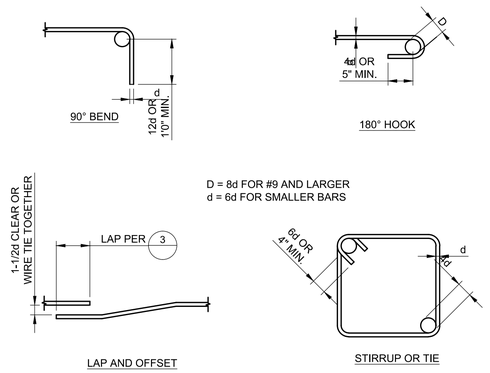
\\USORAPPEL\WO01.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENV\60438759.RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\S-5 SECTIONS.DWG (02-11-20 1:00:54PM)



NOTES:

1. STAKES NOT PERMITTED WITHIN FOOTING SECTION
2. FOUNDATION CONCRETE MAY BE PLACED DIRECTLY INTO NEAT EXCAVATIONS PROVIDED TRENCH WALLS ARE STABLE. STABILITY SHALL BE DETERMINED BY THE ENGINEER.

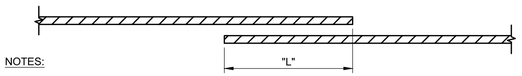
TYPICAL FOOTING EXCAVATION 1
SCALE: NTS



TYPICAL BAR BENDS 2
SCALE: 1/2" = 1'-0"

REINFORCING LAP SPLICE SCHEDULE

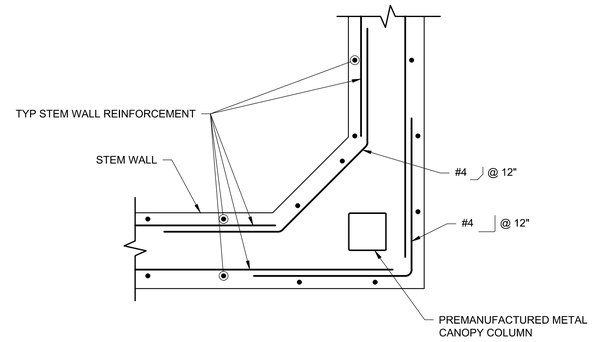
BAR	f'c = 2500	f'c = 3000	f'c = 4000	f'c = 4500
	L (inches)	L (inches)	L (inches)	L (inches)
3	24	22	19	1824
4	32	29	25	
5	39	36	31	30
6	47	43	37	35
7	69	63	54	51
8	78	72	62	59
9	88	81	70	66



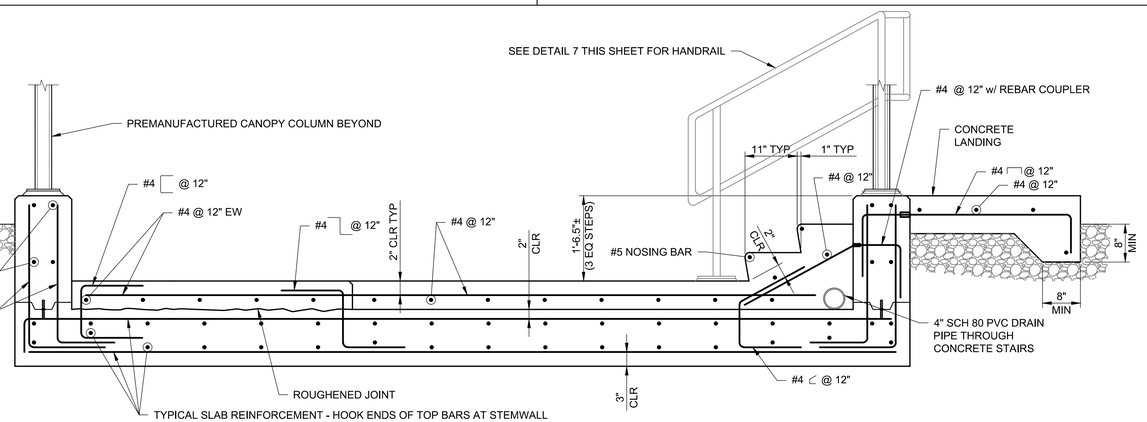
NOTES:

1. LAPS SHOWN IN THIS TABLE ARE CLASS B, CATEGORY 3 TYPE SPLICES. LAP LENGTH IS BASED UPON SMALLER OF TWO BARS BEING SPLICED WHEN NOT THE SAME SIZE.
2. INCREASE LAP LENGTHS BY A FACTOR OF 1.3 FOR HORIZONTAL REINFORCEMENT SO PLACED THAT MORE THAN 12 INCHES OF CONCRETE IS CAST IN THE MEMBER BELOW THIS REINFORCEMENT

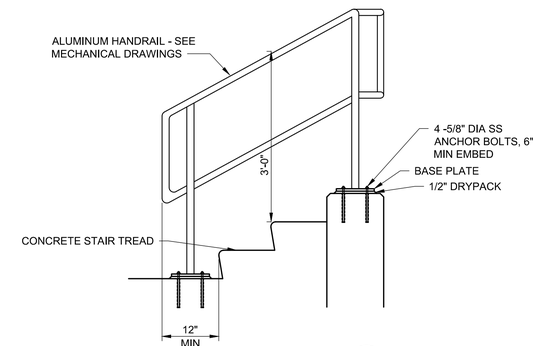
CONCRETE LAP SPLICE SCHEDULE 3
SCALE: 1/2" = 1'-0"



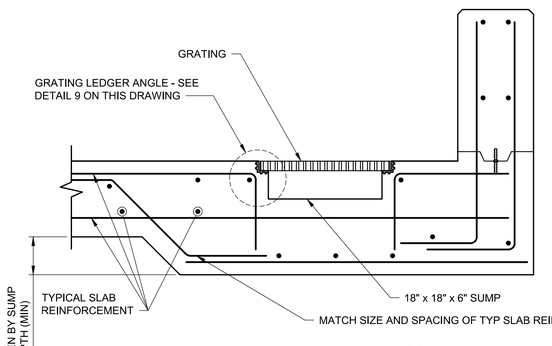
STEM WALL CORNER REINFORCEMENT 4
SCALE: 1" = 1'-0"



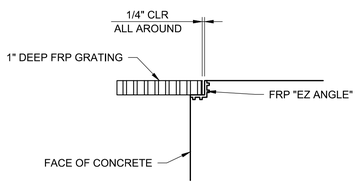
SECTION 6
SCALE: 3/4" = 1'-0"



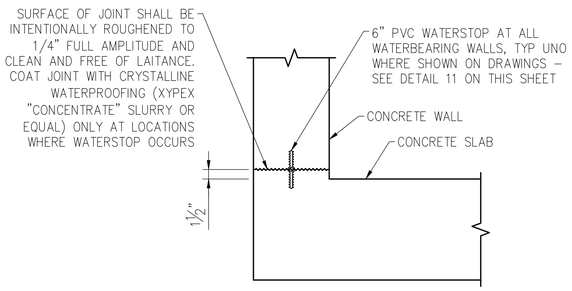
HANDRAIL 7
SCALE: 3/4" = 1'-0"



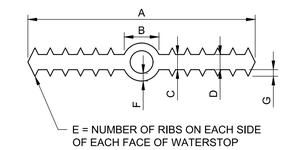
SUMP DETAIL 8
SCALE: 1" = 1'-0"



GRATING LEDGER ANGLE 9
SCALE: 1 1/2" = 1'-0"



TYPICAL STARTER WALL 10
SCALE: NTS



A	B	C	D	E	F	G	
6"	-	3/8"	1/4"	7	-	1/8"	783

NOTES:

1. NO CENTERBULB ALLOWED IN WATERSTOP FOR VERTICAL JOINTS.
2. ALL SPLICES SHALL BE MADE IN ACCORDANCE WITH MANUFACTURER'S RECOMMENDATIONS. SUBMIT SHOP DRAWINGS PRIOR TO INSTALLATION OR SPLICING WATERSTOP.

WATERSTOP 11
SCALE: NTS

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AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER DALE E. WAH No. 25827 STRUCTURAL STATE OF CALIFORNIA 1/17/20

PLANS PREPARED BY:

AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

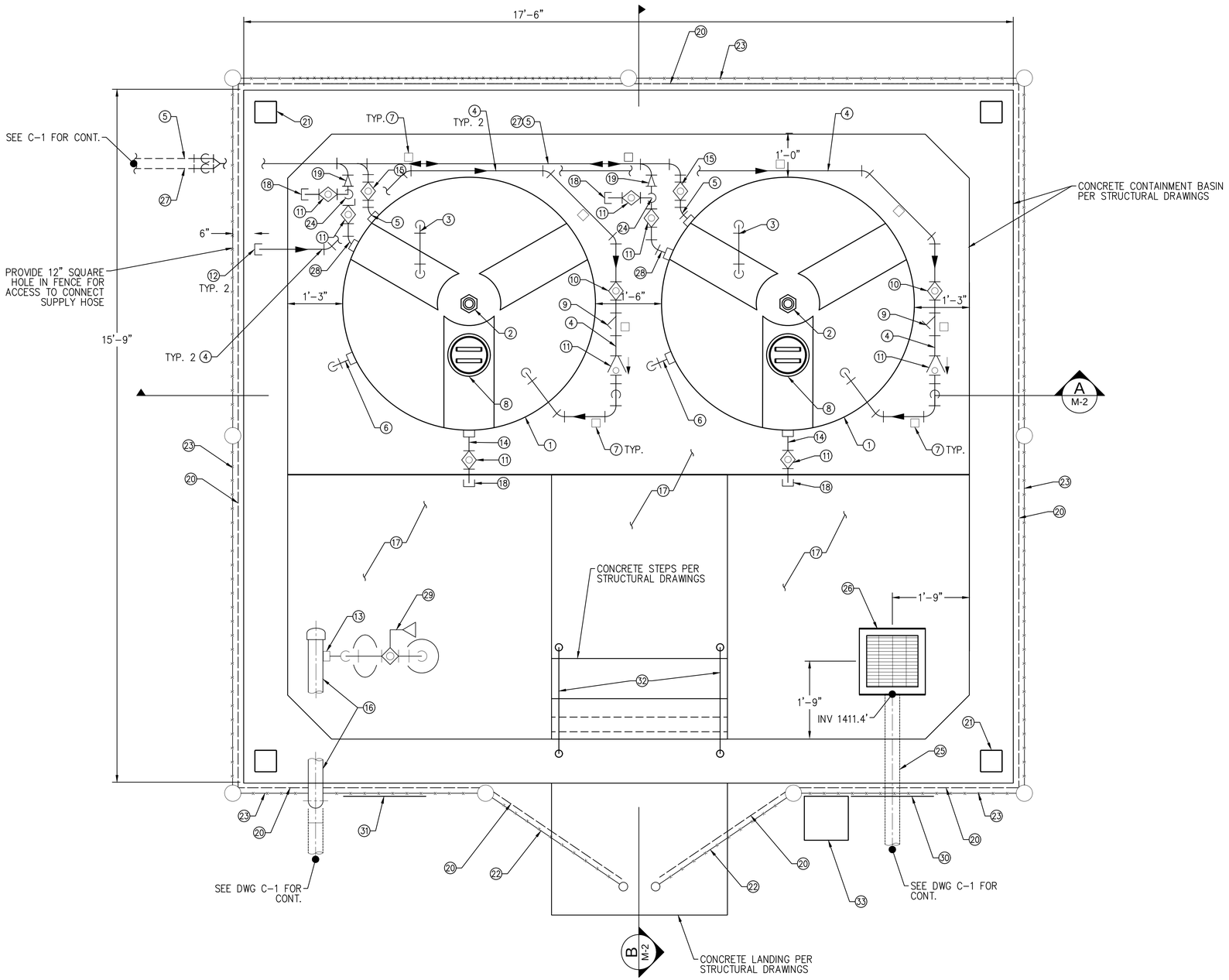
REV 9

SCALE	AS SHOWN	DESIGNED BY	D. KUANG	DRAWN BY	T. NGUYEN	DRAWING NUMBER	AS SHOWN	SHEET 11
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759	

STRUCTURAL DETAILS

DWG NO. S-6

\\USORA1PFLWW01.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENVA\60438759 RIFF RALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM\PROJECT SHEETS\S-6 STRUCTURAL DETAILS.DWG (02-11-20 1:01:36PM)



CONSTRUCTION NOTES

1. 1000 GALLON SINGLE WALL HYPOCHLORITE STORAGE TANK (69" DIA. X 82" HEIGHT) WITH SEISMIC RESTRAINTS
2. ULTRASONIC LEVEL INDICATOR FOR HYPOCHLORITE STORAGE TANK
3. 2" SCH. 80 CPVC AIR VENT, PER DETAIL 4, DWG M-5
4. 2" SCH. 80 CPVC TANK FILL LINE
5. 3/4" SCH. 80 CPVC RECIRCULATION LINE
6. 3" SCH. 80 CPVC TANK OVERFLOW
7. PIPE SUPPORT PER PER DETAIL 2, DWG M-5, 5' OC SPACING
8. 16" DIA. HYPOCHLORITE TANK ACCESS MANWAY
9. 2" CPVC STRAINER
10. 2" CPVC BALL CHECK VALVE
11. 2" CPVC BALL VALVE
12. 2" CPVC CAMLOC QUICK DISCONNECT COUPLING WITH LOCKING CAP, CHAIN, AND TEFLON GASKET
13. 1-1/2" SST INLINE SWING CHECK VALVE
14. 2" SCH. 80 CPVC TANK DRAIN
15. 3/4" CPVC BALL VALVE
16. 1-1/2" TYPE K COPPER TUBING
17. COAT CONCRETE CONTAINMENT AREA WITH PENTOX 50 TWO-PART, PENETRATING, CHEMICAL RESISTANT, EPOXY SEALER
18. 2" SCH. 80 CPVC NPT END CAP
19. 2" X 3/4" SCH. 80 CPVC REDUCER BUSHING
20. PROVIDE SUN SHADE SCREENS ALL AROUND THE CHEMICAL CONTAINMENT FACILITY AS SHOWN. SCREENS SHALL BE SHADE CLOTH WOVEN OF POLYPROPYLENE FOR A SHADING FACTOR OF AT LEAST 85 PERCENT AND A WEIGHT OF NOT LESS THAN 5 OUNCES PER SQUARE FOOT. EACH SCREEN SHALL SPAN OVER THE VERTICAL SPACE BETWEEN THE FENCE POSTS AND BETWEEN THE TOP AND BOTTOM FENCE RAILS. SCREENS SHALL BE COMPLETE WITH GROMMETS, TIE-DOWNS, AND DEVICES FOR ANCHORING TO THE CHAIN LINK FENCE. SCREENS SHALL BE 850 SHADE CLOTH AS MANUFACTURED BY THOR TARP, A DIVISION OF ODIN INTERNATIONAL. PRIOR TO FABRICATION, SUBMIT TO THE ENGINEER FOR REVIEW DESCRIPTIVE INFORMATION, CHOICE OF COLOR AND A SAMPLE OF THE SCREEN.
21. PRE-ENGINEERED CANOPY PER SPECIFICATIONS
22. 10' HIGH X 7' WIDE CHAIN LINK FENCE DOUBLE LEAF GATE PER SPPWC STD. PLAN 600-2
23. 10' HIGH CHAIN LINK FENCE PER SPPWC STD PLAN 600-2, PROVIDE TOP RAIL IN LIEU OF TENSION WIRE AND ADDITIONAL BOTTOM RAIL FOR SUN SHADE ATTACHMENT
24. 2" X 2" SCH. 80 CPVC TEE
25. 4" SCH 80 PVC DRAIN LINE
26. 1'-6" SQUARE X 6" DEEP SUMP WITH 1-1/2" FRP GRATING AND FRAME
27. 3/4" SCH. 80 CPVC METERING PUMP SUCTION
28. 2" SCH. 80 CPVC METERING PUMP SUCTION
29. SHOWER AND EYEWASH ASSEMBLY PER DETAIL 1 DWG M-5
30. 30"X18" HAZARD IDENTIFICATION SIGN ATTACHED TO CHAIN LINK FENCE PER DETAIL 7 DWG M-5
31. NFPA SIGN ATTACHED TO CHAIN LINK FENCE PER DETAIL 6 DWG M-5
32. ALUMINUM HANDRAILING PER SPPWC STD PLAN 606-4, TYPE B
33. 12" SQUARE X 4" THICK CONCRETE SPLASH BLOCK, COORDINATE LOCATION WITH ROOF GUTTER AND DOWNSPOUT

N

0 1' 2' 3' 4'

SCALE: 3/4" = 1'-0"

PLAN

SCALE: 3/4" = 1'

DIAL 811 DIG ALERT

UNDERGROUND SERVICE ALERT

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AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER BRYAN C. PAINE No. C64334 Exp. 06/30/21 CIVIL STATE OF CALIFORNIA

PLANS PREPARED BY:

AECOM

999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

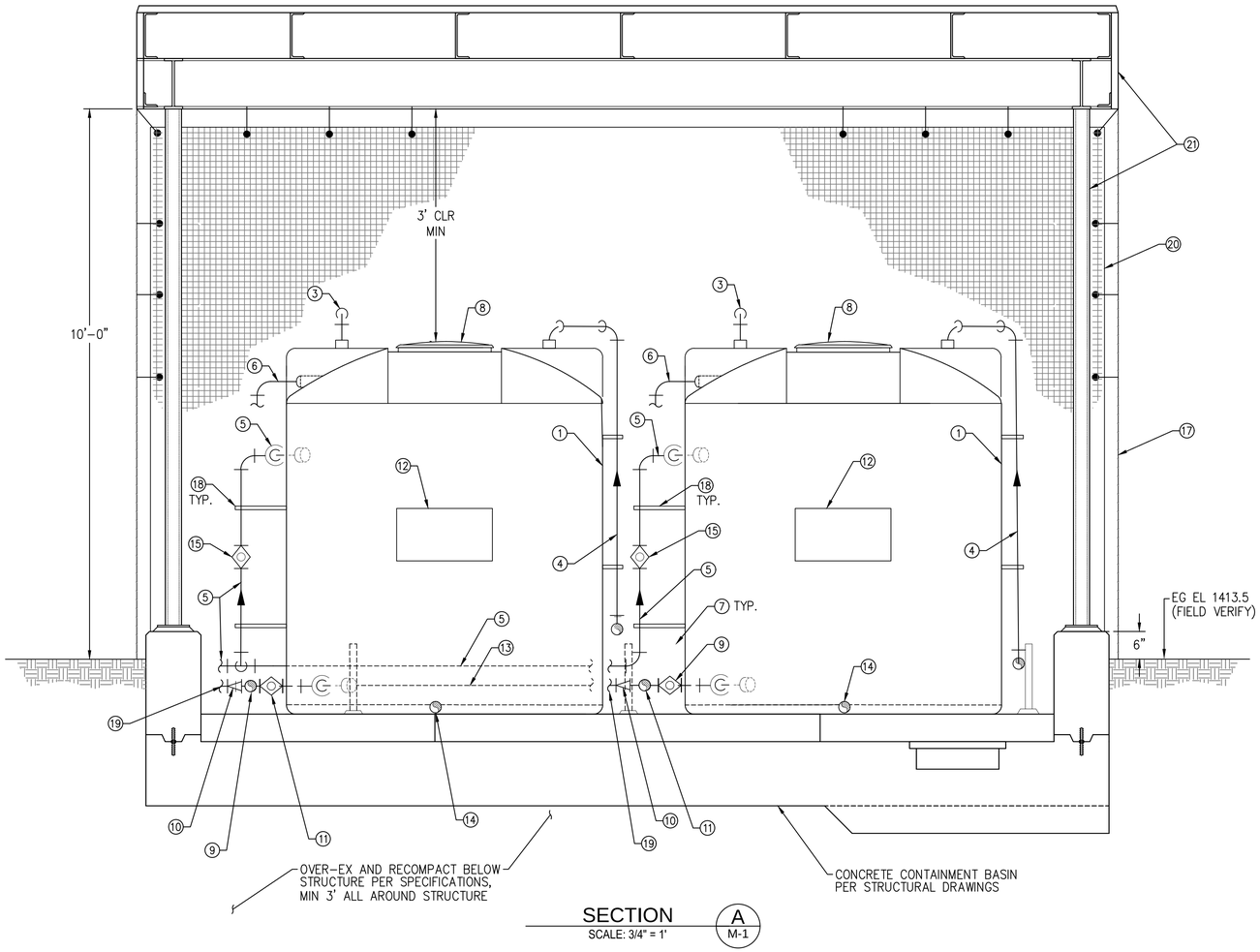
GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

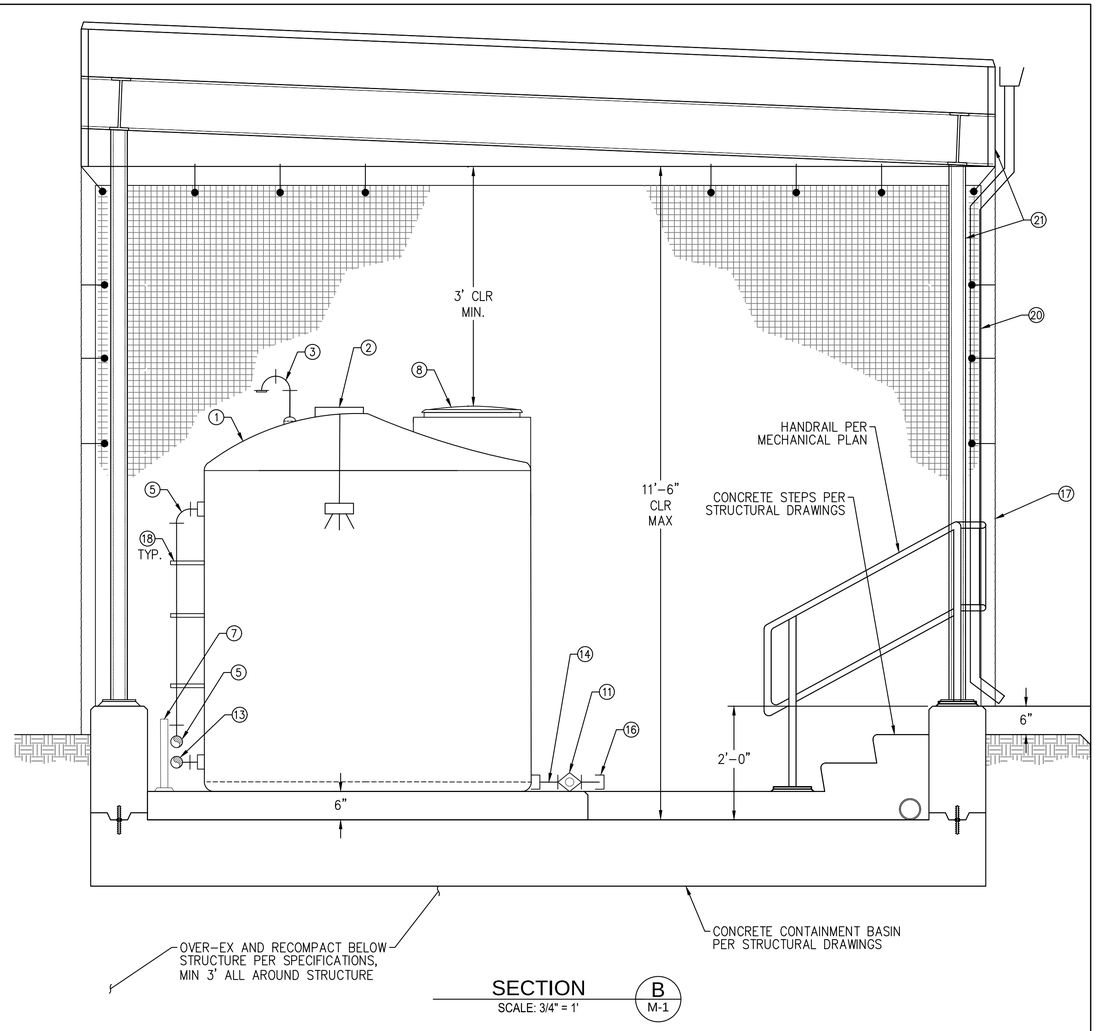
SCALE	DESIGNED BY	DRAWN BY	DRAWING NUMBER	SHEET
AS SHOWN	B. PAINE	D. LAFRANCE	AS SHOWN	12
DATE	CHECKED	APPROVED	JOB NUMBER	DWG NO.
FEBRUARY 2020	J. ZIMMERLE	J. ZIMMERLE	60438759	M-1

CHEMICAL TANKS ENCLOSURE PLAN

\\ORANGE.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\M-1.DWG (02-12-20, 4:30:55PM)



SECTION A
SCALE: 3/4" = 1'
M-1



SECTION B
SCALE: 3/4" = 1'
M-1

CONSTRUCTION NOTES

1. 1000 GALLON SINGLE WALL HYPOCHLORITE STORAGE TANK (69" DIA. X 82" HEIGHT) WITH SEISMIC RESTRAINTS
2. ULTRASONIC LEVEL INDICATOR FOR HYPOCHLORITE STORAGE TANK
3. 2" SCH. 80 CPVC AIR VENT, PER DETAIL 4 DWG M-5
4. 2" SCH. 80 CPVC TANK FILL LINE
5. 3/4" SCH. 80 CPVC RECIRCULATION LINE
6. 3" SCH. 80 CPVC TANK OVERFLOW
7. PIPE SUPPORT PER DETAIL 2, DWG M-5
8. 16" DIA. HYPOCHLORITE TANK ACCESS MANWAY
9. 2" SCH. 80 CPVC METERING PUMP SUCTION
10. 2"X 2" SCH. 80 PVC TEE
11. 2" CPVC BALL VALVE
12. CHEMICAL TANK SIGN PER DETAIL 3 DWG M-5
13. 3/4" SCH. 80 CPVC METERING PUMP SUCTION
14. 2" SCH. 80 CPVC TANK DRAIN
15. 3/4" CPVC BALL VALVE
16. 2" SCH. 80 CPVC NPT END CAP
17. 10' HIGH CHAINLINK FENCE PER SPPWC STD PLAN 600-2, PROVIDE TOP RAIL IN LIEU OF TENSION WIRE AND ADDITIONAL BOTTOM RAIL FOR SUN SHADE ATTACHMENT
18. UNISTRUT PIPE SUPPORT FROM TANK WALL PER TANK MANUFACTURER
19. 2" X 3/4" SCH. 80 CPVC REDUCER BUSHING
20. PROVIDE SUN SHADE SCREENS ALL AROUND THE CHEMICAL CONTAINMENT FACILITY AS SHOWN. SCREENS SHALL BE SHADE CLOTH WOVEN OF POLYPROPYLENE FOR A SHADING FACTOR OF AT LEAST 85 PERCENT AND A WEIGHT OF NOT LESS THAN 5 OUNCES PER SQUARE FOOT. EACH SCREEN SHALL SPAN OVER THE VERTICAL SPACE BETWEEN THE FENCE POSTS AND BETWEEN THE TOP AND BOTTOM FENCE RAILS. SCREENS SHALL BE COMPLETE WITH GROMMETS, TIE-DOWNS, AND DEVICES FOR ANCHORING TO THE CHAINLINK FENCE. SCREENS SHALL BE 850 SHADE CLOTH AS MANUFACTURED BY THOR TARP, A DIVISION OF ODIN INTERNATIONAL. PRIOR TO FABRICATION, SUBMIT TO THE ENGINEER FOR REVIEW DESCRIPTIVE INFORMATION, CHOICE OF COLOR AND A SAMPLE OF THE SCREEN.
21. PRE-ENGINEERED CANOPY PER SPECIFICATION

N

0 1' 2' 3' 4'
SCALE: 3/4" = 1'-0"

DIAL 811
DIGALERT
UNDERGROUND SERVICE ALERT
PLAY IT SAFE. DIAL BEFORE YOU DIG!
AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER
BRYAN C. PAINE
No. C64334
Exp. 06/30/21
CIVIL
STATE OF CALIFORNIA

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE
CHLORINATION SYSTEM INSTALLATION

REV 9

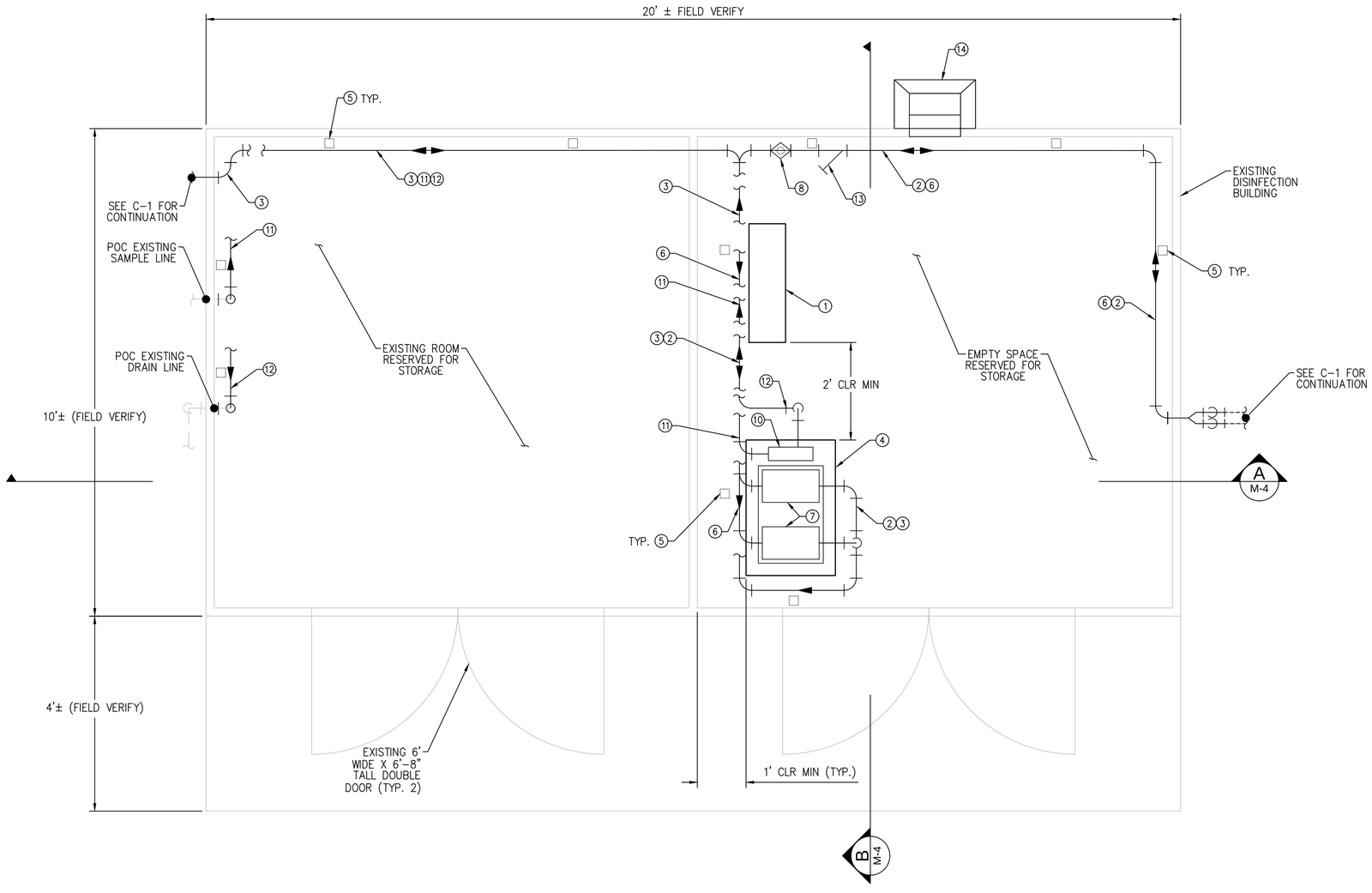
SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 13

CHEMICAL TANK ENCLOSURE SECTIONS

DWG NO. M-2

\\USORAPFLW001.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\M-2.DWG (02-11-20 12:44:02PM)



PLAN

SCALE: 3/4" = 1'

CONSTRUCTION NOTES

1. METERING PUMP CONTROL PANEL, SUPPORT PER DETAIL 3 DWG M-6
2. 3/4" SCH. 80 CPVC RECIRCULATION LINE
3. 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING METERING PUMP DISCHARGE WITH LONG RADIUS ELBOWS
4. PROVIDE 12" CONCRETE HOUSEKEEPING PAD SIZED PER MANUFACTURER'S RECOMMENDATIONS, MOUNT METERING PUMP SKID TO PAD PER MANUFACTURER'S RECOMMENDATIONS, ROUGHEN EXISTING FLOOR SLAB AS REQUIRED, PROVIDE #4 DOWELS AT 12" O.C. E.W., MIN 4" EMBD. INTO EXISTING FLOOR SLAB
5. PIPE SUPPORT PER DETAIL 2, DWG M-5, 5' OC SPACING
6. 3/4" SCH. 80 CPVC METERING PUMP SUCTION
7. DUAL DOSING PUMP SKID WITH TWO PERISTALTIC METERING PUMP ASSEMBLIES, EACH ASSEMBLY SHALL BE CAPABLE OF PROVIDING 3 GPH AT 85 PSI, INSTALL SKID EQUIPMENT AND PIPING PER DETAIL 2, DWG M-6, PROJECT SPECIFICATIONS, AND P&IDS
8. 3/4" CPVC BALL VALVE (TYP. 2)
9. NOT USED
10. CHLORINE RESIDUAL ANALYZER PER DETAIL 1, DWG M-6
11. 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING SAMPLE LINE
12. 1" SCH. 80 CPVC ANALYZER DRAIN LINE, ROUTE AND CONNECT TO EXISTING DRAIN LINE AS REQUIRED
13. 3/4" CPVC STRAINER (TYP. 2)
14. WALL MOUNTED AIR CONDITIONER UNIT, CARRIER MODEL GCA 051B OR APPROVED EQUAL, MOUNT TO EXISTING BUILDING PER MANUFACTURER'S RECOMMENDATIONS

GENERAL NOTES

1. ALL PIPING AND EQUIPMENT PENETRATIONS THROUGH THE EXISTING BUILDING SHALL BE COMPLETELY SEALED AND WEATHER PROOFED AS REQUIRED.
2. CONTRACTOR SHALL FIELD VERIFY THE PLACEMENT OF ALL EQUIPMENT SHOWN HEREIN IN CONJUNCTION WITH THE EXISTING BUILDING DIMENSIONS AND NOTIFY THE ENGINEER OF ANY DISCREPANCIES PRIOR TO FURNISHING OR INSTALLING ANY EQUIPMENT.

N

0 1' 2' 3' 4'

SCALE: 3/4" = 1'-0"

DIAL 811 DIG ALERT UNDERGROUND SERVICE ALERT

PLAY IT SAFE. DIAL BEFORE YOU DIG!

AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER BRYAN C. PAINE No. C64334 Exp. 06/30/21 CIVIL STATE OF CALIFORNIA

PLANS PREPARED BY:

AECOM

999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

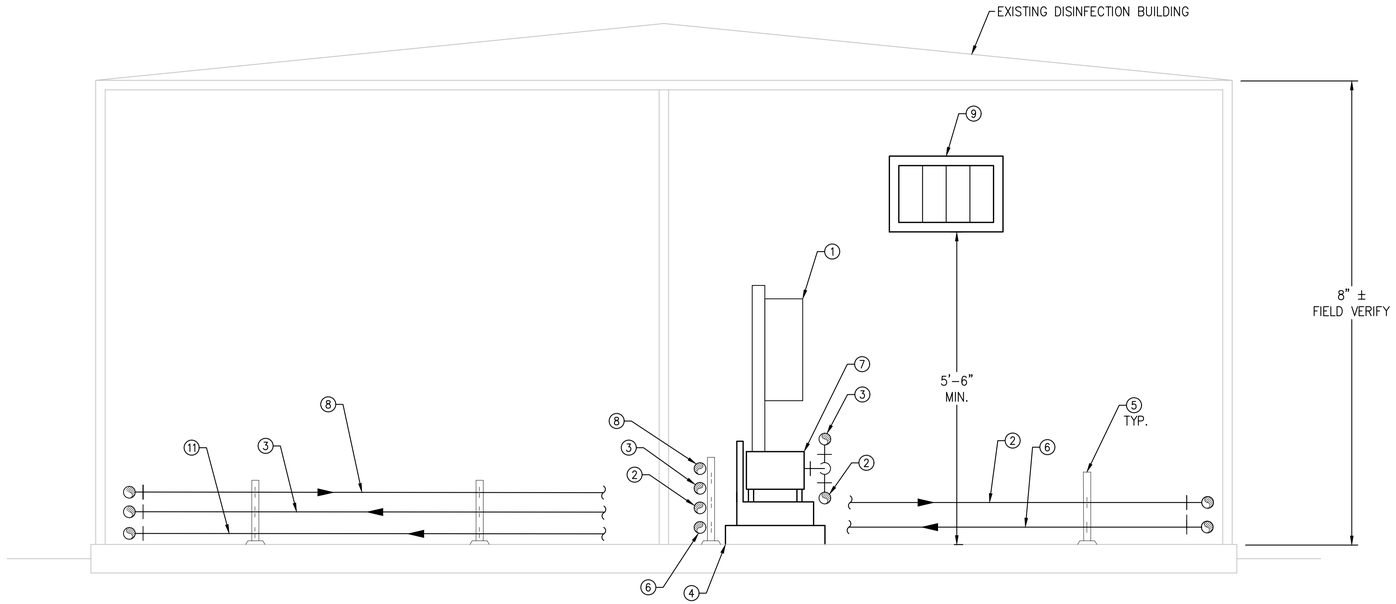
SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 14

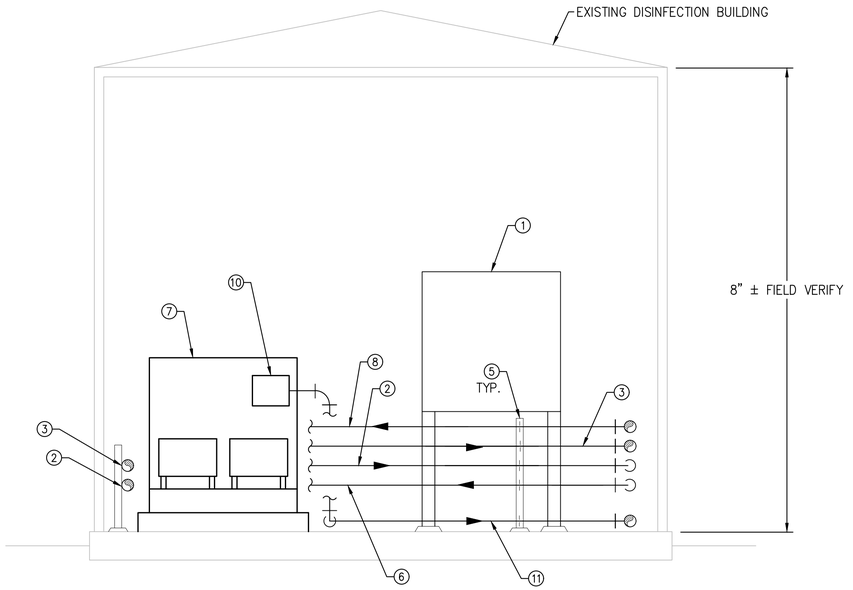
CHEMICAL FEED SYSTEM PLAN

DWG NO. M-3

\\USGRA1PFLW001.NA.AECOMNET.COM\ORANGE\DGS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\M-3.DWG (02-11-20 12:49:15PM)



SECTION A
SCALE: 3/4" = 1'
M-3



SECTION B
SCALE: 3/4" = 1'
M-3

CONSTRUCTION NOTES

1. METERING PUMP CONTROL PANEL, SUPPORT PER DETAIL 3 DWG M-6
2. 3/4" SCH. 80 CPVC RECIRCULATION LINE
3. 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING METERING PUMP DISCHARGE WITH LONG RADIUS ELBOWS
4. PROVIDE 12" CONCRETE HOUSEKEEPING PAD SIZED PER MANUFACTURER'S RECOMMENDATIONS, MOUNT METERING PUMP SKID TO PAD PER MANUFACTURER'S RECOMMENDATIONS, ROUGHEN EXISTING FLOOR SLAB AS REQUIRED, PROVIDE #4 DOWELS AT 12" O.C. E.W., MIN 4" EMBD. INTO EXISTING FLOOR SLAB
5. PIPE SUPPORT PER DETAIL 2, DWG M-5, 5' OC SPACING
6. 3/4" SCH. 80 CPVC METERING PUMP SUCTION
7. DUAL DOSING PUMP SKID WITH TWO PERISTALTIC METERING PUMP ASSEMBLIES, EACH ASSEMBLY SHALL BE CAPABLE OF PROVIDING 3 GPH AT 85 PSI, INSTALL SKID EQUIPMENT AND PIPING PER DETAIL 2, DWG M-6, PROJECT SPECIFICATIONS, AND P&IDS
8. 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING SAMPLE LINE
9. WALL MOUNTED AIR CONDITIONER UNIT, CARRIER MODEL GCA 051B OR APPROVED EQUAL, MOUNT TO EXISTING BUILDING PER MANUFACTURER'S RECOMMENDATIONS
10. CHLORINE RESIDUAL ANALYZER PER DETAIL 1, DWG M-6
11. 1" SCH. 80 CPVC ANALYZER DRAIN LINE, ROUTE AND CONNECT TO EXISTING DRAIN LINE AS REQUIRED

GENERAL NOTES

1. ALL PIPING AND EQUIPMENT PENETRATIONS THROUGH THE EXISTING BUILDING SHALL BE COMPLETELY SEALED AND WEATHER PROOFED AS REQUIRED.
2. CONTRACTOR SHALL FIELD VERIFY THE PLACEMENT OF ALL EQUIPMENT SHOWN HEREIN IN CONJUNCTION WITH THE EXISTING BUILDING DIMENSIONS AND NOTIFY THE ENGINEER OF ANY DISCREPANCIES PRIOR TO FURNISHING OR INSTALLING ANY EQUIPMENT.

0 1' 2' 3' 4'
SCALE: 3/4" = 1'-0"

DIAL 811
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UNDERGROUND SERVICE ALERT
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REGISTERED PROFESSIONAL ENGINEER
BRYAN C. PAINE
No. C64334
Exp. 06/30/21
CIVIL
STATE OF CALIFORNIA

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE
CHLORINATION SYSTEM INSTALLATION

REV 9

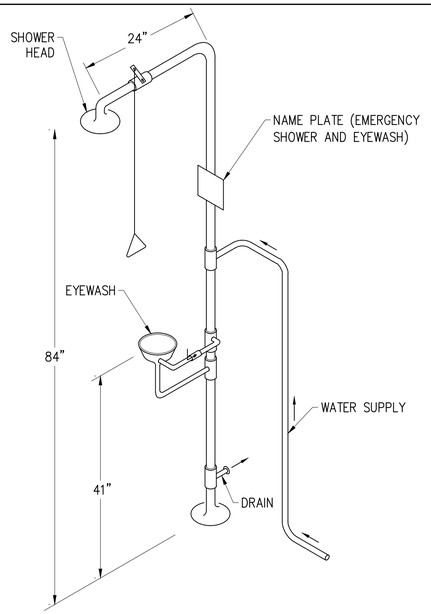
SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 15

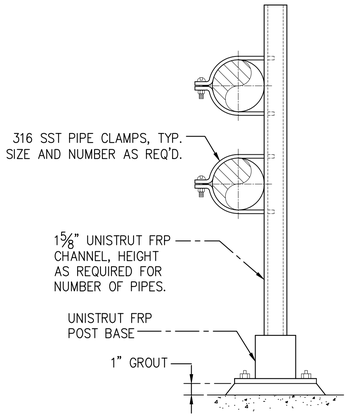
CHEMICAL FEED SYSTEM SECTIONS

DWG NO. M-4

\\USORA1PFLWO01.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENVA\60438759 RIFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\M-4.DWG (02-11-20, 12:56:08PM)



EYEWASH STATION 1
NOT TO SCALE



PIPE SUPPORT 2
NOT TO SCALE

SODIUM HYPOCHLORITE
12.5% CORR/OHH

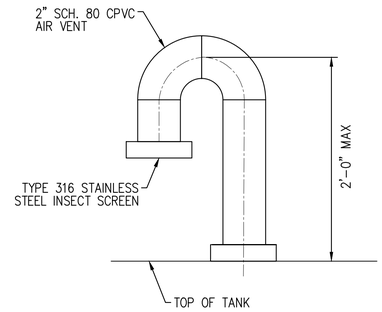
18"

30"

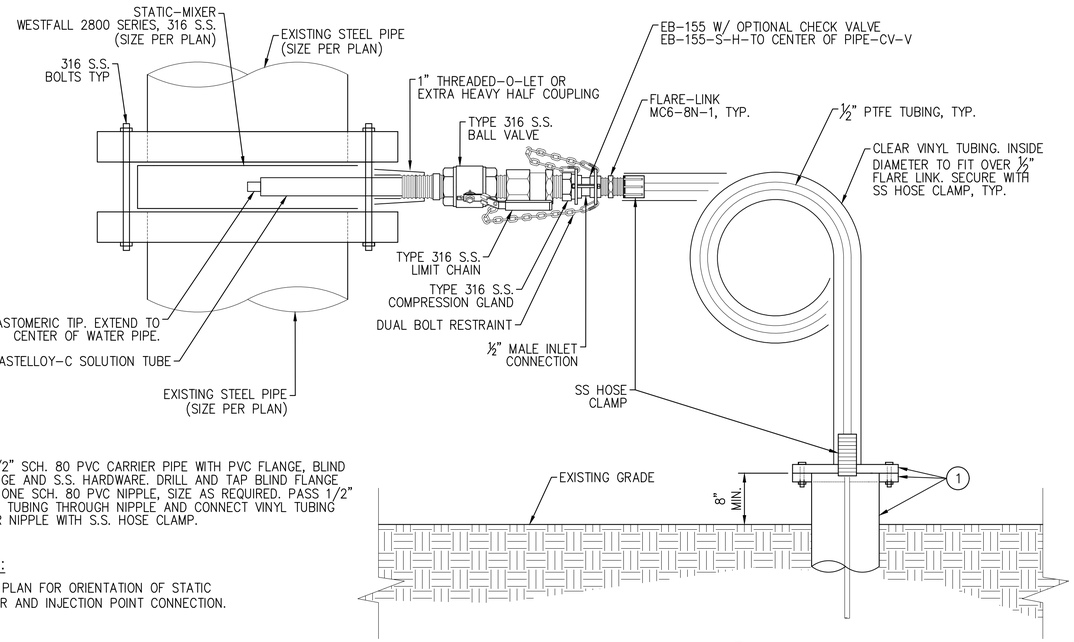
NOTES:

1. ALL LETTERS ARE A MINIMUM OF 2" IN HEIGHT.
2. SIGN MAY BE A STICKER.

TANK SIGN 3
NOT TO SCALE



TANK AIR VENT 4
NOT TO SCALE

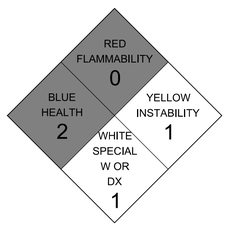


(1) 1-1/2" SCH. 80 PVC CARRIER PIPE WITH PVC FLANGE, BLIND FLANGE AND S.S. HARDWARE. DRILL AND TAP BLIND FLANGE FOR ONE SCH. 80 PVC NIPPLE, SIZE AS REQUIRED. PASS 1/2" PTFE TUBING THROUGH NIPPLE AND CONNECT VINYL TUBING OVER NIPPLE WITH S.S. HOSE CLAMP.

NOTES:

1. SEE PLAN FOR ORIENTATION OF STATIC MIXER AND INJECTION POINT CONNECTION.

SODIUM HYPOCHLORITE INJECTION 5
NOT TO SCALE



NaOCl (12.5%)

NOTES:

1. MOUNT THE SIGN ON THE ENCLOSURE AS SHOWN ON PLAN.
2. MOUNT PER NFPA 704.

NFPA SIGN 6
NOT TO SCALE

SODIUM HYPOCHLORITE
12.5%
3"TYP.
CORROSIVE
LIQUID

18"

30"

NOTE: ALL LETTERING SHALL BE IN PLAIN CAPITAL LETTERS ON A CONTRASTING BACKGROUND (WHITE ON BLACK) AND COMPLY TO OCFA STD.

HAZARD IDENTIFICATION SIGN 7
NOT TO SCALE

DIAL 811
DIGALERT
UNDERGROUND SERVICE ALERT

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REGISTERED PROFESSIONAL ENGINEER
BRYAN C. PAINE
No. C64334
Exp. 06/30/21
CIVIL
STATE OF CALIFORNIA

PLANS PREPARED BY:

AECOM

999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

MECHANICAL DETAILS - 1

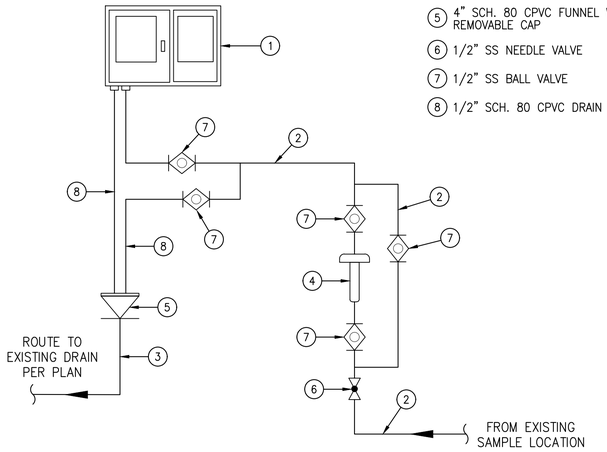
SHEET 16

DWG NO. M-5

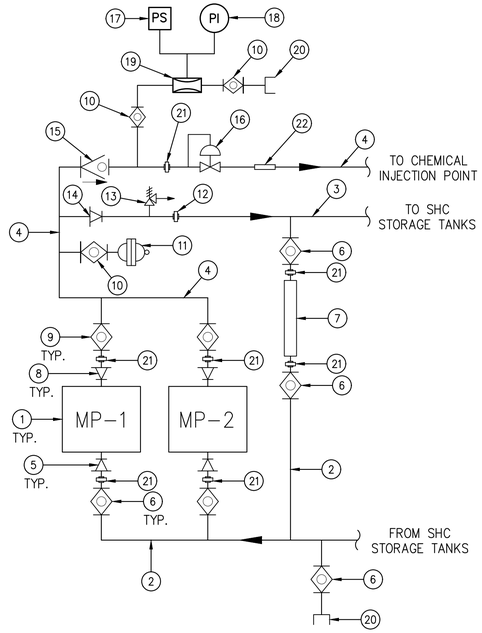
\\USORA1FPELW001.NA.AECOMNET.COM\ORANGE\DGS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\M-5.DWG (02-11-20 12:56:57PM)

CONSTRUCTION NOTES

1. FREE CHLORINE ANALYZER, HACH MODEL CLF10, MOUNTED ON METERING PUMP SKID
2. 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING SAMPLE LINE AND LONG RADIUS ELBOWS
3. 1" SCH. 80 CPVC DRAIN
4. FILTER ELEMENT
5. 4" SCH. 80 CPVC FUNNEL WITH REMOVABLE CAP
6. 1/2" SS NEEDLE VALVE
7. 1/2" SS BALL VALVE
8. 1/2" SCH. 80 CPVC DRAIN



CHLORINE ANALYZER SCHEMATIC 1
NOT TO SCALE



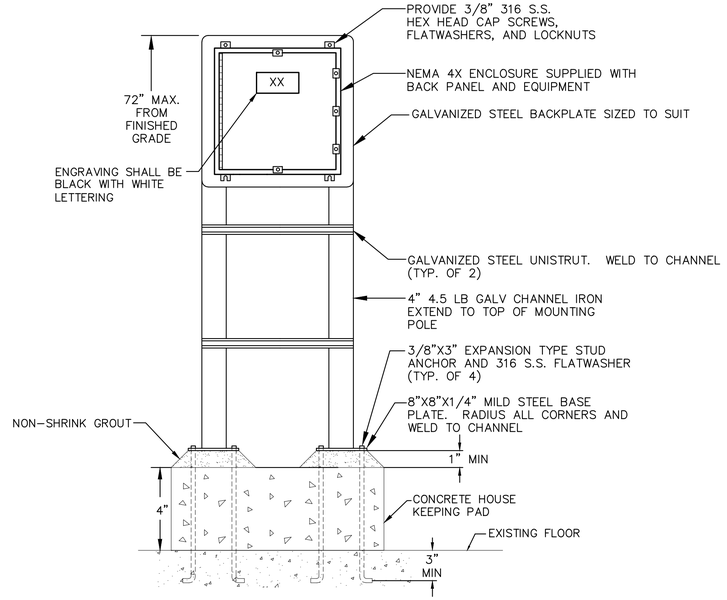
METERING PUMP SCHEMATIC 2
NOT TO SCALE

CONSTRUCTION NOTES

1. PERISTALTIC METERING PUMP, 2.5 GPH @ 80 PSI
2. 3/4" SCH. 80 CPVC SUCTION LINE
3. 3/4" SCH. 80 CPVC RECIRCULATION LINE
4. 1-1/2" SCH. 80 CPVC WITH 1/2" TEFLON TUBING DISCHARGE AND LONG RADIUS ELBOWS
5. 3/4" X 1/2" SCH. 80 CPVC REDUCER BUSHING
6. 3/4" CPVC BALL VALVE
7. CALIBRATION COLUMN
8. 1-1/2" X 1/2" SCH. 80 CPVC REDUCER BUSHING
9. 1-1/2" CPVC BALL VALVE
10. 1" CPVC BALL VALVE
11. PULSATION DAMPENER
12. 3/4" CPVC UNION
13. PRESSURE RELIEF VALVE
14. 1-1/2" X 3/4" SCH. 80 CPVC REDUCER BUSHING
15. 1-1/2" CPVC BALL CHECK VALVE
16. BACK PRESSURE VALVE
17. DIFFERENTIAL PRESSURE SWITCH
18. PRESSURE GAUGE (0-150 PSI)
19. DIAPHRAGM SEAL
20. FLUSHING CONNECTION
21. 1-1/2" CPVC UNION
22. FLOW SENSOR

GENERAL NOTES:

1. CONTRACTOR SHALL INSTALL ALL PIPING AND EQUIPMENT SHOWN HEREON IN COORDINATION WITH THE MANUFACTURER'S RECOMMENDATIONS AND THE PROJECT SPECIFICATIONS.



STANCHION SUPPORT FOR ENCLOSURE 3
NOT TO SCALE

DIAL 811 DIGALERT
UNDERGROUND SERVICE ALERT
PLAY IT SAFE. DIAL BEFORE YOU DIG!
AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER
BRYAN C. PAINE
No. C64334
Exp. 06/30/21
CIVIL
STATE OF CALIFORNIA

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
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GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE
CHLORINATION SYSTEM INSTALLATION

REV 9

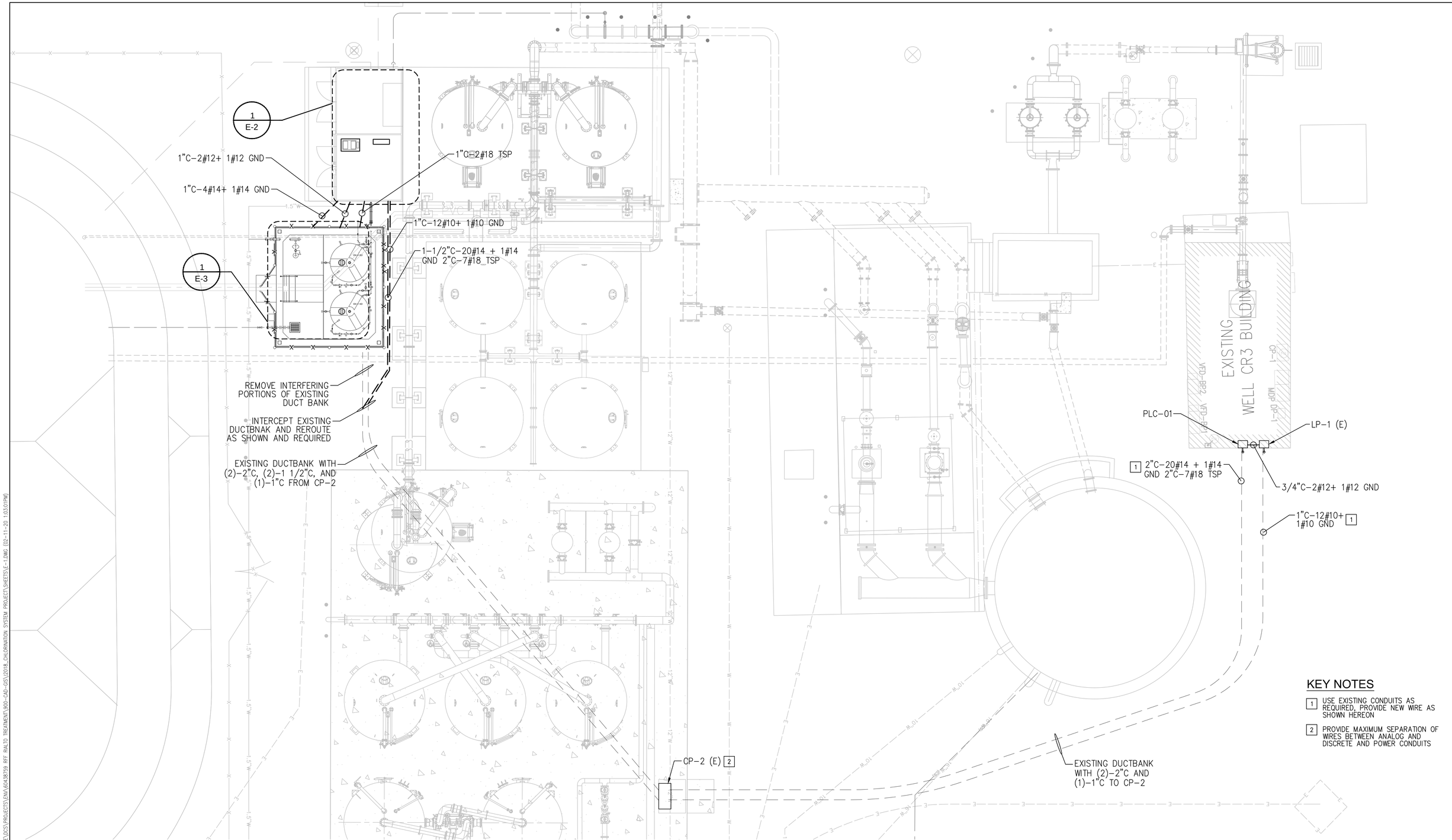
SCALE	AS SHOWN	DESIGNED BY	B. PAINE	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 17

MECHANICAL DETAILS - 2

DWG NO. M-6

\\USORA1PFLWI001.NA.AECOMNET.COM\ORANGE\LOCS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\M-6.DWG (02-11-20 12:57:40PM)



KEY NOTES

1. USE EXISTING CONDUITS AS REQUIRED, PROVIDE NEW WIRE AS SHOWN HEREON
2. PROVIDE MAXIMUM SEPARATION OF WIRES BETWEEN ANALOG AND DISCRETE AND POWER CONDUITS

0 30' 60' 120'
0 1" 2"

ELECTRICAL SITE PLAN
SCALE: 1" = 60'

DIAL 811 DIGALERT UNDERGROUND SERVICE ALERT
PLAY IT SAFE. DIAL BEFORE YOU DIG! AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER ALLEN J. RANDALL No. E9206 STATE OF CALIFORNIA ELECTRICAL

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

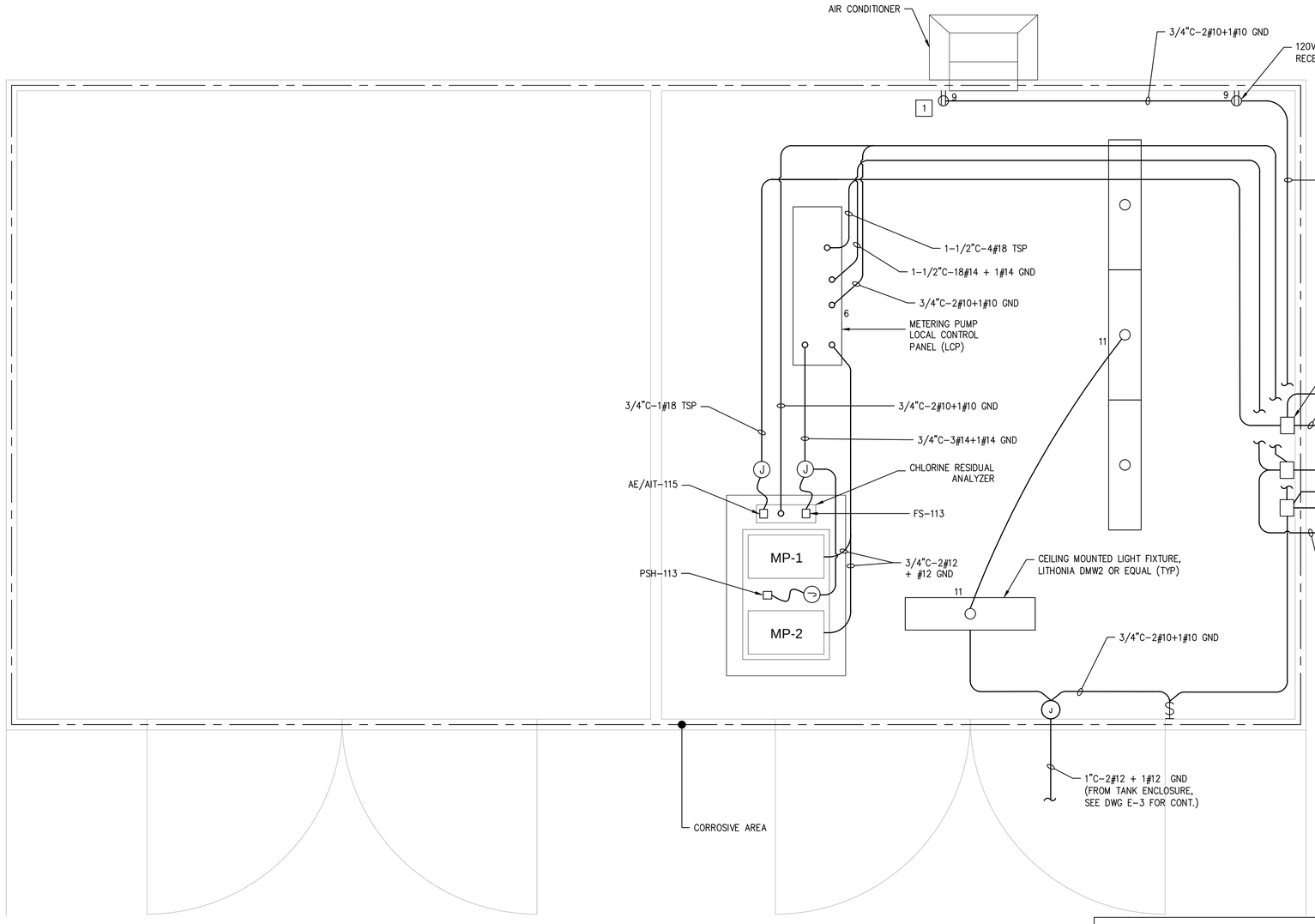
SCALE	AS SHOWN	DESIGNED BY	A. RANDALL	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 18

ELECTRICAL PLAN

DWG NO. E-1

\\USORA1PFLWO01.NA.ACCOMNET.COM\ORANGE\DCS\PROJECTS\ENVA\60438759 RIFF RALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\E-1.DWG (02-11-20 1:03:01PM)



ELECTRICAL SYMBOLS

- CONDUIT EXPOSED
- QUANTITY #12 CURRENT CARRYING WIRES. (EQUIPMENT GND. NOT INCLUDED IN THE COUNT) IF NO LINES ARE SHOWN PROVIDE 2#12+1#12 GND
- A-1,3 — HOMERUN TO PANEL A, CIRCUITS 1 AND 3
- FLEXIBLE CONDUIT CONNECTION
- PANELBOARD
- JUNCTION BOX, CEILING
- DUPLEX RECEPTACLE

ELECTRICAL ABBREVIATIONS

A	AMPERES
AC	ALTERNATING CURRENT
AWG	AMERICAN WIRE GAUGE
C	CONDUIT
CB	CIRCUIT BREAKER
CKT	CIRCUIT
C.O.	CONDUIT ONLY
DWG	DRAWING
(E), EXIST	EXISTING
FIT	FLOW INDICATOR TRANSMITTER
FLEX	FLEXIBLE
FT	FLOW TRANSMITTER
G, GND	GROUND
HZ	HERTZ
JB	JUNCTION BOX
KVA	KILOVOLT-AMPERE
KW	KILOWATT
LCL	LONG CONTINUOUS LOAD
LIT	LEVEL INDICATING TRANSMITTER
LT	LEVEL TRANSMITTER
MP	METERING PUMP
P	POLE
PH	PHASE
PLC	PROGRAMMABLE LOGIC CONTROLLER
PSH	PRESSURE SWITCH HIGH
REC	RECEPTACLE
REF	REFERENCE
TEMP	TEMPERATURE
TYP	TYPICAL
V	VOLT
W	WATT, WIRE

NOTES

1. MOUNT RECEPTACLE ADJACENT TO AIR CONDITIONER UNIT
2. ROUTE WIRE IN EXISTING CONDUIT, REFER TO DRAWING E-1 FOR CONTINUATION

PLAN
SCALE: 1" = 1' - 0"

N

0 1 2 4
SCALE: 1" = 1'- 0"

EXISTING MINI POWERZONE LP-1

VOLTAGE: 120/240V
PHASE: 1Ø
WIRES 3W
AMPS: 60A

SOURCE: DP-1
PANEL LOCATION: INSIDE WELL BLDG
FAULT CURRENT: 10KAIC BRACED
M.L.O ☐ M.C.B ☒ 60A, 2P

	OTHER	REC.	LTG.	LOAD (WATTS) A	LOAD (WATTS) B	BREAKER	POLE	BKR. NO	BKR. NO	POLE	BREAKER	LOAD (WATTS) A	LOAD (WATTS) B	LGT.	REC.	OTHER	
EW-1 CONTROL CIRCUIT*				1000		15	1	1	2	2	25	696					EXHAUST FAN*
LIGHTING (EXTERIOR/INTERIOR)*			6		1080	20	1	3	4	2	15		2895				AIR CONDITIONER*
RECEPTACLE*		2		720		20	1	5	6	1	20	500					LCP
SPARE							1	7	8	1	20		200				AE/AIT-115
SPARE								9	10								SPARE
AIR CONDITIONER + RECEPTACLE	1			720				11	12								SPARE
LIGHTING + RECEPTACLE		1	6		540			13	14								SPARE
SUBTOTAL WATTS				2440	1620			0	0			1196	3075				SUBTOTAL WATTS

TOTAL WATTS A PHASE 3636
TOTAL WATTS B PHASE 4695

MAX COMM. PHASE AMPS 35
TOTAL CONNECTED KVA 8.3
TOTAL DEMAND KVA 8.3
TOTAL AMPS 34.7

*EXISTING LOADS

DIAL 811 DIGALERT UNDERGROUND SERVICE ALERT
PLAY IT SAFE. DIAL BEFORE YOU DIG! AT LEAST TWO WORKING DAYS PRIOR TO EXCAVATING

REGISTERED PROFESSIONAL ENGINEER ALLEN J. RANDALL No. E9206 ELECTRICAL STATE OF CALIFORNIA

PLANS PREPARED BY:
AECOM
999 TOWN & COUNTRY ROAD
ORANGE, CA 92868
TEL (714) 567-2400

GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE CHLORINATION SYSTEM INSTALLATION

REV 9

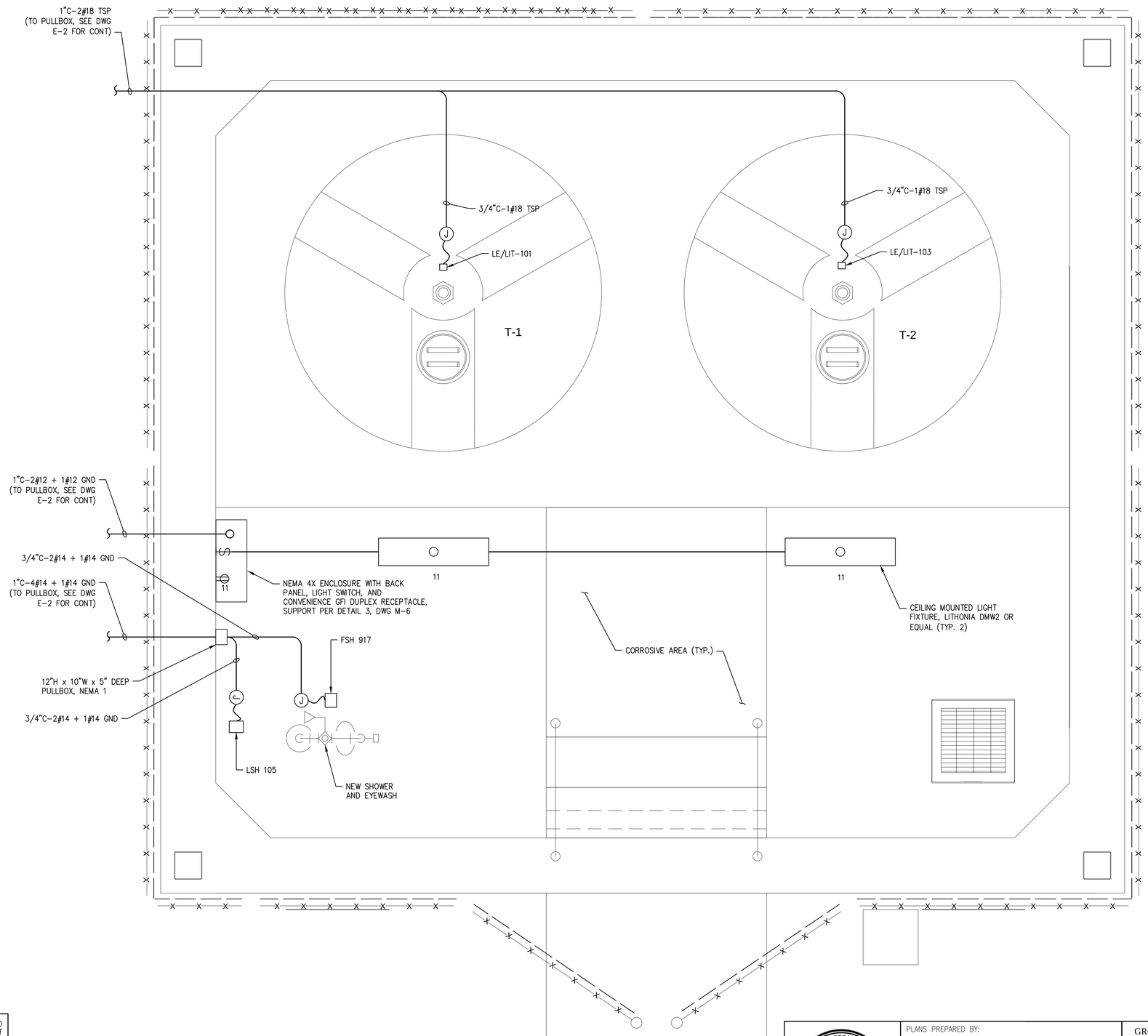
SCALE	AS SHOWN	DESIGNED BY	A. RANDALL	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 19

ELECTRICAL DETAIL PLAN -1

DWG NO. E-2

\\USORA1FILWI01.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENVA\60438759 RIFF RAILTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\E-2.DWG (02-11-20 1:05:48PM)



PLAN
SCALE: 1" = 1' - 0"
0 1 2 4
SCALE: 1" = 1'- 0"

ELECTRICAL SYMBOLS

- CONDUIT EXPOSED
- QUANTITY #12 CURRENT CARRYING WIRES. (EQUIPMENT GND. NOT INCLUDED IN THE COUNT) IF NO LINES ARE SHOWN PROVIDE 2#12+1#12 GND
- A-1,3 — HOMERUN TO PANEL A, CIRCUITS 1 AND 3
- FLEXIBLE CONDUIT CONNECTION
- PANELBOARD
- JUNCTION BOX, CEILING
- DUPLEX RECEPTACLE

ELECTRICAL ABBREVIATIONS

A	AMPERES
AC	ALTERNATING CURRENT
AWG	AMERICAN WIRE GAUGE
C	CONDUIT
CB	CIRCUIT BREAKER
CKT	CIRCUIT
C.O.	CONDUIT ONLY
DWG	DRAWING
(E), EXIST	EXISTING
FIT	FLOW INDICATOR TRANSMITTER
FLEX	FLEXIBLE
FSH	FLOW SWITCH HIGH
FT	FLOW TRANSMITTER
G, GND	GROUND
HZ	HERTZ
JB	JUNCTION BOX
KVA	KILOVOLT-AMPERE
KW	KILOWATT
LCL	LONG CONTINUOUS LOAD
LIT	LEVEL INDICATING TRANSMITTER
LT	LEVEL TRANSMITTER
MP	METERING PUMP
P	POLE
PH	PHASE
PLC	PROGRAMMABLE LOGIC CONTROLLER
PSH	PRESSURE SWITCH HIGH
REC	RECEPTACLE
REF	REFERENCE
TEMP	TEMPERATURE
TYP	TYPICAL
V	VOLT
W	WATT, WIRE

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GROUNDWATER EXTRACTION AND TREATMENT SYSTEM COMBINED REMEDY SOURCE AREA OPERABLE UNIT, ROCKETS, FIREWORKS, AND FLARES SUPERFUND SITE
CHLORINATION SYSTEM INSTALLATION

SCALE	AS SHOWN	DESIGNED BY	A. RANDALL	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

ELECTRICAL DETAIL PLAN - 2

REV 9
SHEET 20
DWG NO. E-3

\\USORAIPEL\WOO1.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENVA\60438759 RIFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\E-3.DWG (02-11-20 1:06:35PM)

INSTRUMENT TAG IDENTIFICATION

	PRIMARY LOCATION (b)NORMALLY ACCESSIBLE TO OPERATOR	FIELD MOUNT	AUXILIARY LOCATION (b)NORMALLY ACCESSIBLE TO OPERATOR
DISCRETE INSTRUMENTS	LCP		LCP
SHARED DISPLAY, SHARED CONTROL	LCP		LCP
COMPUTER FUNCTION	LCP		LCP
PROGRAMMABLE LOGIC CONTROL	LCP		LCP

(a) *DESIGNATIONS SUCH AS 100 (LOCAL CONTROL BOARD NO. 100), 200 (LOCAL CONTROL BOARD NO.200), ETC., ARE USED WHEN NECESSARY TO SPECIFY INSTRUMENT OR FUNCTION LOCATION.*

(b) *NORMALLY INACCESSIBLE OR BEHIND–THE–PANEL DEVICES OR FUNCTIONS ARE DEPICTED BY USING THE SAME SYMBOLS BUT WITH DASHED HORIZONTAL BARS, I.E.*

SINGLE INSTRUMENT OR OTHER COMPONENT HAVING MULTIPLE FUNCTIONS

(XXX) *SOFTWARE OR LOGIC RESIDENT IN DISTRIBUTED CONTROL SYSTEM (DCS) AT PROGRAMMABLE LOGIC CONTROLLER (PLC) XXX. SEE ASSOCIATED LOGIC DIAGRAMS.*

(XXX) *PANEL MOUNTED PILOT LIGHT WITH PANEL NUMBER DESIGNATION(i.e. XXX = 100, 200, ETC.).*

FY * *INSTRUMENT PANEL MOUNTED WITH COMPUTING OR CONVERTING FUNCTION*

CONVERT %

- E – VOLTAGE
- I – CURRENT
- P – PNEUMATIC
- A – ANALOG
- B – BINARY
- H – HYDRAULIC
- O – ELECTROMAGNETIC, SONIC
- R – RESISTANCE (ELECT.)
- D – DIGITAL
- PF – PULSE FREQUENCY

COMPUTE *

- SUMMING Σ
- SUBTRACTOR —
- MULTIPLYING X
- DIVIDING ÷
- ROOT EXTRACTION √
- PROPORTIONAL P
- DERIVATIVE R
- AVERAGING Σ/n
- RATIO I:I
- DIFFERENCE Δ
- HIGH SELECTING >
- LOW SELECTING <
- INTEGRAL I

(XXX) DESIGNATIONS OF CONTROL FUNCTIONS ASSOCIATED INSTRUMENT OR OTHER COMPONENTS.

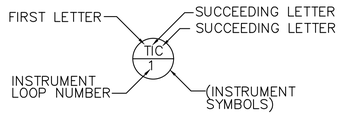
- AC – AUTO/CLOSE
- AHC – AUTO/HOLD/CLOSE
- AM – AUTO/MANUAL
- C – CLOSE
- DEV – DEVIATION
- ES – EMERGENCY STOP
- HOA – HAND/OFF/AUTO
- HOR – HAND/OFF/REMOTE
- LOS – LOCKOUT STOP
- LR – LOCAL/REMOTE
- N.C. – NORMALLY CLOSED
- N.O. – NORMALLY OPEN
- MOA – MANUAL/OFF/AUTO
- O – OPEN
- OL – OVERLOAD (MOTOR)
- OO – ON/OFF
- OCA – OPEN/CLOSE/AUTO
- OSC – OPEN/STOP/CLOSED
- POT – POTENTIOMETER
- RST – RESET
- RL – RAISE/LOWER
- RSL – RAISE/STOP/LOWER
- SD – SHUTDOWN
- SEL – SELECT
- SP – SET POINT
- SR – START/RESET
- SS – STOP/START
- WA – WARNING ALARM

ISA FUNCTION IDENTIFICATION TABLE

	FIRST–LETTER		SUCCEEDING–LETTERS		
	MEASURED OR INITIATING VARIABLE	MODIFIER	READOUT OR PASSIVE FUNCTION	OUTPUT FUNCTION	MODIFIER
A	ANALYSIS		ALARM		
B	BURNER, COMBUSTION				
C	CONDUCTIVITY			CONTROL	CLOSED
D	DENSITY	DIFFERENTIAL			
E	VOLTAGE		SENSOR (PRIMARY ELEMENT)		
F	FLOW RATE	RATIO (FRACTION)			
G	GAGE		GLASS, VIEWING DEVICE		
H	HAND				HIGH
I	CURRENT (ELECTRICAL)		INDICATE		
J	POWER	SCAN			
K	TIME, TIME SCHEDULE	TIME RATE OF CHANGE		CONTROL STATION	
L	LEVEL		LIGHT		LOW
M	MOTOR, MOISTURE	MOMENTARY			MIDDLE, INTERMEDIATE
N	TORQUE		ISOLATE	ISOLATOR	
O	USER SPECIFIED		ORIFICE, RESTRICTION		OPEN
P	PRESSURE, VACUUM		POINT (TEST) CONNECTION		
Q	QUANTITY	INTEGRATE, TOTALIZE			
R	RADIATION		RECORD		
S	SPEED, FREQUENCY	SAFETY		SWITCH	
T	TEMPERATURE			TRANSMIT	
U	MULTIVARIABLE		MULTIFUNCTION	MULTIFUNCTION	MULTIFUNCTION
V	VIBRATION, MECHANICAL ANALYSIS			VALVE, DAMPER, LOUVER	
W	WEIGHT, FORCE		WELL		
X	RUN	X AXIS		COMPUTE, CONVERT	
Y	EVENT, STATE OR PRESENCE	Y AXIS		*DRIVER, ACTUATOR, FINAL*	
Z	POSITION, DIMENSION	Z AXIS		CONTROL ELEMENT	

TYPICAL FORMAT:

- TIC–1 – INSTRUMENT IDENTIFICATION OR TAG NUMBER
- TIC – FUNCTIONAL IDENTIFICATION
- T – FIRST–LETTER
- IC – SUCCEEDING–LETTER(S)
- 1 – LOOP NUMBER



EXPANDED FORMAT:

- 10–PAH–1A — TAG NUMBER
- 10 — OPTIONAL PREFIX
- A — OPTIONAL SUFFIX

I UNDEFINED INTERLOCK DEVICE

MECHANICAL EQUIPMENT SYMBOLS

- CENTRIFUGAL PUMP
- VERTICAL TURBINE PUMP
- COMPRESSOR OR BLOWER
- EJECTOR
- METERING PUMP
- CHEMICAL INJECTION QUILL
- PROGRESSING CAVITY PUMP
- GEAR PUMP
- PERISTALTIC PUMP
- MIXER
- STATIC MIXER

PROCESS AND SIGNAL LINE SYMBOLS

- PROCESS LINE (1)
- INSTRUMENT OR CONNECTION TO PROCESS
- ELECTRIC SIGNAL
- PF — ELECTRIC PULSE FREQUENCY SIGNAL (0–100 CYCLE/SEC., 0–150 PULSE/MIN., etc.)
- PD — ELECTRIC PULSE DURATION SIGNAL (15 SEC., 3/12 SEC = 0 %, etc.)
- PNEUMATIC SYMBOL (2)
- HYDRAULIC SYMBOL
- CAPILLARY TUBE
- ELECTROMAGNETIC OR SONIC SIGNAL (3)
- INTERNAL SYSTEM LINK (SOFTWARE OR DATA LINK)
- MECHANICAL LINK
- CONNECTING LINES
- FIELD INSTRUMENT/ DEVICE
- X | I–1 — CONTINUED ON DWG I–__ AT A SIMILAR ARROW WITH LETTER X.
- VAR. — CONTINUED ON MULTIPLE SHEETS
- PROCESS INTERFACE CONNECTION POINT NOT SHOWN IN DRAWINGS

VALVE AND ACTUATOR SYMBOLS

- BUTTERFLY
- GATE VALVE
- KNIFE GATE
- CHECK VALVE
- BALL VALVE
- GLOBE VALVE
- DIAPHRAGM
- PLUG
- ECCENTRIC PLUG
- LUBRICATED PLUG
- 3–WAY GLOBE
- BALL CHECK VALVE
- MOTOR OPERATED BUTTERFLY
- PRESSURE REDUCING REDUCING REGULATOR
- SOLENOID VALVE
- 3–WAY SOLENOID
- NEEDLE VALVE
- PINCH VALVE
- ROTARY VALVE
- FLEX COUPLER
- DIAPHRAGM ACTUATED VALVE
- BACKPRESSURE VALVE
- MOTOR OPERATED BALL VALVE
- DRAIN VALVE & HOSE COUPLING
- PRESSURE RELIEF VALVE
- BACKFLOW PREVENTER
- REDUCER
- STRAINER
- CALIBRATION CHAMBER
- PRESSURE INDICATOR PULSATION DAMPENER

(1) REFER TO DWG G–3 FOR PIPING SERVICE SCHEDULE.

(2) THE PNEUMATIC SIGNAL SYMBOL APPLIES TO A SIGNAL NOT A SUPPLY SOURCE, USING ANY AS A MEDIUM. IF A GAS OTHER THAN AIR IS USED, THE GAS IS IDENTIFIED BY NOTE ON THE SIGNAL.

(3) ELECTROMAGNET PHENOMENA INCLUDE HEAT, RADIO WAVES, NUCLEAR RADIATION AND LIGHT.

INPUT/OUTPUT INTERFACE SYMBOLS

- = DIGITAL OUTPUT
- = ANALOG OUTPUT
- = DIGITAL INPUT
- = ANALOG INPUT

GENERAL NOTES

1. *ADDITIONAL INSTRUMENTATION AND CONTROL SYMBOLS MAY BE USED AS REQUIRED. SYMBOLS AND NOMENCLATURE ARE BASED ON ISA STANDARDS S5.1, S5.2, S5.4.*
2. *SEE ASSOCIATED ELECTRICAL AND MECHANICAL SYMBOL SHEETS FOR ADDITIONAL SYMBOLS AND ABBREVIATIONS.*
3. *FOR PIPE SIZES, MATERIAL, AS WELL AS DETAILS OF METER COUPLING AND OTHER MECHANICAL EQUIPMENT (E.G. VALVE, PUMP ETC.) SEE PROCESS AND INSTRUMENTATION DIAGRAMS, MECHANICAL DRAWINGS AND SPECIFICATIONS.*
4. *POWER SUPPLIES FOR LOOPS OR SYSTEMS SHALL BE FURNISHED BY THE INSTRUMENTATION MANUFACTURER TO MEET THE PARTICULAR CHARACTERISTICS (E.G. VOLTAGE AND CURRENT REQUIREMENTS) OF COMPONENTS IN EACH LOOP OR SYSTEM.*
5. *THOSE ITEMS IDENTIFIED BY AN ASTERISK SHALL BE PROVIDED BY THE SYSTEM PROCESS EQUIPMENT SUPPLIER.*
6. *P&ID'S DO NOT DISTINGUISH NEW FROM EXISTING MECHANICAL AND STRUCTURAL SYSTEMS. REFER TO 'M' SHEETS.*

DEVICE SYMBOLS

- M — MAGNETIC FLOWMETER
- ORIFICE PLATE
- FLOW TUBE
- J — ANNUBAR
- PROPELLER METER
- FE — ROTAMETER
- PD — POSITIVE DISPLACEMENT METER
- INLINE DIAPHRAGM SEAL
- SECONDARY PROCESS DIAPHRAGM SEAL
- *ULTRASONIC LEVEL INSTRUMENT*
- PI XXXX — PRESSURE INDICATOR
- LSH XXXX — LEVEL FLOAT SWITCH
- CORIOLIS METER

- AM — AQUEOUS AMMONIA
- SH — SODIUM HYPOCHLORITE
- SPL — SAMPLE
- D — DRAIN
- V — VENT'

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SCALE	DESIGNED BY	DRAWN BY	DRAWING NUMBER	REV
AS SHOWN	K. RAITHATHA	D. LAFRANCE	AS SHOWN	9
DATE	CHECKED	APPROVED	JOB NUMBER	SHEET
FEBRUARY 2020	J. ZIMMERLE	J. ZIMMERLE	60438759	21

INSTRUMENTATION LEGEND

DWG NO. N-1

\\USORAPPLIW001.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENV\60438759_RFF RIALTO TREATMENT\900–CAD–GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\N–1.DWG (02–11–20 1:07:18PM)

HMI

PLC-01

YAR 101A
YAR 101B
YAR 103A
YAR 103B
LAH 105
HS 111A
YIR 111B
YAR 111C
YIR 111D
SIK 111
SIR 111
HS 112A
YIR 112B
YAR 112C
YIR 112D
SIK 112
SIR 112
AIK 115
AIR 115
YAR 917

SHUT DOWN
SHUT DOWN
PUMP CONTROL LOGIC
PID
AC 115
TD
KY 113
ENABLE

LSHL 101
LSLL 101
LSHL 103
LSLL 103
AI
LAH 105

AI LN 101
AI LN 103
A
DO YN 111A
DI YN 111B
DI YN 111C
DI YN 111D
AO SC 111
AI SN 111
DO YN 112A
DI YN 112B
DI YN 112C
DI YN 112D
AO SC 112
AI SN 112
DI YN 114
DI YN 113
AI AN 115
DI YN 917

CALL
AUTO
FAIL
RUN
SPEED COMMAND
SPEED FEEDBACK
CALL
AUTO
FAIL
RUN
SPEED COMMAND
SPEED FEEDBACK
HIGH PRESSURE
LOW FLOW
CL2

PUMP 1
PUMP 2
SODUIM HYPO CHLORITE FEED SYSTEM LOCAL CONTROL PANEL

EMERGENCY SHOWER & EYEWASH
FSH 917
FROM PLANT WATER

TANK FILL CONNECTION
LE/LT 101
SODUIM HYPO CHLORITE TANK
T-1

CALIBRATION CHAMBER
SODUIM HYPO CHLORITE METERING PUMP 1
MP-1

PULSATION DAMPENER
PSH 113
PI 113
AE/AIT 115
FS 113
TO INJECTION LINE

TANK FILL CONNECTION
LE/LT 103
SODUIM HYPO CHLORITE TANK
T-2

SODUIM HYPO CHLORITE METERING PUMP 2
MP-2

LSH 201
CONCRETE CONTAINMENT BASIN

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CHLORINATION SYSTEM INSTALLATION

REV 9

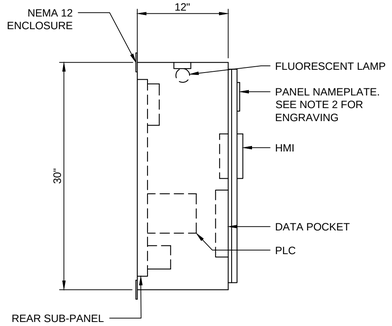
SCALE	AS SHOWN	DESIGNED BY	K. RAITHATHA	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

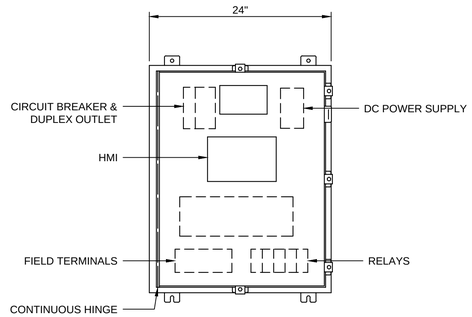
SHEET 22

CHEMICAL FEED SYSTEM P&ID

DWG NO. N-2

\\USGRAL1FIL\W001.NA.AECOMNET.COM\ORANGE\DCS\PROJECTS\ENV\60438759 RFF RIALTO TREATMENT\900-CAD-GIS\2018_CHLORINATION SYSTEM PROJECT\SHEETS\N-2.DWG (02-11-20, 1:07:56PM)



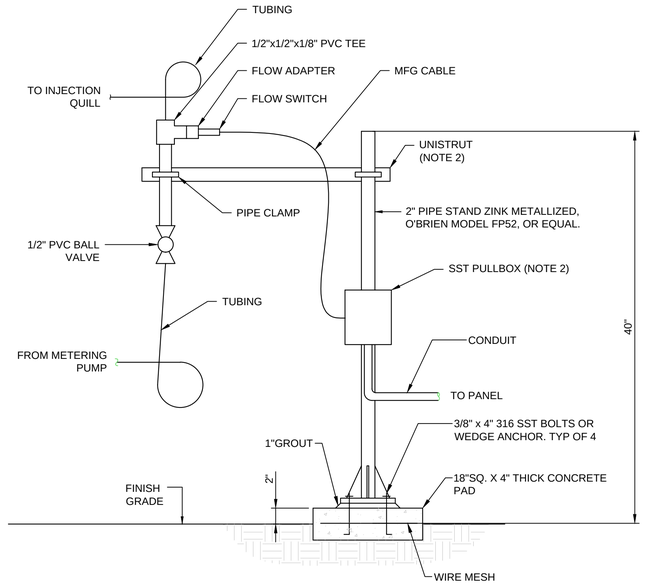


PLC-01 PANEL

1

–

SCALE: NONE



FLOW SWITCH DETAIL

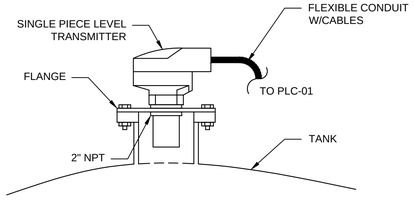
2

–

SCALE: NONE

NOTES

1. UNLESS OTHERWISE NOTED, ALL HARDWARE SHALL BE 316 SST.
2. SECURE TO PIPE STAND USING U-BOLTS.



ULTRASONIC TANK LEVEL SENSOR MOUNTING

3

–

SCALE: NONE

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REV 9

SCALE	AS SHOWN	DESIGNED BY	K. RAITHATHA	DRAWN BY	D. LAFRANCE	DRAWING NUMBER	AS SHOWN
DATE	FEBRUARY 2020	CHECKED	J. ZIMMERLE	APPROVED	J. ZIMMERLE	JOB NUMBER	60438759

SHEET 23

INSTRUMENTATION DETAILS

DWG NO. N-3

\\USGRAFPLWD01.NA.AECOMNET.COM\ORANGE\DGS\PROJECTS\ENV\60438759_RFF_RIALTO_TREATMENT\900-CAD-GIS\2018_CHLORINATION_SYSTEM_PROJECT\SHEETS\N-3.DWG (02-11-20 1:08:31 PM)

Amendment to Four Party Implementation Agreement
(Regarding Contingent Water Supply to Colton)

This Amendment amends the Four Party Implementation Agreement made and entered into effective September 1, 2015, by and between Emhart, Rialto, Colton, and the County ("4-Party IA") to set forth the procedures and process to minimize or eliminate any disruption of distribution of domestic water supply through the Rialto municipal water system to Colton in the event of an interruption of operation of the Combined Remedies.

Recitals

Whereas, terms defined in the 4-Party IA and used in this Amendment shall have the meanings set forth in the 4-Party IA.

Whereas, to facilitate operation of the Combined Remedies, Colton has leased its water rights in the Basin to Emhart and the County, and Rialto has leased certain of its water rights in the Basin to the County, as described in Paragraph V. of the 4-Party IA.

Whereas, as set forth in the 4-Party IA, upon startup, the Combined Remedies will pump water from the Basin, treat that water at the Combined Treatment Plant to remove perchlorate and VOCs, and deliver the treated water to Rialto.

Whereas, Rialto will receive all water treated by the Combined Treatment Plant, and deliver to Colton a volume of water equivalent to the Colton Water Rights utilized by the County and Emhart at the Combined Treatment Plant.

Whereas, Paragraph V.B.1.b. of the 4-Party IA provides that "Colton shall, at Emhart's request, take all reasonable actions to manage its municipal water supply system, including if necessary, curtailing production at other Colton-owned water production wells in the Basin, to ensure that its water rights leased to Emhart as provided in [4-Party IA] Paragraph V can be utilized for the Work."

Whereas Paragraph III.A.2. of the 4-Party IA provides that, subject to the terms of the Work Consent Decree, Emhart is responsible, *inter alia*, for the cost of the design, permitting, installation, and/or construction of the additional piping and infrastructure necessary to deliver water to the Colton municipal water supply system pursuant to Emhart's lease of Colton Water Rights either through the existing Rialto municipal water supply system or by some other means agreed to by the Parties in writing.

Whereas, Colton has leased its Colton Water Rights in the Basin to the County and Emhart as set forth in Paragraph V. of the 4-Party IA, and if Emhart and the County use the maximum amount of those Colton Water Rights for the Combined Remedies, Colton would have to stop pumping water from its Well Nos. 15 and 17, both of which have been impacted by perchlorate and are connected to a resin treatment system (the "Domecq Treatment System") that removes perchlorate prior to distributing the pumped water to Colton's water system.

Whereas, Well Nos. 15 and 17 are among the primary water supply wells for the Western Zone of Colton's water system.

Whereas, in the event of an interruption or disruption to water delivered from Rialto to Colton, unless Colton takes steps, such as using water rights it would otherwise lease to Emhart, to keep the Domecq Treatment System on standby, Colton cannot immediately restart Well Nos. 15 and 17.

Whereas, due to health and safety considerations, Colton does not intend to cease pumping and treatment operations at Well Nos. 15 and 17 unless there is an adequate contingent water supply that can supply the water needs of Colton's Western Zone in the event of an interruption or disruption to the operation of the Combined Treatment Plant or the distribution of water supply from Rialto to Colton.

Whereas, the Parties desire to provide procedures and process for the continued delivery of domestic water supply from Rialto to Colton in the event of an interruption or disruption to the operation of the Combined Remedies.

Amendment

Now, therefore, in consideration of the terms, conditions and mutual covenants contained herein, the sufficiency of which are hereby acknowledged, the Parties agree to amend the 4-Party IA as follows:

1. **Defined Terms.** Terms defined in the 4-Party IA and used in this Amendment shall have the meanings set forth in the 4-Party IA.

2. **Backup Water Supply and Priority.** In the event that an interruption or disruption of the operation of the Combined Remedies threatens to impact Rialto's ability to supply water to Colton on a schedule that will meet Colton's minimum water needs as set forth in the operative Water Management Plan, subject to ongoing adjustment as set forth in Paragraph VI. of the 4-Party IA, the adjustment of which shall not be unreasonably denied, either Rialto, as operator of the Combined Remedies, or Colton shall promptly notify the Parties, and the Parties shall take steps to deliver water to meet Colton's minimum water needs in the following order:

(a) **Emhart and County's Option to Provide Alternative Backup Water.** Depending on the nature of the interruption or disruption to the Combined Remedies operation, the County and Emhart may direct pumping from Rialto-3, Miro-2, Miro-3, or EW-1, using Colton Water Rights, and Rialto shall deliver to Colton a volume of water equivalent to such supplemental pumping volume pursuant to Paragraph VI. of the 4-Party IA.

(b) **Rialto Well No. 5.** To the extent that the County and Emhart do not take the actions pursuant to Paragraphs 2.(a) or the actions taken are not sufficient to meet Colton's minimum water needs, Rialto will continue to deliver water to Colton, as necessary to meet Colton's minimum water needs, via the Randall Connector, and supplement water supply in the Rialto municipal water supply system by pumping an equivalent volume of water

from its well, known as Rialto Well No. 5, located on Etiwanda Avenue, east of Cactus Avenue.

i. Rialto's extraction of water at Rialto Well No. 5 and delivery of water to Colton via the Randall Connector, as required by Paragraph 2.(b), shall be pursuant to Colton Water Rights and any such extraction shall reduce the water rights leased by Colton to Emhart, as set forth in Paragraph V. of the 4-Party IA.

ii. The Parties recognize and acknowledge that Colton Water Rights are subject to the 1961 Decree and the 4-Party IA, and the exercise of Colton's Water Rights by Rialto and Emhart combined shall not exceed the amount of rights available as set forth in Paragraph V. of the 4-Party IA. To the extent the exercise of Colton Water Rights exceeds the amount Colton can pump without any penalties, fines, or assessments under the 1961 Decree, the Party(ies) responsible for the exceedance shall be liable for any penalties, fines, or assessments Colton would otherwise have to pay for exceeding its water rights.

iii. Rialto will deliver to Colton a volume of water equivalent to the volume pumped at Rialto Well No. 5 using Colton Water Rights at cost. Such cost shall be calculated based on Rialto's cost of operating Rialto Well No. 5 and any related lifting and/or chemical cost for treating water delivered to Colton.

iv. If Rialto Well No. 5 is not operable or cannot supply sufficient water to meet Colton's domestic water needs, Rialto shall provide notice to Colton and proceed to deliver water to Colton pursuant to Paragraph 2.(c).

(c) **Baseline Feeder.** If (i) Rialto Well No. 5 is not operable, (ii) Colton notifies Rialto that Rialto cannot utilize Colton Water Rights, or (iii) Rialto Well No. 5 cannot supply sufficient water to meet Colton's minimum water needs, Rialto shall continue to deliver water to Colton via the Randall Connector, as necessary to meet Colton's minimum water needs, and take delivery of an equivalent volume of water from its "Baseline Feeder" connection by utilizing Rialto's water rights in the Bunker Hill Basin. The Baseline Feeder is operated by San Bernardino Valley Municipal Water District and provides fully treated water pumped from two wells in the Bunker Hill Basin.

Rialto will sell the water delivered to Colton pursuant to Paragraph 2.(c) at cost. Such cost shall be calculated based on the amount Rialto would have to pay to utilize the Baseline Feeder for itself and any related lifting or replenishment cost for treating water to facilitate water delivery to Colton. As of 2020, the cost to Rialto for using water from the Baseline Feeder is

approximately $155 per acre-foot, including both cost per acre-foot of water and replenishment costs. This cost may change in the future. In lieu of paying this cost, Colton has the option of transferring its water rights in the Bunker Hill Basin in amount equal to the amount of water delivered to Colton pursuant to this Paragraph 2.(c) and paying any additional lifting costs necessary to pump and deliver Colton's water from the Bunker Hill Basin to Colton's municipal water system.

If the "Baseline Feeder" connection is insufficient to satisfy Colton's water needs, Rialto shall provide notice to Colton and proceed to deliver water to Colton pursuant to Paragraph 2.(d).

(d) **Encanto Connection.** Rialto has a connection at Encanto through the City of San Bernardino's water system. If the sources identified in Paragraphs 2.(a) through (c) above are insufficient to satisfy Colton's minimum water needs, Rialto will continue to deliver water to Colton, as necessary to meet Colton's minimum water needs, via the Randall Connector, and supplement water supply in the Rialto municipal water supply system by utilizing the Encanto connection. Rialto shall deliver such water to Colton at cost, currently estimated to be $227 per acre-foot. This cost may change in the future.

(e) If the sources identified above are insufficient to satisfy Colton minimum water needs, Rialto, Colton, the County, and Emhart shall meet and confer in good faith to assure Colton's water supply. If Rialto supplies the water, it shall do so at cost.

(f) Upon notice from Rialto that the disruption or interruption of the Combined Remedies has been resolved, normal operation pursuant to the operative Water Management Plan shall resume, provided that the Water Management Plan shall be updated to reflect the amount of Colton Water Rights already exercised pursuant to Paragraphs 2.(a) and (b) above.

3. **Colton's Determination of Water Needs.** In determining the amount of water Rialto is to supply to Colton for purposes of backup water pursuant to Paragraph 2. above, Colton shall, within its reasonable discretion, determine whether it can reduce the water needed from Rialto by management of Colton's municipal water supply system. Nothing in this amendment modifies Paragraph V.B.1.b. of the 4-Party IA.

4. **Notice.** Due to urgency concerns related to public health and safety risks caused by an interruption or disruption to water delivery, except as specifically provided otherwise, the notice described in Paragraph 2. above can be provided in writing, verbally, or via electronic mail, phone call, voicemail or any other reasonable means of communication.

5. **Dispute Resolution.** Any dispute regarding this amendment that is not resolved by the good faith negotiation set forth in Paragraph 2.(e) above shall be resolved pursuant to Paragraph XII of the 4-Party IA.

FOR EMHART INDUSTRIES, INC.:

By: _____
Emhart Industries, Inc.

Date: _____

FOR THE CITY OF RIALTO:

By: _____
City of Rialto

Date: _____

FOR THE CITY OF COLTON:

By: _____
City of Colton

Date: _____

FOR THE COUNTY OF SAN BERNARDINO:

By: _____
County of San Bernardino

Date: _____

2015 San Bernardino Valley RUWMP

Appendix H

AGREEMENT BETWEEN ORANGE COUNTY WATER DISTRICT AND CITY OF RIVERSIDE CONCERNING WATER RIGHTS

THIS AGREEMENT, dated as of July 24, 2006 is by and between ORANGE COUNTY WATER DISTRICT ("OCWD") and CITY OF RIVERSIDE ("CITY") (collectively, the "Parties").

EXPLANATORY RECITALS

A. In 1969, the Orange County Superior Court entered a stipulated judgment in *Orange County Water District v. City of Chino, et al.*, Orange County Superior Court No. 117628 (the "1969 Judgment") declaring rights in the Santa Ana River Watershed as between the water users located in the area shown on Exhibit A to the 1969 Judgment which lies upstream from Prado Dam (the "Upper Area") and the water users located in the area shown on Exhibit A to the 1969 Judgment which lies downstream from Prado Dam (the "Lower Area")(the areas shown on Exhibit A to the 1969 Judgment constitute the "Watershed"). OCWD and the City were parties in that case and to certain stipulations that led to the 1969 Judgment.

B. Pursuant to the 1969 Judgment and the stipulations leading to it, "water users and other entities in Lower Area have rights, as against all Upper Area claimants, to receive an average annual supply of 42,000 acre feet of Base Flow at Prado, together with the right to all Storm Flow reaching Prado Reservoir. Water users and other entities in Upper Area have rights in the aggregate, as against all Lower Area claimants, to divert, pump, extract, conserve, store and use all surface and ground water supplies originating within Upper Area without interference or restraint by Lower Area claimants, so long as Lower Area receives the water to which it is entitled under this Judgment and there is compliance with all of its provisions."

C. In addition, pursuant to the 1969 Judgment and the stipulations leading to it, "OCWD and the Lower Area Users are enjoined and restrained from pumping, producing and exporting or directly or indirectly causing water to flow from Upper to Lower Area, except as to salvage of evapo-transpiration losses . . . . The acquisition by Upper Districts or other Upper Area entities of Lower Area water rights shall in no way affect or reduce Lower Area's entitlement; and the acquisition of Upper Area water rights by OCWD or other Lower Area entities shall be deemed to be included within the aggregate entitlement of Lower Area and shall not increase said entitlement."

D. Further, pursuant to the 1969 Judgment and the stipulations leading to it, "[i]nsofar as Lower Area claimants are concerned, Upper Area water users and other entities may engage in unlimited water conservation activities, including spreading, impounding and other methods, in the area above Prado Reservoir, so long as Lower Area receives the water to which it is entitled under the Judgment and there is compliance with all of its provisions. Lower Area water users and other entities may make full conservation use of Prado Dam and reservoir, subject only to flood control use."

E. Further pursuant to the Stipulation for Judgment filed concurrently with the 1969 Judgment, "Water quality requirements, objectives and policy are a function of the Santa Ana River Basin Regional Water Quality Control Board and such other governmental agencies now in existence or as may be hereafter created or vested with such regulatory power. The provisions in the Judgment relating to quality are not to be construed or deemed to affect, or in any way detract from the right of any party hereto to urge such Board or other appropriate agency to take action designed to change or enforce water quality requirements, objectives and policy."

"Any of the undersigned defendants who participate directly in the management or control of sewage or other water treatment facilities agree that any water or effluent deposited by them into the Santa Ana River or its stream bed will not be of a lesser quality than will meet the present requirements of Santa Ana River Basin Regional Water Quality Control Board."

F. On September 3, 1999, OCWD petitioned the State Water Resources Control Board ("SWRCB") to modify the Declaration of Fully Appropriated Stream Status to allow the SWRCB to accept a water right application, later numbered Application 31174, that had been submitted previously by OCWD to the SWRCB (the "OCWD Application"). After evidentiary hearings on September 21, 2000, the SWRCB issued Order WR 2000-12, *In the Matter of the Petitions to Revise Declaration of Fully Appropriated Streams to Allow Processing of Specified Applications to Appropriate Water From the Santa Ana River*. That Order amended the Declaration of Fully Appropriated Streams, as adopted by SWRCB Order WR 98-08, to allow for processing of the OCWD Application and other applications. On January 11, 2002, the SWRCB thereupon publicly noticed the OCWD Application. The City protested the OCWD Application, alleging *inter alia* that in the application OCWD sought water rights in contravention of the 1969 Judgment. On August 9, 2002, the SWRCB accepted the City's protest and on October 18, 2002 OCWD responded to the City's protest. OCWD contends and the City disputes that the OCWD Application is consistent with the rights and obligations declared under the 1969 Judgment.

G. In furtherance of the OCWD Application, OCWD drafted an Environmental Impact Report ("OCWD's EIR"), which was circulated for public comment. In response to comments it received, OCWD revised its EIR and on March 30, 2006 recirculated the revised EIR for public comment.

H. The City is currently preparing a Programmatic EIR for its Recycled Water Master Plan ("PEIR"). This Recycled Water Master Plan is described in the City's PEIR. As part of its Recycled Water Master Plan, the City anticipates using treated effluent that is currently discharged into the Santa Ana River in excess of the City's obligation to discharge 15,250 afy into the River. The City represents that the PEIR and the Recycled Water Master Plan recognize and are consistent with the City's obligation to continue discharging 15,250 afy into the River and its other obligations under the 1969 Judgment.

I. The Parties have discussed their claims of right to divert, extract, use, conserve, store, or sell waters, including reclaimed waters. The Parties intend by this Agreement to resolve the City's protest to the OCWD Application.

J. The Parties agree that conjunctive use of water and utilization of reclaimed water to the maximum extent feasible within the SAR Watershed are important measures to maximize beneficial use of the water resources of the People of California.

AGREEMENTS

NOW THEREFORE the Parties agree as follows:

1. AFFIRMATION OF THE 1969 JUDGMENT

The Parties each acknowledge and affirm their respective rights and obligations, and those of the other Party, as set forth in the 1969 Judgment. Nothing in this Agreement is intended to diminish or abridge those rights and obligations.

OCWD also represents that nothing in the OCWD Application is intended to diminish rights of the Upper Area parties as they are set forth in the 1969 Judgment and OCWD agrees that it will not seek to compel City to continue to release flows in excess of those required under the 1969 Judgment. OCWD agrees that it will comply with all applicable provisions of the 1969 Judgment.

The Parties will ask the SWRCB to incorporate the entire 1969 Judgment into any permit/license to divert water resulting from its application.

The City represents that nothing in its Recycled Water Master Plan is intended to diminish rights of the Lower Area entities as they are set forth in the 1969 Judgment. The City agrees that it will comply with all applicable provisions of the 1969 Judgment.

2. DISMISSAL OF CITY'S PROTEST

Within 21 days after the effective date of this Agreement, the City will notify the SWRCB that the City withdraws its protest to the OCWD Application, subject to the request that the SWRCB's final order on the OCWD Application and any permit or license issued pursuant thereto incorporate the 1969 Judgment and this Agreement.

3. PEIR

Without waiving OCWD's rights to protect water quality of the water reaching Prado Dam, as long as the City is in material compliance with this agreement, OCWD will not bring, or join in, or assist in any protest before the SWRCB related to the City's Application No. 31372 to Appropriate Water from the Santa Ana River and/or any Change Petition(s) related to the subject of that Application (i.e., the City's appropriation of its treated effluent) nor will OCWD bring, or join in, or assist in any court or administrative action to challenge the City's PEIR, subject to the express condition that the City will not contend in any forum, now or in the future, that OCWD's

forbearance on the PEIR operates to bar, preclude or otherwise undermine OCWD's position that native water shall not be exported from the Watershed. Nothing herein prevents OCWD from challenging future environmental documentation or future projects. The parties will timely meet and confer in good faith with respect to any such challenges.

4. OCWD'S EIR

As long as OCWD is in material compliance with this Agreement, City will not bring or join in or assist in any court or administrative action to challenge OCWD's recirculated EIR, and the City will not make any other comments on OCWD's EIRs, draft or final, for projects covered by OCWD's Application.

5. NO CHALLENGE TO CITY'S CONSERVATION EFFORTS

Without waiving OCWD's rights to protect water quality of the water reaching Prado Dam, OCWD will not object to or bring, join in, or assist in any court or administrative action to challenge the City on projects to conserve and use recycled water within the Watershed, as long as such projects are consistent with the 1969 Judgment.

6. SPECIFIC ENFORCEMENT

The Parties agree that violation of the provisions of this Agreement cannot be adequately compensable in damages, and that the Parties lack an adequate remedy at law, and therefore agree that in any action to enforce this Agreement, this Agreement may be specifically enforced by any court of competent jurisdiction and any violation or threatened violation thereof may be enjoined.

The undersigned covenant and represent that they are duly and properly authorized to execute this Agreement and thereby bind the Party for whom they sign.

ORANGE COUNTY WATER DISTRICT

By: _____
Philip L. Anthony, President

Date: 6-7-06

By: _____
Virginia Grebbien, General Manager

Date: 6-13-06

APPROVED AS TO FORM
By _____
General Counsel for
Orange County Water District

CITY OF RIVERSIDE

By: _____
Michael J. Beck, Assistant City Manager

Date: July 24, 2006

Attest
By: _____
City Clerk

Date: July 24, 2006

APPROVED AS TO FO
CITY ATTORNEY'S OFFICE
_____
Deputy City Attorney

RECORDED PLEASE RETURN TO:

San Bernardino Valley
Water Conservation District
303 Brookside Avenue
Redlands, CA 92373

1

NO FEE
A

RECORDED IN OFFICIAL RECORDS
SEP 9 1976 AT 8 A.M.
V. DENNIS WARDLE
CLERK-RECORDER
SAN BERNARDINO COUNTY, CALIF.

SANTA ANA RIVER – MILL CREEK

COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

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SANTA ANA RIVER - MILL CREEK

COOPERATIVE WATER PROJECT AGREEMENT

This Agreement is concluded by and between the Parties hereto to provide for the efficient and economical use of Local and Import Water supplies and shall be known as "The Cooperative Water Project Agreement," hereinafter sometimes referred to as "Agreement."

1. RECITALS

The Eligible Entities (as hereinafter defined), other than the San Bernardino Valley Municipal Water District, have water rights, including in certain cases water rights on the Santa Ana River and on Mill Creek, and have, in many cases for over seventy years, exercised those water rights for the purpose of supplying water to the water users of their respective Entities. Such Entities also have existing facilities which they have used for the development, diversion, and transmission of water from their respective sources of supply.

The San Bernardino Valley Water Conservation District has been engaged for many years in conserving and spreading water from the Santa Ana River and Mill Creek for the purpose of groundwater replenishment pursuant to rights which it holds for such purpose.

The San Bernardino Valley Municipal Water District has a contract with the State of California Department of Water Resources pursuant to the State Water Project under which it is importing a water supply into the San Bernardino Valley. Said District is presently engaged in the construction of local distribution facilities to make Import Water available for direct delivery, including groundwater recharge.

Pursuant to engineering studies which indicate that all of the Eligible Entities, as defined herein, will benefit from a cooperative water supply plan, it is the desire of the Parties to provide for the Parties' beneficial use of existing Local Water and of the available Import Water supply on an integrated basis utilizing various exchanges and transfers in order to provide the most economical, efficient, and dependable supply possible at a minimum of expense to water users and the taxpayers and to conserve energy. The studies indicate that the plan is of mutual benefit to all of the Eligible Entities and that

there will be no adverse effects or penalties to any of them or to other Entities not signatory to this Agreement.

2. DEFINITIONS

As used herein, the following terms shall have the meanings set forth below:

a. Entity: An individual, partnership, corporation (including a mutual water company), or public agency.

b. Eligible Entity: Any Entity eligible to become a Party hereto as set forth in Section 3, below.

c. Party: Any Eligible Entity signatory to this Agreement in accordance with its terms and conditions.

d. Management Committee: The committee comprised of one representative from each Party to this Agreement.

e. Project Manager: The San Bernardino Valley Water Conservation District or any other public agency appointed by the Management Committee and approved by the San Bernardino Valley Municipal Water District, acting under the supervision of the Management Committee.

f. Import Water: Water imported by and belonging to San Bernardino Valley Municipal Water District pursuant to its contract with the State of California Department of Water Resources from the State Water Project.

g. Local Water: All water supplies, except Import Water, available to an Entity.

h. Entitlement Water: Local Water to which a Party has an entitlement as described in Exhibit A, which water rights are not necessarily any Party's total claim to water rights in the respective source listed. This definition is solely for purposes of this Agreement and not for the purpose of defining or establishing water rights with respect to any Party.

i. Exchange Water: Local Water or Import Water delivered to a Party in exchange for Entitlement Water. The quantity of Exchange Water delivered to a Party plus Deferred Exchange Water Credits earned by a Party shall be equal to the quantity of that Party's Entitlement Water delivered to and used by the Management Committee.

j. Simultaneous Exchange: Delivery of Exchange Water substantially at the same time the Party's Entitlement Water is being delivered to others. Unless otherwise provided in the rules adopted by the Management Committee, delivery of Simultaneous Exchange Water shall be at the same rate of flow and completed within 24 hours of the delivery of Entitlement Water.

k. Deferred Exchange: Delivery of Entitlement Water to others for a future delivery of Exchange Water. Deferred Exchange shall be made only as provided in Section 5f below.

l. Deferred Exchange Water Credit: A water credit for the quantity of Entitlement Water delivered to others in a Deferred Exchange.

m. Supplemental Water: Any water requested by and delivered to a Party other than said Party's Entitlement Water or Exchange Water.

n. Cooperative Water Project Facilities: Certain facilities constructed or to be constructed and owned and maintained by San Bernardino Valley Municipal Water District which shall be operated by the San Bernardino Valley Municipal Water District in accordance with the Project Manager's instructions to effectuate this Agreement, subject to the provisions of Section 15. These facilities are shown conceptually on Plate I herein.

o. Associated Water Facilities: Water facilities at or near the mouth of Santa Ana Canyon and Mill Creek owned by various Parties to this Agreement which shall be operated by the owners thereof in accordance with the Project Manager's instructions to effectuate this Agreement, as shown generally on Plates 2 and 3 herein.

p. Cooperative Water Project: Those facilities and the operational plan defined herein that permit the substitution of Exchange Water for Entitlement Water.

q. Historical Conditions: Methods and facilities used to take Entitlement Water into the respective distribution systems of the Parties prior to construction of the Cooperative Water Project Facilities.

r. Edison Company: The Southern California Edison Company, a corporation organized under the laws of the State of California.

s. Year: A calendar year unless specified otherwise.

t. State Contract: Contract between the State of California Department of Water Resources and the San Bernardino Valley Municipal Water District for a Water Supply, dated December 30, 1960, and all amendments thereto, heretofore or hereafter concluded.

3. ELIGIBLE ENTITIES

The following Entities shall be eligible to become Parties to this Agreement:

a. Bear Valley Mutual Water Company, a mutual water company, hereinafter referred to as "Bear Valley."

b. City of Redlands, a municipal corporation, hereinafter referred to as "Redlands."

c. Crafton Water Company, a mutual water company, hereinafter referred to as "Crafton."

d. East San Bernardino County Water District, a county water district organized and existing under the County Water District Law, Water Code Sections 30000, et seq, hereinafter referred to as "East San Bernardino." EVWD

e. Lugonia Water Company, a mutual water company, hereinafter referred to as "Lugonia."

f. North Fork Water Company, a mutual water company, hereinafter referred to as "North Fork."

g. Redlands Water Company, a mutual water company, hereinafter referred to as "Redlands Water."

h. San Bernardino Valley Munici al Water District, a municipal water district organized and existing under the Municipal Water District Law of 1911, Water Code Sections 71000, et seq, hereinafter referred to as "Valley District."

i. San Bernardino Valley Water Conservation District, a water conservation district organized and existing under the Water Conservation District Law of 1931, Water Code Sections 74000, et seq, hereinafter referred to as "Conservation District."

j. Yucaipa Valley County Water District, a county water district organized and existing under the County Water District Law, Water Code Sections 30000, et seq, hereinafter referred to as "Yucaipa District."

4. CONSTRUCTION OF COOPERATIVE WATER PROJECT FACILITIES

Subject to availability of funds, to budgetary, supply, and construction restraints, and to obtaining necessary approvals, permits, and agreements, Valley District shall design and construct the Cooperative Water Project Facilities so as to provide for delivery of water at the maximum flow rates and at the delivery points hereinafter specified. Each of the Parties shall have reasonable opportunity to inspect and study the Valley District's plans and specifications for all Cooperative Water Project Facilities during the planning stage and prior to the solicitation of bids for the construction thereof and may make comments and recommendations thereon to Valley District. Valley District shall make all reasonable efforts to commence construction of the first increment of the Cooperative Water Project Facilities, which consist of the facilities listed in Exhibit D, on or before

April 1, 1977, and bring the first increment to completion with reasonable diligence thereafter. Construction of additional increments will be scheduled by Valley District on a basis of need to meet water demands as determined by Valley District in consultation with the Management Committee. The obligations of Valley District hereunder shall be subject to the following specific conditions:

a. Facilities shown on Exhibit D which are required exclusively or primarily to deliver water to an Eligible Entity which does not become a Party to this Agreement by the effective date of this Agreement need not be built as a part of the first increment of the Cooperative Water Project Facilities nor at any subsequent time until the Eligible Entity shall become a Party.

b. The construction of facilities which would be physically, legally, or economically usable only in the event of the conclusion of the agreement with Edison Company provided for in Section 10 hereof shall be contingent upon the satisfactory conclusion of such an agreement.

c. The construction of facilities which are subject to a requirement of obtaining an approval or permit either for the construction of or for the use of such facilities shall be contingent upon obtaining such approval or permit in form satisfactory to Valley District. Valley District shall attempt to obtain all necessary approvals and permits with reasonable diligence.

d. Valley District with the advice of the Management Committee will schedule the construction of the facilities listed in Exhibit D to keep expenditures within the funds available to Valley District for construction of said facilities.

5. DELIVERY PROVISIONS

a. General

Subject to the delivery of Exchange Water by the Management Committee to replace any Entitlement Water delivered pursuant hereto, each of the Parties having Entitlement Water hereby makes available to the Management Committee said Party's supply of Entitlement Water for delivery and use pursuant to the terms of this Agreement.

East San Bernardino hereby makes available to the Management Committee, for exchange, water it is entitled to receive from North Fork by virtue of its ownership of North Fork stock. However, at such time as North Fork becomes a Party to this Agreement, East San Bernardino shall no longer be required to make the water from its stock ownership in North Fork available for exchange.

The Management Committee may cause delivery of water to be made to any Party entitled to and/or requesting said delivery from any source available to the Management Committee. In exercising its discretion hereunder, the Management Committee shall act on the basis of securing the maximum efficiency and economy in the use of the Local and Import Water supplies available to it.

All water deliveries shall be subject to:

(1) Rules and regulations adopted by the Management Committee.

(2) Scheduling requirements of the Management Committee.

(3) Payment of any charge imposed therefor.

(4) Limitations of available water supplies and capacity in the delivery facilities (including Valley District's Foothill Pipeline).

b. Import Water

Valley District hereby makes Import Water available to the Management Committee as scheduled for delivery and use as Exchange Water and Supplemental Water, subject to the availability of Import Water from the State Water Project, the equal rights of others within the boundaries of Valley District to receive Import Water, requirements for water service other than pursuant hereto, all of the requirements imposed by Valley District's contract with the State of California Department of Water Resources, and all applicable laws and regulations of water service.

c. Exchange Water and Supplemental Water

The Management Committee shall cause to be delivered to each of the Parties Exchange Water to replace any Entitlement Water made available by such Party and used by the Management Committee by Simultaneous Exchange, unless otherwise scheduled by the Party concerned and approved by the Management Committee. Exchange Water shall be delivered to each of the Parties at the points and up to the maximum instantaneous rates of flow specified in Exhibit B.

In addition to such deliveries, the Management Committee shall schedule Supplemental Water deliveries to any Party requesting the same.

d. Use of Cooperative Water Project Facilities to Convey Entitlement Water

A Party may request from the Management Committee delivery of any portion of its Entitlement Water through the Cooperative Water Project Facilities subject to availability of capacity in said facilities and to scheduling limitations.

Nothing in this Agreement shall be construed as authorizing the transport of Entitlement Water outside the boundaries of Valley District without prior approval of the Management Committee; however, in the case of a Party whose own boundaries extend beyond the boundaries of Valley District, that Party may transport Entitlement Water anywhere within its own boundaries.

e. Local Water

The Management Committee shall cause to be delivered to Valley District upon request Local Water if made available by a Party or Parties at flow rates, times, and at the delivery points specified by Valley District to the extent possible, using Cooperative Water Project Facilities, subject to Valley District delivering to the Management Committee an equal quantity of Import Water at the flow rates, times, and to delivery points as required to permit the Management Committee to make said delivery of Local Water to Valley District.

f. Deferred Exchange Water

All Parties with Deferred Exchange Water Credits shall be entitled to receive Deferred Exchange Water for such credits upon request. A Party's Deferred Exchange Water Credits shall be utilized by said Party within a two-year period subsequent to the accumulation of Deferred Exchange Water Credits, unless approved otherwise by the Management Committee.

g. Priorities

After provision for deliveries is made to Valley District and the San Gorgonio Pass Water Agency pursuant to Section 15 of this Agreement, then in case of scheduling, water availability, or facility constraints in any portion of the Cooperative Water Project Facilities, water deliveries in such portion shall be scheduled by the Management Committee on the following basis:

(1) First priority shall be given to Simultaneous Exchange Water.

(2) Second priority shall be given to Deferred Exchange Water.

(3) Third priority shall be given to Supplemental Water.

(4) Fourth priority shall be given to Entitlement Water delivered through Cooperative Water Project Facilities.

(5) Fifth priority shall be any use of the Cooperative Water Project Facilities by parties other than Eligible Entities.

h. Instructions

The Project Manager shall issue all instructions as directed by the Management Committee necessary to deliver water under the terms of this Agreement to the Parties using the Cooperative Water Project Facilities and the Associated Water Facilities.

6. MANAGEMENT

a. Management Committee

A Management Committee comprised of one person representing each of the Parties is hereby established.

(1) Duties: The Management Committee shall be responsible for:

(a) Setting operating rules, regulations, and policies not covered herein;

(b) Approving or disapproving requests for scheduling deliveries of water;

(c) Supervising the work of the Project Manager;

(d) Assisting in resolving disputes between Parties; and,

(e) Advising Valley District on pertinent design, construction, operations, and pricing policies.

(2) Appointments and Terms: Each of the members of the Management Committee shall be appointed by the Party he represents and shall serve at the pleasure of the appointing Party for a period of four (4) years and/or until appointment of a replacement. Notice of appointments shall be filed with the Project Manager. Members shall receive no compensation for their services; provided that in each case the appointing Party may provide such compensation as it deems appropriate.

(3) Quorum and Vote Required for Action: A majority of the members of the Management Committee not in default of this Agreement shall constitute a quorum for the transaction of business, and the vote of a majority of all of the members of the Committee shall be required to take any action.

(4) Officers: At its first meeting in each Year, the Management Committee shall select a chairman and such other officers as it may require. The Management Committee shall select a secretary who may be, but need not be, a member of the Management Committee. Said secretary shall keep an accurate record of all of its proceedings.

(5) Meetings and Notices: The Management Committee shall hold regular meetings at places and times to be specified in the rules to be adopted by the Management Committee. Notice of the scheduled or regular meetings and of any changes in time or place thereof shall be mailed to all persons who shall have filed a request therefor in writing with the Management Committee.

(a) Special meetings may be called at any time by the chairman or by any three (3) members of the Management Committee and shall be noticed as required by Government Code Section 54956.

(b) All meetings of the Management Committee shall be held in conformance with the requirements of Government Code Sections 54950, et. seq.

(6) Incurring of Expenses: Except as herein specifically provided, the Management Committee shall not be authorized to incur any expense on behalf of any or all of the Parties without the written consent of such Party or Parties.

b. Project Manager

Subject to the supervision of the Management Committee, the administration and management of the Cooperative Water Project Facilities shall be the responsibility of the Project Manager, which shall act as the executive arm of the Management Committee with the duty and responsibility to implement Management Committee rules, regulations, and policies and to direct the rate, time, place, and source of all water deliveries from the Cooperative Water Project Facilities and the Associated Water Facilities in accordance with the Management Committee's instructions.

c. Administrative Expenses

Expenses of the Project Manager and expenses of the Management Committee, except compensation for the services of the Management Committee members, shall be paid by Valley District. Valley District's payments for these expenses shall not exceed the budgeted amount set forth in an annual agreement between Valley District, the Project Manager, and the Management Committee without the consent of Valley District. Said agreement shall include terms and conditions of payment and rates of compensation for all services to be provided under said agreement.

7. OWNERSHIP AND OPERATION OF FACILITIES

Each of the Parties hereto shall retain the ownership of its own facilities together with full responsibility for their operation, maintenance, and replacement. The Associated

Water Facilities shall be operated in accordance with the Management Committee's instructions. The Cooperative Water Project Facilities shall be operated in accordance with the Project Manager's instructions to effectuate this Agreement, subject to the provisions of Section 15.

8. WATER QUALITY

All water delivered pursuant to this Agreement will be untreated and shall be of a quality suitable for its intended use, it being understood that suitability is to be determined by a rational method which includes consideration of the quality of the local water used prior to the adoption and implementation of this Agreement. This Agreement is adopted with the understanding that the present quality of Local, Exchange, Entitlement, Supplemental, and Import Water appears to be suitable for the intended uses. Each of the Parties agrees to operate its facilities so that the quality of the water is not impaired or degraded during diversion, transportation, or delivery.

If any Party is in violation of any water quality standards imposed on said Party by any governmental agency or unit because the quality of Exchange Water being delivered to said Party is lower than the quality of said Party's Entitlement Water, then said Party shall be entitled to revert to its Historical Conditions until the Exchange Water quality allows reasonable compliance with such standards.

9. RECORDS

Each Party hereto shall maintain such records and shall file such reports as may be reasonably required by the Management Committee and as may be required by law to protect any water rights affected hereby. In the event any of the Parties shall fail to maintain such records, the Management Committee may direct the Project Manager to estimate and maintain such records for such Party, and such Party shall be charged with the cost thereof.

The Project Manager shall be responsible for maintaining records on all water delivered pursuant to this Agreement.

The Management Committee shall have the right to measure flows of water as needed to satisfy the provisions of this Agreement; necessary access for said measurements will be provided without charge to the Management Committee by the Parties to this Agreement.

10. EDISON COMPANY AGREEMENTS

There are existing agreements between certain Parties to this Agreement and the Edison Company, including, but not limited to, a Grant Deed from Edison Company to Crafton dated February 27, 1929, and a Grant Deed from Crafton to Edison Company dated December 18, 1931. Valley District shall undertake with reasonable diligence to make the new arrangements and agreements with the Edison Company, Crafton and Bear Valley necessitated by the Cooperative Water Project Agreement and to use its best efforts therefor, provided that any such agreement which may in any way alter, modify, change, or affect the rights of any Party hereto under any existing agreements shall not be effective without the consent of such Party.

11. SHORTAGE OF SUPPLY OR TEMPORARY REDUCTION OR CESSATION OF DELIVERIES

a. Scheduled Shutdowns

Each of the Parties shall notify the Project Manager of a scheduled shutdown of any facility that would cause interruption of the Cooperative Water Project.

b. Interruption of Service

In the event of interruption of service in any portion of either the Cooperative Water Project Facilities or the Associated Water Facilities, the Project Manager may, to the extent possible, continue limited operations, and Parties whose delivery of Exchange Water has been interrupted will accrue Deferred Exchange Water Credit for such Exchange Water not delivered during the interruption of service, and such Deferred Exchange Water Credit shall not be subject to the two-year limitation stated in Section 5f but shall maintain its validity until used.

c. Temporary Discontinuance

If the Project Manager is unable to deliver quantities and qualities of water as provided for in this Agreement, it will immediately notify all the affected Parties that the Exchange Program is going to be temporarily discontinued until delivery schedules can be met or until the cause of the interruption is remedied.

After receiving notice of the temporary discontinuance of the Cooperative Water Project, each Party may revert to its Historical Condition.

When the Project Manager is again able to deliver the quantities and qualities of water as scheduled, it shall immediately notify the Parties and resume deliveries.

d. Continuity of Service

When it is necessary to interrupt service, the Project Manager and the Parties shall cooperate to minimize the down time and to restore service to all Parties as soon as possible.

12. BREACH

a. Right to Revert to Historical Conditions

In addition to any other remedies provided by law, in the event the terms and conditions of this Agreement are not complied with and there are no reasonable alternatives, any Party adversely affected by such breach and which is not itself in default may withhold delivery of its Entitlement Water and revert to its Historical Conditions until such breach is remedied.

b. Preliminary Determination of Serious Breach

A preliminary determination that such a breach has occurred may be made (1) by the Party concerned, with the concurrence of the Project Manager, or (2) without the concurrence of the Project Manager, in the manner hereinafter specified. In the event a Party claims such a breach has occurred and the Project Manager disagrees, the Party claiming breach has occurred shall poll other members of the Management Committee and, if any other two (2) members agree that such a breach has occurred, those members shall so certify to the Project Manager a breach has occurred. Immediately upon any preliminary determination that such breach has occurred, the Project Manager shall cause the Party claiming the breach to receive its Entitlement Water under Historical Conditions.

c. Rights to Judicial Relief Unaffected by Preliminary Determination

Nothing herein shall prevent any Party from seeking judicial relief either before or after any preliminary determination, and no preliminary determination shall be binding upon or affect the rights of any Party in connection with such a judicial proceeding.

13. WITHDRAWAL FROM THE COOPERATIVE WATER PROJECT AGREEMENT

No Party shall be entitled to withdraw from this Agreement without the written consent of all other Parties.

14. PROVISIONS WITH RESPECT TO PRESERVATION, TRANSFER, CONDEMNATION, AND DEFENSE OF WATER RIGHTS

With respect to the water rights to produce and use the Entitlement Water set forth in Exhibit A, it is agreed between the Parties hereto that the following shall apply:

a. Non-Use of Water

No Party hereto will lose any such water right by non-use, by use by another Party, by exchange, or by prescription.

b. Transfer

Each Party hereto may sell, mortgage, transfer, or otherwise alienate any such rights, provided that in the event of any such sale, transfer, foreclosure, or alienation of such rights, the transferee shall take such rights subject to the terms and conditions of this Agreement and shall be bound thereby. Prior to the consummation of any such sale, transfer, foreclosure, or alienation, the prospective transferee shall execute an instrument expressly assuming all of the obligations of the transferor under this Agreement with respect to such rights and deliver said instrument to the Management Committee. Until such instrument is so executed and delivered, such transaction shall be void.

c. Rights

The execution of this Agreement by the Parties hereto shall not be construed as constituting any alteration in the respective priorities or terms of any of the rights held by any of the Parties or any admission with respect to any of the rights or claims set forth herein. Between the Parties hereto the Management Committee shall consider that each Party has the rights claimed until otherwise instructed by the Party claiming such right or by the determination of the court with jurisdiction so to do.

d. Condemnation

Each of the Parties hereto, to the extent allowed by law, undertakes not to condemn or take, without consent of the owner thereof, any water rights, sources of water supply, water diversion, production or transmission facilities, or corporate stock owned by any Party hereto, which is subject to the terms of this Agreement, so long as the owner thereof is not in default hereunder.

e. Defense

Each of the Parties hereto shall be responsible for the defense of any rights claimed or asserted by it to produce and use the Entitlement Water set forth in Exhibit A hereto. As against anyone not a Party to this Agreement, Valley District shall defend this Cooperative Water Project Agreement and all rights arising from it.

f. Covenant and Lien

The provisions of this Agreement are hereby declared to be for the benefit of the water rights of the Parties hereto to produce and use the Entitlement Water set forth in Exhibit A. Said provisions are hereby made a covenant binding upon the owners of each such water right and their successors, heirs, transferees, and assigns for the benefit of the owners of each such other water right and their successors, heirs, transferees and assigns. The benefits and burdens of said covenant shall run with said water rights of the Parties hereto.

Each of the Parties hereto hereby grants a lien upon the said water rights to the other Parties hereto to secure its obligations hereunder, which lien shall be appurtenant to the said water rights of the other Parties hereto.

g. Successors and Assigns

Each and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the Parties hereto and their respective successors, heirs, transferees, and assigns.

h. None of the provisions of this Section 14 shall apply to or preclude Bear Valley from voluntarily or involuntarily transferring to Big Bear Municipal Water District, free and clear of any obligations of Bear Valley under this Agreement, all of the rights of Bear Valley to impound the natural water supply of Bear Valley behind Bear Valley Dam and later release such water which would otherwise flow in the Santa Ana River.

15. USE OF COOPERATIVE WATER PROJECT FACILITIES FOR DELIVERY OF WATER BY VALLEY DISTRICT

a. Use of Facilities

The Cooperative Water Project Facilities shall be available to Valley District for use as part of its water transmission facilities and may be used by it for the delivery of water to any Entity, whether a Party hereto or not.

b. San Gorgonio Pass Water Agency

Valley District has a contract with the San Gorgonio Pass Water Agency (Pass Agency) dated July 16, 1970, under which the Pass Agency has the option to obtain capacity in certain water transmission facilities constructed by Valley District and to receive deliveries of water or the right to operate the facilities, all upon the terms specified therein. The Cooperative Water Project Facilities to be constructed by Valley District constitute a portion of the water transmission facilities subject to the said contract, and in the event the Pass Agency exercises its option with respect thereto shall be constructed, maintained, and operated in compliance with the terms of the said contract.

SECTION 1611 of the CIVIL CODE

Ascertainment of Consideration:

When a contract does not determine the amount of the consideration nor the method by which it is to be ascertained or when it leaves the amount thereof to the discretion of an interested party, the consideration must be so much money as the object of the contract is reasonably worth.

16. WATER CHARGES AND PAYMENT PROVISIONS

Charges for water deliveries made under this Agreement and provisions for payment shall be as listed below.

Said charges shall be reasonable and shall conform to the applicable provisions of Section 1611 of the Civil Code, State of California.

a. Charge for Supplemental Water

The charges to be made by the Project Manager to any Party to this Agreement for Supplemental Water per acre-foot shall be computed by the following formula:

$$\text{Supplemental Water Charge per Acre-Foot} = E - S + C \quad \underline{\text{or}} \quad E - S + P + L$$

whichever is greater

where:

E = The variable operation, maintenance, power, and replacement component of the Department of Water Resources Transportation Charge per acre-foot* incurred by Valley District.

S = Direct water spreading costs per acre-foot spread by the Conservation District,. not to exceed $3.00 per acre-foot.

C = Dollar amount equal to power generation credit per acre-foot from Devil Canyon power generation plant.

P = Cost of energy incurred by Valley District to convey Supplemental or Entitlement Water to said Party per acre-foot.

L = Power loss charges incurred by Valley District in conveying Supplemental or Entitlement Water to said Party per acre-foot.**

As defined in Section 26 of the State Contract.

***Power loss charges are defined as those charges resulting from the loss of electric power generation from existing hydroelectric plants on Mill Creek and Santa Ana River.*

1986

If Valley District sets any charges upon a basis which, if applied, would result in a lower charge than is provided for above, then charges computed on said basis shall be substituted for the charges provided for above as long as said basis is in effect.

The charges for Supplemental Water provided for in this Agreement shall be in effect for a period beginning with the effective date of this Agreement and ending ten (10) years thereafter; beginning ten (10) years after the effective date of this Agreement the charges to Parties to this Agreement shall be as set by Valley District.

b. Simultaneous Exchange Water Charge

There are to be no charges made by the Project Manager to any Party for Simultaneous Exchange Water under the terms and conditions of this Agreement.

c. Deferred Exchange Water Charge

The charge to be made by the Project Manager to any Party to this Agreement for Deferred Exchange Water shall be the amount of all additional costs required to deliver water on the Deferred Exchange basis over and above the amount of the costs for making said deliveries on a Simultaneous Exchange basis.

d. Charges for Conveyance of Entitlement Water through Cooperative Water Project Facilities

Charges to be made by the Project Manager for the use of the Cooperative Water Project Facilities by Parties to this Agreement for conveyance of Entitlement Water shall be as follows: During the period beginning with the effective date of this Agreement and ending ten (10) years thereafter, $2.50 per acre-foot + P + L as P and L are defined above. Beginning ten (10) years after the effective date of this Agreement, these charges shall be as set by Valley District, except that they shall not exceed the following: The amount of all costs for making such deliveries including, but not limited to, operations, maintenance, energy, repair, replacement, overhead, and capital costs.

In the event the Management Committee with the approval of Valley District decides to convey all or any portion of the 9 cfs presently going from the forebay of Santa Ana Powerhouse No. 3 to the Boullioun Box through the Cooperative Water Project Facilities, that portion shall be exempt from any conveyance charge.



e. Provisions of Payment

Provisions for payment to the Project Manager by the Parties to this Agreement for water charges are as follows:

(1) The Project Manager shall provide monthly invoices to each Party of monies due the Project Manager.

(2) The Parties to this Agreement shall make payment to the Project Manager within thirty (30) days after receipt of said invoices.

(3) The Project Manager shall remit to Valley District all payments received under this Section within five (5) days of receipt.

17. ADDITIONAL PARTIES

After the effective date of this Agreement, additional Entities may become Parties hereto upon application to and approval by the Management Committee and written consent of all of the Parties not in default of this Agreement.

18. AMENDMENTS

This Agreement may be amended at any time by written agreement signed by all of the Parties.

19. OPINIONS AND DETERMINATIONS

Where the terms of this Agreement provide for action to be based upon the opinion, judgment, approval, review, or determination of any Party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

20. NOTICE

Any notice pursuant hereto shall be deemed to have been properly given if delivered personally or if enclosed in a properly addressed envelope and deposited in the United States mail for delivery First Class, postage prepaid.

Unless and until formally notified otherwise, notice may be given to each of the Parties addressed as follows:

Bear Valley Mutual Water Company
101 East Olive Avenue
Redlands, California 92373

City of Redlands
P. O. Box 280
Redlands, California 92373

Crafton Water Company
P. O. Box 627
Mentone, California 92359

East San Bernardino County Water District
P. O. Box 3427
San Bernardino, California 92413

Lugonia Water Company
101 East Olive Avenue
Redlands, California 92373

North Fork Water Company
P. O. Box 3427
San Bernardino, California 92413

Redlands Water Company
101 East Olive Avenue
Redlands, California 92373

San Bernardino Valley Municipal Water District
P. O. Box 5906
San Bernardino, California 92412

San Bernardino Valley Water Conservation District
303 Brookside Avenue
Redlands, California 92373

Yucaipa Valley County Water District
P. O. Box 458
Yucaipa, California 92399

21. APPROVALS REQUIRED, EFFECTIVE DATE, AND MECHANICS OF EXECUTION

This Agreement shall become effective among the Parties executing the same sixty (60) days after it shall have been executed by the Conservation District, Valley District, Bear Valley, Crafton, Redlands, and Redlands Water.

This Agreement may be executed in counterparts so that the same copy need not be signed by each of the Parties hereto. Upon execution of each counterpart, said counterpart shall be delivered to the Conservation District and, when the required number of counterparts has been received, the Conservation District shall give notice to each of the Eligible Entities hereunder stating the date of execution of the last required counterpart and the date 60 days thereafter upon which the Agreement shall become effective. Upon such effective date, this Agreement shall become effective among all of the Eligible Entities which have executed said Agreement by said effective date, and the Conservation District shall attach all of the signature pages from the counterparts to one copy of the Agreement and shall mail a copy of the conformed Agreement to each of the Parties executing the same. From and after the effective date, any non-signatory Entity shall be eligible to become a Party hereto only in the manner provided in Section 17.

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

DATED: May 5-1976

BEAR VALLEY MUTUAL WATER COMPANY

By Donald C Anderson
President

Billy Jaquess
Secretary

Approved:
SURR & HELLYER
By Robert Birnbach
Attorney

DATED May 6, 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

STATE OF CALIFORNIA)
: ss.
COUNTY OF SAN BERNARDINO)

On this 6th day of May, 1976, before me, the undersigned a Notary Public in and for said County and State, personally appeared ROBERT J. BIERSCHBACH, a member of the law firm of SURR & HELLYER, known to me to be the person who executed the foregoing instrument on behalf of said law firm, and acknowledged to me that such law firm executed the same.

WITNESS my hand and official seal.

(OFFICIAL SEAL)
MOIRE E. ALEXANDER
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires Oct. 26, 1978

Moire E. Alexander
Notary Public

STATE OF CALIFORNIA)
: ss.
COUNTY OF SAN BERNARDINO)

On this 6th day of May, 1976, before me, the undersigned, a Notary Public in and for said County and State, personally appeared DONALD C. S. ANDERSON, known to me to be the President, and BETTY FARQUHAR, known to me to be the Secretary, of BEAR VALLEY MUTUAL WATER COMPANY, a corporation, the corporation that executed the within instrument, and known to me to be the persons who executed said instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
PATRICIA L. MERRITT
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
SAN BERNARDINO COUNTY
My Commission Expires October 2, 1979

Patricia L. Merritt
Notary Public

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

DATED: June 15, 1976

CITY OF REDLANDS

By _____
Mayor

By _____
City Clerk

Approved:

_____
Attorney

OFFICIAL SEAL
LORETTA C. POYZER
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires June 3, 1977

State of California)
County of San Bernardino) SS

On June 15, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Charles G. DeMirjyn, known to me to be the Mayor, and Peggy A. Moseley, known to me to be the City Clerk of the City of Redlands that executed the within Instrument, on behalf of the City of Redlands and acknowledged to me that the City of Redlands executed the within instrument pursuant to its City Council meeting of June 15, 1976.

WITNESS my hand and official seal.

_____
Loretta C. Poyzer
DATED _____

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

CRAFTON WATER COMPANY

By _____
President

_____
Secretary

Approved:

_____
Attorney

DATED June 16, 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } SS.

On June 16, 1976 before me, the undersigned, a Notary Public in and for said County and State, personally appeared Ralph F. Sechrest, known to me to be the President, and Peggy A. Jacinto, known to me to be Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Signature Alice E. Smith

Alice E. Smith
Name (Typed or Printed)
Notary Public in and for said County and State

FOR NOTARY SEAL OR STAMP

OFFICIAL SEAL
ALICE E SMITH
NOTARY PUBLIC CALIFORNIA
PRINCIPAL OFFICE IN
SAN BERNARDINO COUNTY
My Commission Expires December 29, 1978

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

EAST SAN BERNARDINO
COUNTY WATER DISTRICT

By Philip A. Davis
President

Bennie R. Eastwood
Secretary

Approved:

Robert J. Jarvis
Attorney

DATED August 9, 1976

STATE OF CALIFORNIA,
COUNTY OF SAN BERNARDINO } ss.

ON August 9, 19 76,
before me, the undersigned, a Notary Public in and for said State, personally appeared

Philip A. Disch, Bonnie R. Eastwood and Robert J. Farrell, known to me,

to be the person s whose name s are subscribed to the within Instrument,
and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

ELISABETH PERKINS
NOTARY PUBLIC
SAN BERNARDINO COUNTY
CALIFORNIA
My Commission Expires February 26, 1978

Elisabeth Perkins
Notary Public in and for said State.

ACKNOWLEDGMENT—General—Wolcotts Form 233—Rev. 3-64

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

LUGONIA WATER COMPANY

By _____
President

_____
Secretary

Approved:

_____
Attorney

DATED May 20, 1976

STATE OF CALIFORNIA)
) ss.
County of San Bernardino)

On May 20, 1976, before me, the undersigned, a Notary Public in and for said County and State, personally appeared G. R. REES, BETTY FARQUHAR and EDWIN B. HALES, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

_____
EDWIN R. HALES, Notary Public

OFFICIAL SEAL
EDWIN R. HALES
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
SAN BERNARDINO COUNTY
My Commission Expires March 13, 1978

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

SANTA ANA RIVER - MILL CREEK

COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

NORTH FORK WATER COMPANY

By Arnold L. Wright
President

Howard H Hendricks
Secretary

Approved:

Howard F. Green
Attorney

Dated: 8-4-76

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } ss.

On AUGUST 4th 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared ARNOLD L. WRIGHT known to me to be the President, and HOWARD H HENDRICKS known to me to be the Secretary of the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

(Seal) Leroy H. Roebke

NAME (TYPED OR PRINTED)
Notary Public in and for said State

LEROY H. ROEBKE
NOTARY PUBLIC
SAN BERNARDINO COUNTY
CALIFORNIA
My Commission Expires May 11 1979

Acknowledgment—Corp.—Wolcotts Form 224-S

LEROY H. ROEBKE
NOTARY PUBLIC
SAN BERNARDINO COUNTY
CALIFORNIA
My Commission Expires May 11, 1979

STATE OF CALIFORNIA
COUNTY OF Madera } *ss.*

On this 10th *day of* August *in the year one thousand nine hundred and* -76- *before me,* the undersigned *, a Notary Public, State of California, duly commissioned and sworn, personally appeared* Denslow Green

known to me to be the person ..... whose name is *..... subscribed to the within instrument and acknowledged to me that .....he..... executed the same.*

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the ..... County of Madera *..... the day and year in this certificate first above written.*

OFFICIAL SEAL
JOANN HERNANDES
NOTARY PUBLIC - CALIFORNIA
MADERA COUNTY
My comm. expires SEP 23, 1978
219 South "D" St., Madera, CA 93637

Notary Public, State of California

My commission expires 9-23-78

Cowdery's Form No. 32—Acknowledgement—General (C. C. Sec. 1190a) Printed 12/72

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

REDLANDS WATER COMPANY

By _____
President

_____
Secretary

Approved:

_____
Attorney

DATED June 7 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

TO 449 C
(Corporation)

STATE OF CALIFORNIA
COUNTY OF San Bernardino } SS.

On June 7, 1976 before me, the undersigned, a Notary Public in and for said State, personally appeared Lloyd Yarbrough known to me to be the _____ President, and Betty Farquhar known to me to be _____ Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Elaine V. Leathy

Elaine V. Leathy
Name (Typed or Printed)

OFFICIAL SEAL
ELAINE V. LEATHY
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires April 11, 1977

(This area for official notarial seal)

STAPLE HERE

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

By _____
President

_____
Secretary

Approved:

_____
Attorney

DATED July 6, 1976

SANTA ANA RIVER – MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

MAY 3, 1976

STATE OF CALIFORNIA,

COUNTY OF SAN BERNARDINO } ss.

ON July 6, 1976,
before me, the undersigned, a Notary Public in and for said State, personally appeared

Lloyd Yount, LeRoy Holmes, and James W. Dilworth

known to me,
to be the persons whose names are subscribed to the within Instrument,
and acknowledged to me that they executed the same.

WITNESS my hand and official seal.

Brenda M. McCullough
Notary Public in and for said State.

OFFICIAL SEAL
BRENDA M. McCULLOUGH
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires July 11, 1977

ACKNOWLEDGMENT—General—Wolcotts Form 233—Rev. 3-64

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT

By _____
President

_____
Secretary

Approved:

_____
Attorney

DATED June 7, 1976

STATE OF CALIFORNIA]
COUNTY OF SAN BERNARDINO] ss.

On June 7, 1976, before me, a Notary Public in and for said State, personally appeared ROBERT T. PAINE, known to me to be the President, and W. J. HILTGEN, known to me to be the Secretary, of SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT, the corporation that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of the said corporation, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

_____
RICHARD A. MULLIGAN

RICHARD A. MULLIGAN
NOTARY PUBLIC
SAN BERNARDINO COUNTY
CALIFORNIA
My Commission Expires October 30, 1977

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO } ss.

ON JUNE 7, 19 76,
before me, the undersigned, a Notary Public in and for said State, personally appeared
RICHARD A. MULLIGAN

, known to me,
to be the person whose name is subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

(OFFICIAL SEAL)
SHERRY L. TUCKER
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Commission Expires Jan. 13, 1980

Sherry L. Tucker
Notary Public in and for said State.

ACKNOWLEDGMENT—General—Wolcotts Form 231—Rev. 3-64

IN WITNESS WHEREOF, the parties do execute this Agreement herein by act of their duly authorized representatives undersigned.

YUCAIPA VALLEY COUNTY
WATER DISTRICT

By _____
President

_____
Secretary

Approved:

_____
Attorney

DATED August 26, 1976

STATE OF CALIFORNIA }
COUNTY OF San Bernardino } SS.

On August 26, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Gene Haspons known to me to be the water district President, and Ina B. Lee, known to me to be the Secretary of the ~~Corporation~~ that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the same, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

* to be known as water district

(Seal)

OFFICIAL SEAL
JUNE I. HODGINS
NOTARY PUBLIC
PRINCIPAL OFFICE IN
SAN BERNARDINO COUNTY
My Commission Expires Sept. 23, 1977

June I. Hodgins
(Notary Public's Signature)

(Name - *Typed or Printed*)
Notary Public in and for said State

2207
MIS 3513 8-62* 28 Corporation Notarial Acknowledgment

EXHIBIT A

ENTITLEMENTS TO WATER

Santa Ana River

The general features for conveying Santa Ana River water are shown on Plate 2 herein.

Edison Company diverts water from the Santa Ana River at the confluence of Bear Creek and the Santa Ana River. This use of water is based on an agreement with Bear Valley and a license issued to the Edison Company by the Federal Power Commission.

Water so diverted is conveyed by the Edison Company through a series of tunnels, flumes, and canals through Santa Ana Powerhouse No. 1 and Santa Ana Powerhouse No. 2 to the forebay of Santa Ana Powerhouse No. 3.

At the forebay to Powerhouse No. 3 Bear Valley takes delivery of up to nine (9) cfs, which is conveyed through the Bear Valley High Line (capacity controlled by Crafton Heights Pipeline Company).

The remaining water in the Edison Company facility is dropped through Powerhouse No. 3. At the tailrace of Powerhouse No. 3 certain quantities of water are delivered into the facilities of North Fork and certain quantities are delivered into the Redlands Canal of Bear Valley.

There is an agreement between North Fork and Bear Valley which sets forth the entitlements to water of the respective parties. Said agreement is recorded in the official records of San Bernardino County, State of California, Agreement File E, pages 178 - 187, dated July 3, 1885.

There is an agreement between Bear Valley and Lugonia (South Fork). This agreement sets forth the entitlement to water of the respective parties.

It is the intention of this Cooperative Water Project Agreement that the Management Committee and/or Parties to this Agreement will not do anything which will in any way diminish or interfere with the quantities of water each of the Parties referred to in the two agreements above is entitled to receive as its respective proportionate share of the available supply.

The Conservation District diverts storm flows and waters in excess of the needs of the aforementioned companies at the mouth of Santa Ana Canyon for the purpose

EXHIBIT A
Continued

of spreading and percolating to replenish the groundwater supply. The diversion by the Conservation District is covered by Licenses Nos. 2831 and 2832 issued by the State of California.

Redlands Water diverts water from a tunnel at the mouth of Santa Ana Canyon. Water is conveyed from the tunnel to the Redlands Aqueduct via a pipeline located on the west side of Greenspot Road.

Mill Creek

The general features of conveying Mill Creek water are shown on Plate 3 herein.

Edison Company diverts water from Mill Creek near Forest Home in Mill Creek Canyon. This use of water is based on agreements with certain water purveyors and a license issued to the Edison Company by the Federal Power Commission.

Water is conveyed through Edison Company facilities, including Mill Creek Powerhouses Nos. 3, 2, and 1.

After passing through Mill Creek Powerhouse No. 1, water is conveyed across Mill Creek to a point where it is divided; some going to Redlands, some to Crafton, and that portion above the needs of the two parties being returned to the channel of Mill Creek for spreading.

The amount of water each of the two Entities receives is based upon the ownership of "Zanja hours" per certain deeds and other factors as determined between Redlands and Crafton.

It is the intent of this Cooperative Water Project Agreement that the Management Committee and/or the Parties to this Agreement will not do anything which will in any way diminish or interfere with the quantities of water each of the Parties is entitled to receive as its respective proportionate share of the available supply.

The Conservation District has historically diverted stormflows and water in excess of the needs of Redlands and Crafton for the purpose of spreading and percolating to replenish the groundwater supply.

EXHIBIT B

ENTITLEMENT WATER

MAXIMUM INSTANTANEOUS RATES OF FLOW AND DELIVERY POINTS

(See Plates 2 and 3 attached hereto.)

Maximum Instantaneous Rates of Flow

Redlands
Crafton

32 cfs together.

Bear Valley
Lugonia
North Fork

88 cfs together.

Conservation District

The maximum instantaneous rate of flow that would be available if there was no Cooperative Water Project and all Parties were operating under Historical Conditions.

Delivery Points

Redlands - Mill Creek

Into the influent pipeline into Redlands' Henry Tate Filter Plant at a point within the Plant site located south of Mill Creek Road in the Northeast Quarter of Section 22, T. 1 S., R. 2 W., SBB&M.

Crafton - Mill Creek

Into the Zanja near the Boullioun Box and into the influent pipeline into the Redlands' Henry Tate Filter Plant.

Conservation District - Santa Ana and Mill Creek

a. Mill Creek - In the channel of Mill Creek above the existing intake structure located on the south bank of Mill Creek in the Northeast Quarter of Section 21, T. 1 S., R. 2 W., SBB&M.

EXHIBIT B
Continued

b. Santa Ana - The existing main canal of the Conservation District located on the south side of Greenspot Road in the Northeast Quarter of Section 7, T. 1 S., R. 2 W., SBB&M.

North Fork and Bear Valley - Santa Ana

At the existing North Fork Box located on the north side of the Conservation District main canal in the Southwest Quarter of the Southwest Quarter, Section 4, T. 1 S., R. 2 W., SBB&M, and up to 3 cfs at the East Highlands Company weir.

Bear Valley and Lugonia - Santa Ana

Into the Redlands Aqueduct above the Mentone Reservoir.

Redlands Water - Santa Ana

Into the Redlands Aqueduct above the Mentone Reservoir.

East San Bernardino - Santa Ana

Into the North Fork Canal at or above elevation 1720 feet.

DETERMINATION AND MEASUREMENT OF EXCHANGEABLE WATER

Santa Ana

The quantity of water in the Santa Ana River available for exchange shall be determined as follows:

The quantity of water measured at the USGS gage on the Edison Company canal located below the tailrace of Santa Ana Powerhouse No. 2.

The amount of Santa Ana River water available for exchange shall not exceed 88 cfs.

The quantity of water in the tunnel belonging to Redlands Water available for exchange shall be as measured at the tunnel outlet located on the west side of Greenspot Road at the mouth of Santa Ana Canyon.

Mill Creek

The quantity of water in Mill Creek available for exchange shall be determined as follows:

The quantity of water that would go through Edison Company's Mill Creek No. 1 hydro-plant if there were no upstream diversion.

The total amount of Mill Creek water available for exchange shall not exceed 32 cfs.

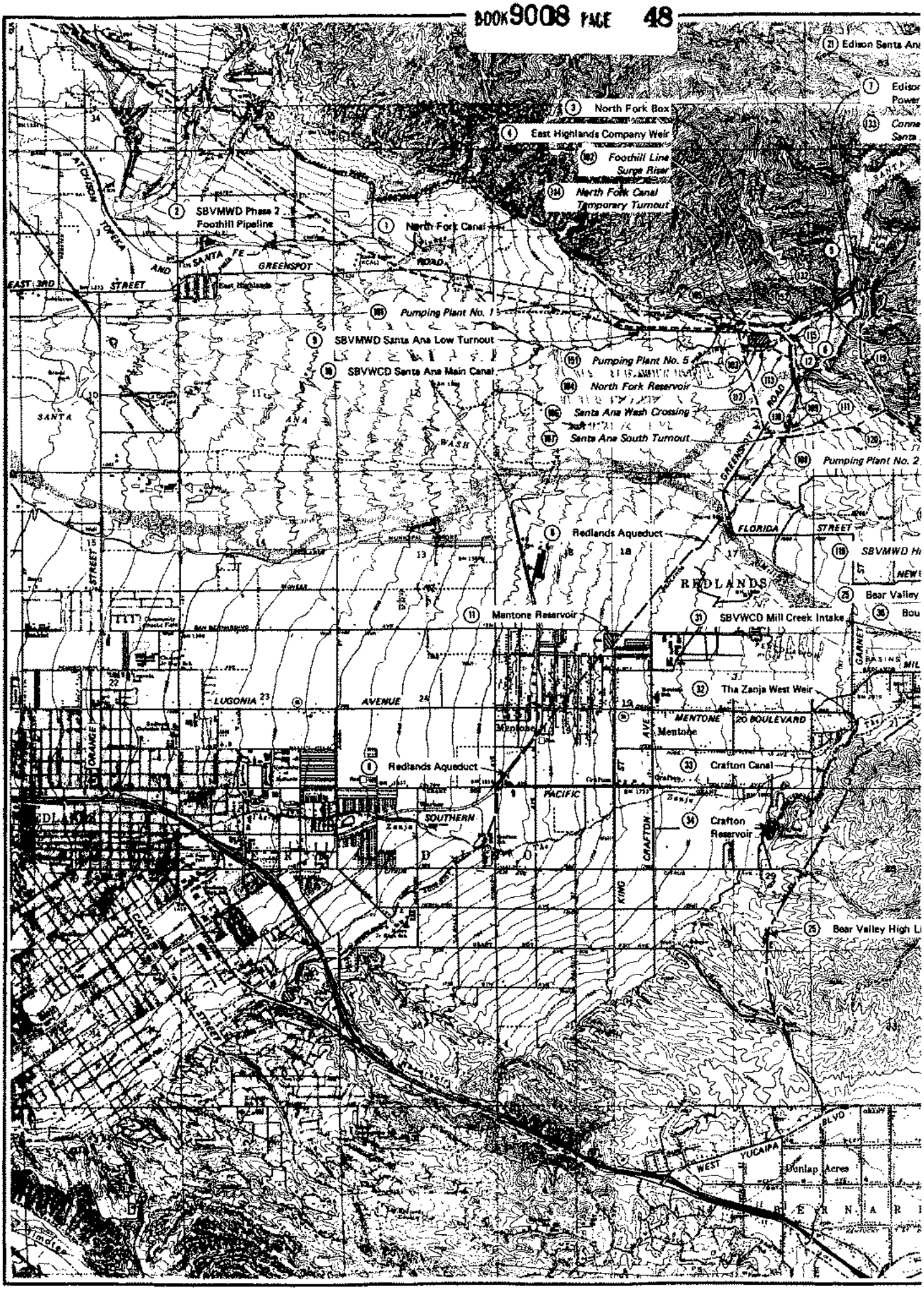
EXHIBIT D

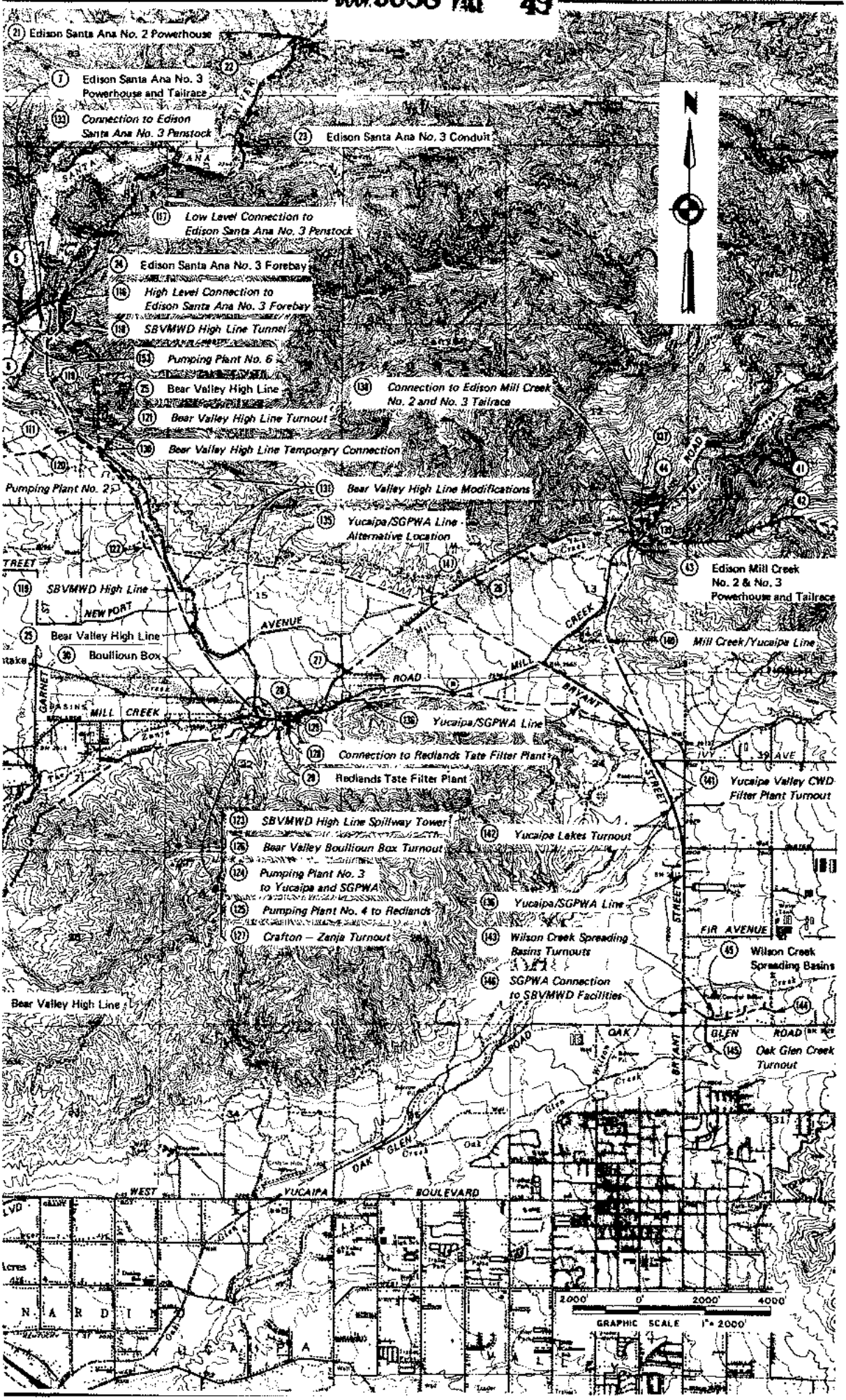
FACILITIES TO BE CONSTRUCTED AS THE FIRST INCREMENT OF THE COOPERATIVE WATER PROJECT

Description	Minimum Capacity in cfs	Key Number on Plate 1
North Fork Canal Temporary Turnout	30	114
Pumping Plant No. 5	12	151
Pumping Plant No. 5 Discharge Line	12	152
Foothill Pipeline to Redlands Aqueduct Turnout	30	115
SBVMWD High Line	25	119
Pumping Plant No. 4 to Redlands	20	125
Connection to Redlands Tate Filter Plant	32	128
Crafton - Zanja Turnout	10	127
Turnout to Mill Creek above Conservation District Spreading Intake	25	
Pumping Plants and Pipelines Connecting SBVMWD Phase 2 Foothill Pipeline to SBVMWD High Line	As Needed	See Note 1

Note 1

Precise location to be determined in final design.


3 North Fork Box
4 East Highlands Company Weir
102 Foothill Line Surge Riser
104 North Fork Canal Temporary Turnout
2 SBVMWD Phase 2 Foothill Pipeline
1 North Fork Canal
SANTA FE AND GREENSPOT ROAD
EAST 3RD STREET
105 Pumping Plant No. 1
9 SBVMWD Santa Ana Low Turnout
10 SBVWCD Santa Ana Main Canal
101 Pumping Plant No. 5
104 North Fork Reservoir
106 Santa Ana Wash Crossing
107 Santa Ana South Turnout
SANTA ANA WASH
108 Pumping Plant No. 2
6 Redlands Aqueduct
FLORIDA STREET
REDLANDS
11 Mentone Reservoir
31 SBVWCD Mill Creek Intake
32 Tha Zanja West Weir
LUGONIA AVENUE
MENTONE BOULEVARD
Mentone
33 Crafton Canal
PACIFIC SOUTHERN Zanja
34 Crafton Reservoir
CRAFTON AVE
KING
ORANGE
CAJON STREET
Bear Valley High Li
WEST YUCAIPA BLVD
Dunlap Acres
Tinder


21 Edison Santa Ana No. 2 Powerhouse
7 Edison Santa Ana No. 3 Powerhouse and Tailrace
133 Connection to Edison Santa Ana No. 3 Penstock
23 Edison Santa Ana No. 3 Conduit
117 Low Level Connection to Edison Santa Ana No. 3 Penstock
24 Edison Santa Ana No. 3 Forebay
116 High Level Connection to Edison Santa Ana No. 3 Forebay
118 SBVMWD High Line Tunnel
153 Pumping Plant No. 6
25 Bear Valley High Line
121 Bear Valley High Line Turnout
139 Bear Valley High Line Temporary Connection
Pumping Plant No. 2
131 Bear Valley High Line Modifications
135 Yucaipa/SGPWA Line - Alternative Location
134 Connection to Edison Mill Creek No. 2 and No. 3 Tailrace
43 Edison Mill Creek No. 2 & No. 3 Powerhouse and Tailrace
140 Mill Creek/Yucaipa Line
30 Boulloun Box
136 Yucaipa/SGPWA Line
128 Connection to Redlands Tate Filter Plant
29 Redlands Tate Filter Plant
141 Yucaipa Valley CWD Filter Plant Turnout
122 SBVMWD High Line Spillway Tower
126 Bear Valley Boulloun Box Turnout
124 Pumping Plant No. 3 to Yucaipa and SGPWA
125 Pumping Plant No. 4 to Redlands
127 Crafton – Zanja Turnout
142 Yucaipa Lakes Turnout
136 Yucaipa/SGPWA Line
143 Wilson Creek Spreading Basins Turnouts
146 SGPWA Connection to SBVMWD Facilities
45 Wilson Creek Spreading Basins
145 Oak Glen Creek Turnout
Bear Valley High Line
SANTA ANA
NEW PORT AVENUE
MILL CREEK ROAD
BRYANT STREET
GARNET
BASINS
MILL CREEK
OAK GLEN ROAD
YUCAIPA BOULEVARD
FIR AVENUE
IVY AVENUE
GLEN AVENUE
N
2000' 0' 2000' 4000'
GRAPHIC SCALE 1" = 2000'

FACILITY LIST

EXISTING AND ASSOCIATED WATER FACILITIES

Key Number	Facility Description
1	North Fork Canal
2	SBVMWD Phase 2 Foothill Pipeline
3	North Fork Box
4	East Highlands Company Weir
5	SBVWCD Santa Ana Intake Headgate
6	SBVWCD Santa Ana Three Way Box
7	Edison Santa Ana No. 3 Powerhouse and Tailrace
8	Redlands Aqueduct
9	SBVMWD Santa Ana Low Turnout
10	SBVWCD Santa Ana Distribution Canal
11	Mentone Reservoir
12	Redlands Water Tunnel
21	Edison Santa Ana No. 2 Powerhouse
22	Bear Valley Santa Ana Canyon Well No. 2
23	Edison Santa Ana No. 3 Conduit
24	Edison Santa Ana No. 3 Forebay
25	Bear Valley High Line
26	Edison Mill Creek No. 2 Conduit
27	Edison Mill Creek No. 1 Powerhouse and Tailrace
28	The Zanja East Weir
29	Redlands Tate Filter Plant
30	Boulloun Box
31	SBVWCD Mill Creek Intake
32	The Zanja West Weir
33	Crafton Canal
34	Crafton Reservoir
41	Edison Mill Creek No. 2 Conduit
42	Edison Mill Creek No. 3 Conduit
43	Edison Mill Creek No. 2 & No. 3 Powerhouse and Tailrace
44	Edison Mill Creek No. 1 Stream Diversion Structures and Pipeline
45	Wilson Creek Spreading Basins

COOPERATIVE WATER PROJECT FACILITIES

Key Number	Facility Description
101	*Pumping Plant No. 1*
102	*Foothill Line Surge Riser*
103	*North Fork Reservoir Inlet System*
104	*North Fork Reservoir*
105	*North Fork Reservoir Outlet System*
106	*Santa Ana Wash Crossing*
107	*Santa Ana South Turnout*
108	*Pumping Plant No. 2*
109	*Foothill Pipeline to Redlands Aqueduct Turnout*
110	*Redlands Aqueduct Turnout to Foothill Line*
111	*Pumping Plant No. 2 Surge Riser*
112	*SBVWCD Santa Ana Main Canal Relocation*
113	*Redlands Water Tunnel/North Fork Reservoir Line*
114	*North Fork Canal Temporary Turnout*
115	*Redlands Aqueduct Temporary Connection*
151	*Pumping Plant No. 5 to North Fork Box and Pumping Plant No. 6*
152	*Pumping Plant No. 5 Discharge Line*
153	*Pumping Plant No. 6 to SBVMWD High Line*
116	*High Level Connection to Edison Santa Ana No. 3 Forebay*
117	*Low Level Connection to Edison Santa Ana No. 3 Penstock*
118	*SBVMWD High Line Tunnel*
119	*SBVMWD High Line*
120	*Pumping Plant No. 2 Discharge Line*
121	*Bear Valley High Line Turnout*
122	*Pumping Plant No. 3 to Yucaipa and SGPWA - Alternative Location*
123	*SBVMWD High Line Spillway Tower*
124	*Pumping Plant No. 3 to Yucaipa and SGPWA*
125	*Pumping Plant No. 4 to Redlands*
126	*Bear Valley Boulloun Box Turnout*
127	*Crafton – Zanja Turnout*
128	*Connection to Redlands Tate Filter Plant*
129	*Upper Zanja Turnout*
130	*Bear Valley High Line Temporary Connection*
131	*Bear Valley High Line Modifications*
132	*Pumping Plant No. 6 Discharge Line*
133	*Connection to Edison Santa Ana No. 3 Penstock*
135	*Yucaipa/SGPWA Line - Alternative Location*
136	*Yucaipa/SGPWA Line*
137	*Connection to Pipeline from Edison Mill Creek No. 1 Stream Diversion*
138	*Connection to Edison Mill Creek No. 2 and No. 3 Tailrace*
139	*Upper Mill Creek/Yucaipa Line*
140	*Mill Creek/Yucaipa Line*
141	*Yucaipa Valley CWD Filter Plant Turnout*
142	*Yucaipa Lakes Turnout*
143	*Wilson Creek Spreading Basins Turnouts*
144	*Mill Creek/Yucaipa/SGPWA Line Surge Riser*
145	*Oak Glen Creek Turnout*
146	*SGPWA Connection to SBVMWD Facilities*
147	*Connection Yucaipa/SGPWA Line – Alternative Location/Edison Mill Creek No. 1 Conduit*

GENERAL NOTES

1. *All facilities needed for the ultimate development of the Santa Ana and Mill Creek Cooperative Water Project are shown on this Plate.*
2. *Locations of facilities shown on this Plate are conceptual, schematic and functional only. Final locations may be modified from those shown as a result of detailed design.*
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BECHTEL INCORPORATED
SAN FRANCISCO

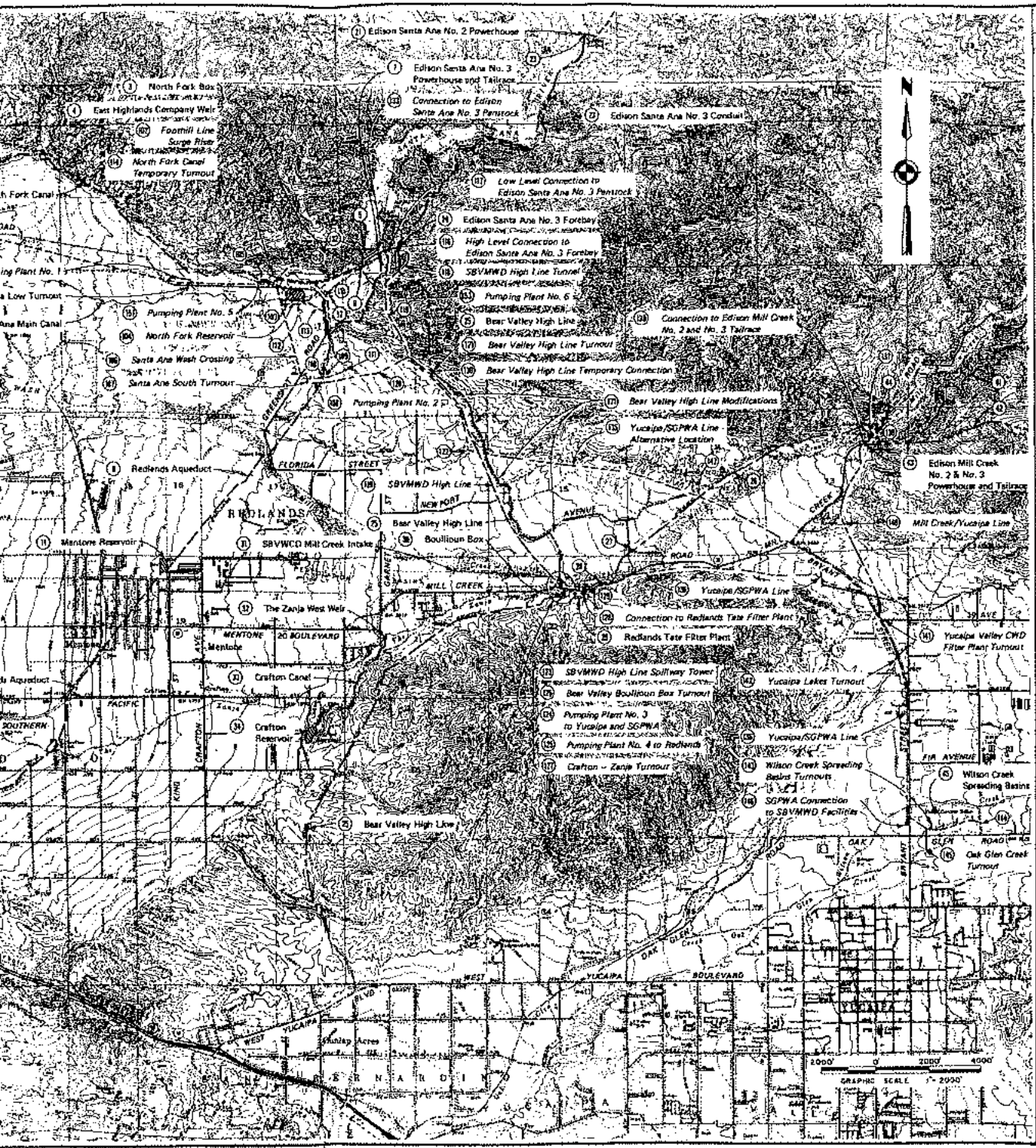
SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

WATER TRANSMISSION PROJECT

SANTA ANA RIVER AND MILL CREEK
COOPERATIVE WATER PROJECT AGREEMENT

CONCEPTUAL PLAN OF COOPERATIVE WATER PROJECT FACILITIES AND ASSOCIATED WATER FACILITIES

JOB NO.	DRAWING NO.	REV.
7843	PLATE 1	B



FACILITY LIST

EXISTING AND ASSOCIATED WATER FACILITIES

Key Number	Facility Description
1	North Fork Canal
2	SBVMWD Phase 2 Foothill Pipeline
3	North Fork Box
4	East Highlands Company Weir
5	SBVWCD Santa Ana Intake Headgate
6	SBVWCD Santa Ana Three Way Box
7	Edison Santa Ana No. 3 Powerhouse and Tailrace
8	Redlands Aqueduct
9	SBVMWD Santa Ana Low Turnout
10	SBVWCD Santa Ana Distribution Canal
11	Mentone Reservoir
12	Redlands Water Tunnel
21	Edison Santa Ana No. 2 Powerhouse
22	Bear Valley Santa Ana Canyon Well No. 2
23	Edison Santa Ana No. 3 Conduit
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42	Edison Mill Creek No. 3 Conduit
43	Edison Mill Creek No. 2 & No. 3 Powerhouse and Tailrace
44	Edison Mill Creek No. 1 Stream Diversion Structures and Pipeline
45	Wilson Creek Spreading Basins

COOPERATIVE WATER PROJECT FACILITIES

Key Number	Facility Description
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103	North Fork Reservoir Inlet System
104	North Fork Reservoir
105	North Fork Reservoir Outlet System
106	Santa Ana Wash Crossing
107	Santa Ana South Turnout
108	Pumping Plant No. 2
109	Foothill Pipeline to Redlands Aqueduct Turnout
110	Redlands Aqueduct Turnout to Foothill Line
111	Pumping Plant No. 2 Surge Riser
112	SBVWCD Santa Ana Main Canal Relocation
113	Redlands Water Tunnel/North Fork Reservoir Line
114	North Fork Canal Temporary Turnout
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151	Pumping Plant No. 5 to North Fork Box and Pumping Plant No. 6
152	Pumping Plant No. 5 Discharge Line
153	Pumping Plant No. 6 to SBVMWD High Line
116	High Level Connection to Edison Santa Ana No. 3 Forebay
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118	SBVMWD High Line Tunnel
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124	Pumping Plant No. 3 to Yucaipa and SGPWA
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127	Crafton – Zanja Turnout
128	Connection to Redlands Tate Filter Plant
129	Upper Zanja Turnout
130	Bear Valley High Line Temporary Connection
131	Bear Valley High Line Modifications
132	Pumping Plant No. 6 Discharge Line
133	Connection to Edison Santa Ana No. 3 Penstock
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136	Yucaipa/SGPWA Line
137	Connection to Pipeline from Edison Mill Creek No. 1 Stream Diversion
138	Connection to Edison Mill Creek No. 2 and No. 3 Tailrace
139	Upper Mill Creek/Yucaipa Line
140	Mill Creek/Yucaipa Line
141	Yucaipa Valley CWD Filter Plant Turnout
142	Yucaipa Lakes Turnout
143	Wilson Creek Spreading Basins Turnouts
144	Mill Creek/Yucaipa/SGPWA Line Surge Riser
145	Oak Glen Creek Turnout
146	SGPWA Connection to SBVMWD Facilities
147	Connection Yucaipa/SGPWA Line – Alternative Location/Edison Mill Creek No. 1 Conduit

GENERAL NOTES

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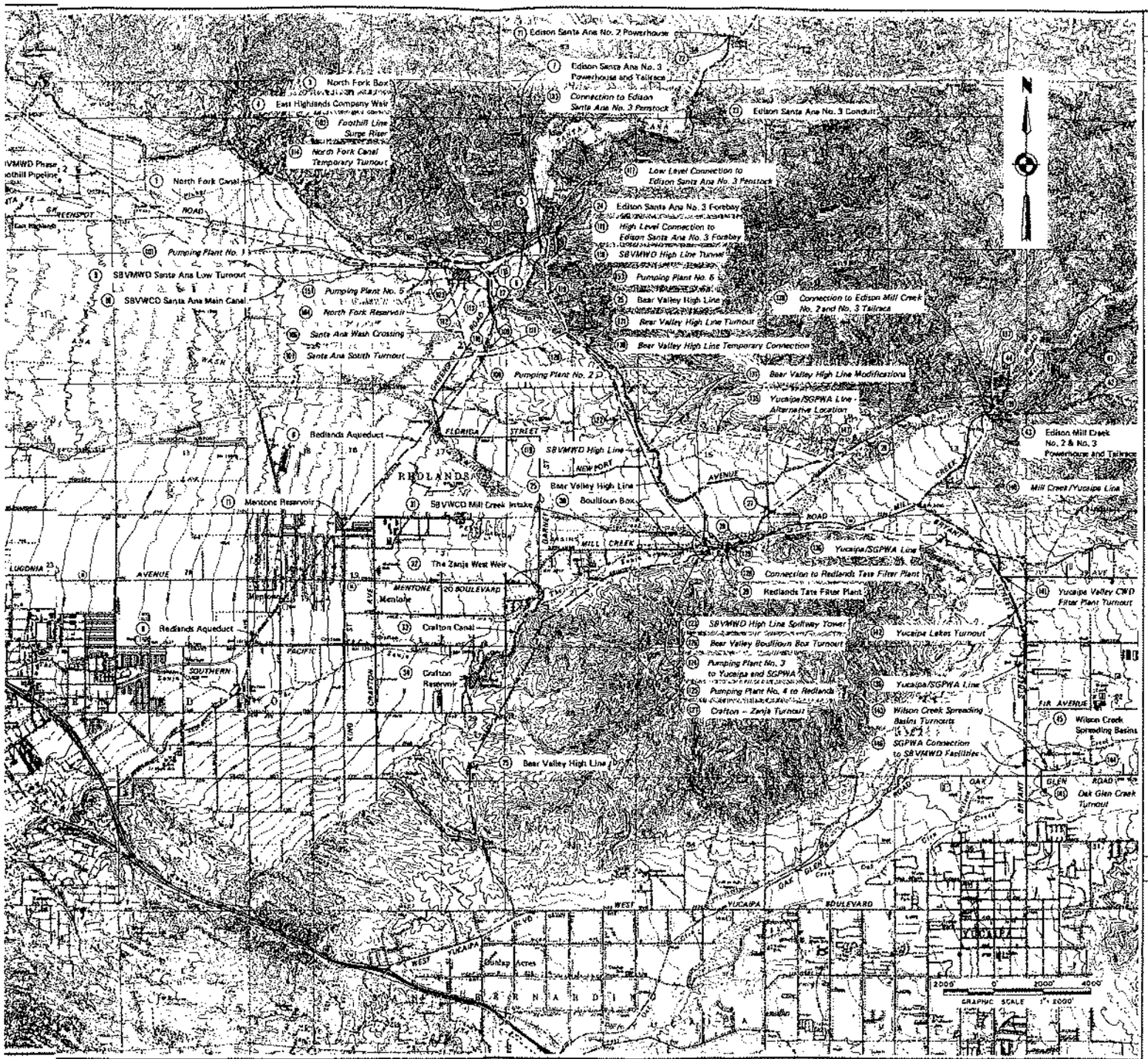
BECHTEL INCORPORATED
SAN FRANCISCO

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
WATER TRANSMISSION PROJECT

SANTA ANA RIVER AND MILL CREEK COOPERATIVE WATER PROJECT AGREEMENT

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JOB NO.	DRAWING NO.	REV.
7843	PLATE 1	B



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142	Yucaipa Lakes Turnout
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144	Mill Creek/Yucaipa/SGPWA Line Surge Riser
145	Oak Glen Creek Turnout
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BECHTEL INCORPORATED
SAN FRANCISCO

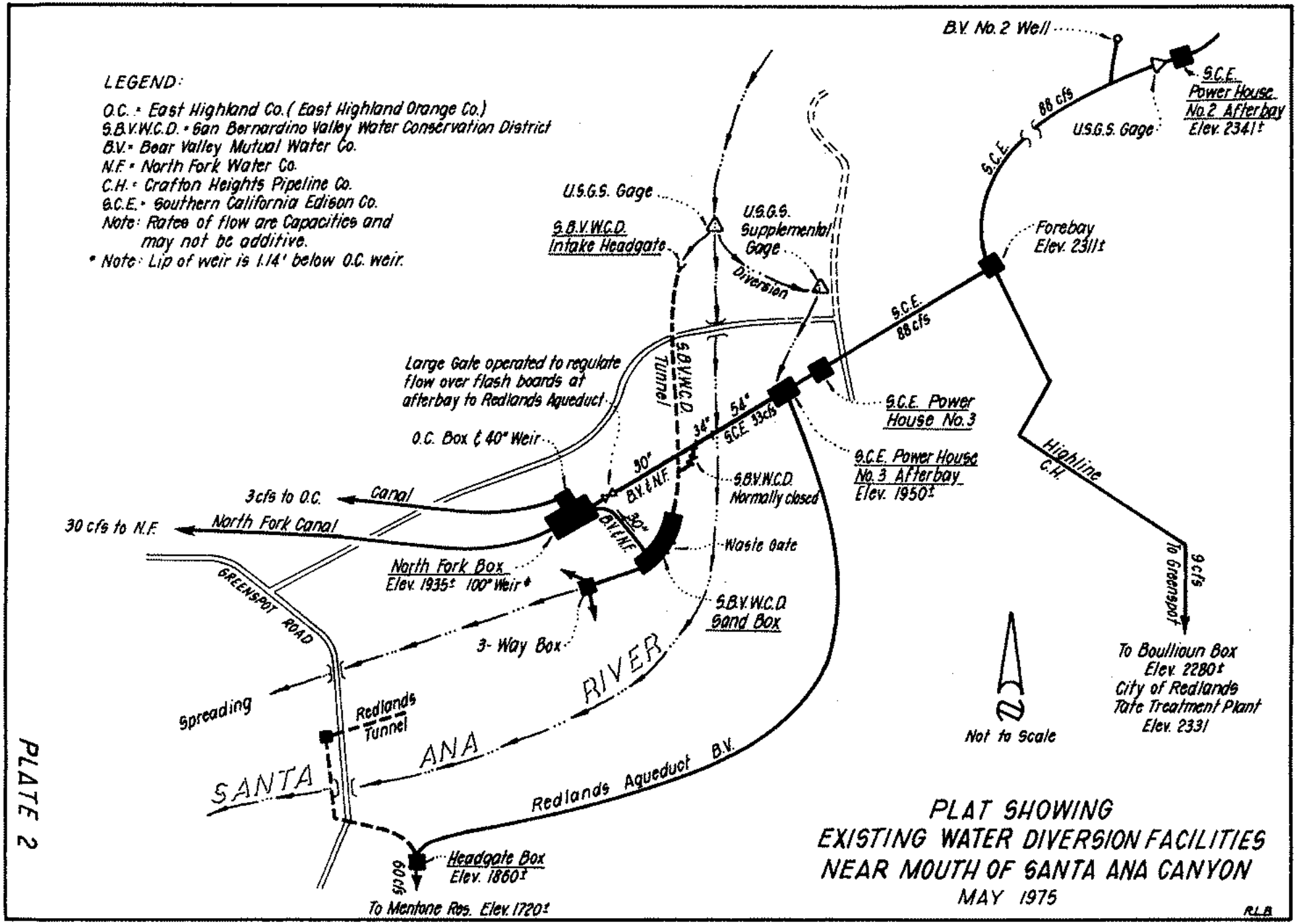
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

WATER TRANSMISSION PROJECT

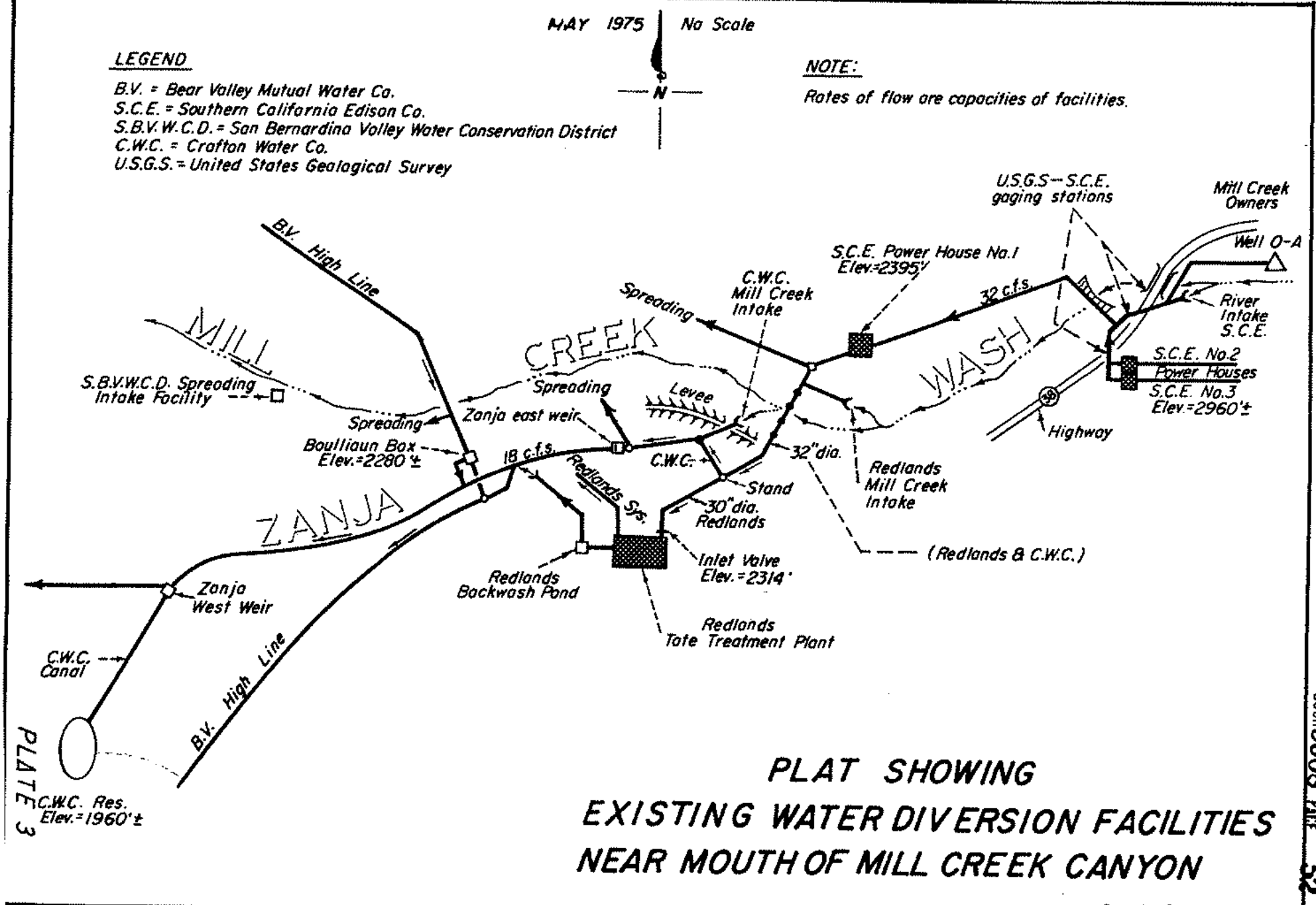
SANTA ANA RIVER AND MILL CREEK COOPERATIVE WATER PROJECT AGREEMENT

CONCEPTUAL PLAN OF COOPERATIVE WATER PROJECT FACILITIES AND ASSOCIATED WATER FACILITIES

JOB NO.	DRAWING NO.	REV.
7843	PLATE 1	B



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SAN BERNARDINO BASIN GROUNDWATER COUNCIL FRAMEWORK AGREEMENT

This SAN BERNARDINO BASIN **GROUNDWATER COUNCIL FRAMEWORK AGREEMENT** ("**Agreement**") is entered into and effective this ___ day of _____, 2018 by and among the City of Colton ("**Colton**"), the City of Redlands ("**Redlands**"), the City of Rialto ("**Rialto**"), the City of San Bernardino Municipal Water Department ("**SBMWD**"), City of Loma Linda ("**Loma Linda**"), East Valley Water District ("**East Valley**"), San Bernardino Valley Municipal Water District ("**Valley District**"), San Bernardino Valley Water Conservation District ("**Conservation District**"), Fontana Water Company ("**FWC**"), West Valley Water District ("**WVWD**"), Yucaipa Valley Water District ("**Yucaipa**"), Bear Valley Mutual Water Company ("**BVMWC**"), and Loma Linda University ("**LLU**") each of which is referred to as a "**Party**," for the purpose of coordinating the development and implementation of groundwater management activities that individually or cumulatively address groundwater management in the Bunker Hill Sub-basin of the Upper Santa Ana Valley Basin ("**Basin**"), and achieving groundwater sustainability throughout the Basin.

RECITALS

WHEREAS, the Parties to this Agreement all overlie, produce water from, or are otherwise interested in the management and long-term sustainability of the groundwater basin identified as the San Bernardino Basin Area; and

WHEREAS, California Department of Water Resources' ("**DWR**") Bulletin 118 defines the Upper Santa Ana Valley Bunker Hill Sub-basin (No. 8-002.06), the boundaries of which, as defined therein and as may be amended in the future, constitute the limits of the Basin covered hereunder. A map depicting that Basin is attached hereto as Exhibit A. DWR Bulletin 118 presently classifies the Bunker Hill Basin as high priority.

WHEREAS, surface water and groundwater supplies in large portions of the Basin are governed by a number of judicial decrees and contracts, including but not limited to the *Orange County Water District v. City of Chino et al.* (Orange County Superior Court, Case No. 117628, April 17, 1969) *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969); *Big Bear Municipal Water District v. North Fork Water Company*, San Bernardino Superior Court Case No. SCV 165493, and *City of San Bernardino v. Fontana Water Company*, San Bernardino Superior Court Case No.17030 (January 28, 1924).

WHEREAS, Water Code § 10720.8(a) identifies the San Bernardino Basin Area as an adjudicated area. As such, this area is exempt from the Sustainable Groundwater Management Act (SGMA) passed by the California Legislature in September 2014, other than providing certain kinds of data to DWR per Water Code § 10720.8(f).

WHEREAS, notwithstanding that the Basin is not required to comply with SGMA, the Parties to this Agreement wish to collaborate their efforts to identify their respective access to and application of imported water supplies, and to harmonize use of such supplies with available groundwater in the Basin. The goal is to ensure that the water imported into the Basin, and the

facilities used to apply both imported and native water supplies to productive beneficial use, will all be maintained and managed in a manner that will be sustainable over the long-term. The Parties recognize that the key to success in this effort will be coordination of amounts and areas of recharge in different parts of the Basin, by acting in conjunction with other groundwater management entities active in portions of the Basin.

WHEREAS, the purpose of ensuring water supply reliability and long-term effectiveness and viability of recharge facilities has become even more important as a result of recently experienced low groundwater storage levels and the reduction of imported water supplies, due to environmental and other restrictions. One purpose of this Agreement is to facilitate the cooperation of the Parties to ensure a reliable and conjunctively utilized water supply of replenishment water that can prevent overdraft or other negative impacts from occurring during an extended drought, and for the foreseeable future.

WHEREAS, the Parties, individually and collectively, have the goal of cost effective cooperative groundwater management that considers the interests and concerns of all of the communities and parties that rely upon the Basin for their water supply.

WHEREAS, the Parties hereby enter into this Agreement to establish the San Bernardino Basin Groundwater Council ("**GC**") to undertake the preliminary steps necessary to prepare for and coordinate the management of groundwater supply resources throughout the Basin, and to coordinate maintenance of conveyance and recharge facilities to expedite such management. The GC will coordinate with existing groundwater management agencies in the Basin as well as the individual Ex Oficio participants, as defined below, and will be responsible for ensuring overall coordination and sustainable management of the Basin.

WHEREAS, the Parties have agreed that the preliminary steps of GC formation will include preparation of formation documents and procedures, the possible hiring of needed experts, and the development of a budget for this GC as memorialized in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the matters recited and the mutual promises, covenants, and conditions set forth in this Agreement, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 Definitions. In addition to the terms that may be defined elsewhere in this Agreement, the following terms when used in this Agreement shall be defined as follows:

1.1.1 "***Agreement***" means this Groundwater Council Agreement.

1.1.2 "***Plaintiff***" means any of the following entities: City of Riverside, Riverside Highlands Water Company, Meeks and Daley Water Company, Regents of University of California, or Western Municipal Water District as named in the 1969 Judgment in Case Number 78426, *Western Municipal Water District of Riverside County et al. vs. East San Bernardino County Water District et al.*"

1.1.3 ***"Annual Basin Groundwater Report"*** shall mean the annual report prepared by the Groundwater Council, to cover topics including but not limited to the following: annual production, recharge, environmental issues, exchanges, and all other actions and topics material to groundwater conditions in the Basin. In preparing such report, the Groundwater Council may consult with, and draw from, data and information provided by the Watermaster and Conservation District and other reliable sources regarding annual groundwater conditions. The Annual Basin Groundwater Report is not intended to supplement or supplant the annual reports of the various Watermasters operating within the Basin that are filed with the Superior Court or any Watermasters' required reporting under the Sustainable Groundwater Management Act (SGMA).

1.1.4 ***"Basin"*** shall mean the Upper Santa Ana Valley Bunker Hill Groundwater Basin, Sub-basin 8-002.06, as designated in DWR's Bulletin No. 118, and as its boundaries may be modified from time to time through the procedures described in California Water Code § 10722.2.

1.1.5 ***"Groundwater Council"*** or ***"GC"*** or shall mean the Upper Santa Ana Valley Bunker Hill Basin Groundwater Council, the oversight body coordinating the management, replenishment, and preservation of groundwater supply and quality of the Basin. The GC shall be composed of representatives of each Party and should they decide to participate, a representative of any other groundwater management authority over any portion of the Basin, as further provided herein. The GC's duties shall include the integration and coordination of the use of imported water supplies for replenishment of the Basin, facilitation of implementation of GC policies and initiatives through the legal authorities of its members, management of budgeting and funding for the maintenance, development, and management of regional groundwater infrastructure, and dispute resolution that may occur within or between the Parties or Ex Oficio members of the GC.

1.1.6 ***"BTAC"*** shall mean the Basin Technical Advisory Committee, as originally created under the auspices of the Upper Santa Ana River Watershed Integrated Regional Water Management Plan, as such Committee may be modified from time to allow for the additional participation of one or more Parties to this Agreement. The BTAC may be tasked to undertake specified actions in support of the GC.

1.1.7 ***"Effective Date"*** shall mean the date that a majority of the Parties approve of and enter into the Agreement.

1.1.8 ***"Equitable Allocation"*** shall mean the manner of determining the facilities' operations and maintenance ("O&M") costs, and supplemental water cost, for each Party based on the annual approved budget. This allocation will be performed pursuant to the formulas and procedures described in Exhibit B of this Agreement. The allocation shall determine the portion of equitable O&M cost, and the portion of equitable water cost, to be apportioned to each Party or other participant for the applicable GC budget year. These allocations shall also be used to determine the voting weight afforded to each voting member of the GC, under this Agreement and further procedural processes as may be developed by the GC.

1.1.9 **"Ex Oficio participant"** shall mean those entities that participate in the GC by virtue of their status as plaintiffs or successors in interest to plaintiffs in *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969), but which shall not be a considered Parties to this Agreement.

1.1.10 ***"Cost Share"*** shall mean that portion of the overall annual operating costs of the GC, assigned to a Party pursuant to the Equitable Allocation, as determined in the annual budget of the GC.

2. TERM

2.1 This Agreement shall become operative on the Effective Date. If an eligible Party has not executed this Agreement by june 30, 2018, such party may join this GC Agreement only as an additional member of the GC, pursuant to Section 3.5, below.

2.2 This Agreement shall remain in effect for a period of five (5) years following the Effective Date, unless earlier terminated by the unanimous written consent of all then-active Parties, provided, however, that this Agreement shall remain in effect during the term of any contractual obligation or indebtedness of the GC that was previously approved by the GC.

2.3 Any Party shall have the ability to withdraw from this Agreement upon serving written notice of its intention to withdraw on all other Parties at least twelve (12) months before that Party's withdrawal becomes effective. Such notice shall be served on the GC at a regularly scheduled meeting and on each of the Parties to this Agreement separately. The withdrawing Party may withdraw upon eighty percent (80%) approval of the voting members of the GC.

2.4 Any Ex Oficio participant in the GC shall have the ability to withdraw from participation in the GC upon thirty (30) days written notice to the Parties.

3. COUNCIL CREATION AND PURPOSE

3.1 Creation of the GC. There is hereby created the Upper Santa Ana Valley Bunker Hill Basin Groundwater Council. The GC shall be, to the extent permitted by law, the forum within which the Parties shall coordinate the access to and utilization of imported water supplies for application to the recharge and replenishment of the Basin, and for the maintenance, and repair of recharge and conveyance facilities for both native and imported supplies to replenish the Basin, consistent with applicable law and judicial decrees.

3.2 Purpose of the Agreement. The purpose of this Agreement, and the creation of the GC, is to provide for the funding, integration, and coordination of the management of imported water and associated groundwater replenishment facilities of the Basin. The purpose is also the facilitation of implementation of policies and initiatives through the legal authorities of one or more Parties, for the purpose of cooperatively managing certain aspects of the Basin, including but not limited to accessing and applying imported water supplies to augment and complement native water supplies, toward the goal of maintaining the long-term yield of the Basin and ensuring that overdraft or other negative impacts are prevented in the

future and eliminated over time; and undertaking imported water replenishment activities that are approved by the GC and included in the annual approved budget.

3.3 Membership of the GC. The GC shall consist of a representative from each Party. One party may serve in multiple representative roles, and this will be accounted for in the Equitable Allocation. GC Members shall be appointed in the manner set forth in Section 3.4 of this Agreement.

3.4 Appointment of Members to the GC. Each Party or other entity entitled to membership on the GC shall appoint one representative member of the GC, who shall be the senior executive management level employee of the Party, or a senior executive management-level employee of other recognized groundwater management entity. Each eligible member may determine its own process for appointing its representative member. Members of the GC shall serve throughout the term of this agreement, provided that such members may be subject to removal and replacement by the appointing Party in the event the representative is no longer in the employ of the appointing Party.

3.5 Additional Members. The GC may permit admission of additional members upon an eighty percent (80%)vote of the Equitable Allocation weighted votes among all then-existing Parties, upon such terms and conditions as the GC in its discretion may impose. Such conditions may include requiring contributions to any GC initiatives for securing imported water supplies, or maintenance and operations expenses of groundwater replenishment facilities, to assure equitable distribution of the costs of such initiatives or facilities to those benefitting from them.

3.6 Ex Oficio Participants. The GC shall include the plaintiff parties or the successors in interest to the plaintiff parties in *Western Municipal Water District of Riverside County v. East San Bernardino County Water District et al.* (Riverside County Superior Court Case No. 78426, April 17, 1969) as "Ex Oficio" participants, unless any Ex-Oficio participant withdraws from the GC pursuant to Section 2.4, above. Such Ex-Oficio participants shall not have the ability to vote on any matters before the GC, but shall be permitted to provide input and other support for GC efforts. Notwithstanding any other provision of this Agreement, and except as otherwise provided in other agreements, judgments or settlements, Ex Oficio participants shall not be liable for any costs or fees associated with the GC or its activities related to importing groundwater into the Basin and shall not be considered "members" of the GC as that term is used in this Agreement. Ex Oficio participants may jointly execute a separate agreement with the Conservation District that will provide for the annual payment of no more than 27.95% of costs associated with the recharge of native waters.

4. COUNCIL MEETINGS AND ACTIONS

4.1 Initial Meeting. The initial meeting of the GC shall be held at a location overlying the Basin within forty-five days (45) days of the Effective Date of this Agreement. At the initial meeting the GC shall select a President to chair its meetings, a Vice President to serve if the President is unavailable, a Secretary to record GC proceedings and actions, and any other officers it deems appropriate to the successful and efficient conduct of its business.

4.2 Regular Meeting Schedule and Rules of Proceeding. The GC shall establish a regular meeting time and place at its initial meeting. The GC may vote to change the regular meeting time and place, provided that the new location remains at a place overlying the Basin. The GC may adopt, promulgate, repeal, or revise further rules of debate, presentation of motions, voting and proxies, process, or proceedings, as it may deem appropriate.

4.3 Quorum. A quorum of the GC shall consist of majority of the total Equitable Allocation weighted votes among all voting members. In the absence of a quorum, no business may be transacted beyond the adjournment of a meeting by the remaining members. For efficiency, business may be discussed and action recommended for the consent calendar ratification at the next regular meeting. A member shall be deemed present for the determination of a quorum if the member is present at the meeting in person, or if they participate in the meeting telephonically upon such rules and procedures as the GC may promulgate.

4.4 GC Voting Rights. Each voting member of the GC shall have its Equitable Allocation weighted vote, as such may be revised from time to time either (a) pursuant to pre-negotiated mechanisms for the adjustment of the Equitable Allocation, due to fluctuations in the groundwater production or other criteria on which the initial Equitable Allocation is based, or (b) by an eighty percent (80%) vote of the total Equitable Allocation voting weight held by all voting members. Exhibit B indicates the voting rights of each party, and shall be modified periodically as specified in the procedures included in Exhibit B.

4.4.1 Fiscal items, including but not limited to, approval of the annual budget of the GC and any expenditures, shall require an affirmative vote by a supermajority constituting eighty percent (80%) of all Equitable Allocation voting weight. To the extent the GC may form groups which contain less than all members for projects where not all members are participants, such committees will have an additional committee agreement identifying the requirements of committee members, and voting requirements attending fiscal obligations of such committees.

4.4.2 Any change in annual contributions necessary to support the work of the GC shall require an affirmative vote by a supermajority constituting eighty percent (80%) of all of all Equitable Allocation voting weight.

4.5 Minutes. The GC shall cause minutes to be kept of all meetings of the GC and any appointed Standing Committees. The GC shall further cause a copy of draft minutes to be forwarded to each member of the GC and to each Party and Ex Oficio member, which may be done electronically, or by way of posting to a commonly available website or digital portal.

4.6 Annual Budgeting and Expenditure Approval.

4.6.1 The fiscal year of the GC shall be July 1 through June 30. The GC shall develop, circulate, and approve an annual budget for the funding of bringing imported water supply to the Basin, and for the maintenance and repair of groundwater recharge or water conveyance facilities serving replenishment of the Basin. The Budget shall be prepared by a Budget Committee, which shall consist of three (3) member Parties of the GC appointed by a qualifying vote of at least 80% of the weighted Equitable Allocation, no later than January 31 of the fiscal year prior to the one for which the budget is to operate. The Budget Committee shall coordinate with BTAC and Valley District as the State Water Project Contractor, to determine the likely allocation of available State Water Project imported water supplies, and other available non-native sources of imported water, the likely unit cost of such imported water, and the recharge needs of the Basin, in terms of quantities of water, locations where Basin conditions would most benefit from imported recharge, condition and availability of facilities to accomplish such recharge, and cost. From these sources, the Budget Committee shall prepare a budget that recommends all of the following:

(a) the amount of imported water supplies proposed to be bought or otherwise acquired by GC members in the coming year;

(b) the recommended application or distribution of such imported water supplies to various parts of the Basin;

(c) the estimated cost of all ongoing maintenance, repair, and operation costs for then-existing groundwater recharge and conveyance facilities serving to replenish the Basin;

(d) any administrative costs of the GC; and

(e) proposed allocation of all expenditures in the Budget among GC members as their portion of the Cost Share based upon the Equitable Allocation Model.

4.6.2 No later than March 1 prior to the beginning of the year for which the budget is to operate, the Budget Committee shall present and circulate to all GC members the proposed Budget, for review and analysis. The circulated budget shall include the underlying presumptions and worksheets upon which it is based. The Budget Committee, or its designee, shall make itself reasonably available to respond promptly to any inquiries or information requests regarding the proposed budget.

4.6.3 No later than sixty (60) days after presentation of the budget by the Budget Committee, the GC shall meet to deliberate and pass upon the budget. The GC may accept, reject, or modify in any way the budget as proposed by the Budget Committee. Adoption of the budget shall require an eighty percent (80%) vote of the weighted Equitable Allocation, provided, however, that if a segregable portion or portions of the budget can be identified which prevent the overall budget from obtaining an eighty percent (80%) approval vote, the GC shall pass those portions of the budget upon which an eighty percent (80%) majority can be achieved, and shall refer those portions upon which approval cannot be obtained back to the Budget Committee for further recommendation on how such portions might be eliminated, reduced in

scope or cost, or otherwise modified, and represented to the GC for eighty percent (80%) approval. No portion of the GC budget imposing any expenditures on any Party shall be approved or adopted on less than an eighty percent (80%) vote of the Equitable Allocation weighted voting, but the inability to secure an eighty percent (80%) vote on segregable portions of the budget shall not prevent the GC from implementing, and proceeding with, those portions of the budget which secured the required eighty percent (80%) approval.

4.7 The Valley District shall perform the accounting and revenue collection functions of the GC in tracking and securing the funding from the GC members pursuant to the approved annual budget, and consistent with the approved cost allocations among the GC members therein, for all imported water supplies. The Conservation District shall perform the accounting and revenue collection functions of the GC in tracking and securing the funding from the GC members pursuant to the approved annual budget, and consistent with the approved cost allocations among the GC members therein, for all facilities costs. The Conservation District shall credit each Party or Ex Oficio participant otherwise subject to the Conservation District's groundwater charge, in the amounts such Party contributes to the GC budget for facilities costs that would be encompassed in that groundwater charge, in order to prevent double collection of such costs with the Conservation District's groundwater charges. Groundwater charges payable by the Ex Oficio Participants may be suspended as part of the separate funding agreement outlined in Section 4.8. In the event of any delinquency, either Valley District or the Conservation District may request the GC to appoint it, or any other GC member or group of members, to represent the GC in securing collection of unpaid and owing amounts from any delinquent member or members. The reasonably incurred costs of such collection efforts may be reimbursed to the agent the GC authorizes to go forward with them, and may be added as an administrative cost to other members, or as a credit against future amounts owing to the GC from such authorized agent.

4.8 Ex Oficio participants will not be subject to the Conservation District's groundwater charges as long as a separate funding agreement as outlined in this Section 4.8 is in effect. Ex Oficio participants may jointly negotiate and execute a separate agreement with the Conservation District and/or Valley District that will provide for the annual payment of up to 27.95% of costs associated with the recharge of native waters. As of the Effective Date of this Agreement, Ex Oficio participants understood the estimated annual costs associated with water recharge, both native and imported, to be $800,000 for Conservation District activities and $200,000 for activities that may occur in recharge basins outside of the Conservation District's control. Ex Oficio participants, via the separate funding agreement, may agree to collectively pay no more than 27.95% of the cost for recharge of native waters. In any such agreement, in the event that imported water is recharged and the costs for such activity are comingled with the cost for recharge of native water, the Conservation District and/or Valley District will pro-rate the costs associated with recharge to separate the costs for native and imported water recharge. Ex Oficio participants are not intended to be charged for the costs of recharge of imported water or associated capital, the operations and maintenance for imported supplies, or any other costs not expressly agreed to in the separate funding agreement.

4.9 No later than six (6) months into the budget year for which any budget is adopted by the GC, the Budget Committee shall prepare a year-in-process budget review, to assess the validity and accuracy of the presumptions upon which the budget was based, identify

any budget savings or additional expenditures, assess any additional opportunities for groundwater replenishment that may have come available since the passing of the budget, and otherwise assess and recommend to the GC any potential amendment to the existing year budget, or suggestions for the following year's budget, as changing conditions may warrant. *(This section may not be needed based upon finalization of the Equitable Allocation formula.)*

5. COUNCIL POWERS AND DUTIES

5.1 The GC shall exercise the following powers:

5.1.1 To adopt rules, regulations, policies, bylaws and procedures governing the operation of the GC.

5.1.2 To produce an Annual Basin Groundwater Report, using as may be appropriate data regarding groundwater conditions available from the Watermaster, the Conservation District, or other sources.

5.1.3 To monitor groundwater production and extractions in coordination with BTAC and pertinent local groundwater management agencies.

5.1.4 To make, after consultation with BTAC, annual recommendations for the amount of additional artificial recharge for the Basin from imported sources as a complement to native sources, and to plan for the development and application of such additional sources of recharge.

5.1.5 To establish as-needed Ad Hoc and Standing advisory committees for the purpose of making recommendations to the GC. Committees shall exist for the term specified in the action creating the committee, and the GC may dissolve a committee at any time through an eighty percent (80%) majority vote of Equitable Allocation voting weight.

5.1.6 To contract for the services of engineers, attorneys, planners, financial consultants, and separate and apart therefrom, to appoint agents and representatives to employ such other staff persons as necessary. The BTAC will provide technical support for the GC, upon such terms as the GC and BTAC shall agree in writing. Ex Oficio members shall not be responsible for BTAC costs.

5.2 In addition to the above-referenced powers, the GC may, by an eighty percent (80%) vote of the Equitable Allocation, decide to activate and exercise any or all of the following additional powers:

5.2.1 To collect and monitor all data related and beneficial to the development, adoption and implementation of appropriate groundwater level management for the Basin.

5.2.2 To collect charges from GC members as authorized in the approved budget.

5.2.3 To cooperate, act in conjunction, and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the purposes of this Agreement.

5.2.4 To accumulate operating and reserve funds and invest the same as allowed by law for the purposes of the GC.

5.2.5 As may be permitted by law, to apply for and accept grants, contributions, donations and loans, including under any federal, state or local programs for assistance in developing or implementing any of its projects or programs in connection with any project untaken in the GC's name.

5.2.6 To acquire lease, purchase, construct, hold, manage, maintain, operate and dispose of any buildings, property, water rights, works or improvements within and without the respective boundaries of the Parties necessary to accomplish the purposes described herein, or to assist any Party in doing so.

5.2.7 To implement the Cost Share in a manner that qualifies as a pass through charge under the Constitutional requirements of Proposition 218 and similar revenue-raising requirements.

5.2.8 To exercise any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Parties to this Agreement.

5.2.9 In addition to the above, and to the extent not directly represented on the GC, the GC shall coordinate its efforts with the agencies that are charged with implementing all applicable judicial decrees governing the Basin.

6. FUNDING GC ACTIVITIES

Funding for GC activities shall be provided pursuant to an expense sharing mechanism described in more detail in Exhibit B hereto. This mechanism is based in part on a regional sharing of Operation and Maintenance costs for San Bernardino Basin Area recharge activities, as those Operation and Maintenance costs shall be determined by the GC in its annual budgeting, in conjunction with BTAC. All Parties shall share in the Operation and Maintenance cost components. Ex Oficio participants shall not share in any costs which are attributable to bringing imported water to the Basin nor its recharge, but all other Parties shall participate in such costs, pursuant to the Equitable Allocation attached as Exhibit B hereto. Ex Officio participants intend to, through separate agreement(s) with the Conservation District and/or Valley District, cooperate in the payment of up to a maximum of 27.95% of costs associated with the recharge of water that results from natural precipitation and run-off in the basin (native water). Each Party shall be contractually responsible hereunder for the annual payment of fees for their assigned portion of the budgeted expenses of the GC, based on that Party's allocation, as determined by the aforementioned allocation formula and the approved GC budget.

7. DISPUTE RESOLUTION

The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree that they may attempt to resolve disputes as follows:

7.1 Statement Describing Alleged Violation of Agreement. A Party or Parties alleging a violation of this Agreement (the "**Initiating Party(ies)**") shall provide a written statement describing all facts that it believes constitute a violation of this Agreement to the Party(ies) alleged to have violated the terms of this Agreement (the "**Responding Party(ies)**").

7.2 Response to Statement of Alleged Violation. The Responding Party(ies) shall have sixty (60) days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party(ies) or to cure the alleged violation to the reasonable satisfaction of the Initiating Party(ies). The Initiating Party(ies) and the Responding Party(ies) shall then meet within thirty (30) days of the date of the response to attempt to resolve the dispute amicably.

7.3 Mediation of Dispute. If the Initiating Party(ies) and the Responding Party(ies) cannot resolve the dispute within ninety (90) days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by a Director or Trustee or other representative with authority to settle. These representatives of the Initiating Party(ies) and the Responding Party(ies) may consult with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be divided evenly between the Initiating Party(ies) and the Responding Party(ies). The decision of the mediator shall be non-binding.

7.4 Reservation of Rights. Subject to the above requirements, in the event that mediation fails, each Party retains and may exercise all legal and equitable rights and remedies it may have to enforce the terms of this Agreement; provided, that prior to commencing litigation, a Party shall provide at least five (5) calendar days' written notice of its intent to sue to all Parties.

8. RELATIONSHIP TO WATER RIGHTS AND PRIOR AGREEMENTS

8.1 Water Rights and Existing Agreements. Nothing in this Agreement is intended to modify the water rights of the Parties or the Ex Oficio participants, whether existing under a judgment, proceedings of the State Water Resources Control Board, or the common law. Nothing in this Agreement is intended to modify any existing agreements between and among the Parties, unless expressly stated herein.

8.2 Agreements Among Water Users. Nothing in this Agreement is intended to modify the rights of the signatories of this Agreement among themselves.

8.3 Judgments. Nothing in this Agreement is intended to modify the rights of the Parties under the terms of the judgments in *Orange County Water District v. City of Chino et al.* (Orange County Superior Court, Case No. 117628, April 17, 1969) and *Western Municipal*

Water District of Riverside County v. East San Bernardino County Water District et al. (Riverside County Superior Court Case No. 78426, April 17, 1969); *Chino Basin Water District v. City of Chino,* San Bernardino Superior Court Case No. 164327; *Big Bear Municipal Water District v. North Fork Water Company,* San Bernardino Superior Court Case No. SCV 165493; or *City of San Bernardino v. Fontana Water Company*, San Bernardino Superior Court Case No.17030 (January 28, 1924). It is the intention of the Parties in forming the GC to apply, administer, and conform to the requirements and provisions of each of these judgments. In the event of any conflict between the actions of the GC, and the requirements and provisions of such judgments, the latter shall control.

8.4 No Admissions. Nothing in this Agreement shall be construed as an admission by any Party regarding any subject matter of this Agreement, including but not limited to the water rights or priorities of same of the Parties.

8.5 Preservation of Rights. The Parties agree that this Agreement, to the extent allowed by law, preserves all rights of the Parties as they may exist as of the Effective Date of this Agreement. Nothing in this Agreement is to be construed as altering the priorities or entitlements of water right holders among themselves to water from the Santa Ana River or the Basin.

9. MISCELLANEOUS

9.1 Authority. Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement, and that by doing so, such Party is not in breach or violation of any other agreement or contract.

9.2 Amendment. Except as to fluctuations in the Equitable Allocation as otherwise provided for herein, this Agreement may be amended or modified only by a written instrument approved by an eighty (80)%) vote of the Equitable Allocation

9.3 Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

9.4 Headings. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

9.5 Construction and Interpretation. This Agreement has been arrived at through negotiations, and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

9.6 Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to its subject matter, and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

9.7 Partial Invalidity. If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws or adjudicatory decisions effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof; there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

9.8 Successors and Assigns. To the extent authorized by law, this Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

9.9 Waivers. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement, and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

9.10 Attorneys' Fees and Costs. The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements, in addition to any other relief deemed appropriate by a court of competent jurisdiction.

9.11 Necessary Actions. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

9.12 Compliance with Law. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

9.13 Third Party Beneficiaries. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

9.14 Notices. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the Party by delivery to the person(s) at the address(es) designated below, which designation may be changed from time to time by a Party in writing; (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

To CITY OF COLTON:	CITY OF COLTON Attn: David Kolk, Utilities Director 650 N. La Cadena Drive Colton, CA 92324
To CITY OF REDLANDS:	CITY OF REDLANDS Attn: Paul Toor, Public Works Director 35 Cajon Street Redlands, CA 92373
To CITY OF RIALTO:	CITY OF RIALTO Attn: Thomas J. Crowley, Utilities Manager 150 S. Palm Avenue Rialto, CA 92376
To CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT:	CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT Attn: Miguel Guerrero, Director, Water Utility 397 Chandler Place San Bernardino, CA 92408
To CITY OF LOMA LINDA:	CITY OF LOMA LINDA Attn: Bill Walker, Director of Utilities 25541 Barton Road Loma Linda, CA 92354
To EAST VALLEY WATER DISTRICT:	EAST VALLEY WATER DISTRICT Attn: John J. Mura, General Manager 3111 Greenspot Road Highland, CA 92346
To SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT:	SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT Attn: Doug Headrick, General Manager 380 E. Vanderbilt Way San Bernardino, CA 92408
To SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT:	SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT Attn: Daniel Cozad, General Manager 1630 West Redlands Blvd., Suite A Redlands, California 92373
To FONTANA WATER COMPANY:	FONTANA WATER COMPANY Attn: Chris Fealy, Water Resources Manager Post Office Box 309 Fontana, CA 92335

To WEST VALLEY WATER DISTRICT:	WEST VALLEY WATER DISTRICT Attn: Greg Gage, Assistant General Manager 855 W Baseline Road Rialto, CA 92376
To YUCAIPA VALLEY WATER DISTRICT:	YUCAIPA VALLEY WATER DISTRICT Attn: Joe Zoba, General Manager 12770 2nd Street Yucaipa, CA 92399
To BEAR VALLEY MUTUAL WATER COMPANY:	BEAR VALLEY MUTUAL WATER COMPANY Attn: Bob Martin 101 E. Olive Avenue Redlands, CA 92373
To LOMA LINDA UNIVERSITY:	LOMA LINDA UNIVERSITY Central Utilities Plant Attn: Bill Walker, Director of Utilities 11100 Anderson Street Loma Linda, CA 92350

9.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

CITY OF COLTON,
a California general law city and municipal corporation

DATED: _____, 2018

By: _____
William R. Smith, City Manager

[Signatures continued on next page]

Dated: 2/21/2016

Agency East Valley Water District

Name: John Mura

Title: General Manager/CEO

YUCAIPA VALLEY WATER DISTRICT

DATED: February 6, 2018

By: _____
Joseph Zoba, General Manager

[Signatures continued on next page]

CITY OF LOMA LINDA
a California charter city and
municipal corporation

ATED: 2/14, 2018

By: _____
T. Jarb Thaipejr, City Manager

[Signatures continued on next page]

BEAR VALLEY MUTUAL WATER COMPANY, a California mutual water company

By: David Knight
David Knight, Board President

DATED: February 20, 2018

[Signatures continued on next page]

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

DATED: February 20, 2018

By: Douglas A. Headrick
Douglas Headrick, General Manager

[Signatures continued on next page]

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

DATED: 2-27, 2018

By: _____
President, Water Board

Attest: _____

[Signatures continued on next page]

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
1630 W. Redlands Blvd, Suite A
Redlands, CA 92373

APPROVED AS TO FORM:

Daniel B. Cooper
General Counsel

Dated: 1.27.16

Richard Corneille
President, Board of Directors

Attest:
Secretary of the Board

CITY OF RIALTO
a California general law city and municipal corporation

DATED: 2/28, 2018

By: _____
Robb Steel, Interim City Administrator and Development Services Director

[Signatures continued on next page]

LOMA LINDA UNIVERSITY

By: _____
Richard H. Hart, MD, DrPH,
President

[End of Signatures Pages]

CITY OF REDLANDS,
a California general law city and
municipal corporation

DATED: _____, 2020

By:_____
Charles M. Duggan Jr. , City Manager

[Signatures continued on next page]

WEST VALLEY WATER DISTRICT

DATED: _____, 2020

By:_____
Clarence Mansell Jr.
General Manager

[Signatures continued on next page]

EXHIBIT A

Map of Upper Santa Ana Bunker Hill Basin

(Taken from DWR Bulleting No. 118)

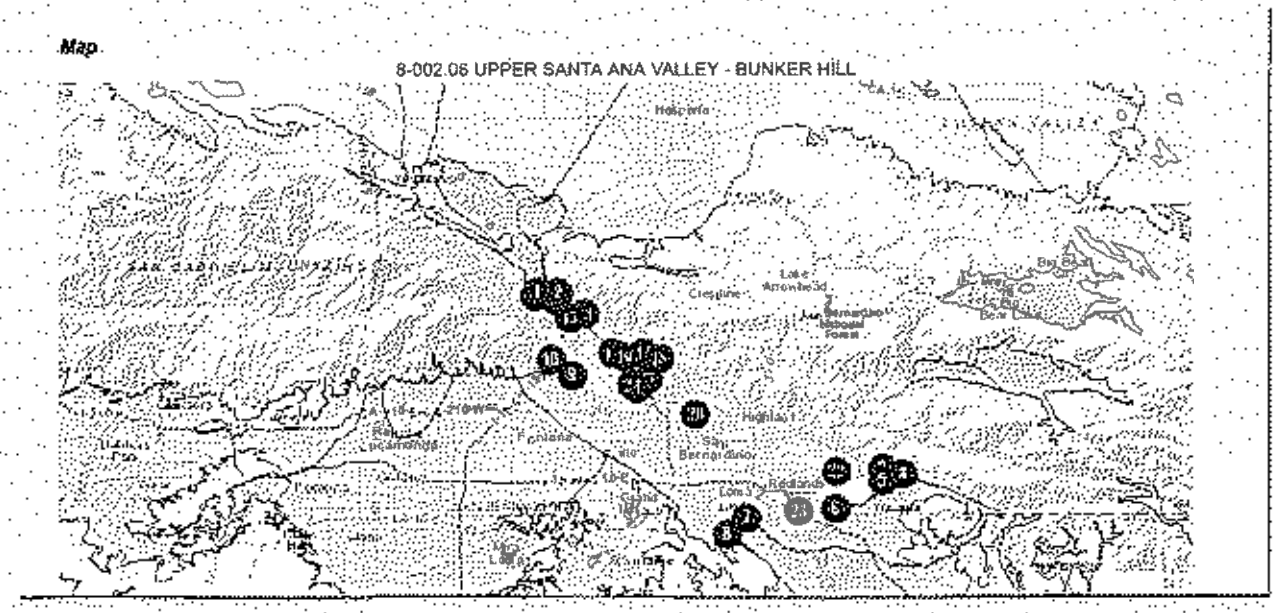


Exhibit A

2017 SAMPLE Calculation

(recalculation occurs annually)

Agency	Total Costs (2017)	Voting Weight
Bear Valley Mutual Water Company	$ 120	0.003%
City of Colton	$ 114,889	3.1%
City of Loma Linda	$ 254,297	6.8%
City of Redlands	$ 675,115	21.2%
City of Rialto	$ 322,534	8.7%
City of San Bernardino	$ 1,413,384	37.8%
East Valley Water District	$ 442,602	14.1%
Fontana Union Water Company	NA	NA
Loma Linda University	$ 31,157	0.8%
Mountain View Power Co.	$ 84,747	NA
Muscoy Mutual Water Company No. 1	$ 44,106	NA
San Bernardino County - Facility Management	$ 17,976	NA
San Bernardino Valley M.W.D.	$ 1,987	NA
Terrace Water Company	$ 15,082	NA
West Valley Water District	$ 262,360	7.0%
Yucaipa Valley Water District	$ 14,603	0.4%
Other San Bernardino Extractions	$ 222,549	NA
San Bernardino Entities Total:	**$ 3,917,509**	**100%**
Western Entities Total:	**$ 279,500**	**0%**
Total:	**$ 4,197,009**	**100%**

Exhibit B

EQUITABLE ALLOCATION METHOD

The Parties to this agreement have agreed to equitably share costs and establish the voting weight for each Party using the following method, which shall be performed annually after the annual submittal of the Western-San Bernardino Watermaster Report to the Court. The details for this method are included in a Microsoft Excel Spreadsheet titled *BTAC Equitable Allocation Method SBBA 1.18.18.xlsx*, as amended by the GC from time to time, which is incorporated here by reference. Copies of that file have been made available to all parties.

I. Calculation of the Equitable Operations and Maintenance (O&M) Cost.

The equitable distribution of the O&M Costs amongst the Parties shall be calculated from the approved budget, as follows:

$$Equitable\ O\&M\ Cost_{\ Plaintiffs} = 0.2795 \times O\&M\ Costs$$

$$Equitable\ O\&M\ Cost_{\ Non\ Plaintiffs} = Proportion\ of\ Total\ Pumping \times 0.7205 \times O\&M\ Costs$$

where,

O&M Costs = annual budgeted or actual costs to operate and maintain the facilities needed to recharge supplemental water into the SBBA that have been reviewed and approved by the Council

$$\text{Proportion of Total Pumping (\%)} = \frac{\text{Party's total SBBA pumping}}{\text{Non-Plaintiff Total SBBA Pumping}}$$

where,

Party's total SBBA pumping (acre-feet) = the Party's total amount pumped from the SBBA for the previous complete calendar year, as published by the Western-San Bernardino Watermaster, and adjusted for any water pumped by one Party and received by another Party, to coordinate with non-parties still paying the groundwater charge, Parties may be requested to report production to the SBVWCD, as needed.

Non-Plaintiff Total SBBA Pumping (acre-feet) = total Non-Plaintiff pumping of the parties for the previous complete calendar year, as recorded by the Western-San Bernardino Watermaster.

II. Calculation of the Equitable Water Cost.

The equitable distribution of the water cost for sustainability will only be paid by the Non-Plaintiff parties and shall be calculated, as follows:

$$Equitable\ Water\ Cost = Party\ Gap + Sustainability$$

where,

$$\underline{\text{Party Gap (\$)}} = \frac{\left(Gap_{1959-63} + Gap_{Last\ 5\ Years}\right)}{2} * SWP\ Cost$$

where,

$\frac{\left(Gap_{1959-63} + Gap_{Last\ 5\ Years}\right)}{2} < 0$, else Party Gap ($) = $0

Gap $_{1959-63}$ (acre-feet) = $GWSY_{1959-63}$ + $SW_{1959-63}$ - Demand $_{Previous\ Year}$

Gap $_{Last\ 5\ Years}$ (acre-feet) = $GWSY_{Last\ 5\ Years}$ + $SW_{Last\ 5\ Years}$ - Demand $_{Previous\ Year}$ + Net New Recycled $_{Previous\ Year}$

where,

$GWSY_{1959-63}$ = local groundwater supplies available to a Party as a portion of their base period safe yield.

The **base period safe yield** for the SBBA has been proportioned amongst the Parties as described below:

where,

$GWSY_{1959-63}$ = Safe $Yield_{1959-63}$ – $SW_{1959-63}$

$SW_{1959-63}$ = average surface water usage by a party from 1953-1963

Demand $_{Previous\ Year}$ = total water demand calculated for the Party for the previous year using published data, as approved by the Council.

$GWSY_{Last\ 5\ Years}$ = local groundwater supplies available to a Party as a portion of their current Safe Yield.

The **safe yield of the last 5 years** for the SBBA will be proportioned amongst the Parties as described below.

where,

$GWSY_{Last\ 5\ Years}$ = Safe $Yield_{Last\ 5\ Years}$ – $SW_{Last\ 5\ Years}$

$SW_{Last\ 5\ Years}$ = average surface water usage by a party within the last 5 years.

Net New Recycled $_{Previous\ Year}$ = The amount of recycled water from the previous year minus Recycled $_{1959-63}$

where,

Recycled$_{1959-63}$ is the amount of recycled water used in the base period

Sustainability ($) = Water Use x (Total Equitable Water Cost – Total Gap ($))

where,

$$\text{Water Use (\%)} = \frac{\text{Party Water Use (acre-feet)}}{\text{Total Water Use (acre-feet)}}$$

where,

Party Water Use (acre-feet) = the Party's total average water use over the past, complete, 5 year period (surface water, groundwater, recycled water, imported water, etc.)

Total Water Use (acre-feet) = Summation of each individual Party Water Use

Total Equitable Water Cost = Sustainable Amount x SWP Cost

where,

Sustainable Amount (acre-feet) = The amount of SWP water, in acre-feet, needed to achieve long-term sustainability which shall be obtained from the latest edition of the San Bernardino Valley Regional Urban Water Management Plan, Average Scenario for the latest planning year plus the published reliability factor, currently 10%

SWP cost ($/acre-foot) = The cost for recharged SWP water as published in the San Bernardino Valley Municipal Water District Resolution 888, as amended

Total Gap ($) = Summation of each individual Party Gap ($) for all Parties

Proportioning Safe Yield.

The Western-San Bernardino Judgment does not apportion the safe yield by water agency. The Parties agree that, for purposes of this agreement, the Safe Yield will be apportioned, as follows:

Safe Yield$_{1959\text{-}63}$: The safe yield during the Base Period was proportioned as follows:

Agency	Safe Yield$_{1959\text{-}63}$
Bear Valley Mutual Water Company	12,996
City of Colton	3,150
City of Loma Linda	1,855
City of Redlands	26,598
City of Rialto	1,890
City of San Bernardino	19,425
East Valley Water District	13,599
Fontana Union Water Company	14,221
Loma Linda University	1,016
Mountain View Power Co.	1,040
Muscoy Mutual Water Company No. 1	1,767
San Bernardino County - Facility Management	1,532
San Bernardino Valley M.W.D.	-
Terrace Water Company	984
West Valley Water District	11,752
Yucaipa Valley Water District	-

Other Non-Plaintiff Extractions	55,412
Non-Plaintiff Total:	**167,238**

Safe $Yield_{Last\ 5\ years}$: The safe yield for the previous 5, complete, calendar years shall be proportioned based upon the total water use for each Party, as follows:

$Safe\ Yield_{Last\ 5\ Years} = Water\ Use\ X\ Safe\ Yield_{Non\ Plaintiffs}$

Where,

Water Use is a percentage (%) and is defined above

$Safe\ Yield_{Non\ Plaintiffs}$ = defined by the Western-San Bernardino Watermaster from time to time, currently 172,745 acre-feet

Credit for Water. A party can provide a new regional supply for basin benefit and receive monetary credit towards their Equitable water cost.

Credit for Water ($) = water provided for basin benefit x SWP Cost

where,

Water provided for basin benefit = local surface water available to an agency that is controlled by that agency and intentionally delivered for groundwater recharge into the SBBA or new recycled water an agency is using to offset potable water use or is recharging into the SBBA above the amount of recycled water that agency was utilizing during the base period

SWP Cost = defined above

III. Formula for Voting Weight. The voting weight for each Party will be calculated, as follows:

$$Voting\ Weight = \frac{Total\ Party\ Cost}{Total\ Costs}$$

Where,

Total Party Cost = Equitable O&M $Cost_{Non\ Plaintiffs}$ + Equitable Water Cost

Total Costs = 0.7205 x O&M Costs + Total Sustainable Water Cost

The total sum of all of the individual Voting Weight values shall be equal to 1.0.

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY

Contract Number 21-140

SAP Number

San Bernardino County
Flood Control District

Department Contract Representative	Michael Fam, P.E.
Telephone Number	(909) 387-8120
Contractor	San Bernardino Valley Water Conservation District
Contractor Representative	Melody McDonald
Telephone Number	(909) 793-2503
Contract Term	
Original Contract Amount	
Amendment Amount	
Total Contract Amount	
Cost Center	

Briefly describe the general nature of the contract:

Planning Memorandum of Understanding with the San Bernardino Valley Water Conservation District for Stormwater Recharge at Flood Control Facilities.

FOR COUNTY USE ONLY

Approved as to Legal Form
► See attached
Sophie A. Akins, Deputy County Counsel
Date

Reviewed for Contract Compliance
► Andy Silao
Andy Silao, P.E.
Date 1/27/2021

Reviewed/Approved by District
►
Brendon Biggs, Chief Flood Control Engineer
Date 1-27-21

Non-Standard Contract Coversheet

Revised 3/14/19

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY

Contract Number _____

SAP Number _____

San Bernardino County
Flood Control District

Department Contract Representative	Michael Fam, P.E.
Telephone Number	(909) 387-8120
Contractor	San Bernardino Valley Water Conservation District
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Telephone Number	(909) 793-2503
Contract Term	
Original Contract Amount	
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Planning Memorandum of Understanding with the San Bernardino Valley Water Conservation District for Stormwater Recharge at Flood Control Facilities.

FOR COUNTY USE ONLY

Approved as to Legal Form	Reviewed for Contract Compliance	Reviewed/Approved by District
► Sophie Akins	►	►
Sophie A. Akins, Deputy County Counsel	Andy Silao, P.E.	Brendon Biggs, Chief Flood Control Engineer
Date January 6, 2021	Date	Date

Planning Memorandum of Understanding
by and between the San Bernardino County Flood Control District and
San Bernardino Valley Water Conservation District

RECITALS

WHEREAS, the San Bernardino County Flood Control District (FCD) was created by the San Bernardino County Flood Control Act of 1939, California Water Code Appendix section 43-1 *et seq.* (Flood Control Act). The Flood Control Act specifies that the FCD's primary purpose is to provide for the control of flood and storm waters and, secondarily, to conserve such flood and storm waters, and other waters, for beneficial uses in FCD's district area by spreading, storing, retaining, and through percolation.

WHEREAS, in 1910, the Water Conservation Association (WCA) was organized to conserve the water of the Santa Ana River by storing it in the groundwater basin for future use. In 1931, local citizens voted to create the **San Bernardino Valley Water Conservation District** (SBVWCD) as a public agency to protect against the excessive export of the local surface water by downstream agencies. WCA was dissolved in the early 1940s, and all land and water property were transferred to SBVWCD.

WHEREAS, SBVWCD is now constituted as a water conservation district, duly formed and existing under the authority of California Water Code sections 74000 et. seq. SBVWCD has as its primary purpose the capture, spread, and recharge of water, both native and imported, over groundwater recharge facilities it owns, operates, and leases, and the stewardship of lands for compatible water supply and quality, mineral production, and the preservation of sensitive habitats.

WHEREAS, FCD owns and operates a number of flood control facilities within SBVWCD's boundaries.

WHEREAS, SBVWCD has identified FCD's facilities into which storm water flows may be diverted for water recharge purposes, provided such use will not impair the primary purpose and function of FCD facilities, which is and is to remain to maintain adequate flood protection for the safety and protection of the public.

WHEREAS, the potential for such recharge use is at this time conceptual, and requires additional study, including the identification of eligible facilities, the amount and quality of storm water flows potentially available for recharge, the location and capacity of facilities to accommodate such flows, the secondary impacts such recharge might have on groundwater levels, migration of contaminant plumes, sand and gravel extraction or other land uses in the vicinity, subsidence protection, endangered and sensitive species habitat preservation, and related concerns.

WHEREAS, SBVWCD has preliminarily identified FCD facilities for future study of potential recharge, which facilities are more specifically depicted in Exhibit 1 hereto ("Initial Facilities").

WHEREAS, FCD and SBVWCD wish to enter into this Planning Memorandum of Understanding (MOU) to describe, in general terms, their interests in coordinating their efforts to plan and evaluate the practical, environmental, and financial feasibility of such combined use of FCD's facilities.

WHEREAS, as provided herein, this MOU is for undertaking investigations and feasibility studies in contemplation of possible future use of FCD facilities, and at this juncture does not commit either party to any project or future agreement. Any specific agreed-upon use of FCD facilities for recharge will be set forth in a separate water spreading agreement between the parties, for which the requisite California Environmental Quality Act (CEQA) analysis shall be conducted prior to entering into future agreements to approve or implement any specific project.

NOW, THEREFORE, it is mutually agreed as follows:

1. **Recitals**.

The recitals set forth above are true and correct and incorporated herein.

2. **Term.**

This MOU shall have a term of 10 years from the date on which the last party executes this MOU unless earlier terminated as set forth herein. This MOU may be extended by the parties for up to two (2) subsequent 10-year periods, pursuant to written amendment signed by both parties. Either party may terminate this MOU by providing the other party with ninety (90) written notice, provided, however, that termination of this MOU shall not terminate any water spreading agreements the Parties may have entered into as of the date this MOU itself is terminated, and any such water spreading agreements shall be governed by their own termination provisions, if any.

3. **General Planning Efforts.**

3.1 Preliminary Report. In order to evaluate the Initial Facilities (see Exhibit 1) for the use of storm water recharge, SBVWCD shall prepare and submit to FCD a preliminary report, in a form to mutually agreed upon by the parties, identifying the particular FCD facility, the anticipated amount of storm water to be captured and diverted to that facility, and any SBVWCD improvements anticipated to be required for use of the FCD facility for storm water diversion, storage, or recharge. Parties agree to hold one or more scoping meetings where FCD will provide information relating to its operational, engineering, and environmental constraints and SBVWCD will provide concepts to address those constraints while meeting the need and purposes each of the projects. FCD will provide access to the Initial Facilities to SBVWCD, without charge, to conduct field investigations and surveys necessary to finalize the concept designs. Such investigations and field studies by SBVWCD may include, but are not limited to, surveys, soil borings or tests, geologic sampling, plant or animal habitat counts or surveys, or water quality, quantity, or flow measurements or sampling, so long as such

investigations and field studies do not materially impact FCD's maintenance of use of the Initial Facilities. SBVWCD will prepare and submit the Preliminary Report for sites individually or as groups to address such constraints, impacts of the project(s) as an initial step in the permitting process.

3.2 Assessment of Preliminary Report and Planning. Once the preliminary report is submitted by SBVWCD for the specific use of a particular FCD facility, the parties shall allocate sufficient staff time and resources to evaluate the joint use/operation of that existing FCD facility for continued effective use for adequate flood control purposes, in conjunction with proposed storm water recharge. During this evaluation process, SBVWCD shall provide to FCD all of the details associated with the proposed use for each FCD facility including, but not limited to, concept-level construction plans and specifications for any proposed improvements or modifications to the FCD facility (including a statement as to which entity will own the improvements after a project specific agreement terminates), a permit plan identifying any permits or clearances required from any agency or regulatory authority other than FCD or SBVWCD, and a proposed operational plan for each FCD facility. To the extent access rights are indicated as necessary or appropriate for storm water recharge in a FCD facility, the parties shall meet and confer to delineate the scope and extent of such access rights. This information will also include the amount of estimated storm water recharge for each facility, and expected quality of such water.

3.3 Assessment of Secondary Effects of Recharge. SBVWCD's Preliminary Report shall also consider the potential secondary effects of storm water recharge to the environment, including, but not limited to, an evaluation of whether such activities will introduce water quality pollutants or mobilize existing groundwater contamination, or will cause land subsidence, liquefaction, or seepage to low lying lands in any basin to be impacted by the replenishment activities of SBVWCD. The parties acknowledge that SBVWCD will be the agency leading this evaluation as it has the appropriate expertise concerning storm water recharge and the water quality. FCD will independently review SBVWCD's evaluation.

3.4 Considering the statutory purposes of the FCD and the goals of SBVWCD, both parties agree that they will determine, on a case by case basis, which agency will be in charge of seeking permits for projects and which agency will be the "Lead Agency" for purposes of complying with CEQA. The responsibility for CEQA compliance and permits shall be specified in a water spreading agreement.

3.5 SBVWCD will work cooperatively with FCD towards SBVWCD's goal of maximizing the quantity of storm water recharge from the existing FCD's facilities, while maintaining or improving the protection of the public from the dangers of flooding.

4. **Primacy of FCD Use.**

4.1 The parties obligations set forth hereunder shall be subject to the primary purpose of FCD and FCD facilities pursuant to the Flood Control Act to protect property and the public from flood waters. The use of FCD facilities for flood control purposes shall be paramount.

4.2 In determining whether to enter into a water spreading agreement, for joint use of an FCD facility for water recharge, FCD shall have the sole discretionary authority to determine what constitutes "adequate flood protection" for the operation of its facilities and to determine whether a proposed recharge activity is consistent with and compatible with its uses of a facility.

4.3 FCD shall have the sole discretionary authority to determine which of its facilities are available for use in re-charge activities proposed by the SBVWCD. Any prospective use of any FCD facility shall be subject to the parties' approval of a water spreading agreement.

5. No Implied Covenants.

Based on the FCD priorities set forth in the Flood Control Act and FCD's discretion provided in this MOU, as well as the general planning nature of this MOU, FCD and SBVWCD acknowledge and agree that no implied covenants attach to this MOU, including, but not limited to, the implied covenant of good faith and fair dealing. Nothing set forth herein shall be deemed to bind FCD's Board of Supervisors to approve a water spreading agreement. Notwithstanding anything to the contrary herein, FCD and its Board of Supervisors retain the sole discretion to authorize the use of FCD facilities for storm water recharge.

6. Assignment.

This MOU may not be assigned by either party without the written consent of the other party.

7. Indemnification and Insurance.

7.1 FCD agrees to indemnify, defend (with counsel approved by SBVWCD) and hold harmless SBVWCD, its employees, officers, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability resulting from FCD's negligent acts or omissions which arise from FCD's performance of its obligations under this MOU.

7.2 SBVWCD agrees to indemnify, defend (with counsel approved by FCD) and hold harmless the FCD, its employees, officers, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability resulting from the SBVWCD's

negligent acts or omissions which arise from the SBVWCD's performance of its obligations under this MOU.

7.3 In the event FCD and/or SBVWCD is found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this MOU, FCD and/or SBVWCD shall indemnify the other to the extent of its comparative fault.

7.4 FCD and SBVWCD shall maintain throughout the term of this MOU such policies of insurance or legally sufficient self-insurance for Automobile Liability, Comprehensive General Liability, and Workers' Compensation that are adequate to protect against all liabilities and indemnification responsibilities arising out of the performance of the terms, conditions or obligations of this MOU.

8. **Jurisdiction**. This MOU shall be governed by the laws of the State of California. If a court of competent jurisdiction declares any portion of this MOU invalid, illegal, or otherwise unenforceable, the remaining provisions shall continue in full force and effect, unless the purposes of this MOU are frustrated. Any dispute or action to enforce any obligation under this MOU shall be filed and resolved in a Superior Court in San Bernardino County, California. In the event of litigation arising from this MOU, each party to the MOU shall bear its own costs, including attorneys' fees.

9. **Signatures.** This MOU may be signed in counterparts, each of which shall constitute an original, and such counterparts shall together constitute one and the same agreement. The parties shall be entitled to sign and transmit an electronic signature of this MOU (whether by facsimile, PDF or other email transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed MOU upon request.

10. **Flood Control District Clause.**
All of the FCD's revenues as defined below, have been pledged to secure the payment of the principal and interest on certain bonds and refunding bonds ("Bonds") issued by the FCD in May 2007. The pledge constitutes a first lien on the revenues for the payment of the Bonds. Any payments under this MOU are subject to the prior pledge of revenues described above. FCD payments pursuant to this MOU will be made to the extent there are sufficient funds available after payment of the Bonds. For purposes of this paragraph, "revenues" shall mean all income and revenue received by the FCD from the operation or ownership of the flood and storm water control and conservation facilities ("Flood Control System") of the FCD (including but not limited to, all real and personal property, or any interest therein, and all additions, improvements, betterments and extensions thereto), determined in accordance with Generally Accepted Accounting Principles, including all ad valorem property taxes received by the FCD pursuant to Article XIIIA of the Constitution of the State of California and Section 95 et seq. of the California Revenue and Taxation Code, all rents, royalties and license and permit fees and charges received by the FCD, investment income and all other money howsoever derived by the FCD from the operation or

ownership of the Flood Control System or arising from the Flood Control System, but excluding (a) ad valorem property taxes levied to pay any voter approved general obligation indebtedness of the FCD, (b) assessments levied pursuant to Section 43-7 or Section 43-26.9 of the San Bernardino County Flood Control Act (Cal. Water Code App. Sect. 43-1 et seq.), and (c) grants, advances or contributions in aid of construction, except to the extent such grants are unrestricted and available for any expenditure of the FCD.

11. **Amendments; Entire Agreement**. Any amendments to this MOU, including but not limited to, the addition of FCD facilities, shall be set forth in a writing signed by both parties. This MOU contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes all other prior negotiations, understandings or contracts.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized officers or representatives as of the last day and year appearing below.

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

By: _____

President, Board of Directors

SAN BERNARDINO COUNTY
FLOOD CONTROL DISTRICT

►

Curt Hagman, Board Chairman

Dated: FEB 09 2021

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD
Lynna Monell, Clerk of the Board

By: _____
Deputy

APPROVED AS TO LEGAL FORM:

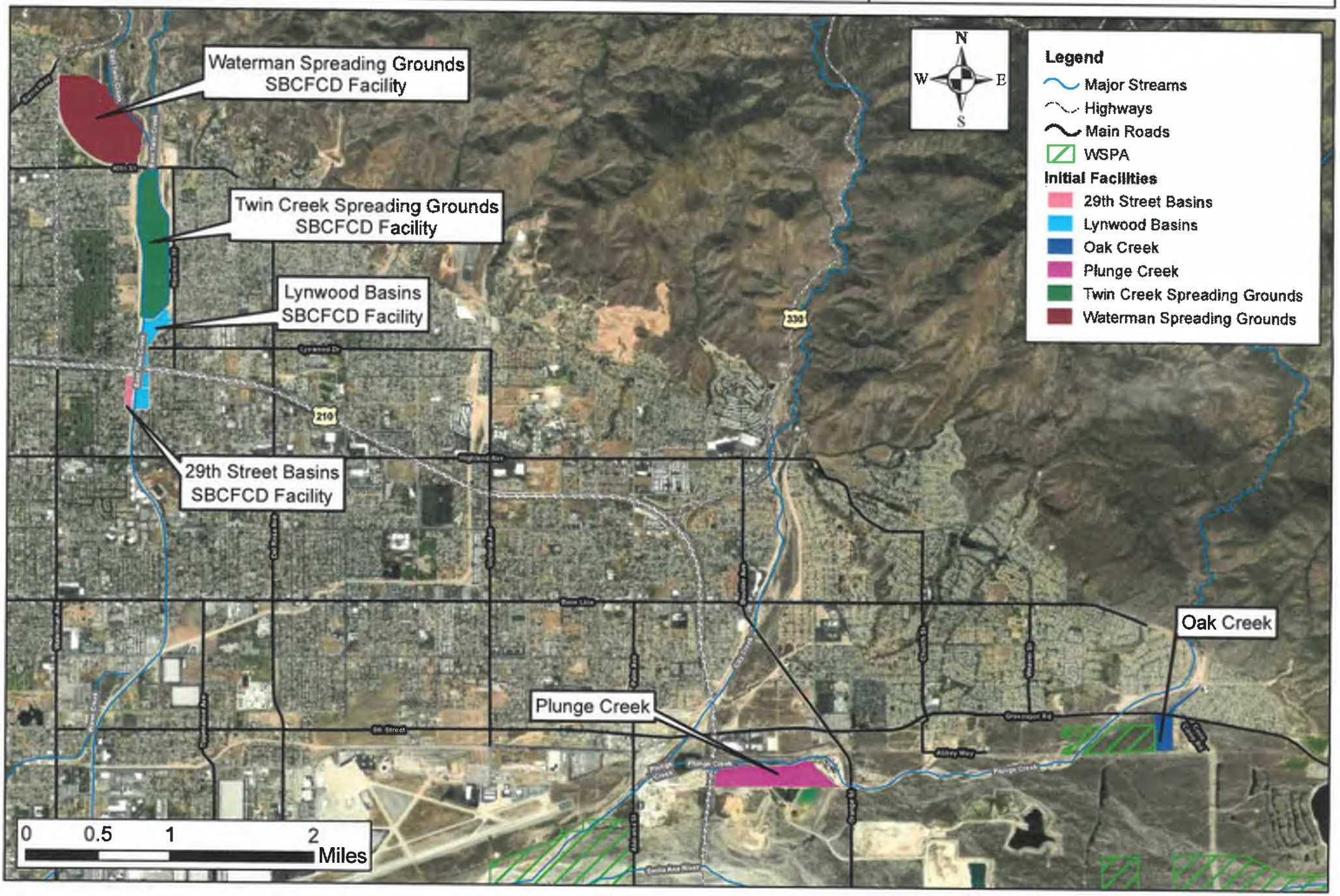
Michelle D. Blakemore, County Counsel

By: Sophie Akins
Sophie A. Akins
Deputy County Counsel

Exhibit 1: Initial Facility Study Area
Planning MOU SBCFCD and SBVWCD

Coordinate System:
NAD 1983 StatePlane California V FIPS 0405 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Source: SBVWCD, CASIL, SBVMWD
GIS Contact: Katelyn Scholte
M:\Active Recharge\SBCFCD MOU Maps
November 4, 2020

San Bernardino Valley Water Conservation District
Helping Nature Store Our Water



Quick Guide to Fontana Settlement Agreement Amendments

This document summarizes the changes made to the Settlement Agreement dated September 12, 2018 between Plaintiffs and Cross-Defendants San Bernardino Valley Municipal Water District ("Valley District"), Defendants and Cross-Complainants Fontana Union Water Company, San Gabriel Valley Water Company, and Fontana Water Company (collectively, "Fontana"), and Intervenor-Defendant Cucamonga Valley Water District, as amended by subsequent settlement agreements with Plaintiffs and Cross-Defendants West Valley Water District ("West Valley"), the City of Colton ("Colton"), and the City of Rialto ("Rialto").

Recitals

CHANGE	EXPLANATION
Terminology ¶ C	West Valley, Colton, and Rialto are no longer "Non-Settling Plaintiffs," but simply "Parties."
Operative Complaint ¶ D	As for West Valley, Colton, and Rialto, the current operative complaint is the Third Amended Complaint (Nov. 2, 2018). As for Valley District, the current operative complaint is still the Second Amended Complaint (Nov. 24, 2014).
Operative Cross-Complaint ¶ J	As to West Valley, Colton, and Rialto, the current operative cross-complaint is the Second Amended Verified Cross-Complaint (Nov. 14, 2018), which added the 11th cause of action: Breach of Contract – Violation of 1961 Rialto Decree by Colton, Rialto, and West Valley Water District. As for Valley District though, the current operative cross-complaint is still the First Amended Verified Cross-Complaint (Mar. 27, 2015).

Dismissal

CHANGE	EXPLANATION
Payments	In full settlement of all of West Valley's, Colton's, and Rialto's claims in the Litigation, Fontana will cause their insurer Arch Insurance Co. to pay $3M to each party, within 30 days after full execution of the Amendments, and will provide a federal W-2 tax form to each party. But in the event that Arch and Fontana Parties reach an agreement with Rialto, before trial, for more than $3M, then Arch shall pay to each West Valley and Colton the difference.
Releases ¶ 5	The releases include all claims contained in Plaintiff's Third Amended Complaint and Fontana Parties' Second Amended Verified Cross-Complaint. The releases on behalf of West Valley, Colton, and Rialto are unconditional, severable from the other provisions of the Settlement Agreement, and shall remain enforceable even if other provisions of the Settlement Agreement are deemed unenforceable or invalid, so long as West Valley, Colton, and Rialto each receive their $3M.
Stipulation for Dismissal ¶ 10	The Fontana's counsel will prepare and send to Valley District, West Valley, Colton, and Rialto's counsel a stipulation for dismissal, with prejudice, of the claims and cross-claims asserted by the parties. All parties shall promptly execute and Fontana shall promptly file the stipulation with a request for the court to retain jurisdiction.
Retention of Jurisdiction ¶ 10	The stipulation for dismissal will request that the Court retain jurisdiction over the Parties to enforce the settlement agreement, as amended, pursuant to CCP § 664.6. All Parties shall promptly execute and Fontana shall promptly file the request.

Other Agreements

CHANGE	EXPLANATION
Preliminary Injunction former ¶ 3(f), now ¶ 3.1	All extractions by the Fontana Parties within the boundaries of the 1961 Decree area shall be subject to the terms of the preliminary injunction issued by San Bernardino County Superior Court on March 20, 2015, and any subsequent court orders (as in the original Settlement Agreement), until the parties agree otherwise.
Groundwater Council	Within one year of the execution of the Amendment, all parties to the Settlement Agreement will jointly establish a Groundwater Council for the Rialto-Colton Basin. Within 5 years, the Council will conduct studies, modeling runs, and other analyses necessary to develop a plan for sustainable management. It will have the authority to require the parties (except for Valley District) to contribute their fair share towards development of the plan and beneficial projects.
Groundwater Management Plan ¶ 3 (l)	The parties will develop, adopt and implement a Rialto-Colton Basin sustainable groundwater management plan including – if the Parties and other public water suppliers extracting water from the Basin agree – an operating safe yield, a new index well regime, and/or other management tools (e.g. ability to overproduce in any year, subject to replenishment), which may be included in an amended Decree.
Replenishment Accounts ¶ 2(h)-(j)	Valley District will set up and maintain five separate accounts, one each for: (1) Defendants, (2) West Valley, (3) Colton, (4) Rialto, and (5) a general replenishment account. Valley District will disburse limited amounts of money to fund projects that benefit groundwater management in the Rialto Basin. If any party settles with Fontana, they have the option of a replenishment credit account funded either at $6M for Rialto, $4M for Colton, or $3M for West Valley or Defendants OR funded at 37.5% of that amount to be paid within 90 days of the execution of the amendment (provided they request it within 60 days).
Penalties for Overpumping	If a party exceeds its pumping allocation for the water year, it shall pay Valley District to acquire replacement water according to section 3(j) of the settlement agreement. If a party exceeds its pumping allocation by 10% and fails to abide by 3(j), then the party must pay $10,000 per acre-foot for water over the 110% of the allocation to the general replenishment account.

Notice

¶ 11(q)

In addition to the contacts listed in the Settlement Agreement, the following parties shall receive all notices, requests, demands or other communications required or permitted under the Settlement Agreement:

Clarence Mansell
General Manager
West Valley Water District
855 W. Base Line Road
Rialto, CA 92376

David X. Kolk, Ph.D.
Utilities and Public Works Director
650 N. La Cadena Ave
Colton, CA 92324

City Administrator
City of Rialto
150 So. Palm Ave.
Rialto, CA 92376

Robert Tafoya, Esq.
Tafoya & Garcia
316 West 2nd Street, suite 1000
Los Angeles, CA 90012

Geralyn Skapik, Esq.
5861 Pine Ave., suite A-1
Chino Hills, CA 91709

SETTLEMENT AGREEMENT

This Settlement Agreement ("**Agreement**") is entered into and effective this 12th day of September, 2018 by and among Plaintiffs and Cross-Defendants San Bernardino Valley Municipal Water District ("**Valley District**") and Defendants and Cross-Complainants Fontana Union Water Company ("**Fontana Union**"), San Gabriel Valley Water Company, a California Corporation ("**San Gabriel**"), and Fontana Water Company, a division of San Gabriel (collectively, "**Fontana Parties**"), and Intervenor-Defendant Cucamonga Valley Water District ("**Cucamonga**"). Each of the Parties to this Agreement is sometimes referred to as a "**Party**" and are collectively sometimes referred to as the "**Parties.**"

Recitals

A. The Parties are all committed to sustainable groundwater management principles. In furtherance of those important principles, the Parties will implement the specific sustainable groundwater practices and principles expressly set forth in this Agreement. In addition, the Parties are committed to cooperating and collaborating with other water producers, including but not limited to the Non-Settling Plaintiffs as defined below, on additional groundwater sustainability measures, including replenishing the Lytle Creek, Rialto-Colton, and Rialto Basins, as well as the San Bernardino Basin Area, and establishing one or more groundwater sustainability councils to promote reliable water supplies for the beneficial use of the customers they serve.

B. The Parties have been engaged in litigation involving groundwater rights, groundwater management, and related matters entitled *San Bernardino Valley Municipal Water District et al., v. San Gabriel Valley Water Company et al.*, Case No. CIVDS 1311085, San Bernardino Superior Court (the "**Litigation**" as used in this Agreement includes all claims that were or could have been alleged therein.).

C. Valley District together with Plaintiffs West Valley Water District ("West Valley"), City of Colton ("**Colton**") and City of Rialto ("**Rialto**") (West Valley, Colton and Rialto are collectively the "**Non-Settling Plaintiffs**") filed a complaint in the Superior Court of California for the County of San Bernardino on September 12, 2013 against the Fontana Parties.

D. The currently operative complaint is the Second Amended Complaint filed on November 24, 2014. In the Second Amended Complaint, Valley District asserts six constitutional, equitable and statutory claims concerning the Fontana Parties' groundwater rights and extractions from the Rialto-Colton Basin, including claims arising out of the court decree dated December 22, 1961 (the "**1961 Decree**") in the case *The Lytle Creek Water and Improvement Company v. Fontana Ranchos Water Company*, et al., San Bernardino County Superior Court, Case No. 81264. The 1961 Decree governs groundwater pumping from a portion of the Rialto-Colton Basin, which is defined therein as the "**Rialto Basin.**" The claims also concern the Fontana Parties' pumping from a portion of the Rialto-Colton Basin that is outside the Rialto Basin as defined by the 1961 Decree, referred to as the "**Paper Gap**" in the Second Amended Complaint, and referred to herein as "**No Man's Land.**"

E. Valley District also asserts claims concerning the Fontana Parties' pumping from the Lytle Creek region of the San Bernardino Basin Area.

F. The Non-Settling Plaintiffs separately asserted six claims alleging breach of contract and other claims arising from the 1961 Decree.

G. The San Bernardino Basin Area and most but not all of the Rialto-Colton Basin are located within the service area of Valley District. A map of the groundwater basins at issue in the Litigation is attached to the Agreement as Exhibit A.

H. On December 30, 2014, Cucamonga served a Complaint in Intervention as a Defendant-Intervenor in the action.

I. On December 8, 2014, the Fontana Parties filed a Verified Cross-Complaint against Valley District and the other Plaintiffs.

J. The currently operative cross-complaint is the First Amended Verified Cross-Complaint filed on March 27, 2015. The Fontana Parties assert the First, Third, Fourth, Fifth and Sixth Causes of Action against Valley District and the other Plaintiffs for legal, declaratory, and equitable relief concerning their water rights and pumping from the Rialto-Colton Basin, from "No Man's Land," and from the San Bernardino Basin Area. The Fontana Parties also assert claims directly against only Rialto and Valley District for breach of contract and other legal, equitable, and statutory grounds, alleging wrongful activities related to Cross-Defendants' groundwater pumping and sales.

K. The Parties hereto deny and dispute each and all of the claims and cross-claims against them.

L. The Parties now wish to settle and resolve all claims arising out of the Litigation and to promote sustainable management of groundwater in the Rialto and Rialto-Colton Basins and in the San Bernardino Basin Area, including the Lytle Creek Basin, by means of this Agreement, as follows:

Agreements

In consideration of the promises, agreements and releases contained herein and for good and valuable consideration, the Parties agree as follows:

1. *Incorporation of Recitals*

The foregoing Recitals are incorporated herein by reference as though fully set forth.

2. *Replenishment and Sustainability Assessment*

a. Upon execution of this Agreement, the Fontana Parties may apply to become members of the Groundwater Council for the San Bernardino Basin Area. If the Fontana Parties choose to seek to join the Groundwater Council, Valley District will promptly support that request in writing. The Parties also agree that, if there

are other management groups where the Fontana Parties have not been included due, in part, to the Litigation, they may apply to join those groups and Valley District will support their participation in those groups.

b. No later than each February 1, the Fontana Parties will pay Valley District an annual Replenishment and Sustainability Assessment on water that the Fontana Parties produced in the prior calendar year from the Lytle Creek region of the San Bernardino Basin Area commencing upon the effective date of this Agreement. The Replenishment and Sustainability Assessment will start at $127.90 per acre-foot and will be indexed to percentage increases in Metropolitan Water District of Southern California's Tier I Untreated Water rate, or the equivalent.

c. Valley District shall use the proceeds of the Replenishment and Sustainability Assessment, save for an amount needed to satisfy the Fontana Parties' pro rata share of the groundwater sustainability charge for the San Bernardino Basin Area pursuant to the San Bernardino Basin Groundwater Council Framework Agreement, dated February 23, 2018 or any successor agreement, to obtain replenishment water for delivery to the Rialto Basin in an amount of 61,000 acre-feet, which fulfills all of the Parties' requirements for the replenishment of the Rialto Basin as determined by Valley District. Valley District shall apply these funds to cover all of its direct costs incurred in obtaining and delivering such replenishment water, including, without limitation, acquisition and transportation costs, facility costs (capital and operation/maintenance), and any similar direct costs incurred as part of the actions (but not including staff time, overhead or salaries/benefits) needed to accomplish the replenishment. Valley District may accomplish the replenishment by means of exchanges, in-lieu recharge of the Rialto Basin, direct recharge of that Basin, direct deliveries to the Fontana Parties, or other means reasonably acceptable to the Parties. By agreeing to the Replenishment and Sustainability Assessments in this Agreement, the Fontana Parties do not admit that they are legally obligated to replenish the Rialto Basin.

d. Valley District agrees that it will use its best efforts to obtain such replenishment water in a timely basis at the lowest cost, recognizing that the timing of the purchase of water will be at the reasonable discretion of Valley District. At no time shall Valley District purchase water at a rate greater than the then-current Metropolitan Water District of Southern California's Tier II Untreated Water rate or equivalent. Within 30 days after each such purchase of replenishment water, Valley District will account to the Fontana Parties in a statement specifying the seller, the amount of water purchased, the price and other anticipated direct costs of purchase and replenishment. The Parties will cooperate, together with the Non-Settling Plaintiffs, regarding such purchases and regarding the timing, location, and manner in which the purchased water will be replenished to the Basin.

e. Valley District shall provide notice to the other Parties during the calendar year in which Valley District anticipates that it will complete the replenishment as provided in this Agreement of 61,000 acre-feet into the Rialto Basin and shall convene a meeting to determine whether or not to modify the Replenishment and

Sustainability Assessment rate for water extracted by the Fontana Parties from the Lytle Creek region of the San Bernardino Basin Area.

f. Upon achieving the replenishment described in subparagraph [c] above, Valley District agrees to dedicate the proceeds of the Replenishment and Sustainability Assessment on a regional basis to fund water supply projects that benefit the Rialto Basin and/or the Lytle Creek region of the San Bernardino Basin Area. Such regional projects may include, but are not limited to, the importation of water, the development of spreading basins and other facilities to capture local stormwater runoff, and other projects that Valley District, acting in cooperation and in conjunction with other agencies, may deem appropriate to enhance water supply reliability for all public water suppliers in the Rialto Basin and/or the Lytle Creek region of the San Bernardino Basin Area.

g. The Parties shall rely on the following principles in determining whether or not, and if so, how to modify the rate charged for water extracted by the Fontana Parties from the Lytle Creek region of the San Bernardino Basin Area, provided that the rate shall not exceed the then-current indexed rate identified in paragraph 2(b) above:

i. Valley District, acting in cooperation and in conjunction with other agencies that extract water from the Rialto Basin, will seek to purchase water at the lowest possible cost for recharge in the Lytle Creek region of the San Bernardino Basin Area and the Rialto Basin and to support the long-term sustainability, reliability, and reasonable and beneficial use of groundwater extractions from the Lytle Creek region of the San Bernardino Basin Area and the Rialto Basin.

ii. Valley District, acting in cooperation with other agencies that extract water from the Rialto Basin and the Lytle Creek region of the San Bernardino Basin Area, will develop, permit, fund and construct such facilities (or improvements to existing facilities) that may be necessary or useful to ensure that the Parties and other agencies that extract water from the Lytle Creek region of the San Bernardino Basin Area and the Rialto Basin have a reliable and sustainable water supply for their respective customers.

iii. The Parties agree that the long-term sustainable management of the San Bernardino Basin Area (including but not limited to the Lytle Creek Basin) and the Rialto Basin shall not cause stranded assets and shall attempt to maximize the water supplies available to all parties extracting water from those Basins.

3. *Cooperative and Sustainable Groundwater Management of the Rialto-Colton Basin*

The Parties agree to the following principles for enhanced and sustainable groundwater management of the Rialto-Colton Basin, consistent with the constitutional requirement to put all water to reasonable and beneficial use. The Parties will undertake to work

cooperatively with, and will encourage, other public water suppliers in that Basin to adopt these principles as the basis for a long-term cooperative, enhanced, and sustainable groundwater management agreement to be included in an amended 1961 Decree that will promote and assure sustainable groundwater supplies.

a. Sustainable groundwater management of the Rialto-Colton Basin shall not cause stranded assets and shall attempt to maximize the water supplies available to all public water suppliers extracting water from the Basin.

b. The Parties agree that they will respect the boundary between Valley District and the Metropolitan Water District of Southern California and will work cooperatively together to ensure that all water for which there is a legal obligation to pay when it moves across that boundary is charged at the rate applicable to such water.

c. The Parties agree to develop accounting principles to ensure that all Parties' use and movement of water fully complies with the terms of this Agreement.

d. For all of the Parties' pumping pursuant to the 1961 Decree and from No Man's Land, any pumping curtailment for a given year will take effect in the month following the notice of the measurement of the spring high index well levels and remain in effect until modified by the notice of the measurement of the following year's spring high index well levels.

e. The Fontana Parties may, without objection from Valley District, extract 5,014 acre-feet/year from wells located in No Man's Land (as shown on the map attached hereto as Exhibit A). Such extraction allocation may be combined with and also may be utilized together with the Fontana Parties' pumping allocation from wells within the Rialto Basin that was established pursuant to the 1961 Decree. The Parties agree to work with the Non-Settling Parties to develop a management plan that would evaluate and address the extractions from wells outside the Rialto Basin by Non-Settling Parties that may significantly affect the Rialto Basin. All wells and extractions discussed in this subsection shall be subject to and governed by the provisions of the 1961 Decree, including without limitation by paragraph 7 of the 1961 Decree.

f. All extractions by the Fontana Parties within the boundaries of the 1961 Decree area shall be subject to the terms of the Preliminary Injunction issued by the San Bernardino County Superior Court on March 20, 2015, and any subsequent court orders.

g. Valley District, using funds from the Fontana Parties and other public water suppliers from the Rialto Basin, shall seek to purchase water for importation into the Rialto Basin that will enable all public water suppliers using the Rialto Basin to extract the water needed by their customers in their respective service areas each year on a sustainable basis, *provided that* Valley District shall select projects or replenishment locations to reflect the Parties' respective payments towards such replenishment.

h. To facilitate such long-term sustainable and reliable use of the Rialto Basin, the Parties intend to create a water market so that any public water supplier that does not need to use its entire allocation from the Rialto Basin in a given year may lease the unused allocation to another public water supplier, under terms and conditions established by those parties, *provided that* all such arrangements must be consistent with this Agreement and all water provided directly or indirectly by Valley District that is delivered outside of Valley District's service area shall be replaced at the appropriate full-cost rate of either the Metropolitan Water District of Southern California or Valley District, which cost shall be solely borne by the party receiving the water.

i. The Parties support and encourage the importation of water to serve multiple purposes, specifically:

   i. Replenishing the Rialto Basin in an amount of 61,000 acre-feet for the reasons and in the manner described in paragraph [2] above.

   ii. To allow all parties that extract water from the Rialto Basin to meet the reasonable and beneficial demands of their respective customers.

   iii. Providing replenishment of the Rialto Basin to ensure the sustainability of water extractions from the Rialto Basin, which includes the importation of water to moderate the hydrologic cycle on both an intra-annual and a long-term basis.

j. Any party to the 1961 Decree may lease or purchase unused water rights from any other party to the 1961 Decree on terms mutually acceptable to those parties, *provided that* any such lease or purchase shall be consistent with the terms of this Settlement Agreement. If any party to the 1961 Decree extracts in the future more water than it is entitled to extract (such entitlement shall include any future water rights acquired by lease or purchase) in any given year, then that party shall pay Valley District within 12 months thereafter to acquire replacement water. Valley District will acquire such replacement water in a manner and at a time that minimizes its cost; provided, however, that the quantity of such additional extractions and replacement water by all parties to the 1961 Decree in any given year shall not be greater than ten percent (10%) of Valley District's annual Rialto Basin recharge capacity for that year unless a greater amount is authorized by or under the authority of Valley District's General Manager.

k. The Parties will jointly seek concurrence from the parties to the 1961 Decree to modify that Decree to utilize a calendar year rather than an October 1 through September 30 water year.

l. The Parties are willing to develop, adopt and implement a Rialto-Colton Basin sustainable groundwater management plan including, if the Parties and other public water suppliers extracting water from the Rialto-Colton Basin agree, an operating safe yield, a new index well regime, and/or other groundwater

management tools (including the ability to overproduce in any year subject to replenishment), which may be included in an amended Decree.

4. *Valley District Sales of Water to San Gabriel*

a. Upon placement of an order per Resolution 888, Valley District will deliver State Water Project water which San Gabriel prepaid and pre-purchased from Valley District from January 2003 through June 2006.

b. Upon placement of an order per Resolution 888, Valley District will fulfill its duties pursuant to the Mutual Assistance Letter agreement dated August 4, 2008 between Valley District, Metropolitan Water District of Southern California, and Inland Empire Utilities Agency (**IEUA**) for delivery of State Water Project water to San Gabriel through IEUA's CB19 connection.

c. Upon placement of an order per Resolution 888, Valley District and San Gabriel will promptly activate their existing physical connection to enable San Gabriel to take delivery of State Water Project water for delivery through San Gabriel's system to its customers (1) in Valley District's territory at Valley District's in-district rate, and (2) in IEUA's territory with IEUA's and Metropolitan Water District of Southern California's concurrence and at IEUA's Tier 1 water rate.

5. *Release*

The Parties, and each of them, on behalf of themselves, and each of their respective past and present subsidiaries, parents, successors and predecessors, affiliates, related entities and divisions, partners, members, principals, associates, directors, managing or other agents, management personnel, officers, directors, shareholders, administrators, servants, employees, staff, attorneys, consultants, advisors, accountants, insurers, representatives, heirs and assigns and on behalf of any person or entity who may claim by or through them (all collectively, "**Associated Parties**"), hereby release, discharge, and agree not to sue each other and each other's Associated Parties, from any and all liabilities, claims, causes of action, obligations, demands, losses, damages, costs or expenses of any kind or nature whatsoever, past or present, ascertained or unascertained, known or unknown, suspected or unsuspected, claimed or unclaimed, which they have, or have ever had, by virtue of any act, omission, reason, cause or thing arising from or related to the Litigation, i.e., the claims contained in the Plaintiffs' Second Amended Complaint and the Fontana Parties' First Amended Cross-Complaint.

In addition, Valley District hereby releases the Fontana Parties from all future claims that Valley District may make: (1) based on any provision of either the Orange County Judgment or the Western Judgment that imposes limits or restrictions on the Fontana Parties' Lytle Creek water rights, and (2) for alleged damages caused by the Fontana Parties' export of Lytle Creek water from the SBBA. These releases of future claims are expressly conditioned on the Fontana Parties' diversions, extractions, and deliveries pursuant to such water rights being consistent with the terms of this Agreement, including but not limited to the Replenishment and Sustainability Assessment provisions of Section 2 of this Agreement.

None of the foregoing releases shall be construed to release a Party's future claim that another party has violated the terms of this Agreement or to preclude any party's future enforcement of the terms of this Agreement.

6. *Use of the Term Assessment*

The Parties' use herein of the term "assessment" to describe payments made under this Agreement is not intended by the Parties to bring such payments within the scope of Article XIII C of the California Constitution, the Municipal Water District Law (California Water Code sections 71000 *et seq.*) nor any other legal requirement associated with "assessments."

7. *Agreement re Use of Recalibrated Model*

The Parties agree to limit use of the 2018 Recalibrated Rialto-Colton Basin Groundwater Model, which was developed by Geoscience and other parties and consultants (the "Model"), as follows:

a. The Model may not be used in any litigation or administrative proceedings in a manner adverse to any Party hereto. The Parties hereto reserve and do not waive any of their claims of privilege or other objections to the use of the Model in the Litigation by any Non-Settling Plaintiffs. Notwithstanding the April 6, 2016 Agreement to Protect Confidentiality of Communications in Settlement Negotiations, the Parties hereto may use any version of the Model in litigation or administrative proceedings against other parties, or for other purposes, so long as it is not used against any of the Parties hereto.

b. Specifically, the Parties agree not to object to use of the Model as follows: (a) in connection with efforts by the United States Environmental Protection Agency and other parties to remediate groundwater contamination in any groundwater basin, (b) in support of Valley District's development of the Santa Ana River Watershed Integrated Model, and (c) in connection with any Party's groundwater recharge and other groundwater management plans and projects. Nothing herein is intended to preclude any use of the Santa Ana River Watershed Integrated Model.

8. No Admissions

The Parties agree that California Evidence Code sections 1152 and 1154, and Federal Rule of Evidence 408, render this Agreement inadmissible as evidence against any of the Parties in any adjudicative or quasi-adjudicative proceeding, except that either Party may offer this Agreement as evidence in an action that seeks to compel the other Party to perform its obligations under this Agreement. This Agreement may also be admitted to prove that the Fontana Parties have agreed to adequate replenishment of the Rialto Basin. Nothing in this Settlement Agreement admits or shall be construed as admitting any wrongdoing by any Party. In particular, and without limiting the generality of the preceding sentence, the Fontana Parties do not admit that they violated the 1961 Decree.

9. *Costs and Fees*

Each Party shall bear its own fees and costs, including attorneys' and experts' fees, associated with the Litigation and this Agreement, including any dispute or other proceeding regarding this Agreement that may arise in the future.

10. *Dismissal of the Action*

Within five (5) business days of execution by all Parties, Valley District's counsel shall prepare and send to the Fontana Parties' counsel a Stipulation for Dismissal, with prejudice, of the claims and cross-claims asserted by Valley District and the Fontana Parties against each other. Within five (5) business days of receiving Fontana Parties' counsel's signature (or permission to use an e-signature), Valley District's counsel shall file the Stipulation for Dismissal with the Court. The Parties agree to seek judicial approval of this Agreement.

11. *General Provisions*

a. *Authority*. Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendment*. This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Civil Code Section 1542 Waiver*. The Parties expressly waive the rights provided under California Civil Code Section 1542, which states that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH DEBTOR.

The Parties understand the significance and consequences of this California Civil Code Section 1542 waiver, they assume the risk of any unknown facts and claims released by this Agreement, and they hereby assume full responsibility for any damages or losses covered by this waiver.

Initials: MWB _____ _____ _____ _____

d. *Jurisdiction and Venue*. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

9. *Costs and Fees*

Each Party shall bear its own fees and costs, including attorneys' and experts' fees, associated with the Litigation and this Agreement, including any dispute or other proceeding regarding this Agreement that may arise in the future.

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Within five (5) business days of execution by all Parties, Valley District's counsel shall prepare and send to the Fontana Parties' counsel a Stipulation for Dismissal, with prejudice, of the claims and cross-claims asserted by Valley District and the Fontana Parties against each other. Within five (5) business days of receiving Fontana Parties' counsel's signature (or permission to use an e-signature), Valley District's counsel shall file the Stipulation for Dismissal with the Court. The Parties agree to seek judicial approval of this Agreement.

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b. *Amendment.* This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Civil Code Section 1542 Waiver.* The Parties expressly waive the rights provided under California Civil Code Section 1542, which states that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH DEBTOR.

The Parties understand the significance and consequences of this California Civil Code Section 1542 waiver, they assume the risk of any unknown facts and claims released by this Agreement, and they hereby assume full responsibility for any damages or losses covered by this waiver.

Initials: _____ _____ _____ _____

d. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

9. *Costs and Fees*

Each Party shall bear its own fees and costs, including attorneys' and experts' fees, associated with the Litigation and this Agreement, including any dispute or other proceeding regarding this Agreement that may arise in the future.

10. *Dismissal of the Action*

Within five (5) business days of execution by all Parties, Valley District's counsel shall prepare and send to the Fontana Parties' counsel a Stipulation for Dismissal, with prejudice, of the claims and cross-claims asserted by Valley District and the Fontana Parties against each other. Within five (5) business days of receiving Fontana Parties' counsel's signature (or permission to use an e-signature), Valley District's counsel shall file the Stipulation for Dismissal with the Court. The Parties agree to seek judicial approval of this Agreement.

11. *General Provisions*

a. *Authority.* Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendment.* This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Civil Code Section 1542 Waiver.* The Parties expressly waive the rights provided under California Civil Code Section 1542, which states that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH DEBTOR.

The Parties understand the significance and consequences of this California Civil Code Section 1542 waiver, they assume the risk of any unknown facts and claims released by this Agreement, and they hereby assume full responsibility for any damages or losses covered by this waiver.

Initials: _____ _____ _____ _____

d. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

e. *Headings*. The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

f. *Construction and Interpretation*. This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

g. *Entire Agreement*. This Agreement constitutes the entire and final agreement of the Parties with respect to the subject matter of this Agreement and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

h. *Successors and Assigns*. This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

i. *Waivers*. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement. Oral waivers shall not be permitted or valid.

j. *Warranty*. Each Party hereto warrants and represents that it has the power and authority to settle and release claims as set forth herein, and that its signatory is duly authorized and empowered to sign this Agreement on its behalf. Each party further warrants that it has been represented by legal counsel in the negotiation and drafting of this Agreement. This Agreement is the result of a negotiated compromise and was jointly drafted by the Parties.

k. *Necessary Actions*. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement. The Parties further agree to take no action that would frustrate the purposes of this Agreement.

l. *Compliance with Law*. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

m. *Third Party Beneficiaries*. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

n. *Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

o. *Non-Reliance.* The Parties represent, warrant, agree, and shall be forever estopped to deny each of the following:

i. That no adverse party or attorney has made, nor have the Parties relied upon, any promise, representation or warranty whatsoever, express or implied, which is not contained herein, to induce them to execute this Agreement;

ii. That they have read and understand this Agreement;

iii. That the Parties are the sole owners of all claims and causes of action that they have asserted in this lawsuit, and that they have never assigned or transferred any of said claims or causes of action to any other party;

iv. That the Parties and their attorneys have made such investigation as they deem necessary of the facts and law pertaining to this Agreement and the value of the consideration and the claims being released hereby; and

v. That if they subsequently discover that any fact relied upon by them in entering into this Agreement was untrue, that any facts were concealed from them, or that their understanding of the facts or law or the terms of this Agreement was in any way incorrect, they shall still not be entitled to set aside this Agreement and the above releases.

p. *Cooperation.* The Parties will cooperate and coordinate all public announcements relating to this Agreement.

q. *Notices.* All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by electronic mail or facsimile transmission on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

With a copy to:
David Aladjem
Downey Brand LLP
621 Capitol Mall, 18th Floor
Sacramento, CA 95814

President
San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733

With a copy to:
T. J. Ryan
Vice President and General Counsel
San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733

General Manager
Fontana Water Company
15966 Arrow Route
Fontana, CA 92335

With a copy to:
T. J. Ryan
Vice President and General Counsel
San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733

President
Fontana Union Water Company
15966 Arrow Route
Fontana, CA 92335

With a copy to:
Thomas H. McPeters, Esq.
700 E. Redlands Boulevard, Suite U-297
Redlands, CA 92373-6109

General Manager
Cucamonga Valley Water District
10440 Ashford St.
Rancho Cucamonga, CA 91730-2799

With a copy to:
Thomas S. Bunn III
Lagerlof, Senecal, Gosney & Kruse
301 N Lake Av Ste 1000
Pasadena, CA 91101-5123

Dated: September 12, 2018

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Mark Bulot
Board President

Dated: September 12, 2018

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: September ___, 2018

SAN GABRIEL VALLEY WATER COMPANY

By: _____
Michael L. Whitehead
Chief Executive Officer

Dated: September ___, 2018

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: September ___, 2018

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: September ___, 2018

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Mark Bulot
Board President

Dated: September ___, 2018

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: September 12, 2018

SAN GABRIEL VALLEY WATER COMPANY

By: _____
Michael L. Whitehead
Chief Executive Officer

Dated: September ___, 2018

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: September 12, 2018

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: September 13, 2018

Approved As To Form:

By: _____

Frederic A. Fudacz
Nossaman LLP

Dated: September ___, 2018

FONTANA UNION WATER COMPANY

By: _____

Martin E. Zvirbulis
President

Dated: September 13, 2018

Approved As To Form:

By: _____

Frederic A. Fudacz
Nossaman LLP

Dated: September ___, 2018

CUCAMONGA VALLEY WATER DISTRICT

By: _____

James V. Curatalo, Jr.
President

Dated: September ___, 2018

Approved As To Form:

By: _____

Thomas S. Bunn III
Special Counsel

Dated: September ___, 2018

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: September ___, 2018

FONTANA UNION WATER COMPANY

By: _____
Martin E. Zvirbulis
President

Dated: September ___, 2018

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: September ___, 2018

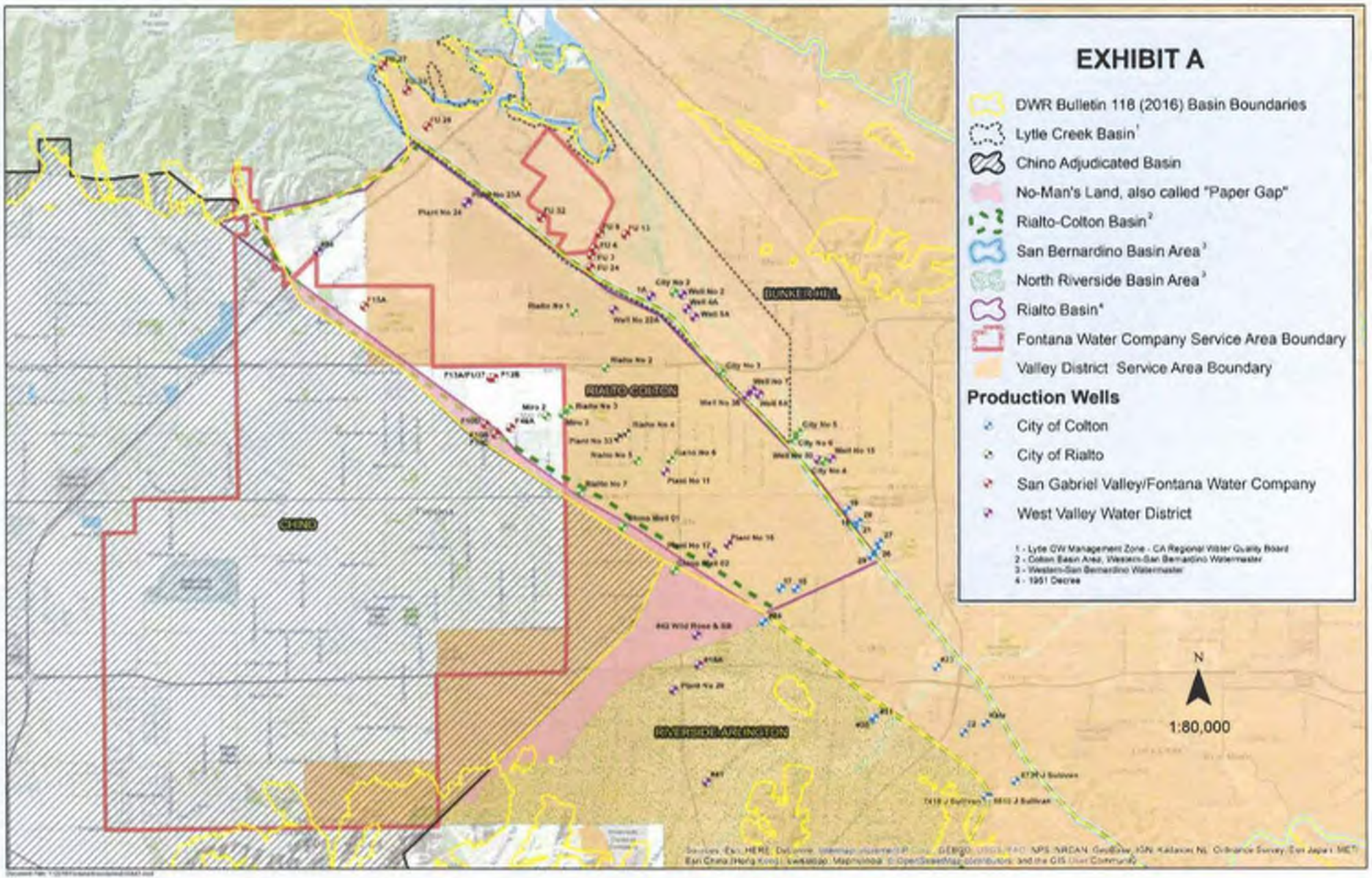
CUCAMONGA VALLEY WATER DISTRICT

By: _____
James V. Curatalo, Jr.
President

Dated: September 12, 2018

Approved As To Form:

By: Thomas S. Bunn III
Thomas S. Bunn III
Special Counsel


EXHIBIT A
DWR Bulletin 118 (2016) Basin Boundaries
Lytle Creek Basin[1]
Chino Adjudicated Basin
No-Man's Land, also called "Paper Gap"
Rialto-Colton Basin[2]
San Bernardino Basin Area[3]
North Riverside Basin Area[3]
Rialto Basin[4]
Fontana Water Company Service Area Boundary
Valley District Service Area Boundary
Production Wells
City of Colton
City of Rialto
San Gabriel Valley/Fontana Water Company
West Valley Water District
1 - Lytle GW Management Zone - CA Regional Water Quality Board
2 - Colton Basin Area, Western-San Bernardino Watermaster
3 - Western-San Bernardino Watermaster
4 - 1961 Decree
CHINO
RIALTO-COLTON
BUNKER HILL
RIVERSIDE-ARLINGTON
N
1:80,000

COLTON AMENDMENT TO SETTLEMENT AGREEMENT

This First Amendment to the Settlement Agreement dated September 12, 2018 ("**Settlement Agreement**") is entered into and effective this ___ day of February, 2019 by and among Plaintiffs and Cross-Defendants San Bernardino Valley Municipal Water District ("**Valley District**") and City of Colton ("**Colton**") and Defendants and Cross-Complainants Fontana Union Water Company ("**Fontana Union**"), San Gabriel Valley Water Company, a California Corporation ("**San Gabriel**"), and Fontana Water Company, a division of San Gabriel (collectively, "**Fontana Parties**"), and Intervenor-Defendant Cucamonga Valley Water District ("**Cucamonga**"). Each of the Parties to this Agreement is sometimes referred to as a "**Party**" and are collectively sometimes referred to as the "**Parties.**"

Recitals

A. On September 12, 2018, Valley District, the Fontana Parties, and Cucamonga entered into a Settlement Agreement.

B. Colton now wishes to join that Settlement Agreement as a Party, to settle and resolve all of its claims and cross-claims in the Litigation, and to promote the sustainable groundwater management principles set forth therein.

Agreements

In consideration of the promises, agreements and releases contained herein and for good and valuable consideration, the Parties agree as follows:

1. *Acceptance and Incorporation of Settlement Agreement*

   Colton accepts and agrees to the Recitals, definitions, principles, and Agreements set forth in the Settlement Agreement, which are incorporated herein by reference, except for those delineations and amendments set forth in this Amendment.

2. *Amended Definitions and Recitals.*

   Recital C of the Settlement Agreement is hereby amended to include Colton among the "Parties" and exclude it from the "Non-Settling Plaintiffs."

   Recital D of the Settlement Agreement is hereby amended to add at the end: "As for Colton, the current operative complaint is the Third Amended Complaint filed on or about November 2, 2018.

   Recital F is hereby amended to state: "Colton and the Non-Settling Plaintiffs separately asserted six claims alleging breach of contract and other claims arising from the 1961 Decree."

   Recital J is hereby amended to add at the end: "As for Colton, the current operative cross-complaint is the Second Amended Verified Cross-Complaint which was filed on or about November 14, 2018, which added the 11th Cause of Action, entitled Breach of Contract – Violation of 1961 Rialto Decree by Colton, Rialto and West Valley Water District."

3. *Payment to Colton.*

a. In full settlement of all of Colton's claims in the Litigation, the Fontana Parties' will cause their insurer Arch Insurance Company to pay Colton the total sum of $3 million within 30 days after full execution of this Amendment and Colton providing a federal W-9 tax form for its designated payee.

b. In the event that Arch and the Fontana Parties reach an agreement with Rialto, before trial, that results in a payment by Arch to Rialto that exceeds $3 million, then Arch shall pay Colton the difference between the amount paid to Rialto and the $3 million.

4. *Preliminary Injunction*

Section 3(f) of the Settlement Agreement shall be deleted and replaced with a new Section 3.1 stating:
"All extractions by the Fontana Parties within the boundaries of the 1961 Decree area shall be subject to the terms of the Preliminary Injunction issued by the San Bernardino County Superior Court on March 20, 2015, and any subsequent court orders, until the Parties agree otherwise."

5. *Release*

Section 5 of the Settlement Agreement is amended by adding the following sentence to the end of its first paragraph:
"This release on behalf of Colton is unconditional and severable from the other provisions of the Settlement Agreement as amended herein, and this release shall remain enforceable even if other provisions of the Settlement Agreement are deemed unenforceable or invalid, so long as Colton receives the $3 million settlement payment required above."

6. *Request for Dismissal of the Action.*

Section 10 of the Settlement Agreement is replaced with the following:
"Within five (5) business days of full execution of this Amendment, the Fontana Parties' counsel shall prepare and send to counsel for Colton and Valley District a stipulation for dismissal with prejudice of the claims and cross-claims asserted by Colton and the Fontana Parties against each other. Pursuant to CCP §664.6, the stipulation for dismissal shall also request that the Court retain jurisdiction over the Parties to enforce the Settlement Agreement, as amended, until performance in full of its terms, notwithstanding the above dismissals. All Parties shall promptly execute and the Fontana Parties shall promptly file with the Court the stipulation for dismissal and retention of jurisdiction."

7. *Notices.*

Section 11(q) of the Settlement Agreement is amended to add the following notice recipients for Colton:

David X. Kolk, Ph.D.
Utilities and Public Works Director
650 N. La Cadena Ave

Colton, CA 92324
and
Utilities Director
650 N. La Cadena Ave
Colton, CA 92324

With a copy to:
Geralyn Skapik, Esq.
5861 Pine Ave., suite A-1
Chino Hills, CA 91709

8. *Groundwater Management Plan.*

Section 3(l) of the Settlement Agreement is replaced with the following: "The Parties will develop, adopt and implement a Rialto-Colton Basin sustainable groundwater management plan including, if the Parties and other public water suppliers extracting water from the Rialto-Colton Basin agree, an operating safe yield, a new index well regime, and/or other groundwater management tools (including the ability to overproduce in any year subject to replenishment), which may be included in an amended Decree."

9. *Penalties for Overpumping.*

a. In the event that any party exceeds its pumping allocation for the water year, that party shall abide by the provisions of section 3(j) of the Settlement Agreement by paying Valley District to acquire replacement water.

b. If the amount pumped in excess is greater than 10% of the party's allocation (including any future water rights acquired by lease or purchase) and the party fails to abide by the provisions of section 3(j) of the Settlement Agreement, then the party shall pay a penalty of $10,000/acre-foot for the amount over 110% of the allocation. Such penalties shall be paid into the general replenishment account managed by the Groundwater Council that is described below ("Groundwater Council").

10. *Replenishment Credit Accounts.*

Section 2 of the Settlement Agreement is modified by adding the following provisions:

h. Valley District shall establish and administer the following segregated accounts: one for the Defendants, one for the City of Colton, one each for West Valley and Rialto if either party settles with the Fontana Parties, and one general replenishment account.

i. Each beneficiary of these segregated accounts for the Defendants, Colton, West Valley, and Rialto who settles with the Fontana Parties shall have the option of a replenishment credit account that will be funded either: (i) in the following amounts to be paid upon the completion of the 61,000 acre-feet of replenishment per §2(c) of the Settlement Agreement: Rialto $6 million, Colton $4 million, West Valley $3 million, Defendants $3 million; or (ii) in the amount of 37.5% of the above amounts to be paid within 90 days of the execution of this

Amendment, if requested by the beneficiary within 60 days of the execution of this Amendment.

j. All of these accounts shall be administered by Valley District and shall be limited in their disbursements to projects that benefit groundwater management in the Rialto Basin, as determined by the Groundwater Council.

11. *Groundwater Council.*

Within one year of the execution of this Amendment, all parties to the Settlement Agreement will jointly establish a Groundwater Council for the Rialto-Colton Basin modeled on the Groundwater Council that has been established for the San Bernardino Basin Area and whose voting members shall be the four parties to the 1961 Decree. The Groundwater Council shall:

a. Within five years of its establishment, conduct the studies, modeling runs and other analyses that may be necessary to develop a plan for the sustainable management of the Rialto-Colton Basin; provided that such plan is not inconsistent with Valley District's obligations under the Orange County Judgment (*Orange County Water District v. City of Chino et al.*, Superior Court of Orange County, Case No. 117628) and the Western Judgment (*Western Municipal Water District of Riverside County v. East San Bernardino County Water District*, Superior Court of Riverside County, Case No. 78426); and

b. Have the authority to require the parties (excluding Valley District) to contribute their fair share (including by applying amounts deposited in replenishment accounts described above) towards development of the plan and any projects benefiting the Rialto-Colton Basin.

12. *General Provisions.*

a. By signing this Amendment, Colton will become a party to the Settlement Agreement. Except as modified herein, all provisions of the Settlement Agreement are hereby accepted and incorporated into this Amendment.

b. Each Plaintiff may settle separately with the Fontana Parties and Cucamonga.

Dated: February___, 2019

City of Colton

By: _____
William Smith
City Manager

Dated: February___, 2019

Approved As To Form:

By: _____
Geralyn Skapik

Special Counsel

Dated: February___, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
T. Milford Harrison
Board President

Dated: February___, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February___, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: _____
Michael L. Whitehead
Chief Executive Officer

Dated: February___, 2019

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: February___, 2019

FONTANA UNION WATER COMPANY

By: _____
John Bosler
President

Dated: February 19, 2019

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: February ___, 2019

CUCAMONGA VALLEY WATER DISTRICT

By: _____
James V. Curatalo, Jr.
President

Dated: February 14, 2019

Approved As To Form:

By: _____
Thomas S. Bunn III
Special Counsel

Special Counsel

Dated: February 21, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: Paul R Kielhold
Paul R. Kielhold
Board Vice-President

Dated: February 15, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February 7, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: M. Whitehead
Michael L. Whitehead
Chief Executive Officer

Dated: February 7, 2019

FONTANA WATER COMPANY

By: Robert W. Nicholson
Robert W. Nicholson
President

Dated: February ___, 2019

FONTANA UNION WATER COMPANY

By: _____
John Boeler
President

RIALTO AMENDMENT TO SETTLEMENT AGREEMENT

This Amendment to the Settlement Agreement dated September 12, 2018 ("**Amendment**") is entered into and effective this 12th day of February, 2019 by and among Plaintiffs and Cross-Defendants San Bernardino Valley Municipal Water District ("**Valley District**") and City of Rialto ("**Rialto**") and Defendants and Cross-Complainants Fontana Union Water Company ("**Fontana Union**"), San Gabriel Valley Water Company, a California Corporation ("**San Gabriel**"), and Fontana Water Company, a division of San Gabriel (collectively, "**Fontana Parties**" or "**Defendants**"), and Intervenor-Defendant Cucamonga Valley Water District ("**Cucamonga**"). Each of the Parties to this Agreement is sometimes referred to as a "**Party**" and are collectively sometimes referred to as the "**Parties.**"

Recitals

A. On September 12, 2018, Valley District, the Fontana Parties, and Cucamonga entered into a Settlement Agreement in the litigation styled *San Bernardino Valley Municipal Water District et al v. San Gabriel Water Company et al.*, Case No. CIVDS 1311085, San Bernardino County Superior Court ("Litigation") ("Settlement Agreement"). A copy of that Settlement Agreement is attached hereto as Exhibit A and incorporated herein by reference as is set forth in full.

B. Rialto now wishes to join that Settlement Agreement as a Party, to settle and resolve all of its claims and cross-claims in the Litigation, and to promote the sustainable groundwater management principles set forth therein. As such, the Parties have negotiated modifications to the Settlement Agreement as set forth below.

Agreements

In consideration of the promises, agreements and releases contained herein and for good and valuable consideration, the Parties agree as follows:

1. *Acceptance and Incorporation of Settlement Agreement*

   The Parties accept and agree to the Recitals, Definitions, principles, and Agreements set forth in the Settlement Agreement, which are incorporated herein by reference, except for those delineations and amendments set forth in this Amendment.

2. *Amended Definitions and Recitals*.

   Recital C of the Settlement Agreement is hereby amended to include Rialto among the "Parties" and exclude it from the "Non-Settling Plaintiffs."

   Recital D of the Settlement Agreement is hereby amended to add at the end: "As for Rialto, the current operative complaint is the Third Amended Complaint filed on or about November 2, 2018.

   Recital F is hereby amended to state: "Rialto and the Non-Settling Plaintiffs separately asserted six claims alleging breach of contract and other claims arising from the 1961 Decree."

Recital J is hereby amended to add at the end: "As for Rialto, the current operative cross-complaint is the Second Amended Verified Cross-Complaint which was filed on or about November 14, 2018, which added the 11th Cause of Action, entitled Breach of Contract – Violation of 1961 Rialto Decree by Colton, Rialto and West Valley Water District."

3. *Payment to Rialto.*

In full settlement of all of Rialto's claims in the Litigation, the Fontana Parties' will cause their insurer Arch Insurance Company to pay Rialto the total sum of $3 million within 30 days after full execution of this Amendment and Rialto providing a federal W-9 tax form for its designated payee.

4. *Preliminary Injunction*

Section 3(f) of the Settlement Agreement shall be deleted and replaced with a new Section 3.1 stating:
"All extractions by the Fontana Parties within the boundaries of the 1961 Decree area shall be subject to the terms of the Preliminary Injunction issued by the San Bernardino County Superior Court on March 20, 2015, and any subsequent court orders, unless and until the Parties agree otherwise."

5. *Release*

Section 5 of the Settlement Agreement is amended by adding the following sentence to the end of its first paragraph:
"Such releases also include all claims contained in Plaintiffs' Third Amended Complaint and Fontana Parties' Second Amended Verified Cross-Complaint. This release on behalf of Rialto is unconditional and severable from the other provisions of the Settlement Agreement as amended herein, and this release shall remain enforceable even if other provisions of the Settlement Agreement are deemed unenforceable or invalid, so long as Rialto receives the $3 million settlement payment required above."

6. *Request for Dismissal of the Action.*

Section 10 of the Settlement Agreement is replaced with the following:
"Within five (5) business days of full execution of this Amendment, the Fontana Parties' counsel shall prepare and send to counsel for Rialto and Valley District a stipulation for dismissal with prejudice of the claims and cross-claims asserted by Rialto and the Fontana Parties against each other. Pursuant to CCP §664.6, the stipulation for dismissal shall also request that the Court retain jurisdiction over the Parties to enforce the Settlement Agreement, as amended, until performance in full of its terms, notwithstanding the above dismissals. All Parties shall promptly execute and the Fontana Parties shall promptly file with the Court the stipulation for dismissal and retention of jurisdiction."

7. *Notices.*

Section 11(q) of the Settlement Agreement is amended to add the following notice recipient for Rialto:

City Administrator
City of Rialto
150 So. Palm Ave.
Rialto, CA 92376

8. *Groundwater Management Plan.*

Section 3(l) of the Settlement Agreement is replaced with the following: "The Parties will develop, adopt and implement a Rialto-Colton Basin sustainable groundwater management plan including, if the Parties and other public water suppliers extracting water from the Rialto-Colton Basin agree, an operating safe yield, a new index well regime, and/or other groundwater management tools (including the ability to overproduce in any year subject to replenishment), which may be included in an amended Decree."

9. *Penalties for Overpumping.*

a. In the event that any party exceeds its pumping allocation for the water year, that party shall abide by the provisions of section 3(j) of the Settlement Agreement by paying Valley District to acquire replacement water.

b. If the amount pumped in excess is greater than 10% of the party's allocation (including any future water rights acquired by lease or purchase) and the party fails to abide by the provisions of section 3(j) of the Settlement Agreement, then the party shall pay a penalty of $10,000/acre-foot for the amount over 110% of the allocation. Such penalties shall be paid into the general replenishment account managed by the Groundwater Council that is described below ("Groundwater Council").

10. *Replenishment Credit Accounts.*

Section 2 of the Settlement Agreement is modified by adding the following provisions:

h. Valley District shall establish and administer the following segregated accounts: one for the Defendants, one for Rialto, and one each for Colton and West Valley if either party settles with the Fontana Parties, and one general replenishment account.

i. Each beneficiary of these segregated accounts for the Defendants and for Colton, West Valley, and Rialto, if either party settles with the Fontana Parties, shall have the option of a replenishment credit account that will be funded either: (i) in the following amounts to be paid upon the completion of the 61,000 acre-feet of replenishment per §2(c) of the Settlement Agreement: Rialto $6 million, Colton $4 million, West Valley $3 million, Defendants $3 million; or (ii) in the amount of 37.5% of the above amounts to be paid within 90 days of the execution of this Amendment, if requested by the beneficiary within 60 days of the execution of this Amendment.

j. All of the accounts described in paragraphs h and i shall be administered by Valley District and shall be limited in their disbursements to projects that benefit

groundwater management in the Rialto Basin, as determined by the Groundwater Council.

11. *Groundwater Council.*

Within one year of the execution of this Amendment, all parties to the Settlement Agreement will jointly establish a Groundwater Council for the Rialto-Colton Basin modeled on the Groundwater Council that has been established for the San Bernardino Basin Area and whose voting members shall be the four parties to the 1961 Decree, with each member having one vote. The Groundwater Council shall:

a. Within five years of its establishment, conduct the studies, modeling runs and other analyses that may be necessary to develop a plan for the sustainable management of the Rialto-Colton Basin; provided that such plan is not inconsistent with Valley District's obligations under the Orange County Judgment (*Orange County Water District v. City of Chino et al.*, Superior Court of Orange County, Case No. 117628) and the Western Judgment (*Western Municipal Water District of Riverside County v. East San Bernardino County Water District*, Superior Court of Riverside County, Case No. 78426); and

b. Have the authority to require the parties (excluding Valley District) to contribute their fair share (including by applying amounts deposited in replenishment accounts described above) towards development of the plan and any projects benefiting the Rialto-Colton Basin, as defined in the basin map attached to the Settlement Agreement as Attachment A.

12. *General Provisions.*

a. By signing this Amendment, Rialto will become a party to the Settlement Agreement. Except as modified herein, all provisions of the Settlement Agreement are hereby accepted and incorporated into this Amendment including, but not limited to the Civil Code section 1542 Waiver, which states:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

b. Each Plaintiff may settle separately with the Fontana Parties and Cucamonga.

c. This Amendment may be signed in counterparts.

Dated: February 21, 2019

CITY OF RIALTO

By: _____

Deborah Robertson
Mayor

Dated: February 19, 2019

Approved As To Form:

By: _____
Fred Galante
City Attorney

Dated: February___, 2019

ATTEST:

_____
Barbara A. McGee
City Clerk

Dated: February___, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
T. Milford Harrison
Board President

Dated: February___, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February___, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: _____
Michael L. Whitehead
Chief Executive Officer

Dated: February___, 2019

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: February___, 2019

Approved As To Form:

By: _____
Fred Galante
City Attorney

Dated: February___, 2019

ATTEST:

_____
Barbara A. McGee
City Clerk

Dated: February___, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
T. Milford Harrison
Board President

Dated: February___, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February 20, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: M.L. Whitehead
Michael L. Whitehead
Chief Executive Officer

Dated: February 15, 2019

FONTANA WATER COMPANY

By: Robert W. Nicholson
Robert W. Nicholson
President

Dated: February___, 2019

Approved As To Form:

By: _____
Fred Galante
City Attorney

Dated: February___, 2019

ATTEST:

_____
Barbara A. McGee
City Clerk

Dated: February 21, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: Paul R Kielhold
Paul R. Kielhold
Board Vice-President

Dated: February 15, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February___, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: _____
Michael L. Whitehead
Chief Executive Officer

Dated: February___, 2019

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: February___, 2019

FONTANA UNION WATER COMPANY

By: _____
John Bosler
President

Dated: February 19, 2019

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: February___, 2019

CUCAMONGA VALLEY WATER DISTRICT

By: _____
James V. Curatalo, Jr.
President

Dated: February 14, 2019

Approved As To Form:

By: _____
Thomas S. Bunn III
Special Counsel

WEST VALLEY AMENDMENT TO SETTLEMENT AGREEMENT

This Amendment to the Settlement Agreement dated September 12, 2018 ("**Settlement Agreement**") is entered into and effective this 7th day of February, 2019 by and among Plaintiffs and Cross-Defendants San Bernardino Valley Municipal Water District ("**Valley District**") and West Valley Water District ("**West Valley**") and Defendants and Cross-Complainants Fontana Union Water Company ("**Fontana Union**"), San Gabriel Valley Water Company, a California Corporation ("**San Gabriel**"), and Fontana Water Company, a division of San Gabriel (collectively, "**Fontana Parties**" or "**Defendants**"), and Intervenor-Defendant Cucamonga Valley Water District ("**Cucamonga**"). Each of the Parties to this Agreement is sometimes referred to as a "**Party**" and are collectively sometimes referred to as the "**Parties**."

Recitals

A. On September 12, 2018, Valley District, the Fontana Parties, and Cucamonga entered into a Settlement Agreement.

B. West Valley now wishes to join that Settlement Agreement as a Party, to settle and resolve all of its claims and cross-claims in the Litigation, and to promote the sustainable groundwater management principles set forth therein.

Agreements

In consideration of the promises, agreements and releases contained herein and for good and valuable consideration, the Parties agree as follows:

1. *Acceptance and Incorporation of Settlement Agreement*

   West Valley accepts and agrees to the Recitals, definitions, principles, and Agreements set forth in the Settlement Agreement, which are incorporated herein by reference, except for those delineations and amendments set forth in this Amendment.

2. *Amended Definitions and Recitals.*

   Recital C of the Settlement Agreement is hereby amended to include West Valley among the "Parties" and exclude it from the "Non-Settling Plaintiffs."

   Recital D of the Settlement Agreement is hereby amended to add at the end: "As for West Valley, the current operative complaint is the Third Amended Complaint filed on or about November 2, 2018.

   Recital F is hereby amended to state: "West Valley and the Non-Settling Plaintiffs separately asserted six claims alleging breach of contract and other claims arising from the 1961 Decree."

   Recital J is hereby amended to add at the end: "As for West Valley, the current operative cross-complaint is the Second Amended Verified Cross-Complaint which was filed on or about November 14, 2018, which added the 11th Cause of Action, entitled Breach of Contract – Violation of 1961 Rialto Decree by Colton, Rialto and West Valley Water District."

3. *Payment to West Valley.*

a. In full settlement of all of West Valley's claims in the Litigation, the Fontana Parties' will cause their insurer Arch Insurance Company to pay West Valley the total sum of $3 million within 30 days after full execution of this Amendment and West Valley providing a federal W-9 tax form for its designated payee.

b. In the event that Arch and the Fontana Parties reach an agreement with Rialto, before trial, that results in a payment by Arch to Rialto that exceeds $3 million, then Arch shall pay West Valley the difference between the amount paid to Rialto and the $3 million.

4. *Preliminary Injunction*

Section 3(f) of the Settlement Agreement shall be deleted and replaced with a new Section 3.1 stating:
"All extractions by the Fontana Parties within the boundaries of the 1961 Decree area shall be subject to the terms of the Preliminary Injunction issued by the San Bernardino County Superior Court on March 20, 2015, and any subsequent court orders, until the Parties agree otherwise."

5. *Release*

Section 5 of the Settlement Agreement is amended by adding the following sentence to the end of its first paragraph:
"This release on behalf of West Valley is unconditional and severable from the other provisions of the Settlement Agreement as amended herein, and this release shall remain enforceable even if other provisions of the Settlement Agreement are deemed unenforceable or invalid, so long as West Valley receives the $3 million settlement payment required above."

6. *Request for Dismissal of the Action.*

Section 10 of the Settlement Agreement is replaced with the following:
"Within five (5) business days of full execution of this Amendment, the Fontana Parties' counsel shall prepare and send to counsel for West Valley and Valley District a stipulation for dismissal with prejudice of the claims and cross-claims asserted by West Valley and the Fontana Parties against each other. Pursuant to CCP §664.6, the stipulation for dismissal shall also request that the Court retain jurisdiction over the Parties to enforce the Settlement Agreement, as amended, until performance in full of its terms, notwithstanding the above dismissals. All Parties shall promptly execute and the Fontana Parties shall promptly file with the Court the stipulation for dismissal and retention of jurisdiction."

7. *Notices.*

Section 11(q) of the Settlement Agreement is amended to add the following notice recipients for West Valley:

Clarence Mansell
General Manager
West Valley Water District
855 W. Base Line Road
Rialto, CA 92376

With a copy to:
Robert Tafoya, Esq.
Tafoya & Garcia
316 West 2d Street, Suite 1000
Los Angeles, CA 90012

8. *Groundwater Management Plan.*

Section 3(l) of the Settlement Agreement is replaced with the following: "The Parties will develop, adopt and implement a Rialto-Colton Basin sustainable groundwater management plan including, if the Parties and other public water suppliers extracting water from the Rialto-Colton Basin agree, an operating safe yield, a new index well regime, and/or other groundwater management tools (including the ability to overproduce in any year subject to replenishment), which may be included in an amended Decree."

9. *Penalties for Overpumping.*

a. In the event that any party exceeds its pumping allocation for the water year, that party shall abide by the provisions of section 3(j) of the Settlement Agreement by paying Valley District to acquire replacement water.

b. If the amount pumped in excess is greater than 10% of the party's allocation (including any future water rights acquired by lease or purchase) and the party fails to abide by the provisions of section 3(j) of the Settlement Agreement, then the party shall pay a penalty of $10,000/acre-foot for the amount over 110% of the allocation. Such penalties shall be paid into the general replenishment account managed by the Groundwater Council that is described below ("Groundwater Council").

10. *Replenishment Credit Accounts.*

Section 2 of the Settlement Agreement is modified by adding the following provisions:

h. Valley District shall establish and administer the following segregated accounts: one for the Defendants, one for West Valley, and one each for Colton and Rialto if either party settles with the Fontana Parties, and one general replenishment account.

i. Each beneficiary of these segregated accounts for the Defendants and for Colton, West Valley, and Rialto, if each settles with the Fontana Parties, shall have the option of a replenishment credit account that will be funded either: (i) in the following amounts to be paid upon the completion of the 61,000 acre-feet of replenishment per §2(c) of the Settlement Agreement: Rialto $6 million, Colton $4 million, West Valley $3 million, Defendants $3 million; or (ii) in the amount of 37.5% of the above amounts to be paid within 90 days of the

execution of this Amendment, if requested by the beneficiary within 60 days of the execution of this Amendment.

j. All of these accounts shall be administered by Valley District and shall be limited in their disbursements to projects that benefit groundwater management in the Rialto Basin, as determined by the Groundwater Council.

11. *Groundwater Council.*

Within one year of the execution of this Amendment, all parties to the Settlement Agreement will jointly establish a Groundwater Council for the Rialto-Colton Basin modeled on the Groundwater Council that has been established for the San Bernardino Basin Area and whose voting members shall be the four parties to the 1961 Decree. The Groundwater Council shall:

a. Within five years of its establishment, conduct the studies, modeling runs and other analyses that may be necessary to develop a plan for the sustainable management of the Rialto-Colton Basin; provided that such plan is not inconsistent with Valley District's obligations under the Orange County Judgment (*Orange County Water District v. City of Chino et al.*, Superior Court of Orange County, Case No. 117628) and the Western Judgment (*Western Municipal Water District of Riverside County v. East San Bernardino County Water District*, Superior Court of Riverside County, Case No. 78426); and

b. Have the authority to require the parties (excluding Valley District) to contribute their fair share (including by applying amounts deposited in replenishment accounts described above) towards development of the plan and any projects benefiting the Rialto-Colton Basin.

12. *General Provisions.*

a. By signing this Amendment, West Valley will become a party to the Settlement Agreement. Except as modified herein, all provisions of the Settlement Agreement are hereby accepted and incorporated into this Amendment.

b. Each Plaintiff may settle separately with the Fontana Parties and Cucamonga.

Dated: February 27, 2019

West Valley Water District

By: _____
Dr. Michael Taylor
President

Approved As To Form:

Dated: February___, 2019

By: _____
Robert Tafoya
General Counsel

Dated: February___, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
T. Milford Harrison
Board President

Dated: February___, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February 20, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: M.Z. Whitehead
Michael L. Whitehead
Chief Executive Officer

Dated: February 15, 2019

FONTANA WATER COMPANY

By: Robert W. Nicholson
Robert W. Nicholson
President

Dated: February___, 2019

FONTANA UNION WATER COMPANY

By: _____
John Bosler
President

Dated: February___, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
T. Milford Harrison
Board President

Dated: February___, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February___, 2019

SAN GABRIEL VALLEY WATER COMPANY

By: _____
Michael L. Whitehead
Chief Executive Officer

Dated: February___, 2019

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: February___, 2019

FONTANA UNION WATER COMPANY

By: John Bosler
John Bosler
President

Dated: February 21, 2019

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: Paul R Kielhold
Paul R. Kielhold
Board Vice-President

Dated: February 15, 2019

Approved As To Form:

By: _____
David R.E. Aladjem
Special Counsel

Dated: February___, 2019

SAN GABRIEL VALLEY WATER COMPANY

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Michael L. Whitehead
Chief Executive Officer

Dated: February___, 2019

FONTANA WATER COMPANY

By: _____
Robert W. Nicholson
President

Dated: February___, 2019

FONTANA UNION WATER COMPANY

By: _____
John Bosler
President

Dated: February 19, 2019

Approved As To Form:

By: _____
Frederic A. Fudacz
Nossaman LLP

Dated: February ___, 2019

CUCAMONGA VALLEY WATER DISTRICT

By: _____
James V. Curatalo, Jr.
President

Dated: February 14, 2019

Approved As To Form:

By: _____
Thomas S. Bunn III
Special Counsel

Execution Copy

AGREEMENT
RELATING TO THE DIVERSION OF WATER FROM THE SANTA ANA RIVER SYSTEM AMONG WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY, SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AND CITY OF RIVERSIDE

(March 20, 2007)

SBVMWD LEGAL DOCUMENT 2151

AGREEMENT
RELATING TO THE DIVERSION OF WATER
FROM THE SANTA ANA RIVER SYSTEM
AMONG
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY,
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
AND
CITY OF RIVERSIDE

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AGREEMENT
RELATING TO THE DIVERSION OF WATER
FROM THE SANTA ANA RIVER SYSTEM
AMONG
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY,
SAN BERNARDINO VALLEY MUNICPAL WATER DISTRICT
AND
CITY OF RIVERSIDE

1. **PARTIES:** This Agreement relating to the diversion of water from the Santa Ana River System ("Agreement") is entered into and effective this 20th day of March, 2007 by and among the City of Riverside ("Riverside"), San Bernardino Valley Municipal Water District ("Muni") and Western Municipal Water District of Riverside County ("Western"). Muni and Western are collectively referred to as "Muni/Western." Each party to this Agreement is referred to as a "Party" and the parties collectively are referred to as the "Parties."

2. **RECITALS:**

2.1 The Parties are interested in the efficient management of the water resources, both local and imported, available to them and desire to work cooperatively to ensure that the demands, both current and future, of all users within the Parties' respective service areas are satisfied by maximizing the yield of the local water supplies and utilizing the available imported water supplies as necessary.

2.2 The Parties were all parties to the litigation that resulted in the judgment in *Orange County Water District v. City of Chino et al.* (Orange County Superior Court No. 117628, April 17, 1969) (the "*Orange County* Judgment"). Under the terms of that judgment, each of the Parties has "full freedom to engage in any activity for water conservation or storage of storm flows above Prado Reservoir" as long as Western and the Inland Empire Utilities Agency deliver certain quantities of base flow to Orange County Water District.

2.3 The Parties are all parties to the judgment in *Western Municipal Water District et al. v. East San Bernardino County Water District et al.* (Riverside County Superior Court No. 78426, April 17, 1969) (the "*Western* Judgment"). Under the terms of that judgment,

Riverside is entitled to extract a total of 49,542 afy from the San Bernardino Basin Area ("SBBA") for export outside San Bernardino County. The *Western* Judgment also addresses Riverside's extractions in the Colton, Riverside North and Riverside South groundwater basins. Collectively, the SBBA, Colton, Riverside North and Riverside South groundwater basins are referred to as the "Groundwater Basins."

2.4 Riverside has developed groundwater resources from the Groundwater Basins and has invested significant resources to produce, treat, transport, and deliver such water. The *Western* Judgment also provides certain safeguards to ensure that all groundwater producers may, in fact, exercise the rights referenced in the immediately preceding Section, most notably a requirement that Muni and Western each replenish certain groundwater basins under certain conditions in order to maintain the safe yield of the Groundwater Basins.

2.5 The construction of the Seven Oaks Dam ("SOD") by the US Army Corps of Engineers provides the opportunity to increase the yield of the Groundwater Basins through the development of additional Santa Ana River ("SAR") water that was historically not utilized by the Parties. The *Western* Judgment defines "New Conservation" as "any increase in replenishment from natural precipitation which results from operation of works and facilities not now in existence" and contemplates that the Parties will develop additional water supplies from the implementation of water conservation efforts under the terms of the *Orange County* Judgment ("New Conservation"). The *Western* Judgment further contemplates that Western, Riverside and other so-called Plaintiff Parties under the *Western* Judgment shall have their adjusted extraction rights increased to include a proportionate share of any New Conservation, provided that each Plaintiff Party pays its proportionate share of the costs of such New Conservation.

2.6 Muni/Western have filed two water right applications with the State Water Resources Control Board that, when approved, are intended to allow the development of New Conservation from the diversion of the waters of the Santa Ana River that would

otherwise flow out of the area without being put to beneficial use. If granted in their entirety, these applications would permit the conservation of up to 200,000 afy of native (local) water from the Santa Ana River. Muni/Western have prepared an Environmental Impact Report (the "Muni/Western EIR") that analyzes the potential effects on the environment of the water rights applications and the facilities needed to place water diverted from the Santa Ana River to reasonable and beneficial use (the "Project"). Riverside provided comments to the draft version of the Muni/Western EIR.

2.7 The Parties agree that the Project, as identified in the EIR, has the potential to: a) increase water supply reliability by reducing dependence on imported water; b) develop and deliver a new, local, high quality, long-term water supply that is needed to meet a portion of the anticipated future demands in their service areas; c) expand operational flexibility by adding infrastructure and varying sources of water, thereby providing the Parties greater capability to meet future water demands; and d) reduce the threat of liquefaction induced damages caused by a combination of high groundwater and earthquake activity.

2.8 Further, the Parties recognize that Muni/Western's proposed diversion of water to satisfy the Project's objectives listed above may have adverse effects on Riverside's water resources in the Groundwater Basins.

2.9 Muni/Western desire to mitigate impacts that may be caused by the Project to Riverside's water resources while also allowing for the maximum diversion of water by Muni/Western from the SAR and avoiding conditions of high groundwater that create a risk of liquefaction in the Pressure Zone of the SBBA groundwater basin and other groundwater basins. This will be accomplished through the development and implementation of a cooperative program as a part of the Integrated Regional Groundwater Management Plan for the Upper Santa Ana River Watershed, which plan is currently being renamed to reference water management generally and will hereinafter be referred to as the Integrated Regional Water Management Plan for the Upper Santa Ana River Watershed ("IRWMP").

2.10 Riverside has submitted an application and a petition to the State Water Resources Control Board to change the point of discharge, place of use, and purpose of use for its treated wastewater effluent from the SAR. Riverside has prepared a Program EIR (PEIR) for a Recycled Water Program.

2.11 The Parties wish to memorialize their understandings by means of this Agreement.

3. **AGREEMENT:** The Parties agree as follows:

3.1 State Water Resources Control Board ("SWRCB") Process.

3.1.1 Riverside will support Muni/Western's applications before the SWRCB, the California Department of Fish and Game ("DFG"), the U.S. Fish and Wildlife Service ("USFWS"), the U.S. Army Corps of Engineers, the Santa Ana Regional Water Quality Control Board, the "Local Sponsors" (San Bernardino County Flood Control District, Riverside County Flood Control and Water Conservation District and Orange County Flood Control District), and the U.S. Forest Service ("USFS").

3.1.2 Muni/Western will support Riverside's application and petition before the SWRCB, DFG, USFWS, USFS and the Santa Ana Regional Water Quality Control Board.

3.1.3 Each Party shall cooperate with the other Parties to the extent consistent with its own interests in connection with securing the water rights sought by the other Parties through the SAR water right hearing(s). Except as agreed in writing by the Authorized Representatives, or as provided by any existing cost sharing arrangements between the Parties, each Party shall bear its own costs related to such cooperation.

3.2 California Environmental Quality Act (CEQA) Process.

3.2.1 Muni/Western will not challenge Riverside's PEIR for its recycled water project.

3.2.2 Riverside will not challenge the Muni/Western EIR for diversions from the Santa Ana River.

3.3 Seven Oaks Dam Water Diversions Engineering and Operations Committee. The Parties hereby establish the Seven Oaks Dam Water Diversions Engineering and Operations Committee ("EOC"), which committee shall initially be comprised of the Authorized Representatives and shall be responsible for implementing this Agreement and shall operate on a consensus basis in all matters. The EOC shall develop and implement procedures intended to (i) maintain groundwater levels at the wells specified in Exhibit A at relatively constant levels, in spite of fluctuations due to hydrologic variation, (ii) minimize such fluctuations (reduce the highs and lows in groundwater levels), (iii) provide replacement water to Riverside when water diversions from the SAR by Muni/Western reduce, or are deemed under this agreement to reduce, recharge into the SBBA and Riverside North Basin, as provided pursuant to Sections 3.8.4 and 3.9, and (iv) develop recommendations to the *Western* Judgment Watermaster regarding the classification of the diverted SAR water as either New Conservation or existing safe yield of the SBBA.

3.4 EOC Procedures. The Authorized Representatives shall meet no later than six (6) months subsequent to approval of Muni/Western SAR water right applications by SWRCB to develop the initial EOC procedures in accordance with the provisions of this Agreement. The Authorized Representatives shall initiate a review of the procedures referred to in Section 3.3 of this Agreement no later than October 1 of each year during the term of this Agreement and, as may be necessary, shall revise such procedures by the following January 31. The EOC may hold such additional meetings during each water year (October 1 to September 30) as may be necessary to update the procedures to reflect changing conditions.

3.5 Real-Time Implementation of Agreement Objectives. The EOC shall meet on a regular basis, as needed, to effectively operate, on a real-time basis, a program to achieve the objectives of Section 3.3.

3.6 Accumulated Basin Replenishment Credits. Unless otherwise agreed by the Authorized Representatives, Muni/Western shall not use basin replenishment credits

accumulated under the *Western* Judgment to meet its recharge obligations under this Agreement.

3.7 Remedies. In the event that the Parties disagree regarding the implementation of Sections 3.3 through 3.9 of this Agreement, the decision shall be made by a registered professional engineer acceptable to all Parties using, to the extent practicable, the procedures set forth in Section 10 below, provided that the fact of such disagreement shall not limit Muni/Western's ability to divert water from the SAR or to implement the terms of any arrangement for the banking or exchange of SAR water, nor limit any Parties' ability to concurrently use the dispute resolution process of Section 10 for such disagreement.

3.8 Thresholds of Groundwater Levels of Significance and Mitigation Measures for SBBA. The following thresholds of groundwater levels of significance and mitigation measures in the SBBA shall be monitored and maintained as provided by EOC procedures:

3.8.1 *Outside the Pressure Zone* – A reduction in groundwater levels outside the Pressure Zone is significant if the analysis in the Muni/Western EIR, using the integrated surface water and groundwater model developed by Muni/Western (the USGS/Geoscience/Secor model of the Bunker Hill Groundwater Basin) and annual field verifications, predicts that the Project would reduce static groundwater levels at one or more index wells listed in Exhibit A, on average, by more than 10.0 feet during a repetition of the 39-year base hydrology (1962-2000), as compared to static water levels in the absence of the Project. "Annual field verifications" shall mean a comparison of actual groundwater levels to computer model generated predictions. To avoid a significant effect on the groundwater levels at one or more index wells located outside the pressure zone, Muni/Western shall commence spreading water from its SAR water made available pursuant to a SWRCB permit or license or from the Reserve Account defined in Section 3.8.4 within one (1) calendar year and shall spread either such SAR water or Reserve Account water sufficient to maintain static groundwater levels at the affected index wells to

reduce this project impact to less-than-significant level by no later than the end of the following calendar year, unless otherwise agreed to by the Authorized Representatives.

3.8.2 *Within the Pressure Zone* – If the average of the 12-month rolling averages of the static groundwater level measurements for the USGS/MUNI Backyard Wells D4, D5, and D6 (SWNs 1S/4W-22D4,5,6 USGS Station Numbers 340439117173904,5,6) is 50 feet below ground surface (bgs) or greater, then Muni/Western shall spread water from its SAR water made available under a SWRCB permit or license or from the Reserve Account defined in Section 3.8.4, until such averages are less than 50 feet bgs. When required, Muni/Western shall commence spreading its SAR water made available under a SWRCB permit or license or from Reserve Account water within one (1) calendar year and shall complete such spreading no later than the end of the following calendar year, unless otherwise agreed to by the Authorized Representatives.

3.8.3 *Index Well Change* - It is the understanding of the Parties that the wells used to determine whether Muni/Western shall spread water may be changed by written agreement of the Authorized Representatives. It is further understood by the Parties that the IRWMP process may conclude that it would be beneficial for Muni/Western to spread, or not spread, water based on other factors in addition to the water levels in Index Wells identified in this Agreement and that the Authorized Representatives shall take such conclusions into consideration when determining if a well change is appropriate.

3.8.4 *Reserve Account* – The Reserve Account identified in Sections 3.8.1 and 3.8.2 shall be established as 38% of the total volume of water diverted by Muni/Western from the SAR pursuant to a SWRCB permit or license. Such SAR water diverted by Muni/Western and recharged in the SBBA, either directly or through an exchange, shall be subtracted from the Reserve Account balance. SAR water directly delivered may be similarly credited, if such credit is deemed appropriate by the EOC. Any credits established through the recharge of more than 38% of the water diverted by Muni/Western shall expire

from the Reserve Account after five years if not used. This method of calculating the Reserve Account water, 38% of total volume diverted by Muni/Western, will remain in effect for 12 months after the first diversion of SAR water is made by Muni/Western, unless the Parties mutually agree to an extension. During this time, the EOC defined in Section 3.3 will evaluate the available hydrology and recharge data for the SAR and SBBA to determine if a modification to the 38% recharge factor is appropriate.

3.8.5 *Water Quality* - The Muni/Western water diversions and recharge activities in the Groundwater Basins shall be consistent with the basin water quality objectives as adopted by the Santa Ana Regional Water Quality Control Board outlined in the most recent version of the Water Quality Control Plan, or any cooperative agreement among the Santa Ana Regional Water Quality Control Board and agencies recharging water in the Santa Ana River Watershed.

3.9 Potential Reduced Recharge and Mitigation Measures for Riverside North Basin. The Parties agree that, under certain circumstances, water diversions from the SAR could cause reduced recharge from surface water or groundwater, or both, into the Riverside North Basin.

3.9.1 *Replacement Water Volume Calculation* - To alleviate this impact, Muni/Western agree to provide replacement water to Riverside, in the Riverside North Basin using daily flow data from the USGS E Street Gage 11059300 and by visual inspection at the following bridges over the Santa Ana River: E Street Bridge and Mt. Vernon Bridge.

3.9.1.1 The daily amount of reduced recharge shall be calculated using the following table:

Is there visible flow in the SAR at E Street Bridge (using the USGS Gage > 0)?	**Is there "Bank to Bank" Flow in the SAR at Mt. Vernon Bridge?**	**Muni/Western Diversion Amount, cfs**	**Reduced Recharge Amount, cfs**
No	No	Less than 37 cfs	None

No	No	Greater than 37 cfs	6% of Muni/Western diversion less 37 cfs
Yes	No	Greater than zero	6% of total Muni/Western diversion
Yes	Yes	Greater than zero	None

3.9.1.2 The Muni/Western replacement obligation (total amount of reduced recharge) shall be equal to the summation of all of the daily calculations of reduced recharge for the diversion season.

3.9.1.3 A new calculation method for the Muni/Western recharge obligation in the Riverside North Basin may be developed and used in the future by agreement of the Authorized Representatives.

3.9.1.4 The Muni/Western replacement obligation shall be recorded in a "Riverside North Basin Recharge Account." Said account shall be administered by the Authorized Representatives in accord with the terms of this Agreement.

3.9.1.5 The Authorized Representatives may reduce the Muni/Western replacement obligation based on high groundwater or other special conditions within the Riverside North Basin.

3.9.1.6 The calculation of reduced recharge to the Riverside North Basin shall be made by Muni/Western at the end of the "diversion season", (September 30th) of each year.

3.9.2 *Replacement Water Delivery Timeline* - The Muni/Western replacement obligation shall be delivered within five years of the Muni/Western diversions which incurred the obligation. However, Muni/Western will use reasonable efforts to satisfy the Muni/Western replacement obligation within one (1) year of incurring the obligation.

3.9.3 *Recharge Locations* - Muni/Western will determine the most cost effective means of meeting their replacement obligation under this Agreement and will consult with groundwater producers in the Riverside North Basin and look for opportunities

to cooperate with others to develop multiple-use recharge facilities. Any Muni/Western recharge obligation under this Agreement is anticipated to be satisfied using one or both of the alternatives in Section 3.9.3.1 and 3.9.3.2. However, the choice of such alternative is contingent upon the parties complying with all environmental laws arising out of or in connection with such recharge. The term "environmental laws" shall include, without limitation, the California Environmental Quality Act and all other applicable state and federal environmental laws. The parties also acknowledge that other alternatives may be identified and considered, and that by entering into the Agreement no selection has been made of any alternative:

3.9.3.1 In-stream recharge in the SAR bed between Riverside's Meeks #1 Well and Flume #6 Well at no cost to Riverside.

3.9.3.2 Off-stream recharge in available properties on either side of the SAR in between Riverside's Meeks #1 Well and Flume #6 Well. The Parties may jointly pursue the development of the diversion and recharge facilities on an agreed upon cost allocation based on benefits from the project. Unless otherwise agreed by the Parties, Riverside's portion of the funding will include any land they own which is used for the project. Riverside shall retain ownership of the land and be given ownership of any project improvements on the land. Riverside will also operate and maintain the project. Any storm water captured by any joint project shall be credited toward the Muni/Western recharge obligation under the Riverside North Basin Recharge Account. Riverside has no obligation, but will make reasonable efforts, to develop and/or fund such recharge facilities. Muni/Western agree to fully cooperate with any application to or before the SWRCB made by Riverside, Muni and/or Western for diversion of water to such recharge facilities.

3.9.4 *In Lieu Delivery* - If Muni/Western cannot deliver the total volume of replacement water required per Section 3.9.1 due to water supply shortages or other circumstances, Muni/Western shall satisfy and discharge that obligation by means of the

direct delivery of a quantity of water to Riverside equal to and in lieu of recharging additional water in the Riverside North Basin. Said in lieu delivery shall not exceed 71.51% of the Muni/Western replacement obligation for any given year and shall be delivered by one, or more, of the following options. Such option shall be exercised at the sole discretion of Riverside. Muni/Western shall make such in lieu deliveries to Riverside in a manner that is acceptable to all Parties, which may include the following:

3.9.4.1 A recommendation by Muni/Western to the *Western* Watermaster that Riverside be allowed to increase its extractions from the Bunker Hill Basin to an amount greater than Riverside's export rights under the *Western* Judgment for the subsequent water year, provided that such additional extractions do not create an additional replenishment obligation, as defined in the *Western* Judgment, on the part of Muni. This option shall only satisfy and discharge Muni/Western's replacement water obligation if the *Western* Watermaster and, if appropriate, the Superior Court of Riverside County, determine that such additional extractions are permitted under the terms of the *Western* Judgment.

3.9.4.2 The delivery of treated, potable water to Riverside at the Metropolitan Water District's ("MWD") Henry J. Mills Water Treatment Plant with Riverside paying Muni/Western an amount equal to the sum of: (i) the MWD Treated Water Surcharge, as set forth in MWD's then-current rate schedules, and (ii) Riverside's avoided pumping costs. The avoided pumping costs will be equal to Riverside's average cost to produce water from the Riverside North Basin wells identified on Exhibit B for the previous twenty-four (24) month period.

3.9.4.3 The delivery of water by Muni/Western to the Rice-Thorne pipeline from the Baseline Feeder South Pipeline at no cost to Riverside.

3.9.4.4 The remaining 28.49 % must be recharged in Riverside North Basin by Muni/Western as soon as practicable.

3.9.4.5 If Muni/Western delivers in lieu water to Riverside as provided for in this Section 3.9.4 during a given year, Riverside's maximum entitlement to pump from the Riverside North Basin during such year shall be reduced by an amount equal to the amount actually pumped in excess of Riverside's Bunker Hill Basin export rights under the *Western* Judgment or otherwise delivered to Riverside.

3.10 *CEQA Compliance.* The Parties agree that they intend to implement the provisions of Sections 3.3 to 3.10 of this Agreement through either: (i) the use of existing water rights and water extraction, conveyance, storage and distribution facilities, within the existing physical, legal and institutional limits pertaining to such rights and facilities; or (ii) the use of the water rights and physical facilities that comprise the Project, which are described in the Muni/Western EIR, within the limits identified in the Muni/Western EIR. If the Parties determine that additional water rights, institutional arrangements, banking or exchange agreements, or physical facilities are necessary to implement this Agreement, the Parties will undertake such subsequent environmental review and analysis as may be required for such discretionary actions by the terms of CEQA.

4. **BANKING AND EXCHANGES:**

4.1 The Parties understand and acknowledge that they intend to bank and/or exchange substantial quantities of SAR water for water imported from the State Water Project, or other sources of imported or native water. Such banking and/or exchanges shall be conducted pursuant to a comprehensive program for water banking and/or exchanges in the San Bernardino Valley and elsewhere in Southern California that includes, but is not limited to:

4.1.1 The groundwater spreading plan described in the July 21, 2004 Settlement Agreement Relating to the Diversion of Water from the Santa Ana River System ("Seven Oaks Accord");

4.1.2 The Projects described in the Muni/Western EIR; and

4.1.3 Any exchange or banking of water that may occur pursuant to the Coordinated Operating Agreement Between The Metropolitan Water District of Southern California and San Bernardino Valley Municipal Water District, dated July 10, 2000, as amended, as attached hereto as Exhibit C (the "Coordinated Operating Agreement") and incorporated herein by this reference, including but not limited to projects undertaken pursuant to the agreement referred to as "Attachment 6" in the Coordinated Operating Agreement, incorporated herein by this reference.

4.2 Riverside agrees that it will not oppose any such banking or exchange project(s); provided, that (i) such project is implemented in a manner not inconsistent with the terms of this Agreement; (ii) such project shall not result in an unmitigated adverse impact on Riverside's sources of groundwater supply in the Groundwater Basins or Riverside's costs related to the extraction of such groundwater; and (iii) in the implementation of the Coordinated Operating Agreement, Muni shall not deliver Riverside's portion of any New Conservation, as such term is defined in the *Western* Judgment, to Western without the prior written consent of Riverside's Authorized Representative. Riverside agrees that any water delivered to Riverside, directly or in lieu, by means of such banking or exchanges projects shall be used in accordance with the SWRCB water rights permit or license obtained by Muni/Western.

5. **RIVERSIDE'S RECYCLED MUNICIPAL WASTEWATER:** Nothing in this Agreement shall be construed to regulate Riverside's use of its recycled municipal wastewater.

6. ***WESTERN* JUDGMENT PRODUCTION LIMITS:** Nothing in this Agreement should be construed to increase or diminish the groundwater production limits contained in the *Western* Judgment.

7. **WATERMASTER ACCOUNTING:** The Parties agree to use their best efforts to implement an accounting methodology under the *Western* Judgment, including any

amendments thereto, that will allow the Plaintiffs therein to utilize their full entitlement in the SBBA. Specifically, to the extent that the extractions by any Plaintiff to the *Western* Judgment are less than the limits set forth therein, such Plaintiff party shall be allowed to use such unused extractions as a credit in following years, meaning that any extractions in excess of the limits imposed by the *Western* Judgment, in future years, may be offset by such credits and the Plaintiff party shall not be deemed to be in violation of the extraction limits for the *Western* Judgment.

8. **RELATIONSHIP TO OTHER AGREEMENTS AND JUDGMENTS:** There are a number of existing judgments and agreements that impose conditions on the Parties that may have an effect on the implementation of this Agreement. The EOC procedures outlined in this Agreement shall be developed and implemented in a manner consistent with each Party's rights and obligations under existing judgments and agreements and nothing in this Agreement is intended to modify the rights or obligations of the Parties under the terms of such judgments or agreements.

9. **LIST OF EXHIBITS:** This Agreement includes and incorporates by reference the following exhibits:

9.1 Exhibit A: List and Figure of Index Wells

9.2 Exhibit B: List of Riverside North Basin Wells

9.3 Exhibit C: Coordinated Operating Agreement for Conveyance Facilities and State Water Project Between Metropolitan Water District of Southern California And San Bernardino Valley Municipal Water District, including Attachments 1-6.

9.4 Exhibit D: Sections 12 and 13 of ICSA Settlement

10. **REMEDIES.** In the event that one Party believes that another Party, for reasons other than the lack of funding or other resources, has failed to comply with its obligations under this Agreement, or to dispute a matter referred to or a decision rendered under Section 3.7 hereto, the Parties shall use the dispute resolution provisions set forth in Sections 12 and 13 of the Agreement to Develop and Adopt an Institutional Controls Groundwater Management

Program, dated January 1, 2005 (the "ICSA Settlement"), which Sections are set forth as Exhibit D and incorporated herein by reference. The Parties agree, however, that any challenge to a decision of an arbitrator as described in Section 13 of the ICSA Settlement shall be brought in the Superior Court of Riverside County, not in the United States Court for the Central District of California. The Parties also agree that the arbitrator need not have experience in groundwater contamination or environmental clean-up, as described in Section 12 of the ICSA Settlement.

11. **AUTHORIZED REPRESENTATIVES:** Each Party shall designate by written notice to the other Parties a representative who is authorized to act on its behalf in the implementation of this Agreement and with respect to those matters contained herein which are the functions and responsibilities of such Authorized Representative. Each Party may at any time change the designation of their Authorized Representative by written notice to the other Party. Such Authorized Representative shall have the authority to act for their respective Parties in all matters relating to performance of this Agreement, including any amendment of the Exhibits hereto. However, except as otherwise provided, they shall not have the authority to amend or modify any provision of this Agreement.

12. **GENERAL PROVISIONS:**

12.1 Effective Date and Term. This Agreement shall be effective on the date first written above and shall then continue until terminated by mutual consent of all Parties hereto. Sections 3.3 through 3.10 of this Agreement shall not take effect until the SWRCB issues a permit for the Western/Muni Applications.

12.2 Choice of Law. This Agreement and any dispute hereunder shall be governed by and construed in accordance with the laws, except for laws pertaining to the choice of laws, of the State of California.

12.3 No Waiver. No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof

preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

12.4 Entire Agreement. This Agreement shall not be construed to amend or modify any other agreement between any of the Parties or between any Party and a non-Party, which shall remain in all respects in full force and effect. This Agreement represents the entire agreement of the Parties in connection with the subject matter hereof and may be modified only in writing agreed to by all Parties. Further, this Agreement may be executed in counterparts.

12.5 Construction and Interpretation. This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

12.6 Partial Invalidity. If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

12.7 Necessary Actions. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

12.8 Third Party Beneficiaries. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

12.9 Authority of Signatories. The signatories hereto represent and warrant that they have been duly authorized to enter into this Agreement by the Party on whose behalf it is indicated that the person is signing and, by such signature, to bind such Party to the

Agreement.

12.10 Jurisdiction and Venue. Any action at law or in equity brought by any of the Parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

12.11 Notices. Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to each Party to be served as follows:

To Riverside
Public Utilities Department
City of Riverside
Attn: Assistant Director – Resources
3901 Orange Street
Riverside, CA 92522

To Muni:
San Bernardino Valley Municipal Water District
1350 S. "E" Street (92408-2725)
P. O. Box 5906 (92412-5906)
San Bernardino, CA
Attn: General Manager

To Western:
Western Municipal Water District of Riverside County
450 Alessandro Boulevard
Riverside, CA 92508
Attn: General Manager

CITY OF RIVERSIDE

By: _____ Dated: 4/2, 2007.
Bradley J. Hudson
City Manager

Attest: _____
City Clerk

Approved as to form only:

By: _____
Susan Wilson
Deputy City Attorney

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____ Dated: 3/16, 2007.
Randy Van Gelder
General Manager

Approved as to form only:

By: _____
David R.E. Aladjem
Downey Brand LLP

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

By: _____ Dated: 3/14, 2007.
John V. Rossi
General Manager

Approved as to form only:

By: _____
David R.E. Aladjem
Downey Brand LLP

AGREEMENT
RELATING TO THE DIVERSION OF WATER
FROM THE SANTA ANA RIVER SYSTEM
AMONG
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
AND
CITY OF RIVERSIDE

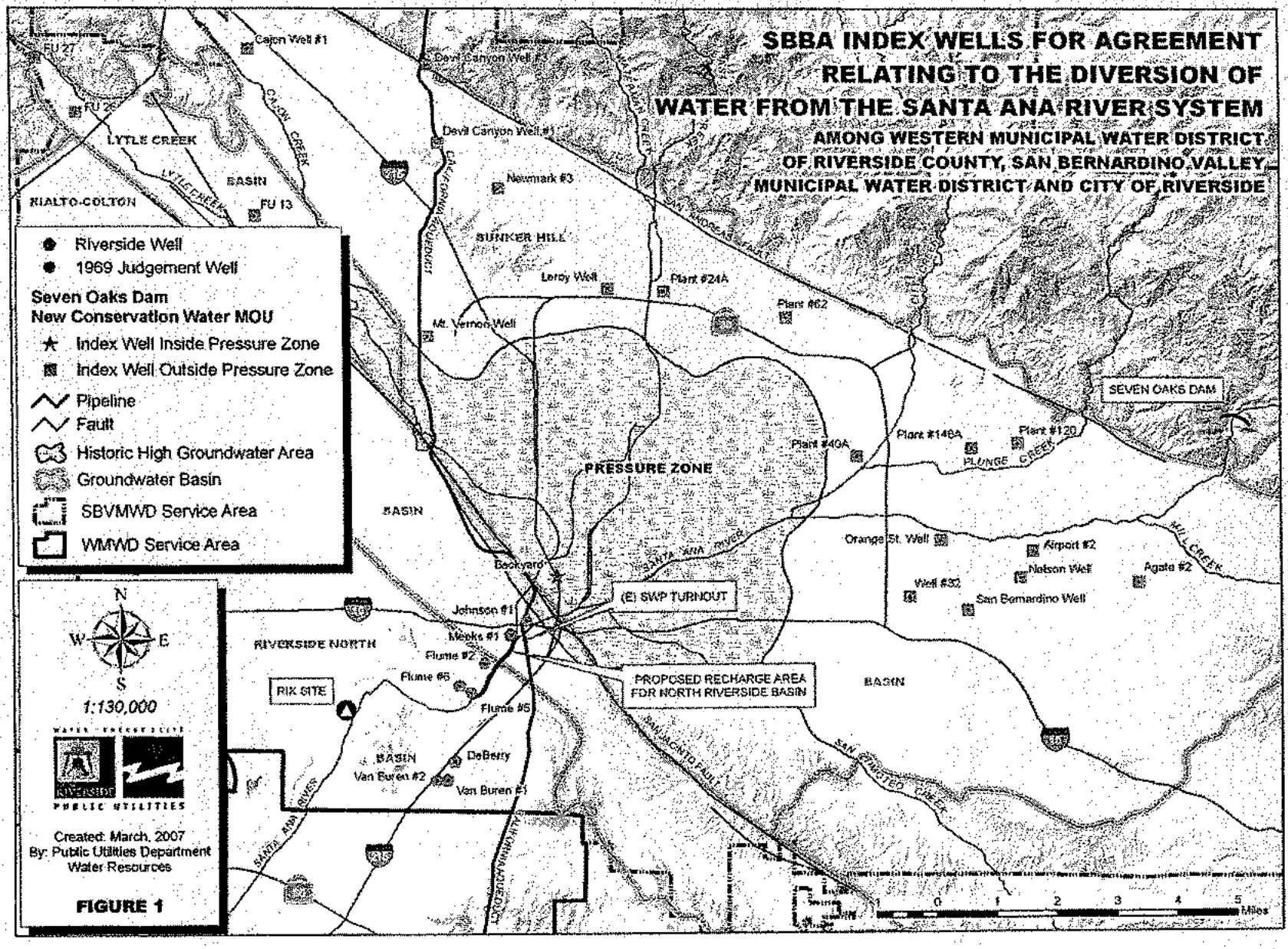
Exhibit A

SBBA INDEX WELLS

OUTSIDE PRESSURE ZONE:
Cajon Well #1
FU #13
Devil Canyon Wells #1 & #3
Newmark #3
Mt. Vernon Well
Well #7
Leroy Well
Plant #24A
Plant #62
Plant #40A
Plant #146A
Plant #120
Orange St. Well
Well #32
Airport #2
Nelson Well
San Bernardino Well
Agate #2

INSIDE PRESSURE ZONE:
USGS/Muni Backyard Well

See attached Figure 1 for locations.


SBBA INDEX WELLS FOR AGREEMENT
RELATING TO THE DIVERSION OF
WATER FROM THE SANTA ANA RIVER SYSTEM
AMONG WESTERN MUNICIPAL WATER DISTRICT
OF RIVERSIDE COUNTY, SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT AND CITY OF RIVERSIDE
Riverside Well
1969 Judgement Well
Seven Oaks Dam
New Conservation Water MOU
Index Well Inside Pressure Zone
Index Well Outside Pressure Zone
Pipeline
Fault
Historic High Groundwater Area
Groundwater Basin
SBVMWD Service Area
WMWD Service Area
N
W
E
S
1:130,000
Created: March, 2007
By: Public Utilities Department
Water Resources
FIGURE 1
Cajon Well #1
Devil Canyon Well #2
Devil Canyon Well #1
Newmark #3
Leroy Well
Plant #24A
Plant #62
Mt. Vernon Well
SEVEN OAKS DAM
Plant #40A
Plant #146A
Plant #120
PRESSURE ZONE
Orange St. Well
Airport #2
Nelson Well
Agate #2
Well #32
San Bernardino Well
Barrydale
(E) SWP TURNOUT
Johnson #1
Meeks #1
Flume #2
Flume #6
Flume #5
RIK SITE
PROPOSED RECHARGE AREA
FOR NORTH RIVERSIDE BASIN
DeBerry
Van Buren #2
Van Buren #1
LYTLE CREEK
BASIN
RIALTO-COLTON
FU 27
FU 26
FU 13
SUNKER HILL
RIVERSIDE NORTH
SAN JACINTO FAULT
SAN TIMOTEO CREEK
PLUNGE CREEK
MILL CREEK
SANTA ANA RIVER
0 1 2 3 4 5 Miles

AGREEMENT
RELATING TO THE DIVERSION OF WATER
FROM THE SANTA ANA RIVER SYSTEM
AMONG
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
AND
CITY OF RIVERSIDE

Exhibit B

RIVERSIDE NORTH BASIN WELLS

Flume Well 2

Flume Well 3

Flume Well 4

Flume Well 5

Flume Well 6

Van Buren Well 1

Van Buren Well 2

AGREEMENT
RELATING TO THE DIVERSION OF WATER
FROM THE SANTA ANA RIVER SYSTEM
AMONG
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
AND
CITY OF RIVERSIDE

Exhibit C

Coordinated Operating Agreement
Between
Metropolitan Water District of Southern California
And
San Bernardino Valley Municipal Water District

CONSERVED WATER AGREEMENT
BETWEEN
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
AND
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

Agreement made this 23rd day of MARCH, 2005, between San Bernardino Valley Municipal Water District ("Valley District") and Western Municipal Water District of Riverside County ("Western").

RECITALS

1. Valley District and Western have jointly filed two water rights applications with the State Water Resources Control Board. If granted in their entirety, these applications would permit the two districts to conserve up to 200,000 afy of native (local) water from the Santa Ana River ("Conserved Water").

2. Conserved water under this joint application is shared 72.05% to Valley District and 27.95% to Western for use within its boundaries.

3. The parties hereto anticipate that in wet years some portion of the conserved water may be delivered to The Metropolitan Water District of Southern California ("Metropolitan") in exchange for the subsequent delivery by Metropolitan of an equal quantity of water, less reasonable Metropolitan system losses, ("Exchange Water"), for use within the respective service areas of the parties. To that end, Valley District has entered into an agreement with Metropolitan entitled "Attachment 6" to the Coordinated Operating Agreement between Metropolitan and Valley District, dated July 10, 2000.

4. Such exchanges pursuant to the terms of Attachment 6 are anticipated to improve the water supply reliability and quality of water delivered by Metropolitan to its member agencies, and the use of local water for local needs within the respective service areas of the parties hereto.

TERMS

In consideration of the foregoing facts, it is hereby agreed as follows:

5. Western accepts the provisions of Attachment 6, subject to the terms of this Agreement.

6. In the implementation of Attachment 6, Valley District shall not deliver Western's share of Conserved Water to Metropolitan without Western's prior consent.

7. In the implementation of Attachment 6, Valley District's approval of the delivery by Metropolitan of Western's share of Exchange Water, and the time, place and manner of such delivery (including any in-lieu deliveries) shall be subject to Western's prior consent.

8. Western is an intended beneficiary of Attachment 6 as to its share of Conserved and Exchange Water, and shall be considered as a third party beneficiary of Attachment 6, and entitled to enforce all legal rights arising from such status.

ORIGINAL

9. The term of this Agreement shall be coincident with the term of Attachment 6, or any extension thereof, and is effective as of the date inserted above.

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By _____
Robert L. Reiter
General Manager and Chief Engineer

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

By _____
John V. Rossi
General Manager

ATTACHMENT 6

COORDINATED EXCHANGE AGREEMENT
BETWEEN
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
AND
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Objective

The objective of this Attachment 6 to the Coordinated Operating Agreement for Conveyance Facilities and State Water Project Supplies between The Metropolitan Water District of Southern California ("**Metropolitan**") and San Bernardino Valley Municipal Water District ("**Valley District**") dated July 10, 2000 (the "**Coordinated Operating Agreement**") is to provide an institutional arrangement for the residents of Southern California to obtain the maximum benefits from water conserved as a result of the construction and operation of Seven Oaks Dam and Reservoir. Valley District and Metropolitan are each sometimes referred to below as a "**Party**" and are sometimes collectively referred to below as the "**Parties.**"

Recitals

A. Valley District, in conjunction with Western Municipal Water District of Riverside County ("**Western**"), has filed two water right applications with the State Water Resources Control Board. If granted in their entirety, these applications would permit Valley District and Western to conserve up to 200,000 afy of native (local) water from the Santa Ana River.

B. Valley District anticipates that, in wet years, it will deliver some portion of the water that is conserved from the Santa Ana River pursuant to the water right applications to Metropolitan in exchange for the subsequent delivery to Valley District of an equal quantity of water by Metropolitan, less reasonable Metropolitan system losses.

C. Such an exchange of conserved native Santa Ana River water for water from the State Water Project or other sources available to Metropolitan is anticipated to improve water supply reliability and the quality of water delivered to Metropolitan and its member agencies and is

anticipated to improve water supply reliability and the use of local water for local needs within Valley District's service area.

D. Valley District intends to work cooperatively with the Watermaster Committee to determine the quantities of Conserved Water and Exchange Water, as defined below, delivered by or to Valley District pursuant to this Attachment 6. Valley District intends that the Watermaster Committee confirm, on an annual basis, that such quantities of Conserved Water and Exchange Water constitute "new conservation" as that term is defined in the Judgment pursuant to County of Riverside Superior Court Case 78426.

Terms

a. *Term.*

This Attachment 6 shall have a term identical to the Coordinated Operating Agreement.

2. *Exchange of Water.* Pursuant to paragraphs 1 and 3 of the Coordinated Operating Agreement and paragraph 10.2 of Attachment 2 to the Coordinated Operating Agreement, Metropolitan and Valley District agree to take the following actions:

a. If the water conserved from the Santa Ana River pursuant to the foregoing water right applications ("**Conserved Water**") exceeds the immediate demand for such water within Valley District's service area for direct delivery or groundwater recharge and there is capacity available in Metropolitan's facilities to accept all or a portion of the Conserved Water directly, on an in-lieu basis, or via an exchange, for delivery to Metropolitan, Valley District may request that Metropolitan accept into Metropolitan's facilities all or a portion of the Conserved Water on mutually agreeable terms, conditions and locations. Absent other agreement of the Parties, Conserved Water will be delivered to Metropolitan at the Inland Feeder. Valley District shall consult with Metropolitan regarding the delivery of the Conserved Water on a real-time basis and, each October 1 shall prepare an operations plan for the delivery of Conserved Water, which plan shall be updated each April 1 to reflect precipitation, runoff and other relevant factors. The operations plan shall

be subject to approval by Metropolitan, however, Metropolitan agrees to exercise its best efforts to accept the Conserved Water into its facilities to the extent that Metropolitan, in its sole discretion, determines that (1) sufficient capacity is available within Metropolitan's facilities to accept the Conserved Water and (2) that the Conserved Water is of adequate quality for Metropolitan's purposes. The Conserved Water will be delivered to Metropolitan for beneficial uses within Metropolitan's service area in quantities that will not exceed 200,000 afy.

b. Metropolitan shall, after consultation with Valley District, deliver to Valley a substitute quantity of water obtained by Metropolitan from the State Water Project ("**Exchange Water**") equal in quantity to the Conserved Water delivered to Metropolitan pursuant to paragraph 2(a) above, less reasonable Metropolitan system losses as determined by Metropolitan. Exchange Water shall be delivered to Valley District as promptly as practicable at times, locations and in manners mutually agreeable to Valley District and Metropolitan. Absent other agreement of the Parties, Exchange Water will be delivered by Metropolitan to Valley District at the Devil Canyon Afterbay. Exchange Water will be delivered to Valley District for beneficial uses in quantities that will not exceed 200,000 afy.

c. The Parties agree that they may benefit from this Attachment 6 by virtue of increased water supply reliability and improved water quality. Accordingly, neither Party shall pay the other for services provided under this Attachment 6.

3. *Disputes.* The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Attachment 6. The Parties agree that they will attempt to resolve disputes in an amicable fashion without the need for litigation.

4. *General Provisions.*

a. *Authority.* Each signatory of this Attachment 6 represents that s/he is authorized to execute this Attachment 6 on behalf of the Party for which s/he signs. Each

Party represents that it has legal authority to enter into this Attachment 6 and to perform all obligations under this Attachment 6.

b. *Amendment.* This Attachment 6 may be amended or modified only by a written instrument executed by each of the Parties to this Attachment 6.

c. *Partial Invalidity.* If, after the date of execution of this Attachment 6, any provision of this Attachment 6 is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Attachment 6, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

d. *Incorporation by Reference.* The provisions of paragraph 15 of Attachment 2 are hereby incorporated herein by reference as if set forth in full and shall apply to the Parties' performance of the terms of this Attachment 6.

Dated: December 21 2004.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Ronald R. Gastelum
Chief Executive Officer

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Robert L. Reiter
General Manager and Chief Engineer

ATTACHMENT 5 TO THE
COORDINATED OPERATING AGREEMENT

AGREEMENT BETWEEN
THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
AND
SAN BERNARDINO VALLEY MUNCIPAL WATER DISTRICT
REGARDING FOOTHILL PUMP STATION

THIS CONTRACT, hereinafter referred to as "Agreement" is entered into as of this 21st day of December, 2004, between The Metropolitan Water District of Southern California, a public agency of the State of California (hereinafter referred to as "Metropolitan") and the San Bernardino Valley Municipal Water District, a public agency of the State of California (hereinafter referred to as "Valley District").

EXPLANATORY RECITALS

A. Metropolitan is a public agency of the State of California engaged in transporting, storing, treating and distributing water at wholesale in portions of the counties of Los Angeles, San Bernardino, Orange, Riverside, San Diego and Ventura, within the State of California.

B. Valley District is a public agency of the State of California engaged in developing, transporting, storing, treating and wholesale delivery of water in portions of the counties of San Bernardino and Riverside within the State of California.

C. The parties have previously entered into a Coordinated Operating Agreement and several subsequent attachments thereto, Attachments 1 through 4.

D. Valley District, as a State Water Project (hereinafter "SWP") contractor takes delivery of SWP water from the Devil Canyon First Afterbay by way of its Foothill Pipeline, which has a capacity of 290 cubic feet per second (hereinafter "cfs"), and extends east from the Devil Canyon Afterbay approximately 17 miles. The Foothill Pipeline connects to other

facilities of the East Branch Extension of the State Water Project, which delivers water to the San Gorgonio Pass area of Riverside County.

E. Metropolitan, also an SWP contractor, is constructing a water conveyance system known as the Inland Feeder, which will take water from the Devil Canyon Second afterbay and deliver it into Metropolitan's service territory. The 144-inch inside diameter Inland Feeder has been fully constructed to a point just north of the Santa Ana River, where it is in close proximity to Valley District's Foothill Pipeline. The remainder of Metropolitan's Inland Feeder, to the north and west is still under construction.

F. In accordance with previous understandings reached between the parties, Metropolitan constructed a 78-inch inside diameter intertie pipeline to connect the Foothill Pipeline with the Inland Feeder, known as the Cone Camp Intertie.

G. Since December 2003, Metropolitan has taken water from the Foothill Pipeline through the Cone Camp Intertie and delivered it into the Inland Feeder at flows up to 240 cfs, as capacity was available. Valley District was compensated for the water delivered to Metropolitan from Valley District's Table A amounts at the rate provided for in Attachment 2 to the Coordinated Operating Agreement.

H. Currently, when more than 80 cfs is diverted from the Foothill Pipeline to the Cone Camp Intertie, there is insufficient head in the Foothill Pipeline to meet the minimum hydraulic gradient requirements at Greenspot Pump Station (easterly of the Foothill Pump Station) and therefore, insufficient head to meet Valley District demands downstream of the Greenspot Pump Station.

I. Pursuant to previous understandings reached between the parties, the Foothill Pump Station has been designed and constructed adjacent to the Foothill Pipeline and Cone

Camp Intertie to increase the hydraulic grade line at the Greenspot Pump Station to enable Valley District to meet demands downstream in the Foothill Pipeline when water is being delivered into the Cone Camp Intertie. The Foothill Pump Station includes eight 300-horsepower horizontal pumps with adjustable (variable) frequency drives. Use of the Foothill Pump Station is only needed to meet downstream demands if and when Metropolitan is taking water through the Cone Camp Intertie.

J. The purpose of this Attachment 5 is to provide for the parties' respective responsibilities regarding: (1) the right-of-way for the Foothill Pump Station, (2) the obligation to deliver water to the Cone Camp Intertie, and (3) payment provisions for Foothill Pump Station power costs, and water delivered to Metropolitan through the Cone Camp Intertie.

TERMS OF AGREEMENT

1. Foothill Pump Station Right-of-Way. For good and valuable consideration, the receipt of which is hereby acknowledged, Metropolitan hereby grants to Valley District an exclusive license ("License") to the use of a portion of the parcel of land owned by Metropolitan on which the Foothill Pump Station has been constructed (the "Property") for the operation, maintenance, repair and replacement of the Foothill Pump Station and related facilities located on the Property, which right shall include, without limitation, the right to construct, maintain, repair and replace a fence around the perimeter of the Property and to control all ingress and egress to and from the Property. The Property is more fully described in Exhibits A and B, which are attached hereto and incorporated herein by this reference.

a. The License shall be irrevocable and non-terminable for a term of ten (10) years commencing on January 1, 2005 and terminating on December 31, 2014. The License shall thereafter automatically be renewed on an annual basis, unless, at least 11 months before the

expiration date for the License, as the same may be extended as provided herein, either Valley District or Metropolitan notifies the other in writing of its decision not to renew the License. Valley District shall not be required to pay to Metropolitan any additional consideration for the License.

b. Valley District and Metropolitan agree to allow reasonable access to the other's staff, employees, contractors and/or agents across the lands subject to the License and/or adjacent rights of way upon reasonable notice.

c. Valley District shall be responsible, at its own cost and expense, for the operation, maintenance, repair, rehabilitation and replacement, as necessary, of the Foothill Pump Station (including, without limitation, the repair of any damage to the Foothill Pump Station due to natural disasters such as earthquake, fire or flood) and shall also be responsible for environmental compliance associated with or relating to the operation, maintenance, repair, rehabilitation and replacement of the Foothill Pump Station.

d. Metropolitan hereby grants to Valley District the right to purchase the Property in the event of the expiration or termination of the License, at a purchase price equal to the then current fair market value (as defined under California law) for the real property (excluding improvements thereon) as determined as provided in this paragraph. In order to exercise this right to purchase, Valley District must give written notice of Valley District's intent to exercise the purchase right ("Valley District's Exercise Notice") within 30 days after the date of expiration or termination of the License. Metropolitan and Valley District shall, within 30 business days after receipt of Valley District's Exercise Notice, mutually determine the fair market value of the Property or a process for making that determination using their good faith judgment. In the event that Metropolitan and Valley District cannot agree upon the fair market

value of the Property or such a process within said 30 day period, either party shall have the right to submit the determination of the fair market value of the Property to neutral binding arbitration: (i) administered by the American Arbitration Association under its commercial arbitration rules, or (ii) conducted according to such other arbitration procedures as may be mutually agreed upon in writing by Valley District and Metropolitan. The License shall remain in full force and effect until the purchase is completed. Metropolitan and Valley District agree to execute any additional instructions and documents as are normal and usual for the sale of real property.

2. Water Deliveries to Cone Camp Intertie. During the term of this Agreement, Valley District agrees, upon Metropolitan's request, to deliver water using any unused capacity in the Foothill Pipeline into Metropolitan's Cone Camp Intertie. Unused capacity is defined as the design capacity (approximately 290 cfs) for the Foothill Pipeline less; (i) demand within Valley District's existing service area, and (ii) the demand in San Gorgonio Pass Water Agency's service area, not to exceed San Gorgonio Pass Water Agency's SWP contract capacity, or 32 cfs. For purposes of this Agreement, the term "demand" includes both the direct delivery of water by Valley District to other water purveyors for immediate use within Valley District's service area and the delivery of water to various facilities for the recharge of groundwater basins within Valley District's service area.

3. Payment for Water and Foothill Pump Station Power Costs. Metropolitan shall pay Valley District for water purchased by Metropolitan from Valley District and for power costs at the Foothill Pump Station associated with the delivery of water to Metropolitan's Cone Camp Intertie as follows:

a. Metropolitan shall, as it has in the past, pay to Valley District the rate as provided by Attachment 2 to the Coordinated Operating Agreement for all water purchased from the

Valley District and delivered through the Foothill Pipeline into Metropolitan's Cone Camp Intertie. Costs for water purchased shall be invoiced to Metropolitan no more frequently than monthly. Payment shall be due to Valley District within 60 days of receipt of invoice.

b. Metropolitan shall pay to Valley District all additional power costs for the Foothill Pump Station required to deliver water through the unused capacity in the Foothill Pipeline to Metropolitan's Cone Camp Intertie. The additional power costs for which Metropolitan is responsible shall be calculated by multiplying the power rate in dollars per acre foot at Foothill Pump Station when the water was delivered to Metropolitan times either; (i) the capacity of the Foothill Pipeline less Valley District demands upstream of the Foothill Pump Station and the flow through the Foothill Pump Station, or (ii) flow through the Foothill Pump Station, whichever is less, times the actual power rate at the Foothill Pump Station when the water was delivered to Metropolitan. For purposes of this paragraph the power rate shall be based upon a the monthly power consumption at the Foothill Pump Station divided by the acre feet of water pumped by the Foothill Pump Station during that month. When water is not delivered to Metropolitan, Metropolitan shall not pay for any power costs associated with the Foothill Pump Station. Costs for power shall be invoiced to Metropolitan no more frequently than monthly. Payment shall be due to Valley District within 60 days of receipt of invoice.

4. Term.

a. This Agreement shall be non-terminable for 10 years from the date hereinabove first written and after 10 years, the term of this Agreement shall be coincidental with the term of the Coordinated Operating Agreement and any attachments thereto.

b. Paragraph 5 of the Coordinated Operating Agreement shall be modified to read as follows:

"5. This Agreement shall remain in force for a period ending December 31, 2014, with the expectation that a definitive agreement with a minimum term of twenty years will be entered into by the parties."

5. Notices. Any notice or communication given under this Agreement shall be effective when deposited, postage prepaid, with the United State Postal Service and addressed to the contracting parties as follows:

If to Metropolitan:

The Metropolitan Water District of Southern California
P. O. Box 54153
Los Angeles, CA 90054-0153
Attention: Ms. Debra Man

If to Valley District:

San Bernardino Valley Municipal Water District
P.O. Box 5906
San Bernardino CA 92412-5906
Attention: Mr. Robert Reiter

Either party may change the address to which notice or communication is to be sent by providing written notice to the other party.

6. Indemnification. Valley District agrees that it is solely responsible for the operation, maintenance, repair, rehabilitation and replacement of the Foothill Pump Station and hereby indemnifies and holds harmless Metropolitan and Metropolitan's directors, officers, employees and agents from any and all liabilities, injuries and/or damages, whether to the Foothill Pump Station, its employees, or to third parties, arising from Valley District's use of the Foothill Pump Station and/or the property (Exhibits A and B) subject to the License provided for by this Agreement. Said indemnification shall include all costs and attorney's fees to defend Metropolitan from any such claim or lawsuit for injury or damages. Metropolitan hereby

indemnifies and holds harmless Valley District and Valley District's directors, officers, employees and agents from any and all liabilities, injuries and/or damages, whether to the Inland Feeder or other facilities, its employees, or to third parties, arising from Metropolitan's activities. Said indemnification shall include all costs and attorney's fees to defend Valley District from any such claim or lawsuit for injury or damages.

7. Jurisdiction and Venue. This Agreement shall be deemed a contract under the jurisdiction and venue of the State of California and for all purposes shall be interpreted in accordance with such laws.

8. Alteration. It is mutually understood and agreed that this Agreement represents the complete understanding of the parties and that no oral understanding or agreement not incorporated herein shall be binding on either party. Except as provided herein, this Agreement may not be modified or altered without formal amendment in writing, signed by both parties thereto.

9. Coordinating Operating Agreement. Except to the extent required by the terms of this Agreement, both parties hereby acknowledge that they remain obligated under the terms of the Coordinating Operating Agreement and Attachments 1 through 4, thereto.

Exhibits:

A. Legal Description of Real Property Subject to the License
B. Map of Real Property Subject to the License

/
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/
/
/
/

IN WITNESS WHEREOF, the parties have hereunto affixed their names as of the date and year hereinabove first written.

APPROVED AS TO FORM:

By: _____
Lauren R. Brainard
Senior Deputy General Counsel

Date: 12/17/04

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: _____
Ronald R. Gastelum
Chief Executive Officer

Date: 12/17/04

APPROVED AS TO FORM:

By: _____
David R. E. Aladjem
Special Counsel

Date 12/22/04

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Robert Reiter
General Manager

Date: 12/21/04

In duplicate

O:\s\contract\MDH_Attachment 5 (Foothill Pump Station) to the Coordinated Operating Agreement 12-15-04.doc

EXHIBIT A

INFED1-27-900RL2287
Revenue Lease RL 2287
MWD to
San Bernardino Valley
Municipal Water District

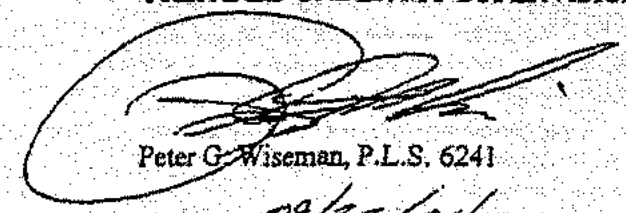
That portion of the southeast quarter (SE¼) of the southeast quarter (SE¼) of Section 1, Township 1 South, Range 3 West, San Bernardino Meridian, in the County of San Bernardino, State of California more particularly described as follows:

COMMENCING at the east quarter corner of said Section 1, marked by 2" I.P. with 3" brass disk stamped "FOR LA DISTRICT U.S. CORPS OF ENGINEERS AND COUNTY OF ORANGE BY JOHNSON-FRANK ASSOC. T1S ¼ S1 S6 LS 4215 R3W R2W 1989" as shown on Record of Survey 04-028 filed in Book 121, page 56 of Record of Surveys, in the Office of the County Recorder of said County; thence S 01° 02' 02" E 2638.77 feet to the southeast corner of said Section 1, marked by a 2-1/2" brass cap stamped "SB COUNTY T1S, R2W, S6 S7, R3W S1 S12", 12" above surface in rock and concrete mound, as shown on said Record of Survey; thence along the southerly line of said SE¼SE¼, S 87° 34' 25" W 53.78 feet to the southeast corner of a triangular shaped parcel of land conveyed to The Metropolitan Water District of Southern California by Grant Deed recorded December 06, 2001 as Document No. 20010553506 of Official Records of said County; thence along the northeasterly line of said triangular parcel of land N 34° 55' 11" W 425.66 feet; thence N 56° 34' 22" W 28.19 feet to the POINT OF BEGINNING; thence leaving said northeasterly line S 88° 44' 43" W 345.98 feet; thence N 00° 32' 52" W 108.87 feet; thence N 89° 27' 08" E 22.00 feet; thence N 00° 32' 52" W 37.00 feet; thence S 89° 27' 08" W 22.00 feet; thence N 00° 32' 52" W 148.72 feet to the southerly line of that certain Grant of Easement to the San Bernardino Valley Municipal Water District recorded June 04, 1973 in Book 8196, page 25 of Official Records of said County; thence along said southerly line S 76° 35' 24" E 106.06 feet to said northeasterly line; thence along said northeasterly line the following courses S 43° 04' 19" E 64.89 feet; thence S 40° 09' 35" E 242.65 feet; thence S 56° 34' 20" E 53.61 feet to the POINT OF BEGINNING,

All as shown on EXHIBIT "B" attached hereto and made a part hereof.

END OF DESCRIPTION

PREPARED UNDER MY SUPERVISION



Peter G. Wiseman, P.L.S. 6241

09/27/04

Date

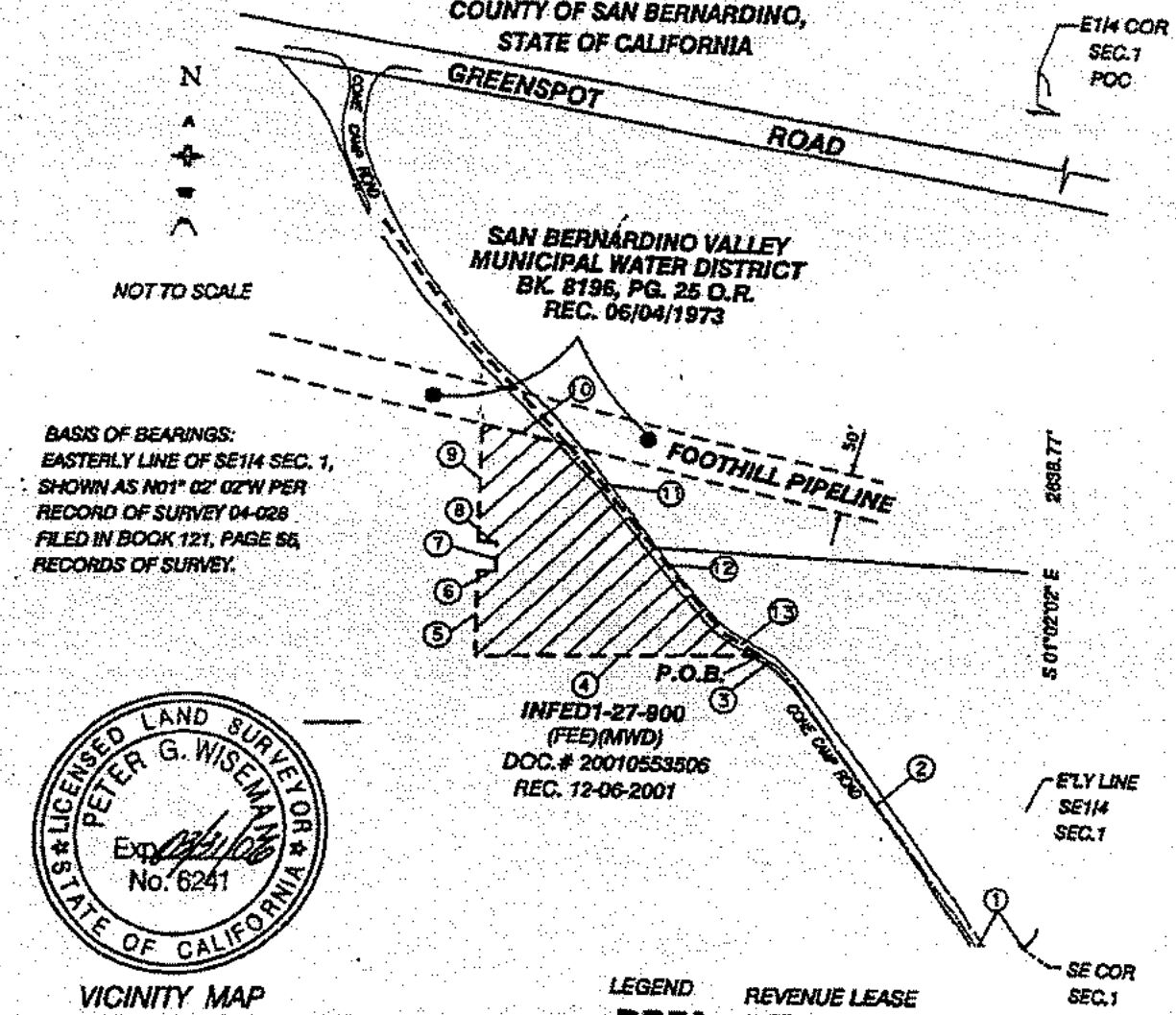


PGW\Inlandrow\legals\27\900RL2287.doc

September 22, 2004

EXHIBIT B

THIS EXHIBIT IS TO BE ATTACHED TO THE LEGAL DESCRIPTION
SE1/4SE1/4 OF SEC. 1, T.1S., R.3W, S.B.M.
COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA

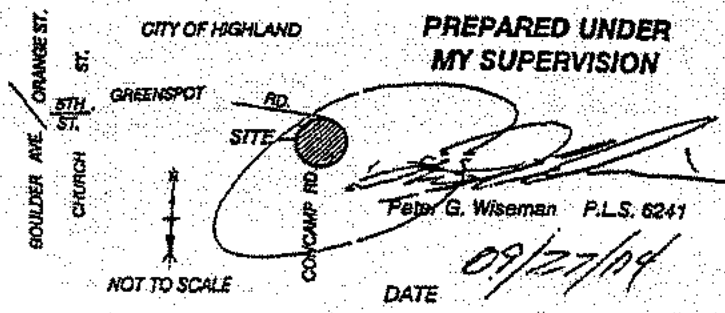


LICENSED LAND SURVEYOR
PETER G. WISEMAN
Exp. 09/30/06
No. 6241
STATE OF CALIFORNIA

VICINITY MAP

LEGEND

REVENUE LEASE
INFED1-27-900RL2287
(1.350 ACS.)



PREPARED UNDER MY SUPERVISION

Peter G. Wiseman P.L.S. 6241

09/27/04
DATE

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

INLAND FEEDER
REVENUE LEASE R.L. 2287
MWD
TO
SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
INFED1-27-900RL2287

/inland/row/exhib/27/900rl2287.dgn

09/22/2004 PGW/MDT

EXHIBIT B

THIS EXHIBIT IS TO BE ATTACHED TO THE LEGAL DESCRIPTION
SE1/4 SE1/4 OF SEC. 1, T.1S., R.3W, S.B.M.
COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA

COURSE TABLE

LINE NO.	COURSE	DIST.
1	S87°34'25"W	53.78'
2	N34°55'11"W	425.66'
3	N56°34'22"W	28.19'
4	S88°44'43"W	345.98'
5	N00°32'52"W	108.87'
6	N89°27'08"E	22.00'
7	N00°32'52"W	37.00'
8	S89°27'08"W	22.00'
9	N00°32'52"W	148.72'
10	S78°35'24"E	106.06'
11	S43°04'19"E	64.89'
12	S40°09'35"E	242.65'
13	S56°34'20"E	53.61'

LICENSED LAND SURVEYOR
PETER G. WISEMAN
Exp 06/30/06
No. 6241
STATE OF CALIFORNIA

PREPARED UNDER
MY SUPERVISION

Peter G. Wiseman P.L.S. 6241

09/27/04
DATE

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

INLAND FEEDER
REVENUE LEASE R.L. 2287
MWD
TO
SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
INFED1-27-900RL2287

/inland/row/exhib/27/900rl2287.dgn

09/22/2004 MDT/PGW

San Bernardino Valley Municipal Water District

1350 SOUTH "E" STREET - P. O. BOX 5906 - SAN BERNARDINO, CALIFORNIA 92412-5906 -(909) 387-9200
FAX (909) 387-9247

December 27, 2004

Stephen N. Arakawa
Manager, Water Resources Management
Metropolitan Water District of Southern California
700 North Alameda Street
Los Angeles, CA 90012

Enclosed please find one fully executed original of Attachments 5 and 6 to the Coordinated Operating Agreement between The Metropolitan Water District of Southern California and San Bernardino Valley Municipal Water District.

Very truly yours,

Randy Van Gelder
Assistant General Manager

Directors and Officers

EDWARD B. KILLGORE
Division I

GEORGE A. AGUILAR
Division II

PAT MILLIGAN
Division III

MARK BULOT
Division IV

STEVE COPELAN
Division V

ROBERT L. REITER
General Manager
and Chief Engineer

AGREEMENT
RELATING TO THE DIVERSION OF WATER
FROM THE SANTA ANA RIVER SYSTEM
AMONG
WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
AND
CITY OF RIVERSIDE

Exhibit D

[Sections 12 and 13 of the ICSA Settlement]

in recitals I.D through I.K inclusive as they may exist as of the effective date of this Agreement. Further nothing in this Agreement is intended to modify or affect in any way the judgments initially referred to in recitals I.D, I.F and I.G above. This Agreement shall not be used as evidence in any water rights claim or cause of action.

12. In the event of the failure of the Parties to this Agreement to reach agreement on the ICGMP or if such an agreement has not yet been reached and there is no approved extension of the term of this Agreement, the matter shall be resolved by limited scope mediation and arbitration. The mediation and arbitration shall be conducted by JAMS (sometimes referred to as the mediation service provider), and shall be administered, to the extent practical in the San Bernardino office, or the JAMS office closest to San Bernardino. In the event, for whatever reason, JAMS is not available or lacks the necessary expertise, the parties shall first attempt to use the services of another judicially oriented service, such as IVAMS, and use the American Arbitration Association only after all other judicially based mediation and arbitration services have refused to undertake the mediation and arbitration of the dispute.

The Parties shall promptly initiate the process when they have reached an impasse with regard to any issues preventing complete agreement on the ICGMP. The process shall require the mediation of all disputes as a condition to the initiation of the arbitration process. The mediator shall be selected by mutual agreement of all of the affected Parties, and the cost of the mediator shall be borne on an equal basis by all of the Parties to this Agreement. In the event the Parties are unable to agree on a mediator, the mediation service provider shall select a mediator with civil judicial experience. The Parties shall meet and confer prior to the mediation and provide to the mediator an agreed list of matters to be resolved by the mediation. Unless all of the Parties to the mediation agree otherwise, the only matters to be discussed at the mediation are those matters

submitted to the mediator following the meet and confer meeting of the Parties. Time shall be of the essence during the process and all Parties shall cooperate to promptly complete the process.

In the event the Parties are unsuccessful in resolving any or all of the issues presented to the mediator, a limited scope arbitration shall be conducted promptly following the completion of the mediation. The mediation service provider shall provide to the arbitrating parties a list of available arbitrators. The Parties shall first attempt to agree on an arbitrator having some background or expertise in water law, groundwater contamination or environmental clean-up matters, and failing to do such the mediation service provider shall select an arbitrator with complex civil judicial experience. The scope of the arbitration shall be limited to the issues presented to the arbitrator by the parties to the arbitration. The Parties shall meet and confer prior to the arbitration and provide to the arbitrator an agreed list of issues to be resolved. The arbitrator shall be instructed that the only issues for decision are those issues presented by the arbitrating parties, and that the arbitrator shall comply with California law, unless the subject matter specifically relates to a federal issue. It is specifically agreed that any decision of an arbitrator subjecting any of the Parties directly or indirectly to the Institutional Controls Ordinance is outside the scope and authority of the arbitrator and shall be unenforceable and void. The arbitrator shall have no authority to award costs or attorneys' fees. Each Party agrees that the costs of arbitration shall be shared equally by the Parties and that each Party shall bear their own attorneys fees and preparation costs. Time shall be of the essence during the arbitration process.

The decision of the arbitrator shall be binding as to those matters presented for determination. Any matters included in the decision of the arbitrator outside the issues presented for determination, including without limitation awards of costs and attorneys fees, shall be unenforceable and not binding on the parties. In the event an arbitrator attempts to include matters

or issues outside the scope of the arbitration or any party fails to abide by the terms of this Agreement limiting the scope of the arbitration, any other party shall have the right to file an action for declaratory relief in United States Court for the Central District of California in the consolidated cases, seeking enforcement of the provisions of this Agreement limiting the scope of arbitration.

13. Defined terms that are used in this Agreement and that are also used in the Consent Decree shall have the meaning set forth in the Consent Decree. In the event that there is any inconsistency between the definition of a term in this Agreement and a definition of the same term in the Consent Decree, the definition of the term in the Consent Decree shall control.

14. Each Party shall have access to and the right to examine any of the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement. The Parties shall each retain all such books, documents, papers or other records to facilitate such review. Access to each Party's books, documents, papers and other records shall be during normal business hours only. Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

15. Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

16. This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

COOPERATIVE AGREEMENT TO PROTECT WATER QUALITY AND ENCOURAGE THE CONJUNCTIVE USES OF IMPORTED WATER IN THE SANTA ANA RIVER BASIN

This Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin ("**Agreement**") is entered into and effective this 18 day of January, ~~2007~~ 2008 by and among the California Regional Water Quality Control Board, Santa Ana Region (the "**Regional Board**") and the entities listed in paragraph 11(n) below. The Regional Board and each of the entities listed in paragraph 11(n) below are individually referred to as a "**Party**" and are collectively referred to as the "**Parties.**"

Recitals

A. Water imported to the Santa Ana River Region, as defined in Water Code section 13200(e) (the "**Region**"), from the State Water Project, the Colorado River and other sources, and to groundwater basins within the Region from other groundwater basins within the Region, is vital to meet present and future demands for water within the Region. Such water is directly used; injected or percolated within groundwater basins; stored in a groundwater basin for later use; may be combined with or used in addition to the native groundwater supplies in a basin; may be exported/imported from one basin to another; and after consumptive use may form a portion of the wastewater that is treated, recharged and reused within the Region. Such conjunctive uses of surface water and groundwater within the Region have been contemplated by the State of California at least since the issuance of the original California Water Plan in 1957 and the adoption by the State Water Quality Control Board of Resolution No. 64-1.

B. The Regional Board is charged by statute with adopting such water quality objectives as may be required to protect the beneficial uses of water within the Region. In particular, the long-term conjunctive use of groundwater in the Region requires that the quality of water in groundwater basins in the Region be managed to meet the water quality objectives for nitrogen and total dissolved solids (collectively, the "**Salinity Objectives**") adopted by the Regional Board in the 1995 Water Quality Control Plan for the Santa Ana River Basin, as amended in 2004 by R8 2004-0001 (the "**Basin Plan**").

C. The Salinity Objectives presently included in the Basin Plan are the result of a multi-year, multi-million dollar cooperative effort among many of the Parties. The Salinity Objectives are a product of the best scientific and technical information available.

D. The Legislature has declared that the facilitation of voluntary transfers of water and water rights is the established policy of the State. The Legislature has further declared that voluntary water transfers between water users can result in a more efficient use of water and can allow more intensive use of developed water resources so as to conserve all available water resources. The Legislature has directed the Regional Board to encourage voluntary transfers of water and water rights.

811058 3

SBVMWD LEGAL
DOCUMENT 2181

E. The Parties disagree whether the Regional Board may regulate the conjunctive uses of imported water in the Region by means of general waste discharge requirements. Some of the Parties believe the Regional Board lacks authority to regulate the conjunctive uses of water in the Region because, they contend, such water does not constitute "waste" as defined in Water Code section 13050(d); the Regional Board and other Parties believe the Regional Board has such authority.

F. To avoid costly and time-consuming litigation brought to resolve the scope of the Regional Board's authority to regulate imported water and without prejudice to the Parties' competing views on this question, the Parties wish to act cooperatively with the goal of achieving compliance with the Salinity Objectives without the necessity of general waste discharge requirements.

G. The Parties wish to memorialize the terms of their cooperative effort by means of this Agreement.

Agreements

1. *Purpose of Agreement*

This Agreement is intended to allow the Parties to monitor and improve water quality within the Santa Ana River Region in a manner that is consistent both with adopted water quality objectives and with the needs of the inhabitants of the Region for a reliable supply of water. This Agreement is limited in scope to compliance with and implementation of the Salinity Objectives.

2. *Parties*

The Regional Board or any public agency or non-profit mutual water company that imports water to the Region, exports/imports water between basins within the Region, recharges such imported water within the Region, delivers such imported water for potable use within the Region, or treats and/or recharges wastewater within the Region that includes imported water may become a Party to this Agreement.

3. *Term of Agreement*

This Agreement will have an initial term of 10 years and shall automatically renew for subsequent 10-year periods, *provided* that any Party may withdraw at any time by providing one year's written notice of withdrawal to all other Parties.

4. *Preparation of Triennial Water Quality Report*

The Parties that intentionally recharge imported water within the Santa Ana Region (the "**Recharging Parties**") agree voluntarily to collect, compile and analyze the N/TDS water quality data necessary to determine whether the intentional recharge of imported water in the Region may have a significant adverse impact on compliance with the Salinity Objectives within

the Region. To that end, the Recharging Parties will collect, compile and analyze such N/TDS water quality data and prepare, within eighteen months from the effective date of this Agreement and every three years thereafter, a report containing the following information:

a. A summary of the then-current ambient water quality in each groundwater management zone and a comparison of that ambient water quality with the Salinity Objectives. The Recharging Parties shall calculate ambient water quality for each groundwater management zone in a manner that allows for a technically valid comparison with the Salinity Objectives.

b. A summary of the amount and quality of imported water recharged in each groundwater management zone during the previous three-year period.

c. The initial report and each report prepared at six-year intervals thereafter will include a projection of ambient water quality in each groundwater management zone for the subsequent 20 years.

(1) The projection of ambient water quality for each groundwater management zone will be based upon professionally accepted modeling techniques, will reasonably account for surface fluxes of salt input, will reflect the effects of all existing and reasonably foreseeable recharge projects for which there is a certified environmental document and will compare baseline ambient water quality with the Salinity Objectives.

(2) The projections for different groundwater management zones may be based on different modeling techniques.

(3) Each report that includes a 20-year projection of ambient water quality will also present a comparison of then-current water quality in each groundwater management zone with the ambient water quality projection made six years earlier, together with an evaluation of the reason(s) for any differences.

The Recharging Parties will agree among themselves regarding the manner in which they will prepare the report and the manner in which they will share the cost of preparing the report. The Recharging Parties will circulate a draft version of each report to all other Parties for review and written comments for at least a 45-day period. The Recharging Parties shall consider written comments received on the draft report in preparing the final report. Upon completion of the final report, the Recharging Parties shall promptly lodge the final report with the Regional Board.

5. *CEQA Review of Proposed Projects*

Each Recharging Party agrees that, when it serves as a lead agency under the California Environmental Quality Act ("**CEQA**") for a proposed project involving the recharge of imported water within the Region, it will analyze that project as follows:

a. The environmental document will include the water quality data compiled in the most recent triennial report to the Regional Board (see paragraph 4 above) in the analysis of the potential impacts of the proposed project.

b. The environmental document will incorporate professionally acceptable modeling techniques. The Parties agree that the following models meet this standard:

(1) The Wildermuth models used to establish maximum benefit objectives.

(2) The Orange County Basin Groundwater Model.

(3) The USGS/Geoscience/Secor model of the Bunker Hill Groundwater Basin.

(4) The Chino Basin Watermaster/Inland Empire Utilities Agency model.

(5) The Beaumont-Cherry Valley model for the Beaumont management zone

(6) Eastern Municipal Water District's San Jacinto Groundwater Model.

(7) Elsinore Valley Municipal Water District's Elsinore Basin Groundwater Model.

(8) The USGS model of the Beaumont Basin (with MT3D package or equivalent added).

Updates/refinements of these models are presumed to be professionally acceptable.

c. A Recharging Party may base its environmental analysis on a model other than those described above if that model has been presented to the Regional Board at least 180 days prior to the release of the draft environmental document and there has been a determination by the Regional Board or its staff that the alternative model is acceptable.

(1) The Regional Board agrees that an alternative model is acceptable for purposes of this Agreement if the proponent of that model can demonstrate with reasonable certainty that the relative error of the model's calibration for the groundwater management zones in question for a reasonable base period is ± 10% or less when compared with existing groundwater data.

(2) The provisions of the immediately preceding paragraph are not to be construed to preclude other means or methodologies for an alternative model's proponent to demonstrate to the Regional Board that an alternative model is acceptable for purposes of this Agreement.

(3) If an alternative model has not been deemed acceptable by the Regional Board or its staff and a lead agency wishes to include results from that model in the environmental document, the lead agency shall include results from both the alternative model and one of the pre-approved models in the environmental document.

d. The environmental document will include the following analyses:

(1) A summary of the condition of the groundwater management zones, as reflected in the most recent triennial report to the Regional Board, that might be affected by the project.

(2) A 20-year projection of water quality in the groundwater management zone with the proposed project and a comparison of that water quality with conditions expected without the project.

(3) A comparison of the 20-year water quality projection for conditions with the proposed project with the Salinity Objectives for the groundwater management zone.

(4) A description and evaluation of any measures proposed to mitigate the potential effects of the proposed project.

e. The draft environmental document will be circulated to all Parties.

f. Each Recharging Party agrees to adopt the operative guidelines contained in this paragraph 5 as part of its CEQA implementing procedures pursuant to section 15022 of the CEQA Guidelines.

g. The environmental document shall include, if required under CEQA, an effective mitigation monitoring and reporting plan that enables the lead agency to demonstrate compliance with applicable regulatory standards and any performance standards adopted in the environmental document.

6. *Basin Planning Updates*

The Regional Board will review and, if appropriate, revise water quality objectives for the purpose of facilitating the recharge of imported water in groundwater management zones within the Region. The Parties agree to cooperate in such efforts and agree to work cooperatively to develop a program that addresses the use and allocation of assimilative capacity as part of overall Basin planning and management.

7. *Enforcement*

If the Recharging Parties fail timely to prepare the triennial report described in paragraph 4 above or if a Recharging Party fails to include the analyses described in paragraph 5 above in an environmental document prepared in connection with a proposed project involving the recharge of imported water, then any other Party may enforce the terms of this Agreement as

follows.

If the dispute relates to the triennial report on water quality, the Regional Board will hold a hearing asking the Recharging Parties to provide an explanation for the delay or failure to prepare the report. Such a hearing will precede an action for specific performance of the terms of this Agreement by the Regional Board. In the event that the dispute relates to the failure of a Party to provide the appropriate analysis in an environmental document, that dispute will be addressed by the Party(ies) using the remedies available under CEQA.

The Parties recognize that nothing in this Agreement can or is intended to divest the Regional Board of its authority under the Porter-Cologne Water Quality Control Act. Furthermore, nothing in this Agreement shall be construed as a waiver by any Party of any remedies it may have against a non-Party for interference with the implementation of this Agreement.

8. *Books and Records*

Each Party shall have access to and the right to examine any of the other Parties' pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement. The Parties shall each retain all such books, documents, papers or other records for at least four years after the termination of this Agreement to facilitate such review. Access to each Party's books and records shall be during normal business hours only. Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

9. *No Admissions*

Nothing in this Agreement shall be construed as an admission by any Party regarding any subject matter of this Agreement, including but not limited to the authority of the Regional Board to regulate the importation of water to the Region. The Parties agree that Evidence Code sections 1152 and 1154 render this Agreement inadmissible as evidence against any of the Parties in any adjudicative proceeding, except a proceeding to enforce or interpret the terms or conditions of this Agreement.

10. *Preservation of Rights*

The Parties agree that this Agreement is in settlement of a dispute and preserves all rights of the Parties as they may exist as of the effective date of this Agreement.

11. *General Provisions*

a. *Authority.* Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendments.* This Agreement may only be amended with the approval of all Parties.

c. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of Riverside, California.

d. *Representations and Warranties.* Each representation and warranty contained herein or made pursuant hereto shall be deemed to be material and to have been relied upon and shall survive the execution, delivery and termination of this Agreement.

e. *Entire Agreement.* This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

f. *Successors and Assigns.* This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

g. *Advice of Counsel; Drafting by Negotiations.* This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement. Each Party represents that it has sought and obtained any legal advice it deems necessary from its own separate counsel before entering into this Agreement.

h. *Waiver.* No waiver of any violation or breach of this Agreement shall be considered to be a waiver of any other violation or breach of this Agreement, and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

i. *Severability.* If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

j. *Compliance with Laws.* In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

k. *No Third-Party Beneficiaries.* This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

l. *Necessary Actions.* Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

m. *Counterparts.* This Agreement may be executed in one or more counterparts, which may be executed and delivered via facsimile transmission, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

n. *Notices.* All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD

California Regional Water Quality Control Board
Santa Ana Region
3737 Main St., Suite 500
Riverside, CA 92501
(951) 782-4130 ph
(951) 781-6288 fax

CITY OF CORONA

City of Corona
400 S. Vicentia Avenue
Corona, CA 92882-2187
(951) 736-2239 ph
(951) 736-2231 fax

CITY OF RIVERSIDE

City of Riverside
5950 Acorn Street
Riverside, CA 92504-1036
(951) 351-6080 ph
(951) 351-6267 fax

EASTERN MUNICIPAL WATER DISTRICT

Eastern Municipal Water District
2270 Trumble Road
Perris, CA 92570
P.O. Box 8300
Perris, CA 92572-8300
(951) 928-3777 ph
(951) 928-6177 fax

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

Elsinore Valley Municipal Water District
31315 Chaney Street
Lake Elsinore, CA 92530
P.O. Box 3000
Lake Elsinore, CA 92531-3000

ORANGE COUNTY WATER DISTRICT

Orange County Water District
10500 Ellis Avenue
Fountain Valley, CA 92708-6921
P.O. Box 8300
Fountain Valley, CA 92728-8300
(714) 378-3200 ph
(714) 378-3371 fax

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

San Bernardino Valley Municipal Water District
1350 South "E" Street
San Bernardino, CA 92408-2725
P.O. Box 5906
San Bernardino, CA 92412-5906
(909) 387-9200 ph
(909) 387-9247 fax

SAN GORGONIO PASS WATER AGENCY

San Gorgonio Pass Water Agency
1210 Beaumont Avenue
Beaumont, CA 92223
(951) 845-2577 ph
(951) 845-0281 fax

WESTERN MUNICIPAL WATER DISTRICT

Western Municipal Water District
450 E. Alessandro Blvd.
Riverside, CA 92508-2449
P.O. Box 5286
Riverside, CA 92517-5286
(951) 789-5000 ph
(951) 780-3837 fax

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD

By: _____
Title: Executive Officer

APPROVED AS TO FORM ONLY:

By: _____

CITY OF CORONA

By: _____
Title: CITY MANAGER
Beth Groves

APPROVED AS TO FORM ONLY:

By: _____
Best Best & Krieger, LLP
City of Corona Counsel

SAN GORGONIO PASS WATER AGENCY

San Gorgonio Pass Water Agency
1210 Beaumont Avenue
Beaumont, CA 92223
(951) 845-2577 ph
(951) 845-0281 fax

WESTERN MUNICIPAL WATER DISTRICT

Western Municipal Water District
450 E. Alessandro Blvd.
Riverside, CA 92508-2449
P.O. Box 5286
Riverside, CA 92517-5286
(951) 789-5000 ph
(951) 780-3837 fax

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

CITY OF CORONA

By:_____
Title: CITY MANAGER
Beth Groves

APPROVED AS TO FORM ONLY:

By:_____
Best Best & Krieger, LLP
City of Corona Counsel

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CITY OF RIVERSIDE

By: _____
Title:

APPROVED AS TO FORM ONLY:

By: Susan Wilson
Deputy City Attorney

Attest: _____
City Clerk

EASTERN MUNICIPAL WATER DISTRICT

By: _____
Title:

APPROVED AS TO FORM ONLY:

By: _____

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

By: _____
Title:

APPROVED AS TO FORM ONLY:

By: _____

CITY OF RIVERSIDE

By:_____

Title:

APPROVED AS TO FORM ONLY:

By:_____

EASTERN MUNICIPAL WATER DISTRICT

By:_____

Title: General Manager

APPROVED AS TO FORM ONLY:

By:_____

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

By:_____

Title:

APPROVED AS TO FORM ONLY:

By:_____

CITY OF RIVERSIDE

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

EASTERN MUNICIPAL WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

By:_____
Title: General Manager

APPROVED AS TO FORM ONLY:

By:_____

ORANGE COUNTY WATER DISTRICT

By: _____
Title: President

By: _____
Title: Acting General Manager

APPROVED AS TO FORM ONLY:

By: _____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Title:

APPROVED AS TO FORM ONLY:

By: _____

SAN GORGONIO PASS WATER AGENCY

By: _____
Title:

APPROVED AS TO FORM ONLY:

By: _____

ORANGE COUNTY WATER DISTRICT

By:_____

Title:

APPROVED AS TO FORM ONLY:

By:_____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By:_____

Title: President

APPROVED AS TO FORM ONLY:

By:_____

SAN GORGONIO PASS WATER AGENCY

By:_____

Title:

APPROVED AS TO FORM ONLY:

By:_____

ORANGE COUNTY WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

SAN GORGONIO PASS WATER
AGENCY

By: Jeffrey W Davis
Title: General Manager

APPROVED AS TO FORM ONLY:

By:_____

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WESTERN MUNICIPAL WATER DISTRICT

By: _____
Donald D. Galleano
President, Board of Directors

APPROVED AS TO FORM ONLY:

By: _____

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

By: _____
Title: GENERAL MANAGER

APPROVED AS TO FORM ONLY:

By: _____

R73058.1

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD,
SANTA ANA REGION

RESOLUTION NO. R8-2006-0019

Authorizing the Executive Officer to Sign and Execute the Cooperative Agreement
To Protect Water Quality and Encourage the Conjunctive Use
Of Imported Water in the Santa Ana River Basin

WHEREAS:

1. In Resolution No. R8-2004-0001, the Regional Board revised the Basin Plan to adopt new water quality objectives for N/TDS based upon the recommendations of a stakeholder process;

2. The N/TDS Task Force, as the stakeholder effort has become known, is a model for the cooperative and collaborative development of water policy initiatives;

3. At its May 19, 2006 meeting, the Regional Board considered draft Resolution No. R8-2006-0042 and draft Order No. R8-2006-0005, which would have adopted general waste discharge requirements for the injection/percolation of imported State Project Water, Colorado River Water or imported well water to recharge groundwater management zones within the Santa Ana Region;

4. At the close of the May 19, 2006 meeting, the Regional Board directed staff to work with appropriate stakeholders – largely the same stakeholders that had participated in the development of the new water quality objectives for N/TDS through the N/TDS Task Force – to investigate the feasibility of a cooperative program to manage salinity within the Region that would serve as an alternative approach to achieve the objectives of draft Resolution R8-2006-0042 and draft Order No. R8-2006-0005;

5. The stakeholder group has met regularly with Regional Board staff and has negotiated a proposed Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin (Attachment A);

6. The City of Corona, the City of Riverside, the City of San Bernardino Municipal Water Department, Eastern Municipal Water District, Elsinore Valley Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, San Gorgonio Pass Water Agency, and Western Municipal Water District of Riverside County have all executed the proposed cooperative agreement and, in doing so, have voluntarily agreed to an enhanced program to manage salinity within the Region;

7. Most water supply agencies in the State, including Metropolitan Water District of Southern California (MWDSC), are already required to collect and report routine chemical analyses to the California Department of Public Health (CDPH). In order to avoid redundant monitoring programs, MWDSC has offered to provide a copy of its annual water quality report, characterizing State Project Water, to the Regional Board. MWDSC's report to CDPH provides substantially the same

information that was originally specified in Table 1 of draft Order No. R8-2006-0005 (see Attachment B) and is a reasonable alternative approach;

8 The Regional Board wishes to obtain increased understanding of so-called "emerging contaminants" that may be present in imported water being used within the Region, however, there is significant uncertainty regarding the methods used to study emerging contaminants, including analytic methods and protocols;

9. The many issues associated with emerging contaminants are presently the subject of a number of studies, including a major study being undertaken by the National Water Research Institute (NWRI), the Metropolitan Water District of Southern California (MWDSC), and the Orange County Water District (OCWD) (NWRI/MWDSC/OCWD Study), estimated to be completed in 2009;

10. Regional Board staff believes that the NWRI/MWDSC/OCWD Study will provide data to satisfy the need for information concerning emerging contaminants for the calendar years 2008 and 2009;

11. For calendar years following 2008 and 2009, until a watershed-specific monitoring plan is developed and approved by the Regional Board, the Santa Ana River Dischargers Association (SARDA) has voluntarily agreed to provide an annual analysis of State Project Water imported to the Region for the suite of parameters sampled as part of the NWRI/MWDSC/OCWD Study;

12. The Cooperative Agreement signatories have agreed to develop a watershed-specific alternative list of emerging contaminants to be submitted for Regional Board consideration as an alternative to the parameters to be monitored during the NWRI/MWDSC/OCWD Study.

13. The Regional Board wishes to encourage voluntary programs to manage salinity and to better understand issues relating to emerging contaminants by partnering with stakeholders in a manner similar to the N/TDS Task Force. The results of the NWRI/MWDSC/OCWD study and other available data will be used in the stakeholder process to inform a program of study and investigation that includes an adaptively managed monitoring program.

14. The Cooperative Agreement and the monitoring program being developed by the stakeholder agencies within the Region obviates the need to bring back to the Board for consideration draft Resolution No. R8-2006-0042 and draft Order No. R8-2006-0005.

NOW, BE IT RESOLVED:

1. In lieu of the adoption of draft Resolution No. R8-2006-0042 and draft Order No. R8-2006-0005, the Regional Board hereby approves the proposed Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the

Santa Ana River Basin ("Agreement") and authorizes the Executive Officer to execute the Agreement on behalf of the Regional Board.

2. The Regional Board's execution of the Cooperative Agreement is contingent on the understanding that the other Cooperative Agreement signatories (the "Water Agencies") will, at their own expense, develop and implement a voluntary study program intended to better characterize the presence, extent, distribution and persistence of certain unregulated constituents in imported water used in the Santa Ana Region. The Regional Board supports this voluntary effort to manage water resources so as to avoid the need for future regulatory programs.

   a. The study program will be based on the best available science. Additional data may be collected, as appropriate, as part of the annual plans for investigation described below.

   b. The Water Agencies will, no later than December 31, 2008, prepare a report that provides a preliminary characterization of the presence, extent, distribution and persistence of unregulated constituents (also known as "emerging contaminants") that are indicators of the broader spectrum of constituents of water imported to the Santa Ana Region that may, in the future, be determined by appropriate regulatory agencies (e.g. USEPA or CDPH) to pose concerns for human health ("Imported Water Constituents"). This initial report will use data collected by the Department of Water Resources, the United States Geological Survey, the MWDSC/OCWD/NWRI study and other sources, as may be appropriate, that are developed consistent with generally accepted scientific data analysis protocols. The report shall be distributed to all signatories to this Agreement.

   c. The Water Agencies will, no later than December 31, 2009, and annually thereafter, prepare a plan for investigation (including a summary of the results of all prior monitoring efforts) that addresses at least the following questions for the Imported Water Constituents:

      i. Are there reliable and scientifically accepted protocols to test water for the presence and concentrations of these constituents?

      ii. What is known about the presence, extent, distribution and persistence of these constituents?

      iii. What is known about the toxicity, if any, of these constituents in terms of potential impacts on human health?

      iv. Should additional data be collected on any of these constituents, and, if so, under what sampling and analytical protocols?

   d. The annual plans for investigation described immediately above are not intended to substitute for the process used by USEPA and CDPH to develop MCLs or other water quality standards.

e. It is understood that the constituents that are the subject of the annual plans for investigation will, in all likelihood, change over time as their relative importance or unimportance to human health becomes better known. The Water Agencies will select constituents that they believe will best assist in understanding the potential impacts of imported water on human health.

f. The Regional Board may participate in the development of the report prepared pursuant to paragraph 2(b) above or the annual plans for investigation described in paragraph 2(c) above; however, such participation is not a prerequisite or condition for the development of such plan or reports.

g. The Water Agencies will promptly prepare a status update on the progress of either the report prepared pursuant to paragraph 2(b) above or the current annual plan for investigation prepared pursuant to paragraph 2(c) above upon request by the Regional Board.

h. The Water Agencies will promptly provide a copy of the report prepared pursuant to paragraph 2(b) above, the annual plans for investigation prepared pursuant to paragraph 2(c) above, and the results of analyses conducted pursuant to the Cooperative Agreement and this Resolution to all signatories to this Agreement, including the Regional Board.

I, Gerard J. Thibeault, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the California Regional Water Quality Control Board, Santa Ana Region, on January 18, 2008.

Gerard J. Thibeault
Executive Officer

Table I			
Chemical	***Units***	***Type of Sample***	***Minimum Frequency of Sampling and Analysis***
Total Water Flow	*Mgd*	Flow meter/totalizer	Continuous
Total Nitrogen[1]	*mg/L*	Grab[2]	Annually
Nitrate Nitrogen	*mg/L*	Grab[3]	Annually
Total Inorganic Nitrogen	"	"	"
Total Organic Carbon	"	"	"
Total Dissolved Solids	"	"	"
Total Trihalomethanes (TTHM)[4]	"	"	"
N-Nitrosodimethylamine (NDMA)	"	"	"
Methyl-tert-butyl ether (MTBE)	"	"	"
Perchlorate	*µg/L*	Grab	Annually
Inorganic Chemical			
Aluminum	*µg/L*	Grab	Annually
Antimony	"	"	"
Arsenic	"	"	"
Asbestos	*MFL*	"	"
Barium	*µg/L*	Grab	"
Beryllium	"	"	"
Cadmium	"	"	"
Chromium	"	"	"
Cyanide	"	"	"
Fluoride	"	"	"
Mercury	"	"	"
Nickel	"	"	"
Selenium	"	"	"
Thallium	*µg/L*	Grab	Annually
Volatile Organic Chemicals (VOC)			
Benzene	*µg/L*	Grab	Annually
Carbon Tetrachloride	"	"	"
1,2-Dichlorobenzene	"	"	"
1,4-Dichlorobenzene	"	"	"
1,1-Dichloroethane	*µg/L*	Grab	Annually

1 *Total Nitrogen is defined as the sum of nitrate, nitrite, ammonia, and organic nitrogen concentrations, expressed as nitrogen.*

2 *Grab sample is an individual sample collected in a short period of time not exceeding 15 minutes. Grab samples shall be collected during normal peak loading conditions for the parameter of interest, which may or may not be during hydraulic peaks.*

3 *Grab sample is an individual sample collected in a short period of time not exceeding 15 minutes. Grab samples shall be collected during normal peak loading conditions for the parameter of interest, which may or may not be during hydraulic peaks.*

4 *Sum of bromodichloromethane, dibromochloromethane, bromoform, and chloroform.*

Table 1			
Chemical	***Units***	***Type of Sample***	***Minimum Frequency of Sampling and Analysis***
1,2-Dichloroethane	µg/L	Grab	Annually
1,1-Dichloroethylene	"	"	"
Cis-1,2-Dichloroethylene	"	"	"
trans-1,2-Dichloroethylene	"	"	"
Dichloromethane	"	"	"
1,2-Dichloropropane	"	"	"
1,3-Dichloropropene	"	"	"
Ethylbenzene	"	"	"
Monochlorobenzene	"	"	"
Styrene	"	"	"
1,1,2,2-Tetrachloroethane	"	"	"
Tetrachloroethylene	"	"	"
Toluene	"	"	"
1,2,4-Trichlorobenzene	"	"	"
1,1,1Trichloroethane	"	"	"
1,1,2-Trichloroethane	"	"	"
Trichloroethylene	"	"	"
Trichlorofluoromethane	"	"	"
1,1,2-Trichloro-1,2,2-Trifluoroethane	"	"	"
Vinyl Chloride	"	"	"
Xylenes[5]	µg/L	Grab	Annually
Non-Volatile Synthetic Organic Chemicals (SOCs)			
Alachlor	µg/L	Grab	Annually
Atrazine	"	"	"
Bentazon	"	"	"
Benzo(a)pyrene	"	"	"
Carbofuran	"	"	"
Chlordane	"	"	"
2,4-D	"	"	"
Dalapon	"	"	"
Dibromochloropropane (DBCP)	"	"	"
Di(2-ethylhexyl)adipate	"	"	"
Di(2-ethylhexyl)phthalate	"	"	"
Dinoseb	"	"	"
Diquat	"	"	"
Endothall	"	"	"
Endrin	"	"	"
Ethylene Dibromide (EDB)	"	"	"
Glyphosate	"	"	"
Heptachlor	µg/L	Grab	Annually

5 *Limit is for either a single isomer or the sum of the isomers.*

Table I			
Chemical	***Units***	***Type of Sample***	***Minimum Frequency of Sampling and Analysis***
Heptachlor Epoxide	*µg/L*	Grab	Annually
Hexachlorobenzene	"	"	"
Hexachlorocyclopentadiene	"	"	"
Lindane	"	"	"
Methoxychlor	"	"	"
Molinate	"	"	"
Oxamyl	"	"	"
Pentachlorophenol	"	"	"
Picloram	"	"	"
Polychlorinated Biphenyls	"	"	"
Simazine	"	"	"
Thiobencarb	"	"	"
Toxaphene	"	"	"
2,3,7,8-TCDD (Dioxin)	"	"	"
2,4,5-TP (Silvex)	*µg/L*	Grab	Annually
Disinfection By-products			
	µg/L	Grab	Annually
Total Haloacetic acids (five) (HAA5)[6]	"	"	"
Notification Levels			
Copper	*µg/L*	Grab	Annually
Lead	*µg/L*	Grab	Annually
Radionuclides			
Combined Radium-226 and Radium-228	*pCi/l*	Grab	Annually
Gross Alpha particle activity (including Radium-226 but excluding Radon and Uranium)	"	"	"
Tritium	"	"	"
Strontium-90	"	"	"
Gross Beta particle activity	"	"	"
Uranium	*pCi/l*	Grab	Annually

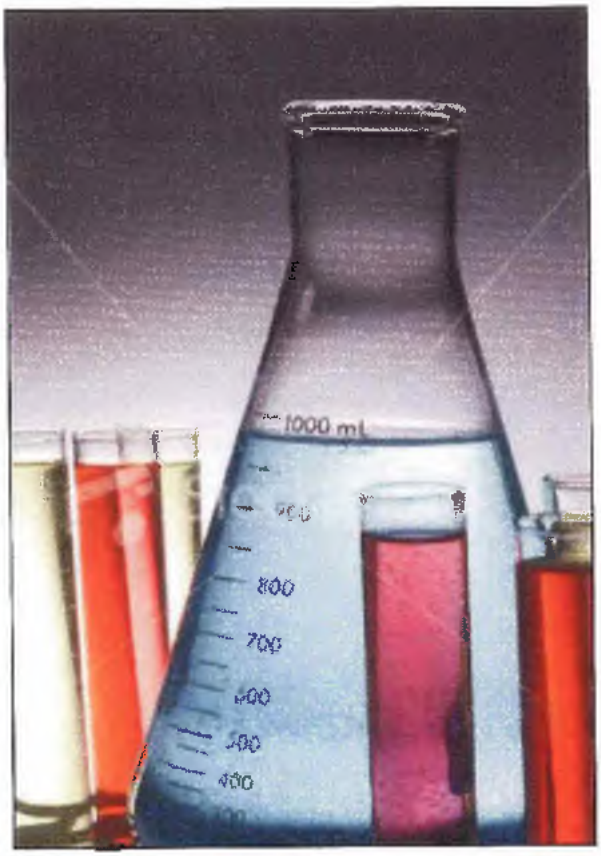
6 *Sum of monochloroacetic acid, dichloroacetic acid, trichloroacetic acid, monobromoacetic acid, and dibromoacetic acid).*

Phase-II Report

of the

Emerging Constituents Workgroup





A Proposed Work Plan to Characterize Select EC Concentrations in Surface Waters, Imported Waters & Recycled Waters Recharging Groundwaters of the Santa Ana River Watershed.



Proposed Work Plan for Santa Ana Watershed Project Authority's Emerging Constituents Workgroup in 2010-2011

1.0 Introduction

Water quality is routinely sampled at tens of thousands of locations across the U.S. Samples are collected from rain water, storm water runoff, freshwater streams, lakes and reservoirs, groundwater wells and tap water to characterize the quality of various supply sources. Additional samples from the sewage systems are analyzed to ensure pollution prevention programs and wastewater treatment plants are meeting all federal and state water quality standards.

Most sampling programs focus on a few hundred of the most common chemical constituents to assess overall water quality. These chemicals were selected from the larger universe of known chemicals because there is sufficient scientific evidence to indicate they may pose an increased risk to humans, plants or animals (including aquatic organisms) when they occur at elevated concentrations.

Several different regulatory agencies share responsibility for determining the acceptable concentration of potential pollutants. This is a formidable task as there are tens of thousands of chemical compounds in common use. Consequently, state and federal authorities rely on sales/usage information and monitoring data to establish appropriate research priorities for setting new water quality standards through a sophisticated and thorough regulatory review process.[1]

Improvements in analytical technology over the last decade have dramatically increased the number of chemicals we can detect and greatly decreased the concentration at which we can detect them.[2] Today, we are able to identify and quantify some potential pollutants in the range of one part-per-trillion (ppt) or less.[3] For perspective, 1 ppt is approximately equal to a plot of land the size of a postage stamp in an area the size of Orange County.

This new ability to detect infinitesimally small chemical concentrations has fundamentally altered our understanding of what's in the water. Trace levels (approx. 1-100 ppt) of many different man-made chemicals, particularly pesticides, pharmaceuticals and personal care products, have been found in waters across the United States. Collectively, these compounds are referred to as "Emerging Constituents" (ECs) because their presence is just starting to be revealed by rapid advances in analytical technology.[4]

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1 See, for example, U.S. EPA's process for identifying Candidate Contaminant List (CCL).

2 Vanderford, B.J., et al. "Analysis of Endocrine Disrupters and Personal Care Products in Water Using Liquid Chromatography and Tandem Mass Spectrometry." Analytical Chemistry. 2003 (75:6265-6274)

3 Vanderford, B.J. and Shane Snyder. "Analysis of Pharmaceuticals in Water by Isotope Dilution Liquid Chromatography/Tandem Mass Spectrometry." Environmental Science and Technology. 2006 (p. 7312-7320).

4 Emerging Constituents is one of several similar phrases used to describe the same phenomena. Synonyms include: emerging contaminants of concern, chemicals of emerging concern (CEC), micro-constituents, micro-pollutants, trace organics, etc. Such phrases may mistakenly imply that it is the concern that is emerging rather than the knowledge that certain chemicals may be present in a water sample. Similarly, referring to such compounds as Emerging Pollutants or Emerging Contaminants may mistakenly imply that the levels detected

Once new chemicals are detected, the question naturally arises as to what effect, if any, these compounds have on the municipal drinking water supplies. As part of the Recycled Water Policy adopted in early 2009, the California State Water Resources Control Board ("State Board") recently convened a Blue Ribbon Panel of Experts to address this concern.[5] The Panel's mission is to recommend appropriate water quality monitoring strategies for ECs based on the best available pharmacological and toxicological information taking into consideration the fate and transport of such chemicals through advanced treatments systems and the natural environment. The Panel is expected to publish its final recommendations in mid-2010.

2.0 Regulatory Context

In general, chemical compounds can be divided into two categories: regulated and unregulated. Regulated chemicals include those where a formal water quality standard or a state notification level has been established.[6] State and federal authorities may issue orders governing the release of such compounds into the environment. These regulations may range from relatively simple monitoring and reporting requirements to strict discharge prohibitions.

Unregulated chemicals are those for which no water quality standard or state notification level have been established. By definition, ECs are usually considered unregulated chemicals. However, that status may change as new information is developed. To that end, additional data are needed to characterize the presence and persistence of ECs throughout the water supply system. This information, along with epidemiological and toxicological data, may be used to set priorities for developing new water quality criteria, Maximum Contaminant Levels (MCLs), state notification levels and future water quality monitoring requirements.

Because the analytical techniques used to support EC characterization studies are still in the earliest stages of development, great care must be exercised when using the results of those studies. The data generated from the non-standard methods employed during the preliminary characterization studies are not sufficiently accurate for regulatory purposes such as: 303(d) listing decisions, antidegradation analyses, or translating narrative criteria into numeric effluent limits. These legal determinations depend on detailed risk assessments that are not yet available. However, the data from such studies is useful for determining which ECs, if any, should be prioritized for additional method development in order to determine whether more formal regulatory assessments may be needed in the future.

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pose a known hazard to people or the environment. The Emerging Constituents Workgroup in the Santa Ana region has chosen to use the phrase "emerging constituents" to describe a large group of chemicals that may or may not pose a risk to human health and the environment. The California Office of Environmental Health Hazard Assessment and U.S. EPA have primary legal responsibility for making the necessary risk assessments and publishing appropriate water quality standards for all chemicals including Emerging Constituents.

5 SWRCB. Recycled Water Policy. Resolution No. 2009-0011 (adopted 2/3/09). A summary of the Blue Ribbon Panel's work-in-progress is available at www.sccwrp.org

6 Concentrations of concern may be expressed as Maximum Contaminant Levels (MCLs), Public Health Goals (PHGs), State Notification Levels, 304(a) Criteria, Basin Plan objectives, TMDL targets, wasteload allocations, or receiving water limitations. Some of these also serve as formal regulatory thresholds.

Pending development of additional water quality standards, the California Department of Public Health ("DPH") previously suggested that periodic monitoring for trace organic chemicals may serve as a useful indicator of groundwater quality downgradient of recycled water projects.[7] Such data may also be used to corroborate the effectiveness of soil-aquifer treatment and the multi-barrier approach to preventing pathogen pollution. Therefore, as part of the proposed Groundwater Recharge Reuse Regulations, DPH prepared a draft list of ECs to guide planning and permitting efforts for recycled water projects.[8]

Acting on DPH's draft recommendations, Regional Boards began adding EC monitoring requirements to the permits for recycled water projects. As the use of recycled water has increased, so have the number of permits containing such provisions.[9] By 2006, some form of EC monitoring, often based on DPH's preliminary suggestions, was rapidly becoming a permit condition for all direct and indirect recharge of recycled water.[10]

Recognizing that the draft monitoring list for ECs was being misunderstood, DPH subsequently revised the draft Groundwater Recharge Reuse Regulation to clarify its original intent. DPH eliminated the list of specific chemicals and instead proposed that recycled water projects analyze for representative compounds within broad chemical categories (hormones, pharmaceuticals, personal care products, industrial chemicals, pesticides, etc.). The specific choice of chemical would be left to the project proponent and the permitting authorities.[11]

The SWRCB adopted the Recycled Water Policy and convened the aforementioned Blue Ribbon Panel of Experts to review the available science and make appropriate recommendations for future EC monitoring. California's Blue Ribbon Panel is only one of many different groups undertaking similar efforts. Recent news articles and a number of scientific papers and technical reports increased public awareness of the issue and provided impetus for additional EC investigations around the country.[12]

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7 DPH serves several different regulatory roles with respect to groundwater recharge projects. DPH is responsible, under statute, for establishing water quality criteria for groundwater recharge projects. DPH also acts as a consultant to the Regional Boards on the permit requirements for specific groundwater recharge projects. And, DPH has a co-equal role with the Regional Boards in establishing permit requirements for groundwater recharge projects that rely on direct injection rather than surface percolation.

8 http://www.cdph.ca.gov/certlic/drinkingwater/Documents/Recharge/DraftRechargeReg2008.pdf (see Endnote 5). See also http://www.cdph.ca.gov/certlic/drinkingwater/Pages/EmerginContaminants.aspx

9 See, for example, Monitoring and Reporting Program for Regional Board Order No. R8-2005-0033 for Phase I of the Chino Basin Recycled Water Groundwater Recharge Project.

10 See, for example, the NPDES permit issued to Donald C. Tillman Water Reclamation Plant (NPDES No. CA0056227) and the proposed draft NPDES Permit for the Henry N. Wochholz Regional Water Recycling Facility operated by the Yucaipa Valley Water District (NPDES No. CA0105619). Attachment K: List of Unregulated Chemicals: Endocrine Disrupting Chemicals & Pharmaceuticals and Other Chemicals (2007).

11 A more detailed discussion of the history of EC monitoring as it relates to NPDES permitting requirements in California is provided in the Phase-I Report of the Emerging Constituents Task Force. Santa Ana Watershed Project Authority. April, 2009. Available for download at: http://www.sawpa.org

12 Jeff Donn, Martha Mendoza and Justin Pritchard, Associated Press. "AP Probe Finds Drugs in Drinking Water." March 10, 2008.

3.0 Current Studies to Characterize Emerging Constituents

Recently, several large-scale water quality characterization studies began testing for select ECs. The U.S. Geological Survey's National Ambient Water Quality Assessment (NAWQA) and Groundwater Ambient Monitoring Assessment (GAMA) are probably the largest and best known of these research efforts. Results from samples collected throughout the nation indicate that ECs have been detected at trace levels in some surface and groundwater samples.

Subsequent investigations have detected the presence of similar chemicals in both source waters and tap waters.[13] And, follow-on studies found trace amounts of some ECs in highly treated recycled waters.[14] The concentration of trace organic compounds fluctuates greatly from location to location and from day to day. New research is underway to determine if additional treatment can reduce or eliminate ECs cost-effectively.[15]

Given these findings, and the significant role recycled water plays in Southern California, a coordinated effort to characterize the presence of ECs in the Santa Ana River watershed was recently initiated. In 2007-8, the USGS collected and analyzed local groundwater samples as part of the GAMA program. Results of this effort were published in November, 2009 and the EC data are summarized in Table 1.

TABLE 1: EC Characterization for Select Ground Waters in the Santa Ana Region

Compound	Use	# Detections	Detection %	LRL*
Acetaminophen	Analgesic	3 of 89 wells	3%	25 ng/L
Caffeine	Stimulant	3 of 89 wells	3%	15 ng/L
Carbamazepine	Anti-convulsant	5 of 89 wells	6%	30 ng/L
Sulfamethoxazole	Antibiotic	0 of 89 wells	0%	10 ng/L

*LRL = Laboratory Reporting Level

Other pharmaceutical compounds evaluated included: Codeine (narcotic), Continine (nicotine metabolite), Dehydronifedipine (anti-angina metabolite), Diltiaem (anti-angina), Diphenhydramine (antihistamine), Salbutamol (bronchodilator), Thiabendazole (anthelmintic), Trimethoprim (antibacterial), Warfarin (anti-coagulant).

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13 Benotti, M.J., R.A. Trenholm, B.J. Vanderford, J.C. Holady, B.D. Stanford and S. A. Snyder. "Pharmaceuticals and endocrine disrupting compounds in U.S. drinking water." Environmental Science and Technology. 2009

14 Snyder, Shane. Southern Nevada Water Authority Applied R&D Center. Testimony before the Senate Subcommittee on Transportation Safety, Infrastructure Security and Water Quality on Pharmaceuticals in the Nation's Water: Assessing Potential Risks and Actions to Address the Issue. April 15, 2008.

15 See, for example, Dickenson, E.R., J.E. Drewes, D.L. Sedlak, E.C. Wert and S.A. Snyder. "Applying surrogates and indicators to assess removal efficiency of trace organic chemicals during chemical oxidation of wastewaters." Environmental Science and Technology. 2009.

The GAMA study also analyzed for nine other pharmaceutical compounds (listed above). None of these other chemicals were detected in any of the groundwater samples. USGS concluded that:

> *"No pharmaceutical compound was detected in more than five wells, and all of the concentrations were low. Health-based thresholds do not exist for concentrations of pharmaceuticals in drinking water. However, to reach concentrations of the two detected medications (acetaminophen and carbamazepine) equal to dosages typically recommended or prescribed would, in all cases, require consuming more than one million liters of the sampled water. The sampled concentrations of caffeine were, in all cases, less than one-millionth of the concentration of caffeine in regular coffee."*[16] *(pg. 13)*

In addition, three water agencies undertook a focused sampling program to characterize EC concentrations in surface waters including water imported to the region from the State Water Project and the Colorado River. The agencies also evaluated samples collected from the Santa Ana River, its tributaries, and select wastewater discharges to these streams.[17] Consistent with previous studies performed elsewhere, preliminary data from the Santa Ana investigation detected the presence of some ECs in surface waters throughout the region (see Table 2).

TABLE 2: Partial EC Characterization for Surface Waters in Santa Ana River (n=32)[18]

Compound	Use	Minimum	Median	Maximum
Caffeine	Stimulant	9 ng/L	47 ng/L	1620 ng/L
Carbamazepine	Anti-convulsant	49 ng/L	135 ng/L	267 ng/L
Gemfibrozil	Anti-cholesterol	<5 ng/L	48 ng/L	590 ng/L
Primidone	Anti-convulsant	41 ng/L	90 ng/L	146 ng/L
Sulfamethoxazole	Antibiotic	4 ng/L	160 ng/L	721 ng/L

This finding is not surprising considering that recycled water often comprises more than 90% of the flow in the Santa Ana River and trace levels of some ECs were also detected in the treated municipal wastewater discharged to the river (see Table 3).

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16 Kent, Robert and Kenneth Belitz. Unites States Geological Survey (USGS). Ground-Water Quality Data in the Upper Santa Ana Watershed Study Unit, November 2006 - March 2007: Results from the California GAMA Program. Data Series 404. November, 2009.

17 Guo, Y.C. et al, "Occurrence, Fate and Transport of PPCPs in Three California Watersheds." AWWA Water Quality Technology Conference, November, 2009. Seattle, WA (Research co-sponsored by Metropolitan Water District of Southern California, Orange County Water District, and National Water Research Institute).

18 Eight stream sites were each sampled four times between April, 2008 and April, 2009.

TABLE 3: Partial EC Characterization for Municipal Effluents (n=16)[19]

Compound	Use	Minimum	Median	Maximum
Caffeine	Stimulant	<5 ng/L	14 ng/L	1883 ng/L
Carbamazepine	Anti-convulsant	123 ng/L	208 ng/L	331 ng/L
Gemfibrozil	Anti-cholesterol	<5 ng/L	22 ng/L	1178 ng/L
Primidone	Anti-convulsant	84 ng/L	146 ng/L	171 ng/L
Sulfamethoxazole	Antibiotic	4 ng/L	417 ng/L	1593 ng/L

Finally, trace concentrations of some ECs were identified in water imported to the Santa Ana Region from the State Project (see Table 4) and the Colorado River (see Table 5).

TABLE 4: Partial EC Characterization for State Project Water (n=8)[20]

Compound	Use	Minimum	Median	Maximum
Caffeine	Stimulant	<5 ng/L	7 ng/L	37 ng/L
Carbamazepine	Anti-convulsant	<1 ng/L	2 ng/L	4 ng/L
Gemfibrozil	Anti-cholesterol	<5 ng/L	<5 ng/L	5 ng/L
Primidone	Anti-convulsant	< 2 ng/L	2 ng/L	10 ng/L
Sulfamethoxazole	Antibiotic	5 ng/L	10 ng/L	11 ng/L

TABLE 5: Partial EC Characterization for Colorado River Water (n=4)[21]

Compound	Use	Minimum	Median	Maximum
Caffeine	Stimulant	<5 ng/L	<5 ng/L	<5 ng/L
Carbamazepine	Anti-convulsant	<1 ng/L	<1 ng/L	2 ng/L
Gemfibrozil	Anti-cholesterol	<5 ng/L	<5 ng/L	<5 ng/L
Primidone	Anti-convulsant	<2 ng/L	2 ng/L	3 ng/L
Sulfamethoxazole	Antibiotic	<1 ng/L	<1 ng/L	1 ng/L

[19] Four wastewater treatment plans were each sampled four times between April, 2008 and April, 2009. The four plants include three that discharge to the Santa Ana river system and one that discharges to the Colorado River in Nevada.

[20] Two samples locations, representing the east and west branches of the State Project Water in Southern California, were sampled four times each between April, 2008 and April, 2009.

[21] Four samples were collected from Lake Mathews, the terminal reservoir for Colorado River imported to Southern California, between April 2008 and April 2009.

After confirming that ECs were present, water and wastewater agencies throughout the Santa Ana region elected to continue their characterization studies and to coordinate those efforts with one another. This voluntary program is intended to supplement the existing knowledge base pending recommendations from the Blue Ribbon Panel of Experts and potential new policy guidance from DPH and/or the State Board. At this time, it is not known what those recommendations will be or what actions DPH and the State Board will take based on those recommendations.

4.0 Purpose

The water and wastewater agencies serving the Santa Ana region are committed to develop an EC investigation program that addresses the public's desire to know more about what chemicals may be in their water supplies. Such efforts are essential to increase public acceptance and encourage greater use of recycled water.

The rationale for this voluntary program was recently described in a report entitled: "Managing Contaminants of Emerging Concern in California." The report summarizes results and recommendations from a forum of regulatory and scientific experts convened to assist the State Board in developing a scope-of-work for the Blue Ribbon Panel. Workshop participants found that more data characterizing the presence and persistence of ECs will: 1) establish a baseline to evaluate fate and transport mechanisms and potential trends in water quality which is essential to develop a risk-based approach to understanding and managing exposure to ECs; 2) aid federal and state authorities as they set priorities for and determine whether to develop new water quality criteria; and 3) be useful for evaluating the effectiveness of pollution prevention and source control programs.

The report also identified three steps that should be taken as agencies collaborate to characterize and understand the effects of ECs on public health and the environment. The first step will be filling data gaps through investigative monitoring and targeted research. The second step will be identifying, developing and testing accurate and reliable methods for detecting ECs at very low levels. The third step will be to incorporate the measurement of ECs into on-going water quality studies, such as those that have been undertaken by Inland Empire Utilities Agency, the Metropolitan Water District of Southern California, National Water Research Institute and Orange County Water District. The workshop participants stressed that:

"In lieu of regulations or compliance monitoring...investigative chemical monitoring should be used as the first step towards development of a management strategy in California." [A key element] *"of this process will be our ability to adapt the strategy as new information becomes available. Since relatively little is known about CECs at this time, new information and technology will undoubtedly affect our ability to monitor and establish thresholds for CECs. Preliminary CEC monitoring lists will be subject to trial and error."*[22]

As noted earlier, the draft DPH Groundwater Recharge and Reuse regulations do not identify the specific ECs that must be monitored. Rather, DPH states that this determination must be made on a project-by-project basis and will vary based on a number of considerations including the source of the recharge water, the type of treatments applied to the recycled water and the nature of soil conditions in the area and other factors that may affect the fate, transport and degradation of ECs in the environment. DPH also acknowledges that, for some projects, other chemicals (such as the relative amounts of inorganic tracers or total organic carbon) may provide a better indication of the sources influencing groundwater quality than the specific concentration of various trace organic compounds. It is the responsibility of the project proponents to recommend and justify an appropriate monitoring strategy to the state permitting authorities.

Because analytical technology is constantly improving and our knowledge of which chemicals may pose an unacceptable risk to people and the environment is always growing, it is agreed that any EC investigation program must be updated regularly. Therefore, it is likely that the list of chemicals recommended for future characterization studies will change over time. The water and wastewater agencies proposing to undertake this investigation are committed to a process of adaptive management to ensure the EC characterization program fulfills its stated purpose using the best available science.

To facilitate early implementation of these recommendations, stakeholders in the Santa Ana region propose to undertake a water quality characterization study in 2010-11 to fill some of the aforementioned data gaps. Samples collected from select surface water streams, imported water sources and wastewater treatment plants will be analyzed for a representative group of ECs using the best analytical technology presently available.

The EC Workgroup will prepare a written Sampling and Analysis Plan (SAP) describing the specific data quality objectives, sampling locations, sampling protocols, sampling frequency, analytical methods, QA/QC procedures, database management and reporting requirements. The plan will also discuss the appropriate and inappropriate uses of the data given the various method limitations. The SAP will be submitted to the Regional Board staff by March 15, 2010 for review and comment. The general specifications for the 2010-2011 EC Characterization Study are described in Section 5.

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[22] "Managing Contaminants of Emerging Concern in California." California CEC Workshop. Co-sponsored by the Southern California Coastal Water Research Project (SCCWRP), California Ocean Protection Council, California Ocean Science Trust, National Water Research Institute, San Francisco Estuary Institute and the Urban Water Research Center at the University of California-Irvine. Held: April 28-29, 2009. Report published in Sept., 2009 and is available at: ftp://ftp.sccwrp.org/pub/download/DOCUMENTS/TechnicalReports/600_CEC_wkshp2009.pdf

5) 2010-11 Characterization Study

A) Proposed Analytes

Table 6 identifies the trace organic compounds that the stakeholders propose to assess during the 2010 characterization period. The list may be revised for the 2011 characterization period based on recommendations from the Blue Ribbon Panel of Experts or new guidance from the State Board.

Table 6: ECs to be Analyzed

Chemical	Category	Common Use	Notes
Acetaminophen (aka "Tylenol")	Pharmaceutical	Over-the Counter Analgesic	3,4,5,8
Bisphenol-A (BPA)	Industrial	Plastic Manufacturing	7
Caffeine (coffee, tea, soft drinks)	Food Additive	Non-Prescription Stimulant	3,5,6,8
Carbamazepine	Pharmaceutical	Prescription Anti-Convulsant	1,2,3,4, 5,6,8
DEET (aka "Off")	Pesticide	Household Insect Repellent	1,2,6
Diuron	Herbicide	Weed Control	6
Ethynylestradiol/Ethinylestradiol	Hormone	Prescription	1,2,4,6
Gemfibrozil	Pharmaceutical	Prescription Anti-Cholesterol	1,2,3,4,5,6
Ibuprofen (aka "Advil")	Pharmaceutical	Over-the-Counter Analgesic	3,4,5
Sulfamethoxazole	Pharmaceutical	Prescription Antibiotic	1,2,3,5,6,8
TCEP	Industrial	Flame Retardant	1,2,3,6

Selection Criteria Notes:

1) Commonly detected in national studies of water supply sources.
2) Commonly detected in national studies of finished drinking water.
3) Detected in SAR surface waters and/or effluents in MWDSC/NWRI/OCWD study.
4) Detected in Inland Empire Utility Agency's existing EC monitoring program.
5) Detected in previous USGS studies of the Tualatin River system in Oregon.
6) Recommended by expert panel assembled to review an advanced reclamation project proposed for the West Basin.
7) Recently added to U.S. EPA's Candidate Contaminant List (CCL)
8) Detected by the USGS GAMA program in Santa Ana groundwater samples.

B) Proposed Sampling

Table 7: Sampling Locations, Frequency, Type & Responsibilities

Sampling Site	Sampling Frequency	Sample Type	Responsible Agency[23]
Final Effluent from All Wastewater Treatment Plants[24]	Annually	24-hour Composite	Permitted Operator
State Project Water @ Devil Canyon	Annually	Representative Grab	MWDSC
Colorado River @ San Jacinto West Portal	Annually	Representative Grab	MWDSC
Santa Ana River near MWD Crossing	2x/year	Representative Grab	OCWD
Santa Ana River near Prado Dam	2x/year	Representative Grab	OCWD

Water samples will be collected by June of each year. Second samples, when needed, will be collected by September of each year. Due to the time required to analyze samples, review QA/QC and summarize results, data from the summer collection period will be included in the next year's report.[25]

C) Proposed Methods

At present, there are no standardized or certified methods for analyzing most ECs.[26] Until EPA approves such methods, the EC Workgroup is committed to using the best analytical technology commercially available: LC-MS-MS with isotope dilution. In general, this technique is capable of detecting select ECs in de-ionized laboratory water at concentrations of 1 to 10 ng/L. However, the specific reporting detection level (RDL) will vary over time and between laboratories in more complex water matrices. Therefore, more detailed data quality objectives and QA/QC requirements will be specified in the Sampling and Analysis Plan submitted to the Regional Board.

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[23] Pending approval and funding authorization from each agency.

[24] Includes all wastewater treatment plants operating under a valid NPDES permit or Waste Discharge Requirement (WDR) issued by the California Regional Water Quality Control Board – Santa Ana Region and/or U.S. EPA regardless of whether the discharge is to waters of the U.S. or waters of the state.

[25] Therefore, the report submitted in November, 2010 will include only the results for samples collected in May, 2010. The report submitted in November, 2011 will include the results for samples collected in August, 2010 and May, 2011.

[26] U.S. EPA approves analytical methods pursuant to 40 CFR Part 136.

D) Proposed Reporting

Participating stakeholders will submit copies of all sampling documents (field notes and chain of custody forms) and laboratory reports to the Santa Ana Watershed Project Authority (SAWPA). SAWPA will input the data to the SAWDMS database and prepare an annual report summarizing results of the EC characterization program. A draft copy of the EC report will be distributed for review and comment and SAWPA will convene a stakeholder meeting shortly thereafter to discuss suggested revisions to the draft document. The final report will be submitted to the Regional Board, on behalf of the stakeholders, by December 31st of each year.

The annual report will include a detailed description of the chemical analytes, sampling locations, sampling dates and protocols, analytical methods, QA/QC procedures and relevant results. Where appropriate, the report will also include any recommended changes to future EC sampling efforts (including revised analytes or sampling locations).

Finally, to facilitate public understanding of the new information, the report will describe the toxicological relevance of the measured EC concentrations. The purpose of this discussion is to provide, where possible, a scientific context for evaluating the relative health risks of these trace organic compounds.[27]

E) Proposed Schedule for 2010-11 Study Period

Task	Description	Deadline
1	Prepare and Submit EC Sampling and Analysis Plan	Mar. 15, 2010
2	Collect and Analyze Initial Samples from All Locations in Table 7	June 30, 2010
3	Submit Initial Sample Results and Related Documentation to SAWPA	July 31, 2010
4	ECW Meeting to Review and Discuss Initial Sample Results	Aug. 31, 2010
5	Collect and Analyze Second Surface Water Samples	Sept. 30, 2010
6	Distribute Draft Annual Report to Emerging Constituents Workgroup	Oct. 31, 2010
7	ECW Meeting to Review and Finalize Annual Report	Nov. 30, 2010
8	Submit First Annual Report to Regional Board	Dec. 31, 2010
9	Submit Second Surface Water Sample Results from 2010 to SAWPA	Jan. 31, 2011

[27] See, for example, "Toxicological Relevance of Endocrine Disrupting Chemicals and Pharmaceuticals in Water" American Water Works Association Research Foundation Report No. 3085/WRF 04-003.

E) Emerging Constituents Workgroup

SAWPA will periodically coordinate meetings of the Emerging Constituents Workgroup (ECW) to organize the next phase of the EC characterization study. This includes reviewing new water quality data, preparing the annual EC report, and integrating new EC policies enacted by the State Board and DPH.

During 2010, and after reviewing the final published results from the GAMA study and the MWDSC/NWRI/OCWD study, the ECW will determine whether it is useful and appropriate to expand the investigation effort to include storm water samples and select groundwater locations in 2011.

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

CITY OF CORONA

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

CITY OF RIVERSIDE

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

EASTERN MUNICIPAL WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

ORANGE COUNTY WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

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WESTERN MUNICIPAL WATER DISTRICT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

By:_____
Title:

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YUCAIPA VALLEY WATER DISTRICT

By: _____
Title:

APPROVED AS TO FORM ONLY:

By:_____

CITY OF REDLANDS

By:_____
Title:

APPROVED AS TO FORM ONLY:

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CITY OF RIALTO

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INLAND EMPIRE UTILITIES AGENCY

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

LEE LAKE WATER DISTRICT

By:_____
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APPROVED AS TO FORM ONLY:

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CITY OF BEAUMONT

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

SAN GORGONIO PASS WATER AGENCY

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

SANTA ANA WATERSHED PROJECT AUTHORITY

By:_____
Title:

APPROVED AS TO FORM ONLY:

By:_____

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

DEMONSTRATION PROJECT

WATER EXCHANGE AGREEMENT

RECITALS

A. San Bernardino Valley Municipal Water District ("VALLEY") is a public agency organized pursuant to the California Municipal Water District Law of 1911 (Water Code §§ 71000 et seq.) with broad powers to acquire and sell water. VALLEY has a Water Supply Contract with the California Department of Water Resources ("DWR") that provides VALLEY with a Table A Amount of up to 102,600 acre-feet per annum of water ("AFA") from the State Water Project ("SWP").

B. Crestline-Lake Arrowhead Water Agency ("AGENCY") is a public agency organized in accordance with Crestline-Lake Arrowhead Water Agency Law (Water Code Appendix §§ 104-1 et seq.) with broad powers to acquire and sell water. AGENCY has a Water Supply Contract with DWR that provides it with a Table A Amount of 5,800 AFA.

C. VALLEY and AGENCY intend by this Agreement to implement a Demonstration Project to exchange water for an initial period of one year to determine the long-term feasibility, including evaluation of benefits, costs, and beneficial distribution of supplemental water to VALLEY and AGENCY.

D. VALLEY and AGENCY desire to enter into this Water Exchange Agreement whereby VALLEY will acquire up to 1,000 AF of SWP water from AGENCY ("INITIAL DELIVERY") in exchange for delivery of a like amount of water from VALLEY to AGENCY ("EXCHANGE WATER") within three years of the INITIAL DELIVERY ("RETURN PERIOD").

E. VALLEY has a need for the INITIAL DELIVERY before December 31, 2008, to improve reliability of supply to existing water users within VALLEY.

F. AGENCY has up to 1,000 AF of SWP water available from its 2008 allocation of SWP water for the INITIAL DELIVERY provided it can receive the EXCHANGE WATER from VALLEY within three years to enable it to meet anticipated demands for water within its service area.

SBVMWD LEGAL
DOCUMENT **2206**

IN CONSIDERATION OF THE MUTUAL PROMISES of the Parties as set forth herein, it is agreed as follows:

1. **Description of the Exchange and Procedures.**

On or before December 1, 2008, AGENCY will in writing request the California Department of Water Resources ("DWR") to deliver up to 1,000 AF of the AGENCY's SWP Table A Amount to VALLEY ("INITIAL DELIVERY") at its designated point of delivery. A copy of such written request shall be delivered to VALLEY. After written confirmation to AGENCY from VALLEY of such INITIAL DELIVERY, at the written request of AGENCY, VALLEY shall deliver a like amount of SWP water or water of equal or better quality ("EXCHANGE WATER") to AGENCY, in whole or in part as specified in such request. AGENCY shall not make such request any earlier than January, 2010. VALLEY and AGENCY shall meet and confer in advance of such delivery date to schedule the delivery of the EXCHANGE WATER over the Return Period. VALLEY shall complete delivery of the EXCHANGE WATER no later than December, 2011. VALLEY's obligation to deliver EXCHANGE WATER shall be from any source provided it is equal to or better than the water quality standards established by DWR for the State Water Project. If AGENCY requests delivery of EXCHANGE WATER in a year which DWR has declared to be critically dry, VALLEY and AGENCY agree to confer in good faith to adjust the quantity of EXCHANGE WATER to be delivered in that year so as to minimize adverse impacts on the ability of both parties to satisfy the needs of their respective customers. AGENCY'S obligation for the INITIAL DELIVERY shall be subject to the availability of water from the SWP.

2. **Points of Delivery and Measurement.**

a. VALLEY. The point of delivery and measurement of the Initial Water from AGENCY shall be from DWR at Silverwood Lake.

b. AGENCY. The point of delivery and measurement of the Exchange Water from VALLEY to AGENCY shall be from VALLEY at Silverwood Lake.

3. **Charges.**

a. Neither VALLEY nor AGENCY shall charge any costs to the other for use of either agency's facilities to the point of delivery.

b. VALLEY shall be responsible for all costs of, and entitled to all power credits generated by, the INITIAL DELIVERY downstream

from the point of delivery. AGENCY shall be responsible for all delivery costs of the EXCHANGE WATER.

4. **Conditions Precedent and Covenants.**

4.1 **DWR Approval.** No provisions of this Agreement requiring DWR approval shall become operative until DWR approves of those provisions. VALLEY and AGENCY shall use their best efforts to promptly obtain such approvals.

4.2 **State Water Contractors.** VALLEY and AGENCY agree they will each with due diligence and in good faith seek to obtain the support and approval of this Agreement by the State Water Contractors and request DWR approve the exchange of water as set forth herein.

5. **Future Banking and Conjunctive Use Projects.**

VALLEY and AGENCY believe that water exchange agreements and coordinated deliveries could lead to improved reliability and more efficient utilization of their respective supplies to meet the needs of their respective water users. In that regard, VALLEY and AGENCY agree to work together in good faith and with due diligence to determine the technical and financial feasibility and implementation of such arrangements subject to compliance with applicable laws, including California Environmental Quality Act.

6. **Notices.**

All written notices required to be given pursuant to the terms of this Agreement shall be either (i) personally delivered, (ii) deposited in the United States express mail or first class mail, (iii) delivered by overnight courier service, or (iv) delivered by facsimile transmission, provided that the original of such notice is sent by certified United States mail, postage prepaid, no later than one (l) business day following such facsimile transmission. All such notices shall be deemed delivered upon actual receipt (or upon first attempt at delivery pursuant to the methods specified in clauses (i), (ii) or (iii) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses or to such other address as the receiving party may from time to time specify by written notice to the other party:

VALLEY:

San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
P.O. Box 5906
San Bernardino, CA 92412-5906

Attention: General Manager
Telephone: (909) 387-9211
Facsimile: (909) 387-9247

AGENCY:

Crestline-Lake Arrowhead Water Agency
24116 Crest Forest Drive
P.O. Box 3880
Crestline, CA 92325-3880

Attention: General Manager
Telephone: (909) 338-1779
Fax: (909) 338-3686

7. **Miscellaneous.**

7.1 **No Assignment.** No party shall assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other party.

7.2 **Successors and Permitted Assigns.** All covenants and agreements contained in this Agreement by or on behalf of any of the parties shall bind and inure to the benefit of their respective successors and permitted assigns, wither so expressed or not.

7.3 **No Modification of Existing Contracts.** This Agreement shall not be interpreted to modify the terms or conditions of the water supply contracts between the DWR and AGENCY and between DWR and VALLEY, or to modify the terms or conditions of any other water purchase or exchange agreements between AGENCY and VALLEY.

7.4 **Governing Law/Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. Venue for any actions brought regarding this Agreement shall be in the County of San Bernardino, provided that, in accordance with the provisions of the

Code of Civil Procedure Section 394, a disinterested judge from a neutral county is assigned to hear such action and all proceedings in connection therewith.

7.5 **Ministerial Actions.** Due to increasing State-wide demands for water, water exchanges, water storage, banking and recovery, and various water quality issues throughout the State, the Parties agree that this Project is unique and cannot be duplicated and there is not a plain, speedy, and adequate remedy at law for VALLEY or AGENCY should either refuse or fail to perform their respective obligations as set forth in this Agreement. Consequently, VALLEY and AGENCY agree that the terms of this Agreement are enforceable by writ of mandate and specific performance.

7.6 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Signatures sent by facsimile shall be deemed originals and treated in all respects as originals.

7.7 **Further Action.** The parties agree to and shall take such further action and execute such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with terms thereof.

7.8 **Interpretation.** This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of its terms and the legal consequences thereof. The headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

DATE: 11/7/2008

SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT

By _____

DATE: 11/7/08

CRESTLINE-LAKE ARROWHEAD
WATER AGENCY

By Roxanne M. Holmes

NOTICE OF EXEMPTION

(California Environmental Quality Act)

To: Clerk of the Board of Supervisors
County of San Bernardino
385 N. Arrowhead Ave., 2nd Floor
San Bernardino, CA 92415

Office of Planning and Research
1400 Tenth Street, Room 222
Sacramento, CA 95814
Attn: State Clearinghouse

From: San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
P.O. Box 5906
San Bernardino, CA 92412-5906
Phone: (909) 387-9211

Project Title: The Project entails the approval of a Water Exchange Agreement, which allows for the exchange of 1,000 acre-feet ("AF") of State Water Project ("SWP") water from Crestline-Lake Arrowhead Water Agency ("Agency") to San Bernardino Valley Municipal Water District ("Valley") and vice versa.

Project Location: Within the service areas of Crestline-Lake Arrowhead Watery Agency, see Map attached as Exhibit "1," and San Bernardino Valley Municipal Water District, see Map attached as Exhibit "2," in the County of San Bernardino.

Description of Nature, Purpose, and Beneficiaries of Project: On November 5, 2008, the Board of Directors of Valley approved the execution of the Water Exchange Agreement ("Agreement") with Agency. This Agreement authorizes Valley to acquire up to 1,000 AF of SWP water from Agency, and requires Agency to submit a written request to the California Department of Water Resources on or before December 1, 2008, to deliver up to 1,000 AF of Agency's share of SWP Table A water to Valley. In exchange for delivery of that water, Valley will deliver a like amount of water of equal or better quality to Agency within three years of the initial delivery of water to Valley. This same Agreement was approved by Agency on November 6, 2008.

Name of Public Agency Approving Project: San Bernardino Valley Municipal Water District

Exempt Status (check one):

___ Ministerial Action.
___ Declared Emergency
___ Emergency Project
_X_ Categorical Exemption (State CEQA Guidelines § 15301 [Existing Facilities]; State CEQA Guidelines §15304 [Minor Alterations to Land, Water, or Vegetation].)
_X_ Statutory Exemption (State CEQA Guidelines § 15282(u) [Temporary Transfer or Exchange of Water or Water Rights].)
_X_ Other The Project is also exempt under State CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility the Project may have a significant impact on the environment. The Project is merely an exchange of water. No physical facilities will be constructed to produce or transport water because all such required facilities already exist. In addition, no new water production or transportation capacity is created by the Project.

Reasons why project is exempt: The water exchange approved by Valley will entail no change in type of use or expansion of use, but consist merely of the continued operation of existing facilities and the use of those facilities to temporarily transport water to a different location. State CEQA Guidelines section 15301 provides that environmental review is not required for "the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination." In addition, the exchange of water is a minor, temporary alteration to the condition of water that does not require the removal of any trees and thus is also exempt pursuant to State CEQA Guidelines section 15304 as "minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees." The Project's proposed exchange of water is temporary and thus is also exempt pursuant to the State CEQA Guidelines, section 15282(u) exemption for the temporary transfer of water or water rights. Because the water exchange will merely temporarily change the location in which water is used and will be delivered via existing facilities, there is no possibility the Project may have a significant impact on the environment. Accordingly, the Agreement and the water exchange that it authorizes are exempt from environmental review under CEQA. Moreover, the water transfer does not involve cumulative impacts, potentially significant impacts, unusually sensitive environments, or any other unique or unusual environmental impacts that might merit environmental review.

Contact Person & Telephone Number: Randy Van Gelder, General Manager
Phone: (909) 387-9218

11/7/2008
Date

for San Bernardino Valley Municipal Water District

RVPUB\755560.1

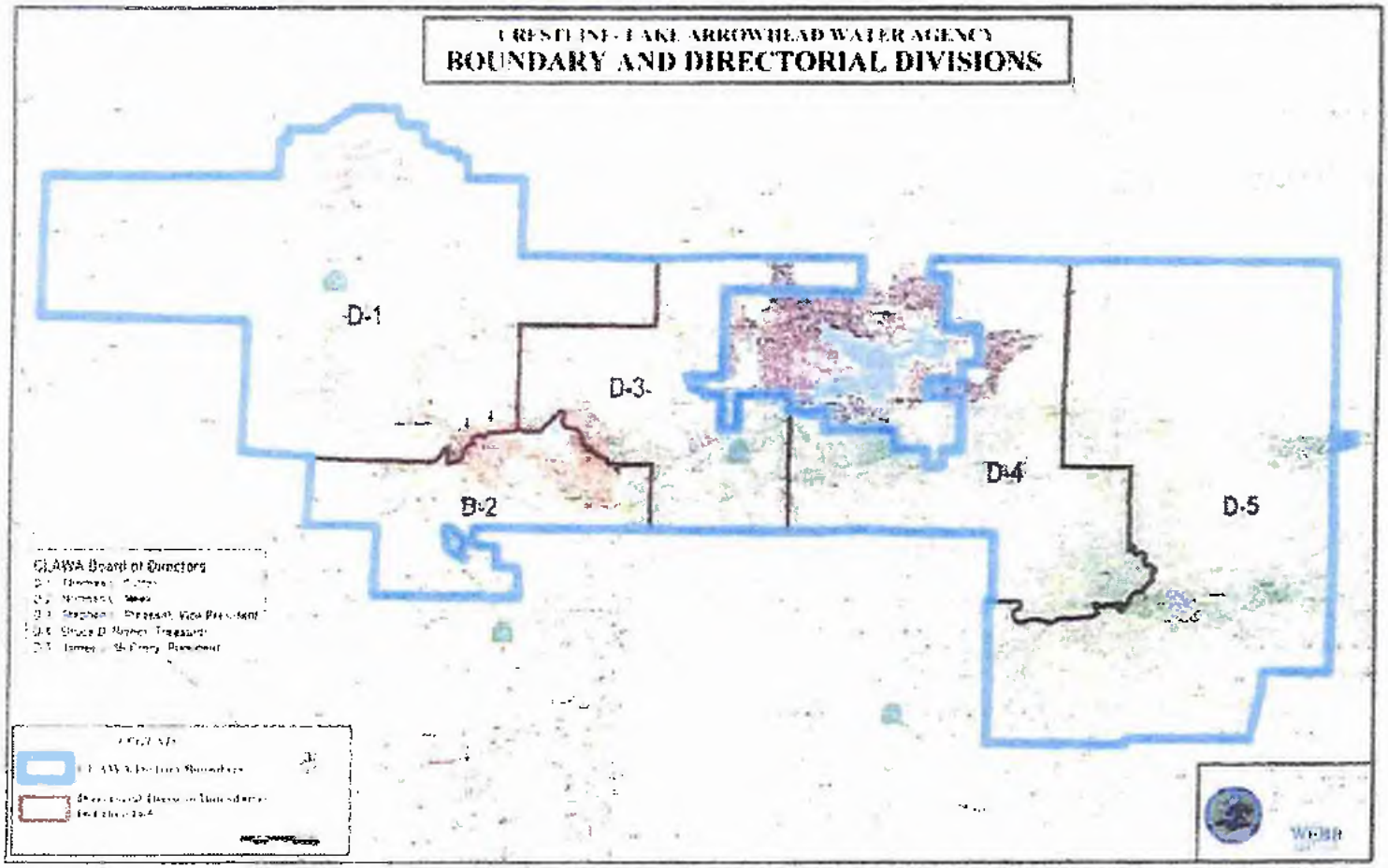
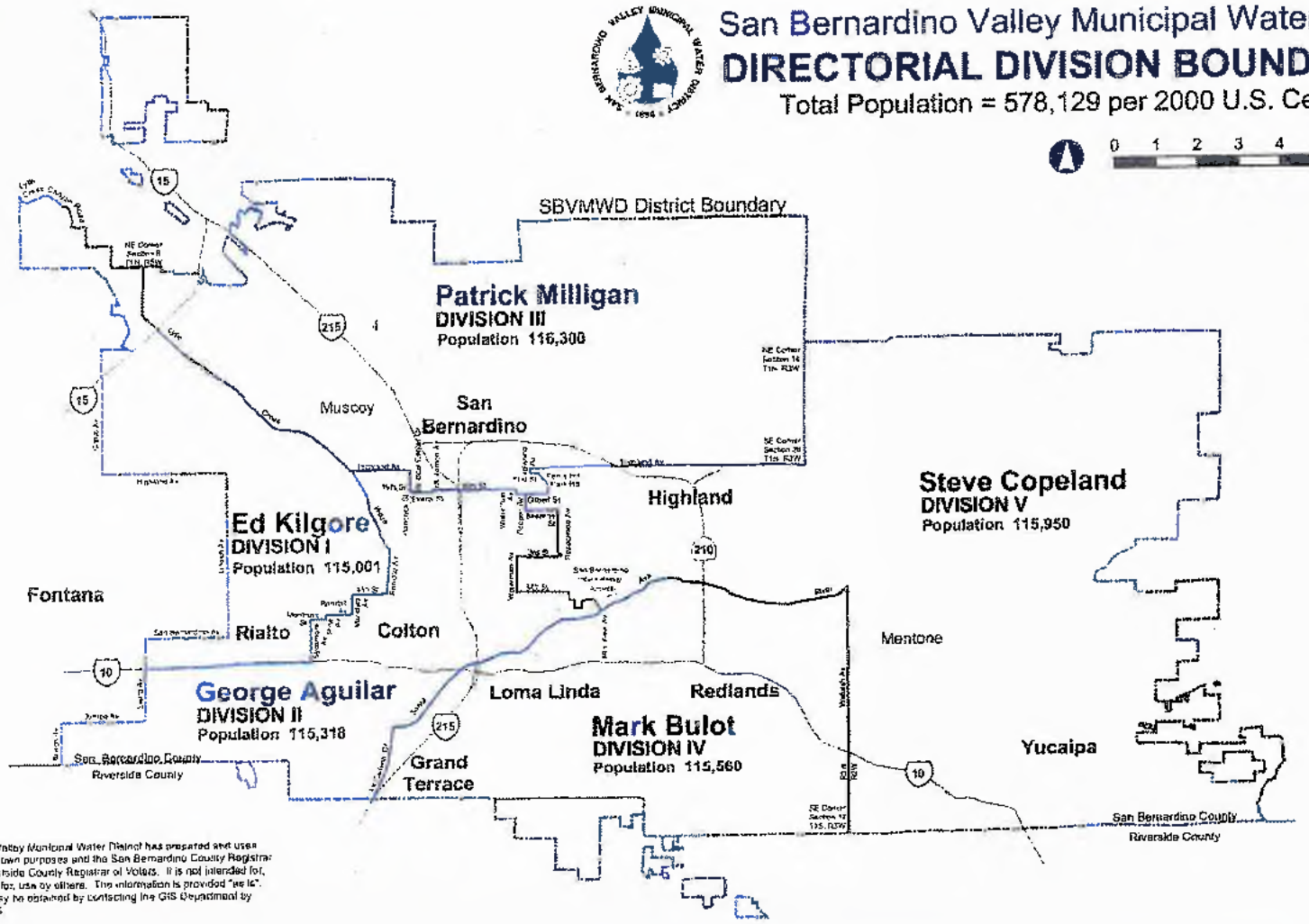

CRESTLINE-LAKE ARROWHEAD WATER AGENCY
BOUNDARY AND DIRECTORIAL DIVISIONS
D-1
D-2
D-3
D-4
D-5
CLAWA Board of Directors

Exhibit 1

San Bernardino Valley Municipal Water District
DIRECTORIAL DIVISION BOUNDARIES
Total Population = 578,129 per 2000 U.S. Census



The San Bernardino Valley Municipal Water District has prepared and uses this information for its own purposes and the San Bernardino County Registrar of Voters and the Riverside County Registrar of Voters. It is not intended for, nor may it be suitable for, use by others. This information is provided "as is". Further information may be obtained by contacting the GIS Department by calling (909) 387-9215.

GIS Dept August, 2004

Exhibit 2

STATE OF CALIFORNIA -- THE RESOURCES AGENCY ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF WATER RESOURCES
1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 942360001
(916) 653-5791

DEC 17 2008

Ms. Roxanne Holmes
General Manager
Crestline-Lake Arrowhead Water Agency
Post Office Box 3880
Crestline, California 92325

Mr. Randy Van Gelder
General Manager
San Bernardino Valley Municipal Water District
Post Office Box 5906
San Bernardino, California 94212-5906

This Letter Agreement is in response to Crestline-Lake Arrowhead Water Agency's (CLAWA) letter requesting the Department of Water Resources (DWR) approval for the exchange of up to 1,000 acre-feet of State Water Project (SWP) Table A water between San Bernardino Valley Municipal Water District (SBVMWD) and CLAWA. SBVMWD will take delivery of, and store within its groundwater basin, up to 1,000 acre-feet of CLAWA's 2008 Table A water by December 31, 2008. SBVMWD will return a portion of its allocation of Table A water by December 31, 2011 to CLAWA as a 1 acre-foot for 1 acre-foot exchange. There will be no monetary payments between CLAWA and SBVMWD for this exchange of Table A water.

DWR will file a Notice of Exemption based on California Environmental Quality Act Guidelines Section 15301 with the following description of this exchange of water: the proposed project is a water management operation using only existing facilities for the exchange of water from one SWP Contractor to another SWP Contractor, the limited term transfer will not support new development or a change in land use, and the transfer is wholly within the SWP place of use. DWR is willing to approve the delivery of up to 1,000 acre-feet of CLAWA's 2008 SWP Table A water to SBVMWD in exchange for the return of a portion of SBVMWD's Table A water subject to the following terms and conditions:

GENERAL PROVISIONS

1. DWR's approval under this Agreement is unique and shall not be considered a precedent for future agreements.

2. This Agreement shall become effective on the date of execution by all the parties and shall provide for the delivery of water to SBVMWD as of December 31, 2008. This Agreement shall terminate upon the delivery of all return water to CLAWA under this Agreement or by December 31, 2011, whichever comes first.

3. The delivery and return of water pursuant to this Agreement shall be contingent on, and subject to, any necessary approvals and shall be governed by the terms and conditions of such approval(s) and any other applicable regulations. CLAWA and SBVMWD shall be responsible for complying with all applicable laws and regulations and for securing any required consent, permit, or order. CLAWA and SBVMWD shall furnish to DWR copies of all approvals and agreements required for the delivery of water under this Agreement.

4. DWR will maintain records documenting the conveyance of up to 1,000 acre-feet of CLAWA's 2008 SWP Table A water to SBVMWD and the return delivery of water to CLAWA. CLAWA and SBVMWD shall certify to the State Water Project Analysis Office (Attention: Chief, Water Contracts Branch, Fax (916) 653-9628) the amount of CLAWA's approved 2008 Table A water delivered to SBVMWD and the return delivery of water from SBVMWD to CLAWA under this Agreement by January 31st of the year following the actual delivery.

WATER DELIVERY FROM CLAWA TO SBVMWD

5. The water delivered to SBVMWD shall be from CLAWA's allocation of 2008 approved Table A water.

6. The delivery of a portion of CLAWA's 2008 Table A water to SBVMWD shall be in accordance with a schedule reviewed and approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, and other SWP contractors.

7. Pursuant to Paragraph 6, CLAWA shall obtain SBVMWD's approval for the water delivery schedule before submitting a schedule to DWR. All water delivery schedules and revisions shall be in accordance with Article 12 of CLAWA's and SBVMWD's respective long-term Water Supply contracts with DWR.

8. Pursuant to Paragraphs 5, 6, and 7, DWR will deliver up to 1,000 acre-feet of CLAWA's 2008 Table A water to SBVMWD's service area, Reach 26A of the California Aqueduct by December 31, 2008.

9. CLAWA and SBVMWD shall submit to the State Water Project Analysis Office for approval (Attention: Chief, Water Deliveries Section, FAX (916) 653-9628) a revised 2008 water delivery schedule and shall reference this Agreement, SWPAO #08063.

10. CLAWA and SBVMWD shall submit a weekly schedule to the Southern Field Division (Attention: Chief, Water Operations Section, FAX (661) 294-3651) showing the deliveries to SBVMWD. The schedules shall be submitted by 10:00 a.m. Wednesday for the following two weeks ahead (Monday through Sunday) and shall be concurrently faxed to the following at the State Water Project Operations Control Office:

    Chief, Pre-Scheduling Section at (916) 574-2782
    Chief, Operations Scheduling at (916) 574-2785

RETURN WATER DELIVERED FROM SBVMWD TO CLAWA

11. SBVMWD shall return all water to CLAWA by December 31, 2011. The return water delivered to CLAWA shall be Table A water allocated to SBVMWD in the year water is returned. In the event that all water is not returned to CLAWA by August 31, 2011, DWR, in coordination with CLAWA and SBVMWD, shall expedite the return of water to CLAWA by so scheduling SBVMWD's Table A by December 31, 2011.

12. The return of water under this Agreement by SBVMWD to CLAWA shall be in accordance with a schedule reviewed and approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, or other SWP Contractors.

13. Pursuant to Paragraph 11, SBVMWD shall obtain CLAWA's approval for the proposed delivery schedule, before submitting a schedule to DWR. All water delivery schedules and revisions shall be in accordance with Article 12 of CLAWA's and SBVMWD's long-term Water Supply contracts with DWR.

14. Pursuant to Paragraphs 11 and 12, DWR will deliver a portion of SBVMWD's Table A water scheduled for delivery to SBVMWD's service area to CLAWA's service area in Reach 24 of the California Aqueduct.

NO IMPACT

15. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts of SWP approved Table A water or of any other SWP approved water allocations, water deliveries, and SWP/CVP operations and facilities. CLAWA and SBVMWD shall be responsible for any adverse impacts that may result from the exchange of water as determined by DWR.

SWP ALLOCATION

16. Water returned to CLAWA pursuant to this Agreement shall not be considered by DWR in the determination of approved annual Table A deliveries to or allocation of other SWP water to CLAWA under Article 18 of CLAWA's long-term Water Supply contract with DWR.

CHARGES

17. CLAWA and SBVMWD shall pay the following charges, including all future adjustments, which shall be calculated in the same manner as charges are calculated for SWP Table A deliveries and shall be in accordance with the provisions of CLAWA's and SBVMWD's long-term Water Supply contracts with DWR. Charges shall be determined for the year the water is delivered, and the year the water is returned.
    a. When a portion of CLAWA's approved 2008 Table A water is delivered to SBVMWD, SBVMWD shall pay to DWR the charges associated with the delivery of the water from the Delta to the point of delivery at SBVMWD's turnouts on the California Aqueduct, Reach 26A. The charges associated with such delivery will be the 2008 Variable Operation, Maintenance, Power, and Replacement components of the Transportation Charge and the 2008 Off-Aqueduct Power Facilities Cost for each acre-foot of water delivered.

    b. In any year that a portion of SBVMWD's future Table A water is returned to CLAWA pursuant to this Agreement, CLAWA shall pay to DWR the charges associated with the delivery of the return water from the Delta to CLAWA's turnouts in Reach 24 of the California Aqueduct. The charges associated with the return water will be the Variable Operation, Maintenance, Power and Replacement components of the Transportation charges and the Off-Aqueduct Power Facilities Cost for each acre-foot of water delivered in effect for the year in which the water is returned to CLAWA.

18. In addition to the charges identified above, CLAWA and SBVMWD agree to pay to DWR any additional identified demonstrable increase in costs that would otherwise be borne by the SWP contractors not signatory to this Agreement or by DWR, as a result of activities pursuant to this Agreement.

19. Payment terms shall be in accordance with CLAWA's and SBVMWD's long-term Water Supply contracts with DWR.

LIABILITY

20. Responsibility for water delivered pursuant to this Agreement shall be governed by Article 13 of CLAWA's and SBVMWD's long-term Water Supply contracts, with responsibilities under the terms of that article shifting from DWR to CLAWA and SBVMWD when the water passes through their respective turnouts.

21. In the event of a claim of liability against DWR or its Directors, officers, or employees, jointly or severally, that arises as a result of this Letter Agreement, CLAWA and SBVMWD shall defend, indemnify, and hold DWR and any of its Directors, officers, employees harmless from any such claim, except to the extent that such claim arises from the sole negligence or willful misconduct of DWR.

EXECUTION

22. This Letter Agreement may be executed in counterpart. The parties agree to accept facsimile signatures as original signatures. The Agreement shall take effect as soon as all parties have signed.

23. Immediately after execution, SBVMWD and CLAWA shall transmit a copy of the executed Letter Agreement by facsimile to Robert Cooke, Chief, State Water Project Analysis Office at (916) 653-9628 and to each other at.
    CLAWA: (909) 338-3686
    SBVMWD: (909) 387-9247

If CLAWA or SBVMWD needs a Board of Directors' approval of this Letter Agreement, that party shall send a facsimile of the board approval to the other two parties. If you have any questions or need additional information, please contact me at (916) 653-4313 and refer to SWPAO #08063.

Sincerely,

Robert B Cooke

Robert B. Cooke, Chief
State Water Project Analysis Office

ACCEPTED:

CRESTLINE-LAKE ARROWHEAD WATER DISTRICT

_____
Signature

_____
Title

_____
Date

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

_____
Signature

General Manager
Title

12/22/2008
Date

cc: Mr. Terry Erlewine
General Manager
State Water Contractors
1121 L Street, Suite 1050
Sacramento, California 95814

ACCEPTED:

CRESTLINE-LAKE ARROWHEAD WATER DISTRICT

Roxanne M. Holmes
Signature

General Manager
Title

12/22/08
Date

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Signature

Title

Date

cc: Mr. Terry Erlewine
General Manager
State Water Contractors
1121 L Street, Suite 1050
Sacramento, California 95814

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

WATER EXCHANGE AGREEMENT AND AMENDMENT OF DEMONSTRATION PROJECT

RECITALS

A. On November 7, 2008, San Bernardino Valley Municipal Water District ("Valley") and Crestline-Lake Arrowhead Water Agency ("Agency") entered into an agreement titled "Demonstration Project Water Exchange Agreement" (the "2008 Exchange Agreement"). Pursuant to the terms of the 2008 Exchange Agreement, the Agency arranged for the delivery of 1,000 acre-feet of water from the Agency's State Water Project Table A allocation in exchange for Valley's agreement to allow the Agency to take back a total of 1,000 acre-feet of water from Valley's State Water Project Table A allocations in 2010 and/or 2011 (the "2008 Exchange Arrangement").

B. The Agency and Valley wish to amend the 2008 Exchange Agreement to allow the Agency to take back a total of 1,000 acre-feet of water from Valley's State Water Project Table A allocations in any year or years between 2010 and 2018, inclusive, subject to such reductions in the quantity of water to be returned to the Agency due to high groundwater conditions within Valley's service area as are hereinafter provided.

C. In addition, the Agency and Valley wish to provide for the delivery to Valley of 1,000 acre-feet of water from the Agency's State Water Project Table A allocation in 2009, in exchange for Valley's agreement to allow the Agency to take back a total of 650 acre-feet of water from Valley's State Water Project allocations in any year or years between 2010 and 2018, inclusive, subject to such reductions in the quantity of water to be returned to the Agency due to high groundwater conditions within Valley's service area as are hereinafter provided (the "2009 Exchange Arrangement").

D. The purpose of this Agreement is to amend the terms of the 2008 Exchange Agreement and to set forth the terms of the 2009 Exchange Arrangement.

IN CONSIDERATION OF THE MUTUAL PROMISES set forth herein, the Agency and Valley agree as follows:

1. **Amendment of 2008 Exchange Agreement.**

(a) Return of Exchange Water. The sixth sentence of Section 1 of the 2008 Exchange Agreement, titled "Description of the Exchange and Procedures" is hereby amended to provide as follows:

"VALLEY shall complete delivery of the EXCHANGE WATER no later than December 2018."

In addition, within Paragraphs D and F of the Recitals in the 2008 Exchange Agreement, the term "three years" is hereby amended to read "ten years."

(b) Quantity of Exchange Water. The 2008 Exchange Agreement is further amended to provide that the quantity of "Exchange Water" (as defined therein) to be returned to the Agency during the "Return Period" (as also defined therein) shall be subject to the same reductions as may be applied to the return of water under the 2009 Exchange Arrangement, due to high groundwater conditions within Valley's service area, as provided in Section 2(c) of this Agreement.

2. **2009 Exchange Arrangement.**

(a) Initial Delivery to Valley. Prior to December 1, 2009, Agency will, in writing, request the California Department of Water Resources ("DWR") to deliver 1,000 acre-feet of the Agency's 2009 State Water Project Table A allocation to Valley, at Silverwood Lake. A copy of such written request shall be delivered to Valley.

(b) Return of Exchange Water. After written confirmation that 1,000 acre-feet of water from the Agency's State Water Project Table A allocation in 2009 has been delivered to Valley, Valley shall thereafter deliver to the Agency, at Silverwood Lake, up to a total of 650 acre-feet of water when requested by the Agency, between the years 2010 and 2018, inclusive (the "Exchange Water"). The Exchange Water shall be State Water Project water or water of equal or better quality. If the Agency requests delivery of Exchange Water in a year which DWR has declared to be critically dry, the Agency and Valley agree to confer in good faith to adjust the quantity of Exchange Water to be delivered in that year so as to minimize adverse impacts on the ability of both parties to satisfy the needs of their respective customers.

(c) Quantity of Exchange Water To Be Returned. As of the date of this Agreement, the total quantity of 2008 Exchange Water and 2009 Exchange Water to be returned to the Agency pursuant to the 2008

Exchange Agreement and the 2009 Exchange Arrangement is 1,650 acre-feet. Because water within the San Bernardino Valley Groundwater Basin is lost from the Basin during high groundwater conditions resulting from high precipitation, the Agency and Valley agree that during any year from 2010 to 2018, inclusive, that the Basin Technical Advisory Committee ("BTAC") makes a determination that high groundwater conditions exist in the San Bernardino Basin Area, the balance of the 2008 Exchange Water and the 2009 Exchange Water which has not been returned to the Agency prior to that year shall each be reduced by an amount equal to 10% of the then existing quantity of 2008 Exchange Water and the 2009 Exchange Water not yet returned, for each such year that a declaration of high groundwater conditions is made, and the parties shall jointly advise DWR in writing of such reduction. The declaration of high groundwater conditions shall be made pursuant to the protocol attached hereto as Exhibit "A" as amended by Valley from time to time.

(d) Charges. The Agency shall be responsible for all costs of delivering 1,000 acre-feet of State Water Project to Valley at Silverwood Lake in 2009. Valley shall be responsible for all costs of delivering up to 650 acre-feet of Exchange Water to the Agency at Silverwood Lake, in the year that such water is delivered, pursuant to the terms of this Agreement. The charges for the Agency's delivery of water to Valley, and Valley's delivery of Exchange Water back to the Agency, pursuant to the 2008 Exchange Arrangement shall be as set forth in the 2008 Exchange Agreement. For purposes of this paragraph, Exchange Water returned to the Agency shall be credited first to the exchange obligations set forth in the 2008 Exchange Agreement, until such Exchange Water is fully depleted, and then shall be credited to the exchange obligations created by the 2009 Exchange Arrangement.

3. **Conditions Precedent and Covenants.**

(a) DWR Approval. No provisions of this Agreement requiring DWR approval shall become operative until DWR approves of those provisions. The Agency and Valley shall use their best efforts to promptly obtain such approvals.

(b) State Water Contractors. The Agency and Valley agree that they will each with due diligence and good faith seek to obtain the support and approval of this Agreement by the State Water Contractors.

4. **Notices.**

All written notices required to be given pursuant to the terms of this Agreement shall be (i) personally delivered, (ii) deposited in the United States express mail or first-class mail, (iii) delivered by overnight courier service or (iv) delivered by facsimile transmission, provided that the

original of such notice is sent by certified United States mail, postage prepaid, no later than one business day following such facsimile transmission. All such notices shall be deemed delivered upon actual receipt or upon first attempt at delivery pursuant to the methods specified herein if the intended recipient refuses to accept delivery. All such notices shall be delivered to the following addresses or to such other address as the receiving party may from time to time specify by written notice to the other party:

AGENCY:

Crestline-Lake Arrowhead Water Agency
24116 Crest Forest Drive
P.O. Box 3880
Crestline, CA 92325-3880

Attention: General Manager
Telephone: (909) 338-1779
Facsimile: (909) 338-3686

VALLEY:

San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
P.O. Box 5906
San Bernardino, CA 92412-5906

Attention: General Manager
Telephone: (909) 387-9211
Facsimile: (909) 387-9247

5. **Miscellaneous.**

(a) No Assignment. No party shall assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of the other party.

(b) Successors and Permitted Assigns. All covenants and agreements contained in this Agreement by or on behalf of any of the parties shall bind and inure to the benefit of their respective successors and permitted assigns, whether so expressed or not.

(c) No Modification of Existing Contracts. This Agreement shall not be interpreted to modify the terms or conditions of the water supply contracts between the DWR and the Agency, and between DWR and Valley.

(d) Governing Law/Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Venue for any actions brought regarding this Agreement shall be in the County of San Bernardino, provided that, in accordance with the provisions of the Code of Civil Procedure Section 394, a disinterested judge from a neutral county is assigned to hear such action and all such proceedings in connection therewith.

(e) Ministerial Actions. Due to increasing State-wide demands for water, water exchanges, water storage, banking and recovery, and various water quality issues throughout the State, the parties agree that this project is unique and cannot be duplicated and there is not a plain, speedy, and adequate remedy at law for the Agency or Valley should either refuse or fail to perform their respective obligations as set forth in this Agreement. Consequently, the Agency and Valley agree that the terms of this Agreement are enforceable by a writ of mandate and specific performance.

(f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Signatures sent by facsimile shall be deemed originals and treated in all respects as originals.

(g) Further Action. The parties agree to and shall take such further action and execute such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with the terms thereof.

(h) Interpretation. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of the terms and the legal consequences thereof. The headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

By: Roxanne M. Holmes
General Manager

Date: October 22, 2009

SAN BERNARDINO VALLEY MUNICIPAL
WATER DISTRICT

By: _____
General Manager

Date: 10/22/2009

EXHIBIT A

In December 2007, fourteen agencies adopted the *Upper Santa Ana Watershed Integrated Regional Water Management Plan* (Integrated Plan). One of the primary water resources identified in the Integrated Plan is groundwater. The largest groundwater basin in the study area is the San Bernardino Basin Area (SBBA). When the SBBA is too full, high groundwater levels can occur in an area known as the Pressure Zone. Some of the reasons high groundwater levels are undesirable is that they can cause water to flow out of the SBBA and can also prevent water from recharging (rejected recharge).

The Integrated Plan charges the Basin Technical Advisory Committee with monitoring and assessing water levels in the pressure zone and presenting their findings in the annual *Regional Water Management Plan*. The general methodology used each year to assess whether high groundwater conditions exist is as follows:

1. In October of each year, the Basin Technical Advisory Committee collects water level data for a series of wells in the Pressure Zone.
2. Water levels in the Pressure Zone are considered to be "high" if they are shallower than 50 feet below ground surface.
3. The BTAC presents their findings on high groundwater conditions in the annual *Regional Water Management Plan.*
4. In November of each year, the annual *Regional Water Management Plan* is reviewed and approved by the Boards of Directors of the San Bernardino Valley Municipal Water District and Western Municipal Water District.

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

INDIAN WELLS
(760) 568-2611
IRVINE
(949) 263-2600
LOS ANGELES
(213) 617-8100
ONTARIO
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SACRAMENTO
(916) 325-4000
SAN DIEGO
(619) 525-1300
WALNUT CREEK
(925) 977-3300

Michael T. Riddell
(909) 826-8210
Michael.Riddell@bbklaw.com

October 23, 2009

Ms. Roxanne M. Holmes
General Manager
CRESTLINE-LAKE ARROWHEAD
WATER AGENCY
24116 Crest Forest Drive
P.O. Box 3880
Crestline, CA 92325-3880

Re: 2009 Exchange Agreement with San Bernardino Valley Municipal Water District

Dear Roxanne:

Enclosed is the duplicate original of the 2009 Exchange Agreement with San Bernardino Valley Municipal Water District, signed by Randy Van Gelder on behalf of that District. You should sign this yourself and then keep it in your file so that you have a fully executed duplicate original.

By copy of this letter to Randy Van Gelder, I am also sending to him the duplicate original of the same agreement, signed by you, so that he may do likewise.

DWR is preparing the necessary agreement that it will need to have you and Randy sign as well. That should be ready soon. In addition, in our office we are preparing the Notice of Exemption which should be signed and filed by both the Agency and the District. It is filed with the County of San Bernardino and also with the State Clearinghouse. I will be providing that to both of you, along with some more detailed instructions.

Thanks very much. Please let me know if you have any questions,

Sincerely yours,

Mike

Michael T. Riddell
of BEST BEST & KRIEGER LLP

MTR:mb

Enclosure

Cc: Randy Van Gelder, General Manager
San Bernardino Valley Municipal Water District

Receipt #374032
CLERK OF THE BOARD
NOV - 2 2009
COUNTY OF
SAN BERNARDINO

NOTICE OF EXEMPTION

(California Environmental Quality Act)

To: Clerk of the Board of Supervisors
County of San Bernardino
385 N. Arrowhead Ave., 2nd Floor
San Bernardino, CA 92415

Office of Planning and Research
1400 Tenth Street, Room 222
Sacramento, CA 95814
Attn: State Clearinghouse

From: San Bernardino Valley Municipal
Water District
380 East Vanderbilt Way
San Bernardino, CA 92408
Phone: (909) 387-9200

Project Title: The Project entails the approval of a Water Exchange Agreement, which allows for the delivery of 1,000 acre-feet ("AF") of State Water Project ("SWP") water from Crestline-Lake Arrowhead Water Agency ("Agency") to San Bernardino Valley Municipal Water District ("Valley") in 2009, in exchange for the return of 650 AF of SWP water by Valley to Agency no later than the end of 2018. The Water Exchange Agreement also amends a similar agreement between the same two parties in 2008 by extending the term for the return of 1,000 AF of SWP water from Valley to Agency, from 2011 to 2018.

Project Location: Within the service areas of Crestline-Lake Arrowhead Watery Agency, see Map attached as Exhibit "1," and San Bernardino Valley Municipal Water District, see Map attached as Exhibit "2," in the County of San Bernardino.

Description of Nature, Purpose, and Beneficiaries of Project: On October 1, 2009, the Board of Directors of Agency approved the execution of the Water Exchange Agreement ("Agreement") with Valley. This Agreement provides for the delivery of 1,000 AF of SWP water from Agency to Valley in 2009, and requires Agency submit a written request to the California Department of Water Resources on or before December 1, 2009, to deliver 1,000 AF of Agency's share of SWP Table A water to Valley. In exchange for delivery of that water, Valley will deliver 650 AF of water of equal or better quality to Agency by the end of 2018. This same Agreement was approved by Valley and then executed by Valley on October 22, 2009.

Name of Public Agency Approving Project: Crestline-Lake Arrowhead Water Agency

Exempt Status (check one):

____ Ministerial Action.
____ Declared Emergency
____ Emergency Project
_X_ Categorical Exemption (State CEQA Guidelines § 15301 [Existing Facilities]; State CEQA Guidelines §15304 [Minor Alterations to Land, Water, or Vegetation].)
_X_ Statutory Exemption (State CEQA Guidelines § 15282(u) [Temporary Transfer or Exchange of Water or Water Rights].)
_X_ Other The Project is also exempt under State CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility the Project may have a significant impact on the environment. The Project is merely an exchange of water. No physical facilities will be constructed to produce or transport water

DATE FILED & POSTED

because all such required facilities already exist. In addition, no new water production or transportation capacity is created by the Project.

Reasons why project is exempt: The water exchange will entail no change in type of use or expansion of use, but consist merely of the continued operation of existing facilities and the use of those facilities to temporarily transport water to a different location. State CEQA Guidelines section 15301 provides that environmental review is not required for "the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination." In addition, the exchange of water is a minor, temporary alteration to the condition of water that does not require the removal of any trees and thus is also exempt pursuant to State CEQA Guidelines section 15304 as "minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees." The Project's proposed exchange of water is temporary and thus is also exempt pursuant to the State CEQA Guidelines, section 15282(u) exemption for the temporary transfer of water or water rights. Because the water exchange will merely temporarily change the location in which water is used and will be delivered via existing facilities, there is no possibility the Project may have a significant impact on the environment. Accordingly, the Agreement and the water exchange that it authorizes are exempt from environmental review under CEQA. Moreover, the water transfer does not involve cumulative impacts, potentially significant impacts, unusually sensitive environments, or any other unique or unusual environmental impacts that might merit environmental review.

Contact Person & Telephone Number: Randy Van Gelder, General Manager
Phone: (909) 387-9200

10/30/2009
Date

for San Bernardino Valley Municipal Water District

State of California—The Resources Agency
DEPARTMENT OF FISH AND GAME

2009 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT # 374032

STATE CLEARING HOUSE # *(If applicable)*

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY: San Bernardino Valley Municipal Water District — DATE: 11-2-09

COUNTY/STATE AGENCY OF FILING: San Bernardino, CA — DOCUMENT NUMBER:

PROJECT TITLE: Water Exchange Agreement · (AF), (SWP) Crestline-Lake Arrowhead Water.

PROJECT APPLICANT NAME: San Bernardino Valley Municipal Water District — PHONE NUMBER: 909 387-9200

PROJECT APPLICANT ADDRESS: 380 E. Vanderbilt Way — CITY: San Bernardino — STATE: CA — ZIP CODE: 92408

PROJECT APPLICANT *(Check appropriate box):*

☒ Local Public Agency ☐ School District ☐ Other Special District ☐ State Agency ☐ Private Entity

CHECK APPLICABLE FEES:

☐ Environmental Impact Report	$2,768.25	$
☐ Negative Declaration	$1,993.00	$
☐ Application Fee Water Diversion *(State Water Resources Control Board Only)*	$850.00	$
☐ Projects Subject to Certified Regulatory Programs	$941.25	$
☒ County Administrative Fee	$50.00	$ 50.00
☐ Project that is exempt from fees		
☒ Notice of Exemption		
☐ DFG No. Effect Determination (Form Attached)		
☐ Other _____		$

PAYMENT METHOD: #391771

☐ Cash ☐ Credit ☒ Check ☐ Other _____ TOTAL RECEIVED $ 50.00

SIGNATURE: X Norma Tite — TITLE: Deputy Clerk.

WHITE - PROJECT APPLICANT YELLOW - DFG/ASB PINK - LEAD AGENCY GOLDEN ROD - COUNTY CLERK FG 753.5a (Rev. 7/08)

TRANSMISSION VERIFICATION REPORT

TIME : 11/02/2009 14:24
NAME : SBVMWD
FAX : 9093879247
SER.# : BROD8F869364

DATE,TIME	11/02 14:23
FAX NO./NAME	8191632330l8
DURATION	00:00:48
PAGE(S)	03
RESULT	OK
MODE	STANDARD ECM

San Bernardino Valley Municipal Water District
380 E. Vanderbilt Way, P.O. Box 5906 • San Bernardino, CA 92412
Phone (909) 387-9200 • Fax (909) 387-9247

FACSIMILE TRANSMITTAL

DATE: November 2, 2009

TIME: 1:16 PM

TO FAX NO.: 916-323-3018

SUBJECT: Notice of Exemption

FROM: Randy Van Gelder

PLEASE DIRECT THIS TO THE ATTENTION OF: State Clearinghouse - Office of Planning

NUMBER OF PAGES OF THIS TRANSMISSION, INCLUDING THIS PAGE: 3

MESSAGE/SPECIAL COMMENTS:

- ☐ A copy of this transmission will follow by regular mail.
- ☐ Please call sender upon receipt of this transmission.
- ☐ Other:

Water Exchange Agreement – Crestline Lake Arrowhead Water Agency and San Bernardino Valley Municipal Water District dated October 30, 2009

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

391771

Valley SAN BERNARDINO MUNICIPAL WATER DISTRICT

P.O. BOX 5906
SAN BERNARDINO, CA 92412
(909) 387-9200

GENERAL FUND

Wells Fargo Bank, N.A.
California

16-24-1220

11/2/2009

PAY
TO THE
ORDER OF CLERK OF THE BOARD

$ **50.00

Fifty and 00/100********** DOLLARS

CLERK OF THE BOARD
SAN BERNARDINO COUNTY

MEMO

AUTHORIZED SIGNATURE

Security features. Details on back.

⑈391771⑈ ⑆122000247⑆060768588O⑈

San Bernardino Valley Municipal Water District

391771

CLERK OF THE BOARD		11/2/2009	
60 · TAXES & LICENSES	NOE - WATER EXCHANGE AGREEMENT 1000 AF OF SWP FROM CLAWA TO SBVMWD		50.00

CHECKING 50.00

San Bernardino Valley Municipal Water District

391771

CLERK OF THE BOARD		11/2/2009	
60 · TAXES & LICENSES	NOE - WATER EXCHANGE AGREEMENT 1000 AF OF SWP FROM CLAWA TO SBVMWD		50.00

CHECKING 50.00

PRODUCT DLT104 USE WITH 91663 ENVELOPE MCBEE To Reorder: 1-800-662-2331 or www.mcbeeinc.com PRINTED IN U.S.A. A

A

STATE OF CALIFORNIA – CALIFORNIA NATURAL RESOURCES AGENCY ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF WATER RESOURCES
1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 942360001
(916) 653-5791

December 7, 2009

Ms. Roxanne Holmes, General Manager
Crestline-Lake Arrowhead Water Agency
Post Office Box 3880
Crestline, California 92325

Mr. Randy Van Gelder, General Manager
San Bernardino Valley Municipal Water District
Post Office Box 5906
San Bernardino, California 94212-5906

This Letter Agreement is in response to Crestline-Lake Arrowhead Water Agency's (CLAWA) letter requesting the Department of Water Resources' (DWR) approval for the exchange of up to 1,000 acre-feet of State Water Project (SWP) Table A water between San Bernardino Valley Municipal Water District (SBVMWD) and CLAWA. SBVMWD will take delivery of, and store within its groundwater basin, up to 1,000 acre-feet of CLAWA's 2009 Table A water by December 31, 2009. In exchange CLAWA may take back from SBVMWD's future Table A water allocations 650 acre-feet of water at CLAWA's option, no later than December 31, 2018 as an unequal exchange. However, to remain a bona fide exchange, at least one half of the water delivered to SBVMWD under this Agreement must be returned to CLAWA by December 18, 2019. There will be no monetary payments between CLAWA and SBVMWD for this exchange of Table A water. The point of exchange shall be Silverwood Lake.

In the event that the SBVMWD Basin Technical Advisory Committee makes a determination in any year that high groundwater conditions exist in the San Bernardino Basin, resulting in the flow of water out of the that basin, the quantity of water not yet returned to CLAWA will be reduced by 10 percent. In the event that such conditions do occur in any year, however, SBVMWD and CLAWA would advise DWR of the reduction in the quantity of water remaining to be returned to CLAWA pursuant to this Agreement.

DWR will file a Notice of Exemption based on California Environmental Quality Act Guidelines Section 15301 with the following description of this exchange of water: the proposed project is a water management operation using only existing facilities for the exchange of water from one SWP contractor to another SWP contractor, the limited term transfer will not support new development or a change in land use, and the transfer is wholly within the SWP place of use. DWR is willing to approve the delivery of up to 1,000 acre-feet of CLAWA's 2009 SWP Table A water to SBVMWD in exchange for the return of up to 650 acre-feet of SBVMWD's Table A water subject to the following terms and conditions:

GENERAL PROVISIONS

1. DWR's approval under this Agreement is unique and shall not be considered a precedent for future agreements.

2. This Agreement shall become effective on the date of execution by all the parties and shall provide for the delivery of water to SBVMWD as of December 31, 2009. This Agreement shall terminate upon the delivery of all return water to CLAWA under this Agreement or by December 31, 2018, whichever comes first.

3. The delivery and return of water pursuant to this Agreement shall be contingent on, and subject to, any necessary approvals and shall be governed by the terms and conditions of such approval(s) and any other applicable regulations. CLAWA and SBVMWD shall be responsible for complying with all applicable laws and regulations and for securing any required consent, permit, or order. CLAWA and SBVMWD shall furnish to DWR copies of all approvals and agreements required for the delivery of water under this Agreement.

4. DWR will maintain records documenting the conveyance of up to 1,000 acre-feet of CLAWA's 2009 SWP Table A water to SBVMWD and the return delivery of water to CLAWA. CLAWA and SBVMWD shall certify to the State Water Project Analysis Office (Attention: Chief, Water Contracts Branch, Fax (916) 653-9628) the amount of CLAWA's approved 2009 Table A water delivered to SBVMWD and the return delivery of water from SBVMWD to CLAWA under this Agreement by January 31st of the year following the actual delivery.

WATER DELIVERY FROM CLAWA TO SBVMWD

5. The water delivered to SBVMWD shall be from CLAWA's allocation of 2009 approved Table A water.

6. The delivery of a portion of CLAWA's 2009 Table A water to SBVMWD shall be in accordance with a schedule reviewed and approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, or other SWP contractors.

7. Pursuant to Paragraph 6, CLAWA shall obtain SBVMWD's approval for the water delivery schedule before submitting a schedule to DWR. All water delivery schedules and revisions shall be in accordance with Article 12 of CLAWA's and SBVMWD's respective long-term Water Supply contracts with DWR.

8. Pursuant to Paragraphs 5, 6, and 7, DWR will deliver up to 1,000 acre-feet of CLAWA's 2009 Table A water to SBVMWD's service area, Reach 26A of the California Aqueduct by December 31, 2009.

9. CLAWA and SBVMWD shall submit revised monthly water delivery schedules for approval to the State Water Project Analysis Office, Water Deliveries Section, indicating timing and point of delivery requested pursuant to this Agreement with reference to SWPAO #09079. Revised schedules shall be sent by electronic mail to SWPDeliveries@water.ca.gov or by FAX to (916) 653-9628, Attention: Chief, Water Deliveries Section.

10. CLAWA and SBVMWD shall submit weekly water schedules for the delivery of water pursuant to this Agreement to the Southern Field Division, Water Operations Section, indicating timing and point of delivery requested with reference to SWPAO #09079. Schedules shall be sent by electronic mail to SFDwaterschedule@water.ca.gov or by FAX to (661) 294-3651, Attention: Chief, Water Operations Section.

RETURN WATER DELIVERED FROM SBVMWD TO CLAWA

11. SBVMWD shall return at least half of the quantity of water advanced by CLAWA by December 31, 2018. The return water delivered to CLAWA shall be Table A water allocated to SBVMWD in the year water is returned. In the event that at least half of the water advanced is not returned to CLAWA by August 31, 2018, DWR, in coordination with CLAWA and SBVMWD, shall expedite the return of water to CLAWA by so scheduling SBVMWD's Table A by December 31, 2018.

12. The return of water under this Agreement by SBVMWD to CLAWA shall be in accordance with a schedule reviewed and approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, or other SWP contractors.

13. Pursuant to Paragraph 11, SBVMWD shall obtain CLAWA's approval for the proposed delivery schedule, before submitting a schedule to DWR. All water delivery schedules and revisions shall be in accordance with Article 12 of CLAWA's and SBVMWD's long-term Water Supply contracts with DWR.

14. Pursuant to Paragraphs 11 and 12, DWR will deliver a portion of SBVMWD's Table A water scheduled for delivery to SBVMWD's service area to CLAWA's service area in Reach 24 of the California Aqueduct.

NO IMPACT

15. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP/CVP operations and facilities. CLAWA and SBVMWD shall be responsible for any adverse impacts that may result from the exchange of water as determined by DWR.

SWP ALLOCATION

16. Water returned to CLAWA pursuant to this Agreement shall not be considered by DWR in the determination of approved annual Table A deliveries to or allocation of other SWP water to CLAWA under Article 18 of CLAWA's long-term Water Supply contract with DWR.

CHARGES

17. CLAWA and SBVMWD shall pay the following charges, including all future adjustments, which shall be calculated in the same manner as charges are calculated for SWP Table A deliveries and shall be in accordance with the provisions of CLAWA's and SBVMWD's long-term Water Supply contracts with DWR. Charges shall be determined for the year the water is delivered, and the year the water is returned.

    a. When a portion of CLAWA's approved 2009 Table A water is made available to SBVMWD at Reach 24, CLAWA shall pay to DWR the charges associated with the delivery of the water from the Delta to the point of delivery at Silverwood Lake, Reach 24. The charges associated with such delivery will be the 2009 Variable Operation, Maintenance, Power, and Replacement components of the Transportation Charge and the 2009 Off-Aqueduct Power Facilities Cost for each acre-foot of water delivered.

    b. DWR will deliver water made available by CLAWA at Silverwood Lake, Reach 24 to SBVMWD turnouts at Reach 26A. The charges associated with such delivery will be the 2009 Variable Operation, Maintenance, Power, and Replacement components of the Transportation Charge and the 2009 Off-Aqueduct Power Facilities Cost for each acre-foot of water delivered. SBVMWD will be charged at the Variable rate calculated from Reach 24 to Reach 26A.

c. In any year that a portion of SBVMWD's future Table A water is returned to CLAWA pursuant to this Agreement, SBVMWD shall pay to DWR the charges associated with the delivery of the return water from the Delta to CLAWA's turnouts in Reach 24 of the California Aqueduct. The charges associated with the return water will be the Variable Operation, Maintenance, Power, and Replacement components of the Transportation charges and the Off-Aqueduct Power Facilities Cost for each acre-foot of water delivered in effect for the year in which the water is returned to CLAWA.

18. In addition to the charges identified above, CLAWA and SBVMWD agree to pay to DWR any additional identified demonstrable increase in costs that would otherwise be borne by the SWP contractors not signatory to this Agreement or by DWR, as a result of activities pursuant to this Agreement.

19. Payment terms shall be in accordance with CLAWA's and SBVMWD's long-term Water Supply contracts with DWR.

LIABILITY

20. Responsibility for water delivered pursuant to this Agreement shall be governed by Article 13 of CLAWA's and SBVMWD's long-term Water Supply contracts, with responsibilities under the terms of that article shifting from DWR to CLAWA and SBVMWD when the water passes through their respective turnouts.

21. In the event of a claim of liability against DWR or its Directors, officers, or employees, jointly or severally, that arises as a result of this Letter Agreement, CLAWA and SBVMWD shall defend, indemnify, and hold DWR and any of its Directors, officers, and employees harmless from any such claim, except to the extent that such claim arises from the sole negligence or willful misconduct of DWR.

EXECUTION

22. This Letter Agreement may be executed in counterpart. The parties agree to accept facsimile or electronically scanned signatures as original signatures. The Agreement shall take effect as soon as all parties have signed.

23. Immediately after execution, SBVMWD and CLAWA shall transmit a copy of the executed Letter Agreement by facsimile or electronically to Robert Cooke, Chief, State Water Project Analysis Office at (916) 653-9628 or cooke@water.ca.gov and to each other at.

CLAWA: (909) 338-3686 or Michael.riddell@bbklaw.com
SBVMWD: (909) 387-9247 or dough@sbvmwd.com

If CLAWA or SBVMWD needs a Board of Directors' approval of this Letter Agreement, that party shall send a facsimile or electronically scanned copy of the board approval to the other two parties. If you have any questions or need additional information, please contact me at (916) 653-4313 and refer to SWPAO #09079.

Sincerely,

Robert B Cooke

Robert B. Cooke, Chief
State Water Project Analysis Office
ACCEPTED:

CRESTLINE-LAKE ARROWHEAD WATER DISTRICT

Roxanne M. Holmes
Signature

General Manager
Title

12/08/09
Date

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Signature

Title

Date

cc: Mr. Terry Erlewine, General Manager
State Water Contractors
1121 L Street, Suite 1050
Sacramento, California 95814

If CLAWA or SBVMWD needs a Board of Directors' approval of this Letter Agreement, that party shall send a facsimile or electronically scanned copy of the board approval to the other two parties. If you have any questions or need additional information, please contact me at (916) 653-4313 and refer to SWPAO #09079.

Sincerely,

Robert B Cooke

Robert B. Cooke, Chief
State Water Project Analysis Office
ACCEPTED:

CRESTLINE-LAKE ARROWHEAD WATER DISTRICT

_____
Signature

_____
Title

_____
Date

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

[signature]
Signature

General Manager
Title

12/7/2009
Date

cc: Mr. Terry Erlewine, General Manager
State Water Contractors
1121 L Street, Suite 1050
Sacramento, California 95814

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

A Public Agency
P.O. BOX 3880 PHONE (909) 338-1779
24116 CREST FOREST DRIVE
CRESTLINE, CALIFORNIA 92325

Directors
STEPHEN L. PLEASANT, President
BRUCE D. RISHER
NORMAN C. MEEK
THOMAS L. SUTTON
KENNETH A. EATON
Secretary
JENNIFER A. SPINDLER
General Manager
ROXANNE M. HOLMES

November 20, 2009

Randy Van Gelder, General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
P.O. Box 5906
San Bernardino, CA 92412

RE: 2009 Water Exchange Agreement

Dear Randy:

The purpose of this letter is to address an issue that has been raised by the Department of Water Resources regarding the Water Exchange Agreement which we both executed on October 22, 2009. As you know, that agreement provides that of the 2,000 acre-feet of water which has been and will be delivered to the District from the Agency's 2008 and 2009 allocations, the Agency will have until the end of 2018 to take back 1,650 acre-feet of exchange water from the District's future allocations. The agreement further provides that in any year in which the District experiences high groundwater conditions, resulting in the loss of water from the Basin, the quantity of water not yet returned to the Agency by way of exchange will be reduced by 10%. That 10% reduction will apply in each year that such high groundwater conditions may occur.

Craig Trombly at DWR has pointed out that exchange agreements such as this must provide for the return of no less than 50% of the water delivered to the exchange partner. Although it is extremely unlikely that we would experience multiple years of heavy precipitation between now and the end of 2018, DWR is nonetheless concerned that the 10% reduction provision theoretically could result in the return of less than half of the 2,000 acre-feet of water delivered to the District pursuant to the 2008 and 2009 Water Exchange Agreements.

In order to eliminate that possibility, we have agreed that if the 10% reduction provision is applied in multiple years, the last year of which would result in a cumulative loss of 650 acre-feet of water or more, in that year the Agency will take back all of the

remainder of the exchange water not yet returned to the Agency so that no more than a cumulative total of 649 acre-feet of water is lost due to the application of that 10% reduction provision. This agreement between us is consistent with the Water Exchange Agreements already executed and thus does not require an amendment of either the 2008 or the 2009 Water Exchange Agreement.

If this letter correctly states the agreement that we have reached regarding the timing of the return of exchange water to the Agency, please sign and return one of the two duplicate originals of this letter, both of which I have already signed. Upon receipt of the duplicate original bearing your signature, I will send a copy to Craig Trombly as written assurance that the exchange arrangement between the Agency and the District will in fact comply with the approved policy which DWR is applying uniformly to all such exchange arrangements.

Yours very truly.

Roxanne M. Holmes,
General Manager

This letter correctly and accurately reflects the agreement between the Agency and the District.

Randy Van Gelder

DEPARTMENT OF WATER RESOURCES
1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 942360001
(916) 653-5791

Ms. Roxanne Holmes, General Manager
Crestline-Lake Arrowhead Water Agency
Post Office Box 3880
Crestline, California 92325

Mr. Douglas Headrick, General Manager
San Bernardino Valley Municipal Water District
Post Office Box 5906
San Bernardino, California 94212-5906

This is in response to your letter dated October 6, 2009 in which you requested that we amend the Letter Agreement SWPAO #08063, dated December 17, 2008, among the Department of Water Resources (DWR), Crestline-Lake Arrowhead Water Agency (CLAWA), and San Bernardino Valley Municipal Water District (SBVMWD) to exchange up to 1,000 acre-feet of CLAWA's 2008 State Water Project (SWP) Table A water with SBVMWD.

As described in the original Agreement's introductory paragraph, the quantity of Table A water to be exchanged is up to 1,000 acre-feet and to be returned as a 1 acre-foot for 1 acre-foot exchange. CLAWA and SBVMWD have agreed the returned Table A exchange water will now be subject to high groundwater conditions which could reduce the amount of water available for return to CLAWA. However, to remain a bona fide exchange, at least half the water delivered to SBVMWD must ultimately be returned to CLAWA by December 3, 2018. Paragraph 11 of the original Agreement #08063 provides for the return of all exchange water to CLAWA by December 31, 2011 and water to be scheduled by August 31, 2011 if all water has not been returned prior to that date. CLAWA and SBVMWD have agreed to extend the water return time to December 31, 2018 and schedule it by August 31, 2018. The details of this request are noted in the "Water Exchange Agreement and Amendment of Demonstration Project" signed by CLAWA and SBVMWD on October 22, 2009.

Accordingly, the original agreement is amended as follows:

Provision 2 shall now read:

2. This Agreement shall become effective on the date of execution by all the parties and shall provide for the delivery of water to SBVMWD as of December 31, 2008. This Agreement shall terminate upon the delivery of all return water to CLAWA under this Agreement or by December 31, 2018, whichever comes first.

Provision 11 shall now read:

11. SBVMWD shall return at least half of the water advanced to CLAWA by December 31, 2018. The return water delivered to CLAWA shall be Table A water allocated to SBVMWD in the year water is returned. In the event that at least half of the water advance is not returned to CLAWA by August 31, 2018, DWR, in coordination with CLAWA and SBVMWD, shall expedite the return of water to CLAWA by so scheduling SBVMWD's Table A by December 31, 2018.

A new term is added to the original Agreement to read:

In the event that SBVMWD's Basin Technical Advisory Committee makes a determination in any year that high groundwater conditions exist in the San Bernardino Basin, resulting in the flow of water out of that basin, the quantity of

water not yet returned to CLAWA will be reduced by 10 percent. In the event that such conditions do occur in any year, SBVMWD and CLAWA will advise DWR of the reduction in the quantity of water remaining to be returned to CLAWA pursuant to this Agreement.

If you agree to the terms and conditions of this Amendment, please sign and date all four originals. After signing, forward all four originals to SBVMWD for their signature and request that they return two executed originals to Robert Cooke, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. SBVMWD will retain one executed original and return one executed original to CLAWA for their respective records. Please send a copy of the Board of Directors approval of this amendment, if such approval is required. This Amendment will not take effect until signed by both CLAWA and SBVMWD.

If you have any questions or need additional information, you may contact Craig Trombly, of my staff at (916) 653-6250, and refer to SWPAO #08063-A.

Sincerely,

Robert B Cooke

Robert B. Cooke, Chief
State Water Project Analysis Office

ACCEPTED:

CRESTLINE-LAKE ARROWHEAD WATER DISTRICT

Roxanne M. Holmes
Signature

Title

Date

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

Douglas A. Headrick
Signature

General Manager
Title

2-16-2010
Date

Enclosures

cc: Mr. Terry Erlewine, General Manager
State Water Contractors
1121 L Street, Suite 1050
Sacramento, California 95814

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

RECEIVED

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ROBIN L. OHAMA
Acting Director of Finance
VALERIE HOUSEL
Director of Environmental &
Regulatory Compliance

"Trusted, Quality Service since 1905"

September 16, 2009

Anthony Araiza
General Manager
West Valley Water District
P. O. Box 920
Rialto, CA 92377

Randy Van Gelder
General Manager
San Bernardino Valley Municipal Water District
P.O. Box 5906
San Bernardino, CA 92412-5906

Dear Messrs. Araiza, Van Gelder:

This will confirm the understanding reached today, September 16, 2009, regarding the contributions to replenishment to be made by West Valley Water District in conjunction with deliveries through the Baseline Feeder of water from the Bunker Hill Basin by the City of San Bernardino Municipal Water Department (San Bernardino).

As all parties are aware, for several years, San Bernardino has been producing treated water for delivery to the Baseline Feeder. San Bernardino Valley Municipal Water District (Valley District) pays San Bernardino for all direct costs related to the delivery and then bills West Valley Water District and the city of Rialto, based on allocated deliveries. Deliveries have been made pursuant to periodic negotiations and a purchase order between San Bernardino and Valley District. Last year, it is San Bernardino's understanding, West Valley Water District (WVWD) and Rialto asked Valley District for assurances that San Bernardino's deliveries would continue, at least for a short term. San Bernardino and Valley District began negotiating the terms of a three-year contract for delivery of water to the Baseline Feeder.

It was San Bernardino's position that the costs of the delivered water should include some amount for replenishment of the Bunker Hill Basin. Meanwhile, invoicing for fiscal year 2009/2010 has been delayed, pending resolution of the replenishment issue.

300 North "D" Street, San Bernardino, California 92418 P.O. Box 710, 92402 Phone: (909) 384-5141
FACSIMILE NUMBERS: Administration: (909) 384-5215 Engineering: (909) 384-5532 Customer Service: (909) 384-7211
Corporate Yards: (909) 384-5260 Water Reclamation Plant: (909) 384-5258

SBVMWD LEGAL
DOCUMENT 2255

The following represents our agreement:

1. For fiscal year 2009/2010, there will be **no** amount added for replenishment. This is because WVWD has already committed to pay $72,000 for approximately 1200 acre-feet of replenishment for water year 2009/2010; and

2. For the three-year contract period, in each of the contract years, WVWD agrees to pay Valley District for State Project Water to be delivered to Sweetwater, Devil Canyon and Waterman basins (at San Bernardino's choice) in an amount equal to the cost of one-quarter (1/4) of the amount of water delivered to the Baseline Feeder for WVWD's benefit.

An example: WVWD receives 3000 acre-feet delivered to it in Year 1 of the contract. WVWD pays Valley District (or allows Valley District to draw down from WVWD's account) the amount of money necessary to pay for 750 acre-feet of water. The possibility exists that Valley District will discount that water, thereby providing more water for the money

Thank you for your courtesy and cooperation in resolving this issue.

Very truly yours,

City of San Bernardino
Municipal Water Department

Stacey R. Aldstadt
General Manager

SRA:als

cc: DMS
R. Ohama, SBMWD
D. Headrick, Valley District
T. Crowley, WVWD
A. Hitchings, Somach

Please sign below to indicate your agreement and concurrence.

Anthony Araiza, WVWD — Date 9-28-09

Randy Van Gelder, Valley District — Date 9/28/2009

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT

BOARD OF WATER COMMISSIONERS

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Director of Water Utility
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Director of Water Reclamation
WILLIAM M. KOLBOW, C.P.A
Director of Finance
JENNIFER L. SHEPARDSON
Director of Environmental &
Regulatory Compliance

"Trusted, Quality Service since 1905"

September 30, 2013

Mr. Douglas Headrick, P.E.
General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Dear Mr. Headrick:

The purpose of this letter is to extend the understanding reached on September 16, 2009, regarding the contributions to replenishment to be made by West Valley Water District (WVWD) and the City of Rialto in conjunction with deliveries through the Baseline Feeder of water from the Bunker Hill Basin by the City of San Bernardino Municipal Water Department (San Bernardino) via the Encanto Booster Station.

As all parties are aware, for several years, San Bernardino has been producing treated water for delivery to the Baseline Feeder. San Bernardino Valley Municipal Water District (Valley District) pays San Bernardino for all direct costs related to the delivery and then bills WVWD and the city of Rialto, based on allocated deliveries. Deliveries have been made pursuant to periodic negotiations and a purchase order between San Bernardino and Valley District. In 2012, Valley District and WVWD placed two (2) new wells online that make deliveries to the Baseline Feeder. This has reduced San Bernardino's deliveries to the Baseline Feeder significantly, especially during winter and spring months. However, San Bernardino continues to make periodic deliveries during the summer months through the Encanto Booster Station.

It continues to be San Bernardino's position that the costs of the delivered water should include a 25 percent replenishment obligation of the Bunker Hill Basin.

The following represents our agreement:

1. The term of this agreement will be for five (5) years.

2. For the five-year contract period, in each of the contract years, Valley District agrees to invoice the West Valley Water District and the City of Rialto for State Project Water to be delivered to the Waterman basin in an amount equal to the cost of one-quarter (1/4) of the amount of water delivered to the Baseline Feeder for WVWD's/Rialto's benefit through the Encanto Booster Station.

Thank you for your courtesy and cooperation.

Very truly yours,

City of San Bernardino
Municipal Water Department

Robin Ohama for
Stacey R. Aldstadt
General Manager

SRA:MHL:swd

cc: R. Ohama, SBMWD
A. Hitchings, Somach

Please sign below to indicate your agreement and concurrence.

Douglas H. Headrick
Douglas Headrick, Valley District

10/4/13
Date

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 21264

Application **31165** of **San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County**
P.O. Box 5906
San Bernardino, CA 92412-5906

filed on **March 21, 2001**, has been approved by the State Water Resources Control Board (State Water Board or Board) SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source of water

Source:	Tributary to:
Santa Ana River (1, 3, 6, 9, 10)	**Pacific Ocean**
Bear Creek (2)	**Santa Ana River thence Pacific Ocean**
Breakneck Creek (4)	**Santa Ana River thence Pacific Ocean**
Keller Creek (5)	**Santa Ana River thence Pacific Ocean**
Alder Creek (7)	**Santa Ana River thence Pacific Ocean**

within the County of **San Bernardino.**

SBVMWD LEGAL
DOCUMENT 2276

2. Location of points of diversion (POD) and points of rediversion (POR)

By California Coordinate System of 1983, Zone **5**	40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridian
POD & POR #1: Seven Oaks Dam North 1,866,500 ft. and East 6,835,000 ft.	**NE¼ of NW¼**	**4**	**01S**	**02W**	**SB**
POD #2: North 1,882,500 ft. and East 6,859,600 ft.	**SE¼ of NE¼**	**19**	**01N**	**01W**	**SB**
POD #3: North 1,882,400 ft. and East 6,859,700 ft.	**SE¼ of NE¼**	**19**	**01N**	**01W**	**SB**
POD #4: North 1,880,900 ft. and East 6,858,100 ft.	**NW¼ of SE¼**	**19**	**01N**	**01W**	**SB**
POD #5: North 1,877,700 ft. and East 6,846,200 ft.	**NW¼ of NE¼**	**26**	**01N**	**02W**	**SB**
POD #6: North 1,876,700 ft. and East 6,846,700 ft.	**SW¼ of NE¼**	**26**	**01N**	**02W**	**SB**
POD #7: North 1,877,100 ft. and East 6,843,600 ft.	**NW¼ of NW¼**	**26**	**01N**	**02W**	**SB**
POR #8: North 1,865,800 ft. and East 6,837,100 ft.	**SE¼ of NE¼**	**4**	**01S**	**02W**	**SB**
POD & POR #9: North 1,864,900 ft. and East 6,835,000 ft.	**SE¼ of NW¼**	**4**	**01S**	**02W**	**SB**
POD & POR #10: North 1,862,800 ft. and East 6,834,000 ft.	**SW¼ of SW¼**	**4**	**01S**	**02W**	**SB**

3. Purpose of use	4. Place of use	Section	Township	Range	Base and Meridian	Acres
Municipal, Industrial, Irrigation, Heat Control, Frost Protection and Recreational uses	**San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County's Service Areas***					

*The place of use is shown on maps dated June 7, 2010 and filed with the State Water Board.

5a. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed **400** cubic feet per second (cfs) by direct diversion and **100,000** acre-feet per annum (afa) by underground and/or surface storage to be diverted from **January 1** to **December 31** of each year. The amount of surface storage at Seven Oaks Dam shall not exceed 50,000 afa. The maximum rate of diversion to underground storage shall not exceed 400 cfs. The total amount of water to be taken from the sources shall not exceed 100,000 acre-feet (af) per water-year of October 1 to September 30. The total rate for water to be taken from the sources for either direct use and/or underground storage shall not exceed 800 cfs.

(0000005E)

5b. The total quantity of water to be taken from the sources under both Application 31165 and Application 31370 shall not exceed 198,317 af per water-year of October 1 to September 30. The total amount of water diverted to storage at Seven Oaks Dam under both Applications 31165 and 31370 shall not exceed 50,000 af per water-year of October 1 to September 30. The total combined rate for water to be taken from the sources under Applications 31165 and 31370 for either direct use, underground storage, and/or offstream surface storage shall not exceed an instantaneous rate of 1,250 cfs.

(0000005L)

6. The amount authorized for appropriation may be reduced in the license if investigation warrants.

(0000006)

7. Construction work and the application of water to beneficial use shall be prosecuted with reasonable diligence. Actual construction shall begin no later than June 30, 2010 and be completed by October 1, 2020. Water shall be put to full beneficial use by December 31, 2059.

(0000009)

8. Progress reports shall be submitted promptly by Permittee when requested by the State Water Board until a license is issued.

(0000010)

9. Permittee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by said State Water Board, reasonable access to project works to determine compliance with the terms of this permit.

(0000011)

10. Pursuant to California Water Code sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of State Water Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the State Water Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of Permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against

reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Board also may be exercised by imposing further limitations on the diversion and use of water by the Permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust.

(0000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Board if, after notice to the Permittee and an opportunity for hearing, the State Water Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the State Water Board finds that: (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

(0000013)

12. This permit does not authorize any act that results in the taking of a threatened or endangered species or any act that is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish & G. Code, §§ 2050-2097) or the federal Endangered Species Act (16 U.S.C.A. §§ 1531-1544). If a "take" will result from any act authorized under this water right, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this permit.

(0000014)

13. Permittee shall maintain records of the amount of water diverted and used to enable State Water Board to determine the amount of water that has been applied to beneficial use pursuant to Water Code section 1605.

(0000015)

14. This permit shall not be construed as conferring upon the Permittee right of access to the point of diversion.

(0000022)

15. Permittee shall consult with the Division of Water Rights (Division) and, within one year from the date of this permit, shall submit to the State Water Board its Urban Water Management Plan as prepared and adopted in conformance with section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein.

(0000029A)

16. If it is determined after permit issuance that the as-built conditions of the project are not correctly represented by the map(s) prepared to accompany the application, Permittee shall, at his expense have the subject map(s) updated or replaced with equivalent as-built map(s).

Said revision(s) or new map(s) shall be prepared by a civil engineer or land surveyor registered or licensed in the State of California and shall meet the requirements prescribed in section 715 and sections 717 through 723 of the California Code of Regulations, Title 23. Said revision(s) or map(s) shall be furnished upon request of the Chief of the Division of Water Rights[1].

(0000030)

17. No work shall commence and no water shall be diverted, stored or used under this permit until a copy of a stream or lake alteration agreement between the State Department of Fish and Game and the Permittee (DFG) is filed with the Division. Compliance with the terms and conditions of the agreement is the responsibility of the Permittee. If a stream or lake alteration agreement is not necessary for this permitted project, the Permittee shall provide the Division a copy of a waiver signed by DFG.

(0000063)

18. In order to prevent degradation of the quality of water during and after construction of the project, prior to commencement of construction undertaken after issuance of the permit, Permittee shall file a report pursuant to Water Code Section 13260 and shall comply with all waste discharge requirements imposed by the California Regional Water Quality Control Board, Santa Ana Region, or by the State Water Board.

(0000100)

19. Prior to diversion of water under this permit, Permittee shall: (1) install devices to measure the instantaneous rate of diversion and the quantities of water placed into underground storage and (2) install devices to measure or provide documentation of the method to be used to determine the quantity of water recovered from underground storage and placed to beneficial use. All measuring devices and the method of determining the quantity of water placed into and recovered from underground storage shall be approved by the State Water Board prior to diversion of water under this permit. All measuring devices shall be properly maintained. The diversion data shall be posted on Permittee's websites on a weekly basis.

(0080117)

20. The Permittee shall obtain all necessary state and local agency permits required by other agencies prior to construction and diversion of water. Copies of such permits and approvals shall be forwarded to the Deputy Director for Water Rights (Deputy Director).

(0000203)

21. No debris, soil, silt, cement that has not set, oil, or other such foreign substance will be allowed to enter into or be placed where it may be washed by rainfall runoff into the waters of the State. When operations are completed, any excess materials or debris shall be removed from the work area.

(0000208)

22. The State Water Board adopts and incorporates by reference into this permit the mitigation measures and monitoring and reporting requirements applicable to the impacts of the Project on biological and cultural resources, geology, hazardous material and groundwater contamination, groundwater and surface water hydrology, water quality and public services, utilities and transportation identified in the Final EIR, specifically mitigation measures MM BIO-1, MM BIO-2 and MM BIO-6 through MM BIO-10, MM CR 1 through MM CR 4, MM HAZ 1 through MM HAZ 5, MM GEO-1 through MM GEO-8, MM GW-1, MM SW-2 and MM PS-12. (See attached Table 1.) Permittee must implement the measures to mitigate significant impacts and conduct the required

[1] The Chief of the Division of Water Rights is hereafter referred by the State Water Board as the Deputy Director for Water Rights.

reporting and monitoring of those measures as provided in the Mitigation Monitoring and Reporting Plan adopted on March 21, 2007 by the respective Boards of Directors of San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County. In addition, Permittee shall submit an annual report to the Deputy Director that includes the results of the Mitigation Monitoring and Reporting Program. The State Water Board reserves jurisdiction to require any reasonable amendments to these measures and requirements to ensure that they will accomplish the stated goal.

(0400500)

23. The State Water Board adopts and incorporates by reference into this permit the mitigation measures and monitoring and reporting requirements applicable to the cumulative impacts of the Project on biological and cultural resources, geology, hazardous material and groundwater contamination, groundwater and surface water hydrology and water quality, and public services, utilities and transportation identified in the EIR, specifically mitigation measures MM Cumulative BIO-1, MM Cumulative CR-1, MM Cumulative CR-2, MM Cumulative HAZ-1, MM Cumulative SW-1 and MM Cumulative GW-1. (See attached Table 2.) Permittee must implement the measures to mitigate cumulative impacts and conduct the required reporting and monitoring of those measures as provided in the Mitigation Monitoring and Reporting Plan adopted by the respective Boards of Directors of San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County on March 21, 2007. In addition, Permttee shall submit to the Deputy Director an annual report that includes the results of the Mitigation Monitoring and Reporting Program. The State Water Board reserves jurisdiction to require any reasonable amendments to these measures and requirements to ensure that they will accomplish the stated goal.

(0400500)

24. This permit shall not be construed as conferring upon Permittee right of access to facilities of the U.S. Army Corps of Engineers and the Santa Ana River Mainstem Local Sponsors.

(0000022)

25. This permit is specifically subject to the prior rights of Bear Valley Mutual Water Company, City of Redlands, East Valley Water District, Lugonia Water Company, North Fork Water Company and Redlands Water Company to divert the first 88 cfs of the natural flow of the Santa Ana River pursuant to pre-1914 appropriative rights, to the extent that such rights may exist.

(0400500)

26. This permit is specifically subject to the prior rights of San Bernardino Valley Water Conservation District under Licenses 2831 and 2832 issued pursuant to Applications 2217 and 4807, and any valid pre-1914 appropriative right confirmed by the Court.

(0400500)

27. Nothing in this permit shall be construed as authorizing any diversions contrary to the provisions of the December 19, 2002 Biological Opinion issued by United States Fish and Wildlife Service for operation of Seven Oaks Dam, as may be revised in the future, including flow releases for downstream over-bank inundation to preserve State and federally listed threatened and endangered species and their habitat.

(0600500)

28. Permittee shall only divert water at points of diversion 5 though 10 in compliance with the terms and conditions of Federal Energy Regulatory Commission (FERC) license Project No. 1933 and 401 water quality certification as well as any future FERC licenses and 401 water quality certifications.

(0560900)

29. Permittee shall not, without the prior written consent of Southern California Edison (SCE), construct, operate or maintain diversion works at points of diversion located upstream of the flood inundation pool of Seven Oaks Dam in a manner that interferes with the operation and maintenance of the hydroelectric works licensed to SCE by the Federal Energy Regulatory Commission (FERC) license for Project No. 1933. Permittee's diversion of water at such points of diversion shall not interfere with SCE's diversion of water for hydroelectric purposes, again as described in the FERC license for Project No. 1933. Nothing in this permit shall be construed to limit Permittee's diversion of water from such points of diversion at times when the quantity of water available for diversion at such points of diversion exceeds the demand of SCE's facilities to divert water from the Santa Ana River system.

(0430999)

30. This permit shall not be construed as conferring upon Permittee the right of access to Seven Oaks Dam, the points of diversion, the lands necessary for related facilities, or the lands necessary for inundation for water storage. Access to, construction upon, or inundation of National Forest Service lands shall not commence prior to authorization by the Forest Service, in accordance with applicable laws and regulations. Such authorization will require compliance with all applicable federal laws and regulations. Permittee specifically recognizes that completion of the applicable legal process does not guarantee such authorization will be granted, the issuance of this water right permit notwithstanding.

(0000022)

31. This permit shall not be construed as conferring upon Permittee the right of access to Seven Oaks Dam, the points of diversion, and lands necessary for related facilities, or the lands necessary for inundation for water storage. Permittee shall not commence construction and operation of water diversion facilities at Seven Oaks Dam without a written access agreement from the Santa Ana River Mainstem Project Local Sponsors.

(0000022)

32. Flow in the Santa Ana River is highly variable from year to year. Because the face value of this permit is based on a rare storm event, this permit shall not be construed as giving any assurance that such an event will occur. The actual amount of water available for appropriation may be much less.

(0000999)

33. Permittee is required to follow guidance from existing state and federally mandated projects regarding groundwater contaminant plumes within and outside the San Bernardino Basin Area. This includes coordination with appropriate oversight agencies and compliance with policies regarding the remediation of the groundwater contaminant plumes.

(0400800)

34. Permittee shall not use the Cactus Spreading and Flood Control Basins under this permit.

(0400800)

35a. In order to prevent degradation of the quality of water released to the Santa Ana River from storage at Seven Oaks Dam, the State Water Board may modify this permit to set conditions that apply water quality objectives to any release from storage.

35b. No water shall be released from storage of Seven Oaks Dam for purposes of rediversion by Permittee until Permittee has consulted with the Chief Deputy Director for Water Quality or his or her delegee and the Chief Deputy Director has determined that the releases will be consistent with applicable water quality objectives. The releases shall be consistent with any conditions the Chief Deputy Director determines are necessary to ensure compliance with applicable water quality objectives.

(0400800)

36. In order to prevent degradation of water quality during and after construction of the project, prior to commencement of any construction undertaken after issuance of the permit, Permittee shall file a report pursuant to Water Code Section 13260 and shall comply will all waste discharge requirements imposed by the California Regional Water Quality Control Board, Santa Ana Region, or by the State Water Board.

(0290800)

This permit is issued and Permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every Permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any Permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any Permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

STATE WATER RESOURCES CONTROL BOARD

for James W. Kassel
Victoria A. Whitney
Deputy Director for Water Rights

Dated: JUN 29 2010

Attachments

Table 1: Mitigation Measures

MM BIO-1	Muni/Western will minimize disturbance to native habitats and listed and non-listed sensitive species by the implementation of the following measures at construction sites prior to and during construction. Where ground disturbance is required, the Muni/Western program will include the following: (1) Clearly marking and delineating the limits of the staging areas as well as the construction corridors/zones in the field and graphically on all final construction drawings and blueprints. Personnel and equipment will be prohibited in native habitats outside the construction limits. (2) Biologically sensitive areas, including individuals or colonies of listed and non-listed sensitive plant species and wildlife species, will be identified and delineated in the field prior to ground disturbance (see MM BIO-3) and will be clearly marked graphically on all final construction plans or blueprints so they will be avoided to maximum extent feasible. (3) Use methods to minimize the construction corridor width to the maximum extent feasible in sensitive habitats, such as transporting and stockpiling excavated materials in disturbed area of the right-of-way (ROW), or into other parts of the ROW by truck or conveyor belt. **Employee Training** Implementation of an employee training program. Muni/Western's program will include an initial meeting with all personnel presented by a qualified biologist familiar will all affected species, habitats, and permit conditions. The employee training program will include a discussion of each species, all applicable laws, the permit conditions, and the potential penalties for violating permit conditions. The employee training program will be conducted before construction activities begin. Regular updates will occur during weekly tailgate meetings with construction personnel, and newly hired personnel will be informed of the permit conditions as well as the habitat and species issues before working on the Project site. **On-Site Monitoring** Biological monitoring of habitat clearing activities and removal of sedentary animals, both common and sensitive, within the ROW prior to clearing. This will require a qualified biologist to be at the location of habitat removal before clearing to attempt to remove animals where visible and, during removal activities, to ensure that no inadvertent impacts to adjacent habitats occur. Weekly inspections of the ROW perimeter near work areas will also reduce the potential for inadvertent impacts to adjacent habitat. **Best Management Practices (BMPs)** Dust control. All areas of mechanical ground disturbance, including dirt access roadways, will be consistently moistened to reduce the creation of dust clouds. The frequency of watering will be consistent with the desired goal and in accordance with regional standards and BMPs. Erosion control. Devices such as straw bales and "v" ditches will be installed in areas where construction activities may directly or indirectly cause erosion or sediment deposition on adjacent habitats. Routine removal of trash from construction areas. All refuse, including non-construction materials such as paper and miscellaneous food packaging materials, will be removed from the ROW to prevent littering of the adjacent habitat areas outside of the ROW. At a minimum, site clean-ups should occur weekly. **Listed Species Protection Measures** In areas where the San Bernardino Kangaroo Rat (SBKR) is present, either within or adjacent to the ROW, Muni/Western will install exclusionary fencing where appropriate to reduce the potential for SBKR entering the ROW.

MM BIO-1 (continued)	Specification for the fencing will be particular to the goal of the SBKR exclusion and will be approved by the United States Fish and Wildlife Service (USFWS). Muni/Western may not install fencing in certain areas such as boulder-strewn washes where fence construction may cause substantial habitat disturbance. Following the installation of fencing, the animals within the ROW will be trapped and released within adjacent suitable habitat outside the ROW. These methods will be approved by the USFWS. In areas where the SBKR is present, either within or adjacent to the ROW, Muni/Western will limit construction activities to daylight hours (approximately 7:00 A.M. to 6:00 P.M.). During night hours, no activities that would unnaturally increase the light or noise within adjacent occupied habitat will occur. In areas where the SBKR, coastal California gnatcatcher CAGN, least Bell's vireo, or southwestern willow flycatcher are present either within or adjacent to the ROW, Muni/Western will avoid or reduce construction activities in the vicinity of occupied habitat during the breeding season. Avoidance will take place from March 1 through June 30. In certain areas, avoidance of southwestern willow flycatcher will continue through July 31. Where complete avoidance is not possible, construction activities will be conducted in a manner that attempts to minimize disturbance during early morning hours and avoids the most sensitive breeding months of April and May. In areas where preconstruction sensitive species surveys and other seasonally limited activities such as seed collection and plant propagation are needed, Muni/Western will prepare a calendar of when such activities need to be accomplished and incorporate this into design and construction schedules to ensure that the surveys can be conducted in the appropriate season without causing delays. (Draft EIR page 3.3-37 through 3.3-39; Final EIR Section 2.4.)
MM BIO-2	Muni/Western will develop a Habitat Revegetation, Restoration, and Monitoring Program (Program), obtaining input from CDFG, and USFWS, for implementation in all habitat areas directly affected by construction activities. The Program will include the following measures: **Invasive Species Control** Where appropriate and feasible, the area to be treated will be treated to kill invasive exotics species and limit their seed production before initiating any earthmoving activity with the objectives of: (1) preventing invasive species from spreading from the disturbance area, and (2) removing weed sources from the salvaged topsoil. Herbicides will be used only by a licensed herbicide applicator and may require notification to property owners or resource agencies. The treatment will be completed before earthmoving in order for this mitigation to have its intended effect (e.g., the treatment would need to occur before target species set seed). **Topsoil Salvage and Replacement** In areas where vegetation and soil are to be removed, the topsoil will be salvaged and replaced, where practicable. This may be accomplished using two lifts, the first to salvage the seed bank, and the second to salvage soil along with soil biota in the root zone. Soil will be stockpiled in two areas near the Project site, with the seed bank labeled to identify it. Topsoil will be replaced in the proper layers after final reconfiguration of disturbed areas. Where presence of extensive deposits of boulders and cobbles limit the opportunity to salvage topsoil and make the above-mentioned procedure infeasible, Muni/Western will salvage available surface material and stockpile it for replacement on the surface of the restored area. Stockpiles will be covered if the soil is to be left for an extended period to prevent losses due to erosion and invasion of weeds. **Habitat Rehabilitation and Revegetation** Muni/Western will develop and implement plans and specifications for replanting areas disturbed by the Project. Replanting will be with native species propagated from locally collected seed or cuttings, and, if applicable, will include seed or sensitive species that would be impacted during construction activities.

MM BIO-2 (continued)	Monitoring procedures and performance criteria will be developed by Muni/Western to address revegetation and erosion control. The performance criteria will consider the level of disturbance and the condition of adjacent habitats. Monitoring will continue for three-to-five years, or until performance criteria have been met. Appropriate remedial measures, such as replanting, erosion control or weed control, will be identified and implemented if it is determined that performance criteria are not being met. (Draft EIR page 3.3-39 through 3.3-40; Final EIR Section 2.4.)
MM BIO-6	Prior to ground disturbance or other activities, qualified botanists will survey all proposed construction, staging, stockpile, and access areas for presence of non-listed sensitive plant species. Preconstruction surveys will occur during appropriate season and in accordance with established protocols (if required). These surveys will be conducted in all construction areas that occur in native habitats. In the event that non-listed sensitive plant species are observed in the impact area during pre-Project surveys, Muni/Western will implement the following measures: (a) Colonies will be clearly marked, mapped, and recorded along with the numbers of individuals in each colony and their respective condition. To the extent feasible, construction areas and access roads will be configured to avoid or minimize loss of individual plants and damage to occupied habitats. (b) Where impacts to non-listed sensitive plant species are unavoidable, Muni/Western will develop and implement a salvage, propagation, replanting, and monitoring program that will use both seed and salvaged plants constituting an ample and representative sample of each colony. (Draft EIR page 3.3-42.)
MM BIO-7	To reduce impacts on biological resources, Muni/Western will realign pipelines to avoid sensitive resources and habitat to the maximum extent feasible. Specifically, Muni/Western will realign Phase II of the Plunge Pool Pipeline northward and place it adjacent to Greenspot Road. (See Draft EIR Figure 3.3-7). This will put the project-related disturbance at the edge of the habitat and avoid bisecting the intermediate to mature RAFSS habitat along the western portion of the alignment. If it is infeasible to implement MM BIO-7, then the residual impact could be compensated by implementation of MM BIO-8, which is intended to compensate for permanent or long-term losses of sensitive RAFSS habitat as a result of installation of permanent facilities or long-term construction impacts that cannot be fully mitigated by MM BIO-1, MM BIO-2, and MM BIO-7. (Draft EIR page 3.3-44.)
MM BIO-8	To compensate for permanent long-term and temporal losses of RAFSS habitat value, Muni/Western will acquire, for every 1 acre impacted, a minimum of 1 acre of good quality habitat of similar or greater habitat value than the RAFSS area impacted by the Plunge Pool pipeline and dedicate it in perpetuity as a habitat conservation easement area, or other appropriate designation, and provide funding for its future management as native habitat in perpetuity. The acquired RAFSS habitat area would ideally be contiguous with existing habitat already set aside in the WSPA or other dedicated RAFSS habitat. If good quality habitat in such a locality is not available for purchase, availability of other RAFSS habitat will be investigated, with the objective of obtaining good quality habitat near the Project area. Implementation of this mitigation measure will be subject to the requirement that such long-term mitigation and reporting plans for such acquisitions are to be approved by the Deputy Director for Water Rights of the State Water Board prior to construction of the Plunge Pool Pipeline. (Draft EIR page 3.3-44; Final EIR Section 2.4.)
MM BIO-9	Muni/Western will monitor and remove invasive non-native species establishing in the channel and adjacent RAFSS habitats between Seven Oaks Dam and Mill Creek. Target species include species of tamarisk or salt cedar (*Tamarix* spp.), fountain grass (*Pennisetum setaceum*), and giant reed (*Arundo donax*). These species establish in

MM BIO-9 (continued)	habitats suitable to SBKR and Santa Ana River woolly-star and have the potential to spread further into adjacent suitable habitat areas. Initial control will be established using a combination of physical removal and herbicidal treatment using appropriate environmental safeguards. Herbicides will be used pursuant to manufacturer's instructions, and standard measures will be taken to avoid impacts to water quality. Two to several follow-up treatments would be anticipated during the first year with follow-up monitoring and treatments at least once annually in the ensuing years. (Draft EIR page 3.3-61; Final EIR Section 2.4.)
MM BIO-10	Muni/Western will develop a program, in coordination with MSHCP agency participants, to selectively restore SBKR and Santa Ana River woolly-star habitat by using habitat manipulation, either by mechanical means or high pressure water, to remove vegetation and leave freshly deposited sand and silt, simulating the habitat-renewing aftermath of natural flooding. This will be done using an adaptive management approach with input from Multispecies Habitat Conservation Plan (MSHCP) stakeholders. If the high pressure water method is used, water will be piped. A high-pressure nozzle will be directed at localized areas of habitat determined to be suitable for SBKR and Santa Ana River woolly-star after renewal. The nozzle will be hand operated or operated from a light vehicle. Treatments will be accomplished in a randomized block design to allow experimental testing of variables such as duration and intensity of spray, addition of clean stand, season of disturbance, application of seed vs. allowing natural dispersal, etc. A rigorous monitoring program funded by Muni/Western will be established to enable the differences among experimental treatments to be determined. The primary indicator of success will be related to development of habitat characteristics identified with pioneer to intermediate RAFSS habitat within the SBKR and Santa Ana River woolly-star populations that have been documented. These characteristics are documented in the literature and will be specified as part of the Muni/Western Program. The program will be adjusted appropriately as results from earlier efforts become available. The design and implementation of the ongoing effort will be funded by Muni/Western and conducted by representatives of Muni/Western with input from the USFWS and CDFG. A complete description of this method is also included in Appendix E7 of the Draft EIR, Section 2.0. Muni/Western commit to achieving a mitigation performance of restoring 10 acres of intermediate- to late-stage RAFSS habitat to the early or intermediate stage RAFSS habitat during the first 20 years of Project implementation. (Draft EIR pages 3.3-61 and 3.3-62; Final EIR Section 2.4.)
MM CR-1	In the event of an unanticipated archaeological or paleontological resource discovery during construction, all ground disturbances within 150 feet of the discovery will be halted or redirected to other areas until the discovery has been documented by a qualified archaeologist or paleontologist, and its potential significance evaluated consistent with CEQA. Resources considered significant will be avoided by Project design. If avoidance is not feasible, the resource will be subject to a data recovery mitigation program, as appropriate. If human remains are discovered the County Coroner will be contacted, and all procedures required by the California Health and Safety Code Section 7050.5, State CEQA Guidelines Section 15064.5(e) and PRC Section 5097.98 will be followed. (Draft EIR page 3.9-19.)
MM-CR-2	Proposed construction of the Plunge Pool Pipeline will avoid physical impacts to the Francis Cuttle Weir Dam to the extent feasible. In the event that any portion of the Francis Cuttle Weir Dam would be modified or demolished, a qualified architectural historian will prepare a historic recordation of the Francis Cuttle Weir Dam, in the context of the Conservation District's groundwater spreading system. The recordation will conform to the standards of either the Historic American Buildings Survey (HABS) or the Historic American Engineering Record (HAER). (Draft EIR page 3.9-20.)

MM CR-3	Prior to construction activities along the segment of the Plunge Pool Pipeline, Phase I, align north of Greenspot Road, the location of the North Fork Canal will be precisely mapped on engineering design plans to identify where the canal falls within the construction corridor. Temporary fencing will be placed 5 feet south of the canal along the portion of the canal that falls within the construction corridor to provide a small buffer area, and no heavy construction equipment or vehicles will be allowed north of the fencing. (Draft EIR page 3.9-21.)
MM CR-4	If it is necessary to install the Morton Canyon Connector II Pipeline through the "Hole in the Wall" within the retaining wall of Greenspot Bridge, construction activities will be confined to previously disturbed sections only and the wall will be restored to pre-Project conditions. Prior to construction, a qualified architectural historian will review the final construction designs of the Morton Canyon Connector II Pipeline to verify avoidance of significant impacts to any Greenspot Bridge feature. (Draft EIR page 3.9-24.)
MM HAZ-1	Muni/Western will direct the contractor to wash out concrete trucks in a designated area where the material cannot run off into a stream or percolate into the groundwater. This area will be specified on all applicable construction plans and be in place before any concrete is poured. Muni/Western will direct the contractor to construction vehicles in a manner that contains fluids, such as lubricants, within an impervious area to avoid spill-related water quality impacts. (Draft EIR page 3.12-12.)
MM HAZ-2	Muni/Western will direct the contractor to inspect and, as necessary, service all equipment before it enters the construction site and regularly thereafter, and before working immediately adjacent to the Santa Ana River or any other drainage or creek to avoid equipment leak-related water quality impacts. Muni/Western will direct the contractor to repair any leaks or hoses/fittings in poor condition before the equipment begins work. (Draft EIR page 3.12-12.)
MM HAZ-3	Muni/Western will direct the contractor to prepare a spill prevention and contamination plan prior to equipment use on the site. Muni/Western will direct the contractor to follow the spill prevention plan during Project construction to prevent spill-related water quality impacts. This plan will include, but not necessarily be limited to: a. Specific bermed equipment maintenance and refueling areas. b. Bermed and lined hazardous material storage areas on site that are covered during the rainy season. c. Hazardous material spill cleanup equipment on site (e.g.,absorbent pads, shovels, and bags to contain contaminated soil). d. Workers trained in the location and use of cleanup equipment. (Draft EIR page 3.12-12.)
MM HAZ-4	Using available data, in conjunction with the integrated surface and groundwater models, Muni/Western will identify groundwater trends, including plume movement and isolate changes attributable to implementation of the Project. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to limit adverse plume movements. (Draft EIR page 3.12-14.)
MM-HAZ-5	Muni/Western will make an alternative water supply available to parties affected by contaminated wells, or provide treatment for affected wells, at Muni/Western's discretion. The alternative supply or treatment for affected wells will be made available for all times when pertinent water quality standards are exceeded as a result of the Project. (Final EIR section 2.3.2.)

MM GEO-1	Before beginning construction, a sedimentation and erosion control plan will be prepared by Muni/Western and submitted to the Santa Ana Regional Water Quality Control Board (SARWQCB) for approval. In addition, a Storm Water Pollution Prevention Plan (SWPPP) will be prepared by Muni/Western and submitted to the SARWQCB for approval prior to construction. Where possible, erosion control measures will be implemented by Muni/Western before beginning work in the rainy season. To minimize short-term impacts associated with erosion and off-site siltation of the SAR, standard erosion and sediment control features will be used during and immediately after grading and excavations.
MM GEO-2	Muni/Western will direct the contractor to install, prior to de-watering activities, energy dissipation devices at discharge points to prevent erosion. Sedimentation basins (such as straw bales lined with filter fabric) will be used at dewatering discharge points to prevent excess downstream sedimentation. These basins will be constructed during dewatering and regularly maintained during construction, including after storm events, to keep them in good working order.
MM GEO-3	Muni/Western will implement recommendations established in a site-specific geotechnical report, prepared by a qualified engineer or engineering geologist. The report recommendations will be based on comprehensive evaluation of slope stability, seismic, and soil conditions that may affect construction of the pipelines and related facilities. Recommendations will be consistent with provisions of California Code of Regulations, Title 8, Construction and Safety Orders. Project grading and excavations will be observed by a geotechnical engineer, engineering geologist, or other qualified representative, to verify compliance with recommendations of the geotechnical report. The geotechnical investigation will be completed in accordance with: (1) CDMG Special Publication 117, *Guidelines for Evaluating and Mitigating Seismic Hazards in California* (CDMG 1997). (2) Southern California Earthquake Center, Recommended Procedures for Implementation of DMG Special Publication 117 Guidelines for Analyzing and Mitigating Liquifaction in California (SCEC1999).
MM GEO-4	Muni/Western will implement seismic-related recommendations contained in a site-specific geotechnical report, as discussed in MM GEO-3, to minimize seismically induced damage to the pipeline.
MM GEO-5	A water flow shut-off mechanism will be installed by Muni/Western at the Plunge Pool Pipeline Intake Structure to terminate flow immediately following a large earthquake in the vicinity of the site.
MM GEO-6	Muni/Western will complete emergency repairs to the pipeline and/or related facilities, in the event of seismically induced damage. MM GEO-1 and MMGEO-2 will be applied to reduce erosion related impacts associated with soil disturbance during emergency repairs.
MM GEO-7	Muni/Western will implement a groundwater level monitoring program using data from Index Wells (see Figure 3.4-5). This information will be used in conjunction with forecasts of groundwater levels derived from Muni/Western integrated surface and groundwater models to identify trends in groundwater levels and identify changes attributable to the Project. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to limit high groundwater conditions in the vicinity of Devil Canyon, Lytle Creek, Mill Creek, and areas in the forebay and intermediate area of the SBBA.

MM GEO-8	Muni/Western will implement a groundwater level monitoring program using data from Index Wells. This information will be used in conjunction with forecasts of groundwater levels derived from Muni/Western integrated surface and groundwater models to identify trends in groundwater levels and isolate changes attributable to the Project. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to limit potential for subsidence in the Pressure Zone area of the SBBA.
MM GW-1	Using available reliable data, Muni/Western will, on an annual basis, evaluate impacts of the Project on TDS and nitrate concentrations in the SBBA. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to reduce significant TDS and nitrate impacts.
MM SW-2	An energy dissipation structure, a device to slow fast moving flows so as to prevent erosion, will be placed at the terminus of the pipeline delivering water to Lytle Basins channel to ensure that water from the Project does not scour or erode the channel.
MM PS-12	Per the requirements of the Seven Oaks Accord, to avoid a significant effect on groundwater levels at one or more index wells located outside the Pressure Zone, Muni/Western will spread sufficient water to maintain static groundwater levels at the affected index wells. To implement this mitigation measure, Muni/Western will use a groundwater monitoring program based on information derived from the index wells. This information will be used in conjunction with forecasts of groundwater levels derived from Muni/Western integrated surface and groundwater models to identify trends in groundwater levels and isolate the share of change attributable to the Project. Remedial action will be implemented prior to an actual 10-foot reduction being reached, to avoid the significant impact.

Table 2: Cumulative Mitigation Measures

MM Cumulative BIO-1	The San Bernardino General Plan continues a number of policies in the Natural Resources Element designed to require review of biological impacts for each development project in coordination with the development and enforcement of Habitat Conservation Plans, and development of monitoring programs. The Riverside County General Plan Draft Program EIR identifies policies form the Multipurpose Open Space Element of the County of Riverside General Plan as well as additional measures to reduce impacts to biological resources associated with growth. Policies are designed to require review of biological impacts for each development project, avoidance of habitat fragmentation, and use of constructed wetlands to treat water before it enters the natural stream system. Residual impacts: despite General Plan policies, significant unavoidable cumulative biological impacts would still occur in San Bernardino and Riverside Counties.
MM Cumulative CR-1	Individual review of each of the related projects under CEQA would likely result in the identification of any significant cultural resource impacts and provide mitigation to reduce or avoid impacts. It is not certain that all significant cumulative impacts could be successfully mitigated, given the potentially large amount of ground disturbance involved with the Project and related projects. Residual impacts: potential cumulative impacts on cultural resources would remain significant.
MM Cumulative CR-2	The Natural Resources Element of the San Bernardino County General Plan contains a number of policies to mitigate impacts to cultural resources. Generally, these policies require cultural resource field surveys with all project submittals; the preparation of cultural resource overlays for all existing Planning Areas not covered by an overlay map; preliminary cultural resource reviews by the Archaeological Information Center; the cataloging of artifacts discovered as a result of a cultural resource investigation; and notification of the Native American Heritage Commission if projects require the excavation of Native American archaeological sites. The Multipurpose Open Space Element of the Riverside County General Plan also contains relevant policies that would mitigate impacts to cultural resources. The Riverside County General Plan Draft Program EIR identifies additional mitigation measures including compliance with State Health and Safety Code Section 7050.5 that requires disturbance of an area to cease where human remains have been encountered until the Riverside County Coroner has made a determination of the origin and disposition; avoidance of

MM Cumulative CR-2 (Continued)	cultural resources where possible, where avoidance of cultural resources is not possible, the planting of deterrent plant species such as prickly pear cactus shall be completed to minimize public availability to the site; and additional measures if avoidance and/or preservation of cultural resources is not possible, such as having a participant-observer present from the appropriate Indian Band or Tribe during archaeological testing or excavation of a project site. Residual impacts: significant cumulative impacts to cultural resources could still occur given the potentially large amount of ground disturbance related to growth and development.
MM Cumulative HAZ-1	The San Bernardino County General Plan includes policies to reduce impacts related to hazardous materials. Specifically, the Hazardous Waste/Materials section of the Man-made Hazards Element includes policies HW-1 through HW-26. In general, these measures establish an effective and expeditious permitting process for siting hazardous waste facilities that includes extensive public participation; ensures the protection of public health and safety when siting needed hazardous waste facilities; develops uniform set of criteria for the siting of hazardous waste facilities in the County, including a requirement that facilitates the siting only in areas with a zoning overlay of Specified Hazardous Waste Facility; and ensures coordination among agencies and County departments in the review of all hazardous waste applications within the County.
MM Cumulative SW-1	The San Bernardino General Plan contains a number of policies in the Water section of the Natural Resources Element designed to coordinate and manage water resources throughout the County. However, with regard to water resources in San Bernardino County, significant unavoidable impacts would still occur. The Riverside County General Plan addresses localized flooding risks in the Safety Element of the proposed Riverside County General Plan. Additionally, the proposed Riverside County General Plan Draft Program EIR contains measures to further mitigate flooding impacts including use of FEMA documents to minimize flood hazards, prohibition by the County of the alteration of floodways and channelization where possible, and the requirement that the 10–year flood flows be contained within the tops of curbs and the 100-year flood flows within the street rights-of-way. These policies would mitigate impacts related to surface water in Riverside County. Residual impacts: significant cumulative impacts to surface water resources related to water demand and generation of urban contaminants could still occur in San Bernardino County.

MM Cumulative GW-1	The San Bernardino County General Plan contains a number of policies in the Water section of the Natural Resources Element designed to coordinate and manage water resources throughout the County. The Riverside County General Plan contains a number of policies in the multipurpose Open Space Element and Land Use Element designed to avoid overdraft and groundwater contamination. Residual impacts: significant unavoidable cumulative groundwater impacts would still occur in San Bernardino County.

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 21265

Application **31370** of

San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County
P.O. Box 5906
San Bernardino, CA 92412-5906

filed on **November 4, 2002**, has been approved by the State Water Resources Control Board (State Water Board or Board) SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source of water

Source:	Tributary to:
Santa Ana River (1, 3, 6, 9, 10, 11,12)	**Pacific Ocean**
Bear Creek (2)	**Santa Ana River thence Pacific Ocean**
Breakneck Creek (4)	**Santa Ana River thence Pacific Ocean**
Keller Creek (5)	**Santa Ana River thence Pacific Ocean**
Alder Creek (7)	**Santa Ana River thence Pacific Ocean**

within the County of **San Bernardino.**

2. Location of points of diversion (POD) and points of rediversion (POR)

By California Coordinate System of 1983, Zone **5**	40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridian
POD & POR #1: Seven Oaks Dam North 1,866,500 ft. and East 6,835,000 ft.	**NE¼ of NW¼**	**4**	**01S**	**02W**	**SB**
POD #2: North 1,882,500 ft. and East 6,859,600 ft.	**SE¼ of NE¼**	**19**	**01N**	**01W**	**SB**
POD #3: North 1,882,400 ft. and East 6,859,700 ft.	**SE¼ of NE¼**	**19**	**01N**	**01W**	**SB**
POD #4: North 1,880,900 ft. and East 6,858,100 ft.	**NW¼ of SE¼**	**19**	**01N**	**01W**	**SB**
POD #5: North 1,877,700 ft. and East 6,846,200 ft.	**NW¼ of NE¼**	**26**	**01N**	**02W**	**SB**
POD #6: North 1,876,700 ft. and East 6,846,700 ft.	**SW¼ of NE¼**	**26**	**01N**	**02W**	**SB**
POD #7: North 1,877,100 ft. and East 6,843,600 ft.	**NW¼ of NW¼**	**26**	**01N**	**02W**	**SB**
POR #8: North 1,865,800 ft. and East 6,837,100 ft.	**SE¼ of NE¼**	**4**	**01S**	**02W**	**SB**
POD & POR #9: North 1,864,900 ft. and East 6,835,000 ft.	**SE¼ of NW¼**	**4**	**01S**	**02W**	**SB**
POD & POR #10: North 1,864,900 ft. and East 6,834,600 ft.	**SE¼ of NW¼**	**4**	**01S**	**02W**	**SB**
POD & POR #11: North 1,863,500 ft. and East 6,834,000 ft.	**NW¼ of SW¼**	**4**	**01S**	**02W**	**SB**
POD & POR #12: North 1,862,800 ft. and East 6,834,000 ft.	**SW¼ of SW¼**	**4**	**01S**	**02W**	**SB**

2 (continued) Location of point of diversion

By California Coordinate System of 1983, Zone **6**	40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridian
POR #13: **Lake Mathews (Cajalco Dam)** **North 2,249,950 ft. and** **East 6,193,550 ft.**	**NE¼ of SW¼**	**12**	**04S**	**06W**	**SB**
POR #14: **Diamond Valley Lake Dam** **North 2,188,680 ft. and** **East 6,313,210 ft.**	**NE¼ of NW¼**	**11**	**06S**	**02W**	**SB**
POR #15 **Lake Skinner Dam** **North 2,157,870 ft. and** **East 6,311,180 ft.**	**SW¼ of SE¼**	**3**	**07S**	**02W**	**SB**

3. Purpose of use	4. Place of use	Section (Projected)*	Township	Range	Base and Meridian	Acres
Municipal, Industrial, Irrigation, Heat Control, Frost Protection and Recreational uses	**San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County's Service Areas***					

*The place of use is shown on maps dated June 7, 2010 and June 14, 2010 and filed with the State Water Board.

5a. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed **1,100** cubic feet per second (cfs) by direct diversion and **100,000** acre-feet per annum (afa) by underground and/or surface storage to be diverted from **January 1** to **December 31** of each year. The amount of surface storage at Seven Oaks Dam shall not exceed 50,000 afa. The maximum rate of diversion to offstream storage shall not exceed 1,250 cfs. The maximum rate of diversion to underground storage shall not exceed 400 cfs. The total amount of water to be taken from the sources shall not exceed 100,000 acre-feet (af) per water-year from October 1 to September 30. The total rate for water to be taken from the sources for either direct use, underground storage, and/or offstream surface storage shall not exceed 1,250 cfs.

(0000005E)

5b. The total quantity of water to be taken from the sources under both Application 31165 and Application 31370 shall not exceed 198,317 af per water-year from October 1 to September 30. The total amount of water diverted to storage at Seven Oaks Dam under both Applications 31165 and 31370 shall not exceed 50,000 af per water-year from October 1 to September 30. The total combined rate for water to be taken from the sources under Applications 31165 and 31370 for either direct use, underground storage, and/or offstream surface storage shall not exceed an instantaneous rate of 1,250 cfs.

(0000005L)

6. The amount authorized for appropriation may be reduced in the license if investigation warrants.

(0000006)

7. Construction work and the application of water to beneficial use shall be prosecuted with reasonable diligence. Actual construction shall begin no later than June 30, 2010 and be completed by October 1, 2020. Water shall be put to full beneficial use by December 31, 2059.

(0000009)

8. Progress reports shall be submitted promptly by Permittee when requested by the State Water Board until a license is issued.

(0000010)

9. Permittee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by said State Water Board, reasonable access to project works to determine compliance with the terms of this permit.

(0000011)

10. Pursuant to California Water Code sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of State Water Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the State Water Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of Permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Board also may be exercised by imposing further limitations on the diversion and use of water by the Permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust.

(0000012)

11. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Board if, after notice to the Permittee and an opportunity for hearing, the State Water Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken

pursuant to this paragraph unless the State Water Board finds that: (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

(0000013)

12. This permit does not authorize any act that results in the taking of a threatened or endangered species or any act that is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish & G. Code, §§ 2050-2097) or the federal Endangered Species Act (16 U.S.C.A. §§ 1531-1544). If a "take" will result from any act authorized under this water right, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this permit.

(0000014)

13. Permittee shall maintain records of the amount of water diverted and used to enable State Water Board to determine the amount of water that has been applied to beneficial use pursuant to Water Code section 1605.

(0000015)

14. This permit shall not be construed as conferring upon the Permittee right of access to the point of diversion.

(0000022)

15. Permittee shall consult with the Division of Water Rights (Division) and, within one year from the date of this permit, shall submit to the State Water Board its Urban Water Management Plan as prepared and adopted in conformance with section 10610, et seq. of the California Water Code, supplemented by any additional information that may be required by the Board.

All cost effective measures identified in the Urban Water Management Plan and any supplements thereto shall be implemented in accordance with the schedule for implementation found therein.

(0000029A)

16. If it is determined after permit issuance that the as-built conditions of the project are not correctly represented by the map(s) prepared to accompany the application, Permittee shall, at his expense have the subject map(s) updated or replaced with equivalent as-built map(s). Said revision(s) or new map(s) shall be prepared by a civil engineer or land surveyor registered or licensed in the State of California and shall meet the requirements prescribed in section 715 and sections 717 through 723 of the California Code of Regulations, Title 23.. Said revision(s) or map(s) shall be furnished upon request of the Chief of the Division of Water Rights[1].

(0000030)

17. No work shall commence and no water shall be diverted, stored or used under this permit until a copy of a stream or lake alteration agreement between the State Department of Fish and Game (DFG) and the Permittee is filed with the Division. Compliance with the terms and conditions of the agreement is the responsibility of the Permittee. If a stream or lake alteration agreement is not necessary for this permitted project, the Permittee shall provide the Division a copy of a waiver signed by DFG.

(0000063)

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[1] The Chief of the Division of Water Rights is hereafter referred by the State Water Board as the Deputy Director for Water Rights.

18. In order to prevent degradation of the quality of water during and after construction of the project, prior to commencement of construction undertaken after issuance of the permit, Permittee shall file a report pursuant to Water Code Section 13260 and shall comply with all waste discharge requirements imposed by the California Regional Water Quality Control Board, Santa Ana Region, or by the State Water Board.

(0000100)

19. Prior to diversion of water under this permit, Permittee shall: (1) install devices to measure the instantaneous rate of diversion and the quantities of water placed into underground storage, and (2) install devices to measure or provide documentation of the method to be used to determine the quantity of water recovered from underground storage and placed to beneficial use. All measuring devices and the method of determining the quantity of water placed into and recovered from underground storage shall be approved by the State Water Board prior to diversion of water under this permit. All measuring devices shall be properly maintained. The diversion data shall be posted on Permittee's websites on a weekly basis.

(0080117)

20. The Permittee shall obtain all necessary state and local agency permits required by other agencies prior to construction and diversion of water. Copies of such permits and approvals shall be forwarded to the Deputy Director for Water Rights (Deputy Director).

(0000203)

21. No debris, soil, silt, cement that has not set, oil, or other such foreign substance will be allowed to enter into or be placed where it may be washed by rainfall runoff into the waters of the State. When operations are completed, any excess materials or debris shall be removed from the work area.

(0000208)

22. The State Water Board adopts and incorporates by reference into this permit the mitigation measures and monitoring and reporting requirements applicable to the impacts of the Project on biological and cultural resources, geology, hazardous material and groundwater contamination, groundwater and surface water hydrology, water quality and public services, utilities and transportation identified in the Final EIR, specifically mitigation measures MM BIO-1, MM BIO-2 and MM BIO-6 through MM BIO-10, MM CR 1 through MM CR 4, MM HAZ 1 through MM HAZ 5, MM GEO-1 through MM GEO-8, MM GW-1, MM SW-2 and MM PS-12. (See attached Table 1.) Permittee must implement the measures to mitigate significant impacts and conduct the required reporting and monitoring of those measures as provided in the Mitigation Monitoring and Reporting Plan adopted on March 21, 2007 by the respective Boards of Directors of San Bernardino Valley Municipal Water District and Western Municipal Water District of Riverside County. In addition, Permittee shall submit an annual report to the Deputy Director that includes the results of the Mitigation Monitoring and Reporting Program. The State Water Board reserves jurisdiction to require any reasonable amendments to these measures and requirements to ensure that they will accomplish the stated goal.

(0400500)

23. The State Water Board adopts and incorporates by reference into this permit the mitigation measures and monitoring and reporting requirements applicable to the cumulative impacts of the Project on biological and cultural resources, geology, hazardous material and groundwater contamination, groundwater and surface water hydrology and water quality, and public services, utilities and transportation identified in the EIR, specifically mitigation measures MM Cumulative BIO-1, MM Cumulative CR-1, MM Cumulative CR-2, MM Cumulative HAZ-1, MM Cumulative SW-1 and MM Cumulative GW-1. (See attached Table 2.) Permittee must implement the measures to mitigate cumulative impacts and conduct the required reporting and monitoring of those measures as provided in the Mitigation Monitoring and Reporting Plan adopted by the respective Boards of Directors of San Bernardino Valley Municipal Water District and Western

Municipal Water District of Riverside County on March 21, 2007. In addition, Permttee shall submit to the Deputy Director an annual report that includes the results of the Mitigation Monitoring and Reporting Program. The State Water Board reserves jurisdiction to require any reasonable amendments to these measures and requirements to ensure that they will accomplish the stated goal.

(0400500)

24. This permit shall not be construed as conferring upon Permittee right of access to facilities of the U.S. Army Corps of Engineers and the Santa Ana River Mainstem Local Sponsors.

(0000022)

25. This permit is specifically subject to the prior rights of Bear Valley Mutual Water Company, City of Redlands, East Valley Water District, Lugonia Water Company, North Fork Water Company and Redlands Water Company to divert the first 88 cfs of the natural flow of the Santa Ana River pursuant to pre-1914 appropriative rights, to the extent that such rights may exist.

(0400500)

26. This permit is specifically subject to the prior rights of San Bernardino Valley Water Conservation District under Licenses 2831 and 2832 issued pursuant to Applications 2217 and 4807, and any valid pre-1914 appropriative right confirmed by the Court.

(0400500)

27. Nothing in this permit shall be construed as authorizing any diversions contrary to the provisions of the December 19, 2002 Biological Opinion issued by United States Fish and Wildlife Service for operation of Seven Oaks Dam, as may be revised in the future, including flow releases for downstream over-bank inundation to preserve State and federally listed threatened and endangered species and their habitat.

(0600500)

28. Permittee shall only divert water at points of diversion 5 though 10 in compliance with the terms and conditions of Federal Energy Regulatory Commission (FERC) license Project No. 1933 and 401 water quality certification as well as any future FERC licenses and 401 water quality certifications.

(0560900)

29. Permittee shall not, without the prior written consent of Southern California Edison (SCE), construct, operate or maintain diversion works at points of diversion located upstream of the flood inundation pool of Seven Oaks Dam in a manner that interferes with the operation and maintenance of the hydroelectric works licensed to SCE by the Federal Energy Regulatory Commission (FERC) license for Project No. 1933. Permittee's diversion of water at such points of diversion shall not interfere with SCE's diversion of water for hydroelectric purposes, again as described in the FERC license for Project No. 1933. Nothing in this permit shall be construed to limit Permittee's diversion of water from such points of diversion at times when the quantity of water available for diversion at such points of diversion exceeds the demand of SCE's facilities to divert water from the Santa Ana River system.

(0430999)

30. This permit shall not be construed as conferring upon Permittee the right of access to Seven Oaks Dam, the points of diversion, the lands necessary for related facilities, or the lands necessary for inundation for water storage. Access to, construction upon, or inundation of National Forest Service lands shall not commence prior to authorization by the Forest Service, in accordance with applicable laws and regulations. Such authorization will require compliance with all applicable federal laws and regulations. Permittee specifically recognizes that completion of

the applicable legal process does not guarantee such authorization will be granted, the issuance of this water right permit notwithstanding.

(0000022)

31. This permit shall not be construed as conferring upon Permittee the right of access to Seven Oaks Dam, the points of diversion, and lands necessary for related facilities, or the lands necessary for inundation for water storage. Permittee shall not commence construction and operation of water diversion facilities at Seven Oaks Dam without a written access agreement from the Santa Ana River Mainstem Project Local Sponsors.

(0000022)

32. Flow in the Santa Ana River is highly variable from year to year. Because the face value of this permit is based on a rare storm event, this permit shall not be construed as giving any assurance that such an event will occur. The actual amount of water available for appropriation may be much less.

(0000999)

33. Permittee is required to follow guidance from existing state and federally mandated projects regarding groundwater contaminant plumes within and outside the San Bernardino Basin Area. This includes coordination with appropriate oversight agencies and compliance with policies regarding the remediation of the groundwater contaminant plumes.

(0400800)

34. Permittee shall not use the Cactus Spreading and Flood Control Basins under this permit.

(0400800)

35a. In order to prevent degradation of the quality of water released to the Santa Ana River from storage at Seven Oaks Dam, the State Water Board may modify this permit to set conditions that apply water quality objectives to any release from storage.

35b. No water shall be released from storage of Seven Oaks Dam for purposes of rediversion by Permittee until Permittee has consulted with the Chief Deputy Director for Water Quality or his or her delegee and the Chief Deputy Director has determined that the releases will be consistent with applicable water quality objectives. The releases shall be consistent with any conditions the Chief Deputy Director determines are necessary to ensure compliance with applicable water quality objectives.

(0400800)

36. In order to prevent degradation of water quality during and after construction of the project, prior to commencement of any construction undertaken after issuance of the permit, Permittee shall file a report pursuant to Water Code Section 13260 and shall comply will all waste discharge requirements imposed by the California Regional Water Quality Control Board, Santa Ana Region, or by the State Water Board.

(0400800)

This permit is issued and Permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every Permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefore shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any Permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any Permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

STATE WATER RESOURCES CONTROL BOARD

James W. Kassel
for *Victoria A. Whitney*
Deputy Director for Water Rights

Dated: JUN 29 2010

Attachments

Table 1: Mitigation Measures

MM BIO-1	Muni/Western will minimize disturbance to native habitats and listed and non-listed sensitive species by the implementation of the following measures at construction sites prior to and during construction. Where ground disturbance is required, the Muni/Western program will include the following: (1) Clearly marking and delineating the limits of the staging areas as well as the construction corridors/zones in the field and graphically on all final construction drawings and blueprints. Personnel and equipment will be prohibited in native habitats outside the construction limits. (2) Biologically sensitive areas, including individuals or colonies of listed and non-listed sensitive plant species and wildlife species, will be identified and delineated in the field prior to ground disturbance (see MM BIO-3) and will be clearly marked graphically on all final construction plans or blueprints so they will be avoided to maximum extent feasible. (3) Use methods to minimize the construction corridor width to the maximum extent feasible in sensitive habitats, such as transporting and stockpiling excavated materials in disturbed area of the right-of-way (ROW), or into other parts of the ROW by truck or conveyor belt. **Employee Training** Implementation of an employee training program. Muni/Western's program will include an initial meeting with all personnel presented by a qualified biologist familiar with all affected species, habitats, and permit conditions. The employee training program will include a discussion of each species, all applicable laws, the permit conditions, and the potential penalties for violating permit conditions. The employee training program will be conducted before construction activities begin. Regular updates will occur during weekly tailgate meetings with construction personnel, and newly hired personnel will be informed of the permit conditions as well as the habitat and species issues before working on the Project site. **On-Site Monitoring** Biological monitoring of habitat clearing activities and removal of sedentary animals, both common and sensitive, within the ROW prior to clearing. This will require a qualified biologist to be at the location of habitat removal before clearing to attempt to remove animals where visible and, during removal activities, to ensure that no inadvertent impacts to adjacent habitats occur. Weekly inspections of the ROW perimeter near work areas will also reduce the potential for inadvertent impacts to adjacent habitat. **Best Management Practices (BMPs)** Dust control. All areas of mechanical ground disturbance, including dirt access roadways, will be consistently moistened to reduce the creation of dust clouds. The frequency of watering will be consistent with the desired goal and in accordance with regional standards and BMPs. Erosion control. Devices such as straw bales and "v" ditches will be installed in areas where construction activities may directly or indirectly cause erosion or sediment deposition on adjacent habitats. Routine removal of trash from construction areas. All refuse, including non-construction materials such as paper and miscellaneous food packaging materials, will be removed from the ROW to prevent littering of the adjacent habitat areas outside of the ROW. At a minimum, site clean-ups should occur weekly. **Listed Species Protection Measures** In areas where the San Bernardino Kangaroo Rat (SBKR) is present, either within or adjacent to the ROW, Muni/Western will install exclusionary fencing where appropriate to reduce the potential for SBKR entering the ROW.

MM BIO-1 (Continued)	Specification for the fencing will be particular to the goal of the SBKR exclusion and will be approved by the United States Fish and Wildlife Service (USFWS). Muni/Western may not install fencing in certain areas such as boulder-strewn washes where fence construction may cause substantial habitat disturbance. Following the installation of fencing, the animals within the ROW will be trapped and released within adjacent suitable habitat outside the ROW. These methods will be approved by the USFWS. In areas where the SBKR is present, either within or adjacent to the ROW, Muni/Western will limit construction activities to daylight hours (approximately 7:00 A.M. to 6:00 P.M.) During night hours, no activities that would unnaturally increase the light or noise within adjacent occupied habitat will occur. In areas where the SBKR, coastal California gnatcatcher CAGN, least Bell's vireo, or southwestern willow flycatcher are present either within or adjacent to the ROW, Muni/Western will avoid or reduce construction activities in the vicinity of occupied habitat during the breeding season. Avoidance will take place from March 1 through June 30. In certain areas, avoidance of southwestern willow flycatcher will continue through July 31. Where complete avoidance is not possible, construction activities will be conducted in a manner that attempts to minimize disturbance during early morning hours and avoids the most sensitive breeding months of April and May. In areas where preconstruction sensitive species surveys and other seasonally limited activities such as seed collection and plant propagation are needed, Muni/Western will prepare a calendar of when such activities need to be accomplished and incorporate this into design and construction schedules to ensure that the surveys can be conducted in the appropriate season without causing delays. (Draft EIR page 3.3-37 through 3.3-39; Final EIR Section 2.4.)
MM BIO-2	Muni/Western will develop a Habitat Revegetation, Restoration, and Monitoring Program (Program), obtaining input from CDFG, and USFWS, for implementation in all habitat areas directly affected by construction activities. The Program will include the following measures: **Invasive Species Control** Where appropriate and feasible, the area to be treated will be treated to kill invasive exotics species and limit their seed production before initiating any earthmoving activity with the objectives of: (1) preventing invasive species from spreading from the disturbance area, and (2) removing weed sources from the salvaged topsoil. Herbicides will be used only by a licensed herbicide applicator and may require notification to property owners or resource agencies. The treatment will be completed before earthmoving in order for this mitigation to have its intended effect (e.g., the treatment would need to occur before target species set seed). **Topsoil Salvage and Replacement** In areas where vegetation and soil are to be removed, the topsoil will be salvaged and replaced, where practicable. This may be accomplished using two lifts, the first to salvage the seed bank, and the second to salvage soil along with soil biota in the root zone. Soil will be stockpiled in two areas near the Project site, with the seed bank labeled to identify it. Topsoil will be replaced in the proper layers after final reconfiguration of disturbed areas. Where presence of extensive deposits of boulders and cobbles limit the opportunity to salvage topsoil and make the above-mentioned procedure infeasible, Muni/Western will salvage available surface material and stockpile it for replacement on the surface of the restored area. Stockpiles will be covered if the soil is to be left for an extended period to prevent losses due to erosion and invasion of weeds. **Habitat Rehabilitation and Revegetation** Muni/Western will develop and implement plans and specifications for replanting areas disturbed by the Project. Replanting will be with native species propagated from locally collected seed or cuttings, and, if applicable, will include seed or sensitive species that would be impacted during construction activities. Monitoring procedures and performance criteria will be developed by Muni/Western to

MM BIO-2 (Continued)	address revegetation and erosion control. The performance criteria will consider the level of disturbance and the condition of adjacent habitats. Monitoring will continue for three-to-five years, or until performance criteria have been met. Appropriate remedial measures, such as replanting, erosion control or weed control, will be identified and implemented if it is determined that performance criteria are not being met. (Draft EIR page 3.3-39 through 3.3-40; Final EIR Section 2.4.)
MM BIO-6	Prior to ground disturbance or other activities, qualified botanists will survey all proposed construction, staging, stockpile, and access areas for presence of non-listed sensitive plant species. Preconstruction surveys will occur during appropriate season and in accordance with established protocols (if required). These surveys will be conducted in all construction areas that occur in native habitats. In the event that non-listed sensitive plant species are observed in the impact area during pre-Project surveys, Muni/Western will implement the following measures: (a) Colonies will be clearly marked, mapped, and recorded along with the numbers of individuals in each colony and their respective condition. To the extent feasible, construction areas and access roads will be configured to avoid or minimize loss of individual plants and damage to occupied habitats. (b) Where impacts to non-listed sensitive plant species are unavoidable, Muni/Western will develop and implement a salvage, propagation, replanting, and monitoring program that will use both seed and salvaged plants constituting an ample and representative sample of each colony. (Draft EIR page 3.3-42.)
MM BIO-7	To reduce impacts on biological resources, Muni/Western will realign pipelines to avoid sensitive resources and habitat to the maximum extent feasible. Specifically, Muni/Western will realign Phase II of the Plunge Pool Pipeline northward and place it adjacent to Greenspot Road. (See Draft EIR Figure 3.3-7). This will put the project-related disturbance at the edge of the habitat and avoid bisecting the intermediate to mature RAFSS habitat along the western portion of the alignment. If it is infeasible to implement MM BIO-7, then the residual impact could be compensated by implementation of MM BIO-8, which is intended to compensate for permanent or long-term losses of sensitive RAFSS habitat as a result of installation of permanent facilities or long-term construction impacts that cannot be fully mitigated by MM BIO-1, MM BIO-2, and MM BIO-7. (Draft EIR page 3.3-44.)
MM BIO-8	To compensate for permanent long-term and temporal losses of RAFSS habitat value, Muni/Western will acquire, for every 1 acre impacted, a minimum of 1 acre of good quality habitat of similar or greater habitat value than the RAFSS area impacted by the Plunge Pool pipeline, and dedicate it in perpetuity as a habitat conservation easement area, or other appropriate designation, and provide funding for its future management as native habitat in perpetuity. The acquired RAFSS habitat area would ideally be contiguous with existing habitat already set aside in the WSPA or other dedicated RAFSS habitat. If good quality habitat in such a locality is not available for purchase, availability of other RAFSS habitat will be investigated, with the objective of obtaining good quality habitat near the Project area. Implementation of this mitigation measure will be subject to the requirement that such long-term mitigation and reporting plans for such acquisitions are to be approved by the Deputy Director for Water Rights of the State Water Resources Control Board prior to construction of the Plunge Pool Pipeline. (Draft EIR page 3.3-44; Final EIR Section 2.4.)
MM BIO-9	Muni/Western will monitor and remove invasive non-native species establishing in the channel and adjacent RAFSS habitats between Seven Oaks Dam and Mill Creek. Target species include species of tamarisk or salt cedar (*Tamarix* spp.), fountain grass (*Pennisetum setaceum*), and giant reed (*Arundo donax*). These species establish in habitats suitable to SBKR and Santa Ana River woolly-star and have the potential to

MM BIO-9 (Continued)	spread further into adjacent suitable habitat areas. Initial control will be established using a combination of physical removal and herbicidal treatment using appropriate environmental safeguards. Herbicides will be used pursuant to manufacturer's instructions, and standard measures will be taken to avoid impacts to water quality. Two to several follow-up treatments would be anticipated during the first year with follow-up monitoring and treatments at least once annually in the ensuing years. (Draft EIR page 3.3-61; Final EIR Section 2.4.)
MM BIO-10	Muni/Western will develop a program, in coordination with MSHCP agency participants, to selectively restore SBKR and Santa Ana River woolly-star habitat by using habitat manipulation, either by mechanical means or high pressure water, to remove vegetation and leave freshly deposited sand and silt, simulating the habitat-renewing aftermath of natural flooding. This will be done using an adaptive management approach with input from Multispecies Habitat Conservation Plan (MSHCP) stakeholders. If the high-pressure water method is used, water will be piped. A high-pressure nozzle will be directed at localized areas of habitat determined to be suitable for SBKR and Santa Ana River woolly-star after renewal. The nozzle will be hand-operated or operated from a light vehicle. Treatments will be accomplished in a randomized block design to allow experimental testing of variables such as duration and intensity of spray, addition of clean stand, season of disturbance, application of seed vs. allowing natural dispersal, etc. A rigorous monitoring program funded by Muni/Western will be established to enable the differences among experimental treatments to be determined. The primary indicator of success will be related to development of habitat characteristics identified with pioneer to intermediate RAFSS habitat within the SBKR and Santa Ana River woolly-star populations that have been documented. These characteristics are documented in the literature and will be specified as part of the Muni/Western Program. The program will be adjusted appropriately as results from earlier efforts become available. The design and implementation of the ongoing effort will be funded by Muni/Western and conducted by representatives of Muni/Western with input from the USFWS and CDFG. A complete description of this method is also included in Appendix E7 of the Draft EIR, Section 2.0. Muni/Western commit to achieving a mitigation performance of restoring 10 acres of intermediate- to late-stage RAFSS habitat to the early or intermediate stage RAFSS habitat during the first 20 years of Project implementation (Draft EIR pages 3.3-61 and 3.3-62; Final EIR Section 2.4.)
MM CR-1	In the event of an unanticipated archaeological or paleontological resource discovery during construction, all ground disturbances within 150 feet of the discovery will be halted or redirected to other areas until the discovery has been documented by a qualified archaeologist or paleontologist, and its potential significance evaluated consistent with CEQA. Resources considered significant will be avoided by Project design. If avoidance is not feasible, the resource will be subject to a data recovery mitigation program, as appropriate. If human remains are discovered the County Coroner will be contacted, and all procedures required by the California Health and Safety Code Section 7050.5, State CEQA Guidelines Section 15064.5(e) and PRC Section 5097.98 will be followed. (Draft EIR page 3.9-19.)
MM-CR-2	Proposed construction of the Plunge Pool Pipeline will avoid physical impacts to the Francis Cuttle Weir Dam to the extent feasible. In the event that any portion of the Francis Cuttle Weir Dam would be modified or demolished, a qualified architectural historian will prepare a historic recordation of the Francis Cuttle Weir Dam, in the context of the Conservation District's groundwater spreading system. The recordation will conform to the standards of either the Historic American Buildings Survey (HABS) or the Historic American Engineering Record (HAER). (Draft EIR page 3.9-20.)

MM CR-3	Prior to construction activities along the segment of the Plunge Pool Pipeline, Phase I, align north of Greenspot Road, the location of the North Fork Canal will be precisely mapped on engineering design plans to identify where the canal falls within the construction corridor. Temporary fencing will be placed 5 feet south of the canal along the portion of the canal that falls within the construction corridor to provide a small buffer area, and no heavy construction equipment or vehicles will be allowed north of the fencing. (Draft EIR page 3.9-21.)
MM CR-4	If it is necessary to install the Morton Canyon Connector II Pipeline through the "Hole in the Wall" within the retaining wall of Greenspot Bridge, construction activities will be confined to previously disturbed sections only and the wall will be restored to pre-Project conditions. Prior to construction, a qualified architectural historian will review the final construction designs of the Morton Canyon Connector II Pipeline to verify avoidance of significant impacts to any Greenspot Bridge feature. (Draft EIR page 3.9-24.)
MM HAZ-1	Muni/Western will direct the contractor to wash out concrete trucks in a designated area where the material cannot run off into a stream or percolate into the groundwater. This area will be specified on all applicable construction plans and be in place before any concrete is poured. Muni/Western will direct the contractor to construction vehicles in a manner that contains fluids, such as lubricants, within an impervious area to avoid spill-related water quality impacts. (Draft EIR page 3.12-12.)
MM HAZ-2	Muni/Western will direct the contractor to inspect and, as necessary, service all equipment before it enters the construction site and regularly thereafter, and before working immediately adjacent to the Santa Ana River or any other drainage or creek to avoid equipment leak-related water quality impacts. Muni/Western will direct the contractor to repair any leaks or hoses/fittings in poor condition before the equipment begins work. (Draft EIR page 3.12-12.)
MM HAZ-3	Muni/Western will direct the contractor to prepare a spill prevention and contamination plan prior to equipment use on the site. Muni/Western will direct the contractor to follow the spill prevention plan during Project construction to prevent spill-related water quality impacts. This plan will include, but not necessarily be limited to: a. Specific bermed equipment maintenance and refueling areas. b. Bermed and lined hazardous material storage areas on site that are covered during the rainy season. c. Hazardous material spill cleanup equipment on site (e.g.,absorbent pads, shovels, and bags to contain contaminated soil). d. Workers trained in the location and use of cleanup equipment. (Draft EIR page 3.12-12.)
MM HAZ-4	Using available data, in conjunction with the integrated surface and groundwater models, Muni/Western will identify groundwater trends, including plume movement and isolate changes attributable to implementation of the Project. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to limit adverse plume movements. (Draft EIR page 3.12-14.)
MM-HAZ-5	Muni/Western will make an alternative water supply available to parties affected by contaminated wells, or provide treatment for affected wells, at Muni/Western's discretion. The alternative supply or treatment for affected wells will be made available for all times when pertinent water quality standards are exceeded as a result of the Project. (Final EIR section 2.3.2.)
MM GEO-1	Before beginning construction, a sedimentation and erosion control plan will be prepared by Muni/Western and submitted to the Santa Ana Regional Water Quality Control Board

MM GEO-1 (Continued)	(SARWQCB) for approval. In addition, a Storm Water Pollution Prevention Plan (SWPPP) will be prepared by Muni/Western and submitted to the SARWQCB for approval prior to construction. Where possible, erosion control measures will be implemented by Muni/Western before beginning work in the rainy season. To minimize short-term impacts associated with erosion and off-site siltation of the SAR, standard erosion and sediment control features will be used during and immediately after grading and excavations.
MM GEO-2	Muni/Western will direct the contractor to install, prior to de-watering activities, energy dissipation devices at discharge points to prevent erosion. Sedimentation basins (such as straw bales lined with filter fabric) will be used at dewatering discharge points to prevent excess downstream sedimentation. These basins will be constructed during dewatering and regularly maintained during construction, including after storm events, to keep them in good working order.
MM GEO-3	Muni/Western will implement recommendations established in a site-specific geotechnical report, prepared by a qualified engineer or engineering geologist. The report recommendations will be based on comprehensive evaluation of slope stability, seismic, and soil conditions that may affect construction of the pipelines and related facilities. Recommendations will be consistent with provisions of California Code of Regulations, Title 8, Construction and Safety Orders. Project grading and excavations will be observed by a geotechnical engineer, engineering geologist, or other qualified representative, to verify compliance with recommendations of the geotechnical report. The geotechnical investigation will be completed in accordance with: (1) CDMG Special Publication 117, *Guidelines for Evaluating and Mitigating Seismic Hazards in California* (CDMG 1997). (2) Southern California Earthquake Center, Recommended Procedures for Implementation of DMG Special Publication 117 Guidelines for Analyzing and Mitigating Liquifaction in California (SCEC1999).
MM GEO-4	Muni/Western will implement seismic-related recommendations contained in a site-specific geotechnical report, as discussed in MM GEO-3, to minimize seismically induced damage to the pipeline.
MM GEO-5	A water flow shut-off mechanism will be installed by Muni/Western at the Plunge Pool Pipeline Intake Structure to terminate flow immediately following a large earthquake in the vicinity of the site.
MM GEO-6	Muni/Western will complete emergency repairs to the pipeline and/or related facilities, in the event of seismically induced damage. MM GEO-1 and MMGEO-2 will be applied to reduce erosion related impacts associated with soil disturbance during emergency repairs.
MM GEO-7	Muni/Western will implement a groundwater level monitoring program using data from Index Wells (see Figure 3.4-5). This information will be used in conjunction with forecasts of groundwater levels derived from Muni/Western integrated surface and groundwater models to identify trends in groundwater levels and identify changes attributable to the Project. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to limit high groundwater conditions in the vicinity of Devil Canyon, Lytle Creek, Mill Creek, and areas in the forebay and intermediate area of the SBBA.

MM GEO-8	Muni/Western will implement a groundwater level monitoring program using data from Index Wells. This information will be used in conjunction with forecasts of groundwater levels derived from Muni/Western integrated surface and groundwater models to identify trends in groundwater levels and isolate changes attributable to the Project. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to limit potential for subsidence in the Pressure Zone area of the SBBA.
MM GW-1	Using available reliable data, Muni/Western will, on an annual basis, evaluate impacts of the Project on TDS and nitrate concentrations in the SBBA. To the extent feasible given existing infrastructure, and consistent with meeting other basin management objectives, Muni/Western will direct Project water spreading to reduce significant TDS and nitrate impacts.
MM SW-2	An energy dissipation structure, a device to slow fast moving flows so as to prevent erosion, will be placed at the terminus of the pipeline delivering water to Lytle Basins channel to ensure that water from the Project does not scour or erode the channel.
MM PS-12	Per the requirements of the Seven Oaks Accord, to avoid a significant effect on groundwater levels at one or more index wells located outside the Pressure Zone, Muni/Western will spread sufficient water to maintain static groundwater levels at the affected index wells. To implement this mitigation measure, Muni/Western will use a groundwater monitoring program based on information derived from the index wells. This information will be used in conjunction with forecasts of groundwater levels derived from Muni/Western integrated surface and groundwater models to identify trends in groundwater levels and isolate the share of change attributable to the Project. Remedial action will be implemented prior to an actual 10-foot reduction being reached, to avoid the significant impact.

Table 2: Cumulative Mitigation Measures

MM Cumulative BIO-1	The San Bernardino General Plan continues a number of policies in the Natural Resources Element designed to require review of biological impacts for each development project in coordination with the development and enforcement of Habitat Conservation Plans, and development of monitoring programs. The Riverside County General Plan Draft Program EIR identifies policies form the Multipurpose Open Space Element of the County of Riverside General Plan as well as additional measures to reduce impacts to biological resources associated with growth. Policies are designed to require review of biological impacts for each development project, avoidance of habitat fragmentation, and use of constructed wetlands to treat water before it enters the natural stream system. Residual impacts: despite General Plan policies, significant unavoidable cumulative biological impacts would still occur in San Bernardino and Riverside Counties.
MM Cumulative CR-1	Individual review of each of the related projects under CEQA would likely result in the identification of any significant cultural resource impacts and provide mitigation to reduce or avoid impacts. It is not certain that all significant cumulative impacts could be successfully mitigated, given the potentially large amount of ground disturbance involved with the Project and related projects. Residual impacts: potential cumulative impacts on cultural resources would remain significant.
MM Cumulative CR-2	The Natural Resources Element of the San Bernardino County General Plan contains a number of policies to mitigate impacts to cultural resources. Generally, these policies require cultural resource field surveys with all project submittals; the preparation of cultural resource overlays for all existing Planning Areas not covered by an overlay map; preliminary cultural resource reviews by the Archaeological Information Center; the cataloging of artifacts discovered as a result of a cultural resource investigation; and notification of the Native American Heritage Commission if projects require the excavation of Native American archaeological sites. The Multipurpose Open Space Element of the Riverside County General Plan also contains relevant policies that would mitigate impacts to cultural resources. The Riverside County General Plan Draft Program EIR identifies additional mitigation measures including compliance with State Health and Safety Code Section 7050.5 that requires disturbance of an area to cease where human remains have been encountered until the Riverside County Coroner has made a determination of the origin and disposition; avoidance of

	cultural resources where possible, where avoidance of cultural resources is not possible, the planting of deterrent plant species such as prickly pear cactus shall be completed to minimize public availability to the site; and additional measures if avoidance and/or preservation of cultural resources is not possible, such as having a participant-observer present from the appropriate Indian Band or Tribe during archaeological testing or excavation of a project site. Residual impacts: significant cumulative impacts to cultural resources could still occur given the potentially large amount of ground disturbance related to growth and development.
MM Cumulative HAZ-1	The San Bernardino County General Plan includes policies to reduce impacts related to hazardous materials. Specifically, the Hazardous Waste/Materials section of the Man-made Hazards Element includes policies HW-1 through HW-26. In general, these measures establish an effective and expeditious permitting process for siting hazardous waste facilities that includes extensive public participation; ensures the protection of public health and safety when siting needed hazardous waste facilities; develops uniform set of criteria for the siting of hazardous waste facilities in the County, including a requirement that facilitates the siting only in areas with a zoning overlay of Specified Hazardous Waste Facility; and ensures coordination among agencies and County departments in the review of all hazardous waste applications within the County.
MM Cumulative SW-1	The San Bernardino General Plan contains a number of policies in the Water section of the Natural Resources Element designed to coordinate and manage water resources throughout the County. However, with regard to water resources in San Bernardino County, significant unavoidable impacts would still occur. The Riverside County General Plan addresses localized flooding risks in the Safety Element of the proposed Riverside County General Plan. Additionally, the proposed Riverside County General Plan Draft Program EIR contains measures to further mitigate flooding impacts including use of FEMA documents to minimize flood hazards, prohibition by the County of the alteration of floodways and channelization where possible, and the requirement that the 10–year flood flows be contained within the tops of curbs and the 100-year flood flows within the street rights-of-way. These policies would mitigate impacts related to surface water in Riverside County. Residual impacts: significant cumulative impacts to surface water resources related to water demand and generation of urban contaminants could still occur in San Bernardino County.

MM Cumulative GW-1	The San Bernardino County General Plan contains a number of policies in the Water section of the Natural Resources Element designed to coordinate and manage water resources throughout the County. The Riverside County General Plan contains a number of policies in the multipurpose Open Space Element and Land Use Element designed to avoid overdraft and groundwater contamination. Residual impacts: significant unavoidable cumulative groundwater impacts would still occur in San Bernardino County.

Receipt # 4155519

DATE FILED & POSTED

NOTICE OF EXEMPTION

To:
San Bernardino County Clerk
Hall of Records Building, First Floor
222 W. Hospitality Lane
San Bernardino, CA 92415

Kern County Clerk
1115 Truxtun Avenue
Bakersfield, CA 93301

From:
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

CLERK OF THE BOARD
OCT 07 2011
COUNTY OF
SAN BERNARDINO

Project Title: Water Banking and Water Supply Reliability Program with Kern Delta Water District

Location -- Specific: Counties of Kern and San Bernardino, within service areas of Kern Delta Water District and San Bernardino Valley Municipal Water District

Description of Nature, Purpose, and Beneficiaries of Project: San Bernardino Valley Municipal Water District (hereinafter, "Valley District") proposes to bank State Water Project water in banking facilities operated by the Kern Delta Water District (hereinafter, "Kern Delta") for later withdrawal and use within Valley District. Under the program, the Valley District will bank up to 30,000 acre-feet of the water it would otherwise be allocated during the 2011-2012 water year pursuant to Table "A" of its State Water Project contract in existing water banking facilities operated by the Kern Delta. Diversions to the water banking facilities will be made through existing water conveyance facilities and will occur during the period between October 2011 and February 2012. Under the proposal, Kern Delta will, at Valley District's request, return up to 5,000 acre-feet per year to Valley District through existing conveyance facilities during or after the 2011-12 water year.

The proposal is consistent with and included within the scope of Kern Delta's 2002 Final Environmental Impact Report ("FEIR") for its Groundwater Banking And In-Lieu Water Supply Project (State Clearinghouse # 2001011103), which addressed the environmental impacts of the use of Kern Delta's facilities for the banking of up to 213,000 acre-feet by other water agencies, such as Valley District. Because Valley District's proposal involves making use of presently-unused capacity of the California Aqueduct, other State Water Project facilities, and Kern Delta's conveyance and banking facilities, all of which were indentified in Kern Delta's FEIR as facilities that would be used to bank water, the project represents the use of existing facilities within the limits established by applicable legal requirements. Moreover, the environmental effects, if any, of the project were fully analyzed in Kern Delta's FEIR, and the project does not alter the conclusions of the 2002 FEIR.

SBVMWD LEGAL
DOCUMENT 2327

Name of Public Agency Approving or Carrying Out Activity: San Bernardino Valley Municipal Water District

Finding of Exempt Status:

☒ Categorical Exemption. CEQA Guidelines § 15301 (Existing Facilities)

Reasons why activity is exempt:

The project is exempt from CEQA review pursuant to 14 Cal. Code Regs. § 15301 (Existing Facilities) because the proposal is for the banking and recovery of up to 30,000 acre feet of water delivered pursuant to an existing long term State Water Project contract through existing water conveyance facilities to and from existing water banking facilities. The overall program for water banking by Kern Delta (of which this banking project is a small part) was previously analyzed under CEQA and any significant effects on the environment were fully mitigated.

Agency Contact Person: Douglas Headrick **Telephone:** (909) 387-9200

Signature: Douglas D Headrick **Date:** 10/7/2011

Douglas Headrick

Title: General Manager

☑ Signed by Public Agency

☐ Signed by Applicant

Date received for filing by County Clerk:

_____

1190069.3

State of California—The Resources Agency
DEPARTMENT OF FISH AND GAME

2011 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT # 415519

STATE CLEARING HOUSE # (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY: San Bernardino Valley Municipal Water District
DATE: 10/7/2011
COUNTY/STATE AGENCY OF FILING: County of San Bernardino
DOCUMENT NUMBER:
PROJECT TITLE: Water Banking and Water Supply Reliability Program with Kern Delta
PROJECT APPLICANT NAME: San Bernardino Valley Municipal Water District
PHONE NUMBER: 909 387-9200
PROJECT APPLICANT ADDRESS: 380 East Vanderbilt Way
CITY: San Bernardino
STATE: CA
ZIP CODE: 92408

PROJECT APPLICANT (Check appropriate box):
☒ Local Public Agency ☐ School District ☐ Other Special District ☐ State Agency ☐ Private Entity

CHECK APPLICABLE FEES:

☐ Environmental Impact Report (EIR)	$2,839.25	$
☐ Mitigated/Negative Declaration (ND)(MND)	$2,044.00	$
☐ Application Fee Water Diversion (State Water Resources Control Board Only)	$850.00	$
☐ Projects Subject to Certified Regulatory Programs (CRP)	$965.50	$
☑ County Administrative Fee	$50.00	$ 50.00
☐ Project that is exempt from fees		
☑ Notice of Exemption		
☐ DFG No Effect Determination (Form Attached)		
☐ Other		$

PAYMENT METHOD: #394150
☐ Cash ☐ Credit ☑ Check ☐ Other
TOTAL RECEIVED $ 50.00

SIGNATURE: X
TITLE: Deputy Clerk

WHITE - PROJECT APPLICANT | YELLOW - DFG/ASB | PINK - LEAD AGENCY | GOLDENROD - COUNTY CLERK | FG 753.5a (Rev. 11/10)

State of California—The Resources Agency
DEPARTMENT OF FISH AND GAME
2011 ENVIRONMENTAL FILING FEE CASH RECEIPT
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☑ Notice of Exemption
☐ DFG No Effect Determination (Form Attached)
☐ Other $
PAYMENT METHOD: #394150
☐ Cash ☐ Credit ☑ Check ☐ Other
TOTAL RECEIVED $ 50.00
SIGNATURE: X
TITLE: Deputy Clerk
WHITE - PROJECT APPLICANT | YELLOW - DFG/ASB | PINK - LEAD AGENCY | GOLDENROD - COUNTY CLERK | FG 753.5a (Rev. 11/10)

AGREEMENT BETWEEN KERN DELTA WATER DISTRICT AND THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT FOR A WATER MANAGEMENT PROGRAM

THIS AGREEMENT ("**Agreement**"), dated as of Oct 26, 2011, is entered into by and between the **KERN DELTA WATER DISTRICT** ("**Kern Delta**"), and **THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT** ("**Valley**"). Valley and Kern Delta may be referred to individually as Party or collectively as Parties.

PREAMBLE

This Agreement is in furtherance of development of a water management program ("Regulation Program") that is being implemented by Kern Delta and Valley for the purpose of enhancing the water supply available to both entities. It is intended that nothing in this Agreement or the Regulation Program is to (1) materially impair the integrity of existing and ongoing Kern Delta operations; (2) adversely impact either physically, operationally or economically the Kern Delta or its landowners; or (3) result in a net decrease in water supplies available for beneficial use within Kern Delta's boundaries specifically and the southern San Joaquin Valley generally. It is the intention of the Parties that, through provisions of this Agreement, actual or prospective adverse impacts of the Regulation Program will be avoided. The Regulation Program is intended to be operated in a manner to optimize available water supplies. It will utilize Kern Delta Facilities, as well as the Cross Valley Canal and the Intertie

Canal of the Arvin-Edison Transportation Facilities.

RECITALS

A. Kern Delta includes approximately 129,000 acres within its boundaries. Attached Exhibit B includes maps setting forth the boundaries (service area) of Kern Delta (Exhibit B-1); the Regulation Program Facilities (Exhibits B-2 and B-3). Approximately 87,000 acres have existing service connections to the Kern Delta distribution system (2,000 acres of which lie outside Kern Delta's boundaries), and the landowners within said surface water service area are in large part dependent on Kern Delta for a water supply. Additionally, Kern Delta's operations enhance groundwater conditions for the remaining approximately 34,000 acres within the District. To meet landowner demand, Kern Delta has, among other things, (i) contracted for a water supply with the Kern County Water Agency ("KCWA") providing for delivery to Kern Delta of 25,500 acre-feet of Table A Water from the California State Water Project ("Table A Water"); (2) entered into agreements with Buena Vista Water Storage District ("Buena Vista") providing for the exchange of Kern Delta's Table A Water for a like amount of Buena Vista's Kern River water; (3) acquired various Kern River water rights historically utilized to serve lands within and without Kern Delta's boundaries ("Kern River Entitlement"); and (4) entered into agreements with The Metropolitan Water District of Southern California ("Metropolitan") providing for the regulation of Metropolitan's water in the groundwater basin underlying Kern Delta. At times, Kern Delta has water available from its Table A Water, its Kern River Entitlement, or other sources, which could be better regulated through additional facilities constructed within Kern Delta and, in consideration of the benefits to be derived through this Agreement, Kern Delta is willing to regulate for Valley other water provided by Valley.

B. Valley is a public agency formed under the Municipal Water District Act of 1911. Valley provides imported supplies for water agencies to supplement local municipal water supplies within service area located in San Bernardino and Riverside Counties. Valley obtains its water supplies from the State Water Project, and other sources. Valley seeks to augment its dry year water supplies by arranging for delivery to and banking of water within Kern Delta and the extraction and delivery of banked water to Valley during periods of insufficient supply from available sources.

C. Valley and Kern Delta find that it will be mutually advantageous to enter into the Regulation Program as provided in this Agreement, whereby Kern Delta will regulate water on Valley's behalf and deliver that water to Valley upon request. The regulated water generally will be banked in the Kern Delta Basin and, upon demand of Valley; such water will be delivered to Valley through either an existing intertie into the California Aqueduct or through an exchange for water in the California Aqueduct, or both.

D. The Regulation Program will provide for usage by Valley of existing Kern Delta Facilities and construction and operation, for Valley usage, of Kern Delta Regulation Program Facilities, as well as Valley's usage of certain of Arvin-Edison Transportation Facilities and Cross Valley Canal. This Regulation Program is intended to provide a minimum recharge and return capability of 5,000 acre-feet annually.

E. This Agreement, through regulation and conservation of water supplies, is intended to (1) provide Valley with additional supplies of water and (ii) consistent with providing benefit to Valley also provide Kern Delta with access to new facilities, improved reliability of supplies and improve Kern Delta's ability to enhance groundwater conditions.

F. Consistent with the California Environmental Quality Act ("CEQA"), Kern Delta,

acting as lead agency, has completed an Environmental Impact Report concerning the Regulation Program. Kern Delta's Board of Directors, on November 12, 2002, considered, approved and certified the Final Environmental Impact Report ("FEIR"), as being in compliance with CEQA, and Valley's Board of Directors, acting as a responsible agency, on October 4, 2011,considered and approved a Notice of Exemption for the activities contemplated under this Agreement. A Notice of Determination to proceed with the Regulation Program was adopted by Kern Delta on November 12, 2002. In August 2011 Kern Delta prepared an addendum to the aforementioned EIR; this action is consistent with Kern Delta's 2002 Environmental Impact Report, which addresses the use of Kern Delta's existing and new recharge and conveyance facilities to enhance Kern Delta surface and groundwater supplies, (Exhibit E, Addendum to the FEIR).

G. The parties have relied upon various studies to make the following assumption upon which this Agreement is based; that, with existing facilities and wells along with the new facilities contemplated under this Agreement for the operation of the Regulation Program, it will be possible to regulate sufficient water in, and return sufficient water from, the groundwater basin for both Kern Delta's Normal and Customary Uses and Regulation Program purposes.

ARTICLE 1. DEFINITIONS

As used in this Agreement, each of the following terms shall have the respective meaning given to it in this Article 1 unless expressly stated to the contrary where such term is used.

1.1 "Account" means an account maintained by Kern Delta for the benefit of Valley pursuant to this Agreement in which Regulated Water, which is Delivered Water less losses deducted in accordance with Article 3 (Operational Losses), is credited upon delivery to the Point of Delivery to Kern Delta and is debited upon delivery to the Point of Delivery to Valley.

1.2 **"Account Balance"** means the difference between the credits and debits in the Account.

1.3 **"Agreement"** means, as of any particular time, this Agreement for a Water Management Program, as amended or supplemented by the Parties through that time.

1.4 **"Arvin-Edison Intake Canal"** means the Arvin-Edison Intake Canal owned and operated by the Arvin-Edison Water Storage District to the full extent of the capacity rights provided for in the Arvin-Edison MOU.

1.5 **"Arvin-Edison MOU"** means the agreement among Kern Delta with Arvin-Edison Water Storage District to use all or a portion of Arvin-Edison Transportation Facilities.

1.6 **"Arvin-Edison Transportation Facilities"** means Arvin-Edison Intake Canal, Forest Frick Pumping Plant, and all appurtenant facilities and structures as specified in the Arvin-Edison MOU.

1.7 **"Cross Valley Canal"** means the Cross Valley Canal owned and operated by the Kern County Water Agency to the full extent of Kern Delta's designated capacity (i.e., not including unused capacity of other participants) in the enlarged Cross Valley Canal as provided in the Cross Valley Canal Participation Agreement.

1.8 **"Cross Valley Canal Participation Agreement"** has the meaning provided for in this agreement, Recitals Section D.

1.9 **"Delivered Water"** means water which Valley makes available to Kern Delta at the Point of Delivery to Kern Delta pursuant to this Agreement.

1.10 **"Delivery Canal"** means (i) the Cross Valley Canal; and (ii) all interconnecting facilities from the Cross Valley Canal used to transport water to Kern Delta's service areas.

1.11 **"DWR"** means the Department of Water Resources of the State of California.

1.12 **"Effective Date"** means the date set forth on the first line of this Agreement

1.13 **"Execution Date"** means the date set forth on the first line of this Agreement.

1.14 **"Financial Account"** means the Account provided for in Section 5.1 (Put Payments).

1.15 **"KCWA"** means the Kern County Water Agency.

1.16 **"Kern Delta Basin"** means that portion of the southern San Joaquin Valley groundwater basin underlying the lands within the boundaries of Kern Delta.

1.17 **"Kern Delta Facilities"** means Kern Delta Regulation Program Facilities.

1.18 **"Kern Delta Regulation Program Facilities"** means Kern Delta Regulation Program Facilities.

1.19 **"Normal and Customary Uses"** means (i) deliveries to meet historic demands, as existing prior to Execution Date, of water users within Kern Delta's surface water service areas as provided at Subsection 4.2.2 of Section 4.2 (Conditions On Return of Regulated Water), (ii) historic transfers (including exchanges) and transfers similar to the type historically existing prior to Execution Date, entered into by Kern Delta with other entities, and (iii) operational conditions and criteria which would exist and/or be employed with or without the Regulation Program (for example spreading programs, energy load management, aquatic pest control and the like).

1.20 **"Participation Payment"** means the amount of money paid by Valley to Kern Delta for Delivered Water as full compensation for regulation program implementation costs (i.e., design, construction, inspection, administration and right of way) which amount is $40.00 per acre foot.

1.21 "Point of Delivery to Kern Delta" means the California Aqueduct turnout to the Cross Valley Canal; or other turnout mutually agreed upon by the parties such as the Arvin-Edison Transportation Facilities.

1.22 "Point of Delivery to Valley" means the California Aqueduct at/or between Reaches 12E and 14A, or any other point of delivery mutually agreed upon by the parties.

1.23 "Put Payment" means the Participation Payment and operation, maintenance and replacement costs determined on a per acre-foot basis, and energy cost in accordanee with Section 5.1 (Put Payments) hereof.

1.24 "Regulatcd Water" means Delivered Water less losses deducted in accordance with Article 3 (Operational Losses), credited pursuant to Section 2.5 (Regulation of Water).

1.25 "Regulation Program" means the water management program provided for in this Agreement.

1.26 "Take Payment" means the amount of money paid by Valley to Kern Delta for each acre foot of Regulated Water returned to Valley pursuant to this Agreement, which amount is specified in Section 5.2 (Take Payments) hereof.

1.27 "Year" means a calendar year commencing on January 1 and ending on December 31.

ARTICLE 2. REGULATION OF WATER

2.1 Source of Water. Valley shall provide Delivered Water at the Point of Delivery to Kern Delta for regulation under this Agreement. All such Delivered Water (exclusive of losses) shall be credited to Valley's Account as Regulated Water. Delivered Water shall be of at least as good water quality as otherwise available from the California Aqueduct or as Kern Delta

would otherwise be able to accept for its own use.

2.2 Program Level. If requested by Valley, Kern Delta shall accept from Valley at the Point of Delivery to Kern Delta such a quantity of Delivered Water as will result in crediting to the Account 26,700 acre-feet (after losses determined pursuant to Article 3) of Regulated Water.

2.3 Priorities and Schedule For Regulation.

2.3.1 Kern Delta shall have first priority to utilize Kern Delta Facilities for the purpose of meeting Normal and Customary Uses. Regulation for Valley shall be second priority to the first priority.

2.3.2 Regulation program operations shall not cause a net decrease in supplies available to Kern Delta for its own purposes.

2.4 Scheduling of Delivered Water. Valley shall submit a schedule to Kern Delta for delivery of Delivered Water. Kern Delta, in conformity with Valley's schedule, shall be responsible for scheduling delivery of Delivered Water with KCWA and shall coordinate with KCWA on its resulting request to DWR for scheduling of Delivered Water. Valley shall provide written notice to Kern Delta of its intent to provide water for regulation pursuant to Section 2.6 (Deliveries).

2.5 Regulation of Water.

2.5.1 Kern Delta shall take control and possession of Delivered Water at the Point of Delivery to Kern Delta and shall credit the Account in an amount equal to the water so delivered less the deduction for losses provided for in Article 3 (Operational Losses) with respect to such water.

2.5.2 At the time Kern Delta credits the Account, pursuant to Subsection 2.5.1

of this Section 2.5 (Regulation of Water), legal title to such water, together with the right to withdraw from the Kern Delta Basin an amount sufficient to return to Valley the Regulated Water, shall vest in Kern Delta. Upon crediting Valley's Account, Kern Delta shall convey and cause to be regulated the water so credited. Kern Delta shall thereafter hold and return the Regulated Water as provided in Article 4 (Return of Water) of this Agreement.

2.5.3 Kern Delta shall accurately maintain the Account and prepare and maintain adequate supporting records. All records shall be subject to audit, review and approval by Valley at Valley's exercise upon reasonable notification to Kern Delta.

2.5.4 Valley acknowledges that Regulated Water may be commingled with other water. At all times during the term of this Agreement, there shall be in the Kern Delta Basin an amount at least equal to the amount of the Account Balance, which shall be deemed to be Regulated Water. Kern Delta shall be deemed to remove Regulated Water from storage only as and when requested by Valley pursuant to the terms of this Agreement, and any other removal of water by Kern Delta from the Kern Delta Basin shall be deemed to be the removal of water that is not Regulated Water.

2.6 Deliveries. Valley shall not be obligated to provide Delivered Water; but shall nevertheless use reasonable efforts to provide quantities of Delivered Water which, after losses pursuant to Article 3 (Operational Losses), shall result in Kern Delta crediting the minimum amounts of Regulated Water specified in Section 5.1 (Put Payments).

ARTICLE 3. OPERATIONAL LOSSES

Transportation losses, evaporation, metering discrepancies and any other losses of water, for purposes of this Agreement are collectively fixed to be eleven percent (11%) of the amount

of Delivered Water provided for the Regulation Program as measured at the Point of Delivery to Kern Delta. These losses are subject to modification in the future with the concurrence of both Parties. Any modifications shall only apply to deliveries made after the date of the modification and Account Balance shall not be adjusted as to previous Delivered Water and Regulated Water.

ARTICLE 4. RETURN OF WATER

4.1 Methods of Return of Regulated Water.

4.1.1 Kern Delta shall only be obligated to return Regulated Water so long as the return does not cause the Account Balance to be less than zero.

4.1.2 Upon request by Valley, Kern Delta shall deliver Regulated Water to Valley at the Point of Delivery to Valley by any one or more of the following methods: (i) an exchange of Regulated Water for SWP water in the California Aqueduct; (ii) an exchange of Regulated Water for other surface supplies, or with Valley's consent, groundwater deliverable to and into the California Aqueduct; (iii) the recovery of Regulated Water and delivery thereof to and into the California Aqueduct via existing or new Kern Delta facilities; or (iv) any other means mutually acceptable to the Parties.

4.1.3 In utilizing the methods specified in Subsection 4.1.2(ii) and (iv) of Section 4.1 (Methods of Return of Regulated Water), Kern Delta may propose to exchange Valley's Regulated Water for an equal amount of water from other sources which Kern Delta elects to make available in the California Aqueduct. Kern Delta will be deemed to have affected such an exchange by delivering such water to Valley at the Point of Delivery to Valley.

4.1.4 Kern Delta, upon request of Valley, and subject to the conditions at Sections 4.2 (Conditions On Return of Regulated Water) through 4.4 (Water Quality), shall

return up to 5,000 acre-feet of Regulated Water per year, subject to Section 4.2.3.

4.2 Conditions on Return of Regulated Water. The return of Regulated Water by Kern Delta to Valley shall be subject to the following terms and conditions:

4.2.1 Except as otherwise provided for in Section 8.1 (Regulation Program), for each acre-foot of Regulated Water held by Kern Delta for Valley, Kern Delta shall ultimately return one acre-foot of water to Valley.

4.2.2 Return of Regulated Water by Kern Delta shall not interfere with Normal and Customary Uses by Kern Delta of its available water supplies. Kern Delta may modify from time to time its service area. Any such modifications shall not interfere with Kern Delta's ability to deliver Regulated Water to Valley unless consented to in writing by Valley.

4.2.3 Notwithstanding any other provision of this Agreement, Kern Delta may temporarily reduce or terminate groundwater pumping for the purpose of returning Regulated Water to Valley to (i) ensure that the groundwater basin underlying Kern Delta is protected (to the maximum extent practicable), (ii) ensure that Valley's Account Balance does not become negative, (iii) ensure that the project facilities are physically capable of returning banked water either through exchange or directly, to the California Aqueduct, and (iv) protect Kern Delta's groundwater basin in regards to an extended drought. However, such reduction or termination shall only be temporary and Kern Delta shall, with Valley's approval, adjust the scheduling of groundwater pumping to mitigate reductions in return of Regulated Water and to the extent practical, in a manner that does not cause additional unreimbursed costs to Kern Delta, Kern Delta shall take measures to change the timing and location of pumping to avoid reduction in or termination of the return of Regulated Water or return other available supplies.

4.2.4 The Regulation Program shall not adversely affect Kern Delta's existing

exchanges with other parties.

4.3 Annual Scheduling of Regulated Water. Valley shall notify Kern Delta of its intent to take delivery of Regulated Water at a Point of Delivery to Valley as early in the Year as possible, but no later than March 15 of the same Year. If such notification is provided after March 15 Kern Delta shall, in good faith, endeavor to comply with the notice to the maximum extent feasible. Kern Delta shall be responsible for all necessary approvals to return the Regulated Water to the Point of Delivery to Valley. Valley shall be responsible for any necessary approvals and costs once the Regulated Water has been returned to the Point of Delivery to Valley, provided that Kern Delta shall cooperate in obtaining such approvals.

4.4 Water Quality.

4.4.1 Based on available data, the parties have concluded that Kern Delta currently can supply Regulated Water at the California Aqueduct which meets existing Safe Drinking Water Act primary and secondary standards. (The foregoing is only a reference to an existing standard and shall not be interpreted as causing Kern Delta to become subject to the Safe Drinking Water Act.) Subject only to Kern Delta obligations under contracts or agreements existing as of Execution Date, Kern Delta shall take no direct action that would knowingly cause the quality of recovered groundwater returned as Regulated Water to not meet the existing or reasonably predictable future Safe Drinking Water primary and secondary standards. Should Kern Delta knowingly take such impermissible direct action which causes the quality of Regulated Water delivered into the California Aqueduct to not meet existing or reasonably predictable future Safe Drinking Water Act primary and secondary standards, Kern Delta shall be responsible for taking additional steps, at Kern Delta's expense, to ensure that such water meets such standards. The preceding sentence shall not apply to delivery of water under Kern

Delta's Normal and Customary Uses or water quality degraded as a result of operating under this Program. In the event that future water quality standards change, or the quality of groundwater from Kern Delta wells or surface water is such that Kern Delta cannot meet acceptable standards for direct pumpback of Regulated Water into the California Aqueduct, Regulated Water shall be returned to Valley by alternative methods satisfactory to Valley. Such alternative methods may include, but are not necessarily limited to: purchases, exchanges with others, and/or by improving Regulated Water quality to acceptable standards for direct pumpback, with the additional costs of any such methods being paid by Valley. Kern Delta's operations and financial situation shall not be adversely impacted as a result of these alternative methods.

4.4.2 Without limiting the foregoing, Kern Delta shall rotate pumping if and to the extent necessary to maximize Regulated Water quality and to use the best quality wells available, to the greatest extent practicable, for Regulated Water return purposes.

ARTICLE 5. COMPENSATION

5.1 Put Payments. Valley shall pay Kern Delta for each acre foot of Delivered Water a Put Payment which shall consist of; (i) a Participation Payment, plus (ii) an amount equal to actual costs per acre foot of operation, maintenance and replacement of Kern Delta Facilities used to regulate Delivered Water determined in accordance with Section 5.5 (OM&R Fees); plus (iii) an amount sufficient to pay all energy costs associated with the delivery, distribution, and recharge of each acre foot of Delivered Water determined in accordance with Section 5.4 (Power & Energy Costs).

5.2 Take Payments. For each acre foot of Regulated Water returned by Kern Delta to Valley, whether by recovery from the Kern Delta Basin or by exchange, Valley shall pay to

Kern Delta a Take Payment equal to the sum of the following components: (i) $47.00 adjusted pursuant to Subsection 5.3 (Adjustment of Rates) from the Effective Date; plus (ii) an amount equal to actual costs per acre foot of operation, maintenance, repair and replacement of Kern Delta Facilities used to provide Regulated Water to Valley calculated as set forth in Section 5.5 (OM&R Fees) below; plus (iii) an amount sufficient to pay all energy costs associated with the delivery of each acre foot of Regulated Water to Valley calculated as set forth in Section 5.4 (Power & Energy Costs) below.

5.3 Adjustment of Rates. The amount payable for a calendar year under Section 5.1 and Section 5.2 shall be adjusted commencing December 1 of each year commencing 2011 for the following year by the fraction of the numerator of which is the Consumer Price Index, All Urban Consumers, All Items Index, Western Cities with populations of 50,000 to 330,000 (the "CPI") for December of the Year immediately preceding the Year with respect to which the adjusted amount is being determined and the denominator of which shall be the CPI for 2010 (based on the 1982-84 index).

5.4 Power & Energy Costs.

5.4.1 The Put Payment component as specified in Section 5.1 to convey Delivered Water from Kern Delta's Point of Delivery to Spreading Facilities or in lieu delivery points shall be an amount sufficient to pay all energy costs associated with the delivery, distribution, and recharge of each acre foot of Delivered Water. Take Payment component specified in Subsection 5.2 shall be determined by calculating the average unit power and energy costs to pump Regulated Water from the Kern Delta Basin for either direct delivery to the California Aqueduct or for entitlement exchange, and to convey Regulated Water through the distribution system and to deliver such water into the California Aqueduct. Said power costs

shall be computed based on the amount of energy consumed to pump, withdraw, transport, and when applicable to convey to the California Aqueduct Valley's Regulated Water in a given Year multiplied by Kern Delta's average actual unit power cost for that period.

5.4.2 The initial calculation of energy costs shall be consistent with the calculation shown in the table included in Exhibit "B-1," (Methodology for Determining Energy Requirements) and incorporated herein by this reference. The Table 2 (Energy Analysis Results) in Exhibit B-1 may be revised from time to time by written consent of the Parties, which consent shall not be unreasonably withheld. The intent of Exhibit B-1 is to provide Kern Delta with sufficient revenue to recover the power costs incurred by Kern Delta for transportation, regulation and withdrawal of Delivered and Regulated Water and to allow Kern Delta flexibility to change the calculation based on experience and the changing electric utility industry and possible changes in its power supply and transmission contracts.

5.5 OM&R Fees. For each acre-foot of Delivered Water or Regulated Water, whether conveyed directly by Kern Delta or by exchange, Valley shall pay to Kern Delta the applicable operation, maintenance and replacement fee ("OM&R fee") based on the following rates which are to approximate Kern Delta's actual OM&R and administrative costs to perform the functions listed. The methodology for determining such costs is included in Exhibit "B-2" (Methodology for Determining O&M Costs and Replacement Cost) attached hereto and incorporated herein by this reference.

5.5.1 Spreading (Either direct recharge or in-lieu or exchange) OM&R Fee of $3.52 per acre-foot of Delivered Water regulated for Valley.

5.5.2 Extraction (Either direct pumping or in-lieu or exchange) OM&R Fee of $8.20 per acre-foot of Regulated Water delivered to Valley upon return of Regulated Water.

5.5.3 Conveyance (Either directly conveyed or exchange) OM&R Fee of $19.88 per acre-foot of Delivered Water (upon delivery into storage), and $12.88 per acre-foot of Regulated Water (upon return of Regulated Water).

5.5.4 Commencing December of the first full year following Execution Date, each OM&R Fee provided for in this Section 5.5 (OM&R Fees) shall be adjusted for the following year by the fraction of the numerator of which is the Consumer Price Index, All Urban Consumers, All Items Index, Western Cities with populations of 50,000 to 330,000 (the "CPI") for December of the Year immediately preceding the Year with respect to which the adjusted amount is being determined and the denominator of which shall be the CPI for 2010 (based on the 1982-84 index). In lieu of the aforesaid adjustment for each of the sixth and subsequent fifth full years ("Methodology Adjustment Years") following Execution Date, each OM&R Fee provided for in this Section 5.5 (OM&R Fees) shall be subject to the Methodology Adjustment, which shall utilize the applicable methodology provided for in Exhibit B-2 (Methodology for Determining O&M Costs and Replacement Costs). For purposes of calculating adjustments in years between Methodology Adjustment Years, the OM&R Fee determined for the previous Methodology Adjustment Year shall be utilized for adjustments until the next succeeding Methodology Adjustment Year.

5.6 State Project Costs. For all Regulated Water returned by Kern Delta pursuant to Subsection 4.1.2 of Section 4.1 (Methods of Return of Regulated Water), Valley shall pay applicable State Water Project costs beyond the Point of Delivery to Valley.

5.7 Payment Schedule. For payment obligations incurred pursuant to Participation Payments; Sections 5.1 (Put Payments); 5.2 (Take Payments); 5.4 (Power & Energy Costs); and 5.5 (OM&R Fees), Kern Delta may only bill Valley for water previously credited or debited to

Account pursuant to this Agreement. In all events, Kern Delta may only bill Valley, no more frequently than monthly for payments under this Agreement which payments shall be due Kern Delta and shall become delinquent thirty (30) days after Valley receives the invoice under the terms of this Agreement. Data supporting the amounts invoiced shall be provided upon the request of Valley. Kern Delta shall correct any erroneous billing promptly upon discovery of the error. If Valley has been underbilled, payment of the underbilled amount, together with interest thereon at the average investment yield of Valley's investments as reported monthly by Valley's Treasurer, shall be due and become delinquent thirty (30) days after Valley receives the corrective invoice and data justifying the change. Correction of overpayments by Valley shall become delinquent unless refunded by Kern Delta to Valley within forty-five days of discovery by either Valley or Kern Delta, together with interest thereon computed from the date the overpayment was made at the average investment yield of Valley's investments as reported monthly by Valley's Treasurer.

5.8 Delinquencies. In addition to other amounts payable, delinquencies shall bear interest at the rate of one percent (1%) per month.

ARTICLE 6. DIVISION OF RISK RESPONSIBILITIES

Kern Delta and Valley agree to cooperate, in reducing, to the greatest extent practicable, the risk from claims arising against any of the Parties from implementation of this Agreement. In the event of claims by third parties relating to this Agreement, the responsibilities of Kern Delta, and Valley shall be divided as follows:

6.1 Kern Delta Responsibilities. Kern Delta shall defend, indemnify and hold harmless Valley and its directors, officers, agents, employees and volunteers against any and all

losses, claims, demands and causes of action (herein collectively referred to as "claims") and shall assume responsibility for payment of any settlements, judgments, costs and attorneys' fees arising from claims concerning the following:

(a) Control, carriage, transportation, handling, use, disposal, or distribution of Delivered, Regulated or Transported Water from the Point of Delivery to Kern Delta and to the Point of Delivery to Valley;

(b) Any contest or dispute by any landowner or water user within the service area of, or otherwise served by, Kern Delta concerning the allocation of benefits among or the assessment of charges to Kern Delta landowners or water users;

(c) Construction, repair, modification, or replacement of any Regulation Program Facilities;

(d) Operation of the Regulation Program or Kern Delta Facilities or the actions of Kern Delta's officers, employees or agents; and

(e) Any other activities under the exclusive control of Kern Delta. If Valley is named in any such action, it may submit its defense to Kern Delta, which shall bear the full cost of defense, except to the extent that Valley utilizes its own counsel for such defense. Notwithstanding the foregoing, the responsibility for any claims challenging the validity, underlying authority or enforceability of the Regulation Program under this Agreement shall be as provided at Section 6.3 (Other Claims). Valley shall not be entitled to any indemnification from Kern Delta except as set forth in this Section 6.1 (Kern Delta Responsibilities).

6.2 Valley Responsibilities. Valley shall defend, indemnify and hold harmless Kern Delta and its respective directors, officers, agents, employees and volunteers, against any and all claims and shall assume responsibility for payment of any settlements, judgments, costs or

attorneys' fees arising from claims concerning the following:

(a) Control, transportation, handling, use, disposal or distribution of Delivered Water to the Point of Delivery to Kern Delta and Regulated Water from the Point of Delivery to Valley;

(b) Any claim by a landowner, resident, public agency or other entity within the service area of, or otherwise served by, Valley challenging the Regulation Program or this Agreement directly or indirectly;

(c) Construction, repair, modification or replacement of any of the facilities of Valley, or the State Water Project;

(d) Operation of the facilities of or the actions of the officers, employees or agents of Valley; and

(e) Any other activities under the exclusive control of Valley.

If Kern Delta is named in any such action, it may submit its defense to Valley involved, in which event Valley shall bear the full cost of defense, except to the extent Kern Delta utilizes its own counsel for such defense. Notwithstanding the foregoing, the responsibility for any claims challenging the validity, underlying authority or enforceability of the Program under this Agreement shall be as provided at Section 6.3 (Other Claims). Kern Delta shall not be entitled to any indemnification from Valley except as set forth in this Section 6.2 (Valley Responsibilities).

6.3 Other Claims. As for any claims by a third party with respect to the Regulation Program which are not otherwise provided for at Sections 6.1 (Kern Delta Responsibilities) or 6.2 (Valley Responsibilities), including any claims challenging the underlying authority for or the validity or enforceability of the Regulation Program under this Agreement, Valley shall be responsible for payment of any settlements it has approved or any judgments with respect to such claims. If Kern Delta is named in any action with respect to such a claim, it may submit its

defense to Valley and Valley shall bear the full cost of defense, except to the extent Kern Delta utilizes its own counsel for such defense. At the request of Valley, Kern Delta shall join in the defense of any claim which is not adverse to Kern Delta's water supply or financial interests, in which case Valley shall reimburse Kern Delta for all of its costs of defense. However, with respect to claims in which one or more of the plaintiffs resides or does business in Kern County challenging the recovery of groundwater under this Agreement, Valley may demand that Kern Delta join in the defense of claims. In such case, Kern Delta must comply with any such demand, the Parties shall jointly manage the litigation, and Kern Delta and Valley shall each pay one-half of the defense costs. In other such cases, Valley shall reimburse Kern Delta for all of its costs of defense.

6.4 Multiple Claims. In the event that payments are made in settlement of a claim, in satisfaction of a judgment or for defense costs where the claim arises from issues applying to both Kern Delta and Valley, payments shall be divided in proportion to the relative liability of each arising from the common claim. If the Parties cannot agree on the proportion, then the share to be paid by each of Kern Delta and Valley shall be submitted to arbitration as provided at Article 7 hereof.

ARTICLE 7. DISPUTE RESOLUTION

7.1 Informal Mediation. In the event of a dispute regarding the interpretation or implementation of this Agreement, or if the parties are unable to agree upon a matter as to which their agreement is provided for hereunder, the Parties will endeavor to resolve the dispute by using the services of a mutually acceptable consultant. The fees and expenses of the consultant shall be shared equally by the Parties.

7.2 Arbitration.

7.2.1 If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter shall be resolved by arbitration as provided in this Article 7 and in the California Arbitration Act (Part 3 [commencing with § 1280], Tit. 9, Calif. Code Civ. Proc.), including Section 1283.05. The Parties agree to be bound by the majority decision of a three-member panel to be selected as follows: (i) one member shall be selected by Valley; (ii) one member shall be selected by Kern Delta; and (iii) the third member shall be selected by the other two (2) members. If the two (2) members selected by Valley and Kern Delta are unable to agree on the selection of a third member, either Party may petition a court to appoint the third member pursuant to Code of Civil Procedure Section 1281.6. Each Party shall be responsible for any fees and expenses of the member of the panel appointed by that Party, and the fees and expenses of the third member of the panel shall be shared fifty percent (50%) by Kern Delta and fifty percent (50%) by Valley.

7.2.2 If a Party asserts that another Party has breached obligations under this Agreement, it may request that the arbitration panel order the other Party to comply with this Agreement. Upon the panel finding that a Party has in fact breached this Agreement, the panel shall order compliance. The panel may order any other equitable relief permitted by California law, including declaratory or injunctive relief, applicable to the matter before the panel for resolution. If termination is sought by a party pursuant to the terms hereof, the panel may determine the issues of whether a default has occurred or other condition precedent to the termination alleged has been satisfied and, if so, may issue orders implementing that termination. The orders of the panel shall be judicially enforceable. The panel may order that the effective

date of its order be the date of the breach, if appropriate. If Valley has suspended payments as provided in Subsection 9.1.2 of Section 9.1 (Remedies in the Event of Kern Delta's Willful Failure to Perform), it shall reimburse Kern Delta for any monies withheld and then due to Kern Delta as soon as Kern Delta again fully complies with this Agreement unless otherwise ordered by the panel. The panel may not order any damages (including consequential or punitive damages) beyond those provided for or permitted under this Agreement.

ARTICLE 8 TERM OF AGREEMENT

8.1 Regulation Program. Unless the Regulation Program provisions of this Agreement are earlier terminated pursuant to Subsection 9.1.3 of Section 9.1 (Remedies in the Event of Kern Delta's Willful Failure to Perform), Section 9.2 (Remedies in the Event of Valley's Voluntary Failure to Perform), Section 9.3 (Remedies in Event of Failure of Certain Other Remedies), or Section 10.2 (Involuntary Termination), Valley's right to provide Delivered Water pursuant to Section 2.1 (Source of Water) and to receive Regulated Water pursuant to Article 4 (Return of Water) shall terminate at the end of 2035. At the end of 2035, the entire Account Balance shall be debited and the remaining Regulated Water, if any, shall be available for Kern Delta to utilize for its own purposes.

8.2 Agreement Termination. This Agreement shall terminate at the time of termination of both the Regulation Program unless extended pursuant to Section 8.3 (Pending and Late Arising Claims).

8.3 Pending and Late Arising Claims. If a claim arising under or with respect to one or more terms of this Agreement has not been resolved when such term terminates, or if such a claim is brought after this Agreement has terminated but within the period of time for bringing

such a claim under California law ("Late Arising Claim"), the provisions of this Agreement shall continue in full force and effect for such additional period of time as is necessary to resolve such claims and to satisfy the rights and obligations of the Parties hereto with respect thereto.

8.4 Renewals of Agreement. This Agreement may be renewed by mutual agreement of the Parties, which renewal shall, unless otherwise agreed, effect a continuation of both parties' rights and duties under this Agreement.

ARTICLE 9. REMEDIES

9.1 Remedies in the Event of Kern Delta's Willful Failure to Perform.

9.1.1 If Valley alleges that Kern Delta has not substantially performed according to the terms of this Agreement or has willfully failed to perform this Agreement by causing (or, if within Kern Delta's jurisdiction, permitting) other entities or persons to interfere with Regulation Program operation, or by failing to accept or return water as and when required by this Agreement, or if Kern Delta has otherwise breached its obligations under this Agreement and notice has been provided to Kern Delta pursuant to Section 11.4 (Waiver/Cure of Defaults) and Kern Delta has failed to cure the alleged breach within the time provided in Section 11.4 (Waiver/Cure of Defaults), Valley may, at any time thereafter while the default is continuing, advise Kern Delta of the remedy or remedies provided in Article 7 (Dispute Resolution), and Subsections 9.1.2 and 9.1.3 below which Valley intends to pursue with respect to such default. Kern Delta may challenge at any time, through Article 7 (Dispute Resolution), whether in fact there has been a breach of or default under this Agreement by Kern Delta.

9.1.2 In the event of an alleged breach as to which Valley has given notice to Kern Delta pursuant to Section 9.1.1, Valley may elect to suspend any payment obligations it

may have under Article 5 (Compensation) of this Agreement until Kern Delta complies with the terms of this Agreement and cures such breach or default, or is determined, pursuant to Article 7 (Dispute Resolution), not to have violated the Agreement. Notwithstanding such suspension of Valley's payment obligations, this Agreement shall remain in effect unless and until Valley elects to terminate the Agreement under Section 9.1.3 in which case termination shall occur in accordance with and as provided in such provision. Notwithstanding an election by Valley under this Section 9.1.2 to suspend payment obligations, Valley or Kern Delta may thereafter also seek relief under Article 7 (Dispute Resolution).

9.1.3 If Kern Delta willfully fails to recharge or return water for or to Valley under circumstances where such performance or nonperformance is not excused by the terms of this Agreement and Valley elects to terminate this Agreement, Kern Delta shall purchase the amount of Valley's Regulated Water in its Account Balance for an amount equal to Valley's previous payments with respect to such Regulated Water, all adjusted as provided in Section 5.5.2, all payable within one (1) year of said election by Valley to terminate. Once such payment has been fully made, this Agreement shall be fully terminated except for Preamble; Recitals; Articles 1 (Definitions); 7 (Dispute Resolution); 8 (Term of Agreement); 9 (Remedies); and 11 (Miscellaneous Provisions). Upon payment in full by Kern Delta as provided above, Valley's beneficial interest in the amount of Regulated Water in Valley's Account Balance shall vest in Kern Delta free of obligations and Kern Delta shall be entitled to produce and use such water for its own account.

9.2 Remedies in the Event of Valley's Voluntary Failure to Perform. If Valley has not substantially performed according to the terms of this Agreement, and notice has been provided to Valley pursuant to Section 11.4 (Waiver/Cure of Defaults) and Valley has failed to

cure the alleged breach within the time provided in Section 11.4 (Waiver/Cure of Defaults), Kern Delta may at its election, at any time thereafter while the default is continuing, either (i) suspend further performance and thereafter seek relief under Article 7 (Dispute Resolution), recommencing performance once Valley complies with the Agreement, or (ii) terminate this Agreement. If Kern Delta elects to terminate this Agreement, any Regulated Water remaining in Valley's Account shall be transferred to Kern Delta at no cost to Kern Delta. In such event, Kern Delta shall have no further responsibility for repayment of funds advanced by Valley under Article 5 (Compensation). Valley may challenge at any time, through Article 8 (Dispute Resolution), whether in fact there has been a breach of this Agreement by Valley.

9.3 Remedies in Event of Failure of Certain Other Remedies. If: (i) Kern Delta has breached or defaulted in the performance of its obligations under this Agreement, and (ii) Valley has given notice of the breach or default pursuant to Subsection 9.1.1 of Section 9.1 (Remedies in the Event of Kern Delta's Willful Failure to Perform), and (iii) Kern Delta has failed to cure that breach or default within thirty (30) days as required by Section 11.4 (Waiver/Cure of Defaults), and (iv) Valley has elected a remedy for that breach or default pursuant to Subsection 9.1.1 of Section 9.1 (Remedies in the Event of Kern Delta's Willful Failure to Perform), and (v) Kern Delta has agreed to such remedy or, if Kern Delta has not so agreed, Valley has obtained a judgment or court order against Kern Delta (whether based on an order of an arbitration panel under Article 7 (Dispute Resolution) or otherwise) which judgment or court order Kern Delta has failed or refused to perform, *then* Valley may notify Kern Delta that Valley is entitled to and intends to exercise its right to appointment of a successor in place of Kern Delta and, thereafter, Valley may apply to a court of competent jurisdiction for such appointment of a successor who shall be charged with performing the duties pursuant to the

terms of this Agreement. The successor, when appointed, shall be entitled to exercise any and all rights theretofore held by Kern Delta for Valley. Upon the later of (i) receipt by Valley at the California Aqueduct of water in an amount equal to Valley's Account Balance pursuant to the exercise by such successor of its rights, or (ii) expiration of the term specified in Section 8 (Term of Agreement), this Agreement shall be fully terminated unless extended pursuant to Section 8.4 (Pending and Late Arising Claims).

ARTICLE 10. EARLY TERMINATION

10.1 Resignation of Kern Delta. Kern Delta may not resign its duties and obligations under this Agreement for the term of this Agreement except as permitted by Sections 9.2 (Remedies in the Event of Valley's Voluntary Failure to Perform) and 10.2 (Involuntary Termination), and any other attempt by Kern Delta to resign shall be deemed to be a breach of its obligations hereunder.

10.2 Involuntary Termination. Notwithstanding Article 9 (Remedies), in the event that Kern Delta is unable to perform its obligations under this Agreement for reasons beyond its control, the following shall apply ("reasons beyond its control" as used in this sentence shall not include any reasons caused by Kern Delta's breach of its obligations under this Agreement or other failure to comply with any of its legal obligations).

10.2.1 If such inability to perform relates to the Regulation Program, and that inability to perform includes the inability of Kern Delta to return Regulated Water which remains in the Valley Account Balance, Kern Delta shall purchase the Regulated Water which Kern Delta is unable to return for an amount equal to the costs which Kern Delta would have incurred to purchase such water under its contract with the KCWA in the Year such Regulated Water was

delivered to storage. Such payment by Kern Delta to Valley upon involuntary termination under this Section 9.2 (Remedies in the Event of Valley's Voluntary Failure to Perform) shall be financed over time upon terms mutually agreeable to Valley and Kern Delta. If Valley and Kern Delta are unable to agree on such terms in a reasonable period of time, they shall resolve their disagreement pursuant to Article 7 (Dispute Resolution). Once such payments have been fully made, this Agreement shall be fully terminated. If payment is made as provided above, the beneficial interest in the amount of Valley's Regulated Water in Valley's Account Balance which Kern Delta is unable to return shall vest in Kern Delta.

ARTICLE 11. MISCELLANEOUS PROVISIONS

11.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and assigns of the Parties; provided, however, neither Party shall assign any of their rights or obligations under this Agreement without the prior written consent of the other. Nothing in this Agreement is intended to confer any right or remedy under this Agreement on any person other than the parties to this Agreement and their respective successors and permitted assigns, or to relieve or discharge any obligation or liability of any person to any party to this Agreement, or to give any person any right of subrogation or action over or against any party to this Agreement.

11.2 No Precedent. Kern Delta entering into this Agreement shall not create in Valley any rights beyond those expressly provided by this Agreement, nor shall it establish any precedent for extension or renewal of this Agreement beyond its term. Furthermore, Valley shall not make any claim to continued use of water provided under this Agreement, beyond that expressly provided under this Agreement, including, but not limited to, asserting any right

against Kern Delta to use of water beyond the term of this Agreement under the doctrine of intervening public use.

11.3 No Modification of Existing Contracts. This Agreement shall not be interpreted to modify the terms or conditions of either the water supply contracts between DWR and Valley or the water supply and related agreements between Kern Delta and other parties.

11.4 Waiver/Cure of Defaults. The failure of any Party to enforce against the other a provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time. No Party shall be deemed to be in default of any provision of this Agreement unless the other Party has given written notice specifically stating the alleged default and the Party in default fails to cure the default within thirty (30) days of receipt of such written notice.

11.5 Construction of Agreement. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties hereto and Section 1654 of the Civil Code has no application to interpretation of this Agreement. Headings at the beginning of Sections, paragraphs and subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement and shall not be used in construing it. The preamble, recitals and all exhibits and schedules to this Agreement are part of this Agreement and are incorporated herein by this reference. When required by the context: whenever the singular number is used in this Agreement, the same shall include the plural, and the plural shall include the singular; and the masculine gender shall include the feminine and neuter genders and vice versa. Unless otherwise required by the context (or otherwise provided herein): the words "herein," "hereof" and "hereunder" and similar words shall refer to the Agreement generally and not merely to the provision in which such term

is used; the word "person" shall include individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority and other entity of whatever nature; each of the words "Valley" and "Kern Delta" shall include the respective representatives, successors and permitted assigns, if any, of such person; the words "including," "include" or "includes" shall be interpreted in a non-exclusive manner as though the words "but [is] not limited to" or "but without limiting the generality of the foregoing" immediately followed the same; the word "month" shall mean calendar month; and the term "business day" shall mean any day other than a Saturday, Sunday or legal holiday. If the day on which performance of any act or the occurrence of any event hereunder is due is not a business day, the time when such performance or occurrence shall be due shall be the first business day occurring after the day on which performance or occurrence would otherwise be due hereunder. All times provided in this Agreement for the performance of any act will be strictly construed, time being of the essence of this Agreement.

11.6 Entire Agreement. This Agreement and other documents expressly referenced herein constitute the entire agreement between the Parties pertaining to the matters provided for herein and, except as herein provided, supersedes all prior and/or contemporaneous agreements and understanding, whether written or oral, pertaining between the Parties relating to the matters provided for herein. In the event of inconsistency between and among (i) other documents, (ii) Exhibits to this Agreement, and (iii) the remaining provisions of this Agreement, the remaining provisions of this Agreement shall control.

11.7 Severability. In the event that a court of competent jurisdiction or an arbitration panel as provided at Article 7 (Dispute Resolution) determines that a provision included in this Agreement is legally invalid or unenforceable and such decision becomes final, the Parties to this

Agreement shall use their best efforts to (i) within thirty (30) days of the date of such final decision identify by mutual agreement the provisions of this Agreement which must be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate revision(s). The time periods specified above may be extended by mutual agreement of the Parties. Pending the completion of the actions designated above, to the extent it is reasonably practical and can be done without violating any applicable provisions of law, the provisions of this Agreement which were not found to be legally invalid or unenforceable in the final decision shall continue in effect. If the Parties cannot agree on appropriate revisions, this Agreement shall be involuntarily terminated in accordance with Section 9.2 (Remedies in the Event of Valley's Voluntary Failure to Perform).

11.8 Force Majeure. All obligations of the Parties other than monetary or payment obligations shall be suspended for so long as and to the extent the performance thereof is prevented, directly or indirectly, not to exceed one year, by earthquakes, fires, tornadoes, facility failures, floods, strikes, other casualties, acts of God, orders of court or governmental agencies having competent jurisdiction, or other events or causes beyond the control of the Parties. In no event shall any liability accrue against a Party, to its officers, agents or employees, for any damage arising out of or connected with a suspension of performance pursuant to this Section 11.8. All time limits to perform and the term of the Agreement shall be extended by period equivalent to the length of suspension. In event of such an occurrence of duration in excess of one year, Section 10.2 (Involuntary Termination) shall control, unless the Parties otherwise agree.

11.9 Notices. All notices, requests and demands hereunder ("Notices") shall be in writing and shall be deemed to have been duly given when delivered (or, if mailed, postage

prepaid, on the third business day after mailing, if that date is earlier than actual delivery). Notices shall be sent to a Party at the address of that Party set forth below or, if such Party has furnished notice of a change of that address as herein provided, to the address of that Party most recently so furnished. Notices for Kern Delta shall be sent to the Engineer Manager of Kern Delta at 501 Taft Highway, Bakersfield, CA 93307-6247. Notices for Valley shall be sent to the General Manager of Valley at 380 East Vanderbilt Way, San Bernardino 92408. Each Party hereto (a "Recipient") who receives from another Party hereto (a "Sender") by electronic facsimile transmission (telecopier) any writing which appears to be signed by that Sender is authorized to rely and act upon that writing in the same manner as if the original signed writing was in the possession of the Recipient upon oral confirmation of that Sender to the Recipient that the writing was signed by that Sender and is intended by that Sender to be relied upon by the Recipient. Each Party transmitting any writing to any other Party by electronic facsimile transmission agrees to forward immediately to that Recipient, by expedited means (for next day delivery, if possible), or by first class mail if the Recipient so agrees, the signed hard copy of that writing, unless the Recipient expressly agrees to some other disposition of the original by the Sender.

11.10 Regulatory Changes. It is recognized that changes in Kern Delta's actual costs of operating the Regulation Program or changes in other conditions affecting the Regulation Program may occur on or after the date this Agreement is executed as a result of enactments, amendments, changes in implementation or interpretation, or repeal of any federal or state law, rule, regulation or ordinance or changes in contract terms (each, a "Regulatory Change"). If either Party determines that a Regulatory Change has occurred that would result in a material change (upward or downward) in Kern Delta's costs or other conditions relating to regulating,

recovering or transporting water pursuant to the terms of this Agreement, which change is not reflected in the adjustments in the payments due from Valley to Kern Delta pursuant to Article 5 (Compensation) or other provision of this Agreement, such Party shall promptly inform the other Party of the nature and extent of such alleged Regulatory Change and of the reason why that party believes an adjustment pursuant to this Section 11.10 is warranted in the payments due from Valley to Kern Delta or in other terms or conditions. The Parties will thereupon attempt to reach an appropriate amendment of this Agreement in light of the Regulatory Change. If such agreement cannot be reached within forty-five (45) days after either Party has provided the required notice and information, the matter shall be resolved pursuant to Article 7 (Dispute Resolution), the qualified third party or arbitration panel being charged with determining (i) whether a Regulatory Change has occurred (if that is in dispute), (ii) the amount of change, if any, in Kern Delta's costs resulting from the Regulatory Change, and (iii) the manner in which the payments due from Valley to Kern Delta or other terms or conditions which should be modified are to be adjusted to fairly and equitably reflect that change in Kern Delta's costs or other terms and conditions (it being the intent of the Parties that no windfall or unwarranted compensation or benefit should result to any Party as a result of any adjustment made pursuant to this Section 11.10). Any adjustment to the payments due from Valley to Kern Delta or other terms and conditions made pursuant to this Section 11.10 shall be effective as of the first day such Regulatory Change affects Kern Delta operations hereunder unless the Parties otherwise agree and may be reconsidered thereafter at any time, at the request of any Party, if the adjustment is unjustly under-compensating or over-compensating any Party.

11.11 Further Assurances. Each Party hereto, upon the request of the other, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this instrument.

11.12 Counterparts. This Agreement, and any document or instrument entered into, given or made pursuant to this Agreement or authorized hereby, and any amendment or supplement thereto may be executed in two or more counterparts, and by each party on a separate counterpart, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document. Any signature page of this Agreement or of such an amendment, supplement, document or instrument may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart identical in form thereto but having attached to it one or more additional signature pages. In proving this Agreement or any such amendment, supplement, document or instrument, it shall not be necessary to produce or account for more than one counterpart thereof signed by the party against whom enforcement is sought.

Executed the day and year first hereinabove written.

THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
President

APPROVED AS TO FORM:

By: _____

General Counsel

KERN DELTA WATER DISTRICT

By:_____
President

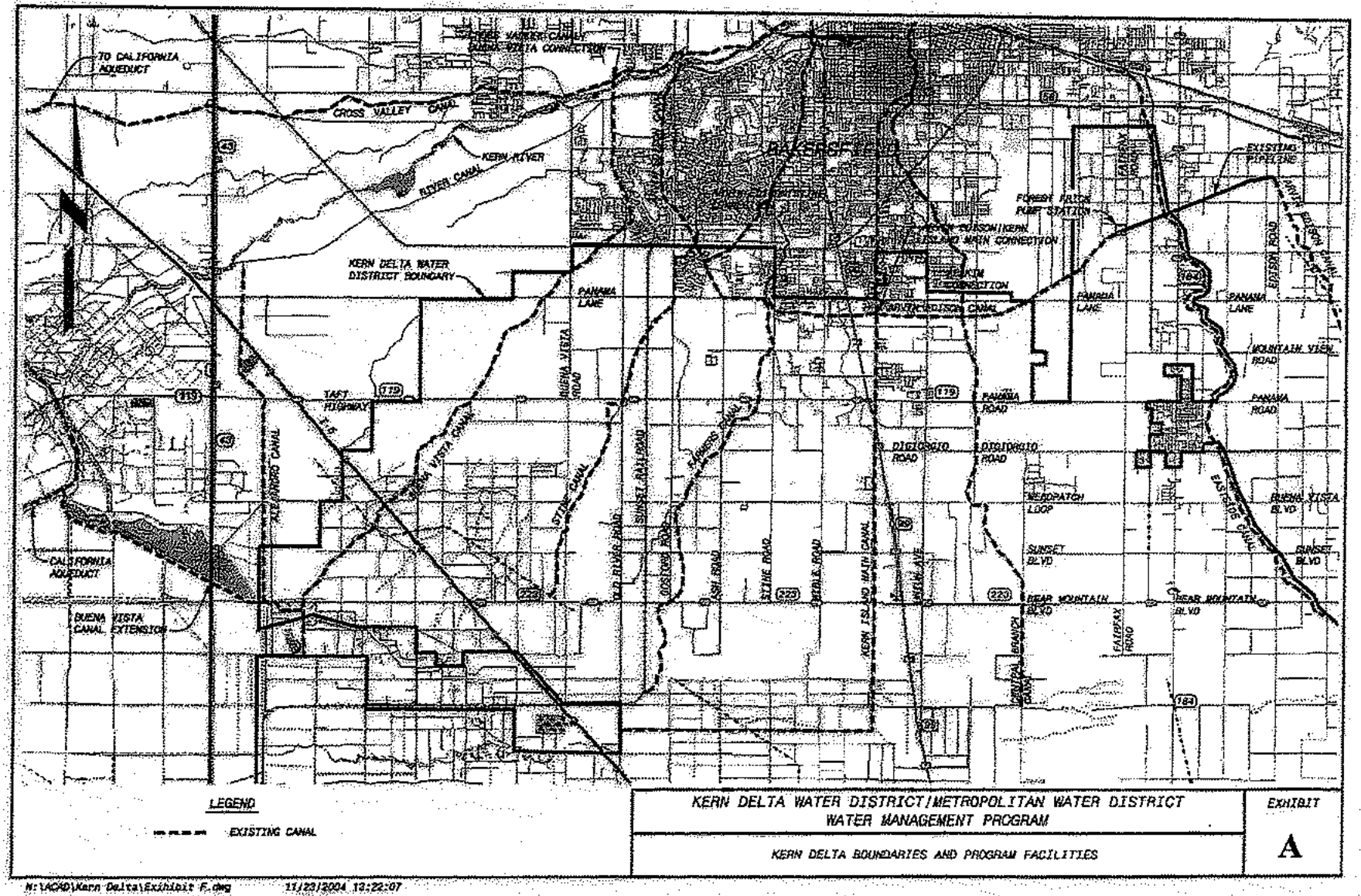
By:_____
Secretary

APPROVED AS TO FORM:

By:_____
General Counsel

Exhibits

A. Map Depicting Kern-Delta Boundaries and Program Facilities
B-1. Methodology for Determining Energy Requirements
B-2. Methodology for Determining O&M Costs and Replacement Cost
C. Certification That Conditions Precedent Have Been Satisfied or Waived
D. Map Depicting Kern Delta Boundaries and Program Facilities



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EXHIBIT B-1

BLACK & VEATCH Corporation

METHODOLOGY FOR DETERMINING ENERGY REQUIREMENTS

Kern Delta Water District Water Banking Program
Water Banking Program

B&V Project 99241
B&V File D.2
January 11, 2002

To: L. Mark Mulkay
Project Manager

From: Steven N. Foellmi, P.E.
Technical Manager

Prepared By: Klint Reedy, P.E.
Victor Tsai

EXECUTIVE SUMMARY

PURPOSE

The purpose of this memorandum is to evaluate the energy requirements associated with the facilities required for the Kern Delta Water District Water (KDWD) Banking Program (Kern Delta Project). The estimated energy requirements associated with these facilities are based on Black & Veatch experience and record data from the operation of similar facilities by other local agencies. In addition to estimating the power requirements, a preliminary assessment of the existing local electrical distribution facilities ability to meet potential future operating demands are investigated.

BACKGROUND

As part of the Water Banking Program, five new pump stations (Kern Delta pump stations No.1 through 5) would be built along the new Kern Delta Canal to allow for conveyance of water between the Kern Water Bank Authority (KWBA) Canal and the Arvin-Edison Canal. The pumping plants would take water from a lower canal segment and lift it to the adjacent canal segment. During wet years, the proposed

Kern Delta canal system would allow for the diversion of water from the California Aqueduct to the Kern Delta agricultural canals and spreading basins.

An existing pump within the existing Arvin-Edison Forrest Frick Pump Station would also be used to meet irrigation demands in the eastern section of the Kern Delta service area through the in-lieu (pipeline) facilities. These facilities will allow the use of State Water Project (SWP) water.

The project would also include thirty-two groundwater wells to recover previously stored water in the groundwater basin. The extraction wells would be located near existing water conveyance facilities.

ENERGY ANALYSIS

The facilities requiring energy to operate the water-banking project include of five pumping stations along the proposed canal conveyance facility, thirty-two new groundwater wells which will be utilized to withdraw stored water supplies, and the existing Arvin-Edison Forrest Frick Pump Station will be used to provide SWP supplies to meet irrigation demands in lieu of current groundwater extraction operations. The canal pumping stations and groundwater extraction wells are planned as motor-operated pumps with electricity to be provided from the existing Pacific Gas and Electric Company (PG&E) facilities.

Energy Rate Schedules and Metering Requirements

Energy rate schedules have been obtained from PG&E for evaluation of the power and metering requirements relevant to the operation of the pumping stations and groundwater extraction wells. PG&E recommends using schedule AG-5B, "Large Time-of-Use Agricultural Power for the Water Banking facilities. Schedule AG-5B is used for customers with high annual operation (generally over 1,200 hours) who run 24 hours per day or can minimize electric use on sum weekdays between noon and 6 p.m.

Energy rates for this schedule vary by the summer or winter season and the time of day the energy is consumed. A seasonal demand charge and a maximum-peak-period demand charge, based on peak kW usage, is also exercised. In addition to these base charges, PG&E also has a flat surcharge rate of $0.02953/kWh in

accordance with the "Energy Procurement Surcharge Schedule (EPS)". This surcharge is applied after all other calculations are made and is applicable to all kW-hours consumed. Lastly, the customer's bill includes a customer charge, a meter charge, and a one-time installation and processing charge per meter.

A summary of the AG-5B / EPS rate schedule is provided in Table 1.

TABLE 1

PG&E "AG-5B/ EPS" RATE SCHEDULE

Charges	Summer Season (May – October)	Winter Season (November – April)
Energy Charge (per kWh per month)		
Peak (12 noon–6:00 p.m.) Mon.-Fri.*	$0.14294	-
Partial Peak (8:30 a.m.-12:00 p.m.) & (6:00 p.m.-9:30 p.m.) Mon.-Fri.*	-	$0.04661
Off-Peak	$0.04088	$0.03706
Demand Charges (per kW)		
Seasonal billing demand	$6.55	$4.40
Peak Period Demand	$2.70	-
Surcharges (per kWh)		
EPS Rate for AG-5B Schedule	$0.02953	$0.02953
Monthly Base Service Charges		
Customer Charge per meter	$16.00	$16.00
Meter Charge per month	$6.00	$6.00

* Except Holidays.

Energy Analysis Model Development and Methodology

A preliminary version of the energy model has been created in Microsoft Excel using a single workbook that incorporates several worksheets. The model estimates power requirements of the proposed Water Banking facilities based on user defined operating scenarios. The following input is required by the user to perform a simulation:

1. Number of pumps operating at the five existing canal pumping stations (1 or 2 pumps @ 100 cfs each).
2. Desired flowrate for the "in lieu" element of the program (typically 25 to 30 cfs).
3. Number of groundwater wells operating during withdraw operation in dry years (between 0 to 32 groundwater wells).

4. Define seasonal operating conditions for "storage" and "withdrawal" facilities (daily hours of operation).

The total dynamic lift of each groundwater well is estimated and assumed to be consistent for each well. Electrical horsepower is calculated from the total dynamic lift, flowrate, and the overall efficiency (pump and motor). Currently the overall efficiency is estimated and a single typical value is used. However, it is anticipated that record flow rates and power data will be available and the program will utilize specific efficiencies based on the record data.

The model estimates power requirements for each of the pumping facilities along the proposed canal conveyance facility. The output tabulates the daily, monthly, and yearly facility power requirements.

Model Assumptions

Currently, the following assumptions have been made for the pumping plant facilities:

1. Combined pump and motor efficiency is 75 percent for all pumps at all plants under all conditions.
2. Arvin-Edison Forrest Frick Pumping Station has an assumed 67 percent combined pump and motor efficiency.
3. Proposed canal pumping plants will deliver 100 cfs or 200 cfs. The model currently assumes that when a pump from a pumping station is taken off-line to accommodate decreased flows, a single pump is operating at all the other pumping stations.

The following assumptions have been made for the groundwater extraction wells:

1. Combined pump and motor efficiency is 75 percent for all groundwater pumps.
2. Since the design of the wells is at conceptual levels, the power supply requirements are calculated assuming a "typical" well, and then multiplied by the number of wells.
3. Due to the lack of specific detailed design, the length of well discharge pipeline is estimated in order to calculate losses for the "typical well".
4. Each of the wells will extract groundwater at a rate of 6.25 cfs.

5. Assume negligible groundwater level drop due to extraction.

Some of these assumptions will be modified or quantified after additional data is received.

Energy Analysis Results

Preliminary analysis has been completed assuming the facilities operate at 200 cfs, 24 hours per day, until 55,500 ac-ft is stored into the groundwater basin. The initial results are presented in the following table.

TABLE 2
ENERGY ANALYSIS RESULTS

	Storage Mode [1][2] 1 cycle = 64,750 Ac-Ft [3]	Withdrawal Mode [4] 1 cycle = 55,500 Ac-Ft
Summer Costs		
$/month	$108,000	$615,000
$/cycle	$648,000	$3,690,000
$/ac-ft	$7	$49
Winter Costs		
$/month	$82,500	$445,000
$/cycle	$495,000	$2,660,000
$ /ac-ft	$5	$35

(1) Assumes canal facilities operate 24 hours per day, 7 days per week for 20 weeks, totaling 55,500 Ac-Ft.
(2) Assumes In-Lieu facilities operate during off-peak hours, totaling 9,250 Ac-Ft.
(3) 50,000 Ac-Ft storage + 9,250 Ft In-Lieu
(4) Assumes groundwater facilities operate 24 hours per day, 7 days per week.

The initial analysis estimated the electrical costs associated with operating the water banking program facilities 24 hours per day, 7 days per week. As presented in Table 1, significant savings maybe realized if the facilities were operated in a manner that minimizes peak demand charges.

CONCEPTUAL ELECTRICAL ARRANGEMENT

Based on the electrical demands estimated in the energy evaluation, conceptual one-line diagrams have been prepared for the canal pumping facilities and the groundwater pumping facilities and are attached for reference. An order of magnitude cost estimate was prepared for the new electrical equipment required between the existing PG&E 12 kV distribution power line and the pumping equipment, totaling $80,000 per site. This cost is generally accurate for both the groundwater wells and the canal pumping stations.

Typically, PG&E will install and maintain this equipment and will recover the costs in the monthly billings. Alternatively, the KDWD can install and maintain the facilities between the main distribution power line and the pumping facilities and be eligible for a "voltage discount" within their rate. Upon preliminary investigation, it is recommended that KDWD have PG&E provide, install, and maintain these facilities.

CONCLUSION

A customized spreadsheet has been developed to estimate power requirements for the Kern Delta facilities. Currently, it is assumed that all facilities operate 24 hours per day seven days per week. However, significant savings may be realized if the facilities are operated to avoid peak demand periods. It is recommended that the model presented herein be used to evaluate the potential savings associated with minimizing peak demand charges.

EXHIBIT B-2

BLACK & VEATCH Corporation

METHODOLGY FOR DETERMINING O&M COSTS & REPLACEMENT COST

Kern Delta Water District
Water Banking Program

B&V Project 99241
B&V File D.2
January 9, 2002

To: L. Mark Mulkay
Project Manager

From: Steven N. Foellmi, P.E.
Technical Manager

Prepared By: Klint Reedy, P.E.
Victor Tsai

EXECUTIVE SUMMARY

PURPOSE

The purpose of this memorandum is to evaluate the operations and maintenance (O&M) requirements associated with the Kern Delta Water District Water Banking Program components (Kern Delta Project). The recommended manufacturer O&M requirements and estimated replacement costs associated with operation of the major equipment components have been identified and tabulated. Actual maintenance history from similar facilities, and engineer's experience on similar projects were also utilized to define the O&M schedule for the facilities in the preferred project.

BACKGROUND

As part of the Water Banking Program, five new pump stations (Kern Delta pump stations No.1 through 5) would be built along the new Kern Delta Canal allowing conveyance of water between the Kern Water bank Authority (KWBA) Canal and the Arvin-Edison Canal. The pumping plants would take water from a lower canal segment and lift it to the adjacent canal segment. During wet years, the proposed Kern Delta

canal system would allow for the diversion of water from the California Aqueduct to the Kern Delta agricultural canals and spreading basins.
An existing pump within the existing Arvin-Edison Forrest Frick Pump Station would also be used to meet irrigation demands in the eastern section of the Kern Delta service area through the in-lieu (pipeline) facilities. These facilities will allow the use of SWP water "in-lieu" of local groundwater.

Lastly, the project includes 32 new groundwater wells to recover previously stored water in the groundwater basin. The extraction wells would be located near existing water conveyance facilities.

OPERATION AND MAINTENANCE INVESTIGATION

The water-banking project facilities that require O&M include the five pumping stations along a proposed canal conveyance facility, 32 new groundwater wells to withdraw stored supplies, and the existing pump within the Arvin-Edison Forrest Frick Pump Station.

A maintenance schedule for the preferred project components and a preliminary estimate for the corresponding O&M costs has been included. The schedule includes recommended procedures for operating the canal pump stations, groundwater pumps and motors, and the equipment within the Arvin-Edison Forrest Frick Pump Station. The procedures include placing the equipment in service and operating it under both normal and abnormal conditions.

Operation & Maintenance Schedule

The attached example O&M schedule is based on information and recommendations obtained from the equipment manufacturers, maintenance history from other agencies with similar equipment, and the engineer's experience on similar projects. The attached example schedule is intended to provide a general idea of the O&M procedures required for each of the major equipment components of the Water Banking Project. Prior to startup of these facilities, a more detailed O&M schedule should be developed based on specific manufacturer's manuals and shop drawing information.

Estimated O&M Costs

A preliminary estimate of the O&M costs associated with the recommended maintenance procedures for the proposed Water Banking equipment is summarized in

Table 1.

Table 1
Annual Operation & Maintenance Costs
(2002 Dollars)

Description	Cost
STORAGE MODE	
Annual Power Costs	$1,143,000
Labor (Personnel)	$435,000
Annual Maintenance Costs[1]	$54,000
Total Annual O&M Cost	**$1,632,000**
5 YR Minor overhaul of canal pumps	$25,000
20 YR Major overhaul of canal pumps	$57,000
50 YR Major canal / spreading basin equipment replacement	$2,400,000
Present Worth of Maintenance Costs [4]	**$716,817**
Cost per AC-FT of Stored Water	**$14**
WITHDRAWAL MODE	
Annual Power Costs	$6,350,000
Labor (Personnel)	$492,000
Annual Maintenance Costs[2]	$67,000
Total Annual O&M Cost	**$6,909,000**
5 YR Minor Overhaul of GW Pumps	$55,000
20 YR Major Overhaul of GW Pumps	$124,000
50 YR Major groundwater pump equipment replacement	$2,200,000
Present Worth of Maintenance Costs [3]	**$842,741**
Cost per AC-FT of Recovered Water	**$53**

[1] Maintenance costs for storage mode include idle maintenance costs for the groundwater facilities.
[2] Maintenance costs for withdrawal mode include idle maintenance costs for the canal pumps.
[3] Assumes 3% inflation & 6% discount factor.

The power costs presented in Table 1 are based on the results presented in the KDWD Water Banking Program "Energy Requirements" Technical Memorandum. Personnel costs associated with operating and maintaining the Water Banking facilities are based on 5 additional staff positions during the storage model and 6 positions during the withdrawal mode. It may be possible to utilize existing staff to assist with the operation of these facilities and minimize the total number of additional staff required. The estimated annual maintenance and overhaul costs are based on typical maintenance costs for similar facilities. Table 2 summarizes O&M costs by component.

Table 2
Operation & Maintenance Cost Summary By Component
(2002 Dollars)

Description	Annual Cost	
	In-Service	Idle
Canal Pumping Facilities		
Labor (Personnel) Costs	$210,496	$103,904
Routine Maintenance Costs	$21,000	$4,000
Annualized Major Equipment Overhaul & Replacement Costs	$57,345	-
Total O&M Costs ($ / AC-FT)	**$4**	
Energy Costs per AC-FT [1] [2]	$5	
Total Energy + O&M Costs per AC-FT	**$9**	
Spreading Basins		
Labor (Personnel)	$170,880	$33,600
Routine Maintenance Costs	$9,000	$2,000
Annualized Major Equipment Overhaul & Replacement Costs	$0	-
Total O&M Costs ($ / AC-FT)	**$3**	-
Energy Costs per AC-FT	-	
Total Energy + O&M Costs per AC-FT	**$3**	
In-lieu Facilities		
Labor (Personnel)	$5,824	$1,400
Routine Maintenance Costs	$8,000	$2,000
Annualized Major Equipment Overhaul & Replacement Costs	$5,735	-
Total O&M Costs per AC-FT	**$2.1**	-
Energy Costs per AC-FT [1] [3]	$6	
Total Energy + O&M Costs per AC-FT	**$8**	
Well Field Facilities		
Labor (Personnel)	$342,400	$40,960
Routine Maintenance Costs	$46,000	$9,000
Annualized Major Equipment Overhaul & Replacement Costs	$93,774	-
Total O&M Costs per AC-FT	**$7**	-
Energy Costs per AC-FT [1] [4]	$35	
Total Energy + O&M Costs per AC-FT	**$42**	
Canal / Pipeline Facilities		
Labor (Personnel) Costs	$23,720	$4,016
Routine Maintenance Costs	$18,000	$3,000
Annualized Major Equipment Overhaul & Replacement Costs	$7,335	-
Total O&M Costs ($ / AC-FT)	**$6.3**	

(1) Reference Kern Delta Water Banking Project Energy Requirements Memorandum, dated February 27, 2002.
(2) Assumes winter demand charges, if operated in summer months additional $5/AC-FT will be realized.
(3) Assumes winter demand charges, if operated in summer months additional $6/AC-FT will be realized.
(4) Assumes winter demand charges, if operated in summer months additional $35/AC-FT will be realized.

Exhibit C

CERTIFICATION THAT CONDITIONS PRECEDENT HAVE BEEN SATISFIED OR WAIVED

Kern Delta Water District and The San Bernardino Valley Municipal Water District hereby jointly certify that:

1) All conditions precedent set forth in Sections 8.1 of the Agreement titled _____, dated _____, have been satisfied or waived.
2) No Event of Default exists under the Agreement.

Capitalized terms used herein and not otherwise defined are as defined in the Agreement

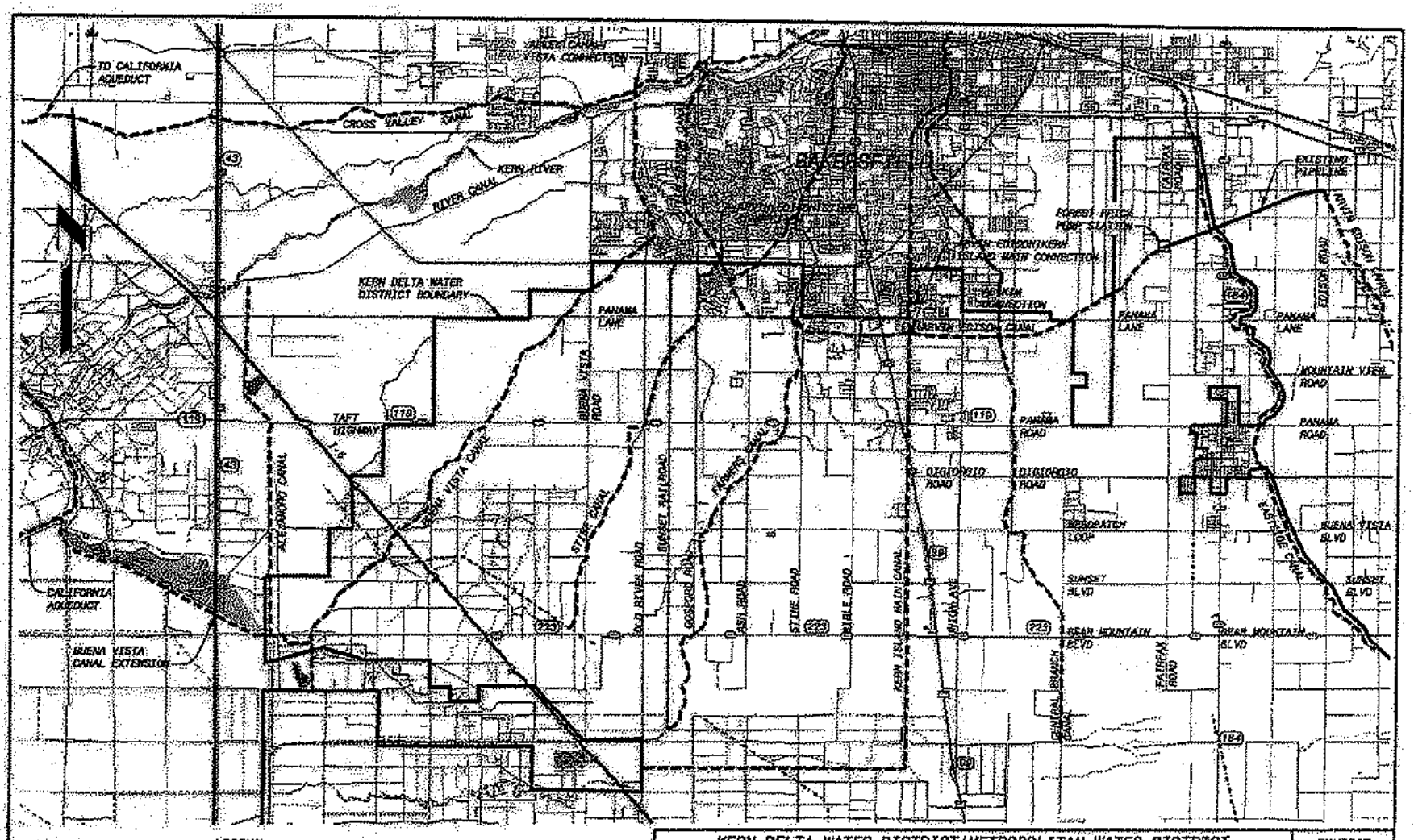
Dated: _____, 2011

Kern Delta Water District

The San Bernardino Valley Municipal Water District

_____

_____



KERN DELTA WATER DISTRICT/METROPOLITAN WATER DISTRICT
WATER MANAGEMENT PROGRAM

KERN DELTA BOUNDARIES AND PROGRAM FACILITIES

EXHIBIT
D

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Kern Delta Water Storage Program

Invoice Review

INVOICED COSTS:

Cost	Agreement	June 18, 2012 Invoice
Participation Payment	$40/acre-ft	$40/acre-ft
Energy costs	Pay all energy costs	CVC Power (pass through)
Operational losses	11%	11%
OM&R Fee (spreading)	$3.52/acre-ft	$3.51/acre-ft
OM&R Fee (conveyance)	$19.88/acre-ft	$19.88/acre-ft
Exchange Cost (Rosedale)	§ 4.1.2, 5.4.1	Pass through
Exchange Cost (BVWSD)	§ 4.1.2, 5.4.1	Pass through

INVOICE AMOUNT:

17,800 af

	Staff Estimate	June 18, 2012
Put Cost	$2,400,000	$2,329,862.77

@ 130.89/af

Kern Delta Water District

501 TAFT HIGHWAY
BAKERSFIELD, CALIFORNIA 93307-6247
TELEPHONE (661) 834-4656
FAX (661) 836-1705

BOARD OF DIRECTORS

Rodney Palla, *President*
David L. Kaiser, *Vice President*
David C. Cosyns, *Secretary*
Kevin Antongiovanni, *Treasurer*
Donald Collins
Howard Frick
Fred Garone
Richard Tillema
Philip J. Cerro

OFFICERS & STAFF

L. Mark Mulkay
General Manager

Dirk W. Reed
Deputy General Manager

Bryan C. Duncan
Controller

McMurtrey, Hartsock & Worth
Attorneys-at-Law

June 18, 2012

Doug Headrick
General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, Ca 92408

Re: Invoice for 2011 Storage of Regulated Water **(Invoice # WBP2012-04)**

Dear Mr. Headrick,

Pursuant to the *Agreement Between Kern Delta Water District and The San Bernardino Valley Municipal Water District for a Water Management Program,* dated October 26, 2011; please accept this letter as an invoice.

Agreement Section	Title	Rate ($/af)	Delivered Water (af)	Cost ($)
1.20	Participation Payment	40.00	30,000	$1,200,000.00
5.5.1	OM&R Spreading	3.51	30,000	$105,300.00
5.5.3	OM&R Delivery Canal	19.88	30,000	$596,400.00
5.4.1	CVC Power (variable)*	Pass Through		$232,976.36
5.4.1	Exchange Cost (Rosedale)*	Pass Through		$66,227.92
5.4.1	Exchange Cost (BVWSD)*	Pass Through		$128,967.48
			Total Due	**$2,329,862.77**

* See attachment 1 for detailed cost breakdown

APPROVE FOR PAYMENT
Initials DM
Date 6/12/12
Project Name _____
Project Number _____
Invoice to be billed to other Entity ☐
Entity Name _____
% split or EBX Reach # _____

After this invoice, the summary of Regulated Water is as follows:

Deliveries	Regulated Water	Returned Water	Remaining Water
30,000 af	26,700 af	0 af	26,700 af

Please remit payment to:

Kern Delta Water District
501 Taft Highway
Bakersfield, Ca 93307

Thank you for your help in this matter. If you have any questions please call me at (661) 834-4656.

Sincerely,

L. Mark Mulkay

L. Mark Mulkay
General Manager
Kern Delta Water District

Enclosure(s)

Melded CVC cost (acft)	Total 2011 CVC Cost	MWD Portion of CVC Cost	Valley District Portion of CVC Cost
Acre-feet	90,139	60,139	30,000
KCWA CVC Cost	$699,981.50	$467,014.14	$232,967.36
Rosedale/ID4	$198,990.63	$132,762.71	$66,227.92
BVWSD Exchange Cost	$387,500.00	$258,532.52	$128,967.48

KCWA -- CVC Conveyance Cost		
Invoice Number	acft	dollars
24249	1632	$22,039.25
24291	1503	$6,581.25
24487 &24466	4887	$109,370.25
24810 & 24805	3959	$93,655.75
24924 & 24969	1552	$26,491.00
25021 & 25023	3998	$45,822.00
25088 & 25085	3858	$59,841.75
25191 & 25193	12530	$202,161.00
25328 & 25331	6536	$109,299.75
25429&25445	2868	$24,719.50
	43323	$699,981.50

ID#4 Exchange Cost	
acft	dollars
926	$19,298.00
817	$15,874.00
803	$7,395.75
1681	$22,263.75
4227	$64,831.50

Rosedale Exchange Cost		
Invoice Number	acft	dollars
1003	763	$4,959.50
1013	542	$6,168.00
1014	2541	$17,205.50
1015/1016	6801	$38,300.13
1017/1018	9308	$67,526.00
	19955	$134,159.13

Kern Delta Water District's Use of Improvement District No. 4's CVC Capacity

September 2011 through February 2012

	Kern Delta Wheeling through ID4 Capacity in CVC Pools 1-6*							
	Sep-11	Oct-11	Oct - 11**	Nov-11	Dec-11	Jan-12	Feb-12	Total
Pump Plant 1	926	394	423	803	1,681	-	-	4,227
Pump Plant 2	926	394	423	803	1,681	-	-	4,227
Pump Plant 3	926	258	423	447	1,410	-	-	3,464
Pump Plant 4	926	258	423	447	1,410	-	-	3,464
Pump Plant 5	926	258	423	447	1,410	-	-	3,464

	KDWD Wheeling Amount through CVC Extension***							
	Sep-11	Oct-11	Oct - 11**	Nov-11	Dec-11	Jan-12	Feb-12	Total
Pump Plant 6	526	128	423	340	1,306	4,858	6,386	13,967
AEWSD TO	*392*	*24*		*74*	*513*	-	*4,776*	*5,779*
KDWD to CVC Extension	**134**	**104**	**423**	**266**	**793**	**4,858**	**1,610**	**8,188**
Unlined Losses	*10*	*16*	*34*	*29*	*67*		*337*	*493*
RTO3	*124*	*88*	*388*	*237*	-		-	*837*
Pump Plant 7	-	-	-	-	726	4,858	1,273	6,857
Unlined Losses					*66*	*766*	*307*	*832*
RTO4	-	-	-	-	*660*	*4,092*	*966*	*5,718*
KCWA Power Invoice No.	24839	24991	pending	25125	25126	NA	NA	
Power Amount Billed	$19,298.00	$6,168.00	$9,706.00	$7,395.75	$22,263.75	$0.00	$0.00	

*Pursuant to the Letter Agreement between Improvement District No. 4 and Kern Delta Water District dated September 21, 2011.

**Pending invoice correction from CVC.

***Pursuant to the Agreement between Improvement District No. w and Kern Delta Water District dated February 25, 2004.

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
12/14/2011	1/13/2012

INVOICE NO. 24839

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0034-1310
450B-5131

INVOICE

IMPROVEMENT DISTRICT NO. 4

Estimated Power Costs for Kern Delta Water District's Use of
Improvement District No. 4's Cross Valley Canal Capacity
Pursuant to the Letter Agreement between Improvement District No. 4 and Kern Delta Water District dated September 21, 2011.

Canal Reach	Pumping Plant	Delivered *af*	Rate *$/af*	Total Charges
1	1	926	$3.25	$3,009.50
1	2	926	$3.25	$3,009.50
2	3	926	$3.25	$3,009.50
2	4	926	$3.25	$3,009.50
2	5	926	$5.00	$4,630.00
3	6	526	$5.00	$2,630.00
		3,704		$19,298.00

TOTAL AMOUNT DUE **$19,298.00**

CRS

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
1/11/2012	2/10/2012

INVOICE NO. 24991

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0034-1310
450B-5131

INVOICE

IMPROVEMENT DISTRICT NO. 4

Estimated Power Costs for Kern Delta Water District's Use of
Improvement District No. 4's Cross Valley Canal Capacity
Pursuant to the Letter Agreement between Improvement District No. 4 and Kern Delta Water District dated September 21, 2011.

Canal Reach	Pumping Plant	Delivered *af*	Rate *$/af*	Total Charges
1	1	394	$3.25	$1,280.50
1	2	394	$3.25	$1,280.50
2	3	258	$3.25	$838.50
2	4	258	$3.25	$838.50
2	5	258	$5.00	$1,290.00
3	6	128	$5.00	$640.00
				$6,168.00

TOTAL AMOUNT DUE **$6,168.00**

D. SEMAE 1·11·12

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☒ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
2/15/2012	3/16/2012

INVOICE NO. 25125

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0034-1310
450B-4610

INVOICE

IMPROVEMENT DISTRICT NO. 4

Estimated Power Costs for Kern Delta Water District's Use of
Improvement District No. 4's Cross Valley Canal Capacity during November 2011
Pursuant to the Letter Agreement between Improvement District No. 4 and Kern Delta Water District dated September 21, 2011.

Canal Reach	Pumping Plant	Delivered *af*	Rate *$/af*	Total Charges
1	1	803	$2.25	$1,806.75
1	2	803	$2.25	$1,806.75
2	3	447	$2.25	$1,005.75
2	4	447	$2.25	$1,005.75
2	5	447	$2.25	$1,005.75
3	6	340	$2.25	$765.00
				$7,395.75

TOTAL AMOUNT DUE **$7,395.75**

D. SOMAR 2.15.12 | | |
Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☒ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
2/15/2012	3/16/2012

INVOICE NO. 25126

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0034-1310
450B-4610

INVOICE

IMPROVEMENT DISTRICT NO. 4

Estimated Power Costs for Kern Delta Water District's Use of
Improvement District No. 4's Cross Valley Canal Capacity during December 2011
Pursuant to the Letter Agreement between Improvement District No. 4 and Kern Delta Water District dated September 21, 2011.

Canal Reach	Pumping Plant	Delivered *af*	Rate *$/af*	Total Charges
1	1	1,681	$2.25	$3,782.25
1	2	1,681	$2.25	$3,782.25
2	3	1,681	$2.25	$3,782.25
2	4	1,410	$2.25	$3,172.50
2	5	1,410	$2.25	$3,172.50
3	6	1,306	$2.25	$2,938.50
Extension	7	726	$2.25	$1,633.50
				$22,263.75

TOTAL AMOUNT DUE **$22,263.75**

D. Sense 2.15.12 DRB

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
09/22/2011	10/24/2011

INVOICE NO. 24291

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
561B-4402

Cross Valley Canal
April 2011

Estimated power costs for deliveries of Kern Delta Water District Metropolitan Water District SWP supplies delivered to the N-2 Siphon as part of an operational exchange for deliveries of Kern County Water Agency Member Unit (KCWA M/U) Federal Section 215 deliveries to the Arvin-Edison Turnout on the CVC as well as deliveries to the P-11 Turnout as part of an operational exchange with KCWA M/U's for Federal Section 215 supplies delivered off the Friant-Kern Canal delivered to the Arvin-Edison Intake Canal; adjust for lined losses.

Canal Reach	Pumping Plant	SWP MWD Volume AF	Rate $/AF	Pumping Costs $
1	1	1,503	2.25	3,381.75
1	2	1,422	2.25	3,199.50
2	3	0	2.25	0.00
2	4	0	2.25	0.00
2	5	0	2.25	0.00
3	6	0	2.25	0.00
Extension	7	0	2.25	0.00

TOTAL AMOUNT DUE **$6,581.25**

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
08/31/2011	09/30/2011

INVOICE NO. 24249

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
WATER B.P.

VENDOR	K0241
INVOICE #	24249
P.O. #	DWR
DATE	8-31-
AMOUNT	22,039.25
ACCT. CODE	40540

859
10/12/11

Cross Valley Canal
March 2011

Estimated power costs for deliveries of Kern Delta Water District SWP Article 21 supplies, Metropolitan Water District SWP supplies delivered to the Arvin-Edison Turnout as well as an operational exchange of Article 21 deliveries to the North and South Strand Ranch Turnouts for a like amount of Federal supplies delivered to River Turnout No. 2; adjust for lined losses.

Canal Reach	Pumping Plant	SWP Article 21 Volume AF	SWP MWD Volume AF	Rate $/AF	Pumping Costs $
1	1	999	1,632	2.25	5,919.75
1	2	998	1,631	2.25	5,915.25
2	3	762	1,630	2.25	5,382.00
2	4	182	1,629	2.25	4,074.75
2	5	77	1,626	2.25	3,831.75
3	6	8	1,617	2.25	3,656.25
Extension	7	0	0	2.25	0.00

TOTAL AMOUNT DUE **$28,779.75**

OF THE $28,779.75 K.D.W.D. PAID $6,740.50
BANKING PAID $22,039.25

Requested By	Prepared By	Approved By	Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
11/22/2011	12/22/2011

INVOICE NO. 24487

RECEIVED
NOV 28 2011

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1100
580B-4430
020A-5103
0102-1100

Cross Valley Canal
August 2011

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of Metropoitan WD State Water Project supplies to Arvin-Edison WSD and Rosedale Rio-Bravo WSD as well as an operational exchange of Kern County Water Agency Member Units' Lower River water supplies; adjusted for lined losses. Kern Delta Water District State Water Project Table A supplies were delivered to the Section 4 Turnout as part of an operational exchange with Semitropic WSD Lower River supplies of the Kern River Channel.

Reach	KDWD SWP Volume AF	MWD SWP Volume AF	Kern River Operational Exchange Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	208	4,887	0	1.00	5,095.00
2	208	4,880	750	1.00	5,838.00
3	0	2,817		1.00	2,817.00

Total Amount Due 13,750.00

TOTAL AMOUNT DUE $ 13,750.00

[1] Conveyance Fee $1.00 per Reach.

4.68%
562.00 - 54600
13,188.00 - 40530
DWR

VENDOR Ko841
INVOICE # 24487
P.O. # DWR
DATE 11-22-11
AMOUNT 13,188.00
ACCT. CODE 40530
12/1/11

WATER B.P.

Requested By	Prepared By	Approved By	Approved By
☑ ORIGINAL ☐ REMITTANCE ☐ FILE			☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
12/12/2011	01/11/2012

INVOICE NO. 24810

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1100
580B-4430
020A-5103
0102-1100

Cross Valley Canal
September 2011

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of Metropoitan WD State Water Project supplies to Arvin-Edison WSD and Rosedale Rio-Bravo WSD as well as an operational exchange of Kern County Water Agency Member Units' Lower River water supplies; adjusted for lined losses. Kern Delta Water District State Water Project Table A supplies were delivered to the Section 4 Turnout as part of an operational exchange with Semitropic WSD Lower River supplies of the Kern River Channel.

Reach	MWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	3,959	1.00	3,959.00
2	3,952	1.00	3,952.00
3	3,280	1.00	3,280.00
		Total Amount Due	11,191.00

TOTAL AMOUNT DUE **$ 11,191.00**

[1] Conveyance Fee $1.00 per Reach.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

RECEIVED
DEC 14 2011

December 12, 2011

Directors:

Ted R. Page
Division 1

Terry Rogers
Vice President
Division 2

Randell Parker
Division 3

Michael Radon
President
Division 4

Adrienne J. Mathews
Division 5

William W. Van Skike
Division 6

Gene A. Lundquist
Division 7

James M. Beck
General Manager

Amelia T. Minaberrigarai
General Counsel

Mr. Mark Mulkay
Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

Re: Estimated power and conveyance invoices for September 2011; Cross Valley Canal Water Balance Summaries for September 2011

Dear Mr. Mulkay:

Enclosed are the above referenced documents for your records and remittance. If you have any questions or require further information, please call me at (661) 634-1491.

Sincerely,

Trent Taylor
Water Resources Planner
Kern County Water Agency

Enclosures

(661) 634-1400

Mailing Address
P.O. Box 58
Bakersfield, CA 93302-0058

Street Address
3200 Rio Mirada Dr.
Bakersfield, CA 93308

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
11/22/2011	12/22/2011

INVOICE NO. 24466

RECEIVED
NOV 28 2011

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
561B-4402

Cross Valley Canal
August 2011

Estimated power costs for deliveries of Kern Delta Water District Metropolitan Water District SWP supplies delivered to Rosedale Rio-Bravo WSD and Arvin-Edison WSD as well as an operational exchange delivery with Kern County Water Agency Member Units' (750 af) delivered to the Section 4 Turnout; adjust for lined losses. Kern Delta WD also delivered their own SWP Table A supplies (303 af) to River Turnout No. 1 as part of an operational exchange with Semitropic WSD for Semitropic WSD Lower River supplies delivered to Kern Delta WD off the Kern River Channel.

Canal Reach	Pumping Plant	MWD SWP Volume AF	KDWD SWP Volume AF	Rate $/AF	Pumping Costs $
			5091		
1	1	4,883	208	3.25	16,545.75
1	2	4,880	208	3.25	16,536.00
2	3	4,877	208	3.25	16,526.25
2	4	4,357	208	3.25	14,836.25
2	5	4,354	0	5.00	21,770.00
3	6	2,813	0	5.00	14,065.00
Extension	7	0	0	5.00	0.00

4 %

TOTAL AMOUNT DUE **$100,279.25**

DWR

4,097.00 — 54600
96,182.25 — 40540

WATER B.P.

VENDOR K0841
INVOICE # 24466
P.O. # DWR
DATE 11-28-11
AMOUNT 96,182.25
ACCT. CODE

12/14/11

Requested By ☑ ORIGINAL ☐ REMITTANCE
Prepared By ☐ FILE
Approved By ☐ ACCOUNTING
Approved By ☐ NUMERICAL CONTROL

Cross Valley Canal

August 2011 Deliveries - Gross AF

	Points of Entry				
	Tupman T/O SWP (AF)	CVC/Friant-Kern Intertie CVP (AF)	Pionner Inlet KR (AF)	KCWA Arnco Reverse SWP Exch. (AF)	CVC Total (AF)
Deliveries by Turnout:					
N-2 Siphon	1,204	-	-	-	1,204
Rosedale Rio Bravo Turnout No. 1	5,066	-	-	-	5,066
Strand Siphons	2,287	-	-	-	2,287
North Strand Ranch Turnout	2,507	-	-	-	2,507
South Strand Ranch Turnout	742	-	-	-	742
Kern Water Bank P-11 Turnout	2,420	-	-	-	2,420
Nord Siphons	339	-	-	-	339
Section 4 Turnout	5,514	-	-	-	5,514
River Turnout No. 1	3,136	-	-	-	3,136
Rosedale Rio Bravo Turnout No. 2	2,237	750	-	-	2,987
River Turnout No. 2	1,277	-	-	-	1,277
Arvin-Edison Turnout	18,754	-	-	-	18,754
Lined Losses - Pools 1-6	126	-	-	-	126
Unlined Losses - Pool 7	355	-	-	-	355
River Turnout No. 4 to River	5,121	-	-	-	5,121
Calloway Turnout	2,747	-	-	-	2,747
Henry C. Garnett Treatment Plant	-	-	-	3,959	3,959
Cawelo Pump Station 'A'	742	-	-	-	742
Unlined Losses - Pool 8	292	-	-	-	292
Total	54,866	750	-	3,959	59,575
Deliveries by Turnout/Owner:					
N-2 Siphon					
Improvement District No. 4	35	-	-	-	35
Kern County Water Agency	271	-	-	-	271
Kern-Tulare WD - KCWA M/U	564	-	-	-	564
Lower Tule River ID - KCWA M/U	21	-	-	-	21
Pixley ID - KCWA M/U	313	-	-	-	313
Rosedale-Rio Bravo Turnout No. 1					
Rosedale-Rio Bravo WSD - AEWSD	4,303	-	-	-	4,303
Rosedale-Rio Bravo WSD - KDWD	763	-	-	-	763
Strand Siphons					
Improvement District No. 4	86	-	-	-	86
Kern County Water Agency	503	-	-	-	503
Kern-Tulare WD - KCWA M/U	1,057	-	-	-	1,057
Lower Tule River ID - KCWA M/U	52	-	-	-	52
Pixley ID - KCWA M/U	589	-	-	-	589
North Strand Turnout					
Kern County Water Agency	531	-	-	-	531
Kern-Tulare WD - KCWA M/U	1,248	-	-	-	1,248
Pixley ID - KCWA M/U	728	-	-	-	728
South Strand Turnout					
Kern County Water Agency	165	-	-	-	165
Kern-Tulare WD - KCWA M/U	371	-	-	-	371
Pixley ID - KCWA M/U	206	-	-	-	206
Kern Water Bank P-11 Turnout					
Improvement District No. 4	473	-	-	-	473
Kern County Water Agency	359	-	-	-	359
Kern-Tulare WD - KCWA M/U	822	-	-	-	822
Lower Tule River ID - KCWA M/U	290	-	-	-	290
Pixley ID - KCWA M/U	476	-	-	-	476
Nord Siphons					
Improvement District No. 4	211	-	-	-	211
Lower Tule River ID - KCWA M/U	128	-	-	-	128
Section 4 Turnout					
Improvement District No. 4	147	-	-	-	147
Kern County Water Agency	1,031	-	-	-	1,031
Kern Delta Water District	516				516
Kern-Tulare WD - KCWA M/U	2,360	-	-	-	2,360
Lower Tule River ID - KCWA M/U	89	-	-	-	89
Pixley ID - KCWA M/U	1,371	-	-	-	1,371
River Turnout No. 1					
Improvement District No. 4	173	-	-	-	173
Kern County Water Agency	539	-	-	-	539
Kern Delta Water District	208	-	-	-	208
Kern-Tulare WD - KCWA M/U	1,316	-	-	-	1,316
Lower Tule River ID - KCWA M/U	105	-	-	-	105
Pixley ID - KCWA M/U	795	-	-	-	795
Rosedale Rio Bravo Turnout No. 2					
Kern County Water Agency	191	-	-	-	191
Kern Delta Water District	1,537	750	-	-	2,287
Kern-Tulare WD - KCWA M/U	332	-	-	-	332
Pixley ID - KCWA M/U	177	-	-	-	177
River Turnout No. 2					
Kern County Water Agency	299	-	-	-	299
Kern-Tulare WD - KCWA M/U	640	-	-	-	640
Pixley ID - KCWA M/U	338	-	-	-	338
Arvin-Edison Turnout					
Arvin-Edison WSD (Existing)	887	-	-	-	887
Arvin-Edison WSD (New)	1,936	-	-	-	1,936
Cawelo WD - AEWSD	2,694	-	-	-	2,694
County of Fresno - AEWSD	726	-	-	-	726
County of Tulare - AEWSD	726	-	-	-	726
Hills Valley ID - AEWSD	518	-	-	-	518
Improvement District No. 4	4,244	-	-	-	4,244
Kern County Water Agency	442	-	-	-	442
Kern Delta Water District	2,813	-	-	-	2,813
Kern-Tulare WD - KCWA M/U	607	-	-	-	607
Lower Tule River ID - KCWA M/U	2,601	-	-	-	2,601
Pixley ID - KCWA M/U	323	-	-	-	323
Tri-Valley WD - AEWSD	237	-	-	-	237
Lined Losses - Pools 1-6					
Arvin-Edison WSD (New)	48	-	-	-	48
Cawelo WD - AEWSD	11	-	-	-	11
Improvement District No. 4	17	-	-	-	17
Kern County Water Agency	29	-	-	-	29
Kern Delta Water District	21	-	-	-	21
Unlined Losses - Pools 7					
Improvement District No. 4	355	-	-	-	355
River Turnout No. 4					
Improvement District No. 4	5,121	-	-	-	5,121
Calloway Turnout					
Cawelo WD	2,747	-	-	-	2,747
Cawelo Pump Station 'A'					
Cawelo WD	742	-	-	-	742
Henry C. Garnett Treatment Plant:					
Improvement District No. 4	-	-	-	3,959	3,959
Unlined Losses - Pools 8					
Improvement District No. 4	292	-	-	-	292
Total	54,866	750	-	3,959	59,575
Existing Participant Deliveries	*19,890*	-	-	*3,959*	*14,693*
New Participant Deliveries	34,976	750	-	-	44,882
	54,866	750	-	3,959	59,575

Shading denotes forward flow deliveries based on each point of entry into the CVC: _/_ denotes pools / pump plants utilized (for forward flow).

Kern County Water Agency

Cross Valley Canal - Tupman Turnout Water Balance

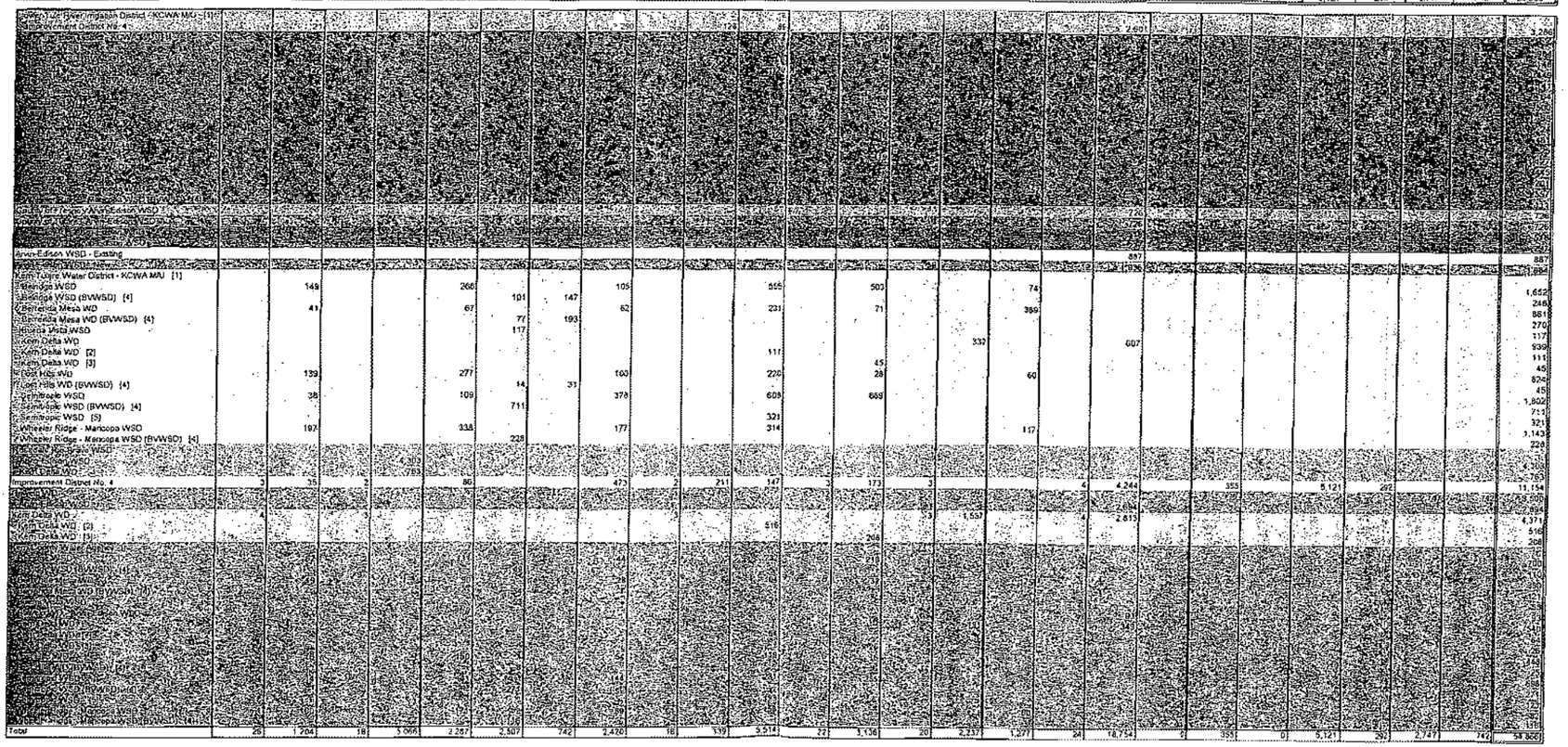
State Water Project Deliveries

Month of August 2011

Subject to Adjustment

November 22, 2011
2:09 PM

	Reach 1				Reach 2																					
	Pool 1	Pool 2			Pool 3						Pool 4		Pool 5			Pool 6	Reach 3						Extension			
																	Pool 7				Stage 8					
Date	CVC Losses SWP	N-2 Siphon SWP	CVC Losses SWP	RRB 1 Turnout SWP	Strand Siphons SWP	North Strand Turnout SWP	South Strand Turnout SWP	KWB P-11 Turnout SWP	CVC Losses SWP	Nord Siphons SWP	Section 4 Pump SWP	CVC Losses SWP	RTO 1 Turnout SWP	CVC Losses SWP	RRB 2 Turnout SWP	RTO 2 Turnout SWP	CVC Losses SWP	AEWSD T.O SWP	KTWD Siphons SWP	Unlined Losses SWP	RTO 3 River SWP	RTO 4 Turnout SWP	Unlined Losses SWP	Calloway Turnout SWP	Cawelo PSA SWP	T/O Total SWP
1	1	0	0	30	25	58	21	25	0	0	99	1	226	0	109	0	0	62	0	7	0	100	6	115	0	851
2	0	0	1	31	0	60	21	0	0	0	90	0	224	0	105	0	1	109	0	7	0	99	5	121	0	884
3	1	0	0	30	0	55	19	0	1	0	90	0	230	1	103	0	0	109	0	7	0	93	5	125	25	895
4	0	0	0	60	0	46	17	0	0	0	90	1	197	0	48	0	0	207	0	6	0	73	5	126	25	903
5	1	0	1	87	0	48	18	0	0	0	90	0	122	0	0	0	0	283	0	6	0	57	5	123	25	865
6	0	0	0	90	0	48	19	0	0	0	90	0	121	1	0	0	0	287	0	6	0	55	5	126	25	873
7	1	0	0	90	0	55	18	0	1	0	90	1	105	0	0	0	0	299	0	6	0	55	5	125	25	878
8	0	0	0	90	0	57	20	0	0	0	90	0	105	0	0	0	0	297	0	6	0	55	5	122	25	873
9	0	0	1	90	0	58	19	0	0	0	90	0	109	1	0	0	1	296	0	6	0	55	5	122	25	878
10	1	0	0	90	0	55	20	0	0	0	90	1	103	0	0	0	0	301	0	6	0	54	5	121	25	872
11	0	0	0	90	0	58	20	0	1	0	90	0	45	0	0	0	0	307	0	6	0	54	5	119	25	827
12	1	0	1	90	0	52	18	63	0	0	90	0	0	1	1	59	0	357	0	6	0	55	5	45	22	852
13	0	31	0	90	46	52	18	71	0	0	90	1	0	0	0	21	0	349	0	6	0	100	5	0	22	698
14	1	59	0	90	68	58	20	71	0	0	90	0	0	0	0	10	0	338	0	6	0	102	5	0	22	696
15	0	51	0	86	60	54	20	43	1	0	90	0	0	1	0	0	0	379	0	6	0	101	5	0	21	918
16	1	49	1	77	61	55	20	36	0	0	90	1	0	0	0	7	0	400	0	6	0	89	5	0	22	971
17	0	49	0	78	61	58	20	32	0	0	89	0	0	0	0	12	0	400	0	6	0	79	5	0	22	902
18	0	48	0	86	61	58	17	30	0	0	90	0	0	1	0	15	0	393	0	6	0	71	5	0	9	892
19	1	49	1	90	60	58	18	30	1	0	90	1	0	0	0	24	0	405	0	6	0	69	5	0	0	905
20	0	14	0	90	61	70	19	29	0	0	89	0	0	0	0	48	0	397	0	6	0	70	5	0	0	890
21	0	0	0	90	62	26	8	40	0	0	89	0	0	1	0	55	37	376	0	6	0	100	4	0	0	886
22	1	0	0	90	61	0	0	52	0	0	89	1	0	0	0	55	62	399	0	5	0	110	4	0	0	930
23	0	0	1	91	61	0	0	52	1	0	89	0	0	0	0	55	61	386	0	5	0	88	4	0	0	894
24	1	0	0	91	61	0	0	52	0	0	90	0	0	1	0	56	62	375	0	5	0	95	4	0	0	893
25	0	0	0	91	60	10	0	55	0	5	89	1	0	0	0	55	61	327	0	5	0	116	4	0	0	905
26	0	33	1	91	60	18	0	56	0	14	90	0	0	0	0	55	61	327	0	5	0	115	4	0	0	930
27	1	51	0	90	59	18	0	63	1	31	90	0	0	1	0	56	59	291	0	5	0	94	4	0	0	914
28	0	46	0	90	58	19	0	101	0	31	89	1	0	0	0	55	58	255	0	5	0	89	4	0	0	903
29	0	46	0	91	58	18	0	105	0	31	89	0	0	0	0	55	60	237	0	5	0	88	4	0	0	888
30	1	66	1	90	58	18	0	101	0	31	89	0	0	1	0	56	62	258	0	5	0	90	4	0	0	912
31	0	45	0	90	58	17	0	102	1	33	89	1	0	0	0	55	61	238	0	5	0	90	4	0	0	899
CFS	13	807	9	2,934	1,153	1,284	374	1,220	8	171	2,780	11	1,583	10	1,128	644	12	9,455	0	178	0	2,582	147	1,386	374	27,061
AF	26	1,204	18	5,066	2,287	2,567	742	2,420	16	339	5,514	22	3,136	20	2,237	1,277	24	18,754	0	355	0	5,121	292	2,747	742	54,866



NOTES:

[1] Kern County Water Agency Member Units' made deliveries of Federal Section 215 supplies utilizing Lower-Tule River Irrigation District, Pixley Irrigation District and Kern-Tulare Water District capacities per long-term agreements which allow for KCWA MIU's to utilize unused capacities.

[2] Deliveries of Kern Delta WD Metropolitan SWP supplies (750 af) to the Section 4 Turnout were made to the Kern County Water Agency Member Units as part of an operational exchange of KCWA MIU Lower River supplies CVC Pool 5 through the Pioneer Inlet (which was then delivered by Kern Delta WD to Rosedale Turnout No. 2).

[3] Deliveries of Kern Delta WD SWP Table A supplies (303 af) to the River Turnout No. 1 were made to Semitropic WSD as part of an operational exchange of Semitropic WSD Lower River supplies delivered to Kern Delta WD off the Kern River Channel in August 2011.

[4] Deliveries of KCWA MIU water to Buena Vista WSD at the North and South Strand Ranch Turnout (3,015 af) were part of an operational exchange with Buena Vista WSD Kern River supplies delivered to the Berrenda Mesa and Pioneer Projects off the Kern River Channel.

[5] Deliveries by Semitropic WSD to the Section 4 Turnout (645 af) were part of an operational exchange with KCWA MIU Lower River water delivered off the Kern River Channel to the Pioneer Project (645 af).

	CVC Losses	N-2 Siphon	CVC Losses	RRB 1 Turnout	Strand Siphons	Strand Turnout	Strand Turnout	KWB P-11 Turnout	CVC Losses	Nord Siphons	Section 4 Pump	CVC Losses	RTO 1 Turnout	CVC Losses	RRB 2 Turnout	RTO 2 Turnout	CVC Losses	AEWSD T.O	KTWD Siphons	Unlined Losses	RTO 3 River	RTO 4 Turnout	Unlined Losses	Calloway Turnout	Cawelo PSA	T/O Total
Arvin-Edison WSD	6		8	4,363					5			8		9			12	7,617								12,160
Berridge WSD	3	390	2		536	210	296	212	2		1,317	2	1,612	1		146										3,842
Berrenda Mesa WD	1	82			132	151	381	123			455		140			766	1									2,232
Buena Vista WSD						234																				234
Cawelo WD	2		1						1			2		2			3							2,747	742	3,500
Improvement District No. 4	3	58	2		138			763	2	339	239	3	228	3			4	6,845		355		5,121	292			14,440
Kern Delta WD	4		3	763					3		750	4	303	3	2,237		4	4,092								8,166
Dist Hills WD		297			589	30	65	212			457		60			126										1,848
Semitropic WSD	4	76	3		218	1,427		758	2		1,864	2	1,343	2												5,699
Wheeler Ridge - Maricopa WSD	1	393	1		674	455		357	1		625	1				234										2,737
Total	26	1,204	18	5,066	2,287	2,567	742	2,420	16	339	5,514	22	3,136	20	2,237	1,277	24	18,754	0	355	0	5,121	292	2,747	742	54,866

Kern County Water Agency

Cross Valley Canal - Pioneer Canal Inlet Water Balance

Kern River Deliveries

Month of August 2011

Subject to Adjustment

November 22, 2011
9:06 AM

		Reach 1			Reach 2										Reach 3						
		Pool 1	Pool 2	Pool 3						Pool 4			Pool 5		Pool 6			Pool 7	Pool 8			
Date	California Aqueduct KR	CVC Losses	CVC Losses	RRB 1	Strand Siphons	North Strand Turnout	South Strand Turnout	KWB P-11 Turnout	CVC Losses	Section 4 Turnout	Nord Siphons	CVC Losses	CVC Losses	Pioneer Inlet	RRB 2	CVC Losses	AEWSD Turnout	Unlined Losses	Unlined Losses	Calloway Turnout	ID4 WTP	System Loss/ Storage
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0	0	0	29	29	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0	0	0	35	35	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	34	34	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0	0	45	45	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0	0	0	58	58	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0	0	0	48	48	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	43	43	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0	0	0	0	0	0	0	43	43	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	35	35	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	8	8	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	378	0	0	0	0	0	0	0
AF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	750	0	0	0	0	0	0	0
KCWA Lower River Supplies [1]														0	750							
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	750	0	0	0	0	0	0	0

NOTES:

[1] Deliveries of Kern County Water Agency Lower River supplies in CVC Pool 5 to Kern Delta WD are part of an operational exchange of KCWA M/U Lower River supplies for Kern Delta WD SWP supplies delivered in forward flow to the Section 4 Turnout.

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
12/12/2011	01/11/2012

INVOICE NO. 24805

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
561B-4402

Cross Valley Canal
September 2011

Estimated power costs for deliveries of Kern Delta Water District Metropolitan Water District SWP supplies delivered to River Turnout No. 2 and 3, Rosedale Rio-Bravo WSD and Arvin-Edison WSD; adjust for lined losses.

Canal Reach	Pumping Plant	MWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	3,955	3.25	12,853.75
1	2	3,952	3.25	12,844.00
2	3	3,950	3.25	12,837.50
2	4	3,946	3.25	12,824.50
2	5	3,940	5.00	19,700.00
3	6	2,281	5.00	11,405.00
Extension	7	0	5.00	0.00

TOTAL AMOUNT DUE **$82,464.75**

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Cross Valley Canal

September 2011 Deliveries - Gross AF

	Points of Entry				
	Tupman T/O SWP (AF)	CVC/Friant-Kern Intertie CVP (AF)	Pioneer Inlet KR (AF)	KCWA Arnco Reverse SWP Exch. (AF)	CVC Total (AF)
Deliveries by Turnout:					
N-2 Siphon	2,366	-	-	-	2,366
Rosedale Rio Bravo Turnout No. 1	5,109	-	-	-	5,109
Strand Siphons	3,142	-	-	-	3,142
North Strand Ranch Turnout	1,666	-	-	-	1,666
Kern Water Bank P-11 Turnout	3,759	-	-	-	3,759
Nord Siphons	1,825	-	-	-	1,825
Section 4 Turnout	5,100	-	-	-	5,100
River Turnout No. 1	8,257	-	-	-	8,257
Rosedale Rio Bravo Turnout No. 2	2,148	-	-	-	2,148
River Turnout No. 2	5,288	-	-	-	5,288
Arvin-Edison Turnout	10,332	-	-	-	10,332
Lined Losses - Pools 1-6	124	-	-	-	124
River Turnout No. 3 to River	1,212	-	-	-	1,212
Unlined Losses - Pool 7	121	-	-	-	121
Henry C. Garnett Treatment Plant	-	-	-	3,709	3,709
Total	50,449	-	-	3,709	54,158
Deliveries by Turnout/Owner:					
N-2 Siphon					
Cawelo WD	67	-	-	-	67
Improvement District No. 4	71	-	-	-	71
Kern County Water Agency	370	-	-	-	370
Kern-Tulare WD - KCWA M/U	917	-	-	-	917
Lower Tule River ID - KCWA M/U	439	-	-	-	439
Pixley ID - KCWA M/U	502	-	-	-	502
Rosedale-Rio Bravo Turnout No. 1					
Kern County Water Agency	34	-	-	-	34
Kern-Tulare WD - KCWA M/U	74	-	-	-	74
Lower Tule River ID - KCWA M/U	38	-	-	-	38
Pixley ID - KCWA M/U	22	-	-	-	22
Rosedale-Rio Bravo WSD	3,021	-	-	-	3,021
Rosedale-Rio Bravo WSD - AEWSD	1,608	-	-	-	1,608
Rosedale-Rio Bravo WSD - KDWD	312	-	-	-	312
Strand Siphons					
Improvement District No. 4	206	-	-	-	206
Kern County Water Agency	480	-	-	-	480
Kern-Tulare WD - KCWA M/U	1,182	-	-	-	1,182
Lower Tule River ID - KCWA M/U	628	-	-	-	628
Pixley ID - KCWA M/U	646	-	-	-	646
North Strand Turnout					
Kern County Water Agency	226	-	-	-	226
Kern-Tulare WD - KCWA M/U	629	-	-	-	629
Lower Tule River ID - KCWA M/U	320	-	-	-	320
Pixley ID - KCWA M/U	342	-	-	-	342
Rosedale-Rio Bravo WSD	149	-	-	-	149
Kern Water Bank P-11 Turnout					
Cawelo WD	69	-	-	-	69
Improvement District No. 4	759	-	-	-	759
Kern County Water Agency	372	-	-	-	372
Kern-Tulare WD - KCWA M/U	1,052	-	-	-	1,052
Lower Tule River ID - KCWA M/U	878	-	-	-	878
Pixley ID - KCWA M/U	629	-	-	-	629
Nord Siphons					
Improvement District No. 4	425	-	-	-	425
Kern County Water Agency	196	-	-	-	196
Kern-Tulare WD - KCWA M/U	494	-	-	-	494
Lower Tule River ID - KCWA M/U	438	-	-	-	438
Pixley ID - KCWA M/U	272	-	-	-	272
Section 4 Turnout					
Improvement District No. 4	131	-	-	-	131
Kern County Water Agency	679	-	-	-	679
Kern-Tulare WD - KCWA M/U	1,706	-	-	-	1,706
Lower Tule River ID - KCWA M/U	811	-	-	-	811
Pixley ID - KCWA M/U	936	-	-	-	936
Rosedale-Rio Bravo WSD	837	-	-	-	837
River Turnout No. 1					
Cawelo WD	3,477	-	-	-	3,477
Cawelo WD - AEWSD	856	-	-	-	856
Improvement District No. 4	637	-	-	-	637
Improvement District No. 4 - AEWSD	6	-	-	-	6
Kern County Water Agency	530	-	-	-	530
Kern-Tulare WD - KCWA M/U	1,216	-	-	-	1,216
Lower Tule River ID - KCWA M/U	870	-	-	-	870
Pixley ID - KCWA M/U	665	-	-	-	665
Rosedale Rio Bravo Turnout No. 2					
Cawelo WD - AEWSD	771	-	-	-	771
Improvement District No. 4 - AEWSD	6	-	-	-	6
Improvement District No. 4 - KDWSD	184	-	-	-	184
Kern County Water Agency	89	-	-	-	89
Kern Delta Water District	660	-	-	-	660
Kern-Tulare WD - KCWA M/U	136	-	-	-	136
Pixley ID - KCWA M/U	72	-	-	-	72
Rosedale-Rio Bravo WSD - KDWD	230	-	-	-	230
River Turnout No. 2					
Cawelo WD - AEWSD	174	-	-	-	174
Improvement District No. 4 - KDWSD	216	-	-	-	216
Kern County Water Agency	682	-	-	-	682
Kern Delta Water District	991	-	-	-	991
Kern-Tulare WD - KCWA M/U	1,682	-	-	-	1,682
Lower Tule River ID - KCWA M/U	620	-	-	-	620
Pixley ID - KCWA M/U	923	-	-	-	923
Arvin-Edison Turnout					
Arvin-Edison WSD (Existing)	887	-	-	-	887
Arvin-Edison WSD (New)	1,945	-	-	-	1,945
Cawelo WD - AEWSD	2,049	-	-	-	2,049
County of Fresno - AEWSD	726	-	-	-	726
County of Tulare - AEWSD	726	-	-	-	726
Hills Valley ID - AEWSD	518	-	-	-	518
Improvement District No. 4 - AEWSD	50	-	-	-	50
Improvement District No. 4 - KDWSD	392	-	-	-	392
Kern County Water Agency	463	-	-	-	463
Kern Delta Water District	1,895	-	-	-	1,895
Kern-Tulare WD - KCWA M/U	290	-	-	-	290
Pixley ID - KCWA M/U	154	-	-	-	154
Tri-Valley WD - AEWSD	237	-	-	-	237
Lined Losses - Pools 1-6					
Arvin-Edison WSD (New)	39	-	-	-	39
Cawelo WD - AEWSD	12	-	-	-	12
Improvement District No. 4	9	-	-	-	9
Kern County Water Agency	33	-	-	-	33
Kern Delta Water District	27	-	-	-	27
Rosedale-Rio Bravo WSD	4	-	-	-	4
Unlined Losses - Pools 7					
Improvement District No. 4	46	-	-	-	46
Kern Delta Water District	75	-	-	-	75
River Turnout No. 3					
Improvement District No. 4	627	-	-	-	627
Kern Delta Water District	585	-	-	-	585
Henry C. Garnett Treatment Plant:					
Improvement District No. 4	-	-	-	3,709	3,709
Total	50,449	-	-	3,709	54,158
Existing Participant Deliveries	*40,078*	-	-	*3,709*	*43,787*
New Participant Deliveries	10,371	-	-	-	10,371
	50,449	-	-	3,709	54,158

Shading denotes forward flow deliveries based on each point of entry into the CVC; _/_ denotes pools / pump plants utilized (for forward flow).

Cross Valley Canal - Tupman Turnout Water Balance

State Water Project Deliveries

Month of September 2011

Subject to Adjustment

December 12, 2011
11:16 AM

	Reach 1							Reach 2							Reach 3						Extension				
	Pool 1	Pool 2		Pool 3					Pool 4			Pool 5			Pool 6		Pool 7			Pool 8				
Date	CVC Losses SWP	N-2 Siphon SWP	CVC Losses SWP	RRB 1 Turnout SWP	Strand Siphons SWP	North Strand Turnout SWP	South Strand Turnout SWP	KWB P-11 Turnout SWP	CVC Losses SWP	Nord Siphons SWP	Section 4 Pump SWP	CVC Losses SWP	RTO 1 Turnout SWP	CVC Losses SWP	RRB 2 Turnout SWP	RTO 2 Turnout SWP	CVC Losses SWP	AEWSD T.O. SWP	KTWD Siphons SWP	Unlined Losses SWP	RTO 3 River SWP	RTO 4 Turnout SWP	Unlined Losses SWP	Calloway Turnout SWP	Cawelo PSA SWP	TO Total SWP
1	1	46	1	90	59	18	0	92	0	33	89	0	0	1	55	39	1	253	0	5	33	0	0	0	819
2	0	47	0	90	58	18	0	92	0	33	88	0	0	0	55	83	0	234	0	5	62	0	0	0	865
3	1	46	0	90	58	17	0	82	1	33	66	1	0	0	55	98	0	240	0	5	82	0	0	0	879
4	0	46	1	89	58	18	0	92	0	34	88	0	0	1	55	66	1	241	0	5	82	0	0	0	878
5	1	45	0	89	58	17	0	92	0	33	86	0	94	0	31	96	0	231	0	3	37	0	0	0	885
6	0	47	0	90	58	18	0	88	0	34	88	1	128	0	0	89	1	225	0	0	0	0	0	0	867
7	1	47	0	90	59	18	0	83	1	34	88	0	134	1	0	106	0	218	0	0	0	0	0	0	870
8	0	48	1	89	59	18	0	83	0	33	95	0	150	0	0	106	1	211	0	0	0	0	0	0	865
9	0	47	0	90	59	18	0	83	0	34	95	1	150	0	0	110	0	210	0	0	0	0	0	0	887
10	1	46	0	87	24	17	0	77	0	33	80	0	150	1	0	114	0	210	0	0	0	0	0	0	799
11	0	45	1	89	0	23	0	0	1	32	83	0	145	0	0	118	1	211	0	0	0	0	0	0	750
12	1	46	0	89	32	26	0	37	0	32	66	1	141	1	0	115	0	208	0	0	0	0	0	0	818
13	0	45	0	90	61	25	0	83	0	32	97	0	142	0	0	111	1	209	0	0	0	0	0	0	882
14	1	46	0	90	60	27	0	83	0	31	99	0	148	0	0	110	0	205	0	0	0	0	0	0	899
15	0	46	1	90	60	29	0	83	1	31	90	1	154	1	0	109	0	207	0	0	0	0	0	0	902
16	1	46	0	91	60	29	0	83	0	31	90	0	191	0	0	110	1	183	0	0	0	0	0	0	896
17	0	47	0	91	61	35	0	85	0	31	89	0	216	0	0	114	0	143	0	0	0	0	0	0	892
18	0	48	1	91	60	40	0	58	0	31	90	1	218	1	0	115	0	147	0	0	0	0	0	0	894
19	1	47	0	91	61	41	0	56	1	31	90	0	223	0	0	113	1	148	0	0	0	0	0	0	904
20	0	47	0	91	60	42	0	56	0	31	90	0	223	0	0	112	0	148	0	0	0	0	0	0	905
21	0	47	0	91	61	40	0	56	0	31	90	1	219	1	0	108	1	148	0	0	0	0	0	0	891
22	1	50	1	92	60	41	0	55	0	31	90	0	221	0	0	109	0	128	0	0	0	0	0	0	876
23	0	33	0	38	23	16	0	18	1	16	59	0	140	1	42	61	0	94	0	0	0	0	0	0	569
24	1	37	0	15	35	20	0	15	0	17	51	1	73	0	95	60	1	88	0	0	0	0	0	0	509
25	0	57	1	91	77	45	0	58	0	39	88	0	139	1	85	60	0	122	0	0	0	0	0	0	869
26	0	20	0	90	59	32	0	54	0	31	84	0	186	0	90	50	0	337	0	13	30	0	0	0	870
27	1	0	0	91	58	32	0	53	1	32	84	1	185	0	96	60	1	118	0	7	86	0	0	0	906
28	0	0	0	90	59	33	0	52	0	32	85	0	172	1	95	59	0	115	0	6	59	0	0	0	861
29	0	0	1	91	58	36	0	51	0	32	91	0	150	0	111	59	1	100	0	6	59	0	0	0	846
30	1	34	0	90	22	49	0	60	0	13	65	1	77	0	203	60	0	120	0	6	61	0	0	0	892
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFS	13	1,193	9	2,578	1,584	840	0	1,695	7	920	2,571	18	4,183	11	1,093	2,688	12	5,309	0	61	611	0	0	0	25,434
AF	26	2,368	18	5,109	3,142	1,666	0	3,359	14	1,825	5,100	20	8,257	22	2,148	5,288	24	10,532	0	121	1,212	0	0	0	50,449

Arvin-Edison WSD	15																								685
Barrenda Mesa WD	34															398									616
Buena Vista WSD					319																				319
Improvement District No. 4		40		117				433		242	75		353							17	226				1,510
Lost Hills WD		115		105				69			151		99			67									684
Rosedale Rio-Bravo WSD			38		2						11														51
Semitropic WSD		34		73				232		186	135		161												821
Wheeler Ridge - Maricopa WSD		97		119				81			186		88			76									607
Kern-Tulare Water District - KCWA MU [1]																									
Arvin-Edison WSD		155		200				85			218		135			102									895
Barrenda Mesa WD		149									149		108			550									852
Buena Vista WSD					342																				342
Kern Delta WD - [2]															172	102		154			32				364
Lost Hills WD		157		228				143			207		138			82									963
Rosedale Rio-Bravo WSD			23								16														38
Semitropic WSD		46		101				322		27	187		223												1,151
Wheeler Ridge - Maricopa WSD		96		117				278			162		95			72									595
County of Fresno - Arvin-Edison WSD																		726							726
County of Kern - Arvin-Edison WSD																		318							318
Kern Delta WD - Arvin-Edison WSD																		237							237
Wheeler Ridge - Maricopa WSD																		887							887
Arvin-Edison WSD - Existing																									
Kern-Tulare Water District - KCWA MU [1]																									
Belridge WSD		297		384				165			415		259			194									1,714
Berrenda Mesa WD		86									271		194			1,008									1,559
Buena Vista WSD					625																				625
Kern Delta WD - [2]															136	182		200		14	64				686
Lost Hills WD		239		411				164			376		244			165									1,643
Rosedale Rio-Bravo WSD			74		4						20														98
Semitropic WSD		84		184				565		424	341		406												2,054
Wheeler Ridge - Maricopa WSD		168		223				138			284		113			193									1,037
Rosedale Rio-Bravo WSD				3,031		149					837														4,011
Arvin-Edison WSD				1,606																					1,606
Kern Delta WD - [2]				312											220										542
Improvement District No. 4	2	71	2		206			759	2	425	131	1	637	1											2,660
Arvin-Edison WSD													6		6			50		29	399				62
Kern Delta WD - [2]															184	218		392		10	124				926
Kern County Water Agency																									
Arvin-Edison WSD - [3]													1,456			71		1,049							3,850
Cawelo WD - Belridge WSD - [3]	2		1					24				4	3,477	8		4									3,510
Kern Delta WD - [2]	2		1									4		8	680	994	8	1,886		44	342				3,958
Kern County Water Agency																									
Belridge WSD	1	116		149				61			181		167			175	1								672
Berrenda Mesa WD	1	94		6							158	2	70			400	2								631
Buena Vista WSD	1				224																				226
Cawelo WD - Arvin-Edison WSD - [3]	1											4	43		136	8		350							498
Kern Delta WD - [2]																159	74	113		3	23				266
Lost Hills WD	2	114		165				119			151		93				68								615
Rosedale Rio-Bravo WSD			34		2																				36
Semitropic WSD	3	34		78				231	2	198	138	2	162												844
Wheeler Ridge - Maricopa WSD	1	72		88				60			123		49			56									452
Total	26	2,368	18	5,109	3,142	1,666	0	3,759	14	1,825	5,100	20	8,257	22	2,148	5,288	24	10,332	0	121	1,212	0	0	0	50,449

NOTES:

[1] Kern County Water Agency Member Units' made deliveries of Federal Section 215 supplies utilizing Lower-Tule River Irrigation District, Pixley Irrigation District and Kern-Tulare Water District capacities per long-term agreements which allow for KCWA MU's to utilize unused capacities.

[2] Deliveries of Arvin-Edison WSD and Kern Delta WD MWD SWP Table A supplies to River Turnout No. 1 and 2 were delivered to the City of Bakersfield in lieu of Rosedale Rio-Bravo WSD as part of an exchange to accommodate the City of Bakersfield Westside Parkway Project impacts to Rosedale Rio-Bravo WSD conveyance facilities. These deliveries will be paid back by the City to Rosedale Rio-Bravo WSD.

[3] Deliveries of Cawelo WD SWP Table A supplies delivered to the KWB were transferred to Belridge WSD as part of an exchange of 4,000 af of Belridge WSD Federal supplies delivered off the Friant-Kern Canal to Cawelo WD.

	CVC Losses	N-2 Siphon	CVC Losses	RRB 1 Turnout	Strand Siphons	Strand Turnout	Strand Turnout	KWB P-11 Turnout	CVC Losses	Nord Siphons	Section 4 Pump	CVC Losses	RTO 1 Turnout	CVC Losses	RRB 2 Turnout	RTO 2 Turnout	CVC Losses	AEWSD T.O.	KTWD Siphons	Unlined Losses	RTO 3 River	RTO 4 Turnout	Unlined Losses	Calloway Turnout	Cawelo PSA	TO Total
Arvin-Edison WSD	6	0	4	1,606	0	0	0	0	3	0	0	5	905	9	813	183	11	7,488	0	0	0	0	0	0	11,036
Belridge WSD	2	897	1	0	868	0	0	0	0	0	656	2	0	0	0	446	0	0	0	0	0	0	0	0	2,994
Berrenda Mesa WD	1	202	1	0	5	0	0	0	1	0	634	2	454	0	0	2,356	2	0	0	0	0	0	0	0	3,658
Buena Vista WSD	1	0	0	0	0	1,539	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,541
Cawelo WD	2	67	1	0	0	0	0	69	1	0	0	2	3,477	8	0	0	0	0	0	0	0	0	0	0	3,625
Improvement District No. 4	2	1,141	2	0	323	0	0	1,682	2	1,667	358	2	1,600	1	0	0	0	0	0	46	827	0	0	0	6,151
Kern Delta WD	4	0	3	312	0	0	0	0	2	0	0	4	0	8	1,335	1,585	8	2,844	0	75	585	0	0	0	6,743
Kern-Tulare Water District - KCWA MU [1]	2	1,570	1	0	970	0	0	1,580	2	1,156	2,599	2	1,652	0	0	0	0	0	0	0	0	0	0	0	9,535
Rosedale Rio-Bravo WSD	2	0	1	3,189	0	157	0	0	1	0	884	0	0	0	0	0	0	0	0	0	0	0	0	0	4,235
Semitropic WSD	3	168	2	0	431	0	0	372	2	156	799	3	652	0	0	0	0	0	0	0	0	0	0	0	4,734
Wheeler Ridge - Maricopa WSD	1	431	0	0	527	0	0	358	0	0	735	1	293	0	0	346	0	0	0	0	0	0	0	0	4,920
Total	26	2,368	18	5,109	3,142	1,666	0	3,759	14	1,825	5,100	20	8,257	22	2,148	5,288	24	10,332	0	121	1,212	0	0	0	50,449

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/06/2012	02/06/2012

INVOICE NO. 24924

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
561B-4402

Cross Valley Canal
October 2011

Estimated power costs for deliveries of Kern Delta Water District Metropolitan Water District SWP supplies delivered to River Turnout No. 2 and 3, Rosedale Rio-Bravo WSD and Arvin-Edison WSD; adjust for lined losses.

Canal Reach	Pumping Plant	MWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	1,551	3.25	5,040.75
1	2	1,550	3.25	5,037.50
2	3	978	3.25	3,178.50
2	4	977	3.25	3,175.25
2	5	976	5.00	4,880.00
3	6	441	5.00	2,205.00
Extension	7	0	5.00	0.00

TOTAL AMOUNT DUE **$23,517.00**

Requested By	Prepared By	Approved By	Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/06/2012	02/06/2012

INVOICE NO. 24969

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1100
580B-4430
020A-5103
0102-1100

Cross Valley Canal
October 2011

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of Metropoitan WD State Water Project supplies to Arvin-Edison WSD and Rosedale Rio-Bravo WSD; adjusted for lined losses.

Reach	MWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	1,552	1.00	1,552.00
2	979	1.00	979.00
3	443	1.00	443.00
		Total Amount Due	2,974.00

TOTAL AMOUNT DUE **$ 2,974.00**

[1] Conveyance Fee $1.00 per Reach.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Cross Valley Canal

October 2011 Deliveries - Gross AF

	Points of Entry				
	Tupman T/O SWP (AF)	CVC Dewatering Deliveries (AF)	Pionner Inlet KR (AF)	KCWA Armco Reverse SWP Exch. (AF)	CVC Total (AF)
Deliveries by Turnout:					
N-2 Siphon	597	-	-	-	597
Rosedale Rio Bravo Turnout No. 1	2,918	232	-	-	3,150
North Strand Ranch Turnout	1,726	-	-	-	1,726
South Strand Ranch Turnout	276	-	-	-	276
Kern Water Bank P-11 Turnout	1,224	-	-	-	1,224
Section 4 Turnout	2,741	-	-	-	2,741
River Turnout No. 1	4,491	81	-	-	4,572
Rosedale Rio Bravo Turnout No. 2	7,053	-	-	-	7,053
River Turnout No. 2	1,252	52	-	-	1,304
Arvin-Edison Turnout	2,698	-	-	-	2,698
Refill	365	-	-	-	365
Lined Losses - Pools 1-6	80	-	-	-	80
River Turnout No. 3 to River	797	-	-	-	797
Unlined Losses - Pool 7	125	-	-	-	125
Henry C. Garnett Treatment Plant	-	-	-	3,709	3,709
Total	26,343	365	-	3,709	30,417
Deliveries by Turnout/Owner:					
N-2 Siphon					
Cawelo WD	597	-	-	-	597
Rosedale-Rio Bravo Turnout No. 1					
Cawelo WD - AEWSD	193	-	-	-	193
Improvement District No. 4 - KDWSD	136	-	-	-	136
Kern County Water Agency	89	-	-	-	89
Kern Delta Water District	571	-	-	-	571
Kern-Tulare WD - KCWA M/U	162	-	-	-	162
Lower Tule River ID - KCWA M/U	276	-	-	-	276
Pixley ID - KCWA M/U	276	-	-	-	276
Rosedale-Rio Bravo WSD	1,215	232	-	-	1,447
Nouth Strand Turnout					
Kern County Water Agency	153	-	-	-	153
Kern-Tulare WD - KCWA M/U	252	-	-	-	252
Rosedale-Rio Bravo WSD	1,321	-	-	-	1,321
South Strand Turnout					
Kern County Water Agency	12	-	-	-	12
Kern-Tulare WD - KCWA M/U	20	-	-	-	20
Rosedale-Rio Bravo WSD	244	-	-	-	244
Kern Water Bank P-11 Turnout					
Cawelo WD	808	-	-	-	808
Kern County Water Agency	298	-	-	-	298
Kern-Tulare WD - KCWA M/U	118	-	-	-	118
Section 4 Turnout					
Improvement District No. 4	46	-	-	-	46
Improvement District No. 4 - KCWA	565	-	-	-	565
Kern County Water Agency	653	-	-	-	653
Kern-Tulare WD - KCWA M/U	1,477	-	-	-	1,477
River Turnout No. 1					
Cawelo WD	775	14	-	-	789
Improvement District No. 4	19	-	-	-	19
Improvement District No. 4 - KCWA	1,935	35	-	-	1,970
Kern County Water Agency	557	32	-	-	589
Kern-Tulare WD - KCWA M/U	1,205	-	-	-	1,205
Rosedale Rio Bravo Turnout No. 2					
Cawelo WD - AEWSD	1,460	-	-	-	1,460
Improvement District No. 4	627	-	-	-	627
Improvement District No. 4 - KDWD	130	-	-	-	130
Kern County Water Agency	30	-	-	-	30
Kern Delta Water District	533	-	-	-	533
Kern-Tulare WD - KCWA M/U	59	-	-	-	59
Lower Tule River ID - KCWA M/U	2,107	-	-	-	2,107
Pixley ID - KCWA M/U	2,107	-	-	-	2,107
Rosedale-Rio Bravo WSD	-	52	-	-	52
River Turnout No. 2					
Kern County Water Agency	396	-	-	-	396
Kern-Tulare WD - KCWA M/U	856	-	-	-	856
Arvin-Edison Turnout					
Arvin-Edison WSD (Existing)	315	-	-	-	315
Arvin-Edison WSD (New)	975	-	-	-	975
Cawelo WD - AEWSD	266	-	-	-	266
County of Fresno - AEWSD	225	-	-	-	225
County of Tulare - AEWSD	225	-	-	-	225
Hills Valley ID - AEWSD	168	-	-	-	168
Improvement District No. 4 - AEWSD	189	-	-	-	189
Improvement District No. 4 - KDWD	24	-	-	-	24
Kern County Water Agency	117	-	-	-	117
Kern Delta Water District	99	-	-	-	99
Kern-Tulare WD - KCWA M/U	11	-	-	-	11
Tri-Valley WD - AEWSD	84	-	-	-	84
Lined Losses - Pools 1-6					
Arvin-Edison WSD (New)	35	-	-	-	35
Cawelo WD	10	-	-	-	10
Improvement District No. 4	6	-	-	-	6
Improvement District No. 4 - KCWA	12	-	-	-	12
Kern County Water Agency	4	-	-	-	4
Kern Delta Water District	7	-	-	-	7
Kern Tulare Water District	2	-	-	-	2
Rosedale-Rio Bravo WSD	4	-	-	-	4
Refill					
Cawelo WD	14	-	-	-	14
Improvement District No. 4 - KCWA	35	-	-	-	35
Kern County Water Agency	32	-	-	-	32
Rosedale-Rio Bravo WSD	284	-	-	-	284
Unlined Losses - Pools 7					
Improvement District No. 4	50	-	-	-	50
Kern County Water Agency	3	-	-	-	3
Kern Delta Water District	65	-	-	-	65
Kern Tulare Water District	7	-	-	-	7
River Turnout No. 3					
Improvement District No. 4	476	-	-	-	476
Kern County Water Agency	13	-	-	-	13
Kern Delta Water District	277	-	-	-	277
Kern Tulare Water District	31	-	-	-	31
Henry C. Garnett Treatment Plant:					
Improvement District No. 4	-	-	-	3,709	3,709
Total	26,343	365	-	3,709	30,417
Existing Participant Deliveries	*21,459*	*333*	-	*3,709*	*19,219*
New Participant Deliveries	4,884	32	-	-	11,198
	26,343	365	-	3,709	30,417

Shading denotes forward flow deliveries based on each point of entry into the CVC; _ / _ denotes pools / pump plants utilized (for forward flow).

Kern County Water Agency
Cross Valley Canal - Tupman Turnout Water Balance
State Water Project Deliveries
Month of October 2011
Subject to Adjustment

January 5, 2012
10:27 AM

	Reach 1											Reach 2								Reach 3								Extension			
	Pool 1		Pool 2			Pool 3						Pool 4				Pool 5				Pool 6				Pool 7				Pool 8			
Date	CVC Losses SWP	CVC Refill SWP	N-2 Siphon SWP	CVC Losses SWP	RRB 1 Turnout SWP	Strand Siphons SWP	North Strand Turnout SWP	South Strand Turnout SWP	KWB P-11 Turnout SWP	CVC Losses SWP	CVC Refill SWP	Nord Siphons SWP	Section 4 Pump SWP	CVC Losses SWP	CVC Refill SWP	RTO 1 Turnout SWP	CVC Losses SWP	CVC Refill SWP	RRB 2 Turnout SWP	RTO 2 Turnout SWP	CVC Losses SWP	CVC Refill SWP	AEWSD T.O. SWP	KTWD Siphons SWP	Unlined Losses SWP	RTO 3 River SWP	RTO 4 Turnout SWP	Unlined Losses SWP	Calloway Turnout SWP	Cawelo PSA SWP	T/O Total SWP
1	0	0	48	1	90	0	51	0	68	0	0	0	94	0	0	27	1	0	230	38	0	0	145	0	5	60	0	0	0	0	858
2	1	0	49	0	90	0	50	0	68	0	0	0	94	1	0	27	0	0	242	60	1	0	139	0	5	60	0	0	0	0	887
3	0	0	49	0	90	0	51	0	69	1	0	0	94	0	0	26	0	0	247	59	0	0	135	0	5	61	0	0	0	0	887
4	1	0	48	1	90	0	55	0	67	0	0	0	93	1	0	113	1	0	247	60	1	0	89	0	2	25	0	0	0	0	894
5	0	0	48	0	90	0	59	0	66	0	0	0	91	0	0	175	0	0	248	60	0	0	56	0	0	0	0	0	0	0	893
6	1	0	49	0	90	0	61	0	59	1	0	0	90	0	0	219	1	0	249	23	1	0	53	0	0	0	0	0	0	0	897
7	0	0	10	0	90	0	65	0	51	0	0	0	89	1	0	276	0	0	248	0	0	0	51	0	0	0	0	0	0	0	881
8	0	0	0	0	90	0	64	0	52	0	0	0	89	0	0	295	1	0	248	0	1	0	51	0	0	0	0	0	0	0	891
9	0	0	0	0	90	0	55	0	44	1	0	0	91	0	0	295	0	0	181	0	0	0	20	0	0	0	0	0	0	0	777
10	0	0	0	0	38	0	20	0	15	0	0	0	34	1	0	123	0	0	54	0	0	0	0	0	0	0	0	0	0	0	285
11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	1	74	0	0	33	0	21	0	22	0	28	0	29	0	26	20	0	29	42	13	0	28	0	0	0	0	0	0	0	0	181
25	0	0	0	1	84	0	36	0	36	1	0	0	63	1	0	53	0	0	177	43	1	0	30	0	15	19	0	0	0	0	560
26	1	0	0	0	63	0	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	72
27	0	0	0	0	83	0	41	17	0	0	0	0	57	0	0	78	1	0	146	35	1	0	71	0	7	17	0	0	0	0	554
28	1	0	0	1	96	0	61	30	0	1	0	0	94	1	0	136	0	0	249	60	0	0	132	0	6	40	0	0	0	0	902
29	0	0	0	0	90	0	59	31	0	0	0	0	94	0	0	131	1	0	250	60	1	0	129	0	8	40	0	0	0	0	892
30	1	0	0	0	90	0	56	30	0	0	0	0	93	1	0	132	0	0	249	60	0	0	129	0	6	40	0	0	0	0	887
31	0	0	0	1	90	0	57	31	0	1	0	0	93	0	0	138	1	0	248	60	1	0	130	0	6	40	0	0	0	0	897
CFS	7	74	301	5	1,471	0	870	139	617	6	28	0	1,382	7	26	2,264	7	29	3,556	631	8	28	1,360	0	63	402	0	0	0	0	13,279
AF	14	147	597	10	2,918	0	1,726	276	1,224	12	56	0	2,741	14	52	4,491	14	58	7,053	1,252	16	52	2,698	0	125	797	0	0	0	0	26,343

Arvin-Edison WSD																															
Improvement District No. 4	1			1					1			46	1		19	1		627		1				34	388					1,120
Arvin-Edison WSD:																							189								189
Improvement District No. 4 / KCWA	3			2					2			565	3	8	1,935	2	27														2,547
Kern Delta WD:					136													130					24		16	88					394
Kern Delta WD																															
WSD																															
Total	14	147	597	10	2,918	0	1,726	276	1,224	12	56	0	2,741	14	52	4,491	14	58	7,053	1,252	16	52	2,698	0	125	797	0	0	0	0	26,343

NOTES:

[1] Arvin-Edison Water Storage District made deliveries of Metropolitan Water District State Water Project Table A supplies utilizing Lower-Tule River Irrigation District and Pixley Irrigation District capacities per a short-term agreement with North Kern WSD (per the Agreement for the Management of Conveyance Capacity in the Cross Valley Canal Capacity).

[2] Kern County Water Agency Member Units' made deliveries of State Water Project Table A supplies utilizing Lower-Tule River Irrigation District, Pixley Irrigation District and Kern-Tulare Water District capacities per long-term agreements which allow for KCWA M/U's to utilize unused capacities.

[3] Deliveries of Cross Valley Canal refill water by Rosedale Rio-Bravo WSD and the Kern County Water Agency M/U's with their 2011 State Water Project Table A supply were made persuant to the Refill/Dewatering Policy Guidelines. Rosedale Rio-Bravo and the KCWA Member Units' received dewatering supplies in October 2011 (see attached delivery summary) and were subsequently responsible for refilling the Cross Valley Canal based upon the total dewatered supplies received.

[4] In the month of October 2011, Arvin-Edison WSD delivered 632 af of Arvin-Edison WSD Federal supplies to the AEWSD Turnout as part of an operational exchange for 632 af of MWD State Water Project Table A supplies at Rosedale Rio-Bravo Turnout No. 2.

Kern County Water Agency
Cross Valley Canal
Dewatering for Maintenance Deliveries
Month of October 2011
Subject to Adjustment

January 10, 2012
2:09 PM

	Reach 1				Reach 2											Reach 3		Extension							
	Pool 1	Pool 2			Pool 3					Pool 4			Pool 5			Pool 6		Pool 7				Pool 8				
Date	CVC Losses SWP	N-2 Siphon SWP	CVC Losses SWP	RRB 1 Turnout SWP	Strand Siphons SWP	North Strand Turnout SWP	South Strand Turnout SWP	KWB P-11 Turnout SWP	CVC Losses SWP	Nord Siphons SWP	Section 4 Pump SWP	CVC Losses SWP	RTO 1 Turnout SWP	CVC Losses SWP	RRB 2 Turnout SWP	RTO 2 Turnout SWP	CVC Losses SWP	AEWSD T.O. SWP	KTWD Siphons SWP	Unlined Losses SWP	RTO 3 River SWP	RTO 4 Turnout SWP	Unlined Losses SWP	Calloway Turnout SWP	Cawelo PSA SWP	T/O Total
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	39	0	0	0	0	0	0	0	0	0	0	14	0	0	0	0	0	0	0	0	0	0	53
11	0	0	0	31	0	0	0	0	0	0	0	0	9	0	12	0	0	0	0	0	0	0	0	0	0	52
12	0	0	0	26	0	0	0	0	0	0	0	0	7	0	0	0	0	0	0	0	0	0	0	0	0	33
13	0	0	0	21	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	26
14	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	5
15	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	5
16	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	5
17	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	5
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CFS	0	0	0	117	0	0	0	0	0	0	0	0	41	0	26	0	0	0	0	0	0	0	0	0	0	184
AF	0	0	0	232	0	0	0	0	0	0	0	0	81	0	52	0	0	0	0	0	0	0	0	0	0	365
Total	0	0	0	232	0	0	0	0	0	0	0	0	81	0	52	0	0	0	0	0	0	0	0	0	0	365

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/18/2012	02/17/2012

INVOICE NO. 25021

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-F330(PWR)
561B-4402

Cross Valley Canal
November 2011

Estimated power costs for deliveries of Kern Delta Water District Metropolitan Water District SWP supplies delivered to River Turnout No. 1, 2 and 3, Rosedale Rio-Bravo WSD and Arvin-Edison WSD; adjust for lined losses.

Canal Reach	Pumping Plant	MWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	3,995	2.25	8,988.75
1	2	3,993	2.25	8,984.25
2	3	2,256	2.25	5,076.00
2	4	2,254	2.25	5,071.50
2	5	2,252	2.25	5,067.00
3	6	1,730	2.25	3,892.50
Extension	7	0	2.25	0.00

TOTAL AMOUNT DUE **$37,080.00**

Requested By	Prepared By	Approved By	Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/18/2012	02/17/2012

INVOICE NO. 25023

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1100
580B-4430
020A-5103
0102-1100

Cross Valley Canal
November 2011

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of Metropoitan WD State Water Project supplies to Arvin-Edison WSD and Rosedale Rio-Bravo WSD; adjusted for lined losses.

Reach	MWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	3,998	1.00	3,998.00
2	3,012	1.00	3,012.00
3	1,732	1.00	1,732.00
		Total Amount Due	8,742.00

TOTAL AMOUNT DUE $ 8,742.00

[1] Conveyance Fee $1.00 per Reach.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
02/13/2012	03/14/2012

INVOICE NO. 25088

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1100
580B-4430
020A-5103
0102-1100

Cross Valley Canal
December 2011

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of San Bernardino Valley MWD State Water Project supplies to Arvin-Edison WSD and Rosedale Rio-Bravo WSD; adjusted for lined losses.

Reach	MWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	3,858	1.00	3,858.00
2	3,395	1.00	3,395.00
3	3,010	1.00	3,010.00
		Total Amount Due	10,263.00

TOTAL AMOUNT DUE **$ 10,263.00**

[1] Conveyance Fee $1.00 per Reach.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Cross Valley Canal

December 2011 Deliveries - Gross AF

	Points of Entry				
	Tupman T/O SWP (AF)	Tupman T/O FK Recirculation (AF)	Pionner Inlet KR (AF)	KCWA Arnco Reverse SWP Exch. (AF)	CVC Total (AF)
Deliveries by Turnout:					
N-2 Siphon	302	-	-	-	302
Rosedale Rio Bravo Turnout No. 1	3,404	-	-	-	3,404
North Strand Ranch Turnout	3,090	-	-	-	3,090
South Strand Ranch Turnout	686	-	-	-	686
Kern Water Bank P-11 Turnout	292	-	-	-	292
Section 4 Turnout	905	141	-	-	1,046
River Turnout No. 1	8,287	2,196	-	-	10,483
Rosedale Rio Bravo Turnout No. 2	13,755	-	-	-	13,755
River Turnout No. 2	3,423	861	-	-	4,284
Arvin-Edison Turnout	7,357	-	-	-	7,357
Lined Losses - Pools 1-6	120	13	-	-	133
River Turnout No. 3 to River	127	-	-	-	127
Unlined Losses - Pool 7	737	-	-	-	737
River Turnout No. 4 to River	7,030	-	-	-	7,030
Henry C. Garnett Treatment Plant	-	-	-	3,247	3,247
Unlined Losses - Pool 8	716	-	-	-	716
Total	50,231	3,211	-	3,247	56,689
Deliveries by Turnout/Participant:					
N-2 Siphon					
Tehachapi-Cummings CWD	302	-	-	-	302
Rosedale-Rio Bravo Turnout No. 1					
Arvin-Edison WSD	643	-	-	-	643
Kern Delta Water District	2,761	-	-	-	2,761
Nouth Strand Turnout					
Buena Vista WSD	32	-	-	-	32
Kern Delta Water District	3,058	-	-	-	3,058
South Strand Turnout					
Kern Delta Water District	686	-	-	-	686
Kern Water Bank P-11 Turnout					
Tehachapi-Cummings CWD	292	-	-	-	292
Section 4 Turnout					
Belridge WSD	85	61	-	-	146
Berrenda Mesa WD	85	20	-	-	105
Improvement District No. 4	48	-	-	-	48
Lost Hills WD	74	60	-	-	134
Rosedale-Rio Bravo WSD	534	-	-	-	534
Semitropic WSD	71	-	-	-	71
Tejon Castaic WD	8	-	-	-	8
River Turnout No. 1					
Belridge WSD	978	941	-	-	1,919
Berrenda Mesa WD	495	315	-	-	810
Improvement District No. 4	1,338	-	-	-	1,338
Lost Hills WD	1,050	940	-	-	1,990
Rosedale-Rio Bravo WSD	1,018	-	-	-	1,018
Semitropic WSD	3,078	-	-	-	3,078
Tehachapi-Cummings CWD	301	-	-	-	301
Tejon Castaic WD	29	-	-	-	29
Rosedale Rio Bravo Turnout No. 2					
Arvin-Edison WSD	12,967	-	-	-	12,967
Improvement District No. 4	88	-	-	-	88
Kern Delta Water District	700	-	-	-	700
River Turnout No. 2					
Belridge WSD	703	335	-	-	1,038
Berrenda Mesa WD	1,720	216	-	-	1,936
Lost Hills WD	599	310	-	-	909
Rosedale-Rio Bravo WSD	373	-	-	-	373
Semitropic WSD	28	-	-	-	28
Arvin-Edison Turnout					
Arvin-Edison WSD	5,482	-	-	-	5,482
Kern Delta Water District	1,875	-	-	-	1,875
Lined Losses - Pools 1-6					
Arvin-Edison WSD	53	-	-	-	53
Belridge WSD	-	6	-	-	6
Berrenda Mesa WD	4	2	-	-	6
Improvement District No. 4	20	-	-	-	20
Kern Delta Water District	28	-	-	-	28
Lost Hills WD	-	5	-	-	5
Rosedale-Rio Bravo WSD	5	-	-	-	5
Semitropic WSD	10	-	-	-	10
River Turnout No. 3					
Improvement District No. 4	127	-	-	-	127
Unlined Losses - Pools 7					
Improvement District No. 4	492	-	-	-	492
Kern Delta Water District	245	-	-	-	245
River Turnout No. 4					
Improvement District No. 4	4,618	-	-	-	4,618
Kern Delta Water District	2,412	-	-	-	2,412
Henry C. Garnett Treatment Plant:					
Improvement District No. 4	-	-	-	3,247	3,247
Unlined Losses - Pools 8					
Improvement District No. 4	475	-	-	-	475
Kern Delta Water District	241	-	-	-	241
Total	50,231	3,211	-	3,247	56,689
Existing Participant Deliveries	*28,281*	-	-	*3,247*	*31,528*
New Participant Deliveries	21,950	3,211	-	-	25,161
	50,231	3,211	-	3,247	56,689

Shading denotes forward flow deliveries based on each point of entry into the CVC; _ / _ denotes pools / pump plants utilized (for forward flow).

Kern County Water Agency

Cross Valley Canal - Tupman Turnout Water Balance

State Water Project Deliveries

Month of December 2011

Subject to Adjustment

February 10, 2012
11:50 AM

	Reach 1				Reach 2										Reach 3				Extension						
	Pool 1	Pool 2			Pool 3					Pool 4			Pool 5		Pool 6				Pool 7				Pool 8		
Date	CVC Losses SWP	N-2 Siphon SWP	CVC Losses SWP	RRB 1 Turnout SWP	Strand Siphons SWP	North Strand Turnout SWP	South Strand Turnout SWP	KWB P-11 Turnout SWP	CVC Losses SWP	Nord Siphons SWP	Section 4 Pump SWP	CVC Losses SWP	RTO 1 Turnout SWP	CVC Losses SWP	RRB 2 Turnout SWP	RTO 2 Turnout SWP	CVC Losses SWP	AEWSD T.O. SWP	KTWD Siphons SWP	Unlined Losses SWP	RTO 3 River SWP	Unlined Losses SWP	RTO 4 Turnout SWP	Calloway Turnout SWP	Cawelo PSA SWP	T/O Total SWP
1	0	0	1	63	0	77	12	0	1	0	93	0	117	1	250	77	1	100	0	12	0	15	76	0	0	896
2	1	0	0	62	0	76	11	0	0	0	90	1	105	0	251	76	0	98	0	12	0	15	73	0	0	871
3	0	0	0	63	0	74	11	0	0	0	85	0	113	0	250	75	0	91	0	12	0	15	73	0	0	862
4	1	0	1	62	0	78	11	0	1	0	79	0	126	1	250	77	1	91	0	12	0	15	73	0	0	877
5	0	0	0	63	0	78	11	0	0	0	34	1	177	0	250	80	0	91	0	12	0	12	73	0	0	882
6	1	0	0	63	0	73	11	0	0	0	0	0	191	0	252	80	1	112	0	12	0	12	73	0	0	881
7	0	0	0	62	0	65	11	0	0	0	0	0	185	1	251	80	0	133	0	12	0	12	73	0	0	888
8	1	0	1	60	0	65	11	0	1	0	0	1	196	0	250	80	1	133	0	12	0	12	74	0	0	898
9	0	0	0	60	0	64	12	0	0	0	0	0	162	0	251	68	0	145	0	12	0	11	97	0	0	862
10	0	0	0	60	0	64	12	0	0	0	0	0	196	1	250	57	0	118	0	12	0	11	114	0	0	895
11	1	0	1	60	0	60	12	0	0	0	0	1	198	0	250	58	1	94	0	12	0	11	119	0	0	877
12	0	0	0	60	0	62	12	0	1	0	0	0	201	1	250	55	0	94	0	12	0	11	119	0	0	878
13	1	0	0	60	0	62	12	0	0	0	0	0	179	0	252	55	1	117	0	12	0	11	117	0	0	879
14	0	0	0	60	0	61	12	0	0	0	0	1	182	0	252	56	0	136	0	12	0	11	115	0	0	898
15	1	0	1	60	0	60	12	0	0	0	0	0	158	1	249	56	0	135	0	12	0	11	115	0	0	871
16	0	0	0	54	0	52	12	0	1	0	0	0	174	0	250	58	1	136	0	12	0	11	132	0	0	891
17	1	0	0	52	0	46	12	0	0	0	0	1	182	0	250	56	0	136	0	12	0	11	152	0	0	911
18	0	0	1	52	0	41	12	0	0	0	0	0	170	1	250	55	0	145	0	12	0	11	152	0	0	902
19	0	0	0	52	0	42	13	0	0	0	0	0	134	0	250	57	1	181	0	12	0	11	149	0	0	902
20	1	0	0	51	0	42	13	0	0	0	0	1	142	0	221	67	0	184	0	12	0	11	150	0	0	896
21	0	0	0	50	0	35	11	0	0	0	0	0	59	1	200	58	1	144	0	12	0	11	152	0	0	732
22	0	0	1	37	0	28	9	0	0	0	0	0	31	0	202	32	0	132	0	12	4	11	99	0	0	595
23	1	0	0	50	0	27	9	0	0	0	0	1	93	1	200	51	0	149	0	12	8	11	143	0	0	756
24	0	0	0	50	0	28	11	0	0	0	0	0	93	0	200	53	1	164	0	12	8	11	140	0	0	761
25	0	0	1	50	0	28	10	0	0	0	0	0	93	1	200	35	0	170	0	12	8	11	140	0	0	759
26	0	0	0	50	0	28	11	0	0	0	0	1	93	0	201	23	0	185	0	12	8	11	140	0	0	763
27	0	0	0	50	0	28	10	0	0	0	0	0	93	0	200	41	1	165	0	12	8	11	140	0	0	759
28	1	30	0	50	0	28	10	29	1	0	0	0	153	0	138	28	0	108	0	12	8	11	140	0	0	747
29	0	52	0	50	0	27	10	50	0	0	0	0	173	0	129	28	1	32	0	12	8	11	140	0	0	723
30	0	52	0	50	0	27	10	50	0	0	29	0	8	1	141	35	0	0	0	12	4	11	110	0	0	540
31	0	18	1	50	0	36	11	18	1	0	48	0	0	0	145	25	0	0	0	12	0	11	80	0	0	454
CFS	11	152	9	1,716	0	1,558	346	147	8	0	456	9	4,178	11	6,935	1,726	12	3,709	0	372	64	361	3,544	0	0	25,374
AF	22	302	18	3,404	0	3,090	686	292	16	0	905	18	8,287	22	13,755	3,423	24	7,357	0	737	127	716	7,030	0	0	50,231

Arvin-Edison WSD - Existing																		887								887
Arvin-Edison WSD - CVC/KWB																										
Kern County Water Agency																										
Berrenda Mesa WD																										
Buena Vista WSD																										
Improvement District No. 4																										
Kern Delta WD																										
Lost Hills WD																										
Rosedale Rio Bravo WSD																										
Semitropic WSD																										
TeHachapi-Cummings CWD																										
Tejon Castac WD																										
Total																										
Improvement District No. 4	4		2	67				2		44	3	1,213	4	80		5										1,357
Improvement District No. 4 / City of Bakersfield																										5,172
Kern Delta WD				197		74								104				513		67	115	431	56	4,180	660	1,681

Arvin-Edison WSD - Existing																										
Arvin-Edison WSD - CVC/KWB																										
Kern County Water Agency																										
Berrenda Mesa WD																										
Buena Vista WSD																										
Improvement District No. 4																										
Kern Delta WD																										
Lost Hills WD																										
Rosedale Rio Bravo WSD																										
Semitropic WSD																										
TeHachapi-Cummings CWD																										
Tejon Castac WD																										
Total	1	22	302	18	3,404	0	3,090	686	292	16	0	905	18	8,287	22	13,755	3,423	24	7,357	0	737	127	716	7,030	0	0	50,231

NOTES:

[1] Arvin-Edison Water Storage District made deliveries of Metropolitan Water District State Water Project Table A supplies utilizing Lower-Tule River Irrigation District and Pixley Irrigation District capacities per a short-term agreement with North Kern WSD (per the Agreement for the Management of Conveyance Capacity in the Cross Valley Canal Capacity).

[2] Kern County Water Agency Member Units' made deliveries of State Water Project Table A supplies utilizing Kern-Tulare Water District capacities per long-term agreements which allow for KCWA MU's to utilize unused capacities.

[3] Arvin-Edison WSD delivered a total of 620 af of AEWSD/MWD SWP supplies at Rosedale Turnout No. 2 as part of an operational exchange for 620 af of Arvin-Edison WSD Friant-Kern supplies delivered to the Arvin-Edison intake Canal.

[4] Kern Delta Water District delivered a total of 205 af to Arvin-Edison WSD at Rosedale Turnout No. 2 as part of an operational exchange for 206 af of Arvin-Edison WSD Friant-Kern supplies at the Arvin-Edison intake Canal off the Friant-Kern Canal.

[5] Kern Delta Water District delivered a total of 3,840 af of Metropolitan WD SWP supplies in December 2011.

[6] Kern Delta Water District delivered a total of 8,066 af of San Bernardino Valley Municipal Water District SWP supplies in December 2011.

	CVC Losses	N-2 Siphon	CVC Losses	RRB 1 Turnout	Strand Siphons	Strand Turnout	Strand Turnout	KWB P-11 Turnout	CVC Losses	Nord Siphons	Section 4 Pump	CVC Losses	RTO 1 Turnout	CVC Losses	RRB 2 Turnout	RTO 2 Turnout	CVC Losses	AEWSD T.O.	KTWD Siphons	Unlined Losses	RTO 3 River	Unlined Losses	RTO 4 Turnout	Calloway Turnout	Cawelo PSA	T/O Total
Arvin Edison WSD	8	0	7	643	0	0	0	0	6	0	0	8	0	10	12,967	0	14	5,482	0	0	0	0	0	0	0	19,145
Berrenda WSD	0	0	0	0	0	0	0	0	0	0	85	0	978	0	0	703	0	0	0	0	0	0	0	0	0	1,766
Berrenda Mesa WD	1	0	0	0	0	0	0	0	0	0	85	1	495	1	0	1,720	1	0	0	0	0	0	0	0	0	2,304
Buena Vista WSD	0	0	0	0	0	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32
Improvement District No. 4	0	0	2	0	0	0	0	0	2	0	45	3	1,338	4	88	0	5	0	0	492	127	475	4,818	0	0	7,296
Kern Delta WD	6	0	6	2,761	0	3,058	686	0	5	0	0	3	0	4	700	0	14	1,875	0	245	0	241	2,412	0	0	12,006
Lost Hills WD	0	0	0	0	0	0	0	0	0	0	74	0	1,050	0	0	589	0	0	0	0	0	0	0	0	0	1,723
Rosedale Rio Bravo WSD	1	0	1	0	0	0	0	0	1	0	534	1	1,018	1	0	373	0	0	0	0	0	0	0	0	0	1,930
Semitropic WSD	2	0	2	0	0	0	0	0	2	0	71	2	3,078	2	0	28	0	0	0	0	0	0	0	0	0	3,187
TeHachapi-Cummings CWD	0	302	0	0	0	0	0	292	0	0	0	0	301	0	0	0	0	0	0	0	0	0	0	0	0	895
Tejon Castac WD	0	0	0	0	0	0	0	0	0	0	8	0	29	0	0	0	0	0	0	0	0	0	0	0	0	37
Total	22	302	18	3,404	0	3,090	686	292	16	0	905	18	8,287	22	13,755	3,423	24	7,357	0	737	127	716	7,030	0	0	50,231

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
02/13/2012	03/14/2012

INVOICE NO. 25085

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
561B-4402

Cross Valley Canal
December 2011

Estimated power costs for deliveries of Kern Delta Water District San Bernardino Valley Municipal Water District SWP supplies delivered to River Turnout No. 1, 2 and 4, Rosedale Rio-Bravo WSD and Arvin-Edison WSD; adjust for lined losses.

Canal Reach	Pumping Plant	SBVMWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	3,853	2.25	8,669.25
1	2	3,849	2.25	8,660.25
2	3	3,221	2.25	7,247.25
2	4	3,219	2.25	7,242.75
2	5	3,216	2.25	7,236.00
3	6	3,006	2.25	6,763.50
Extension	7	1,671	2.25	3,759.75
			TOTAL AMOUNT DUE	**$49,578.75**

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
03/08/2012	04/09/2012

INVOICE NO. 25191

RECEIVED
MAR 12 2012

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1330(PWR)
561B-4402

Cross Valley Canal
January 2012

Estimated power costs for deliveries of Kern Delta Water District San Bernardino Valley Municipal Water District SWP supplies delivered to River Turnout No. 1, 2 and 4, Rosedale Rio-Bravo WSD and Arvin-Edison WSD; adjust for lined losses.

Canal Reach	Pumping Plant	SBVMWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	12,515	2.25	28,158.75
1	2	12,502	2.25	28,129.50
2	3	11,881	2.25	26,732.25
2	4	11,867	2.25	26,700.75
2	5	11,849	2.25	26,660.25
3	6	9,360	2.25	21,060.00
Extension	7	4,858	2.25	10,930.50

TOTAL AMOUNT DUE $168,372.00

VENDOR KO241
INVOICE # 25191
P.O. # DWR
DATE 3-8-12
AMOUNT 168372.00
ACCT. CODE 40540

PWR
BOD 3/14/12
40540
WATER B.P.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Cross Valley Canal

January 2012 Deliveries - Gross AF

	Points of Entry				
	Tupman T/O SWP (AF)	Tupman T/O CVP (AF)	CVC / Friant-Kern Intertie KR (AF)	KCWA Armco Reverse SWP Exch. (AF)	CVC Total (AF)
Deliveries by Turnout:					
N-2 Siphon	-	-	-	-	-
Rosedale Rio Bravo Turnout No. 1	1,244	1,706	-	-	2,950
North Strand Ranch Turnout	282	-	-	-	282
South Strand Ranch Turnout	93	-	-	-	93
Kern Water Bank P-11 Turnout	-	-	-	-	-
Section 4 Turnout	121	659	-	-	780
River Turnout No. 1	-	1,759	-	-	1,759
Rosedale Rio Bravo Turnout No. 2	2,471	1,204	3,524	-	7,199
River Turnout No. 2	159	585	-	-	744
Arvin-Edison Turnout	3,612	55	-	-	3,667
Lined Losses - Pools 1-6	92	40	6	-	138
River Turnout No. 3 to River	-	-	-	-	-
Unlined Losses - Pool 7	890	-	-	-	890
River Turnout No. 4 to River	4,092	-	-	-	4,092
Henry C. Garnett Treatment Plant	-	-	-	3,374	3,374
Unlined Losses - Pool 8	766	-	-	-	766
Total	13,822	6,008	3,530	3,374	26,734
Deliveries by Turnout/Participant:					
Rosedale-Rio Bravo Turnout No. 1					
Arvin-Edison WSD	-	1,398	-	-	1,398
Kern Delta Water District	610	-	-	-	610
Kern-Tulare Water District	-	308	-	-	308
Rosedale-Rio Bravo WSD	634	-	-	-	634
North Strand Turnout					
Rosedale-Rio Bravo WSD	282	-	-	-	282
South Strand Turnout					
Rosedale-Rio Bravo WSD	93	-	-	-	93
Section 4 Turnout					
Belridge WSD	-	227	-	-	227
Berrenda Mesa WD	-	214	-	-	214
Lost Hills WD	-	218	-	-	218
Rosedale-Rio Bravo WSD	121	-	-	-	121
River Turnout No. 1					
Belridge WSD	-	608	-	-	608
Berrenda Mesa WD	-	568	-	-	568
Lost Hills WD	-	583	-	-	583
Rosedale Rio Bravo Turnout No. 2					
Arvin-Edison WSD	-	932	2,225	-	3,157
Kern Delta Water District	2,471	-	-	-	2,471
Kern-Tulare Water District	-	272	1,299	-	1,571
River Turnout No. 2					
Belridge WSD	159	204	-	-	363
Berrenda Mesa WD	-	190	-	-	190
Lost Hills WD	-	191	-	-	191
Arvin-Edison Turnout					
Arvin-Edison WSD	-	55	-	-	55
Kern Delta Water District	3,612	-	-	-	3,612
Lined Losses - Pools 1-6					
Arvin-Edison WSD	-	15	4	-	19
Belridge WSD	-	9	-	-	9
Berrenda Mesa WD	-	8	-	-	8
Kern Delta Water District	89	-	-	-	89
Kern-Tulare Water District	-	-	2	-	2
Lost Hills WD	-	8	-	-	8
Rosedale-Rio Bravo WSD	3	-	-	-	3
Unlined Losses - Pools 7					
Kern Delta Water District	890	-	-	-	890
River Turnout No. 4					
Kern Delta Water District	4,092	-	-	-	4,092
Henry C. Garnett Treatment Plant:					
Improvement District No. 4	-	-	-	3,374	3,374
Unlined Losses - Pools 8					
Kern Delta Water District	766	-	-	-	766
Total	13,822	6,008	3,530	3,374	26,734
Existing Participant Deliveries	*1,133*	*2,980*	*3,530*	*3,374*	*8,006*
New Participant Deliveries	12,689	3,028	-	-	18,728
	13,822	6,008	3,530	3,374	26,734

Shading denotes forward flow deliveries based on each point of entry into the CVC; _ / _ denotes pools / pump plants utilized (for forward flow).

Kern County Water Agency
Cross Valley Canal - Tupman Turnout Water Balance
State Water Project Deliveries
Month of January 2012
Subject to Adjustment

March 8, 2012
10:29 AM

	Reach 1				Reach 2											Reach 3				Extension					
	Pool 1	Pool 2			Pool 3					Pool 4			Pool 5			Pool 6			Pool 7	Pool 8					
Date	CVC Losses SWP	N-2 Siphon SWP	CVC Losses SWP	RRB 1 Turnout SWP	Strand Siphons SWP	North Strand Turnout SWP	South Strand Turnout SWP	KWB P-11 Turnout SWP	CVC Losses SWP	Nord Siphons SWP	Section 4 Pump SWP	CVC Losses SWP	RTO 1 Turnout SWP	CVC Losses SWP	RRB 2 Turnout SWP	RTO 2 Turnout SWP	CVC Losses SWP	AEWSD T.O. SWP	KTWD Siphons SWP	Unlined Losses SWP	RTO 3 River SWP	Unlined Losses SWP	RTO 4 Turnout SWP	Calloway Turnout SWP	Cawelo PSA SWP	T/O Total SWP
1	0	0	0	50	0	32	10	0	0	0	13	1	0	0	104	20	0	0	0	14	0	12	80	0	0	336
2	1	0	0	50	0	32	10	0	1	0	13	0	0	1	65	20	0	0	0	15	0	13	81	0	0	302
3	0	0	0	50	0	32	12	0	0	0	13	0	0	0	65	20	1	0	0	14	0	12	80	0	0	299
4	0	0	1	50	0	32	11	0	0	0	13	0	0	0	64	20	0	0	0	15	0	13	80	0	0	299
5	0	0	0	50	0	14	4	0	0	0	9	0	0	1	53	0	0	0	0	14	0	12	81	0	0	238
6	1	0	0	52	0	0	0	0	0	0	0	0	0	0	46	0	0	27	0	15	0	13	80	0	0	234
7	0	0	0	49	0	0	0	0	0	0	0	1	0	0	41	0	0	21	0	14	0	12	80	0	0	218
8	1	0	0	50	0	0	0	0	0	0	0	0	0	1	39	0	0	0	0	15	0	13	80	0	0	199
9	0	0	0	50	0	0	0	0	1	0	0	0	0	0	57	0	0	0	0	14	0	12	83	0	0	217
10	0	0	0	22	0	0	0	0	0	0	0	0	0	0	87	0	1	0	0	15	0	13	81	0	0	219
11	0	0	1	0	0	0	0	0	0	0	0	0	0	0	108	0	0	0	0	14	0	12	81	0	0	216
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	125	0	0	0	0	15	0	13	82	0	0	235
13	1	0	0	0	0	0	0	0	1	0	0	1	0	1	18	0	0	0	0	14	0	12	65	0	0	113
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57	0	15	0	13	59	0	0	144
15	1	0	1	0	0	0	0	0	0	0	0	0	0	0	30	0	1	101	0	14	0	12	56	0	0	216
16	0	0	0	0	0	0	0	0	0	0	0	0	0	1	30	0	0	104	0	15	0	13	57	0	0	220
17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30	0	1	102	0	14	0	12	56	0	0	215
18	0	0	1	0	0	0	0	0	0	0	0	0	0	0	30	0	0	104	0	15	0	13	60	0	0	223
19	0	0	0	0	0	0	0	0	0	0	0	1	0	0	14	0	0	116	0	14	0	12	57	0	0	214
20	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	127	0	15	0	13	57	0	0	215
21	0	0	0	0	0	0	0	0	0	0	0	0	0	1	11	0	0	120	0	14	0	12	57	0	0	215
22	0	0	0	0	0	0	0	0	0	0	0	1	0	0	40	0	0	90	0	15	0	13	58	0	0	217
23	0	0	0	23	0	0	0	0	1	0	0	0	0	1	40	0	0	72	0	14	0	12	57	0	0	220
24	0	0	0	40	0	0	0	0	0	0	0	0	0	0	40	0	1	49	0	15	0	13	57	0	0	215
25	1	0	1	40	0	0	0	0	0	0	0	0	0	0	40	0	0	49	0	14	0	12	58	0	0	215
26	0	0	0	40	0	0	0	0	0	0	0	0	0	1	40	0	0	93	0	15	0	13	57	0	0	259
27	0	0	0	11	0	0	0	0	0	0	0	0	0	0	29	0	1	89	0	14	0	12	57	0	0	213
28	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	95	0	15	0	13	58	0	0	183
29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	127	0	14	0	12	56	0	0	210
30	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	135	0	15	0	12	56	0	0	219
31	1	0	1	0	0	0	0	0	0	0	0	1	0	1	0	0	1	143	0	14	0	12	56	0	0	230
CFS	8	0	7	627	0	142	47	0	6	0	61	7	0	9	1,246	80	9	1,821	0	449	0	386	2,063	0	0	6,968
AF	16	0	14	1,244	0	282	93	0	12	0	121	14	0	18	2,471	159	18	3,612	0	890	0	766	4,092	0	0	13,822

Total	16	0	14	1,244	0	282	93	0	12	0	121	14	0	18	2,471	159	18	3,612	0	890	0	766	4,092	0	0	13,822

NOTES:
[1] As part of an operational exchange, Kern Delta WD delivered San Bernardino Valley Municipal Water District SWP supplies to Arvin-Edison WSD at Rosedale Turnout No. 1 and 2 (total of 1,655 af) in exchange for Arvin-Edison WSD Friant-Kern supplies delivered to Kern Delta at the Arvin-Edison Intake Canal (1,655 af).
[2] As part of an operational exchange, Kern Delta WD delivered San Bernardino Valley Municipal Water District SWP supplies to Kern-Tulare WD at Rosedale Turnout No. 1 and 2 (total of 1,426 af) in exchange for Kern-Tulare WD Friant-Kern supplies delivered to Kern Delta at the Arvin-Edison Intake Canal (1,426 af).

	CVC Losses	N-2 Siphon	CVC Losses	RRB 1 Turnout	Strand Siphons	Strand Turnout	Strand Turnout	KWB P-11 Turnout	CVC Losses	Nord Siphons	Section 4 Pump	CVC Losses	RTO 1 Turnout	CVC Losses	RRB 2 Turnout	RTO 2 Turnout	CVC Losses	AEWSD T.O.	KTWD Siphons	Unlined Losses	RTO 3 River	Unlined Losses	RTO 4 Turnout	Calloway Turnout	Cawelo PSA	T/O Total
Berrenda Mesa WD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	159	0	0	0	0	0	0	0	0	0	159
Kern Delta WD	15	0	13	610	0	0	0	0	1	0	0	14	0	18	2,471	0	0	3,612	0	890	0	766	4,092	0	0	12,680
Rosedale Rio-Bravo WSD	1	0	1	634	0	282	93	0	1	0	121	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,133
Total	16	0	14	1,244	0	282	93	0	12	0	121	14	0	18	2,471	159	18	3,612	0	890	0	766	4,092	0	0	13,822

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
03/08/2012	04/09/2012

INVOICE NO. 25193

RECEIVED
MAR 12 2012
0055-1100
580B-4430

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

Cross Valley Canal
January 2012

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of San Bernardino Valley MWD State Water Project supplies to Arvin-Edison WSD and River Turnout No. 4 as well as operational exchange deliveries to Rosedale Turnout No. 1 and 2; adjusted for lined losses.

Reach	SBVMWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	12,530	1.00	12,530.00
2	11,881	1.00	11,881.00
3	9,378	1.00	9,378.00
		Total Amount Due	33,789.00

TOTAL AMOUNT DUE $ 33,789.00

[1] Conveyance Fee $1.00 per Reach.

DR 40540

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
05/01/2012	05/31/2012

INVOICE NO. 25328

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1310
561B-4402

Cross Valley Canal
February 2012

Estimated power costs for deliveries of Kern Delta Water District San Bernardino Valley Municipal Water District SWP supplies delivered to River Turnout No. 4 and Arvin-Edison WSD; adjust for lined losses.

Canal Reach	Pumping Plant	SBVMWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	6,496	2.25	14,616.00
1	2	6,478	2.25	14,575.50
2	3	6,458	2.25	14,530.50
2	4	6,438	2.25	14,485.50
2	5	6,414	2.25	14,431.50
3	6	6,386	2.25	14,368.50
Extension	7	1,273	2.25	2,864.25

TOTAL AMOUNT DUE **$89,871.75**

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
05/01/2012	05/31/2012

INVOICE NO. 25331

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1100
580B-4430

Cross Valley Canal
February 2012

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of San Bernardino Valley MWD State Water Project supplies to Arvin-Edison WSD and River Turnout No. 4; adjusted for lined and unlined losses.

Reach	SBVMWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1	6,536	1.00	6,536.00
2	6,478	1.00	6,478.00
3	6,414	1.00	6,414.00
		Total Amount Due	19,428.00

TOTAL AMOUNT DUE **$ 19,428.00**

[1] Conveyance Fee $1.00 per Reach.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
05/29/2012	06/28/2012

INVOICE NO. 25429

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0053-1310
561B-4402

Cross Valley Canal
March 2012

Estimated power costs for deliveries of Kern County Water District Member Units' groundwater via an operational exchange with Kern Delta Water District San Bernardino Valley Municipal Water District SWP supplies on the California Aqueduct, delivered to the Arvin-Edison WSD Turnout; adjust for lined losses.

Canal Reach	Pumping Plant	SBVMWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	0	2.25	0.00
1	2	0	2.25	0.00
2	3	0	2.25	0.00
2	4	2,850	2.25	6,412.50
2	5	2,821	2.25	6,347.25
3	6	2,787	2.25	6,270.75
Extension	7	0	2.25	0.00

TOTAL AMOUNT DUE **$19,030.50**

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Directors:

Ted R. Page
Division 1

Terry Rogers
President
Division 2

Randell Parker
Division 3

Michael Radon
Division 4

Adrienne J. Mathews
Division 5

William W. Van Skike
Vice President
Division 6

Gene A. Lundquist
Division 7

James M. Beck
General Manager

Amelia T. Minaberrigarai
General Counsel

May 29, 2012

Mr. Mark Mulkay
Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

Re: Estimated power and conveyance invoices for March 2012; Cross Valley Canal Water Balance Summaries for March 2012

Dear Mr. Mulkay:

Enclosed are the above referenced documents for your records and remittance. If you have any questions or require further information, please call me at (661) 634-1491.

Sincerely,

Trent Taylor
Water Resources Planner
Kern County Water Agency

Enclosures

(661) 634-1400

Mailing Address
P.O. Box 58
Bakersfield, CA 93302-0058

Street Address
3200 Rio Mirada Dr.
Bakersfield, CA 93308

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
05/29/2012	06/28/2012

INVOICE NO. 25445

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307

0055-1310
580B-4430

Cross Valley Canal
March 2012

Early implementation conveyance fees in the Cross Valley Canal for delivery of Kern Delta Water District deliveries of San Bernardino Valley MWD State Water Project supplies, delivered via an operational exchange with Kern County Water Agency Member Units' groundwater supplies, to the Arvin-Edison WSD Turnout; adjusted for lined.

Reach	SBVMWD SWP Volume AF	Total $/AF [1]	Conveyance Costs Total $
1		1.00	-
2	2,868	1.00	2,868.00
3	2,821	1.00	2,821.00
		Total Amount Due	5,689.00

TOTAL AMOUNT DUE **$ 5,689.00**

[1] Conveyance Fee $1.00 per Reach.

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Cross Valley Canal

March 2012 Deliveries - Gross AF

	Points of Entry				
	Tupman T/O Groundwater (AF)	Tupman T/O CVP (AF)	CVC / Friant-Kern Intertie KR (AF)	KCWA Arnco Reverse SWP Exch. (AF)	CVC Total (AF)
Deliveries by Turnout:					
Reverse - Calif. Aqueduct	7,085	-	-	-	7,085
Rosedale Rio Bravo Turnout No. 1	-	-	-	-	-
North Strand Ranch Turnout	-	-	-	-	-
South Strand Ranch Turnout	-	-	-	-	-
Kern Water Bank P-11 Turnout	-	-	-	-	-
Section 4 Turnout	-	-	-	-	-
River Turnout No. 1	-	-	-	-	-
Rosedale Rio Bravo Turnout No. 2	-	-	-	-	-
River Turnout No. 2	-	-	-	-	-
Arvin-Edison Turnout	3,027	-	-	-	3,027
CVC / FK Intertie	526	-	-	-	526
Lined Losses - Pools 1-6	275	-	-	-	275
River Turnout No. 3 to River	-	-	-	-	-
Unlined Losses - Pool 7	156	-	-	-	156
River Turnout No. 4 to River	-	-	-	-	-
Henry C. Garnett Treatment Plant	135	-	-	2,983	3,118
Unlined Losses - Pool 8	162	-	-	-	162
Total	11,366	-	-	2,983	14,349
Deliveries by Turnout/Participant:					
Reverse - Calif. Aqueduct					
Belridge WSD	791	-	-	-	791
Berrenda Mesa WD	1,096	-	-	-	1,096
Dudley Ridge WD	762	-	-	-	762
Lost Hills WD	985	-	-	-	985
Semitropic WSD	282	-	-	-	282
Westside Mutual WC	890	-	-	-	890
Wheeler Ridge Maricopa WSD	2,279	-	-	-	2,279
Arvin-Edison Turnout					
Kern Delta Water District	2,787	-	-	-	2,787
Kern Tulare WD / ID4 / AEWSD Exch.	240	-	-	-	240
CVC / FK Intertie					
Kern Tulare Water District	526	-	-	-	526
Lined Losses - Pools 1-6					
Belridge WSD	19	-	-	-	19
Berrenda Mesa WD	31	-	-	-	31
Dudley Ridge WD	7	-	-	-	7
Improvement District No. 4	18	-	-	-	18
Kern Delta Water District	81	-	-	-	81
Kern-Tulare Water District	35	-	-	-	35
Lost Hills WD	25	-	-	-	25
Semitropic WSD	3	-	-	-	3
Westside Mutual WC	9	-	-	-	9
Wheeler Ridge Maricopa WSD	47	-	-	-	47
Unlined Losses - Pools 7					
Improvement District No. 4	156	-	-	-	156
Henry C. Garnett Treatment Plant:					
Improvement District No. 4	135	-	-	2,983	3,118
Unlined Losses - Pools 8					
Improvement District No. 4	162	-	-	-	162
Total	11,366	-	-	2,983	14,349
Existing Participant Deliveries	*1,272*	-	-	*2,983*	*5,945*
New Participant Deliveries	10,094	-	-	-	8,404
	11,366	-	-	2,983	14,349

Shading denotes forward flow deliveries based on each point of entry into the CVC; _ / _ denotes pools / pump plants utilized (for forward flow).

Invoice

Rosedale-Rio Bravo Water Storage District

PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
Fax # 661-589-1867

Date	Invoice #
4/13/2012	1018

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
Pioneer Wheeling Charges - December 2011	17,090.00

DWR
40130
4/20/12

Please remit to above address.

Total $17,090.00

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
02/15/12	03/16/12

INVOICE NO. 25112

0102-1310	0
0075-1310	17,090
761B-4430	8,737
761B-4401	6,145
741A-4499	307
761B-4402	1,901
020A-4430	0

Rosedale-Rio Bravo WSD
PO Box 867
Bakersfield, CA 93302-0867

Pioneer Project
Estimated Billing
December 2011

December 2011:
SWP to Pioneer

Transportation via Section 4 Pump (RRB)	418 af	@	0.00 $/af	0
Transportation via Section 4 Pump (KCWA)	41 af	@	8.75 $/af	359
Transportation via Section 4 Pump (KT)	75 af	@	8.75 $/af	656
Transportation via Section 4 Pump (PG&E)	534 af	@	3.56 $/af	1,901
Transportation via RTO 1 (RRB):	796 af	@	0.00 $/af	0
Transportation via RTO 1 (Agency):	79 af	@	11.00 $/af	869
Transportation via RTO 1 (KT):	143 af	@	11.00 $/af	1,573
Transportation via RTO 2 (RRB):	292 af	@	0.00 $/af	0
Transportation via RTO 2 (Agency):	28 af	@	14.25 $/af	399
Transportation via RTO 2 (KT):	53 af	@	14.25 $/af	755
Transportation via River Channel	47 af	@	0.00 $/af	0
Transportation via 2800 Acres:	649 af	@	5.36 $/af	3,479
Transportation via Basins 1, 9 & 10:	695 af	@	0.93 $/af	646
O&M:	1,229 af	@	5.00 $/af	6,145
Facility Replacement:	1,229 af	@	0.25 $/af	307
Subtotal				$ 17,090

TOTAL AMOUNT DUE/(REFUNDED) **$17,090**

1,925 AF DELIVERED.

PASS THRU TO KDWD

Pd 3-13-12 ck# 7422

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Invoice

Rosedale-Rio Bravo Water
Storage District

PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
FAX # 661-589-1867

Date	Invoice #
4/13/2012	1016

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
Pioneer Wheeling Charges - November 2011	11,198.88

DWR
40/30
4/20/12

Please remit to above address.

Total $11,198.88

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/25/12	02/24/12

INVOICE NO. 25032

0102-1310	0
0075-1310	14,787
761B-4430	2,314
761B-4401	6,690
741A-4499	335
761B-4402	5,448
020A-4430	0

Rosedale-Rio Bravo WSD
PO Box 867
Bakersfield, CA 93302-0867

Pioneer Project
Estimated Billing
November 2011

November 2011:
SWP to Pioneer

Transportation via Section 4 Pump (RRB)	1,065 af	@	0.00 $/af	0
Transportation via Section 4 Pump (KCWA)	54 af	@	8.75 $/af	473
Transportation via Section 4 Pump (KT)	74 af	@	8.75 $/af	648
Transportation via Section 4 Pump (PG&E)	1,193 af	@	2.84 $/af	3,388
Transportation via RTO 1 (RRB):	252 af	@	0.00 $/af	0
Transportation via RTO 1 (Agency):	13 af	@	11.00 $/af	143
Transportation via RTO 1 (KT):	17 af	@	11.00 $/af	187
Transportation via River Channel	1 af	@	0.00 $/af	0
Transportation via 2800 Acres:	136 af	@	5.36 $/af	729
Transportation via Basins 1, 9 & 10:	145 af	@	0.93 $/af	135
O&M:	1,338 af	@	5.00 $/af	6,690
Facility Replacement:	1,338 af	@	0.25 $/af	335
Subtotal				$ 12,726

Additional Charges:

Transportation via Section 4 Pump (April 2011 - PG&E	1,392 af	@	1.48 $/af	$ 2,060

TOTAL AMOUNT DUE/(REFUNDED) **$14,787**

1,475 AF DELIVERED

AEWSD 12% = $1,527.12
~~KDWD 88% = $11,198.88~~

Pd 2/14/12
Ck# 7370

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Invoice

Rosedale-Rio Bravo Water
Storage District

PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
Fax # 661-589-1867

Date	Invoice #
4/13/2012	1013

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
Cross Valley Canal Pumping Costs - September 2011 Pumping Plant No. 1 - $1761.50 Pumping Plant No. 2 - $1761.50 Pumping Plant No. 3 - $747.50 Pumping Plant No. 4 - $747.50 Pumping Plant No. 5 - $1150.00	6,168.00

DWR

40540
4/20/12

Please remit to above address.

Total $6,168.00

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

CROSS VALLEY CANAL PUMPING COSTS

KERN DELTA WATER DISTRICT - SEPTEMBER 2011

Deliveries and Pumping Plant Usage			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	542	3.25	1,761.50
Pumping Plant No. 2	542	3.25	1,761.50
Pumping Plant No. 3	230	3.25	747.50
Pumping Plant No. 4	230	3.25	747.50
Pumping Plant No. 5	230	5.00	1,150.00
		TOTAL >	**6,168.00**

Delivery Accounting	
Turnout	AF
Rosedale No. 1 (West)	312
Strand Ranch	0
Rosedale No. 2 (East)	230
CVC Losses	0
TOTAL >	**542**

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
12/12/2011	01/11/2012

INVOICE NO. 24801

Rosedale-Rio Bravo WSD
PO Box 20820
Bakersfield, CA 93390-0820

0053-1330(PWR)
561B-4402

Cross Valley Canal
September 2011

Estimated power costs for deliveries of Rosedale Rio-Bravo WSD SWP Table A supplies as well as Arvin-Edison WSD and Kern Delta WD use of RRBWSD capacity to convey Metropolitan WD SWP supplies to Rosedale Turnout No. 1 and 2; adjusted for lined losses.

Canal Reach	Pumping Plant	RRBWSD SWP Volume AF	AEWSD SWP Volume AF	KDWD SWP Total AF	Rate $/AF	Pumping Costs $
1	1	4,009	1,608	542	3.25	20,016.75
1	2	4,008	1,608	542	3.25	20,013.50
2	3	837	0	230	3.25	3,467.75
2	4	0	0	230	3.25	747.50
2	5	0	0	230	5.00	1,150.00
3	6	0	0	0	5.00	0.00
Extension	7	0	0	0	5.00	0.00

TOTAL AMOUNT DUE **$45,395.50**

Requested By	Prepared By	Approved By	Approved By

☑ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Invoice

Rosedale-Rio Bravo Water
Storage District

PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
Fax # 661-589-1867

Date	Invoice #
4/13/2012	1014

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
Cross Valley Canal Pumping Costs - November 2011 Pumping Plant No. 1 - $8258.25 Pumping Plant No. 2 - $8255.00 Pumping Plant No. 3 - $263.25 Pumping Plant No. 4 - $169.00 Pumping Plant No. 5 - $260.00	17,205.50

Due
40540
4/20/12

Please remit to above address.

Total $17,205.50

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

CROSS VALLEY CANAL PUMPING COSTS

KERN DELTA WATER DISTRICT - OCTOBER 2011

Deliveries and Pumping Plant Usage			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	2,541	3.25	8,258.25
Pumping Plant No. 2	2,540	3.25	8,255.00
Pumping Plant No. 3	81	3.25	263.25
Pumping Plant No. 4	52	3.25	169.00
Pumping Plant No. 5	52	5.00	260.00
		TOTAL >	**17,205.50**

Delivery Accounting	
Turnout	AF
Rosedale No. 1 (West)	1,373
Strand Ranch	1,116
Rosedale No. 2 (East)	52
CVC Losses	0
TOTAL >	**2,541**

✓

AMOUNT OF WATER RECLASSIFIED AS KDWD.

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/06/2012	02/06/2012

INVOICE NO. 24922

Rosedale-Rio Bravo WSD
PO Box 20820
Bakersfield, CA 93390-0820

0053-1330(PWR)
561B-4402

Cross Valley Canal
October 2011

Estimated power costs for deliveries of Rosedale Rio-Bravo WSD SWP Table A supplies to Rosedale Turnout No. 1 and 2 as well as refill deliveries per the Refill/Dewatering Policy Guidelines; adjusted for lined losses.

Canal Reach	Pumping Plant	RRBWSD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	2,919	3.25	9,486.75
1	2	2,918	3.25	9,483.50
2	3	81	3.25	263.25
2	4	52	3.25	169.00
2	5	52	5.00	260.00
3	6	0	5.00	0.00
Extension	7	0	5.00	0.00
		TOTAL AMOUNT DUE		**$19,662.50**

Requested By	Prepared By	Approved By	Approved By
☑ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL			

Invoice

Rosedale-Rio Bravo Water
Storage District

PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
Fax # 661-589-1867

Date	Invoice #
4/13/2012	1015

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
Cross Valley Canal Power Costs - November 2011	27,101.25

DWR
40540
4/20/12

Please remit to above address.

Total $27,101.25

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

CROSS VALLEY CANAL PUMPING COSTS

KERN DELTA WATER DISTRICT - NOVEMBER 2011

Deliveries and Pumping Plant Usage			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	5,326	2.25	11,983.50
Pumping Plant No. 2	5,324	2.25	11,979.00
Pumping Plant No. 3	0	2.25	0.00
Pumping Plant No. 4	0	2.25	0.00
Pumping Plant No. 5	0	2.25	0.00
		SUB-TOTAL >	**23,962.50**

Delivery Accounting	
Turnout	AF
Rosedale No. 1 (West)	1,845
Strand Ranch	3,481
Rosedale No. 2 (East)	0
CVC Losses	0
TOTAL >	**5,326**

✓

Pumping Plant Usage[1]			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	0	2.25	0.00
Pumping Plant No. 2	0	2.25	0.00
Pumping Plant No. 3	1,230	2.25	2,767.50
Pumping Plant No. 4	165	2.25	371.25
Pumping Plant No. 5	0	2.25	0.00
		SUB-TOTAL >	**3,138.75**

TOTAL > **27,101.25**

[1] CVC Power cost to move RRB water to Pioneer. KDWD agreed to move this water to Pioneer to free capacity in RRB spreading areas.

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
01/18/2012	02/17/2012

INVOICE NO. 25017

Rosedale-Rio Bravo WSD
PO Box 20820
Bakersfield, CA 93390-0820

0053-1330(PWR)
561B-4402

Cross Valley Canal
November 2011

Estimated power costs for deliveries of Rosedale Rio-Bravo WSD SWP Table A supplies to the Pioneer Project utilizing the Section 4 Turnout and River Turnout No. 1. Deliveries of Kern Delta WD at Rosedale Turnout No. 1 and 2 and the North and South Turnouts were made with Kern Delta WD MWD supplies; adjusted for lined losses.

Canal Reach	Pumping Plant	RRBWSD SWP Volume AF	KDWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	1,318	5,326	2.25	14,949.00
1	2	1,318	5,324	2.25	14,944.50
2	3	1,318	0	2.25	2,965.50
2	4	252	0	2.25	567.00
2	5	0	0	2.25	0.00
3	6	0	0	2.25	0.00
Extension	7	0	0	2.25	0.00

TOTAL AMOUNT DUE **$33,426.00**

Requested By | Prepared By | Approved By | Approved By

☑ ORIGINAL ☐ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Invoice

Rosedale-Rio Bravo Water Storage District

PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
Fax # 661-589-1867

Date	Invoice #
4/13/2012	1017

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
Cross Valley Canal Pumping Costs - December 2011	50,436.00

DWR
40540
4/20/12

Please remit to above address.

Total $50,436.00

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT
CROSS VALLEY CANAL PUMPING COSTS
KERN DELTA WATER DISTRICT - DECEMBER 2011

Deliveries and Pumping Plant Usage			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	5,873	2.25	13,214.25
Pumping Plant No. 2	5,872	2.25	13,212.00
Pumping Plant No. 3	4,056	2.25	9,126.00
Pumping Plant No. 4	354	2.25	796.50
Pumping Plant No. 5	353	2.25	794.25
		SUB-TOTAL >	**37,143.00**

Delivery Accounting	
Turnout	AF
Rosedale No. 1 (West)	2,761
Strand Ranch	2,759
Rosedale No. 2 (East)	353
CVC Losses	0
TOTAL >	**5,873**

Pumping Plant Usage[1]			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	1,510	2.25	3,397.50
Pumping Plant No. 2	1,509	2.25	3,395.25
Pumping Plant No. 3	1,508	2.25	3,393.00
Pumping Plant No. 4	1,089	2.25	2,450.25
Pumping Plant No. 5	292	2.25	657.00
		SUB-TOTAL >	**13,293.00**

TOTAL > **50,436.00**

[1] CVC Power cost to move RRB water to Pioneer. KDWD agreed to move this water to Pioneer to free capacity in RRB spreading areas.

KERN COUNTY WATER AGENCY
P.O. BOX 58
BAKERSFIELD, CA 93302-0058
PHONE: 661/634-1400 FAX: 661/634-1428

INVOICE DATE	DUE DATE
02/13/2012	03/14/2012

INVOICE NO. 25082

Rosedale-Rio Bravo WSD
PO Box 20820
Bakersfield, CA 93390-0820

0053-1330(PWR)
561B-4402

Cross Valley Canal
December 2011

Estimated power costs for deliveries of Rosedale Rio-Bravo WSD SWP Table A supplies to the Pioneer Project utilizing the Section 4 Turnout and River Turnout No. 1. Deliveries of Kern Delta WD at Rosedale Turnout No. 1 and 2 and the North and South Turnouts were made with Kern Delta WD MWD and SBVMWD supplies; adjusted for lined losses.

Canal Reach	Pumping Plant	RRBWSD SWP Volume AF	KDWD MWD SWP Volume AF	KDWD SBVMWD SWP Volume AF	Rate $/AF	Pumping Costs $
1	1	1,510	3,940	1,933	2.25	16,611.75
1	2	1,509	3,939	1,933	2.25	16,607.25
2	3	1,508	3,937	119	2.25	12,519.00
2	4	1,089	236	118	2.25	3,246.75
2	5	292	236	117	2.25	1,451.25
3	6	0	0	0	2.25	0.00
Extension	7	0	0	0	2.25	0.00

TOTAL AMOUNT DUE **$50,436.00**

Requested By | Prepared By | Approved By | Approved By

☐ ORIGINAL ☑ REMITTANCE ☐ FILE ☐ ACCOUNTING ☐ NUMERICAL CONTROL

Invoice

Rosedale-Rio Bravo Water Storage District
PO Box 20820
Bakersfield, CA 93390-0820

Phone # 661-589-6045
Fax # 661-589-1867

Date	Invoice #
12/5/2011	1009

RECEIVED
DEC - 6 2011

Bill To

Kern Delta Water District
501 Taft Highway
Bakersfield, CA 93307-6247

Terms
Net 30

Description	Amount
CVC Pumping Costs August 2011 see attached statement	4,959.50

DWR
405 40

VENDOR	Ro400
INVOICE #	1009
P.O. #	DWR
DATE	12-5-11
AMOUNT	4959.50
ACCT. CODE	40540

12/14/11

Please remit to above address.

Total $4,959.50

WATER B.P.

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

CROSS VALLEY CANAL PUMPING COSTS

KERN DELTA WATER DISTRICT - AUGUST 2011

Deliveries and Pumping Plant Usage			
Description	Volume (AF)	Rate ($/AF)	Pumping Cost ($)
Pumping Plant No. 1	763	3.25	2,479.75
Pumping Plant No. 2	763	3.25	2,479.75
Pumping Plant No. 3	0	3.25	0.00
Pumping Plant No. 4	0	3.25	0.00
Pumping Plant No. 5	0	3.25	0.00
		TOTAL >	**4,959.50**

Delivery Accounting	
Turnout	AF
Rosedale No. 1 (West)	763
Strand Ranch	0
Rosedale No. 2 (East)	0
CVC Losses	0
TOTAL >	**763**

RECEIVED
DEC 19 2011

Invoice

Buena Vista Water Storage District
P.O. Box 756
Buttonwillow, CA 93206

Telephone: 661-324-1101

Invoice No.	2669
Customer No.	0780

Bill To	Ship To
Kern Delta Water District 501 Taft Highway Bakersfield, CA 93307 USA	Kern Delta Water District 501 Taft Highway Bakersfield, CA 93307 USA

Invoice Date	Order Date	SO Number	Ordered By	Customer PO Number	Payment Method
12/16/2011	12/1/2011				Net 30 Days

Warehouse	Ship Via	F.O.B.	Salesperson	Resale Number
MAIN				

Order Quantity	Ship Quantity	Tax	Item Number / Description	Unit Price	Extended Price
25,000.00	25,000.00	N	KDEX Kern Delta Exchange 2011 EXHANGE FEES PURSUANT TO MEMO OF UNDERSTANDING - THIS EXCHANGE IS IN ADDITION TO THE ANNUAL LONG-TERM WATER EXCHANGE AGREEMENT NO. 2 Exchange in place of cvc cost.	15.50	387,500.00

DWR
~~3110~~
30110

VENDOR Bo300
INVOICE # 2669
P.O. # DWR
DATE 12-16-11
AMOUNT 387,500.00
ACCT. CODE

1/9/12

MET

Print Date	12/16/11	**Total Paid**	0.00	**Subtotal**	387,500.00
Print Time	10:29:05 AM	**Balance Due**	387,500.00	**Freight**	0.00
Page No.	1	**Due Date**	01/15/12	**Invoice Total**	387,500.00

Printed By: Marinelle

1/4/12

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT
1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
Attention: General Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EXEMPT GOVERNMENT AGENCY Per Government Code Sec. 6103

By_____
District Secretary, San Bernardino Valley Water Conservation District

AGREEMENT TO DEVELOP AND OPERATE ENHANCED RECHARGE FACILITIES

This Agreement to Develop and Operate Enhanced Recharge Facilities ("**Agreement**") is entered into and effective this 1st day of October, 2012 by and among the San Bernardino Valley Water Conservation District (the "**Conservation District**"), the San Bernardino Valley Municipal Water District ("**Valley District**") and Western Municipal Water District of Riverside County ("**Western**"). The Conservation District, Valley District and Western are each sometimes referred to as a "**Party**" and are collectively sometimes referred to as the "**Parties.**"

Recitals

A. General Purposes.

(1) The Parties each hold water rights to the waters of the Santa Ana River and each own and operate facilities that serve to divert and/or store the waters of the Santa Ana River. Furthermore, each Party possesses critical assets and unique skills that the other Parties do not possess.

SBVMWD LEGAL
DOCUMENT 2382

(2) The Parties wish to collaboratively use all of their respective assets and skills, including but not limited to water rights and facilities necessary or useful for the diversion and storage of water, to improve the reliability of local water supplies for their respective constituents by establishing a collaborative partnership to coordinate the use of their separate resources for mutual advantage.

(3) The Parties specifically wish to collaborate by increasing opportunities to recharge local surface water supplies, as well as State Project Water, in the San Bernardino Basin Area (the "**SBBA**"); by reducing the time and cost required to permit and construct essential public infrastructure (such as spreading basins); and by working together to achieve an efficient division of labor in the operation and maintenance of water infrastructure.

(4.) The Parties acknowledge that their water resource management activities in the Santa Ana River wash area proceed in concert with other uses of the lands in that area, including the mining of sand and gravel mineral deposits pursuant to existing leases, and habitat conservation and management, pursuant to a series of multi-agency cooperative initiatives involving local, state, and federal resource management and control agencies. The Parties' goal is to harmonize their water resource activities with these other uses, for the optimization of coordinated use by all.

(5) The Parties wish to memorialize their joint understandings by means of this Agreement.

B. Findings.

(1) The Parties agree that they must increase groundwater storage in the SBBA in order to meet current and future demands for water among their constituents.

(2) In the past, reasonable disagreements among the Parties have added unintentional and undesirable costs and complexity to the planning and permitting of important water resources projects in the region.

(3) The Parties believe that it is in their best interests, and the best interest of the public they serve, to cooperate in increasing the available water supply by establishing a new and more productive working relationship.

(4) In certain years, wet weather conditions and increased availability of State Project Water can create a limited opportunity to improve the reliability of local water supplies by increasing recharge and storage to groundwater. These favorable conditions are temporary and perishable. Therefore, time is of the essence. New inter-agency operating agreements should be established immediately in order to make the most of this and future opportunities because they occur on an irregular and unpredictable basis.

(5) Because of the limited and sporadic opportunities to augment local water supplies, the Parties intend for this Agreement to continue for a long period, thereby allowing the utilization of such limited water supplies.

Agreements

1. *Term.* The term of this Agreement shall commence on the Effective Date first written above and shall continue for a term of twenty five (25) years ("Initial Term") , unless terminated earlier as provided in this Agreement. This Agreement may be extended by written agreement among all parties for up to five additional, consecutive five year terms ("Extension Terms"), on the same terms and conditions stated herein, provided that prior to the expiration of the term then in effect, all parties agree in writing to the applicable extension, by action of their legislative bodies, to extend the Agreement for another term.

2. *Duties of the Conservation District.*

a. *Lease of Facilities for the Purpose of Groundwater Recharge to Valley District and Western.* The Conservation District hereby leases to Valley District and Western, for the term of this Agreement and on the terms specified herein, the surface of the lands shown on Exhibit 1 during the term of this Agreement ("**Leased Property**"). Exhibit 1A provides the legal description for the lands owned in fee by the Conservation District and Exhibit 1B provides the legal description of lands made available under existing easements under ownership by the Bureau of Land Management. Exhibit 1 is attached hereto and incorporated herein by reference. Valley District and Western shall have the right to enter upon and use the Leased Property, and any reasonably necessary subsurface areas incident thereto. Such entry and use shall be only for the purpose of recharging, storing or conveying water from any source (collectively "**recharging of water**" herein) into or through the percolation basins and other facilities owned or controlled by the Conservation District, whether existing as of the effective date of this Agreement, or as may be constructed pursuant to the terms of this Agreement, as such existing and contemplated future facilities are depicted in Exhibit 2, which is attached hereto and incorporated herein by reference). The Conservation District reserves all rights in and to the Leased Property not expressly conveyed as a part of this lease. Specific terms of this lease are as follows:

(1) Valley District and Western may construct, operate, maintain, repair, reconstruct and rehabilitate diversion facilities, recharge basins, pumps and other ancillary facilities or equipment located within the Leased Property as Valley District and Western may reasonably deem necessary for the recharging of water on the Leased Property,

recognizing that the Parties intend that the Conservation District shall be responsible for the operation and maintenance of such facilities.

(2) Included within this lease are all rights of reasonable ingress and egress as may be useful or necessary, in Valley District and/or Western's sole discretion, for the purpose of the recharging of water on the Leased Property, provided that such activities shall not interfere with: (i) any conservation easements that may now exist, or may be established consistent with the Conservation District's Upper Santa Ana River Wash Land Management and Habitat Conservation Plan, on said lands, or (ii) other easements existing as of the effective date of this Agreement.

(3) The designs for any such facilities or other tenant improvements must be approved, in advance by the Conservation District, which approval shall not be unreasonably withheld or delayed, and are subject to any limitations on the Conservation's District's holding of the Leased Property. The Conservation District shall cooperate reasonably with Valley District and Western to obtain local, state, or federal permits that may be required to construct or operate such facilities approved by the Conservation District.

(4) The Conservation District will utilize its best efforts under all existing and future lease agreements and easements with other individuals, organizations or entities operating on the Leased Property to harmonize the objective of Valley District and Western making full use of the facilities on the Leased Property for the recharge of water, consistent with the hydrological design limitations of these facilities, with any competing uses of the properties on which such facilities are or may be located.

(5) The Parties recognize that the Conservation District has negotiated lease agreements with mining companies that allow the Conservation District to engage in recharge of water that may periodically interfere with or prevent mining, without liability on the part of the Conservation District, which agreements are attached hereto as Exhibits 3 and 4. The Conservation District represents and warrants that these are the only current agreements that authorize mining on the Leased Property, and represents and warrants that the copies of these agreements attached as Exhibits 3 and 4 are true and correct copies of those agreements. Based on those representations, the Parties believe that they can collaboratively manage the recharge of water to avoid liability arising from any incompatibility between the recharging of water and any

activities otherwise authorized under the mining leases. Toward this end, the Parties agree as follows:

(a) During the winter season (from October 1 to March 31), the Parties will consult with each other on a regular basis to determine the quantity of water that may be recharged without interfering with mining operations.

(b) In the event that the recharging of water threatens to substantially limit or interfere with mining operations, the Parties shall immediately confer to determine how to maximize the recharge without unduly interfering with mining activity. Towards this end, the parties acknowledge that the Conservation District has the right, from time to time and as it deems necessary in the exercise of its reasonable discretion, to utilize all or any portion of the areas subject to the mining leases for its water recharge, conservation, spreading, and other operations, provided such activities are undertaken utilizing best efforts to avoid storing water so as to require temporary use of the mining lease areas. In connection with the exercise of their activities on the Leased Property hereunder, Valley District and Western shall assist the Conservation District to make every effort to minimize the time of any interruption of the mining lessees' activities on the Leased Property, to permit sufficient time for the Conservation District to observe all requirements for notice to mining lessees required under the applicable leases in the event of conflicts, and to harmonize their recharge of water with the then-current and anticipated immediate future excavation and other activities of the mining lessees, with the overall goal that the mining activity and the water conservation activity can harmoniously exist, without interruption to either.

(c) Any decisions about the proper scope, location, or amount of recharging of water after such consultation with appropriate agencies shall be made solely by the Conservation District in the exercise of its reasonable discretion, consistent with paragraph 4(d)(2) below, and consistent with the principle of ensuring that the optimum quantity of water possible is replenished within the San Bernardino Basin Area.

In the event the Conservation District determines, in the exercise of its reasonable discretion, that portions of the Leased Property cannot be made available to Valley District and Western, and such determination is made at a time when water supplies are otherwise

immediately available to Valley District and Western for recharge into facilities on the leased land:, Conservation District will not object, directly or indirectly, to efforts by Valley District and/or Western to deliver water supplies that cannot be spread on the Leased Property to other locations, *provided that* in determining where to deliver such water supplies, Valley District and Western act consistent with the priority of first delivering water for direct delivery or spreading within the SBBA, then delivering water for direct delivery or spreading within the boundaries of Valley District, then delivering water for direct delivery, spreading or storage within Western, and then delivering water for direct delivery, spreading or storage outside of Western.

In such event, the parties shall meet and confer in good faith, under the auspices of the Joint Operations Committee provided for in paragraph 4(b) below, regarding whether some proportional refund to Valley District, Western, or both of a portion the gross lease fee paid for the given year in which the Leased Premises were unavailable for the recharge of water may be appropriate, and if so, in what amount.

b. *Operation and Maintenance of Spreading Basins.* The Conservation District shall operate and maintain all new and existing facilities, located on the areas depicted in Exhibit 2 hereto, in good working condition, to ensure that the recharge of water continues efficiently, in accordance with a mutually-agreed schedule of regular maintenance and any supplemental agreements governing special or emergency maintenance responsibilities. The Conservation District shall set aside a portion of the gross lease fee provided for in Paragraph 3(a) below received from Valley and Western, in accordance with the Conservation District's Reserve Policy, to ensure sufficient funds are available to meet the agreed maintenance obligations.

c. *Ownership of New Facilities* Upon expiration or other proper termination of this Agreement, however, improvements made on land owned or controlled by the Conservation District shall become Conservation District property, to be used by the Conservation District for water management and the recharge of water.

d. *Groundwater Charge*. All parties producing water in the Conservation District's jurisdictional boundaries shall be subject to all then-applicable groundwater charges, and this Agreement shall not exempt nor excuse any party, including Valley District and Western, from the levy or payment thereof. Notwithstanding, the parties recognize that they do not intend that groundwater charges would be required to be paid on production of water pursuant to measures taken for the emergency alleviation of high groundwater conditions, or the implementation of

other basin management objectives as may be approved by the Basin Technical Advisory Commission ("**BTAC**") or other similar organization including all of the parties hereto that may perform a substantially similar role under any Conjunctive Use Plan that may be implemented for the SBBA. The Conservation District agrees to consider implementing reasonable measures to reduce or eliminate groundwater charges for groundwater production devoted to such agreed purposes, whether by exemption, or refund of charges otherwise paid, as may be consistent with applicable law.

3. *Duties of Valley District and Western.*

a. *Gross Lease Fee.* Valley District and Western shall together pay to the Conservation District a gross lease fee of $350,000/year for the right to the recharge of water through the existing percolation basins and other facilities owned by the Conservation District, and the right to construct and have operated additional recharge and conveyance facilities on the Leased Property. The parties acknowledge and affirm that the gross lease fee is a lease payment for access to and use of the Leased Property, only, and for partial offset to the costs of operation and maintenance of facilities thereon same by the Conservation District. The gross lease fee does not include, and is not intended to replace or offset, any charges for the acquisition, conveyance, storage, or production of water, that may otherwise apply by or among the parties, or third parties, whether now or in the future.

b. Valley District and Western, or either of them, shall pay the gross lease fee, in advance, by October 1st of each year, which sum may be apportioned by the Conservation District to its Groundwater Enterprise and other funds.

(1) Valley District and Western shall annually adjust the gross lease fee to account for inflation using the U.S. Bureau of Labor Statistics Consumer Price Index (CPI-U) for the Los Angeles District. The base year for such payments will be 2012.

(2) In the event that Valley District and/or Western construct new percolation basins or other facilities useful or necessary for the recharge of water, the Parties shall adjust the gross lease fee proportionally to reflect the additional operation and maintenance costs that will be incurred by the Conservation District in operating and maintaining those new facilities, as may be agreeable to the Parties.

c. *Permitting for New or Augmented Spreading Basins.* Valley District and Western shall be responsible for obtaining all federal, state and local permits (including conducting environmental review under the California Environmental Quality Act or the National Environmental Policy Act) that may be required to construct

additional facilities for the recharge of water supplied by Valley and Western. If, after 10 years, Valley and Western have been unable to obtain the necessary permits, either or both may terminate this lease agreement subject to the provisions of paragraph 9.c. below. Valley District and Western shall bear all costs associated with protecting, repairing or replacing the material infrastructure improvements (including pipelines, gates, valves, weirs, fencing, gauges, etc.) installed by Valley District and Western on lands owed by the Conservation District.

d. *Resource Management.*

(1) Valley District and Western shall coordinate their operations to harmonize with mineral resource extractions, to avoid any potential liability under mineral leases, or other uses authorized by the Conservation District on the Leased Property.

(2) Valley District and Western shall negotiate supplemental payments to the Conservation District where unusual and unforeseen circumstances necessitate extraordinary maintenance expenses that are in excess of the budget prepared and approved by the Joint Operations Committee.

(3) Valley District and Western shall cooperate with the Conservation District in developing a long-term resource management plan to govern multiple-use activities in Reach 5 of the Santa Ana River wash (i.e., the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan).

4. *Duties of All Parties*

a. *No Rights to Other Party(ies)' Water or Facilities.* Except as provided for in paragraph 2(c) above, the Conservation District will not assert any claim to own or control the new facilities constructed, or the additional water recharged by, Valley District and Western under the terms of this Agreement, provided that these activities occur in conformance with this Agreement. Valley District and Western will not assert any claim to own or control any water that is percolated in the new or existing recharge basins that is not supplied by Valley District or Western, nor make any attempt to acquire or control land or facilities owned by the Conservation District.. Valley District and Western acknowledge and represent to Conservation District that this Agreement provides for and constitutes "compatible use" of the Conservation District's property and facilities, as that term is utilized in California Code of Civil Procedure sections 1240.510 et seq., thereby eliminating any need for any exercise of eminent domain by any party to acquire any additional interest in the Leased Property from any other party.

b. *Establishment of Joint Operations Committee.* The Parties shall establish and participate in a Joint Operations Committee (the "**JOC**") to serve in an advisory capacity to the Conservation District, which shall assist the Conservation District to develop a schedule and budget for planned operation and maintenance activities relating to the recharge of water on the Leased Property, and perform other functions as otherwise specified herein, under such rules and procedures as it shall formulate and unanimously approve. The JOC shall meet at least twice a year to plan water recharge, review financial and water accounting matters implicated hereunder, and review performance.

c. *Joint Reporting.* The Parties shall jointly provide planning documents, monitoring reports, and other records that may be requested by authorized agencies to demonstrate compliance with federal, state or local laws and regulations. Specifically, the Parties shall continue to cooperate in the preparation and submission of annual reports to the California State Water Resources Control Board, which reports will follow the format used by the Parties in reporting the use of water for calendar year 2010. A copy of the report filed with the California State Water Resources Control Board is attached hereto as Exhibit 5 and incorporated herein by reference.

d. *Water Resources Management.*

(1) The Parties will continue to coordinate all recharge of water with one another to protect and enhance the safe yield in the SBBA. Specifically, the Parties will: (i) jointly develop the Regional Conjunctive Use Plan (or its equivalent) through the Basin Technical Advisory Committee, (ii) seek additional opportunities to increase safe yield in the SBBA by engaging in cooperative joint development of new water supply projects or conservation programs in the region, and (iii) cooperate with one another to document the water resource management benefits accrued by establishing and implementing this Agreement.

(2) The parties agree to dedicate and use the water made available pursuant to their respective water rights in and to the Santa Ana River to give priority to preserving the safe yield of the SBBA, as part of the reasonable and prudent management of their entire portfolio of water resources. All parties shall refrain from contesting any water rights claimed or held by one another at any time during the term of this Agreement, so long as such water rights are exercised in the manner consistent with this Agreement.

(3) The Parties will not export native water from the SBBA, or recharge water on behalf of agencies located outside the SBBA, except as

provided for by the 1969 *Western* Judgment and/or by the Regional Conjunctive Use Plan (or its equivalent).

5. *Amendments.* The Parties will negotiate amendments, including but not limited to areal expansion of the scope of activities, to this Agreement in good faith and not unreasonably withhold consent.

6. *Liberal Construction.* The Parties shall construe all terms and conditions in this Agreement in a manner which most favors increasing available water supplies by encouraging greater recharge of water in the area.

7. *Indemnification*

a. *Generally.* Each Party shall indemnify, defend and hold harmless the other Parties, their directors, officers, employees and agents from and against all damages, liabilities, claims, actions, demands, costs and expenses (including, but not limited to, costs of investigations, lawsuits and any other proceedings whether in law or in equity, settlement costs, attorneys' fees and costs), and penalties or violations of any kind, which arise out of, result from, or are related to a Party's performance of its obligations under this Agreement. In extending such indemnification, however, no party hereto waives any sovereign or governmental immunities, privileges, or rights that they may have or enjoy under any applicable law, including but not limited to California Government Code sections 810 et seq., and except as otherwise specifically provided for hereunder, and each party reserves all such immunities, privileges and rights , and any claims or other procedures applicable to same, that may presently exist or hereafter be created, to themselves, as against each of the other parties, and as against any third party.

b. *Indemnification Procedures.* Any Party that is an indemnified party (the "**Indemnified Party**") that has a claim for indemnification against the other Party (the "**Indemnifying Party**") under this Agreement, shall promptly notify the Indemnifying Party in writing, specifying the nature of the claim, the grounds upon which the Indemnified Party believes the Indemnifying Party is liable in whole or in part for the liability or other obligation asserted under the claim, and including any appropriate demand for defense or indemnification, or both. No delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation unless (and then solely to the extent) the Indemnifying Party is prejudiced. Further, the Indemnified Party shall promptly notify the Indemnifying Party of the existence of any claim, demand, or other matter to which the indemnification obligations apply, and shall give the Indemnifying Party a reasonable opportunity to defend the same at its own expense and with counsel of its own selection, *provided* that the Indemnified Party shall at all times also have the right to fully participate in the disputed matter at its own expense. If the Indemnifying Party refuses to provide the

indemnity, or within a reasonable time after written notice from the Indemnified Party, fails to defend a claim, demand or other matter to which the indemnification obligations apply, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the claim or other matter, on behalf, or for the account, and at the risk, of the Indemnifying Party. If the claim is one that cannot by its nature be defended solely by the Indemnifying Party, then the Indemnified Party shall make available all information and assistance to the Indemnifying Party that the Indemnifying Party may reasonably request. In the event of any dispute between the Indemnified party and the Indemnifying Party as to whether the claim is one to which the indemnification obligations apply, the matter shall be resolved in the manner of resolution of disputes, as provided in paragraph 9 hereunder. Except as specifically provided otherwise in Paragraph 9(b) (4) below with respect to tolling of limitations periods, the notice provided for hereunder shall be in addition to, and not in place of, any other notice that may be provided for or otherwise required under law.

8. *Force Majeure.* In addition to any other specific provisions of this Agreement, a Party hereto shall not be deemed to be in default under this Agreement where failure or delay in performance of any of such Party's obligations under this Agreement is caused by floods, earthquakes, winds, other Acts of God, power outages, equipment failure, acts of vandalism, fires or other casualties, wars, riots or similar hostilities, strikes and other labor difficulties beyond the Party's control, (including the Party's employment force), enactment of new or conflicting, laws or regulations, including any new listing of endangered species or designation of critical habitat for endangered species, court actions (such as restraining orders or injunctions), judicial actions such as issuance of restraining orders and injunctions, or other causes beyond such Party's control. If any one or more of such events occur, the term of this Agreement and the time for performance by any Party of any of its obligations hereunder shall be extended by the period of time that such one or more events prevented or delayed such performance, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years. In the event that said period of time must be extended by more than five years, this Agreement shall automatically terminate.

9. *Administration of Agreement*

a. *Books and Records.* Each Party shall have access to and the right to examine any of the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement. Each Party shall retain all such books, documents, papers or other records to facilitate such review in accordance with that Party's record retention policy. Access to each Party's books and records shall be during normal business hours only.

Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

b. *Disputes.* The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree that they may attempt to resolve disputes as follows:

(1) *Statement Describing Alleged Violation of Agreement.* A Party or Parties alleging a violation of this Agreement (the "**Initiating Party(ies)**") shall provide a written statement describing all facts that it believes constitute a violation of this Agreement to the Party(ies) alleged to have violated the terms of this Agreement (the "**Responding Party(ies)**").

(2) *Response to Statement of Alleged Violation.* The Responding Party(ies) shall have sixty days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party(ies) or to cure the alleged violation to the reasonable satisfaction of the Initiating Party(ies). The Initiating Party(ies) and the Responding Party(ies) shall then meet within thirty days of the date of the response to attempt to resolve the dispute amicably.

(3) *Mediation of Dispute.* If the Initiating Party(ies) and the Responding Party(ies) cannot resolve the dispute within ninety days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by a Director or Councilperson. These representatives of the Initiating Party(ies) and the Responding Party(ies) may consult with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be divided evenly between the Initiating Party(ies) and the Responding Party(ies).

(4) *Prior to Claims Under California Tort Claims Act.* The Parties agree that the procedure described in this paragraph represents an effort to resolve disputes without the need for a formal claim under the California Tort Claims Act or other applicable law. The period of time for the presentation of a claim by one Party against another shall be tolled for the period from the date on which the Initiating Party(ies) file a written statement until the date upon which the mediator renders a decision.

(5) *Reservation of Rights.* Nothing in this paragraph shall require a Party to comply with a decision of the mediator and, after the completion of the mediation process described above, each Party shall retain and may exercise at any time all legal and equitable rights and remedies it may have to enforce the terms of this Agreement; provided, that prior to commencing litigation, a Party shall provide at least five calendar days' written notice of its intent to sue to all Parties.

c. *Termination of Agreement*

(1) *Failure to Obtain Permits.* The Parties recognize and acknowledge that the implementation of this Agreement may require one or more Parties to obtain permits or other regulatory approvals from one or more local, state or federal regulatory agencies, including but not limited to the Regional Water Quality Control Board, the California Department of Fish & Game and the U.S. Fish & Wildlife Service or the U.S. Army Corps of Engineers. Because of the significant regulatory uncertainties associated with obtaining these permits or regulatory approvals, the Parties agree that, if Valley District and Western have not received all regulatory permits or approvals required or useful for groundwater replenishment on the Leased Property within ten years from the effective date of this Agreement, Valley District and/or Western may terminate this Agreement at any time by providing the Conservation District with one-year's written notice of such termination. In the event that Valley District or Western, but not both wish to terminate this Agreement, the Party wishing to terminate this Agreement shall be allowed to terminate the Agreement as to itself and the remaining two Parties may continue the Agreement on such terms as they deem to be equitable.

(2) *Material Breach.* If one Party deems that another Party has materially breached one of the provisions of this Agreement, the Parties shall use the dispute resolution procedures set forth in paragraph 9. b. above in an effort to resolve the dispute amicably. If, the dispute resolution process described in paragraph 9. b. above is not successful in resolving the dispute, any Party may terminate this Agreement for material breach thereof, and may seek any remedy that it would otherwise be entitled to in a court of law.

d. *Recordation of Agreement.* All Parties agree that this Agreement constitutes a lease of certain lands by the Conservation District to Valley District and Western for the purpose of constructing, operating, maintaining, repairing and rehabilitating percolation basins and ancillary facilities on the Leased Property, and consequently, all Parties agree that this Agreement should be recorded in the

Official Records of the County of San Bernardino. Valley District shall, within ten days of the effective date of this Agreement, cause this agreement to be recorded in the Official Records of the County of San Bernardino and shall promptly provide the Conservation District and Western with recorded copies of this Agreement upon receipt of such copies from the County of San Bernardino.

10. *General Provisions.*

a. *Authority.* Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendment.* This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

d. *Headings.* The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

e. *Construction and Interpretation.* This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

f. *Entire Agreement.* This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and, save as expressly provided in this Agreement, supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

g. *Partial Invalidity.* If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

h. *Successors and Assigns.* This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

i. *Waivers.* Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement and forbearance to enforce one or more of the rights or remedies provided in this Agreement shall not be deemed to be a waiver of that right or remedy.

j. *Attorneys' Fees and Costs.* The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.

k. *Necessary Actions.* Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

l. *Compliance with Law.* In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

m. *Third Party Beneficiaries.* This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

n. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

o. *Notices.* All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid

Table of Exhibits

Exhibit 1 Leased Property including Exhibit 1A and 1B

Exhibit 2 Existing and Future Facilities

Exhibit 3 CEMEX Lease

Exhibit 4 Robertson's Ready Mix Lease

Exhibit 5 2010 State Water Rights Filing

WESTERN MUNICIPAL WATER DISTRICT
"Western"

Donald D. Galleano
President
Board of Directors

Approved as to form only:

Jeff Ferre
Best, Best & Krieger

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
"Valley District"

C. Patrick Milligan
President
Board of Directors

Approved as to form only:

David R.E. Aladjem
Special District Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT
"Conservation District"

Richard W. Corneille
President
Board of Directors

Approved as to form only:

David B. Cosgrove
General Counsel

State of California)
County of Riverside)

On Dec 19, 2012, before me, Teresa VAN Scyoc,
(insert name and title of the officer)
Notary Public, personally appeared Donald D. GALLEANO,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Teresa Van Scyoc (Seal)



State of California)
County of San Bernardino)

On Dec. 12, 2012, before me, M. Galvez, Notary Public,
(insert name and title of the officer)
Notary Public, personally appeared Richard W. Corneille and no one else,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

M. GALVEZ
COMM. # 1870870
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
MY COMM. EXP DEC. 6, 2013

State of California)
County of San Bernardino)

On Dec. 12, 2012, before me, L. Jaramillo, Notary Public
(insert name and title of the officer)
Notary Public, personally appeared C. Patrick Milligan,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

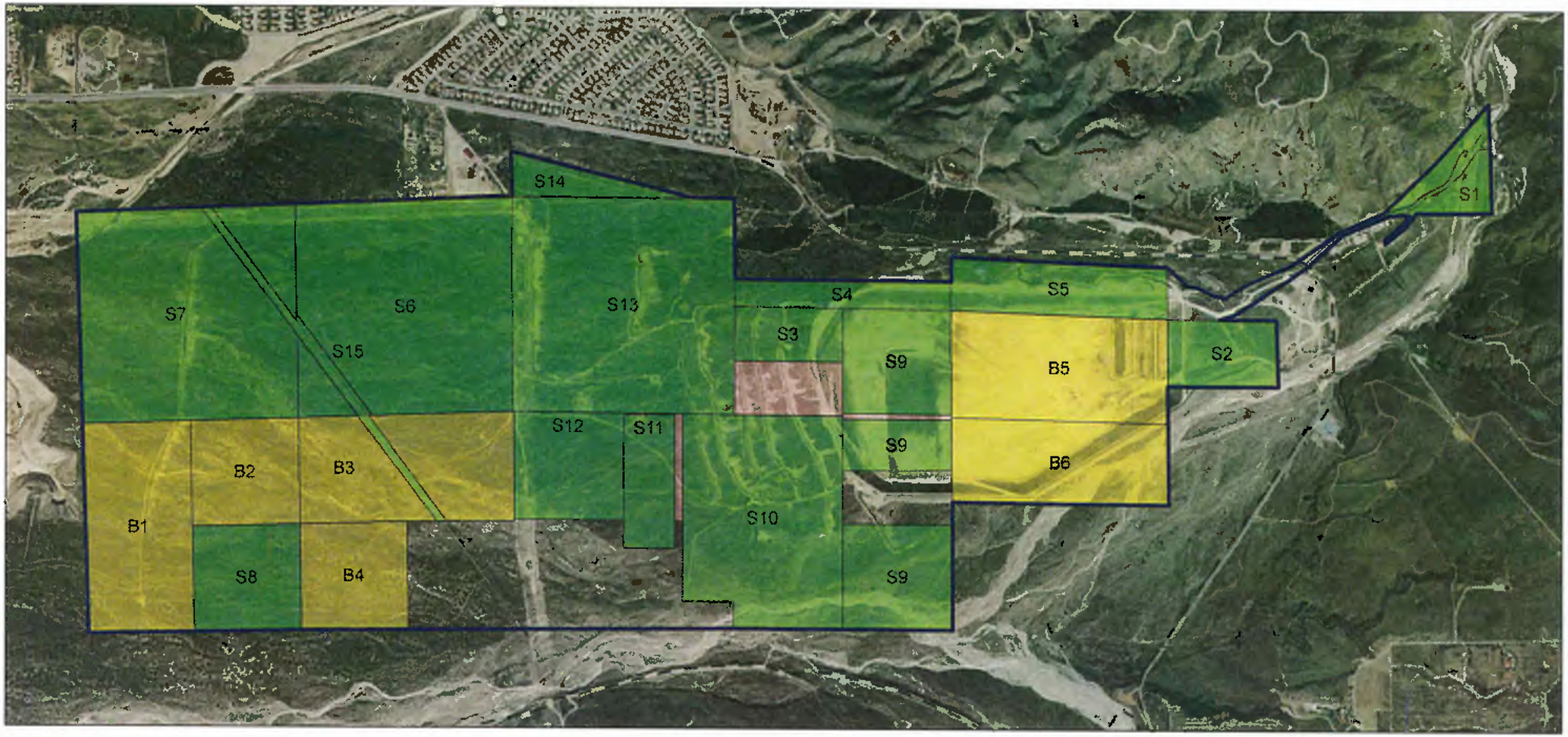
WITNESS my hand and official seal.

L. JARAMILLO
Commission # 1974864
Notary Public - California
San Bernardino County
My Comm. Expires May 10, 2016

Signature L. Jaramillo

(Seal)

EXHIBIT 1



- - - - Wash Plan Area Boundary
SAR Recharge Area (1485 Acres)
SBVWCD Lands (952 Acres)
BLM Property Access (513 Acres)
Other Ownership Limited Access

Exhibit 1

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W E
S

0 950 1,900 3,800
Feet

C. Brudin
14 Sept 2012
M:\2011 Projects\Land Ownership District_Exhibit1_Edits.mxd

SBV WATER CONSERVATION DISTRICT
OUR NAME IS OUR MISSION

EXHIBIT 1A
LEGAL DESCRIPTION
SBVWCD LANDS

THOSE PORTIONS OF SECTIONS 4, 6, 7 AND 8, TOWNSHIP 1 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN AND THOSE PORTIONS OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

PARCEL S1: (A.P. NO. 0297-041-07)
THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 4, SAID PORTION LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE SOUTHWESTERLY TO THE SOUTHWEST CORNER OF SAID SECTION 4.

PARCEL S2: (A.P. NO. 0297-061-01)
THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 8.

PARCEL S3: (A.P. NO. 0297-051-06)
THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 7, COMPRISING 20 ACRES, MORE OR LESS.

PARCEL S4: (A.P. NO. 0297-051-05)
THE SOUTH 20 ACRES OF THE NORTH OF THE NORTHEAST QUARTER OF SAID SECTION 7.

PARCEL S5: (A.P. NO. 0297-061-03)
THE SOUTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 8, COMPRISING 40 ACRES, MORE OR LESS.

PARCEL S6: (A.P. NO. 0291-151-02)
THE NORTHEAST QUARTER OF SAID SECTION 12, EXCEPT RAILROAD RIGHT-OF-WAY AND EXCEPT STATION AT APLIN AND COMPRISING 157 ACRES, MORE OR LESS.

PARCEL S7: (A.P. NO. 0291-151-01)
THE NORTHWEST QUARTER OF SAID SECTION 12, EXCEPT RAILROAD RIGH-OF-WAY.

PARCEL S8: (A.P. NO. 0291-161-04)
THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 12.

PARCEL S9: (A.P. NO. 0297-051-07, 0297-051-08, 0297-051-09, 0297-051-10, 0297-071-09, 0297-071-10, 0297-071-13, 0297-071-14, 0297-071-16, 0297-071-17)
LOTS 1 THROUGH 6 AND LOTS 9 THROUGH 12 OF VAN BUREN TRACT, AS SHOWN ON A MAP RECORDED IN BOOK 8, PAGE 69 OF MAP IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL S10: (A.P. NO. 0297-071-08)
THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 7, COMPRISING 80 ACRES, MORE OR LESS.

LEGAL DESCRIPTION (Continued)

PARCEL S11: (A.P. NO. 0297-071-02, 0297-071-03, 0297-071-04)
LOTS 4 THROUGH 15 OF CHICAGO SUBDIVISION TO REDLANDS, AS SHOWN ON A MAP RECORDED IN BOOK 12, PAGE 52 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL S12: (A.P. NO. 0168-311-06)
THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 7.

PARCEL S13: (A.P. NO. 0297-051-01 AND 0297-051-02)
THE NORTHWEST QUARTER OF SAID SECTION 7.

PARCEL S14: (A.P. NO. 0297-011-07)
THAT PORTION OF THE SOUTHWEST QUARTER OF SAID SECTION 6, LYING SOUTH OF THE SOUTH LINE OF THE EXISTING METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA PIPELINE RIGHT OF WAY AS THE SAME NOW EXISTS. EXCEPT THAT PORTION THEREOF CONVEYED TO THE NORTHFORK WATER COMPANY BY DEED RECORDED MARCH 7, 1909 IN BOOK 388 OF DEEDS, PAGE 120, RECORDS OF SAID COUNTY.

PARCEL S15: (A.P. NO. 0291-151-05)
PARCEL 1 OF THAT CERTAIN DEED RECORDED JUNE 28, 1984 AS INSTRUMENT NO. 84-152554 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY.

SUBJECT TO ALL RESERVATIONS, RESTRICTIONS, EASEMENTS, OFFERS OF DEDICATIONS, RIGHTS AND RIGHT OF WAYS OF RECORD.

This legal description was prepared by me or under my direction.



By:_____
Edward J. Bonadiman, P.L.S.
Date: 09/17/2012 L. S. #:7529

EXHIBIT 1B
LEGAL DESCRIPTION
BLM PROPERTY ACCESS

THOSE PORTIONS OF SECTION 8, TOWNSHIP 1 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN AND THOSE PORTIONS OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

PARCEL B1: (A.P. NO. 0297-161-05)
THE WEST HALF THE SOUTHWEST QUARTER OF SAID SECTION 12.

PARCEL B2: (A.P. NO. 0297-161-06)
THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 12.

PARCEL B3: (A.P. NO. 0297-161-01)
THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 12.

PARCEL B4: (A.P. NO. 0297-161-03)
THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 12.

PARCEL B5: (A.P. NO. 0297-061-02)
THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 8.

PARCEL B6: (A.P. NO. 0297-061-02)
THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 8.

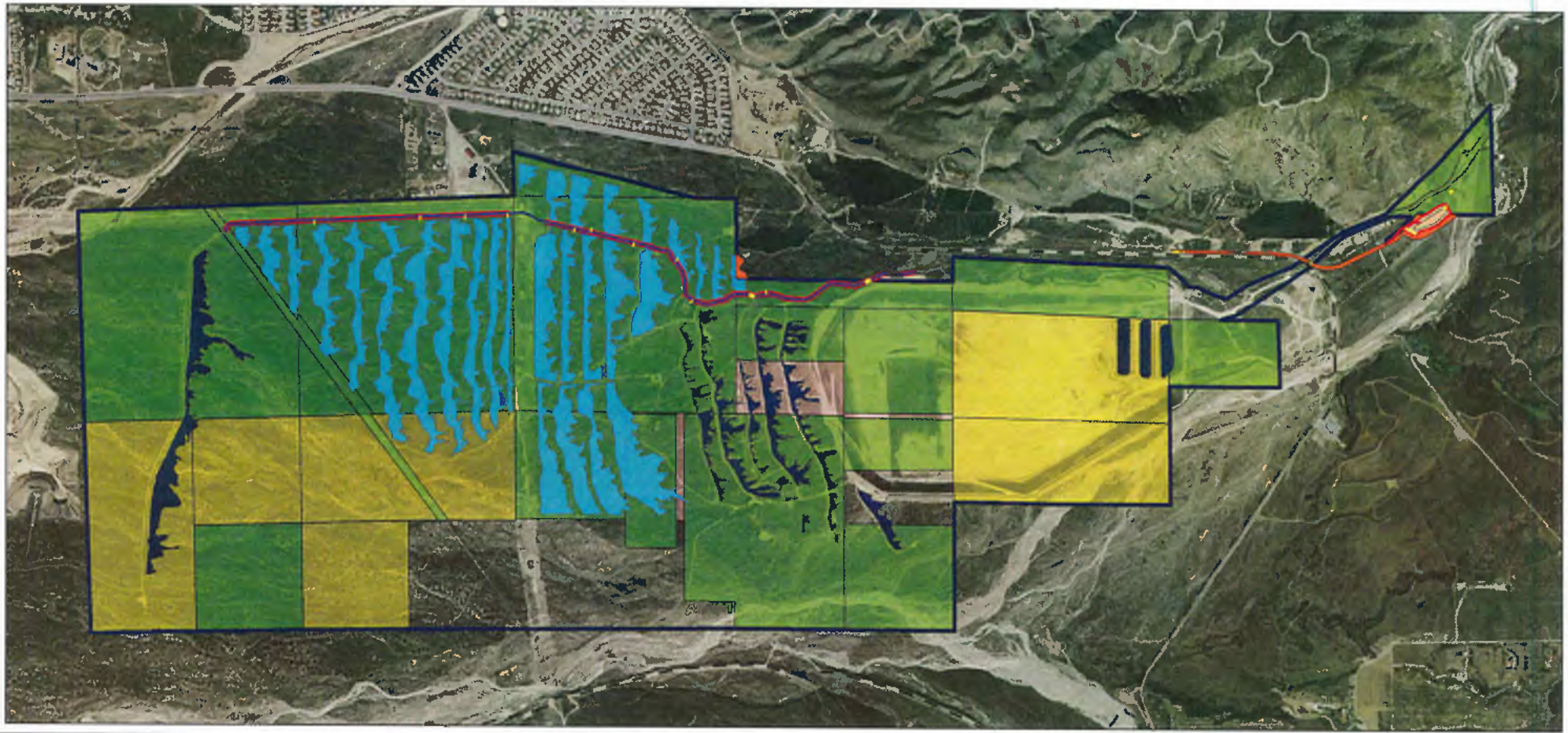
SUBJECT TO ALL RESERVATIONS, RESTRICTIONS, EASEMENTS, OFFERS OF DEDICATIONS, RIGHTS AND RIGHT OF WAYS OF RECORD.

This legal description was prepared by me or under my direction.



By:_____
Edward J. Bonadiman, P.L.S.
Date: 09/17/2012 L. S. #:7529

EXHIBIT 2



Legend

- Wash Plan Area Boundary
- Structures
- Canal
- Access Road
- Existing Basins
- Sedimentation Basins
- Pipeline Easement
- Planned Improvements
- SAR Recharge Area (1485 Acres)
- SBVWCD Lands (952 Acres)
- BLM Property Access (513 Acres)
- Other Ownership Limited Access

Exhibit 2

N
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0 950 1,900 3,800

Feet

C. Brudin
14 Sept 2012
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SBV WATER CONSERVATION DISTRICT

OUR NAME IS OUR MISSION

Exhibit 3

Cemex Lease

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

San Bernardino Valley Water
Conservation District
1630 West Redlands Boulevard
Suite A
Redlands, CA 92373-8032

Attn: General Manager

FREE RECORDING REQUESTED
UNDER GOVERNMENT CODE
SECTION 6103

THIS SPACE FOR RECORDER'S USE ONLY

MINERAL LEASE FOR EXTRACTION OF SAND AND GRAVEL MATERIALS

THIS MINERAL LEASE FOR EXTRACTION OF SAND AND GRAVEL MATERIALS ("Lease") is entered into this 1 day of November, 2011, by and between SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT ("District") and CEMEX CONSTRUCTION MATERIALS PACIFIC, LLC ("Lessee"). This Lease is entered into in consideration of all of the following:

A. District is a California Water Conservation District, duly formed and existing under California Water Code section 74000 et seq. District has the authority to enter into leases of property it owns pursuant to provisions of California Water Code section 74550, and other provisions of law. Lessee is a limited liability corporation, with its principal place of business located in El Dorado Hills, California. Lessee is the successor-in-interest to a prior lease agreement between the District and C. L. Pharris Sand & Gravel, Inc.

B. District's and Lessee's predecessor-in-interest, C. L. Pharris Sand & Gravel, Inc., entered into a "Lease Agreement" dated September 10, 1979. That Lease Agreement authorized various excavation and sale of sand, gravel, and related material from property owned by the District, on terms and conditions stated therein, and incorporating prior leases between the parties (collectively "Original Lease").

C. The Original Lease was amended variously between the parties over time, culminating on a "Lease Amendment" dated July 10, 1997. Under the "Lease Amendment," the term of the lease was defined as an initial term ending June 1, 2011, with nine (9) additional successive five (5) year options to renew. The Lease Amendment required renewal notices to be in writing, made no later than six (6) months prior to the expiration of the then-existing term. The parties followed these procedures through the first five (5)-year extension of the term.

D. A dispute then arose between Lessee and the District regarding Lessee's expressed intent to enter an additional five (5)-year term under the lease. District rejected Lessee's attempt to exercise an additional five (5)-year option as untimely, and considers the lease effectively terminated as of June 1, 2011. Lessee believes that the option for an additional five (5)-year period under the lease was properly exercised, and that the term of the original lease, as modified by the Lease Amendment, continues until June 1, 2016.

E. The parties have met and conferred pursuant to a "Tolling Agreement Re Lease Dispute," they entered into on or about June 1, 2011 and extended on August 31, 2011 to resolve their differences. Pursuant to such discussions, the parties have now determined to enter into a new lease, defining new terms, and replacing, superseding, and rendering of no further effect the Original Lease, the Lease Amendment, and all previous agreements between District and Lessee with respect to lease of the District's property.

NOW, THEREFORE, in consideration of all of the foregoing, the parties do hereby set forth the terms of their new and sole lease agreement as follows:

1.0 Definitions. As used herein, the following terms shall have the following defined meanings:

1.1. "DISTRICT" shall mean the San Bernardino Valley Water Conservation District.

1.2. "LESSEE" shall mean Cemex Construction Materials Pacific, LLC, and its successors and assigns.

1.3. "PREMISES" shall mean all those properties owned by DISTRICT, more specifically described in the legal description attached hereto as Exhibit "A" and as more specifically depicted in the plat map attached hereto as Exhibit "B," with the exception of the northeasterly one-quarter of Section 12, which shall not be included within the PREMISES.

1.4. "MATERIAL" shall mean sand, rock, gravel, and kindred substances, lying on or under the PREMISES, and suitable for commercial extraction, processing, and sale, and any saleable by-products from same.

1.5. "Ton" shall mean a measurement of 2,000 pounds of material aggregate, by weight.

1.6. "INDEX" shall mean the Bureau of Labor Statistics Producer Price Index for Mining (Except Oil and Gas): NAICS 212, or if such index is no longer published or kept, such similar index as may be agreed to by the parties.

1.7. "FAIR MARKET ROYALTY" shall mean the prevailing market royalty rate being paid for Material within the markets served or able to be served by Material from the Premises, and such markets as may be reasonably comparable thereto, as of a then-present data value.

1.8. "WASH PLAN" shall mean the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan, a comprehensive land use, property exchange, and mining and related permitting effort undertaken by District, Lessee, and a number of other public and private entities for realignment of prior leases for sand and gravel extraction, and for accommodation of water conservation and species habitat preservation.

1.9. "TRANSFER PREMISES" shall mean those properties which District and Lessee agree are appropriate for replacement of any portion of the Premises which may be exchanged to the federal government, Bureau of Land Management, or other entity, under the implementation and effectuation of the Wash Plan, or otherwise rendered unavailable for extraction, processing, and sale of Material. The parties contemplate that the Transfer Premises will consist of a portion of those properties already proposed to be exchanged from the Bureau of Land Management to the District under the Wash Plan, or otherwise transferred from the federal government to the District for the purposes of making such transferred areas available for mining. District and Lessee agree, however, that availability of, and the specific areas of the Transfer Premises cannot be determined precisely at this time, and that the exact areas, locations and parameters of the Transfer Premises will have to be determined in connection with the ultimate approvals that might be obtained through the Wash Plan.

1.10. "COMMENCEMENT DATE" shall be the date this Lease becomes effective, November 1, 2011.

1.11. "LEASE YEAR" shall mean the year following the commencement date in the first year of this Lease, and for every subsequent year, the period beginning each year on the anniversary of the Commencement Date, and continuing one (1) year thereafter.

1.12. "ORANGE STREET PLANT SITE" shall mean that area generally described in the legal description and depicted on the plat map collectively attached as Exhibit "D" hereto, consisting of approximately 100 acres, on which Lessee has, as of the Commencement Date, established and maintains a mining processing plant.

1.13. "REDLANDS AGGREGATES SITE" shall mean the area generally described in the legal description and depicted on the plat map collectively attached as Exhibit "E" hereto.

2.0 Lease of Premises and Rights Conferred.

2.1. Under this Lease, District hereby grants to Lessee the right to come onto the Premises, and to dig, excavate, transport, wash, process, crush, convey, stockpile, and sell all Material on the Premises, consistent with any applicable federal, state, or local regulations, and conditions of any permits that may be applicable thereto. This Lease includes the right to maintain all processing plants, structures, facilities, and equipment legally established by Lessee and existing on the Premises as of the Commencement Date, as are necessary or suitable for the defined purposes of the Lease. Lessee may also establish such other plants, buildings, paved roadways, structures, or other permanent improvements, or any silt ponds or places for the deposition of impermeable materials (collectively "Improvements") on the Premises, as may be necessary or appropriate for accomplishment of the purposes of the Lease, subject to the prior

written approval of the District as to the location, extent, specifications, and composition of such improvements. District's approval shall not be unreasonably withheld, conditioned or delayed. District's approval of Lessee's Improvements shall be directed to District's reserved water spreading and other reserved rights in, to, and for the Premises under this Lease, and the compliance and consistency of such Improvements with the terms and conditions of this Lease, and shall not be directed to the suitability of such Improvements for Lessee's purposes, nor the design, effectiveness, safety, nor engineering suitability of such Improvements, except insofar as District may, but is not required to, confirm that such Improvements as proposed meet otherwise applicable legal requirements and standards. Lessee shall not undertake any construction of such improvements without prior District review and approval of the plan for the location and other specifications for such improvements. District shall have a period of 45 days after submission of the complete construction plans and working drawings by Lessee of any proposed improvement construction to approve, conditionally approve, or disapprove such proposed improvements. Any disapproval by District shall be accompanied by written statement of the reasons therefor, including an explanation of what would be required for approval. Upon District's failure to approve, conditionally approve, or disapprove the Improvements construction within the 45 day period, the plans shall be deemed approved as submitted, so long as they are consistent with all other applicable legal requirements and standards. Lessee may relocate any Improvements located on the Premises, subject to District's approval, in the same manner as for Lessee's original establishment of Improvements. District may require Lessee to remove any Improvements placed on the Premises for which Lessee failed to provide the 45 day notice and opportunity for review and approval of District called for hereunder to the extent such Improvements violate applicable legal requirements, without any liability of District to Lessee. Such Improvements so constructed shall be the property of Lessee during the duration of the Lease, and shall be removed by Lessee upon the expiration or earlier termination of this Lease; provided, however, District may in writing elect to permit Lessee to leave any or all of the Improvements on the Premises after expiration of the Lease, in which case all such Improvements shall become the property of the District. Lessee shall assume all maintenance and insurance responsibilities for any Improvements constructed on the Premises. In addition, Lessee shall provide District no less than forty-five (45) days' notice before Lessee establishes any staging areas, processing areas, unpaved but graded and compacted haul routes, and equipment servicing areas which do not otherwise fit the definition of Improvements provided above, though such facilities shall not require District's prior approval before Lessee may be permitted to place them on the Premises. Further, Lessee shall provide to District no less than fifteen (15) days' notice before Lessee establishes any portable crushing or processing sites, which do not otherwise fit the definition of Improvements provided above, though such facilities shall likewise not require District's prior approval before Lessee may be permitted to place them on the Premises.

2.2. Premises Leased in "As Is" Condition. Lessee acknowledges that it is granted lease rights to the Premises, and the right to move Material therefrom, on an "as is" basis, and Lessee takes and operates the Premises without reliance on any representation by the District, or any of its officers, employees, agents, or representatives, or any other person, concerning the extent or quality of the Material on the Premises, its fitness for Lessee's intended use, or any particular purpose or use, its income producing history, potential, or capabilities, its value, or any other promise, representation, or inducement not expressly set forth in writing in

this Lease. District represents and warrants that it has not caused nor is aware of any environmental conditions relating to the Premises.

2.3. No Warranty. Lessee acknowledges that neither the District, nor any of its officers, employees, agents, or representatives, has made any written or oral representation, promise, or warranty, express or implied, arising out of or in connection with the Material on the Premises, or the transfer of Premises, if any, its fitness for Lessee's intended use, or any purpose or use, its income producing history, potential or capabilities, its value, the likely success or outcome of the Wash Plan, or any other matter not expressly set forth in writing in this Lease. Lessee acknowledges it has inspected, and occupied, the Premises prior to the execution of this Lease. Lessee acknowledges it takes and accepts the Premises in the condition in which the Material on the Premises (or lack thereof) exists as of the Commencement Date this Lease. Lessee assumes that any and all change in the condition of the rock on the Premises either before the Commencement Date or during the term of this Lease.

3.0 Lease Term.

3.1. Original Term. This lease shall begin on the Commencement Date, and shall continue in full force and effect for a period of four (4) years thereafter.

3.2. Options to Renew and Right of First Refusal. So long as Lessee shall not be in material breach of this Lease, Lessee shall have one (1) additional, successive six -year option to renew ("Option to Renew"). The renewal shall be on the terms of this Lease, or such additional or revised terms as the parties may then agree to.

3.3. Procedure for Exercise of Options.

(a) Initial Option. In the event Lessee elects to exercise the Option to Renew, Lessee shall provide written notice to District in writing. Such Option to Renew shall be made no later than one hundred eighty (180) days prior to the expiration of the Original Term of this Lease, to the person and in the manner set forth herein for the provision of Notices in Section 14.1 below.

(b) Exclusive Negotiation Period. In the event Lessee fails to exercise the six (6) year option provided for above, this Lease shall terminate as of the expiration of the initial four-year term. In the event Lessee does exercise the six (6) year option, Lessee shall have an Exclusive Negotiation Period with the District to meet and confer with District regarding the terms and conditions of a renewal or replacement lease for the Premises. Such Exclusive Negotiation Period shall run concurrently with the final ninety (90) days of the six (6) year option period so exercised by Lessee. The Exclusive Negotiation Period shall arise only upon the expiration of the exercised six (6) year option term; there shall be no Exclusive Negotiation Period upon the termination of the Lease, for whatever reason, or in the event of a Lessee default. During the Exclusive Negotiation Period, District shall not make any effort to sell, lease, offer, market, or solicit proposals with or from any party for the excavation, processing, or sale of Material from the Premises, except Lessee. Neither District nor Lessee shall be

obligated to enter into any type of an agreement during or as a result of the Exclusive Negotiation Period, but the parties shall meet and confer in good faith to discuss and explore the possibility of entering into such an agreement, should the parties determine that doing so would be in their mutual benefit.

(c) Right of First Refusal. In the event the Exclusive Negotiation Period occurs, and fails to result in an agreement between District and Lessee, and only in such event, Lessee shall have a Right of First Refusal upon any offer District may make to any other party for the right to excavate, process, or sell Material from all or any part of the Premises. Such Right of First Refusal shall entitle Lessee to priority acceptance of any such offer District may make to any other party, on the identical terms, conditions, requirements, and stipulations as the District makes, and is willing to accept, from any other party. The Right of First Refusal shall begin on the expiration of the Exclusive Negotiation Period, and shall continue for a period of three (3) years thereafter. District shall, prior to making or soliciting any offer for the right to excavate, process, or sell Material from the Premises advise the party or parties with whom it is dealing of the Lessee's Right of First Refusal. District shall require any offer it receives from any party to excavate, process, or sell Material from all or a portion of the Premises, and which it is prepared to accept and is authorized by its legislative body to accept, to be reduced to writing, and shall within thirty (30) days of any such offer, provide a written copy to Lessee, to the person and in the manner provided for in Section 14.1, Notices, below. Lessee shall have thirty (30) days thereafter to accept or reject the offer. In the event Lessee accepts the offer, District and Lessee shall enter into an agreement, on the identical terms as proposed to District and conveyed to Lessee. In the event Lessee rejects the offer, the Right of First Refusal shall thereupon terminate, and be of no further force and effect.

4.0 Royalty and Rental Payments.

4.1. Orange Street Plant Site Rent. Lessee shall pay to District, throughout the entire term of this Lease and any holdover period, the sum of Four Thousand Dollars ($4,000.00) per month for the lease of the Orange Street Plant Site ("Orange Street Plant Site Rent"). Such rent shall be in addition to, and shall not be credited against, any royalty amounts due, including guaranteed annual minimum royalty, which may be otherwise due and owing under this Lease.

4.2. Royalty. In addition to the plant site rent, Lessee shall pay a royalty to District, for every ton of Material removed from the Premises, as measured by State certified truck scales and recorded by a standardized, nationally recognized ticketing system whose mechanics and accuracy are disclosed and available to, and verifiable by, District. Lessee shall keep true, complete, and accurate records of all Material excavated on and removed from the Premises, and an accounting of all Material excavated and removed from the Redlands Aggregates Site. . Lessee shall report such figures, under penalty of perjury, to District on a monthly basis, in a form as District may reasonably specify and require. The parties shall track, calculate, and collect the royalty due on the excavated Material based on the amount of tonnage of Material sold or otherwise removed from the Premises and the Redlands Aggregates Site.

Any differences between the amount of Material excavated and the amount of Material sold or otherwise removed from the Premises shall be reconciled by way of a biannual audit. On or before ninety (90) days following the execution of this Agreement by both parties, District and Lessee shall jointly select and retain a party to perform a baseline aerial topographic survey of the Premises and the Redlands Aggregates Site. The parties shall share equally in the expense of the baseline aerial topographic survey, and once it is generated and delivered, the parties shall meet and confer to work out any issues or disagreements they may have regarding it, and both shall indicate in writing their approval of same, once any issues with the baseline survey that may arise are resolved. Once approved by both parties, the baseline aerial topographic survey shall serve as the beginning survey for later aerial topographic surveys to be performed under this Lease, for volumetric calculations of material excavated, inventoried, deposited into silt ponds, and removed from the premises by deduction. The volumetric results will be used to assess, compare, and reconcile the truck scale weight measurements. Based upon the results of the area topographic survey, Lessee and District shall reconcile the amounts paid on the tonnage sold or otherwise removed from the Premises and the Redlands Aggregates Site, and make any necessary adjustments to account for differences in the royalties due for Material from the Premises, and that from the Redlands Aggregates Site, and reconcile any amounts due or any credit for any amounts that may be overpaid during the immediately preceding twenty-four (24) month period. In the event the parties are unable to come to an agreement on such reconciliation, the matter shall be submitted to binding arbitration, as provided for herein.

4.3. Royalty Rate. For the first twelve (12) month period following the Commencement Date, the royalty rate shall be set at Fifty-Five Cents ($0.55) per ton. As of the first anniversary of the Commencement Date, the royalty rate shall be the Fair Market Royalty. On or before ninety (90) days prior to the first anniversary of the Commencement Date, the parties shall meet and confer, in an attempt to come to an agreement on the Fair Market Royalty. The parties shall provide, one to the other, any and all market analyses, appraisals, or other valuation Materials or opinions upon which their proposed Fair Market Royalty is based. If no agreement is reached within thirty (30) days of the parties' exchange of such information, the matter shall be submitted to binding arbitration, as provided for herein. The arbitrator shall select either one or the other of the parties' original Fair Market Royalty proposals, and the Fair Market Royalty rate so selected shall be the royalty rate paid by Lessee to the District for the remainder of the term, subject to any Index adjustment. The arbitrator shall not have the authority or discretion to compromise between the two parties' proposals, nor to come to an independent determination of the Fair Market Royalty rate. In the arbitration, no party may rely on, or submit to the arbitrator, any Material which was not originally exchanged pursuant to the exchange of Fair Market Royalty proposals ninety (90) days before the Commencement Date. The arbitrator shall only select one of the parties' Fair Market Royalty rates, which he or she determines most accurately determines the appropriate Fair Market Royalty.

4.4. Index Adjustment. All royalty rates shall be adjusted annually, on each anniversary of the Commencement Date, by any change in the Index, using 2012 as the base year. In no event, however, shall such change in any one year amount to a change in the applicable royalty rate more than fifty percent (50%), higher or lower, than the immediately preceding Fair Market Royalty rate. Such fifty percent limitation shall operate only to serve as the cap or floor for the year in which the change in the Index results in a change in the royalty rate of 50% or more, and not to change prospectively the Index calculation for succeeding years.

4.5. Guaranteed Annual Royalty; Orange Street Plant Site Material as Recovery of Credits.

(a) Guaranteed Annual Royalty Payments. Notwithstanding the level of excavation or sale of Material from the Premises, Lessee shall pay to District a guaranteed annual royalty, in addition to the Orange Street Plant Site rent. Such guaranteed annual royalty shall be in the amount of One Hundred Fifty Thousand Dollars ($150,000.00) for the first year of the Lease, and shall increase by an additional One Hundred Thousand Dollars ($100,000.00) on each anniversary of the Commencement Date thereafter; provided, however, such guaranteed annual royalty shall not exceed $550,000.00 annually. Such guaranteed annual royalty shall be paid in equal monthly installments, and shall be submitted along with all reporting by Lessee of its excavation and sales activities on the Premises and the Redlands Aggregate Site, comparing the amounts of guaranteed annual royalty paid, against the actual amount of Material excavated, and the actual amount of Material sold or otherwise removed from the Premises. The guaranteed annual royalty amount shall be paid by Lessee to the District; provided, however, to the extent District has Annual Royalty Credits in excess of Three Million Four Hundred Thousand Dollars ($3,400,000.00) ("Royalty Credits Cap"), Lessee's obligation to pay Guaranteed Annual Royalty Payments shall be suspended until such time as the Annual Royalty Credits are reduced below the Royalty Credits Cap., All per-ton royalty rates applicable to Material excavated by Lessee in excess of the guaranteed annual royalty rate shall be paid at the then-prevailing royalty rate, in addition to guaranteed annual royalty.

(b) Guaranteed Annual Royalty Credits. To the extent the per-ton royalty rate paid by Lessee in any given Lease Year is less than the amount of guaranteed annual royalty, Lessee shall be credited for the difference against any per-ton royalties otherwise due in any succeeding Lease Years above the guaranteed annual royalty due in such Lease Year, until all such credits have been offset against per-ton royalties in excess of applicable guaranteed annual rental. In no event shall such credit ever diminish or decrease the amount of guaranteed annual royalty due.

(c) Orange Street Plant Site Holdover to Retire Guaranteed Annual Royalty Credits. Except in the event of a Lessee default under Section 10.1 below, should this Lease expire or otherwise terminate prior to the time Lessee's guaranteed annual royalty credits have been retired, Lessee shall have the right, but not the obligation, to hold over and continue to occupy the Orange Street Plant site only, to remove any Improvements or other equipment or operations thereon, and to excavate and sell Material from such site. Such holdover right shall begin on the date the Lease expires or is terminated for any reason, including Lessee's exercise of its right of termination under Section 10.3 below. No guaranteed annual royalty or other royalty amounts shall be paid to District on the Material excavated and sold by Lessee from the Orange Street Plant Site during the holdover period, and such amounts of such per-ton royalties as would otherwise be applicable to the Material, as adjusted by the Index through and

including the holdover period, shall be applied to reduce the credits for guaranteed annual royalty payments made in excess of royalties paid on a per-ton basis. Lessee shall pay the Orange Street Plant site rent for all time that Lessee occupies the Orange Street Plant site during such holdover period, and such Orange Street Plant Site rental shall be adjusted by the Index, using the Effective Date as the base period and the beginning of the holdover period as the adjustment date for application of the Index adjustment. Thereafter, on each anniversary date of the beginning of the holdover period, the Orange Street Plant Site rent shall be adjusted again, per the Index. Such Orange Street Plant Site rent shall not be offset against or reduced to retire any guaranteed annual royalty credits. Lessee's right to hold over on the Orange Street Plant site shall continue only until the per-ton royalty amounts applicable to such Material excavated and sold by Lessee from the Orange Street Plant Site during the holdover period are equal to the sum total of guaranteed annual royalty credits for Lessee's payments of guaranteed annual royalty in excess of per-ton royalty, which accrued prior to the holdover period, but in no event longer than five (5) years from the time of the Lease's expiration or earlier termination. Any guaranteed annual royalty credits not retired within the applicable holdover period shall be lost, and forfeited without any further liability from District to Lessee.

4.6. Late Payments. Any payment due hereunder shall be made within thirty (30) days of the expiration of the month during which the excavations occurred, or the sales or other transfers occurred. Late payments shall incur a one and one-half percent per month late charge, which charge shall be added to, and considered to be additional, rent.

5.0 Permits.

5.1. Wash Plan Processing. As of the Commencement Date the parties are cooperating as part of the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force ("Task Force") to process and secure approval of the Wash Plan. Under the agreement forming the Task Force, each of the participants was assigned a certain percentage of allocation for the overall costs of the Wash Plan. Beginning on the Commencement Date, and continuing until the Wash Plan gets final approval, or either parties' participation in the Task Force agreement shall have been finally terminated, either as provided in paragraph 23 of that agreement, or upon dissolution of the Task Force pursuant to paragraph 22 of the Task Force agreement, Lessee shall advance to District one-half of District's share of the Wash Plan processing and consultant costs, under the allocation as defined in the Task Force agreement. All such advanced costs shall be credited against any guaranteed annual royalty otherwise owing from Lessee to District, and to the extent such advanced costs exceed the amount of guaranteed annual royalty, shall be credited against future years' guaranteed annual royalty, until the entire amount of such advanced costs has been retired.

5.2. Lessee's Obligation to Secure Permits. Notwithstanding the parties' mutual efforts to effectuate the Wash Plan, it is and shall be the Lessee's sole responsibility to secure any and all land entitlements, SMARA permits or approvals, conditional use permits, or any and all discretionary permits required for Lessee to operate and maintain its operations on the Premises for the excavation, processing, removal, and sale of Material therefrom, including

any reclamation plans, or requirements, from all applicable federal, state and local jurisdictions (collectively "permits" herein). In the event the Wash Plan fails to result in the grant of such permits, Lessee shall diligently and continuously take all other actions necessary to obtain all permits required to accomplish the Material excavation purposes set forth herein, and shall obtain such permits at Lessee's sole cost and expense. Lessee shall submit to District, no less than forty five (45) days prior to submission of any permit application, or forty five (45) days prior to accepting any conditions that may be imposed on any such permit, all information, studies, applications, and other information relative to the permit or the proposed terms and conditions proposed to be imposed on same, for District's prior, written approval. District's review shall be limited to such permit applications, and / or permit conditions that the District determines, in the exercise of its reasonable discretion, could impair its ability to perform its water storage, conservation or spreading activities, or District's other reserved rights and uses in the Premises under this Lease, and / or impact the Premises beyond the term of this Lease. District shall not unreasonably disapprove the permit nor the conditions thereto. Lessee shall not finalize the permit, nor take any action in furtherance of conducting activities pursuant to any permit, until the District has approved the permit and any conditions thereto. In the event District fails to approve or disapprove any permit submitted to it by Lessee, provided that all proposed conditions have been documented and forwarded to District, within forty five (45) days from District's receipt of same from Lessee, the permit and conditions thereto shall be deemed approved by the District.

5.3. District Cooperation With Permits. District agrees that within the bounds of its reasonable discretion as reserved in Section 5.2 above, it will reasonably cooperate with Lessee and Lessee's efforts to obtain applicable permits and land use entitlements to allow Lessee to fulfill the purposes of this Lease, including, but not limited to, execution of petitions, applications or authorizations for applications. No consent given under this Lease by the District shall affect or limit Lessee's obligations under this Lease, nor shall any approvals or consents given by the District, in its capacity as the owner of the Premises, be deemed to be approval as to compliance or conformance of any application or any permit with applicable governmental codes, laws, orders, rules, or regulations.

5.4. Habitat Mitigation Dedications. District and Lessee acknowledge that effectuation of the Wash Plan, or potentially other permits should the Wash Plan not come fruition, may require the dedication by District of various areas, within or without the Premises, for endangered or threatened species habitat preservation or management. Notwithstanding this, however, District and Lessee agree to cooperate reasonably in an effort to effectuate the Wash Plan, as consistently as possible with the identified mitigation areas from the Final Environmental Impact Report for the Wash Plan certified by the District in 2008. The parties acknowledge the need to meet and confer, between themselves and other members of the Task Force, regarding the proper identification of any such required mitigation areas, the degree of reserved water conservation activity the District may require as a result of any encumbrance of District property for such purposes, and the nature and cost of habitat management strategies appropriate for such areas, none of whose specifics is presently known at this time. District and Lessee agree to cooperate reasonably on such subjects, in an attempt to effectuate the purposes of the Wash Plan and the purposes of this Lease.

5.5. Lessee Indemnification re Permit Challenges. Except at to such permits as may be obtained by the parties pursuant to the Wash Plan, Lessee shall indemnify, defend and hold the District harmless from any action, judicial or otherwise, contesting the validity of any permit granted to Lessee by the District or any other permitting jurisdiction, and Lessee shall promptly pay any judgment or award against the District in any such action, and shall take all other measures necessary to diligently defend and resolve any challenge to the validity of any such permit.

5.6. Transfer of Permits. Upon the expiration or earlier termination of this Lease, all transferable permits applicable to the Premises shall immediately transfer to the District, and Lessee shall take all actions required to complete such transfer, and otherwise cooperate fully with the District in accomplishing everything required to complete such transfer.

6.0 Use and Operation of Premises.

6.1. Safeguards. Lessee shall, at all times during this Lease, maintain proper and adequate safeguards on the Premises to assure its orderly use, and to prevent intrusion from trespassers, playing children and vandals.

6.2. No Waste or Nuisance. Lessee shall not maintain, commit or permit the maintenance of or commission of any waste or any nuisance (as defined in California Civil Code section 3479) within the premises. Lessee shall not use or permit the use of the Premises for any unlawful purpose.

6.3. Hazardous Materials Lessee shall not cause, permit or suffer the release or dumping of any Hazardous Materials on the Premises at any time. As used in this Lease, the term "Hazardous Materials" shall mean:

(a) Hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including but not limited to, substances deemed as "hazardous wastes," "hazardous materials," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. §§ 9601 *et seq.*; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. § 2601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 9601, *et seq.*; the Clean Water Act ("CWA"), 33 U.S.C. § 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300, *et seq.*; the Clean Air Act ("CAA"), 42 U.S.C. § 7401, *et seq.*; the Hazardous Waste Control Law, California Health & Safety Code § 2025, *et seq.* and Health & Safety Code § 33349; the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health & Safety Code Div. 20, Ch. 6.8; the Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code Div. 20, Ch. 6.95; the Underground Storage of Hazardous Substances Act, California Health & Safety Code Div. 20, Ch. 6.7; the Porter-Cologne Act, California Water

Code § 13050, *et seq.*; and in any permits, licenses, approvals, plans, rules, regulations, or ordinances adopted, or other criteria and guidelines promulgated pursuant to, the preceding laws (collectively, the "Environmental Laws"); and

(b) Any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any Environmental Law now in effect, including but not limited to petroleum, refined petroleum products, waste oil, waste aviation or motor vehicle fuel, asbestos, lead in water, paint or elsewhere, radon, polychlorinated biphenyls (PCBs), and ureaformaldehyde.

Lessee shall defend, indemnify, and hold District harmless for any release of any Hazardous Materials on the Premises caused by or arising from Lessee's possession of the Premises, or any of its activities undertaken thereunder except cause by the negligence or willful misconduct of District or any breach of District's warranties. Such indemnification shall include promptly paying any and all costs for site characterization, remediation, and any and all judgments for damages to persons or property, including any penalties, regulatory fines, or any other liabilities which may arise out of the Hazardous Materials released.

6.4. Maintenance and Perimeter Controls. Lessee shall, to the satisfaction of the District, keep and maintain the Premises and all improvements of any kind thereon in a state of good repair, clean, safe, and in compliance with all regulatory standards, laws, ordinances, statutes, and regulations applicable thereto, and any licenses or permits in connection therewith. Lessee shall maintain, and repair, fencing around the exterior boundaries of any active excavation on the Premises, so as to prevent purposeful or accidental intrusion by unauthorized persons or parties; provided, however, Lessee shall not be responsible or liable for maintenance, repair, or fencing around any portion of the Premises devoted to District's water spreading facilities on which no active excavation occurs. District shall be given keys, combinations, or other means of access through any such gates that may be connected or maintained pursuant to this requirement. Lessee and District shall each indemnify the other for any claims, liabilities, losses, or damages to persons or property caused by the indemnifying party's negligence or willful misconduct regarding such perimeter controls.

6.5. Mining Controls. In addition to complying with the conditions of any mining permit or other governmental approval relating to its mining activities, Lessee shall conduct its mining activities on the Premises subject to the following conditions and limitations:

(a) Timing. Lessee will notify the District in writing regarding which specific areas of the Lease Property will be mined, and at what times. Such notice shall be for the purpose of permitting the District to utilize portions of the Premises which are not actively being mined by Lessee, for water spreading activities or other activities which do not unreasonably inhibit or interfere with Lessee's proposed mining activity, which right is specifically granted to and reserved by the District. District and Lessee agree to reasonably coordinate their respective activities to minimize any interference with both groundwater recharge activities and mining activities.

(b) Mining Within Acceptable Distance to Groundwater.

(i) For all mining areas, Lessee shall establish, at its own cost, groundwater monitoring wells, at such times, and in such locations and numbers, as may be reasonably required by District to determine groundwater levels in the vicinity of active mining areas. Such wells shall be established in numbers and at locations sufficient to provide information regarding groundwater levels throughout the full extent of Lessee's active mining operations. District shall at all times have access to such wells, and may utilize such wells at any time to monitor or characterize groundwater levels; provided, however, District shall promptly replace or repair any damage caused by the District to the monitoring wells. Lessee does not warrant or confirm the accuracy of the monitoring wells and the District assumes all risk in utilizing the information obtained from the monitoring wells. District shall operate and maintain such wells, provided that Lessee shall not conduct any operations on the Premises which could damage or destroy such monitoring wells. Lessee shall promptly repair or replace any wells damaged by Lessee's mining or other activities, at Lessee's cost.

(ii) In the event groundwater levels in or around Lessee's mining operations rise to a point that is within twenty feet (20') of any active excavation, all such operations shall thereupon immediately be halted by Lessee, until such time as the groundwater table level drops to a point more than twenty feet (20') below the level of any active mining operations. Lessee shall be released from any payment obligations which accrue during any period in which Lessee is required to halt excavation activities under this subsection (ii). In addition, Lessee's Guaranteed Annual Royalty shall be reduced proportionally based on the number of days Lessee is required to cease excavation activities.

(iii) In the event of any unplanned cessation of mining activity by Lessee because of groundwater levels, District shall use its best efforts to redirect surface water recharge to areas which will not exacerbate high groundwater conditions in areas of active mining operations, and shall continue to do so until 1) the high groundwater conditions have abated, and mining activities can resume within the necessary twenty foot (20') separation between mining activities and groundwater levels in the affected area of active mining operations, or 2) it appears that District's operations are not affecting groundwater levels in the affected area of active mining operations, or 3) District has no reasonable alternative to spreading water in or around the areas of active mining operations.

(c) Depths. The Premises shall be mined in phased depths, as follows:

(i) In the initial phase, all of the Premises may be mined to a maximum depth of seventy-five feet (75').

(ii) In the second phase, all of the Premises may be mined to an additional depth of twenty-five feet (25'), provided:

(a) No more than fifteen percent (15%) of reserves are available to Lessee in the Premises above the Phase I depth limit of seventy-five feet (75') (excluding any reserves that are located at the Orange Street Plant Site which), lands are being utilized for processing, shipping, and storage of Materials; and

(b) Groundwater monitoring well information indicates such additional twenty-five foot depth can be achieved without posing an unreasonable risk of contamination, evaporation, or other risk, to groundwater.

(iii) The third phase will permit mining of the Lease Property to an additional depth of twenty feet (20'), provided:

(a) No more than fifteen percent (15%) of reserves are available to Lessee in the Premises above the Phase II depth limit of one hundred feet (100') (excluding any reserves that are located at the Orange Street Plant Site), which lands are being utilized for processing, shipping, and storage of Materials; and

(b) Groundwater monitoring wells indicate such additional depth can be achieved without posing an unreasonable risk of contamination, evaporation, or other risk, to groundwater.

(d) Side Slopes. For all portions of the Premises which are located in Section 12, mining shall be conducted in such manner that the ultimate side slope excavations and pit bottoms are never at any time steeper than 3:1 as measured from permitted setbacks. For those portions of the Premises located in Section 9, 10, and 11, side slopes shall be no steeper than 2:1 except existing slopes mined prior to the Effective Date left a finished slope steeper than 2:1, and the parties agree that Lessee has no obligation to correct those slopes. The ultimate side slopes, except at the Northwest corner of the Redlands Aggregate North parcel (south ½ of the northeast ¼ of Section 11, T1S, R3w, SBBM), and except where such side slopes were already in their final configuration as of the Effective Date of the July 10, 1997 Lease Amendment, shall be maintained in their natural condition, not reconstructed or recompacted.

6.6. Silt Deposits. District agrees that Lessee may deposit silt or impermeable fines within the Premises, only as follows:

(a) Alabama Pit No. 2 may be filled to its full capacity.

(b) The existing silt located along the north edge of the Johnson South Parcel and the existing silt pond on the Johnson North Parcel (consisting of the 80 acre parcel located in the South one-half of the Northwest one-quarter of

Section 11, T1S, R3W, SBBM), as shown and delineated in Exhibit "C" hereto, may remain, and effective on the Effective Date District waives any demand or claim for removal of silts deposited in such area by Lessee. District's waiver is of District's right, if any, to demand removal of such silts under its contractual rights as Lessor, and District makes no further representation or warranty regarding Lessee's ability to maintain any silts already deposited or whether such deposits comply with any applicable laws, statutes, regulations, or permit conditions of any kind. In addition, Lessee may use the Johnson North Parcel (but no portion of the Johnson South Parcel) for future deposit of silts or impermeable fines. Lessee shall not conduct any mining activity on the Premises north of the existing Johnson North parcel silt pond, except as may ultimately be allowed under the Wash Plan. The existing silt pond on the Johnson North Parcel (consisting of the 80 acre parcel located in the South one-half of the Northwest one-quarter of Section 11, T1S, R3W, SBBM), may remain. In addition, Lessee may use this area for future deposit of silts or impermeable fines. Lessee shall not conduct any mining activity on the Premises north of the existing Johnson North parcel silt pond.

(c) For both the Alabama Pit No. 2 and the Johnson North Parcel silt ponds, Lessee shall reclaim the areas by grading the top level of such silts or impermeable Materials according to the reasonable specifications of District, and by backfilling with non-silt, pervious earth Material of at least ten feet (10') of depth, and construct shallow water percolation basins and dikes thereon above the ten feet of pervious Material, all to the reasonable specifications of the District, so as to make the reclaimed land usable for spreading water in shallow surface ponds. Lessee shall not be responsible for payment of royalty for any Material excavated exclusively for such purposes.

(d) All pit bottoms shall be scarified to a depth of two feet (2'), as part of Lessee's reclamation activities, prior to quitting any mining site.

6.7. Lessee Production of Water. In addition to the groundwater monitoring wells provided for in Section 6.5 (2) (i), Lessee may sink such groundwater wells, or otherwise produce water from the Premises, as may be reasonably required in the quarrying, processing, and transportation of Material excavated and sold or removed from the Premises. Any wells established by Lessee on the Premises shall be considered improvements, and shall be subject to the requirements of Section 2.1 above. Lessee shall, in addition to any and all other payments due under this Lease, pay any groundwater charges associated with production of groundwater from the Premises, at then-applicable rates, and shall pay any and all other permitting or other charges required to establish and operate such wells. In connection with such wells, Lessee shall, upon reasonable request by the District, provide such information regarding groundwater levels, or water quality, produced from such wells, as Lessee otherwise does or is required to produce as a well operator, at no additional charge to District

7.0 District's Reservations.

7.1. District's Reservation for Water Conservation Activities. District reserves the right, from time to time and as it deems necessary in the exercise of its reasonable discretion, to utilize all or any portion of the Premises for its water recharge, conservation, spreading, and other operations. In connection with the exercise of this reserved right, the Conservation District shall make every effort to harmonize its water conservation activities with the then-current and anticipated immediate future excavation and other activities of Lessee, with the goal that the mining activity and the water conservation activity can harmoniously exist, without interruption to either. In the exercise of these reserved conservation rights, District shall do all of the following:

(a) Provide Lessee no less than forty-eight (48) hours' notice of its need to utilize portions of any active excavation areas, or areas of active haul road or other transport of excavated Material to and from areas of excavation and the plant site or stockpiling sites utilized in connection with the same.

(b) District shall not take all then-permitted portions of the Premises, which at that time Lessee is or could actively mine, out of production.

(c) Except in circumstances of sudden threatening precipitation, threat of immediate flooding from dam releases or other causes, or other immediate danger to persons or property, District shall meet and confer with Lessee to determine the appropriate areas for the exercise of the District's reserved water spreading rights as they impact active areas of excavation or other Lessee activities, to harmonize the need for areas of spreading with the needs of portions of the Premises for the activities permitted or authorized by this lease.

7.2. No Liability. Notwithstanding the procedural restrictions above, District shall have no liability to Lessee for any interruptions to excavations, or any other activities Lessee may undertake on the Lease, from the exercise of its reserved water spreading rights except as otherwise provided herein.

7.3. Inspection and Monitoring. District shall have the right, at all times during the pendency of this Lease, and at its own expense, to have an inspector remain on the Premises, including any plant site, scales, or sales areas, to observe, monitor, and inspect all aspects of Lessee's operations, and to confirm the validity and accuracy of Lessee's record keeping with respect to excavation and sale and removal of Material, and Lessee's compliance with all other aspects of the Lease. Such inspector shall be required to have all reasonable safety clearances or certifications required to access such areas of the Premises as District desires to monitor, as may be required under federal, state, or local statute, ordinance, or regulation. In addition, the inspector shall comply with Lessee's reasonable operating procedures and regulations, and shall undertake its monitoring activities in such a way as not to unduly disrupt, delay, or interfere with Lessee's operations.

7.4. Periodic Inspections. Whether or not District exercises its right to have an inspector on the Premises, District may, at any time during the pendency of this Lease, and upon no less than twenty four (24) hours' notice, come on to the Premises to assure compliance with permit conditions, conditions of the Lease, or the proper counting of tonnages excavated or sold.

7.5. Confidentiality of Information. All information received by the District pursuant to any inspector it maintains on the Premises, or any of its periodic inspections, shall be used solely for the purpose of assuring compliance with the terms of the Lease, and shall be considered confidential to Lessee, and kept confidential by District to the full extent permitted by the law. In connection with the receipt of such information, both District and Lessee specifically intend that the information is considered to be protected under Government Code section 6254(e), and shall not constitute a public record.

7.6. Audit. District may, no more frequently than once every two (2) years, and at its own expense require a full audit of Lessee's books, records, receipts, accounts, and any or all other information pertinent to the payment of plant site rent, royalties, or guaranteed annual royalty hereunder, including tonnages of Material excavated, sold, or otherwise transferred from the Premises the Redlands Aggregates Site, or both. Lessee shall reasonably and promptly cooperate with any and all requests made by District in connection with such audit, and any and all information received by the District in connection with such audit shall be considered confidential, as provided in the immediately preceding Section. To the extent the audit reveals any discrepancies between the amounts of plant site rent, royalty, or guaranteed annual royalties due, or any claimed offsets for Wash Plan processing costs or other items that may be agreed to between the parties as a legitimate offset to any amounts otherwise owing under the Lease, the party from whom either payment or refund is owing shall promptly pay the amount indicated by the audit. In the event of any disagreement as to the accuracy or results of the audit, the matter shall be submitted to binding arbitration, as provided for herein.

8.0 Binding Arbitration. In the event of any dispute arising under this Lease, including but not limited to disputes with respect to tonnages of Material excavated or sold or otherwise removed from the site, amounts of plant site rent, per-ton royalty, or guaranteed annual royalty, advanced costs for Wash Plan processing, or other amounts claimed due from one party to the other under this Lease, the determination of Fair Market Royalty, or any other controversy or dispute arising under this Lease, the matter shall be submitted to binding arbitration. To the extent not otherwise provided herein, any party wishing to submit any disagreement or alleged breach or noncompliance with any of the covenants or other provisions of this Lease shall first make demand upon the other party, in writing, specifying the issue, the amounts claimed due if known, and the steps it requires of the other party to resolve the dispute. Following such written notice, the parties shall, unless a different time period is specifically provided for otherwise herein, meet and confer in an attempt to resolve the dispute for a period of fourteen (14) days thereafter. In the event parties are unable to come to resolution, either party may demand that the matter may be submitted to binding arbitration. If such a demand is made, both parties shall, within five (5) business days of the receipt of the written demand to submit to arbitration, submit to the other a list of three (3) proposed arbitrators. Following exchange of such lists, the parties shall attempt to mutually select a single arbitrator to arbitrate the dispute. In the event the parties are unable to do so, each of the parties shall strike two arbitrators from the list of the other party, and the two remaining listed arbitrators shall thereupon decide upon a third arbitrator, who shall be someone other than the three originally listed by either party. Arbitrations regarding Fair Market Royalty shall proceed as provided for in Section 4.3 above. Arbitrations on all other subjects shall proceed according to such rules as the parties may reasonably agree to, and in the absence of their ability to agree, upon such rules as may be imposed by the single selected arbitrator. The decision of the arbitrator shall be final and binding, with each party waiving any

right to jury or other judicial determination of the dispute, except that the award may be corrected, or vacated, as provided by Code of Civil Procedure sections 1280 et seq. Notwithstanding Code of Civil Procedure section 1286.4 and 1286.8, the award may also be vacated or corrected if it is clearly contrary to law. Each party shall initially bear its own costs and fees in connection with the prosecution and hearing of the arbitration, and shall pay one-half (1/2) of the costs of the arbitrator. The advanced share of the arbitrator's costs and expenses, and attorneys' fees, expert witness fees, and the fees of any audit shall be considered as recoverable costs of the arbitration, and the reasonable costs thereof shall be recoverable by the prevailing party, in addition to any other relief that might be awarded.

9.0 Insurance. Lessee shall maintain, and keep in effect, all of the following policies of insurance at all times it occupies the Premises:

9.1. Workers' Compensation Insurance. By signature hereunder, Lessee certifies that Lessee is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Lessee will comply with such provisions before commencing the performance or the work of this Agreement.

9.2. Workers' Compensation and Employer's Liability Insurance. Lessee, its agents, and its sub-contractors shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them or through subcontractors in carrying out the work contemplated under this Agreement, all in accordance with the Workers' Compensation and Insurance Act, Division IV of the Labor Code of the State of California and any Acts amendatory thereof. Lessee shall provide employer's liability insurance in the amount of, at least, $1,000,000 per accident for bodily injury and disease.

9.3. Liability Insurance. Lessee shall provide and maintain at all times during the performance of this Agreement, the following commercial general liability insurance:

(a) Coverage. Coverage shall be at least as broad as the following:

(1) Commercial General Liability. Commercial General Liability coverage (Occurrence Form CG 0001) in the amount of two million dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2501 or insurer's equivalent endorsement provided to the District) or the general aggregate limit shall be twice the required occurrence limit.

(2) Required Provisions. All policies specified hereunder shall state or be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days (10 days for nonpayment of premium) prior written notice by U.S. mail has been given to the District.

(3) Required Format. All of the liability insurance shall be provided on policy forms satisfactory to the District. All insurance

correspondence, notations, certificates, or other documents from the insurance carrier or agent/broker shall each separately reference the District project number.

(4) Deductibles and Self-Insured Retention. Any deductible or self-insurance retention must be declared to and approved by the District. At the option of the District, the insurer shall reduce or eliminate such deductibles or self-insured retention.

(5) Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best's rating of no less than A-:VII or equivalent or as otherwise approved by the District.

(6) Evidences and Cancellation of Insurance. Prior to execution of this Agreement, Lessee shall file with the District evidence of insurance satisfactory to the District. The insurer will give by U.S. mail written notice to the District at least thirty (30) days prior to the effective date of any cancellation, except for nonpayment of premium for which ten (10) days prior written notice will be given. Lessee shall, upon demand of the District, deliver to the District all such policy or policies of insurance and the receipts for payment of premiums thereon.

9.4. Subcontractors. In the event that Lessee employs other contractors as part of the services covered by this Agreement, it shall be the Lessee's responsibility to confirm that each subcontractor meets the minimum insurance requirements specified above.

10.0 Default or Termination.

10.1. Default by Lessee. Each and every covenant and agreement contained in this Lease is declared to be a condition to the Lease, and to the rights hereby granted to Lessee. Lessee shall be considered to have materially breached this Lease, giving the District the remedies set forth in Section 10.2 below, in the event that any one or more of the following occur:

(a) Lessee fails or refused to pay to the District any royalties or other rentals due hereunder when due, and such royalty or rent remains unpaid for thirty (30) days after written notice by the District to Lessee; or

(b) Lessee defaults in the performance of or breaches any covenant, condition, or provision contained in this requirement other than set forth in Section 10.1 (a) hereinabove, and such default or breach is not cured within thirty (30) days after written notice thereof is served by the District on Lessee, or if such cure is physically impossible to cure within thirty (30) days, Lessee has begun and diligently prosecuted such cure.

(c) Lessee becomes insolvent. For the purposes of this Lease, Lessee shall be conclusively presumed to have become insolvent if (i) a receiver is appointed to take possession of all or substantially all of Lessee's property

because of insolvency; or (ii) Lessee makes a general assignment for the benefit of creditors; or (iii) Lessee allows any judgment against Lessee to remain unsatisfied or unbonded for a period of thirty (30) days or longer; or (iv) an attachment or execution is levied upon or against any or all of Lessee's right, title, or interests in or under this Lease, and the same shall not have been released within thirty (30) days from the date thereof; or (v) proceedings or receivership in bankruptcy have been instituted against Lessee; or (vi) Lessee is adjudicated bankrupt.

(d) Any disagreement between the parties as to whether a default has occurred shall be decided by binding arbitration, as provided for herein.

10.2. Remedies on Lessee's Default. Should Lessee breach this Lease, the District may, in addition to any other remedy given the District by law or in equity:

(a) Continue this Lease in effect by not terminating Lessee's right to possession of the Premises, in which event District shall be entitled to enforce all of the District's rights and remedies under this Lease, including the right to recover the royalties and other rental payments specified herein, as such royalties and payments become due under this Lease; or

(b) Terminate this Lease and Lessee's right to possession of the Premises;

(c) In the event Lessee becomes insolvent, the District may, by giving thirty (30) days' written notice to Lessee or to the person appointed to manage Lessee's affairs at the address for such person appearing in the official records of the court that appointed such person, terminate this Lease and forfeit Lessee's rights under the Premises and in any Improvements or facilities on or appurtenant to the Premises.

The remedies herein shall not be exclusive, but shall be cumulative and in addition to any and all of the remedies now or hereafter allowed by law or otherwise authorized in this Lease, and the exercise of one or more of said rights, powers, elections, or remedies shall not impair the District's right to exercise any other right, power, election, or remedy.

10.3. Lessee's Right of Termination. Lessee may terminate this Lease, with or without cause, at any time after the first anniversary of the Commencement Date, by providing District no less than one hundred and eighty (180) days' written notice. Upon giving such notice, and until the one hundred eighty day period passes, the Lease shall remain in effect, and Lessee shall fulfill all obligations of Lessee hereunder which accrues during the one hundred eighty (180) days, including the payment of Orange Street Plant Site rent, guaranteed annual royalty and any per-ton royalty amounts.

10.4. Surrender of Possession. At the expiration or termination of this Lease, for whatever reason, Lessee shall execute, acknowledge, and deliver to the District a Quitclaim Deed conveying all right, title, and interest of the Lessee to the Premises, both land and improvements. Thereafter, Lessee shall promptly, but in any event no later than six (6) months

following the expiration or earlier termination of the Lease, remove all Improvements (unless the requirements for such removal has been waived in writing by District), portable buildings, equipment, and personal property placed on the Premises by Lessee, and clear the Premises of all debris, and otherwise surrender to the District the Premises in good order and clean condition.

10.5. Quiet Enjoyment. District represents, covenants and warrants that Lessee, upon paying the rent and performing the covenants herein provided, shall peacefully and quietly have, hold and enjoy the Premises, subject to District's reserved rights hereunder.

11.0 Encumbrance, Assignment, and Subletting.

11.1. Hypothecation.

(a) Lessee shall have the right at any time, from time to time, and subject to prior written approval of the District (except to the extent any Improvements are subject to an encumbrance prior to the execution of this Lease), to subject the leasehold estate and any or all Improvements placed or to be placed on the Premises to one or more deeds of trust or other security instruments (collectively "Leasehold Deed of Trust" herein) as security for a loan or loans or other obligation of Lessee, provided that:

(i) The Leasehold Deed of Trust and all rights acquired under it shall be subject and subordinate to each and all of the covenants, conditions, and restrictions stated in this Lease, and to all rights and interest of the District except as otherwise provided herein, and

(ii) Lessee shall give District prior notice of any such Leasehold Deed of Trust, and shall accompany the notice with a true copy of the note and deed of trust.

11.2. Assignment and Sublease; Transfer Restrictions. Lessee may assign or sublease all or a portion of its interest hereunder to any other entity, but only with the prior written permission of the District. For the purposes of this Lease, an "assignment" shall include a transfer to any person or group of persons acting in concert, of more than twenty-five percent (25%) of the present ownership and/or control of Lessee in the aggregate, taking all transfers into account on a cumulative basis, except transfers of such ownership or control interest between members of the same immediate family, or transfer to a trust, testamentary or otherwise, in which the beneficiaries are limited to members of the transferor's immediate family. In the event Lessee or its successor is a corporation or trust, such transfer shall refer to the transfer of the issued and outstanding capital stock of Lessee, or of the beneficial interests of such trust; in the event that Lessee or its successor is a limited or general partnership, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the limited or general partnership interest; in the event that Lessee or its successor is a joint venture, such transfer shall refer to the transfer of more than twenty-five percent (25%) of the ownership and/or successor control of any such joint venture partner, taking all transfers into account on a cumulative basis.

11.3. Licenses. Lessee shall have the right to grant licenses for ingress and egress to the Premises in connection with any assignment or sublease, provided such licenses are

made specifically subject to the covenants contained in this Lease, and do not extend beyond the term of this Lease. Upon any assignment, the assigning Lessee shall have no further obligation or liability under this Lease with respect to the portion assigned, except for such obligations that arose from the period of such assigning Lessee's occupancy of the Premises, and the new Lessee shall agree in writing to be bound by all terms and conditions hereof.

12.0 Transfer Premises. The parties agree to cooperate reasonably in defining the Transfer Premises, either before or upon the final approval of the Wash Plan, if the Wash Plan becomes effectuated. The Transfer of Premises shall be identified by way of appropriate legal description and plat maps, and shall be incorporated as Premises to which this Lease applies by way of a written amendment to this Lease. The Transfer of Premises shall not be replaced for any portion of the Premises without the mutual agreement of District and Lessee.

13.0 Condemnation. If during the term of this Lease, all or any portion of the Premises is acquired for public use by the use of eminent domain, or transfer under threat of eminent domain, the following shall apply:

(a) District shall be entitled to all compensation awarded for the taking of the Premises, including any leasehold bonus value, except that Lessee shall be entitled to any portion of the award representing the value of its leasehold improvements (less any reversionary value allocable to District upon the scheduled end of the lease term), moveable equipment, inventory, moving expenses or relocation benefits, any award for loss of Lessee's business goodwill, and any separately-assessed attorneys fees or costs which are awarded solely to Lessee.

(b) If the entire Premises are taken pursuant to any condemnation proceeding, or acquisition under threat of condemnation, the Lease shall terminate in its entirety, effective on the date the acquiring entity takes actual possession of the Premises. If only a part of the Premises is taken pursuant to any condemnation proceeding, or acquisition under threat of condemnation, and the part taken is so essential that the remainder Premises subject to the Lease is no longer suitable for the purposes of the Lease, Lessee shall have the option to terminate this Lease. Such option shall be exercised in writing, no later than: (1) thirty (30) days after the filing of any complaint in eminent domain and service of same upon Lessee; or (2) within thirty (30) days of Lessee being notified, by District or any other party, of the acquiring entity's intent to acquire by eminent domain, accompanied by a legal description or other detailed indication of the specific area and property interests the acquiring entity proposes to take, whichever of the two occurs earlier. Any dispute between the District and Lessee as to whether a part taking taken is so essential that the remainder Premises subject to the Lease is no longer suitable for the purposes of the Lease shall be submitted to binding arbitration as provided herein if no condemnation action is then pending, and if such an action is pending, by the court hearing and determining such action.

(c) If only a part of the Premises is taken pursuant to a condemnation proceeding or acquisition under threat of condemnation, and there is either (1) no such material impairment of Lessee's use of the remaining portion of the Premises, or (2) Lessee otherwise elects not to terminate this Lease as provided in this Section, then the Lease shall terminate only as to the portion taken, effective on the date the acquiring entity takes actual possession of the portion taken, and the Lease shall continue in full force and effect as to the remaining portion of the Premises.

(d) If any portion of the plant site is taken as part of a partial taking, the plant site rent shall be reduced, in a percentage equal to the percentage the land taken area from the plant site bears to the total area of the plant site before the taking, such reduction to be effective on the date the Lease terminates as to the portion of the plant site taken. There shall be no reduction to the guaranteed annual royalty or the per-tonnage royalty, however.

14.0 Assignment and Transfer. The qualifications and identity of Lessee are of particular concern to District. It is because of those qualifications and identity that District has entered into this Agreement with Lessee. Accordingly, except as expressly set forth herein, Lessee shall not, whether voluntarily, involuntarily or by operation of law, assign, transfer or convey all or any part of this Agreement or any rights hereunder or in this Lease or the Premises without District's prior written approval, which shall not be unreasonably withheld, delayed or conditioned on items not related to the prospective assignee's financial ability to perform Lessee's requirements and obligations under this Lease, or the prospective assignee's ability to comply with the terms, conditions, or requirements of any applicable permit, entitlement, development condition, or provision of law governing the mining activities to be carried out on the premises under this Lease. Notwithstanding the foregoing, Lessee may assign its interest in this Lease to (a) an entity whose majority interest is owned or controlled by Lessee; or (b) a limited partnership or limited liability company whose general partner or managing member is Lessee. The term "control," as used in the immediately preceding sentence, means, with respect to a person that is a corporation, the right to exercise, directly or indirectly, at least 50% of the voting rights attributable to the shares of the controlled corporation, and, with respect to a person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person

If District approves the assignment, the approval shall be subject to the satisfaction of the following conditions ("**Transfer Conditions**"):

(a) All of the obligations of this Lease shall have been assumed by the transferee pursuant to a written assignment and assumption agreement(s) in a form reasonably approved by District's legal counsel.

(b) The organizational documents of the transferee and a good standing certificate of the transferee shall have been submitted to District.

(c) There shall be no default of Lessee of this Agreement and no event has occurred that would constitute a default with the giving of notice or the passage of time.

15.0 Miscellaneous Provisions.

15.1. Notices. As expressly provided to the contrary herein, any notice, consent, report, demand document, or other such item to be given, delivered, furnished, or received hereunder, shall be deemed given, delivered, furnished, or received when given in writing and personally delivered to an authorized agent of the applicable party, or upon delivery by United States Postal Service, first class registered or certified mail, postage prepaid, return receipt requested, or by national "overnight courier," such as Federal Express, at the time of delivery shown upon receipt, and in any case, delivered to the address, addresses, and persons as each party may from time to time, by written notice designate to the other, and who initially are:

If to District:	San Bernardino Valley Water Conservation District 1630 West Redlands Boulevard Suite A Redlands, California 92373 Attn: General Manager
With a Copy to:	Rutan & Tucker 611 Anton Boulevard Suite 1400 Costa Mesa, CA 92626 Attn: David B. Cosgrove
If to Lessee:	Cemex Construction Materials Pacific, LLC 5180 Golden Foothills Parkway Suite 200 El Dorado Hills, CA Attn: Tom Powell
With a Copy to:	Cemex 920 Memorial City Way, Suite 100 Houston, TX 77024 Attn: General Counsel

15.2. Interpretation. The terms of this Lease shall be construed in accordance with the meaning of the language used, and shall not be construed for or against either party by reason of authorship. This lease contains the full agreement of the parties with respect to the subject matter contained herein, and supersedes all prior leases, negotiations, agreements, and/or representations, whether oral or written. Specifically, this Lease supersedes the "Lease Agreement" dated September 10, 1979, between the District and C. L. Pharris Sand and Gravel, Inc., the "Lease Amendment" dated July 10, 1997 between the District and C. L. Pharris Sand

and Gravel, Inc., dba Sunwest Materials, and any other prior lease agreements between the parties with respect to any portion of the Premises. All such prior lease agreements are superseded and replaced by this Lease Agreement, including any options, rights of first refusal, or other rights that may arise thereunder, all of which are of no force or effect. This Lease constitutes the entire lease agreement between District and Lessee.

15.3. Amendment. This Lease may be amended at any time by mutual agreement of the parties, by an instrument in writing, signed by both parties, and referencing that it is an amendment to this Lease.

15.4. Corporate Authority. The persons executing this Lease on behalf of the parties hereto warrant that (i) the party on whose behalf the signature appears is duly organized and existing; (ii) such party is authorized to execute and deliver this Lease on behalf of such party; (iii) by so executing this Lease, such party is bound to the provisions of this Lease; and (iv) by entering into this Lease, such party does not violate any provision to any other agreement to which said party is bound. .

15.5. Binding on Successors. Subject to the transfer restrictions stated elsewhere in this Lease, this Lease shall be binding upon each party's respective successors and assigns.

15.6. Time is of the Essence. Time is of the essence in this Lease. Failure to comply with any requirement, including but not limited to any time requirement of this Lease shall constitute a material breach of the Lease.

15.7. Severability. The invalidity or illegality of any provision of this Lease shall not affect the remainder of the Lease. The parties hereby declare that it is their intent that, in the event one or more portions of the Lease is declared invalid or unenforceable, they intend that the remainder of the Lease continue to bind both parties, unless the severed remainder is so essential to the terms of this Lease that additional performance of the Lease is impossible or so uncertain as to render meaningful performance impossible or unrealistic.

15.8. Force Majeure. The time limits provided herein for performance of any actions required hereunder shall be extended during any time, but only during such time, as a party is unable to perform obligations to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, inaccessibility of transportation or critical infrastructure, governmental restrictions or priority litigation, acts of God, or other similar causes beyond the control of, and without the fault of, the party charged to perform. The party to perform shall continue to exercise reasonable diligence to minimize the period of delay during any period of force majeure. An extension of time for any such cause shall be limited to the period of the delay, and shall commence to run from the time of the commencement of the force majeure, provided notice by the party be to perform claiming such extension is sent to the other party within ten (10) days of the commencement of the cause.

15.9. Attorneys' Fees. In the event of any suit to enforce any provision of this Lease, or to prevent or to correct any breach of this agreement, the prevailing party in such

action or proceeding, in addition to any other relief which may be granted, legal or equitable, shall be entitled to reasonable attorneys' fees. As used herein, "attorneys' fees" shall include costs for legal services, and all other reasonable costs for investigating the action, including the taking of depositions and discovery, and any other recoverable costs. All such fees shall be deemed accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to final judgment. The court in any such action shall be requested to name a prevailing party.

15.10. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Dated: _____

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

By: _____
Clare Henry Day, President

APPROVED AS TO FORM:

RUTAN & TUCKER, LLP

_____
By: David B. Cosgrove
General Counsel

Dated: _____

CEMEX CONSTRUCTION MATERIALS PACIFIC, LLC

By: _____
V.P.

State of ~~California~~ Arizona

County of ~~Orange~~ Maricopa

Subscribed and sworn to (or affirmed) before me on this 20th day of October, 2011, by OSCAR FRIAS, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

VICKI L. MAJORS
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Aug. 30, 2013

Seal: _____

Signature Vicki L. Majors

State of California

County of ~~Orange~~ San Bernardino

Subscribed and sworn to (or affirmed) before me on this 21 day of October, 2011, by Claire Mary Day, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal: GUAY P WILSON

Signature _____

GUAY P. WILSON
COMM. # 1917449
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Comm. Expires Nov 2, 2013

State of California

County of ~~Orange~~ San Bernardino

Subscribed and sworn to (or affirmed) before me on this 31 day of October, 2011, by Chris J Camp, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal: GUAY P WILSON

Signature G P Wilson

GUAY P. WILSON
COMM. # 1847449
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Comm. Expires May 3, 2013

State of California

County of ~~Orange~~ San Bernardino

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 2011, by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal: _____

Signature _____

Exhibit "A"

Legal Descriptions of: "PREMISES" Properties

	Approx. Acres
Parcel I-1: (Portion of WCD Parcel 11-2) North one-half of the North one-half of Section 11, T. 1 S. R. 3 W., SBB&M, excepting thereform the North 40 feet.	155
Parcel I-2: (Portion of WCD Parcel 11-1) South one-half of the Southeast Quarter of Section 11, T. 1 S., R. 3 W., SBB&M	80
Parcel I-3: (WCD Parcels 12-2 and 12-3) North one-half of Section 12, T. 1 S., R. 3 W., SBB&M, except that portion lying northeasterly of the southwesterly right-of-way of the AT&SFe Railroad.	143
Parcel I-3a: (WCD Parcel 12-3) Three rights-of-way 80 feet wide across the AT&SFe right-of-way in the Southwest Quarter of the Northeast Quarter of said Section 12, as described in the deed from Charles Elliott to the San Bernardino & Eastern Railway Company Recorded December 15, 1891 Book 144, page 16 of Records of San Bernardino County, California.	
Parcel II-A: (Portion of WCD Parcel 11-2) East one-half of the South one-half of the North one-half of Section 11, T. 1 S., R. 3 W., SBB&M	80
Parcel II-B: (WCD Parcel 11-3) North one-half of the Northwest Quarter of the Southwest Quarter of Section 11, T. 1 S., R. 3 S., SBB&M	20
Parcel II-C: (WCD Parcel 11-4) Northeast Quarter of the Southwest Quarter of Section 11, T. 1 S., R. 3 W., SBB&M	40

Saving and excepting from the above parcels the main canal of lessor which crosses the property in an east-west direction and reserving unto lessor an easement 40 feet wide across the property adjacent to the Southerly boundary.

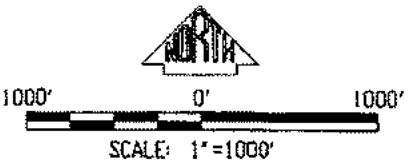
Parcel II-D: (Portion of WCD Parcel 10-2)

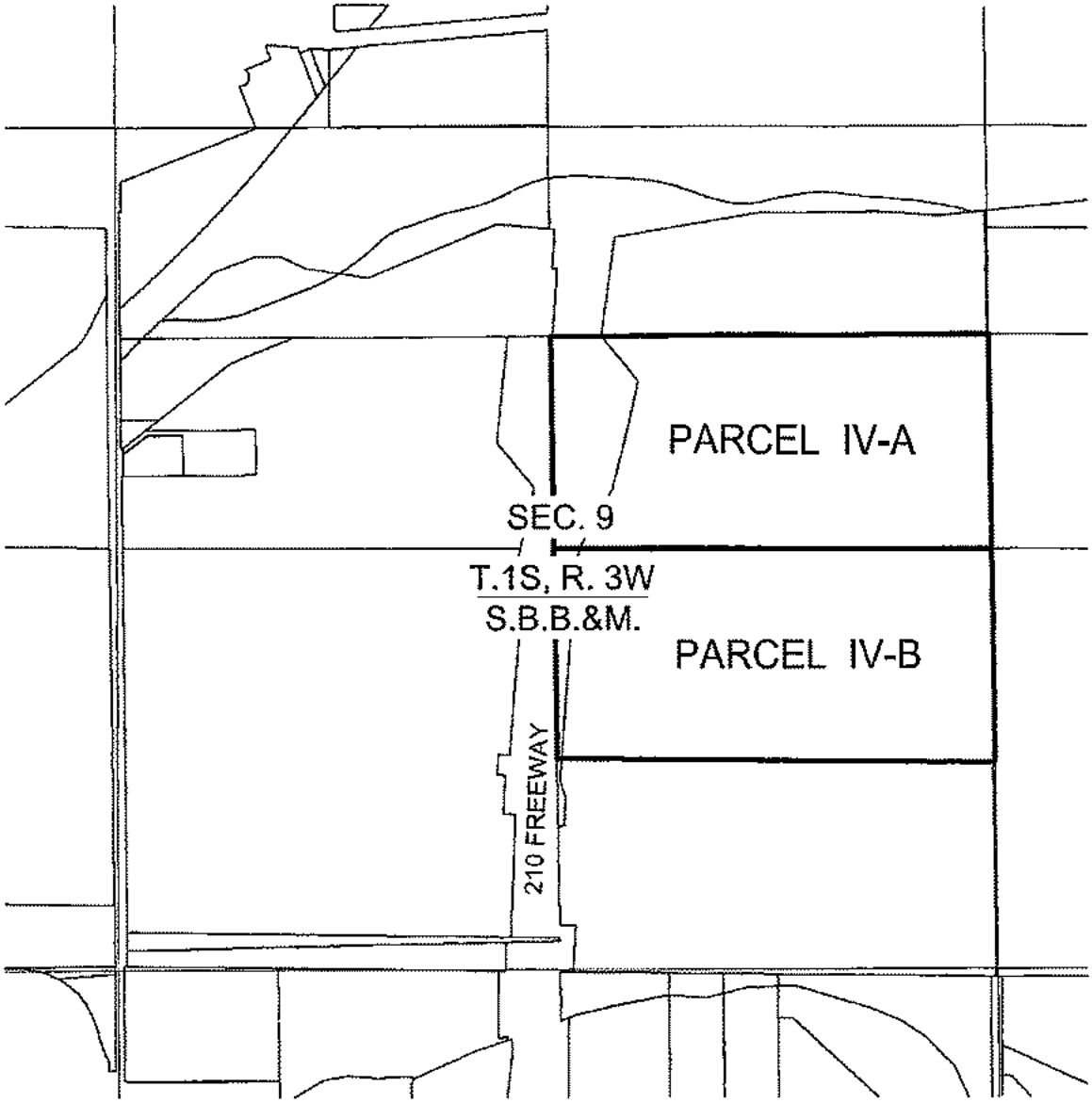
A non-exclusive easement across the North 60 feet of the North one-half of the Southeast Quarter of Section 10, T. 1 S., R. 3 W., SBB&M.

	Approx. Acres
Parcel II-E: (Portion of WCD Parcel 11-2) West one-half of the South one-half of the North one-half of Section 11, T. 1 S., R. 3 W., SBB&M	80
Parcel III-A: (Portion of WCD Parcel 11-1) The North one-half of the Southeast Quarter of Section 11, T. 1 S., R. 3 W., SBB&M	80
Parcel III-B: (WCD Parcel 10-2) The North one-half of the Southeast Quarter of Section 10, T. 1 S., R. 3 W., SBB&M, except the westerly 130+ feet thereof.	75
Parcel IV-A: (WCD Parcel 9-2) South one-half of the Northeast Quarter of Section 9, T. 1 S., R. 3 W., SBB&M.	80
Parcel IV-B: (Portion of WCD Parcel 9-1) North one-half of the Southeast Quarter of Section 9, T. 1 S., R. 3 W., SBB&M.	80

EXHIBIT "B"

NOV. 15, 2011





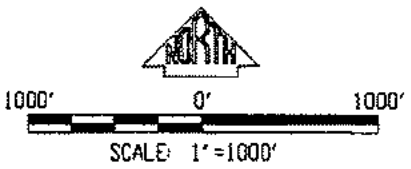
SEE SHEET 2 OF 4

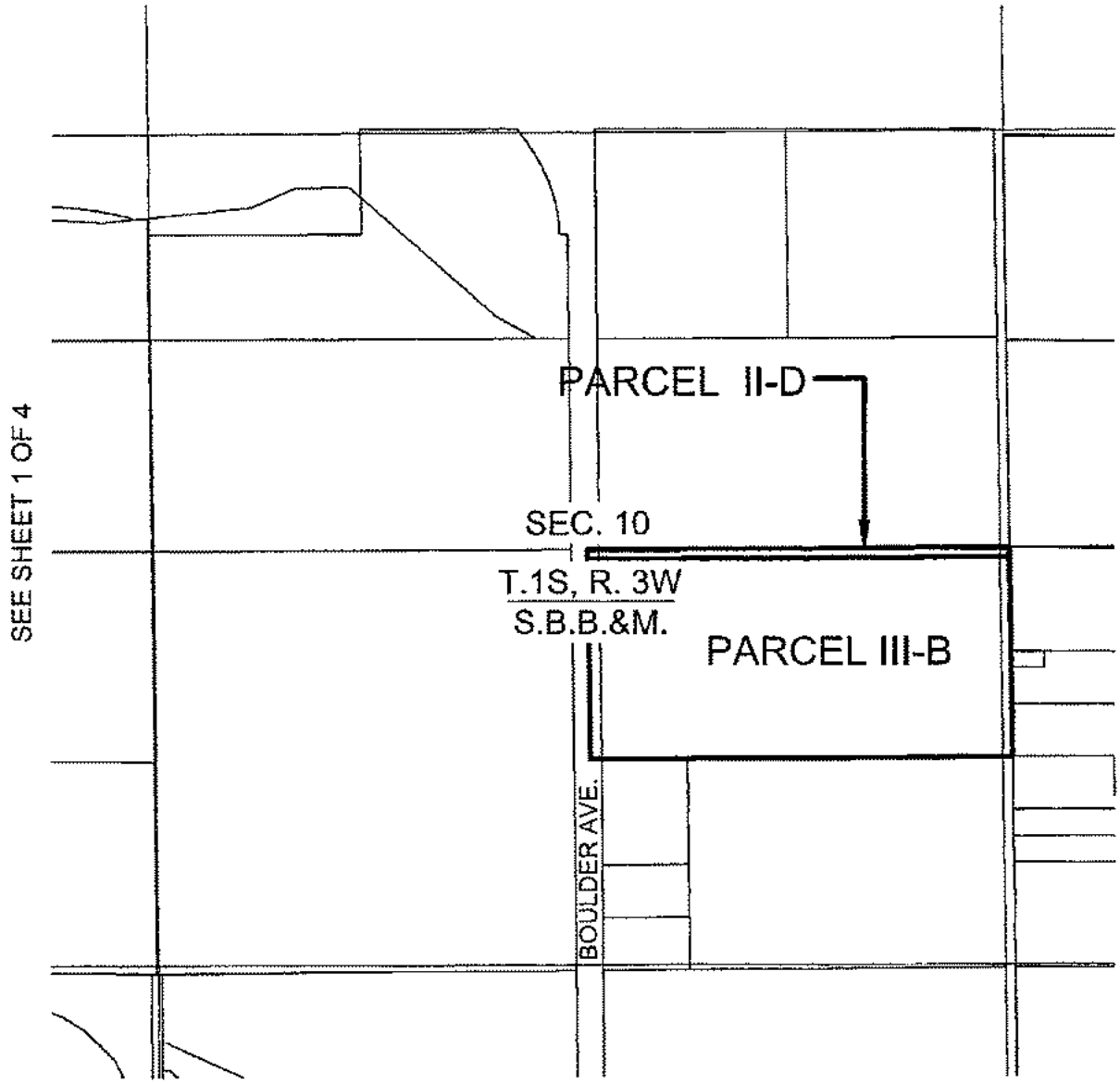
JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors
234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "B"

(CONTINUED)

NOV. 15, 2011



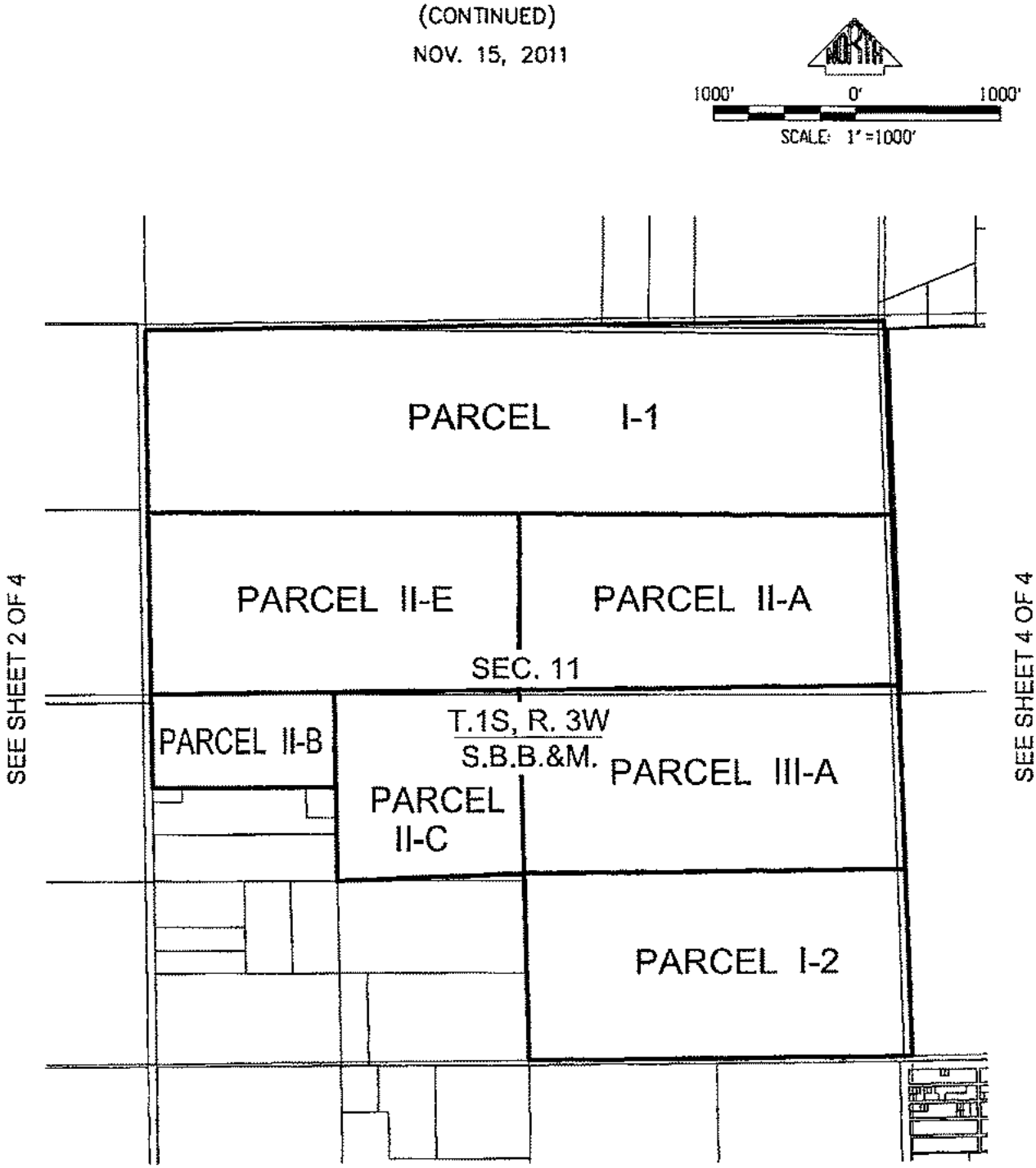


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EXHIBIT "B"

(CONTINUED)

NOV. 15, 2011

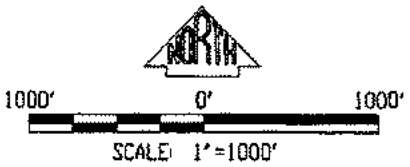


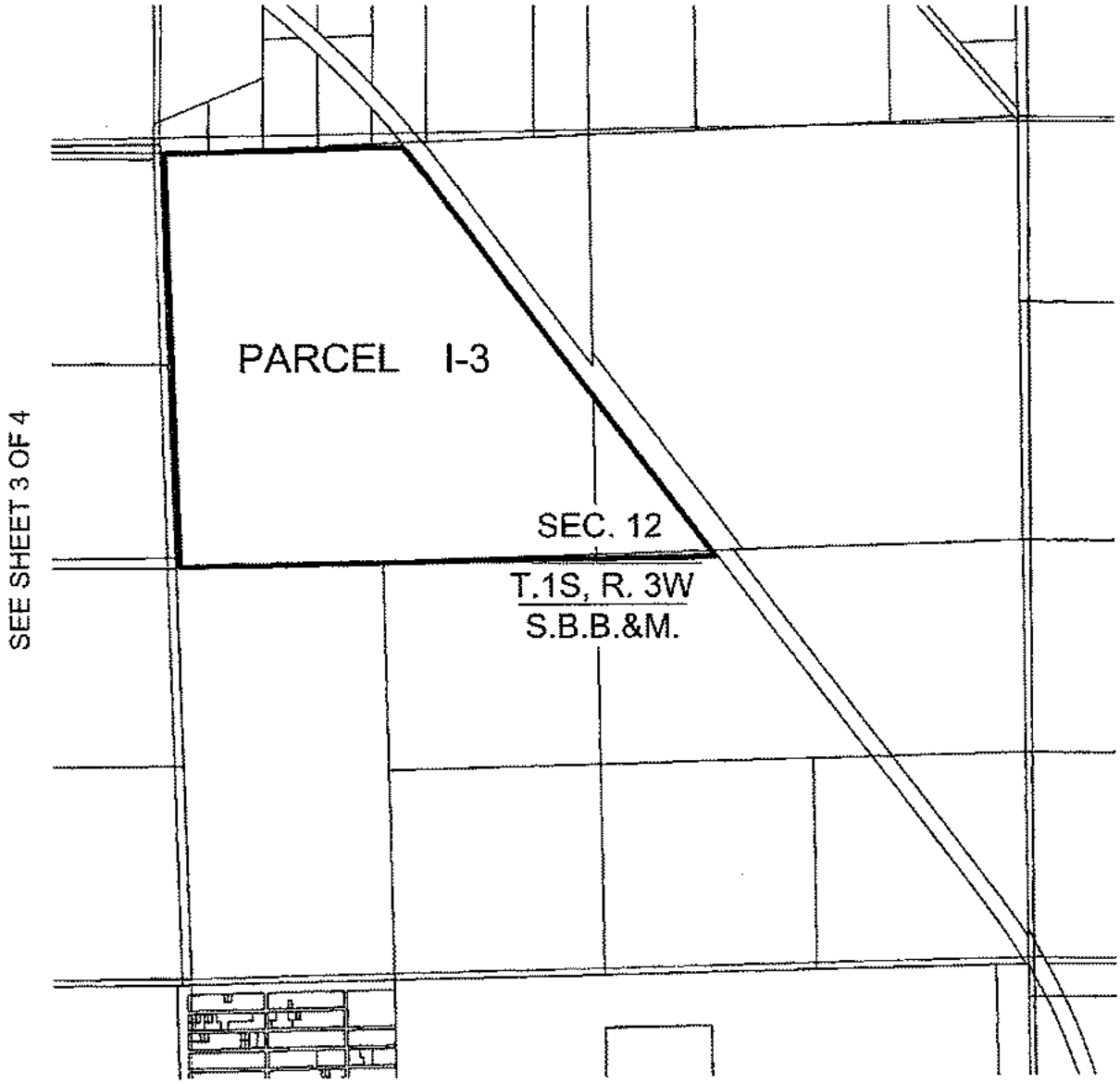
JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors
234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "B"

(CONTINUED)

NOV. 15, 2011



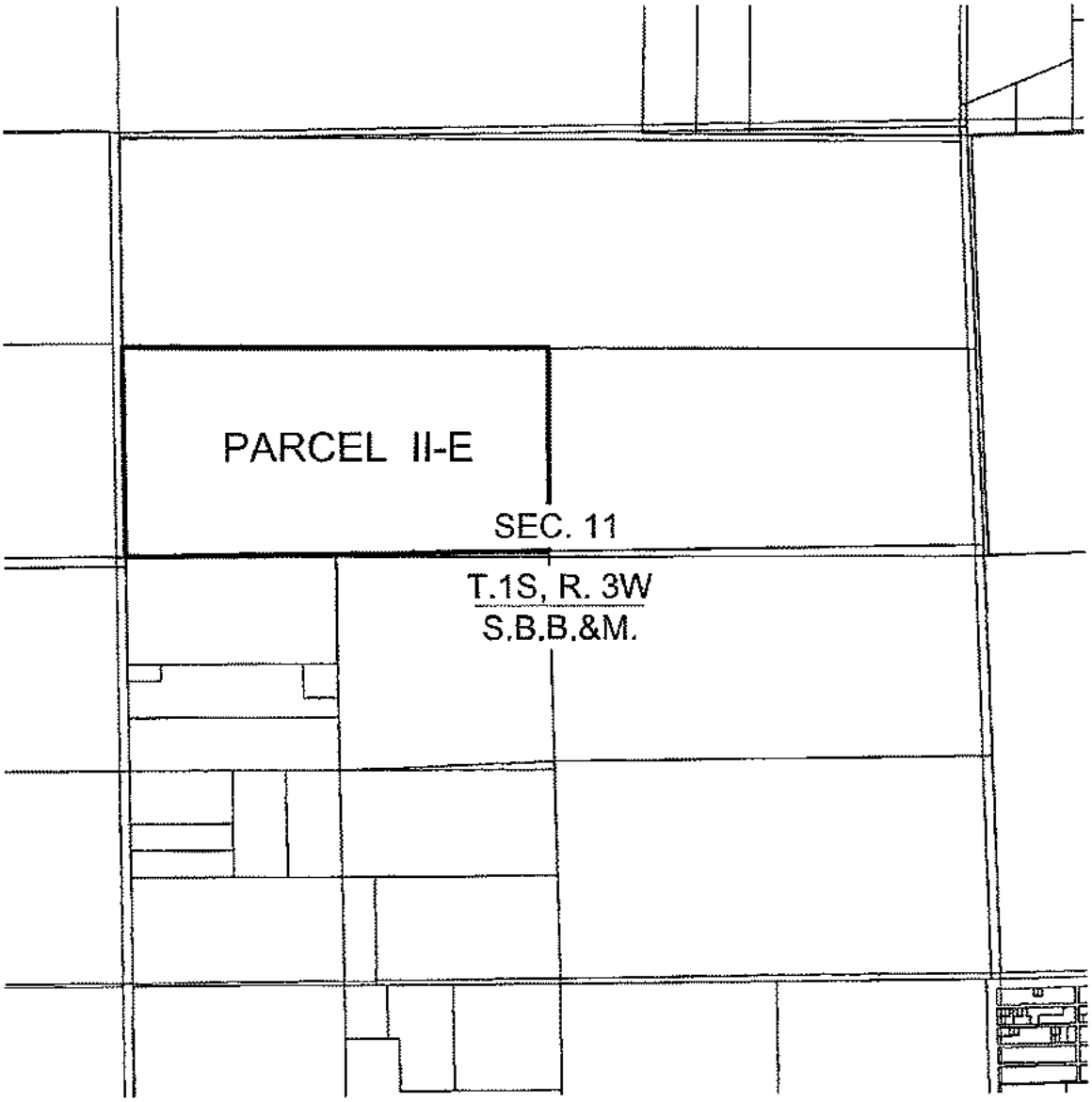


JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors
234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "C"

"SILT DEPOSIT AREA"

NOV. 15, 2011



JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "D"

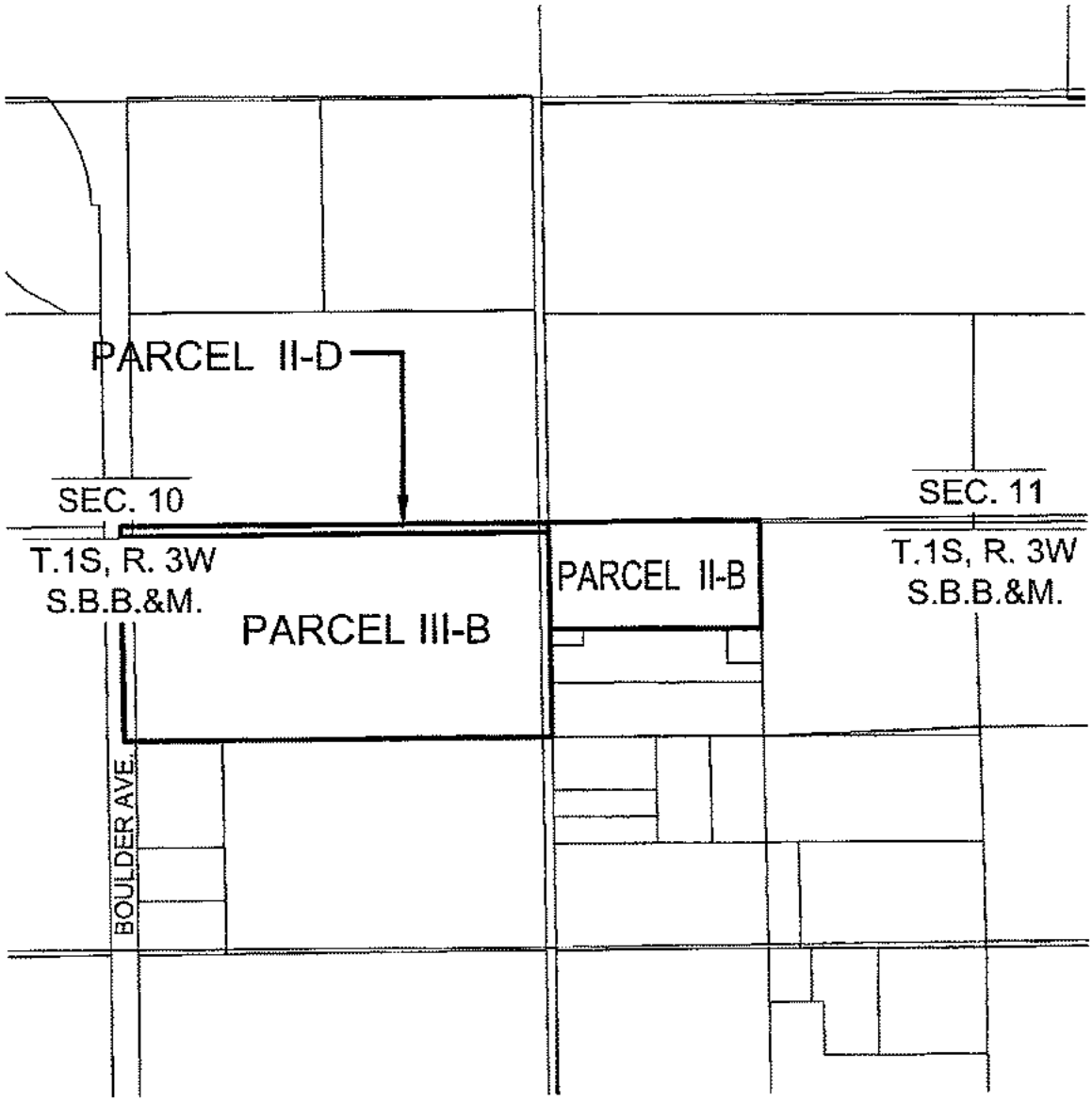
"ORANGE STREET PLANT SITE"

NOV. 15, 2011

NORTH

1000' 0' 1000'

SCALE: 1"=1000'



JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "E"

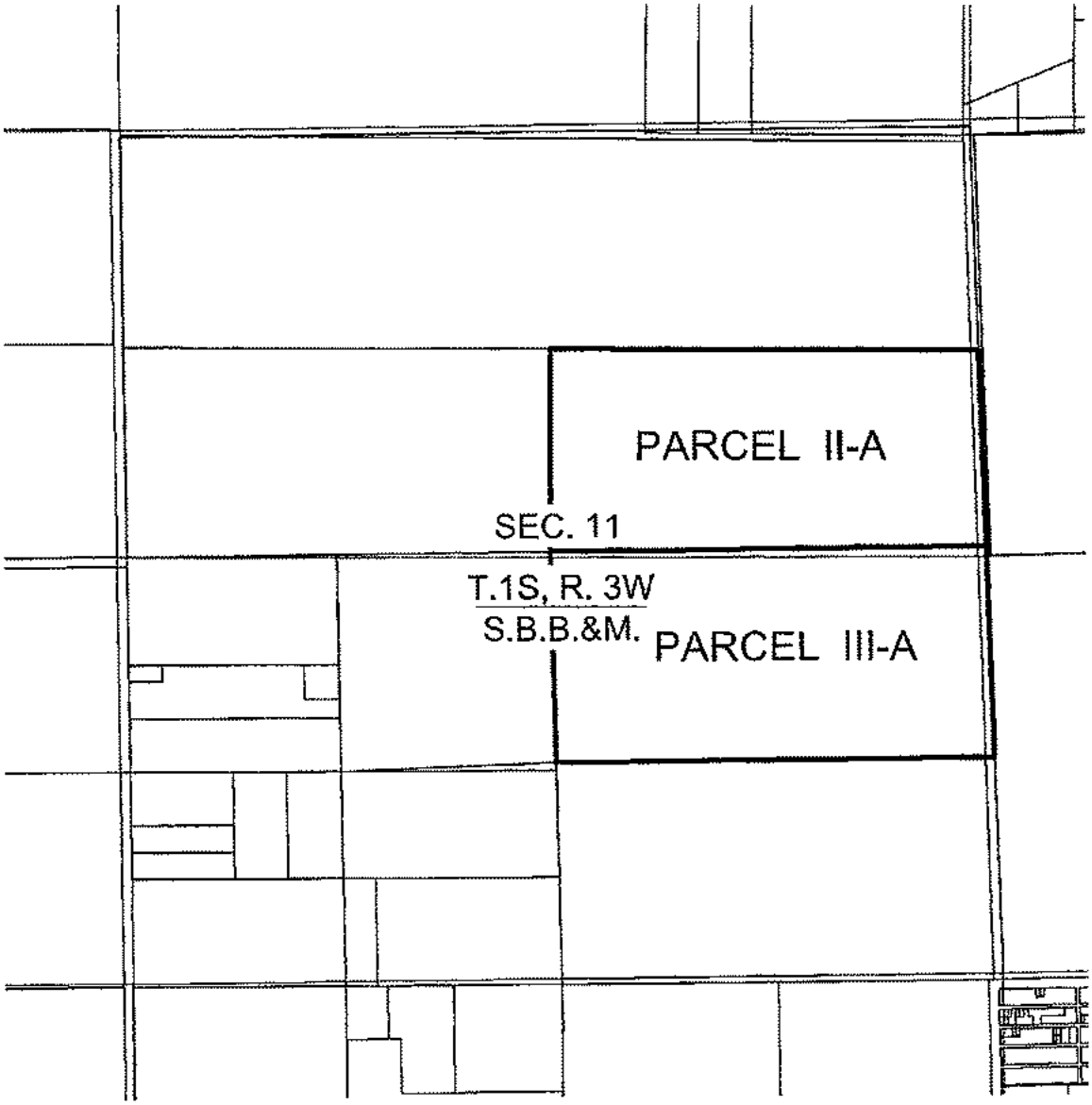
"REDLANDS AGGREGATES SITE"

NOV. 15, 2011

NORTH

1000' 0' 1000'

SCALE: 1"=1000'



JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

Exhibit 4

Roberton's Ready Mix Lease

AGREEMENT

This Agreement is made on this 11th day of August, 2003, by and between San Bernardino Valley Water Conservation District ("District") and Robertson's Ready Mix, Ltd., ("Robertson's"), together "Parties" or individually, "Party".

RECITALS

A. District is a California water conservation district duly formed and operating under Sections 74000, et seq., of the California Water Code, and operating as a water conservation district, having as a purpose the recharge of ground water supply and maintenance of groundwater basins underlying its jurisdiction area.

B. Robertson's is a California limited partnership, duly formed and organized pursuant to the laws of the State of California, with its principal place of business in Corona, California. Robertson's engages in the business of excavating, processing, and selling rock, sand, gravel and other like substances ("Aggregates").

C. On or about October 5, 1992, the Parties entered into a Lease Agreement for Mineral Extractions ("Cone Camp Lease") pursuant to which Robertson's, on the satisfaction of certain conditions, would have the right to extract Aggregates from that property defined as the "Premises" in the Cone Camp Lease, and commonly referred to as "Cone Camp Quarry." A copy of the Cone Camp Lease is appended hereto, denoted Exhibit "A".

D. Some time in or about 1993, the Parties, together with other entities interested in mining, flood control, resource management and conservation, and municipalities, formed the Santa Ana River Wash Area Coordinated Planning Activities Committee ("Wash Committee") to address land use issues related to the Upper Santa Ana River Wash ("Wash").

E. The Wash Committee examined the most appropriate manner in which to use the Wash for the benefit of all landowners without regard to the existing interests in real property situated in the Wash. The Wash Committee determined that there should be a balance of land uses to accommodate the varied and competing concerns. The Wash Committee further determined that in order to achieve land use balance, the existing and potential uses must be reallocated among specific portions of the Wash.

F. Deliberations of the Wash Committee resulted in the drafting, circulation, and approval of a "Proposed Land Management and Habitat Conservation Plan for the Upper Santa Ana River Wash" ("Concept Plan"), which sets out concepts for realignment of mining, water conservation, recreation, habitat preservation, and other uses in the Santa Ana River Wash and was conceptually endorsed by all members of the Wash Committee, including the Parties. A copy of the Concept Plan as presently conceived is attached as Exhibit "B." This Concept Plan is subject to revision as the parties impacted continue to refine and negotiate its parameters. Implementation of the Concept Plan, as it may evolve over time, will require the formation of a Task Force, of which the Parties shall be members, to fund studies for environmental review of proposed mining, transfer of various property ownerships and lease interests, habitat conservation plans, recreational facilities, regional infrastructure, and water supply and conservation activities, and to implement such activities. A Task Force Agreement has been

prepared and circulated among applicable Wash Committee members, including the Parties, to guide and fund implementation of the Concept Plan. It has been reviewed and approved by the Parties, in the form attached hereto as Exhibit "C," and shall be executed by the Parties upon or prior to execution of this Agreement.

G. The Parties have found and determined that it is in their individual best interests to join together with other members of the Task Force to manage activities in connection with the planning, environmental review, and implementation of the Concept Plan (collectively the "Project").

H. The Cone Camp Lease requires that Robertson's "diligently and continuously take all actions necessary to obtain any and all licenses, permits, or other governmental entitlements.... required to accomplish the excavation purpose set out [therein]". There is currently pending before the city of Highland Robertson's application ("Cone Camp Application") for entitlements to mine Aggregates from the Cone Camp Quarry.

I. Robertson's has represented to the District that it has reached an agreement with Cemex Construction Materials, LP ("Cemex"), an entity engaged in business similar to that in which Robertson's is engaged, concerning the allocation, between Robertson's and Cemex, of the right to extract Aggregates from property which is contemplated for the excavation of Aggregates under the Concept Plan.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN THE PARTIES AGREE AS FOLLOWS:

Section 1. Definitions.

In addition to capitalized terms defined elsewhere in this Agreement, the following terms shall be defined as follows:

1.1 "Effective Date" shall mean the date on which both Parties have executed the Task Force Agreement and this Agreement.

1.2 "Section," except as may be qualified to refer to the Cone Camp Lease, shall be deemed to be a reference to a portion of this Agreement.

1.3 "WPA" shall mean the Wash Planning Area, as that term is used and defined in the Concept Plan.

1.4 "Robertson's WPA Allocation" shall mean that portion of the WPA which is allocated, through written agreement between Robertson's and Cemex attached as Exhibit "D", to Robertson's for the mining of Aggregates. Robertson's agrees it must obtain approval from District for any substantial changes to this allocation prior to such changes being effective. Any change within the land acreage specifically dimensioned in Exhibit "D" as 1847' x 1303', that does not change the amount allocated to Robertson's for mining by more than 50% of the area of that dimensioned parcel, shall not constitute a substantial change; all other changes to the allocation agreement shall be considered substantial. The "Robertson's WPA Allocation" specifically excludes the real property located within the WPA and owned by Robertson's,

and/or its affiliate RRM Properties, Ltd., A California limited partnership, in fee as of the Effective Date.

1.5 "Premises Transfer Date" shall occur upon transfer of ownership of interest to the District of those portions of the WPA that fall within Robertson's WPA Allocation, and which, as of the date of this Agreement, are owned by the United States, through the Bureau of Land Management.

1.6 "Concept Plan Termination Date" shall mean any date prior to the Premises Transfer Date upon which either Party's participation in the Task Force Agreement shall have been finally terminated, as provided in Paragraph 23 of the Task Force Agreement, or upon dissolution of the Task Force pursuant to Paragraph 22 of the Task Force Agreement. Upon occurrence of the Premises Transfer Date, there shall be no Concept Plan Termination Date.

1.7 "Concept Plan Term" shall mean the period between the Effective Date and the occurrence of the earlier of the (1) Concept Plan Termination Date; or (2) Premises Transfer Date.

Section 2. Obligations During Concept Plan Term.

2.1 Prosecution of Concept Plan. The Parties, and each of them, agree that for so long as the Concept Plan, as may be modified consistent with the provisions of Section 2.3, below, but otherwise in substantially the same form as set forth in the Task Force Agreement, is being diligently and in good faith pursued, they will not, prior to January 1, 2006, terminate their participation under the Task Force Agreement pursuant to Paragraph 23 of the Task Force Agreement. Notwithstanding the foregoing, in the event that prior to January 1, 2006, Robertson's contribution to the total Task Force funding exceeds that required to be paid by CEMEX, or exceeds, by more than 0.25 percent of the total Task Force funding, that required to be paid by the District, Robertson's shall be free to exercise its rights of termination under Paragraph 23 of the Task Force Agreement. . During the Concept Plan Term each of the Parties shall use their best efforts to achieve the Premises Transfer Date; provided, however, that neither Party shall be considered to be in breach of this provision unless a party who believes that a breach has occurred first provides to the other Party written notice informing the notified Party of the specific nature of the alleged breach of this provision, the reasons therefore, the actions the notifying Party alleges must be taken to cure the alleged breach and provides to the noticed Party either, (a) reasonable opportunity to cure the breach, or (b) in the event the breach is of the nature that a cure cannot be promptly effected, reasonable opportunity to prepare and prosecute a plan pursuant to which the breach will be cured, or (c) in the event the alleged breach is one that cannot be cured, a good faith effort to meet and confer regarding whether mutually satisfactory alternative arrangements can be made. In the event of any dispute regarding either Party's alleged breach of this "best efforts" obligation, the matter shall be resolved through the binding arbitration mechanism set forth in Section 8.06 of the Cone Camp Lease.

2.2 Suspension of Robertson's Duty to Obtain Permits. During the Concept Plan Term, Robertson's obligations pursuant to paragraph 5.05 of the Cone Camp Lease, to diligently and continuously take all actions necessary to obtain any and all licenses, permits, or other governmental entitlements required to accomplish the excavation purpose set out in the Cone

Camp Lease, shall be suspended. Such suspension shall begin on the Effective Date and shall continue until the earlier occurrence of: A) the Premises Transfer Date or B) the Concept Plan Termination Date. Robertson's shall not pursue such licenses, permits, or other governmental entitlements for any excavation of any portion of the "Premises," as originally defined in the Cone Camp Lease, at any time during the Concept Plan Term.

2.3 District to Support Robertson's Attempt to Amend Concept Plan. Robertson's has advised District that during the Concept Plan Term, Robertson's will seek Task Force Approval to amend the present iteration of the Concept Plan, to expand the Concept Plan mining area to include additional property owned by Robertson's. District agrees that it will support Robertson's attempt to so amend the Concept Plan, provided it is consistent with District's water conservation and land management objectives.

2.4 Incorporation of Defined Terms into Cone Camp Lease. Beginning on the Effective Date hereof, the following terms, as they are defined herein, shall be deemed incorporated, as applicable, into the Cone Camp Lease: Premises Transfer Date, Concept Plan Term; Concept Plan Termination Date; Robertson's WPA Allocation; and Cone Camp Quarry.

Section 3. Rights and Obligations on Premises Transfer Date

3.1 Transfer of Premises. The Premises shall, upon the Premises Transfer Date, immediately and automatically be deemed to mean and refer to the Robertson's WPA Allocation and the Cone Camp Lease shall no longer apply to the Cone Camp Quarry. Upon the Premises Transfer Date, the parties shall prepare, and may record, such documents as may be necessary or appropriate to reflect the proper legal descriptions or other identification of the transferred Premises, but the transfer of the Premises from the area originally defined in the Cone Camp Lease to the Robertson's WPA Allocation shall not be conditioned or dependent upon such documentation, but rather shall occur immediately upon occurrence of the Premises Transfer Date.

3.2 Revival of Robertson's Duty to Obtain Permits on Premises Transfer Date. Immediately upon the Premises Transfer Date, Robertson's obligations pursuant to Section 5.05 of the Cone Camp Lease, to diligently and continuously take all actions necessary to obtain any and all licenses, permits, or other governmental entitlements required to accomplish the excavation purpose set out in the Cone Camp Lease, shall revive, and shall apply to the Robertson's WPA Allocation, as provided in Section 3.1 of this agreement.

3.3 Commencement Date on Premises Transfer Date. Immediately upon occurrence of the Premises Transfer Date, Section 1.01 of the Cone Camp Lease shall be automatically amended to read as follows:

> 1.01 Commencement Date. The Commencement Date of the Lease Term shall be the date sixty (60) days after occurrence of the Premises Transfer Date.

In applying the foregoing provision it is the intention of the Parties that in the event that Premises Transfer Date does not occur by January 1, 2007, the Cone Camp Lease shall not be terminated, but shall survive, subject to modification triggered by the happening of either Premises Transfer Date or Concept Plan Termination Date.

Section 4. Rights and Obligations on Concept Plan Termination Date.

4.1 Revival of Robertson's Duty to Obtain Permits on Concept Plan Termination Date. Immediately upon the Concept Plan Termination Date, Robertson's obligations pursuant to Section 5.05 (A) of the Cone Camp Lease, to diligently and continuously take all actions necessary to obtain any and all licenses, permits, or other governmental entitlements required to accomplish the excavation purpose set out in the Cone Camp Lease, shall revive.

4.2 Commencement Date on Concept Plan Termination Date. Immediately upon occurrence of the Concept Plan Termination Date, Section 1.01 of the Cone Camp Lease shall be amended to read as follows:

> 1.01 Commencement Date. The Commencement Date of the Lease Term shall, at Robertson's election, either be (x) the date sixty (60) days after the Concept Plan Termination Date, or (y) January 1, 2003, provided, however, that in no event shall District be required to refund any portion of the Phase I Payment before the expiration of one (1) full year following the date Robertson's provides to District written notice of its election hereunder. Robertson's election shall be made in writing and delivered to District prior to the 60th day following Concept Plan Termination Date.

In applying the foregoing provision it is the intention of the Parties that in the event that Concept Plan Termination Date does not occur by January 1, 2007, the Cone Camp Lease shall not be terminated, but shall survive, subject to modification triggered by the happening of either Premises Transfer Date or Concept Plan Termination Date.

Section 5. Mancino Property. Effective immediately upon the Effective Date, the original Cone Camp Lease shall be amended to exclude from the definition of "Premises" therein, all of the property more specifically described in Exhibit "E" hereto (the "Mancino Property").

Section 6. Waiver. Each of the Parties herein fully waives its right to claim that any act, omission, or inaction of the other Party, prior to the Effective Date, constituted: (a) a breach of any of the provisions of the Cone Camp Lease, or any obligation arising thereunder or in connection therewith, or (b) any basis for reformation or rescission of all or any part of the Cone Camp Lease, for which any relief, legal or equitable, and specifically, but not by way of limitation, monetary damages, were or could have been available, either as affirmative relief, or as an offset against any other claim. This waiver extends to all claims or causes of action, whether presently known or unknown, and in connection with such waiver, both parties specifically waive any operation or applicability of California Civil Code section 1542, which provides:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Each Party represents and warrants it has consulted with counsel regarding the nature and consequences of waiving the operation of Civil Code section 1542, and knowingly and willingly has decided to waive it.

Section 7. No Obligation on Robertson's to Transfer. Robertson's execution of this Agreement, its execution of the Task Fore Agreement, anything expressed or implied in either document, and/or its participation in advancing the Concept Plan, whether taken individually or collectively in any combination, shall not be construed or interpreted to require Robertson's to transfer, encumber or agree to any use restrictions being placed upon any real property Robertson's owns in fee on the Effective Date; or to cause any such real property be transferred, encumbered, or restricted as to use. Nothing in this Section 7 affects or relieves Robertson's obligation to transfer the Premises, as provided in section 3 above, however.

Section 8. Notices. All notices required to be provided hereunder, shall be in writing, and either served personally or sent by United States Mail. For these purposes, the addresses for the Parties are as follows:

As to Robertson's Ready Mix, Ltd.	As to District
President Robertson's Ready Mix, Ltd. 200 South Main Street Suite 200 Corona CA 92878	General Manager San Bernardino Valley Water Conservation District 1630 West Redland Blvd., Suite A Redlands CA 92373

Notices shall be deemed delivered on the date of personal service or on the third day following deposit in the United States Mail. Any Party may change the address or person to whom notices are to be directed hereunder, by written notice to the other Party.

Section 9. Entire Agreement. This Agreement, in connection with the unaffected portions of the original Cone Camp Lease, contains the entire agreement of the Parties hereto with respect to the matters contained herein and supersedes all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. No waiver or modification of this Agreement shall be binding unless consented to by the Parties in writing.

Section 10. Cooperation; Further Acts. The Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. The Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary, appropriate or convenient to carry out the purposes of this Agreement.

Section 11. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California.

Section 12. Attorneys' Fees. In an action or proceeding involving a dispute between the Parties arising out of this Agreement, including arbitration, the prevailing Party shall be entitled to receive from the other Party, reasonable attorneys' fees. The term "attorneys' fees" shall include reasonable costs for investigating the action, conducting discovery, cost of appeal, costs

and fees for expert witnesses, and all other normally allowable costs incurred in such litigation, whether or not such litigation is prosecuted to final judgment.

Section 13. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

Section 14. Construction; Captions. The language of this Agreement shall be construed according to its fair meaning, and not for or against any Party hereto based on authorship. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

Section 15. Severability. Each provision of this Agreement shall be severable from the whole. If any provision of this Agreement shall be found contrary to law, it is the intention of the Parties that the remainder of this Agreement shall continue in full force and effect.

Section 16. Incorporation of Recitals. The Recitals are incorporated herein and made an operative part of this Agreement.

Section 17. Authority to Enter into Agreement. The Parties warrant they have all requisite power and authority to execute and perform this Agreement. Each person executing this Agreement on behalf of their party warrants that he or she has the legal power, right, and authority to make this Agreement and bind his or her respective Party, and that in so doing, such Party is not thereby in breach of any other contract or agreement.

Section 18. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

Section 19. Assignment. Neither Party shall assign its rights or delegate its responsibilities hereunder without the express written consent of the other Party, which consent shall not be unreasonably withheld. This Agreement, including the rights of first refusal and options granted hereunder, shall be binding on all successors and is intended to and shall run with the land.

Section 20. Recordation. Within fifteen (15) days of the Effective Date, the Parties shall have this Agreement recorded with the County Recorder for the County of San Bernardino, State of California.

ROBERTSON'S READY MIX, LTD.,
a California limited partnership
By: Robertson's Ready Mix, Ltd.
a California corporation
Its General Partner

By: _____
Dennis Troesh
Its: President

July 29, 2003

Date: 8/11/03

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT,
a political subdivision of the State of California

By: _____
Sterling Woodbury

Its: President of the Board of Directors

Date: 8/11/03

State of California)
) ss.
County of Riverside)

On July 29, 2003, ~~2003~~, before me Susan J. Howard, notary public, personally appeared Dennis Troesh, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted executed the instrument.

Witness my hand and official seal

Susan J Howard

SUSAN J. HOWARD
Commission # 1314530
Notary Public - California
Riverside County
My Comm. Expires Jul 20, 2005

State of California)
) ss.
County of Riverside)

On August 11, 2003, before me Colleen E. Theuer, notary public, personally appeared Sterling Woodbury, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted executed the instrument.

Witness my hand and official seal

Colleen E. Theuer

COLLEEN E. THEUER
Commission # 1262640
Notary Public - California
San Bernardino County
My Comm. Expires May 4, 2004

Exhibit List

Description	Designation:
Cone Camp Lease	A
Concept Plan	B
Task Force Agreement	C
Allocation Agreement Between Robertson's and Cemex	D
Legal Description of Portion of Mancino Property Excluded from "Premises" of Original Cone Camp Lease	E

Exhibit 5

2010 State Water Rights Filing

[FINAL SUBMITTED VERSION]

REPORT OF LICENSEE FOR 2010

Primary Owner: SAN BERNARDINO VALLEY W C D
Application Number: A002217
License Number: 002831

Compliance with License Terms and Conditions	
The project has been abandoned and I request revocation of my water right license	No
I have reviewed my water right license	Yes
I am complying with all terms and conditions	Yes
Description of noncompliance with terms and conditions	
Intake location has been changed	
Description of intake location changes	
Type of use has changed	
Description of type of use changes	
Place of use has changed	
Description of place of use changes	

Purpose of Use	
Other	Groundwater Recharge

Month	Amount directly diverted or collected to storage (Acre-Feet)	Amount used (Acre-Feet)
January	241.0	0.0
February	285.0	0.0
March	1412.0	0.0
April	1977.0	0.0
May	1756.0	0.0
June	0.0	0.0
July	0.0	0.0
August	0.0	0.0
September	0.0	0.0
October	0.0	0.0
November	0.0	0.0
December	0.0	0.0
Total	5671	0

Month	Maximum Rate of Diversion (CFS)
January	
February	
March	
April	
May	

June	
July	
August	
September	
October	
November	
December	

Reservoir name	Spilled this year	Feet below spillway at maximum storage	Completely emptied	Feet below spillway at minimum storage	Method used to measure water level
NA	No	0.0	No	0.0	NA

Conservation of Water	
Are you now employing water conservation efforts?	Yes
Description of water conservation efforts	Cooperative Water Recharge for Basin
Amount of water conserved	5671.0 Acre-Feet

Water Quality and Wastewater Reclamation	
During the period covered by this Report, did you use reclaimed water from a wastewater treatment facility, water from a desalination facility, or water polluted by waste to a degree which unreasonably affects the water for other beneficial uses?	No
Amount of reclaimed, desalinated, or polluted water used	

Conjuctive Use of Groundwater and Surface Water	
During the period covered by this Report, were you using groundwater in lieu of available surface water authorized under your license?	No
Amounts of groundwater used	

Additional Remarks
Maximum Rate of Diversion not recorded for 2010 Cooperative Recharge with the Region's water entities occurs additional explanation is shown in the attached file.

Attachments	
File Name	Size
Water Rights Filing Explanaiton Final June 27 2011.pdf	13 KB

Contact Information of the Person Submitting the Form	
First Name	Daniel
Last Name	Cozad
Relation to Water Right	Authorized Official
I read the above and agree	Yes

[FINAL SUBMITTED VERSION]

REPORT OF LICENSEE FOR 2010

Primary Owner: SAN BERNARDINO VALLEY W C D
Application Number: A004807
License Number: 002832

Compliance with License Terms and Conditions	
The project has been abandoned and I request revocation of my water right license	No
I have reviewed my water right license	Yes
I am complying with all terms and conditions	Yes
Description of noncompliance with terms and conditions	
Intake location has been changed	
Description of intake location changes	
Type of use has changed	
Description of type of use changes	
Place of use has changed	
Description of place of use changes	

Purpose of Use	
Other	GROUND WATER RECHARGE

Month	Amount directly diverted or collected to storage (Acre-Feet)	Amount used (Acre-Feet)
January	0.0	0.0
February	0.0	0.0
March	0.0	0.0
April	0.0	0.0
May	0.0	0.0
June	0.0	0.0
July	0.0	0.0
August	0.0	0.0
September	0.0	0.0
October	39.0	39.0
November	0.0	0.0
December	268.0	268.0
Total	307	307

Month	Maximum Rate of Diversion (CFS)
January	0.0
February	0.0
March	0.0
April	0.0
May	0.0

June	0.0
July	0.0
August	0.0
September	0.0
October	0.0
November	0.0
December	0.0

Reservoir name	Spilled this year	Feet below spillway at maximum storage	Completely emptied	Feet below spillway at minimum storage	Method used to measure water level
ASDF	No	0.0	Yes		STICK

Conservation of Water	
Are you now employing water conservation efforts?	Yes
Description of water conservation efforts	Cooperative Groundwater Management with Regional Agencies.
Amount of water conserved	307.0 Acre-Feet

Water Quality and Wastewater Reclamation	
During the period covered by this Report, did you use reclaimed water from a wastewater treatment facility, water from a desalination facility, or water polluted by waste to a degree which unreasonably affects the water for other beneficial uses?	No
Amount of reclaimed, desalinated, or polluted water used	

Conjuctive Use of Groundwater and Surface Water	
During the period covered by this Report, were you using groundwater in lieu of available surface water authorized under your license?	No
Amounts of groundwater used	

Additional Remarks
Maximum Rate of Diversion not recorded for 2010 Cooperative Recharge with the Region's water entities occurs additional explanation is shown in the attached file.

Attachments	
File Name	Size
Water Rights Filing Explanaiton Final June 27 2011.pdf	13 KB

Contact Information of the Person Submitting the Form	
First Name	Daniel
Last Name	Cozad
Relation to Water Right	Authorized Official
I read the above and agree	Yes

SWRCB Annual Water Rights Report

Annotation to Accompany Filings by SBVWCD and SBVMWD/WMWD

During 2010, the San Bernardino Valley Water Conservation District (SBVWCD) and San Bernardino Valley Municipal Water District (SBVMWD)/Western Municipal Water District (WMWD) diverted water at the Cuttle Weir to replenish the groundwater basin. Each agency's season of diversion, total quantity of diversion and water rights are listed in the following table.

Agency	Season of Diversion	Total Quantity of Water Diverted	Water Right
SBVWCD	1/1/10 to 5/31/10	5,671 af	License No. 2831
SBVMWD/WMWD	6/29/10 to 12/31/10*	14,934 af	Permit No. 21264
SBVWCD	10/1/10 to 12/31/10	307 af	License No. 2832

* The State Water Resources Control Board issued Permit No. 21264 on June 29, 2010.

Diversion of approximately 882 acre feet to replenish the groundwater basin were shifted outside the Season of Diversion due to operations of the Seven Oaks Dam by the USACOE and are not being accounted for in this table. Such diversions occurred under water rights, jointly utilized under the Santa Ana River and Mill Creek Cooperative Water Project.

Additionally, SBVMWD/WMWD and SVBWCD are finalizing negotiations to expand our contractual relationships to cooperatively utilize and expand District facilities to maximize the water diverted for recharge jointly under these permits and licenses. Notwithstanding our intentions, should these negotiations for cooperative agreement not be fruitful, both districts may need to revise their filings.

AGREEMENT FOR THE COOPERATIVE USE OF UNUSED WELL CAPACITY, THE TEXAS GROVE RESERVOIR AND THE CENTRAL FEEDER

This Agreement for the Cooperative Use of Unused Well Capacity, the Texas Grove Reservoir and the Central Feeder ("Agreement") is entered into and effective this 2nd day of April , 2013 ("Effective Date") by and between the City of Redlands ("City") and San Bernardino Valley Municipal Water District ("Valley District"). City and Valley District are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

Recitals

A. City owns the 3.9 million gallon Texas Grove Reservoir, which is shown on the map attached hereto as Exhibit "A" and incorporated herein by reference. The Texas Grove Reservoir is located adjacent to the Valley District Redlands Pump Station.

B. Valley District desires to purchase 2.3 million gallons of capacity in the existing City of Redlands' Texas Grove Reservoir which is already intertied with the Valley District Central Feeder system.

C. City is willing to sell Valley District 2.3 million gallons of capacity in the Texas Grove Reservoir.

D. City owns various water wells that deliver water to the Texas Grove Reservoir.

E. Valley District has constructed the Central Feeder Project Phase 1, which includes the Redlands Pump Station and a 78-inch pipeline (the "**Central Feeder**") that connects to the Metropolitan Water District of Southern California's Inland Feeder Pipeline and the East Branch Extension of the State Water Project. The Central Feeder is shown on the map attached hereto as Exhibit "A." Valley District further intends to construct new wells in the San Bernardino Basin Area (the "**SBBA**"), in, or upstream of, the Area of Historic High Groundwater (the "**AHHG**" or the "**Pressure Zone**") that could deliver water to the Central Feeder.

F. From time to time, Valley District intends to use its proposed wells to dewater the AHHG during periods when the Boards of Directors for Valley District and Western Municipal Water District (**"Western"**) agree additional extractions are needed to mitigate the risks associated with high groundwater which include the flooding of basements and the increased risk of property damage and personal injury from soil liquefaction during an earthquake. These Valley District wells may also be used to extract: (i) State Water Project water that has been "banked" in the SBBA, (ii) Western's portion of Santa Ana River water diverted and stored in the SBBA under State Water Resources Control Board permits 21264 and 21265, or (iii) "new conservation water," as defined in the *Western* Judgment (*Western Municipal Water District et al. v. East San Bernardino County Water District et al.*, Riverside County

SBVMWD LEGAL
DOCUMENT 2392

Superior Court Case No. 78426, April 17, 1969) and determined by the Western-San Bernardino Watermaster that is banked in the SBBA. Additionally, Valley District intends to consult with other water agencies with interests in the SBBA, by working with the Basin Technical Advisory Committee, in order to ensure Valley District and Western Boards of Directors are provided with the most up-to-date technical information upon which to base decisions.

G. To postpone the need to construct its own wells and related transmission pipelines, Valley District desires to utilize the City's water wells when the City is not using such wells (unused capacity) to pump and deliver water to the Central Feeder via the Texas Grove Reservoir and Redlands Pump Station.

H. City wishes to make its unused water well capacity available to Valley District provided that it does not cause lower water levels and, thereby, increase pumping costs for City's own customers nor cause water quality degradation for Total Dissolved Solids ("**TDS**") in the SBBA that causes Redlands Wastewater Treatment Plant discharges to exceed permitted concentrations.

I. City and Valley District, in addition to other parties, entered into the "Settlement Agreement Relating to the Diversion of Water From the Santa Ana River System (the "**Seven Oaks Accord**")" on July 21, 2004. One of the provisions of the Seven Oaks Accord provides for participation in a "groundwater spreading program" that would, among other things, maintain groundwater levels at relatively constant levels in the SBBA.

J. Valley District and the Santa Ana Regional Water Quality Control Board entered into the "Cooperative Agreement to Protect Water Quality and Encourage the Conjunctive Uses of Imported Water in the Santa Ana River Basin" (the "**RWQCB Agreement**") on January 16, 2008, which requires preparation of a report on water quality conditions in the SBBA every three years.

K. City and Valley District wish to cooperate in the operation of facilities for the mutual benefit of the Parties.

Agreements

1. *Valley District Purchase of Storage Rights in the Texas Grove Reservoir*

   a. *Storage Rights.* City hereby sells, and Valley District hereby purchases, all rights to the use of the upper 2.3 million gallons of usable storage capacity in the existing Texas Grove Reservoir, for the life of the reservoir, which capacity is understood by the Parties to be at, or above, elevation 1338.9 feet MSL NGVD. City shall retain all storage rights to the use of that portion of the Texas Grove Reservoir below elevation 1338.9 feet MSL NGVD. Neither Party shall interfere

with the other Party's use of its share of the storage capacity of the Texas Grove Reservoir, unless such storage capacity is needed to meet fire fighting demands by City. In such instances, City shall have the right to use all water available in the Texas Grove Reservoir. City shall cooperate with Valley District and allow Valley District to construct City-approved facilities necessary to utilize Valley District's full storage rights in the Texas Grove Reservoir.

b. *Payment by Valley District for Storage Rights.* Valley District shall pay City the sum of $2,168,426 for the rights described in paragraph 1a within 30 calendar days after the Effective Date of this Agreement. Valley District will make such payment by electronic funds transfer into a fund approved by City. City shall provide Valley District with a written receipt, acknowledging payment in full, within 7 calendar days of the electronic funds transfer.

c. *Operation and Maintenance.* City shall be responsible for the day to day operation and maintenance of the Texas Grove Reservoir, except for the 42-inch nozzle connecting the Texas Grove Reservoir to Valley District's Redlands Pump Station which shall be the responsibility of Valley District.

(1) *Ordinary Operation and Maintenance.* City shall operate the Texas Grove Reservoir in accordance with the terms of this Agreement and in accordance with good engineering practices, including normal maintenance of the reservoir.

(2) *Substantial Work.* In the event City determines, in its reasonable engineering judgment, that substantial work (i.e., more than $50,000 in a calendar year) is needed to properly maintain the Texas Grove Reservoir, City shall promptly consult with Valley District and, before commencing any work, City shall give written notice to Valley District of: (i) the work to be performed, (ii) the estimated cost of the proposed work, and (iii) the contractor(s) that will perform work. City may only commence such work upon receipt of written approval from Valley District, which approval shall not be unreasonably withheld or delayed.

(3) *Emergency Circumstances.* Nothing in paragraph 1c(2) shall be construed to prevent City from taking any action it reasonably believes necessary in the event of an emergency. City shall notify Valley District of the existence of an emergency as soon as reasonably possible and shall, to the extent feasible under the circumstances, coordinate a response with Valley District.

(4) *Reimbursement by Valley District.* Valley District shall reimburse City for 63% of the costs to operate and maintain the Texas Grove Reservoir, as determined based on the calculations attached hereto as Exhibit "B" and

entitled "City of Redlands Reservoir #1 (Texas Grove Reservoir)." Reimbursable costs shall include, but not be limited to, actual and reasonable costs of City staff, consultants and contractors for operating and maintaining the Texas Grove Reservoir.

(5) *Invoices to Valley District.* City shall invoice Valley District for such operation and maintenance costs quarterly in arrears and Valley District shall pay such invoices within 30 calendar days of the date of the invoice. Invoices shall indicate, in reasonable detail, the cost of each action undertaken by City to operate and maintain the Texas Grove Reservoir, including the date of the service, the individuals performing the service, the hourly rate of such individuals, and the costs of any materials. In the event Valley District objects to any costs identified on an invoice, Valley District shall pay the undisputed costs and shall invoke the dispute resolution process described in paragraph 10c below for the objectionable costs.

2. *Term of Agreement.* This Agreement shall have an initial term of five years from its Effective Date and shall automatically renew for subsequent five-year terms thereafter unless terminated as provided for in paragraph 8 below.

3. *Cooperative Operation of City Wells and the Central Feeder*

a. *Delivery of Water by City to Valley District.*

(1) *Estimate of unused capacity by City.* No later than each November 1, City shall provide Valley District with a written estimate of the availability of water during the following calendar year, up to a maximum of 20,000 acre-feet. City shall make this estimate in its sole and reasonable discretion. City may base its estimate on hydrologic conditions, groundwater levels, facility limitations, demand for water within City, or any other reasonable factor.

(2) *Valley District Water Order.* No later than each December 1 of each year, Valley District shall provide City with a written order for water for the following calendar year, up to a maximum amount equal to City's estimate of unused capacity.

(3) *Water delivery to Texas Grove Reservoir.* City shall operate its water production and distribution systems to provide Valley District with the amount of water ordered by Valley District at the Texas Grove Reservoir. Valley District shall install or cause to be installed a meter to measure deliveries by City to Valley District. City shall have the right to read the

meter on a monthly basis and inspect the meter at least annually in order to ensure the accurate calculation of water delivered to Valley District.

(4) *Modification of City's Estimate.* The Parties understand and acknowledge that a number of factors, including but not limited to greater/lesser precipitation or changes in customer demand for water, may modify City's ability to supply Valley District with ordered water. It is the intent of the Parties that this Agreement not interfere with City's obligation to serve its customers.

(a) City may increase or decrease its estimate of water available to Valley District at any time during a calendar year as may be reasonable to provide water service to City's customers. City will use reasonable, good faith efforts to meet Valley District's water demands.

(b) In the event of an emergency, as defined in California Public Contract Code Section 1102, City may take any actions it deems reasonably necessary to respond to the emergency and provide water service to its customers. City shall promptly consult with Valley District and jointly develop a plan that will provide Valley District water as soon as practicable after the conclusion of the emergency.

b. *Payment by Valley District for Water.* Valley District shall pay City the actual production cost, as determined pursuant to paragraph 3b(1) below, and the Operations, Maintenance and Repair ("**OMR**") cost, as determined pursuant to paragraph 3b(2) below, for water delivered to Valley District at the Texas Grove Reservoir.

(1) *Payment for Production Cost.* Valley District shall pay City for City's actual cost of producing water pursuant to this Agreement. Such actual costs may be determined by using either: (i) energy and treatment costs for the water production facilities that City specifically operates to meet Valley District's water order or (ii) a weighted average cost of energy and treatment for all City facilities producing water during a period in which City delivers water to Valley District. City shall determine, and notify Valley District in writing, which method will be used to determine the actual cost of producing water for Valley District prior to delivery of water to Valley District. Absent notification, the Parties shall use method (ii) above until notice is given.

(2) *Payment for OMR Cost.* Valley District shall pay City's actual costs to operate, maintain and repair its water production and distribution facilities

(including, without limitation, production wells, booster pumps, treatment facilities, etc.) for the benefit of Valley District. Specifically, Valley District shall pay all costs, including staff time, associated with City's operation of its water production and distribution facilities to deliver water to Valley District. In addition, Valley District shall pay its fair share of City's costs to maintain and repair its water production and distribution facilities. This cost shall be equal to the City's actual per acre-foot cost for maintenance and repair of its water production and distribution facilities over the preceding three calendar years, multiplied by the number of acre-feet ordered by Valley District.

(3) *Invoices to Valley District.*

(a) *Production Cost Invoices.* City shall invoice Valley District for production costs at least quarterly in arrears and Valley District shall pay such invoices within 30 calendar days of the date of the invoice. Invoices shall indicate, method used to determine production costs as described in paragraph 3b(1), facilities used to provide Valley District water, and cost for chemicals and power used. In the event Valley District objects to any costs identified on an invoice, Valley District shall pay the undisputed costs and shall invoke the dispute resolution process described in paragraph 10c below for the objectionable costs.

(b) *OMR Cost Invoices.* City shall invoice Valley District for OMR costs at least quarterly in arrears and Valley District shall pay such invoices within 30 calendar days of the date of the invoice. Invoices shall indicate, in reasonable detail, the information necessary to calculate costs as described in paragraph 3b(2). For expenses and work outside of what should normally be expected, City shall identify expenses and/or work performed and include date expense was made or work was performed, facilities involved, the individuals or company performing the service, hourly rate of such individuals or company, and costs of any materials or service using the methodology provided on Exhibit "C." In the event Valley District objects to any costs identified on an invoice, Valley District shall pay the undisputed costs and shall invoke the dispute resolution process described in paragraph 10c below for the objectionable costs.

c. *Water Quality Reporting.* The City shall provide Valley District with copies of all reports submitted to the Santa Ana Regional Quality Control Board.

d. *Future Actions.* The Parties understand and acknowledge that this Agreement is intended not only to serve as the basis for cooperative operations beginning in 2013, but is also intended to serve as the basis for long-term cooperation. The Parties agree they will consider amending this Agreement at appropriate times to reflect additional facilities and new opportunities to improve the conjunctive management of the SBBA and/or water supply reliability for the San Bernardino Valley.

4. *Water Level and Water Quality Monitoring.* The Parties shall cooperate in monitoring water levels and water quality to ensure that the terms of this Agreement do not have an adverse impact on water levels or water quality in the SBBA.

a. The Parties shall monitor water levels using the Basin Technical Advisory Committee annual Regional Water Management Plan and/or, independently, to ensure compliance with the water level requirements of the Seven Oaks Accord.

b. The Parties agree to monitor any water quality impacts to Total Dissolved Solids ("**TDS**") using data provided in the triennial report prepared for the Santa Ana Regional Water Quality Control Board pursuant to the Santa Ana Regional Water Quality Control Board Agreement.

5. *Impacts to Water Levels.* If it is determined by the Parties that the water level requirements in the Seven Oaks Accord are not being met, Valley District will take one of the following actions:

a. *Stop taking deliveries.* Valley District will cease to water through City facilities until water levels are in compliance with the requirements of the Seven Oaks Accord.

b. *Deliver Exchange Water to City.* To offset the pumping costs associated with lower water levels, Valley District will provide water to City, on a 1:1 basis ("**Exchange Water**"), for deliveries made to Valley District after water levels are determined to be out of compliance with the Seven Oaks Accord and up until the point water levels are determined to be in compliance with the Seven Oaks Accord.

(1) *Sources of Exchange Water.* Valley District may obtain such Exchange Water from the State Water Project, from the Santa Ana River, from Mill Creek, from sources outside the SBBA or from "new conservation" as that term is defined in the *Western* Judgment (*Western Municipal Water District et al. v. East San Bernardino County Water District et al.* (Riverside County Superior Court No. 78426, April 17, 1969). The selection of sources of Exchange Water shall be within the sole discretion of Valley District but water diverted from the Santa Ana River shall not

comprise more than 50% of the Exchange Water delivered to City during any three-year reporting period, as defined in paragraph 4a below.

(2) *Delivery of Exchange Water.* Valley District shall deliver Exchange Water to City as soon as feasible but no later than three calendar years after the calendar year in which City delivered water to Valley District. Valley District shall deliver Exchange Water to one or more of the following agreed upon locations:

(a) San Bernardino Valley Water Conservation District Mill Creek Spreading Grounds;

(b) San Bernardino Valley Water Conservation District Santa Ana River Spreading Grounds;

(c) Bear Valley Mutual Water Company Airport Spreading Grounds;

(d) City's San Bernardino Avenue Spreading Grounds (formerly Bear Valley Mutual Water Company Judson Ponds);

(e) Such other spreading grounds that directly benefit City's wells and other wells in the surrounding area, as the Parties may determine through mutual consent in the future.

Valley District shall calculate and document deliveries of Exchange Water to City at the above locations in a manner that both Parties agree to be reasonable, recognizing that several of the above locations are owned by non-parties to this Agreement.

In the event Valley District is unable to deliver Exchange Water to City within a three consecutive calendar year time period, Valley District shall increase the amount of Exchange Water delivered to City by 5% of the overdue balance for every calendar year beyond the three calendar years allowed until the Exchange Water is delivered. The Parties shall use a "first-in, first-out" accounting to track Exchange Water for multiple years.

(3) *In-Lieu Recharge.*

(a) In the event spreading of Exchange Water is not prudent: (i) due to high groundwater conditions in the pressure zone, (ii) because such spreading would have adverse impacts on groundwater contaminants, or (iii) because City determines it would be beneficial for City to take deliveries of Exchange Water at a water treatment plant in lieu of the spreading grounds identified in

paragraph 5b(2), City may take deliveries of up to 50% of Exchange Water at its Horace Hinckley Surface Water Treatment Plant or Henry Tate Surface Water Treatment Plant, at its sole discretion. Valley District shall deliver the remaining Exchange Water to such locations that Valley District, in its sole discretion, determines appropriate for sound management of the SBBA.

(b) If City chooses to take delivery of Exchange Water at the Henry Tate Surface Water Treatment Plant, City may receive up to 10% of the total Exchange Water delivered in a calendar year at Henry Tate Surface Water Treatment Plant at no cost to the City.

6. *Impacts to Water Quality.* If it is determined by the Parties that pumping by City for delivery to Valley District, under the terms of this Agreement, is the sole cause for the City violating one or more of its permits from the Santa Ana Regional Water Quality Control Board, Valley District will take one of the following actions:

a. *Stop taking deliveries.* Valley District will cease to water through City facilities until water levels are in compliance with the Seven Oaks Accord.

b. *Recharge high quality water.* Valley District will recharge lower TDS water in a mutually agreeable locations until TDS has returned to acceptable levels.

c. *Any combination.* Valley District may use one, or both, of the above, at its discretion, to reduce the TDS level until the TDS has returned to mutually agreed upon acceptable levels.

d. *Violation of Santa Ana Regional Water Quality Control Board TDS discharge limit on Redlands wastewater plant.* In the event the Santa Ana Regional Water Quality Control Board orders City to remedy an increase in the TDS limit for City's wastewater treatment plant that the Parties agree has been caused by conditions derived by the activities associated with this Agreement, Valley District shall take any or all of the actions identified in subparagraphs a-c above until water quality has returned to acceptable levels. Additionally, Valley District and City will work together to resolve the condition with the Santa Ana Regional Water Quality Control Board identify a solution to the condition, and fund an appropriate solution.

7. *Natural Disaster or Civil Unrest.* In the event that the Texas Grove Reservoir suffers from substantial damage due to natural disaster (e.g., earthquake, flooding or otherwise) or due to civil unrest (e.g., rioting, terrorist attack, or otherwise), neither Party shall be obliged to rebuild/reconstruct the Texas Grove Reservoir in its current configuration or to its current capacity. Instead, the Parties shall promptly meet and confer, determine a rebuilding plan/configuration that is reasonable and financially feasible under the

circumstances at the time, and then rebuild/reconstruct the Texas Grove Reservoir as quickly as practicable.

8. *Termination of Agreement.* Either Party may terminate this Agreement, with or without cause, by providing written notice of termination to the other Party at least one year prior to the conclusion of the then-current term of this Agreement. Valley District's purchase of storage rights at, or above, elevation 1338.9 feet MSL NGVD shall survive termination of this Agreement and, after termination, Valley District may use its storage rights by supplying water available to Valley District from any source. In the event that Valley District has not completed its delivery of Exchange Water to City as required by paragraph 5b above, that obligation shall survive any termination of this Agreement.

9. *Indemnification.* Each Party shall defend and indemnify the other Party and the other Party's elected officials, officers, employees, agents and authorized volunteers from and against all claims, demands, or liability for damages arising out of the Party's performance of the terms of this Agreement where such liability is caused or claimed or alleged to be caused by the willful misconduct, sole negligence or active negligence of the Party or any person or organization for whom or which the Party is legally liable.

   In particular, Valley District shall defend and indemnify City's elected officials, officers, employees, agents and authorized volunteers for any and all claims, demands or liability arising from: (i) Valley District or its contractors' construction of the Central Feeder; (ii) the movement of groundwater contaminants due to the spreading of Exchange Water by Valley District and increased pumping; or (iii) a reduction in static groundwater levels due to extraction of water by City for delivery to Valley District.

   The provisions of this Section 9 shall survive any termination of this Agreement.

10. *Administration of Agreement*

   a. *Workers' Compensation.* Each Party certifies that it is aware of the provisions of section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code and each Party shall comply with such provisions before commencing the performance of any work under this Agreement. Each Party and any contractors or subcontractors shall keep workers' compensation insurance for their employees in effect during all work covered by this Agreement. Upon request, each Party shall provide the other with the certificate required by Labor Code section 3700.

   b. *Books and Records.* Each Party shall have access to and the right to examine the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement. The Parties

shall each retain all such books, documents, papers or other records to facilitate such review. Access to each Party's books and records shall be during normal business hours only. Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

c. *Disputes.* The Parties recognize there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree they may attempt to resolve disputes as follows:

(1) *Statement Describing Alleged Violation of Agreement.* A Party alleging a violation of this Agreement (the "**Initiating Party**") shall provide a written statement describing all facts it believes constitute a violation of this Agreement to the Party alleged to have violated the terms of this Agreement (the "**Responding Party**").

(2) *Response to Statement of Alleged Violation.* The Responding Party shall have sixty calendar days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party or to cure the alleged violation to the reasonable satisfaction of the Initiating Party. The Initiating Party and the Responding Party shall then meet within thirty calendar days of the date of the response to attempt to resolve the dispute amicably.

(3) *Mediation of Dispute.* If the Initiating Party and the Responding Party cannot resolve the dispute within ninety calendar days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by an employee of such Party. These representatives of the Initiating Party and the Responding Party may consult with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be borne by the unsuccessful Party.

(4) *Reservation of Rights.* Nothing in this paragraph 10c shall require a Party to comply with the dispute resolution process contained herein, and each Party retains and may exercise at any time all legal and equitable rights and remedies it may have to enforce the terms of this Agreement.

11. *CEQA Compliance.*

The Parties have determined that, because the activities contemplated under the terms of this Agreement involve the cooperative use of existing facilities within the capacity of those

facilities and within the limits established by existing regulations, the implementation of this Agreement is exempt from environmental review pursuant to Title 14, section 15301 of the Code of California Regulations. Within five business days of the Effective Date of this Agreement, the Parties will file a Notice of Exemption with the County Clerk for the County of San Bernardino, which Notice is attached hereto as Exhibit "D" and incorporated herein by reference.

12. *General Provisions.*

a. *Authority.* Each signatory of this Agreement represents that he is authorized to execute this Agreement on behalf of the Party for which he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendment.* This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the state of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

d. *Headings.* The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

e. *Construction and Interpretation.* This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

f. *Entire Agreement.* This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

g. *Partial Invalidity.* If, after the Effective Date of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

h. *Successors and Assigns*. This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

i. *Waivers*. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

j. *Attorneys' Fees and Costs*. The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees (including fees for use of in-house counsel by a Party), expert witnesses' fees, costs of suit, and other necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.

k. *Necessary Actions*. Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

l. *Representations and Warranties*. Each representation and warranty contained herein or made pursuant hereto shall be deemed to be material and to have been relied upon and shall survive the execution, delivery and termination of this Agreement.

m. *Compliance with Law*. In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

n. *Third Party Beneficiaries*. This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

o. *Counterparts*. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

p. *Notices*. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other

similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

CITY OF REDLANDS:

City of Redlands
35 Cajon Street
Redlands, CA 92373
(909) 798-7533
(909) 798-7535 (FAX)
Attn: Municipal Utilities and Engineering Director

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT:

San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408
(909) 387-9211
(909) 387-9247 (FAX)
Attn: General Manager

A Party may change its address for the receipt of notices by providing the other Party with notice of the same pursuant to this paragraph 12p.

CITY OF REDLANDS

By: _____
Pete Aguilar, Mayor

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
C. Patrick Milligan,
President, Board of Directors

ATTEST:

_____
Sam Irwin, City Clerk

Exhibit "A"
Facility Map

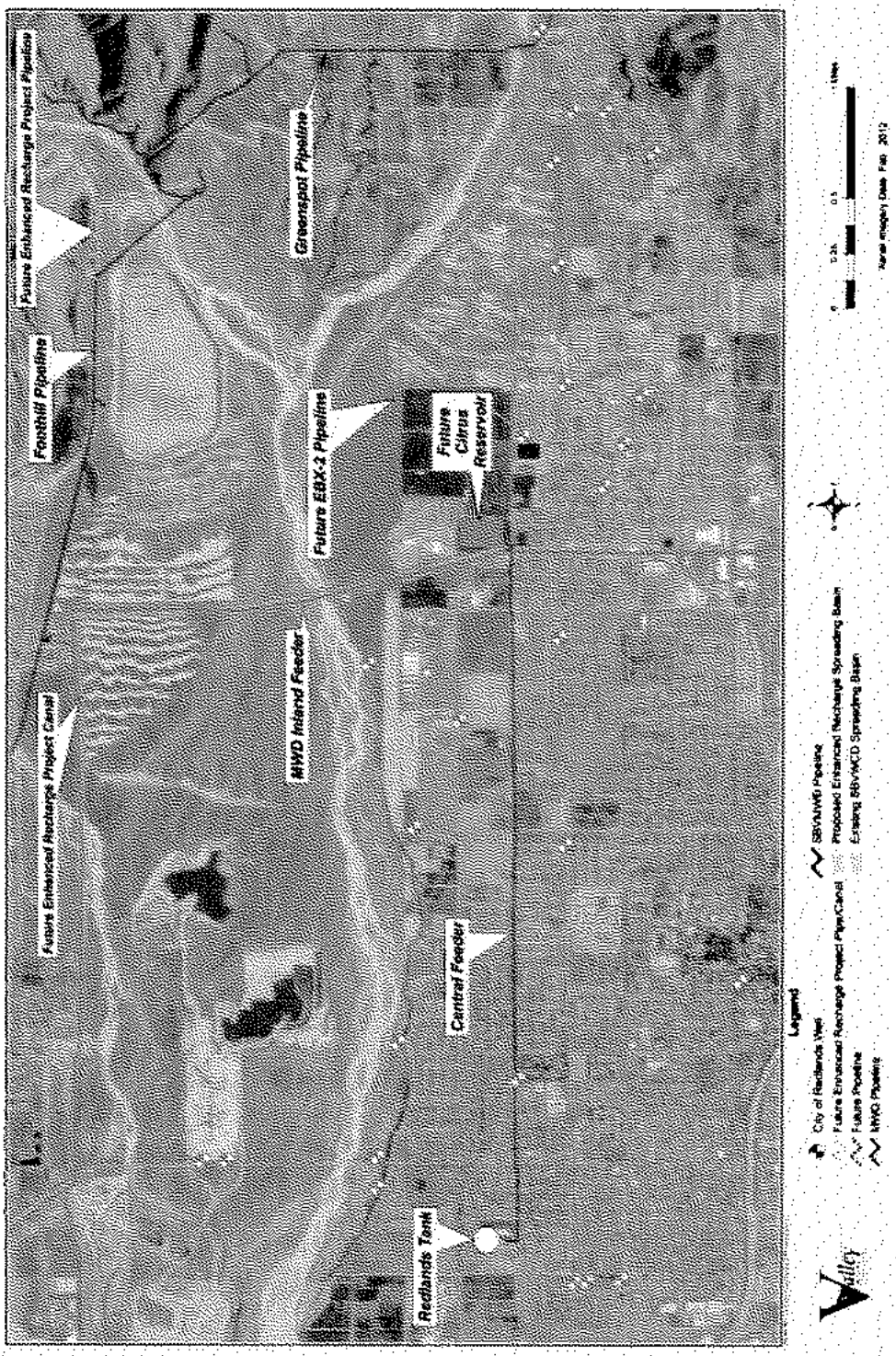


Exhibit "B"
Reimbursement Cost Calculations

CITY OF REDLANDS RESERVOIR #1 (TEXAS ST. RESERVOIR) CAPACITIES

AREA OF TANK

RADIUS	90.0 FT.	
PI	3.1416	
TOTAL AREA (AT) RAD*PI	25446.9 SQFT.	

HEIGHT OF WATER STORED IN TANK.

HIGH WATER SURFACE (H.W.S.)	1351.0 FT.	
BOTTOM OF TANK ELEVATION (TB)	1330.7 FT.	ELEVATION OF RING FOOTING
WATER HEIGHT (WC)	20.3 FT.	
VOLUME OF CONE (VC) VC=(PI*R^2*H)/3 R=90', H=1.0	8482.3 CUFT.	ACCOUNTS FOR VOLUME LOST DUE TO SLOPING TANK BOTTOM
MAX. WATER STORAGE CAPACITY ((AT*WC)-VC)	508853.2 CUFT.	
MAX. WATER STORAGE IN GALLONS	3806730.7 GAL.	7.481 GAL./CUFT.
MAX. USABLE STORAGE ((WC-1.0')*AT)	491888.6 CUFT	BOTTOM FOOT OF MAX. STORAGE IS NOT USABLE
MAX. USABLE STORAGE IN GALLONS (WSU)	3679818.5 GAL.	7.481 GAL./CUFT.

USABLE STORAGE FOR SBVMWD

H.W.S.	1351.0 FT.	
INVERT AT OUTLET OF STANDPIPE	1338.9 FT.	
MAXIMUM USABLE HEIGHT OF WATER (WU)	12.1 FT.	
SBVMWD USABLE STORAGE (AT*WU)	307907.5 CUFT.	
SBVMWD USABLE STORAGE IN GALLONS (WSV)	2303456.0 GAL.	7.481 GAL./CUFT.

COR USABLE STORAGE BELOW SBVWMD STORAGE

INVERT AT OUTLET OF STANDPIPE	1338.9 FT.	
HIGH POINT IN TANK = TB+1.0'	1331.7 FT.	
MAXIMUM USABLE HEIGHT OF WATER (WR)	7.2 FT.	
COR USABLE STORAGE (AT*WR)	183981.1 CUFT.	
COR USABLE STORAGE IN GALLONS (WSR)	1376362.5 GAL.	7.481 GAL./CUFT.

PERCENTAGE OF USABLE WATER STORAGE CALCULATED BY AGENCY

CITY OF REDLANDS	((WSR/WSU)*100%)	37.4%
SBVMWD	((WSV/WSU)*100%)	62.6%

Exhibit "C"

Operation Maintenance and Repair (OMR) shall be calculated as follows: total actual expenditures listed below (Expenditures), multiplied by the percent shown, divided by AF produced in City system multiplied by percent delivered to Valley District.

$$\frac{\text{Total Actual City Expenditures (\$)}}{\text{Total Production (acre-ft)}} \times (\text{\% Sold to Valley District}) = \$__/AF$$

where,

Total Actual City Expenditures = 50% (4000* Salaries) + (4010 Overtime Salaries) + (4012 Stand By) + (5317 Service for Function Facility) + (5590 Street Repair) + 50% (5710_Special Contractual Services)

*Codes are from the City of Redlands Water Fund 501403

Exhibit "D"
Draft Notice of Exemption

Notice of Exemption

To: County Clerk
County of San Bernardino
222 W. Hospitality Lane
San Bernardino, CA 92415-0022

From:
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

City of Redlands
35 Cajon Street
Redlands, CA 92373

Project Title: Agreement for Use of Water Facilities

Project Location - Specific: City of Redlands – Texas Grove Reservoir

Project Location - City: Redlands **Project Location - County:** San Bernardino

Description of Nature, Purpose and Beneficiaries of Project: The Project is an agreement between the San Bernardino Valley Municipal Water District ("Valley District") and the City of Redlands ("City") (collectively, the "Parties") providing for the cooperative use of existing water storage facilities and well capacity. Under the agreement, Valley District will purchase 2.3 million gallons of capacity in the City's existing Texas Grove Reservoir which is connected to Valley District's Redlands Pump Station that delivers water to Valley Districts Central Feeder Pipeline. Valley District will have an annual option of purchasing up to 20,000 acre-feet of existing well capacity to the extent such capacity is not needed by the City in any given year. The purpose of the Project is to postpone the need for Valley District to construct new water facilities in the area. The project involves the operation of existing facilities within existing limits established by applicable laws, regulations, agreements, and permits.

Name of Public Agency Approving Project: San Bernardino Valley Municipal Water District and City of Redlands

Name of Person or Agency Carrying Out Project: San Bernardino Valley Municipal Water District, City of Redlands

Exempt Status: *(check one)*

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: Sec. 15301, 15303
- ☐ Statutory Exemptions. State code number:

Reasons why project is exempt: The Project is categorically exempt under section 15301 of the CEQA Guidelines because it involves the operation of existing facilities within existing limits established by applicable laws, regulations, agreements, and permits. Valley District will make use of existing storage and well capacity not needed by the City, thus there will be no expansion of those facilities. The connection between the Reservoir and existing pipelines is categorically exempt under section 15301 as an addition to existing structures, and alternatively is categorically exempt under section 15303 as an extension of an existing pipeline of the length necessary to serve the Reservoir.

Lead Agency
Contact Person: Doug Headrick, General Manager **Area Code/Telephone/Extension:** (909) 387-9226

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: Date: Title: General Manager

☒ Signed by Lead Agency Date received for filing at OPR:

☐ Signed by Applicant

1299299.1

DATE FILED & POSTED
#435331

Notice of Exemption

To: County Clerk
County of San Bernardino
222 W. Hospitality Lane
San Bernardino, CA 92415-0022

From:
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

City of Redlands
35 Cajon Street
Redlands, CA 92373

CLERK OF THE BOARD
APR 09 2013
COUNTY OF
SAN BERNARDINO

Project Title: Agreement for Use of Water Facilities

Project Location - Specific: City of Redlands – Texas Grove Reservoir

Project Location - City: Redlands **Project Location - County:** San Bernardino

Description of Nature, Purpose and Beneficiaries of Project: The Project is an agreement between the San Bernardino Valley Municipal Water District ("Valley District") and the City of Redlands ("City") (collectively, the "Parties") providing for the cooperative use of existing water storage facilities and well capacity. Under the agreement, Valley District will purchase 2.3 million gallons of capacity in the City's existing Texas Grove Reservoir which is connected to Valley District's Redlands Pump Station that delivers water to Valley Districts Central Feeder Pipeline. Valley District will have an annual option of purchasing up to 20,000 acre-feet of existing well capacity to the extent such capacity is not needed by the City in any given year. The purpose of the Project is to postpone the need for Valley District to construct new water facilities in the area. The project involves the operation of existing facilities within existing limits established by applicable laws, regulations, agreements, and permits.

Name of Public Agency Approving Project: San Bernardino Valley Municipal Water District and City of Redlands

Name of Person or Agency Carrying Out Project: San Bernardino Valley Municipal Water District, City of Redlands

Exempt Status: *(check one)*

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
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Lead Agency
Contact Person: Douglas Headrick, General Manager
Area Code/Telephone/Extension: (909) 387-9226

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: Douglas Headrick Date: 4/8/13 Title: General Manager

☒ Signed by Lead Agency
☐ Signed by Applicant

Date received for filing at OPR:

1298299.1

State of California—Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE

2013 ENVIRONMENTAL FILING FEE CASH RECEIPT

RECEIPT# 438331

STATE CLEARING HOUSE # *(If applicable)*

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY

LEAD AGENCY: San Bernardino Valley Municipal Water District — DATE: 4/9/13

COUNTY/STATE AGENCY OF FILING: San Bernardino County — DOCUMENT NUMBER:

PROJECT TITLE: Agreement for Use of Water Facilities + City of Redlands

PROJECT APPLICANT NAME: San Bernardino Valley Municipal Water District — PHONE NUMBER: (909) 387-9220

PROJECT APPLICANT ADDRESS: 380 East Vanderbilt Way — CITY: San Bernardino — STATE: CA — ZIP CODE: 92408

PROJECT APPLICANT *(Check appropriate box)*:

☒ Local Public Agency ☐ School District ☐ Other Special District ☐ State Agency ☐ Private Entity

CHECK APPLICABLE FEES:

☐ Environmental Impact Report (EIR)	$2,995.25	$
☐ Mitigated/Negative Declaration (ND)(MND)	$2,156.25	$
☐ Application Fee Water Diversion *(State Water Resources Control Board Only)*	$850.00	$
☐ Projects Subject to Certified Regulatory Programs (CRP)	$1,018.50	$
☑ County Administrative Fee	$50.00	$ 50.00
☑ Project that is exempt from fees		
☑ Notice of Exemption		
☐ DFW No Effect Determination (Form Attached)		
☐ Other _____		$ ϕ

PAYMENT METHOD: 3960103

☐ Cash ☐ Credit ☒ Check ☐ Other _____ TOTAL RECEIVED $ 50.00

SIGNATURE: X [signature] — TITLE: [signature]

WHITE - PROJECT APPLICANT YELLOW - DFW/ASB PINK - LEAD AGENCY GOLDENROD - COUNTY CLERK DFG 753.5a (Rev. 11/12)

San Bernardino Valley Municipal Water District

396103

CLERK OF THE BOARD 6600 · TAXES & LICENSES	NOTICE OF EXEMPTION TEXAS GROVE RESERVOIR	4/8/2013	50.00

CLERK OF THE BOARD OF SUPERVISORS
13 APR -9 PM 1:21
COUNTY OF SAN BERNARDINO
CALIFORNIA

CHECKING 50.00

San Bernardino Valley Municipal Water District

396103

CLERK OF THE BOARD 6600 · TAXES & LICENSES	NOTICE OF EXEMPTION TEXAS GROVE RESERVOIR	4/8/2013	50.00

CHECKING 50.00

PRODUCT SSLT104 USE WITH 91689 ENVELOPE MCBEE To Reorder: 1-800-662-2331 or www.mcbeeinc.com

2013 AGREEMENT REGARDING ADDITIONAL EXTRACTIONS OF NEW CONSERVATION WATER FROM THE SAN BERNARDINO BASIN AREA BETWEEN WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY AND SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

SBVMWD LEGAL
DOCUMENT 2402

2013 AGREEMENT REGARDING ADDITIONAL EXTRACTIONS OF NEW CONSERVATION WATER FROM THE SAN BERNARDINO BASIN AREA

This Agreement is entered into between San Bernardino Valley Municipal Water District ("Valley District") and Western Municipal Water District of Riverside County ("Western") on July 17, 2013.

RECITALS

A. Western and Valley District are parties to the Judgment in the case of *Western Municipal Water District of Riverside County v. East San Bernardino County Water District, et al.*, Riverside Superior Court No. 78426 ("Western Judgment" or "Judgment").

B. The Judgment is administered and enforced by a Watermaster, consisting of a committee of two persons, one representative nominated by Valley District, and one by Western.

C. The Judgment further implements the physical solution in the related Orange County Water District action, as well as determines the rights of the named Plaintiffs to extract water from the San Bernardino Basin Area ("SBBA"), and provide replenishment of the area above Riverside Narrows. Among other provisions, the Judgment provides that the annual "adjusted right" of each Plaintiff to extract and export water from the SBBA is the sum of (a) its base right, which was adjusted based on a determination of safe yield and is currently expressed as a percentage of safe yield; and (b) an equal percentage of any new conservation, provided the conditions described in the Judgment are met. Similarly, the Judgment provides that Valley District shall provide imported water for replenishment of the SBBA at least equal to the amount by which extractions in any five year period exceed the 1959-1963 "base period" extractions (such amount was reduced based on a determination of safe yield and may be increased by the amount of any new conservation).

D. "New Conservation" is defined in the Judgment as "[a]ny increase in replenishment from natural precipitation which results from operation of works and facilities not now in existence, other than those works installed and operations which may be initiated to offset losses caused by increased flood control channelization."

E. The Seven Oaks Dam is a component of the Santa Ana River Mainstem Project and was originally conceived as a way to address anticipated flooding on the Santa Ana River. In addition to providing flood control benefits and related incidental water conservation, Western and Valley District wished to formally include water conservation as an element of the facility. In 1991, Western and Valley District jointly filed an application to appropriate water conserved as part of the Seven Oaks project. The State Water Resources Control Board approved the application and issued permits to Western and Valley District in 2010.

F. Construction on the Dam began in the mid 1990s. Western, Valley District and Plaintiffs in the above-referenced action agreed to a methodology for participation in the project and a cost sharing formula pursuant to Paragraph VI(b)2 of the Judgment. Based on the cost sharing formula, Western, Valley District and Plaintiffs entered cost sharing agreements to study the feasibility of water conservation and to fund the physical improvements necessary to achieve water conservation in connection with the operation of the Dam.

G. The acquisition of the water rights permit and the related infrastructure improvements allow Western and Valley District to fully utilize water conserved by the project for replenishment of the SBBA.

H. As part of the 1991-2010 water rights permitting process, Western and Valley District developed models and other analytical tools to forecast hydrology and calculate water conservation. Over the last 2 years, a collaborative group of stakeholders has been meeting to further develop the models and procedures necessary to forecast long-term average New Conservation.

I. In addition to utilizing the recently-developed models and analytical tools to project future long-term average New Conservation, Watermaster has utilized the models and analytical tools to calculate the amount of New Conservation that occurred from 1998 through 2012. Watermaster was previously unable to calculate such New Conservation because the models and analytical tools were still being developed.

J. Consistent with the Judgment and cost-sharing agreements, Plaintiffs have paid their proportionate share of New Conservation-related costs through December 31, 2012 and are therefore entitled to the benefits associated with their allocated share of New Conservation that occurred from 1998 through 2012 due to operation of the Dam.

K. The Judgment does not provide a mechanism by which to allocate New Conservation retroactively. However, Paragraph VI(b)6 of the Judgment provides that Western and Valley District may enter into agreements providing for additional extractions from the SBBA. Western and Valley District have utilized Paragraph VI(b)6 in the past to allow additional extractions from the SBBA.

L. In addition, Western, Valley District and the City of Riverside are parties to an "Agreement Relating to the Diversion of Water from the Santa Ana River System" ("Diversion Agreement") dated March 20, 2007, wherein the parties acknowledge that water conservation in the SBBA associated with the operation of Seven Oaks Dam may cause adverse impacts on the Riverside Basin. The parties agreed that one method of mitigating such adverse impacts was to provide for additional Plaintiff extractions in the SBBA in an amount equal to the amount of replenishment in the SBBA that would have occurred in the Riverside Basin in the absence of the Seven Oaks Project, in exchange for a like amount of reduction in extractions in the Riverside Basin near the key wells used to measure Valley District's compliance with the Judgment objectives

M. Parties to the Diversion Agreement also agreed to implement an accounting methodology under the Western Judgment that will allow Plaintiffs to fully utilize their water

rights in the SBBA. In conjunction with this Agreement, the full use of such water rights could be facilitated by amending the August 18, 2004 Paragraph VI(b)6 agreement entitled "Western Replenishment and Extraction Agreement" which would allow Plaintiffs, in any year in which their entitlement was not fully used, to return any amount of water up to the amount of imported water previously acquired from Western.

N. The primary purpose of this Agreement is to provide for additional extractions of water from the SBBA by Plaintiffs and users within Valley District without replenishment by Valley District in amounts equal to the amount of New Conservation determined by Watermaster to have occurred from 1998 through 2012 due to operation of the Dam. As to future New Conservation associated with the operation of the Dam, Watermaster will utilize Paragraph VI(b)1, VI(b)2, and VI(c) to account for such New Conservation, as provided herein. In addition, another purpose of this Agreement is to ensure implementation of specific provisions of the 2007 Diversion Agreement related to New Conservation, as referenced in Recitals L and M, above.

O. Although the Judgment does not require court approval of Paragraph VI(b)6 agreements, the parties have historically sought court approval of such agreements.

NOW, THEREFORE, in consideration of the mutual covenants of the parties, and based upon the recitals above, IT IS HEREBY AGREED TO AS FOLLOWS:

1. Definition of Additional Extractions. As used herein, the term "additional extractions" means any extraction of water by Plaintiffs in the above-referenced action in excess of the amounts permitted by the Judgment; with respect to entities other than Plaintiffs in such action, the term means any extractions in excess of the total amount of water that can be produced from the SBBA without any replenishment obligation. No replenishment obligations shall be incurred on account of any additional extractions made pursuant to this Agreement.

2. Amount of Additional Extractions. Watermaster has determined that the total quantity of New Conservation resulting from operation of the Seven Oaks Dam for the period of 1998 through 2012 is 42,840 acre-feet. Consistent with the Judgment, such amount may be extracted by Plaintiffs and non-plaintiff entities producing water within the SBBA as additional extractions pursuant to this Agreement.

3. Allocation of Additional Extractions to Plaintiffs. Plaintiffs may make additional extractions from the SBBA for use within Western in any future year in the aggregate amount of 11,974 AF, or 27.95% of the 1998-2012 New Conservation water. Such amount shall be allocated among individual Plaintiffs as follows:

a.	City of Riverside	9,635 AF
b.	Meeks and Daley Water Co.	1,448 AF
c.	Riverside Highland Water Co.	793 AF
d.	Regents of University of California	98 AF

Such individual allocations are in proportion to Plaintiffs' respective shares of the safe yield of the SBBA.

4. Allocation of Additional Extractions to Other Entities. Entities in San Bernardino County other than Plaintiffs who produce water within the SBBA may make additional extractions from the SBBA in any future year in the amount of 30,866 AF, or 72.05% of the 1998-2012 New Conservation water.

5. Periodic Changes in Paragraph VI(b) and VI(c) Allowable Extractions. Periodically Watermaster shall consider making changes in:

(a) the portion of Plaintiffs' "adjusted right" related to New Conservation determined pursuant to Paragraph VI(b); and

(b) the New Conservation to which users in Valley District are entitled pursuant to Paragraph VI(c).

Such periodic consideration and any resulting changes shall be made to ensure that over a long-term period, equal to or greater than the number of years used to forecast the average amount of New Conservation, the amount of New Conservation allowed to be extracted is the same as it would have been if the New Conservation had been made available to Plaintiffs and users within Valley District each year in amounts equal to the actual amount of conserved water that is replenished. Any change shall be made prospectively in order to ensure that such change does not result in a change or reconciliation of a prior year "adjusted right" for Plaintiffs or an amount of New Conservation available for use by users within Valley District.

Periodic consideration of changes in the allowable extractions related to New Conservation shall occur for the duration of the forecast period at intervals of not less than five years nor more than ten years. The periodic consideration of change in the long-term average increase in allowable extractions related to New Conservation shall account for physical improvements in storage, diversion or recharge capability that may result in an increase in the forecast of the long-term average amount of New Conservation; and prospectively account for changes in the long-term forecast that arise from annual determinations of actual New Conservation and/or improvements in the data base and the analytical tools and procedures used to forecast New Conservation.

6. Paragraph VI(b) Service Area Delivery Limitations. The service area delivery limitations provided in Paragraphs V and VI of the Western Judgment shall not apply to New Conservation.

7. Assignment. Any Plaintiff may assign all or a portion of that Plaintiff's right to make additional extractions, as provided in Paragraph 3 herein, to any other Plaintiff.

8. Potential Reductions in Additional Extractions. If at any time prior to the extraction of all additional extractions pursuant to this Agreement Watermaster determines that New Conservation that occurred from 1998-2012 is causing a decrease in the natural safe yield of the SBBA by increasing subsurface outflow or rejecting native recharge that would have

occurred in the absence of Seven Oaks Dam, then Watermaster shall reduce the then-remaining amount of additional extractions provided for in Paragraph 2 and the subsequent amounts allocated to Plaintiffs and Valley District in Paragraphs 3 and 4 by an amount equal to the increase in subsurface outflow or rejected native recharge.

9. Annual Reports. Watermaster shall exclude any additional extractions under this Agreement from extractions in the Annual Report Tables 3A through 3D showing extractions by Plaintiffs. Watermaster shall also exclude additional extractions by entities other than Plaintiffs from the determination of extractions in Table 2 of the Annual Report.

10. Riverside Basin Mitigation Account. Any amount of replenishment in the SBBA resulting from the operation of Seven Oaks Dam and related diversion and spreading facilities that, in the absence of such operation, would have been replenished in the Riverside Basin, shall not be considered New Conservation and shall not be allocated for use by Plaintiffs and users within Valley District and shall instead be included in a Riverside Basin Mitigation Account. Watermaster shall maintain a record of the amount of water in the Riverside Basin Mitigation Account. Western shall maintain in force an agreement with the City of Riverside that provides for the City to increase extractions from its wells in the SBBA by a specified amount and reduce extractions from its Flume Tract wells in the Riverside Basin by the same amount. The agreement shall provide that such change in the location of extractions is subject to the following:

(a) Western and Valley District will jointly determine the specified amount of the change in extractions and the time period for such change; and

(b) The City of Riverside will change the location of extractions as determined by Western and Valley District unless Riverside is unable to do so because of physical or prior contractual constraints.

Watermaster shall account for the required extractions from the SBBA as additional extractions pursuant to Section 9 of this agreement and shall include the amount of the additional SBBA extractions as an extraction by the City of Riverside from Riverside North in the Annual Report Table 5.

11. Amendment to the Paragraph VI(b)6 Western Replenishment and Extraction Agreement. Paragraph 5 of the "Western Replenishment and Extraction Agreement" dated August 18, 2004 is hereby amended to also provide that, "Any Plaintiff at its option may assign and transfer to Western an amount of water equal to its unused water right in the SBBA in any year provided the aggregate amount of such transfers may not exceed the Plaintiffs aggregate amount of previously transferred right to extract imported water pursuant to this paragraph."

Date: July 16, 2013

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
President

By: _____
Secretary

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Jill N. Willis
Best Best & Krieger

By: _____
David R. E. Aladjem
Downey Brand LLP

DEPARTMENT OF PUBLIC WORKS

FLOOD CONTROL • LAND DEVELOPMENT & CONSTRUCTION • OPERATIONS
SOLID WASTE MANAGEMENT • SURVEYOR • TRANSPORTATION

COUNTY OF SAN BERNARDINO

825 East Third Street • San Bernardino, CA 92415-0835 • (909) 387-8104
Fax (909) 387-8130

GERRY NEWCOMBE
Director of Public Works

July 26, 2013

Mr. C. Patrick Mulligan, President
Board of Directors
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Re: **PLANNING MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT AND THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT – AGREEMENT NO. 13-608**

Dear Mr. Mulligan:

Please find enclosed the executed copy of the above-referenced agreement which was approved, by the Board of Supervisors on behalf of the San Bernardino County Flood Control District on July 23, 2013, for your records.

If you have any questions, please contact Kenneth Eke at (909) 387-8120

Sincerely,

D Stuwell for

KENNETH C. EKE, P.E., Chief
Flood Control Planning Division

KE:dja

Enclosure

cc: Front File
Reading File

SBVMWD LEGAL
DOCUMENT **2404**

GREGORY C. DEVEREAUX
Chief Executive Officer

Board of Supervisors
ROBERT A. LOVINGOOD, First District
JANICE RUTHERFORD, Second District
JOSIE GONZALES, Fifth District
JAMES RAMOS, Third District
GARY C. OVITT, Fourth District

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF THE SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT AND RECORD OF ACTION

July 23, 2013

FROM: **GERRY NEWCOMBE, Director**
Flood Control District

SUBJECT: **PLANNING MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT AND THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

RECOMMENDATION(S)

Acting as the governing body of the San Bernardino County Flood Control District, approve a ten year Planning Memorandum of Understanding **(Agreement No. 13-608)** between the San Bernardino County Flood Control District and the San Bernardino Valley Municipal Water District for the purpose of working together in the planning and evaluation of San Bernardino County Flood Control District facilities for joint use by the San Bernardino County Flood Control District and the San Bernardino Valley Municipal Water District for both flood control and groundwater replenishment operations.
(Presenter: Gerry Newcombe, Director, 387-7906)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES

Pursue County Goals and Objectives by Working with Other Public Agencies.
Implement the Countywide Vision.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The Planning Memorandum of Understanding (MOU) does not commit the San Bernardino County Flood Control District (FCD) to any expenditure other than staff time which has been accounted for in the 2013-14 budget. Site specific agreements may be brought to the Board of Supervisors at a later date that will contain provisions bringing revenue to FCD.

BACKGROUND INFORMATION

Approval of this item will authorize FCD to enter into an MOU with the San Bernardino Valley Municipal Water District (Valley District) to work cooperatively in the planning and evaluation of the possible joint use of FCD's facilities for both flood control and groundwater replenishment operations. The MOU does not bind FCD to any project. Any proposed use of FCD properties by Valley District that originates from this MOU is at the sole discretion of FCD.

cc: Flood Control-Eke w/agreement & Newcombe
Contractor c/o Flood Control w/agreement
Auditor-Controller/Treasurer/Tax Collector-Accounts Payable Manager w/agreement
EBIX-BPO c/o Risk Management
CAO-Nelson & Olhasso
File - w/agreement
ml 07/25/13
ITEM 42

Rev 7-1-13

Record of Action of the Board of Supervisors

APPROVED (CONSENT CALENDAR)
COUNTY OF SAN BERNARDINO
County Flood Control District

MOTION	AYE	AYE	SECOND	MOVE	AYE
	1	2	3	4	5

LAURA H. WELCH, CLERK OF THE BOARD

BY _____

DATED: July 23, 2013

FCD owns and operates a number of flood control facilities within Valley District's operational boundaries. Valley District and FCD first entered into a cooperative agreement for Valley District to deliver water to several FCD detention basins for purposes of recharging the groundwater basin in 1972, and both agencies have continued to cooperatively use these facilities ever since. Valley District is now interested in expanding the number of facilities used in this effort, in addition to upgrading the facilities currently used, in order to maximize the amount of water recharge performed while acknowledging the primary goal of FCD facilities is to maintain adequate flood protection for the safety and protection of the public. FCD and Valley District wish to jointly explore the opportunities to use existing flood control basins and perhaps other facilities owned by either party, for the combined purposes of adequate flood control and useful and beneficial water replenishment operations. The MOU establishes the framework for FCD and Valley District to work together to plan and evaluate the environmental, operational and financial impacts of such combined use of their facilities. The MOU does not authorize or guarantee any specific project and the parties will comply with the California Environmental Quality Act (CEQA) prior to approving any specific project. Any future use of a facility shall be subject to the parties' approval of a site specific agreement. The MOU remains in effect for a term of ten years and provides that the parties may agree to extend the MOU for subsequent ten-year periods. Either party may terminate the MOU prior to its expiration date, but only if there is cause (e.g. breach of the agreement), and after providing the other party a 60-day written notice and opportunity to cure.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Scott Runyan, Deputy County Counsel, 387-5455) on June 28, 2013, County Administrative Office (Cory Nelson, Administrative Analyst, 387-4378) on July 1, 2013, and Finance and Administration (Mary Jane Olhasso, Assistant Executive Officer, 387-4599) on July 8, 2013.

FOR OFFICIAL USE ONLY

ORIGINAL

San Bernardino County
Flood Control District

F A S

CONTRACT TRANSMITTAL

☒ New ☐ Change ☐ Cancel	FAS Vendor Code	SC	Dept.	A	Contract Number 13-608
ePro Vendor Number					ePro Contract Number
Flood Control District		Dept. 094	Orgn. 094		Contractor's License No.
Contract Representative: Kenneth C. Eke, Chief, FC Planning Division		Telephone: 909-387-8120			Total Contract Amount

Contract Type: ☐ Revenue ☐ Encumbered ☐ Unencumbered ☒ Other: Grant

If not encumbered or revenue contract type, provide reason:

Commodity Code	Contract Start Date	Contract End Date	Original Amount	Amendment Amount
			$	

Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
RFL	093	093			F02481	
RFF	092	092			F02482	

Project Name: PLANNING MOU SBVMWD

Estimated Payment Total by Fiscal Year

FY	Amount	I/D	FY	Amount	I/D
FY 13/14					

CONTRACTOR San Bernardino Valley Municipal Water District

Federal ID No. or Social Security No.

Contractor's Representative C. Patrick Mulligan, President, Board of Directors

Address 380 East Vanderbilt Way, San Bernardino, CA 92408 Phone 909-387-9200

Nature of Contract: Planning Memorandum of Understanding (MOU) between the San Bernardino County Flood Control District (FCD) and the San Bernardino Valley Municipal Water District (Valley District) to work cooperatively in the planning and evaluation of the possible joint use of FCD's facilities for both flood control and groundwater replenishment operations.

Approved as to Legal Form (sign in blue ink)	Reviewed as to Contract Compliance	Presented to Board for Signature
► Counsel	►	►
Date 7-19-13	Date 7/22/13	Date 7/22/13

(Attach this transmittal to all contracts not prepared on the "Standard Contract" form.

Auditor-Controller/Treasurer/Tax Collector Use Only

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Planning Memorandum of Understanding
San Bernardino County Flood Control District (FCD) and
San Bernardino Valley Municipal Water District (Valley District)

1. *Recitals*

a. WHEREAS, the FCD was created by the San Bernardino County Flood Control Act of 1939, found in Chapter 43 of the California Water Code Appendix (Flood Control Act), and its primary statutory objects and purposes are to provide for the control of flood and storm waters and secondarily to conserve such flood and storm waters, and other waters, for beneficial uses in FCD's district area by spreading, storing, retaining, and through percolation.

b. WHEREAS, Valley District was formed in 1954 as a regional agency formed to plan a long-range water supply for the San Bernardino Valley and it imports water into its service area from the State Water Project and manages groundwater storage within its boundaries.

c. WHEREAS, FCD owns and operates a number of flood control facilities within Valley District's boundaries.

d. WHEREAS, Valley District and FCD first entered into a cooperative agreement for Valley District to deliver water to FCD detention basins for purposes of recharging the groundwater basin in 1972, and Valley District and FCD have continued to cooperatively use these facilities ever since.

e. WHEREAS, Valley District is interested in continuing to cooperatively use FCD's flood control facilities to promote groundwater recharge while acknowledging the primary goal of FCD facilities to maintain adequate flood protection for the safety and protection of the public.

f. WHEREAS, as a general matter, FCD and Valley District wish to jointly explore the opportunities to use existing flood control basins (and perhaps other facilities owned by either party) for the combined purposes of adequate flood control and useful and beneficial water replenishment operations.

g. WHEREAS, FCD and Valley District wish to enter into this Planning Memorandum of Understanding (MOU) to describe in general terms their interests in coordinating their efforts to plan and evaluate the environmental and financial impacts of such combined use of FCD's facilities.

h. WHEREAS, as provided herein, this MOU does not authorize nor guarantee any specific project and the parties will comply with the California Environmental Quality Act (CEQA) prior to approving any specific project.

NOW, THEREFORE, it is mutually agreed as follows:

2. *Understandings*

a. *Priorities*

i. The parties recognize that flood control is a higher, better and more necessary public use of the property and facilities owned by the FCD pursuant to the Flood Control Act and other state and federal law. This MOU shall be subject to the paramount legal duties and obligations of FCD pursuant to the Flood Control Act.

ii. The FCD shall have the sole discretionary authority to determine what constitutes "adequate flood protection" for the operation of its facilities.

iii. FCD shall have the sole discretionary authority to determine which of its facilities are available for use in re-charge activities proposed by the Valley District. Any future use of a FCD facility shall be subject to the parties' approval of a site specific agreement.

iv. Based on the priorities and discretion provided in this Section 2.a., "Priorities", as well as the general planning nature of this MOU, FCD and Valley District acknowledge and agree that no implied covenants attach to this agreement, including, but not limited to, the implied covenant of good faith and fair dealing.

b. *Term*

This MOU shall have a term of 10 years from the date on which the last party executes this MOU. This MOU may be extended by the parties for subsequent 10-year periods, subject to approval by both parties.

c. *General Planning Efforts*

i. Once a specific plan is initiated by Valley District for the specific use of a particular flood control facility, the parties agree to allocate sufficient staff time and resources to evaluate the joint use/operation of that existing facility for adequate flood control purposes in conjunction with water replenishment. Valley District shall provide to FCD all of the details associated with the proposed use for each FCD facility including, but not limited to, any proposed improvements (including a statement as to which entity will own the improvements after a project specific agreement terminates) and a proposed operational plan for each FCD facility. This information will also include the amount of estimated recharge for both

native stormwater and State Water Project water (if any), or other sources of water, for each facility, and quality of such water.

ii. The joint evaluation may consider replenishment with both native water and water from the State Water Project or other sources and shall also consider the potential effects of groundwater replenishment to the environment, including, but not limited to, an evaluation of whether such activities will introduce water quality pollutants or mobilize existing groundwater contamination, or will cause land subsidence, liquefaction, or seepage to low lying lands in any basin to be impacted by the replenishment activities of Valley District. The parties acknowledge that Valley District will be the agency primarily leading this evaluation as it has the appropriate expertise concerning groundwater storage and the quality of waters from sources such as the State Water Project. FCD will independently review Valley District's evaluation.

iii. Considering the statutory purposes of the FCD and the goals of Valley District, both parties agree that they will determine, on a case by case basis, which agency will be in charge of seeking permits for projects and which agency will be the "Lead Agency" for purposes of complying with CEQA.

iv. Valley District will work cooperatively with FCD towards Valley District's goal of maximizing the quantity of water that can be replenished annually from the existing flood control basins, while maintaining or improving the protection of the public from the dangers of flooding. In general, FCD will not object to Valley District's use of FCD's fee owned properties or the modification of existing flood control basins that are owned in fee by FCD by means of the installation of dual-purpose facilities, *provided* that: (i) Valley District is responsible for all regulatory and other costs associated with said activities, and (ii) the incremental cost of those modifications is paid by Valley District, and (iii) FCD reviews and is satisfied with the individual circumstances surrounding the proposed project and the existing flood control facility. Nothing in this paragraph is intended to alter the sole discretionary authority of the FCD concerning the uses of its facilities.

v. The parties will also collaborate with other local, state and federal agencies with regulatory authority over these activities, including, but not limited to, the U.S. Army Corps of Engineers, the U.S. Environmental Protection Agency, the U.S. Fish and Wildlife Service, the California Regional Water Quality Control Board, the California Department of Fish and Wildlife and any others.

vi. Valley District agrees to pay a reasonable use fee for the use of the FCD's land and facilities as agreed to by both parties on a case by case basis.

vii. Valley District acknowledges and agrees that future project specific agreements with FCD will include indemnification and insurance provisions developed by FCD's counsel and FCD's Risk Management Department that adequately protect FCD from any and all claims, actions, losses, and damages arising out of the water conservation and replenishment activities described in this MOU. The parties agree that such indemnification and insurance provisions will be negotiated in consideration of the individual circumstances surrounding each existing flood control facility on a case-by-case basis.

viii. Valley District acknowledges and agrees that future project specific agreements with FCD will also require FCD permits.

3. *General Provisions*

a. *Early Termination.* Either party may terminate this agreement prior to its expiration date for cause, *provided* that it has provided 60-day written notice and opportunity to cure to the other party prior to termination.

b. *Recitals Incorporated Herein.* The parties agree and acknowledge that the recitals set forth above are true and correct and are fully incorporated in this MOU.

c. *Non-Exclusive Agreement.* Nothing in this MOU shall prevent either party from working cooperatively with other individuals, public agencies or private organizations to improve flood protection or groundwater recharge within that party's respective jurisdiction.

d. *Authority.* Each signatory of this MOU represents that he/she is authorized to execute this MOU on behalf of the party for which he/she signs. Each party represents that it has legal authority to enter into this MOU and to perform all obligations under this MOU.

e. *Amendment.* This MOU may be amended or modified only by a written instrument executed by each of the parties to this MOU.

f. *Jurisdiction and Venue.* This MOU shall be governed by and construed in accordance with the laws of the state of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this MOU shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

g. *Headings.* The paragraph headings used in this MOU are intended for convenience only and shall not be used in interpreting this MOU or in determining any of the rights or obligations of the parties to this MOU.

h. *Construction and Interpretation.* This MOU has been arrived at through negotiations and each party has had a full and fair opportunity to revise the terms of this MOU. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in the construction or interpretation of this MOU.

i. *Entire Agreement.* This MOU constitutes the entire agreement of the parties with respect to the subject matter of this MOU and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this MOU.

j. *Attorneys' Fees and Costs.* Regardless of whether it is the prevailing party in any litigation or other action to enforce or interpret this MOU, each party shall bear its own attorneys' and expert witnesses' fees, costs of suit and other necessary disbursements. This paragraph shall not apply to the costs or attorney(s) fees relative to Section 3.p., "Indemnification and Insurance."

k. *Necessary Actions.* Each party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this MOU.

l. *Third Party Beneficiaries.* This MOU shall not create any right or interest in any non-party or in any member of the public as a third party beneficiary.

m. *Counterparts.* This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

n. *Notices.* All notices, requests, demands or other communications required or permitted under this MOU shall be in writing unless provided otherwise in this MOU and shall be deemed to have been duly given and received on: (i) the date of service if served personally or served by facsimile transmission on the party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

Director
Department of Public Works
County of San Bernardino
825 East Third Street
San Bernardino, California 92415
Telephone: (909) 387-7906
Facsimile: (909) 387-7911

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, California 92408
Telephone: (909) 387-9200
Facsimile: (909) 387-9247

o. *Assignment.* This MOU may not be assigned by either party without the written consent of the other party.

p. *Indemnification and Insurance.* FCD agrees to indemnify, defend (with counsel approved by Valley District) and hold harmless Valley District, its employees, officers, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability resulting from FCD's negligent acts or omissions which arise from FCD's performance of its obligations under this MOU. Valley District agrees to indemnify, defend (with counsel approved by FCD) and hold harmless the FCD, its employees, officers, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability resulting from the Valley District's negligent acts or omissions which arise from the Valley District's performance of its obligations under this MOU. In the event, FCD and/or Valley District is found to be comparatively at fault for any claim, action, loss or damage which results from their respective obligations under this MOU, FCD and/or Valley District shall indemnify the other to the extent of its comparative fault. FCD and Valley District shall maintain throughout the term of this MOU such policies of insurance or legally sufficient self-insurance for Professional Liability (as applicable), Automobile Liability, Comprehensive General Liability, and Workers' Compensation that are adequate to protect against all liabilities and indemnification responsibilities arising out of the performance of the terms, conditions or obligations of this MOU.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized officers or representatives as of the last day and year appearing below.

---------- **Signatures on Following Page** ----------

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
C. Patrick Milligan
President, Board of Directors

Date: 7-16-13

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

By: _____
Janice Rutherford, Chair, Board of Supervisors

Date: JUL 23 2013

ATTEST:

By: _____
Clerk

SIGNED AND CERTIFIED THAT A COPY OF THIS CONTRACT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Laura H. Welch
Clerk of the Board of Supervisors
of the County of San Bernardino

By: _____
Deputy

APPROVED AS TO FORM:
SPECIAL DISTRICT COUNSEL

By: _____
David R.E. Aladjem
Special Counsel

Date: 7/18/13

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Scott Runyan
Deputy County Counsel

Date: 7-19-13

AMENDMENT TO AGREEMENT TO FORM THE UPPER SANTA ANA RIVER WASH LAND MANAGEMENT AND HABITAT CONSERVATION PLAN TASK FORCE

THIS AMENDMENT TO AGREEMENT TO FORM THE UPPER SANTA ANA RIVER WASH LAND MANAGEMENT AND HABITAT CONSERVATION PLAN TASK FORCE ("Amendment") is made effective this 1st day of September, 2013, by and between the following entities (hereinafter individually referred to as a "Party" and collectively referred to as the "Parties"):

CEMEX CONSTRUCTION MATERIALS, LP ("CEMEX")

CITY OF HIGHLAND ("HIGHLAND")

CITY OF REDLANDS ("REDLANDS")

COUNTY OF SAN BERNARDINO ("SAN BERNARDINO COUNTY")

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT ("SBVWCD" OR "CONSERVATION DISTRICT")

ROBERTSON'S READY MIX, LTD ("ROBERTSON'S")

EAST VALLEY WATER DISTRICT ("EVWD")

REDLANDS MUNICIPAL UTILITIES AND ENGINEERING DEPARTMENT ("RMUED")

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT ("SBCFCD")

UNITED STATES BUREAU OF LAND MANAGEMENT ("BLM")

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ("VALLEY DISTRICT")

RECITALS

This Amendment is entered into on the basis of the following facts, understandings, and intentions of the Parties:

A. All Parties hereto, except Valley District, entered into that certain "Agreement to Form the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force" on November 20, 2002 ("Original Agreement"), for the purposes of advancing environmental planning and permitting in connection with the Upper Santa Ana River Wash Land Management Plan ("Wash Plan").

B. Since the time the Original Agreement was entered into, planning for the Wash Plan has advanced in all phases, including with respect to groundwater recharge and other water conservation facilities. In connection with such facilities, Conservation District and Valley District have entered into a series of agreements to allow for joint use

of Conservation District property, and construction of additional facilities as part of an Enhanced Recharge Program with Valley District, to fulfill various of the Wash Plan objectives regarding expanded groundwater recharge and water conservation capabilities.

C. The Original Agreement provided, in paragraph 2 (G), that all Parties acknowledged and agreed that the effectiveness of the Task Force may be improved by the addition of other entities that had interest in the work of the Task Force, and given Valley District's intended role in contributing to expanding groundwater recharge facilities in the Wash Plan area, Valley District is such an entity.

D. At a Task Force meeting held July 16, 2013, the Task Force reviewed cost estimates for the completion of environmental review and permitting activities for the Wash Plan, and the individual members will be going to their respective governing bodies for funding authorization for the completion of such environmental review and permitting activities. In addition, the Task Force has refined its description of covered activities to be included within the "take" and other permitting authorizations proposed to be pursued, such that the Wash Plan process is now at a point where responsible estimates for long-term habitat maintenance and other costs can be generated, and an equitable distribution of such costs over parties sponsoring, or benefitting from, component projects of the overall Wash Plan can be determined.

E. The Parties therefore wish to amend the Original Agreement to add Valley District as a regular member of the Task Force, and to specify their going-forward intentions for additional consultations for deriving an equitable cost-sharing allocation for the costs that may be incurred by the Task Force members for implementation of the Habitat Conservation Plan and other permanent funding requirements that may attend final Wash Plan approval.

NOW, THEREFORE, the Parties do hereby agree as follows:

1. Valley District is, and henceforth shall be, a "Regular Member" of the Task Force under Section 2 (A) of the Original Agreement. Valley District shall pay a one-time fee into the Fund (provided in Section 5 (C) of the Task Force Agreement) of $275,000.00. Such amount shall be utilized by the Conservation District, as Project Manager, to help offset the Conservation District's share of interim and estimated costs of completion of the environmental and permitting documentation for the Wash Plan. The Task Force at its meeting on July 16, 2013 approved estimated costs for planning and consulting services.

2. The Parties agree to meet and confer, in order to rework the contribution levels specified in Exhibit "B-1" to the Original Agreement, for those expenses that will be required of the Task Force members for costs for implementation of the Habitat Conservation Plan and other implementation funding requirements that may attend final Wash Plan approval. As presently contemplated, the basis for the allocation of such implementation costs shall be allocated on a proportionate acreage basis as it relates to the habitat disturbances attributable to the portions of the

component projects of the Wash Plan advanced by, sponsored by, or benefitting Task Force members, with offsetting credit being given to the amount of habitat as acreage being contributed by various Task Force members. The Task Force will refine such costs allocations once the PAR analysis and final permitting costs are more fully determined.

3. Except as specifically amended herein, the Original Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have entered into the Amendment as of the day and year first set forth above.

APPROVED AS TO FORM:

_____
Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, LP

_____

APPROVED AS TO FORM:

_____
Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD.

_____

UNITED STATES BUREAU OF LAND MANAGEMENT

_____
Field Manager

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel

EAST VALLEY WATER DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

APPROVED AS TO FORM:

_____
City Attorney

REDLANDS MUNICIPAL UTILITIES AND ENGINEERING DEPARTMENT

_____
Mayor

Attest: _____
City Clerk

APPROVED AS TO FORM:

_____
County Counsel

COUNTY OF SAN BERNARDINO

_____
Chairperson, Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

_____
Chairperson, Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

_____
City Attorney

CITY OF REDLANDS

_____
Mayor

Attest: _____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney

CITY OF HIGHLAND

_____
Mayor

Attest: _____
City Clerk

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

APPROVED AS TO FORM:

General Counsel

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT,

President, Board of Directors

Attest:

Secretary, Board of Directors

AGREEMENT TO FORM THE UPPER SANTA ANA RIVER WASH LAND MANAGEMENT AND HABITAT CONSERVATION PLAN TASK FORCE

THIS AGREEMENT is made effective this 20TH day of NOV, 2002, by and between the following entities (hereinafter individually referred to as a "Party" and collectively referred to as the "Parties"):

CEMEX CONSTRUCTION MATERIALS, LP ("CEMEX")	ROBERTSON'S READY MIX, LTD ("ROBERTSON'S")
[CITY OF HIGHLAND ("HIGHLAND")]	EAST VALLEY WATER DISTRICT ("EVWD")
CITY OF REDLANDS ("REDLANDS")	REDLANDS UTILITIES DEPARTMENT ("RUD")
COUNTY OF SAN BERNARDINO ("SAN BERNARDINO COUNTY")	SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT ("SBCFCD")
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT ("SBVWCD" OR "CONSERVATION DISTRICT")	UNITED STATES BUREAU OF LAND MANAGEMENT ("BLM")

RECITALS

This Agreement is entered into on the basis of the following facts, understandings, and intentions of the Parties:

A. Representatives of numerous agencies, including water, mining, flood control, resource management and conservation, and municipalities, formed the Santa Ana River Wash Area Coordinating Planning Activities Committee ("Wash Committee") to address local mining issues and other land functions on the Upper Santa Ana River Wash ("Wash"). A Policy Action Committee ("PAC") was subsequently established, consisting of elected officials from San Bernardino County, Highland, Redlands, and the Conservation District, as well as the Field Manager of the BLM. A Technical Advisory Committee ("TAC") was also formed with representatives from the PAC agencies, and other water, mining, flood control, and resource protection interests.

B. The Wash Committee examined the most appropriate manner in which to use the Wash for the benefit of all landowners without regard to preexisting planning of the Wash or current land ownership. Ultimately, the Wash Committee determined that there should be a balance of land uses to accommodate the needs of mineral extraction, water conservation, habitat protection, and municipal infrastructure

requirements (i.e. utilities, trails, etc.). To achieve land use balance, current land uses must be reassigned to better accommodate mineral extraction, water conservation, and habitat. To effect such change, an exchange of existing land ownership between BLM and the Conservation District, and a transfer of leasehold interests between the mining companies and the Conservation District will be required.

C. The TAC reached a general consensus in early 2000 regarding the designation of specific areas of the Wash for the desired uses. The result of this multi-jurisdictional effort was the creation of a proposed Land Management and Habitat Conservation Plan for the Upper Santa Ana River Wash ("Concept Plan"). The Concept Plan establishes the framework for balancing ongoing and future land activities proposed for the Wash Planning Area ("WPA"), including habitat protection areas and recreational trail alignments. The Concept Plan was reviewed and endorsed by the governing boards and/or officials with approval authority from each of the Parties, and various other agencies involved in the deliberations on the Concept Plan.

D. Each of the Parties have found and determined that it is in their best interests to join together to: manage activities in connection with the necessary refinements, environmental review, and implementation of the Land Management and Habitat Conservation Plan (collectively the "Project"); provide an equitable cost-sharing mechanism for the funding of the Project; and, define the projected schedule and scope of work to execute the Project.

E. The Parties hereto now enter into this Agreement to establish a Task Force, consisting of a representative from each party, to oversee and administer the preparation of plans, environmental review documents, public notices and hearings, and other activities requisite to the formulation and, if adopted, execution of the Project.

F. In entering into this Agreement, the Parties reserve their discretionary authority with regard to the execution of the Project, including but not limited to, any land use and planning authority under state and local law, authority, designated under the Surface and Mining Recovery Act ("SMARA"), and CEQA approval of their own discretionary decisions executing the Project.

TERMS & CONDITIONS

SECTION 1: DESCRIPTION OF PROJECT.

The Project to be undertaken by the Task Force consists of all of the following:

A. Refinement and expansion of the Concept Plan (Exhibit "A") to develop the Component Plans of a "Land Management and Habitat Conservation Plan for the Upper Santa Ana River Wash" ("Plan"), which includes the following:

1. A Mining and Reclamation Plan under the Surface Mining and Reclamation Act ("SMARA") designating the areas as generally depicted in Exhibit "A" to be devoted to sand, gravel, and mineral extraction and the terms and conditions under which such extraction may proceed, which will be provided by CEMEX and

Robertson's to the appropriate municipality, Highland or Redlands, for review and approval;

2. A Water Conservation Plan, which describes the scope, extent, and location of water diversions, conveyance, spreading, and monitoring activities, which will be provided by the Conservation District;

3. A Recreation Plan, which coordinates the planning and development of trails, parks, and public recreation areas, which will be provided by Conservation District, San Bernardino County, and Redlands;

4. An Infrastructure Plan, which describes the location of pipelines, utility corridors, roads, highways, and communication facilities, which will be provided by the Conservation District, EVWD, and Redlands;

5. A Habitat Protection Plan, which will be provided by the Conservation District to identify habitat areas that may be considered to protect threatened and endangered species at such time as other activities within the Wash are presented to the appropriate agency for entitlements, approvals and /or land use permits; and

6. A Flood Control Plan, which describes flood control facilities/activities including detention and retention basins, drains, and storm water conveyance facilities, which will be provided by SBCFCD.

B. Preparation of preliminary documents necessary to conduct an environmental analysis, including the following:

1. A Project Description for the environmental analysis based on the Component Plans described above;

2. Alternative land balancing plans to be studied in the environmental analysis;

3. A plan outline, including actions, required funding, and the administrative or legislative measures needed to implement the Project, which will be known as the Implementation Action Plan; and

4. A draft agreement to execute the Implementation Action Plan, which will be known as the Implementation Agreement.

C. Preparation of an EIR/EIS for implementation of the Plan, including a mitigation monitoring plan, based on the Component Plans in 1.A. above, and the preliminary documents in 1.B. above.

D. Completion of a proposed land exchange between BLM and Conservation District. BLM, working with the Conservation District, shall undertake activities to assess, and if appropriate, implement by way of a Memorandum of Understanding or

other appropriate instrument with the Conservation District, a land exchange. The assessment and potential implementation of the land exchange will analyze whether portions of property currently owned by BLM can feasibly and beneficially be exchanged for portions of property owned by the Conservation District.

E. Preparation of the implementation documents based on the completed EIR/EIS, including the following:

1. A certification of the EIR and record of decision for the EIS;

2. An Implementation Action Plan; and

3. A Habitat Conservation Plan, including a programmatic Section 10a Take Permit.

F. Task Force submit the EIR/EIS, Implementation Action Plan, and Habitat Conservation Plan to the appropriate agencies for their action and, if adopted, subsequent implementation.

SECTION 2: CREATION OF THE TASK FORCE.

There is hereby created a task force that shall be known as the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force ("Wash Task Force" or "Task Force"). The Task Force shall oversee and direct preparation of the Project and shall be comprised of regular and advisory members as follows:

A. Regular Members.

Each Party who contributes financially to fund the Project in accordance with Exhibit "B" to this Agreement, as may be amended from time to time, or contributes with in-kind services that result in a product for use by the Task Force commensurate with the level of contribution identified in Exhibit "B," shall be deemed a Regular Member of the Task Force. Any dispute regarding whether "in-kind" services contributions by a Party entitles such Party to status as a Regular Member shall be submitted to all then-existing Task Force Regular Members, and will be decided by a majority vote of the Task Force Regular Members. Each Regular Member shall be entitled to appoint two (2) representatives to the Task Force concurrently with the execution of this Agreement. Each Regular Member shall appoint (1) representative to oversee and contribute to the technical/staff aspects of the Task Force's work, and one (1) member of the legislative body, Board of Directors, or other body with ultimate decision making and policy making authority for the Regular Member, who shall be the voting member of the Task Force. Notwithstanding that each Regular Member shall have two (2) representatives to the Task Force, each Regular Member shall have and exercise only one (1) vote. The identity of each of the appointed representatives from each respective Party shall be promptly communicated to the Project Manager. Appointed representatives to the Task Force shall serve at the pleasure of the governing body of the respective appointing Party, and may be removed by them at any time, with or without cause; provided, however, that the Parties acknowledge and agree the continuity of representation on the

Task Force is important to the overall effectiveness of the Task Force, and the Parties further agree to ensure such continuity whenever possible.

B. Advisory Members.

1. Any member of the TAC, which is not a Regular Member of the Task Force, and any other public or governmental agency, may with the approval of a majority of the Regular Members of the Task Force, designate representatives as non-voting advisors to the Task Force ("Advisory Members"). The Task Force will formally recognize these Advisory Members and ensure all materials and products of the Task Force are provided to the Advisory Members. A list of Advisory Members will be maintained by the Project Manager.

2. The California Department of Water Resources (DWR), the California Department of Fish and Game (DFG), and the United States Fish and Wildlife Service (USFWS), County of Orange, and the City of Highland are hereby designated as Advisory Members to the Task Force.

3. Advisory Members may be admitted as Regular Members, with voting privileges, with approval by a majority vote of Regular Members of the Task Force.

C. Function.

1. The Task Force shall oversee and direct the preparation of all of the component elements of the Project.

2. The Task Force shall assist in the selection of a consultant to assist in planning and implementing the Project ("Consultant"). The Consultant selected must be acceptable to the Federal lead agency.

3. The Task Force shall meet periodically for the purpose of reviewing and evaluating the work product of the Task Force and the Consultant.

4. The Task Force shall administer this Agreement, subject to the reserved right of each of the Parties to approve their respective financial appropriations to Task Force budgets.

5. The Task Force shall propose contribution levels for each Party, subject to Section 4.D. herein. The contribution level for each Party shall initially be those set out in Exhibit "B" hereto.

6. The Task Force shall, in consultation with the Consultant, prepare and adopt a project schedule ("Project Schedule"). When completed, the Project Schedule will be circulated among all Regular and Advisory Members, and will be maintained by the Project Manager.

D. Committees.

The Task Force may establish working committees, which shall be designated from a pool of Regular and Advisory members who shall be selected by and serve at the pleasure of the Task Force.

E. Designation of Officers.

The Task Force shall designate and appoint one of its representatives to act as Chair and another of its members to act as Vice-Chair, both of which shall be selected from the pool of Regular Members. The Conservation District shall perform the functions of project administrator, including secretarial and treasurer duties.

F. Meetings

Regular meetings of the Task Force shall be held at the Conservation District offices, or such other place as may be agreed upon by the Task Force. At the first meeting, the Task Force shall provide for the time and place of its regular meetings. Special meetings may be called at the request of the Chair or of a majority of Regular Members to the Task Force. A majority of Regular Members of the Task Force shall constitute a quorum for the purposes of transacting business. Except as otherwise provided herein, all actions of the Task Force shall be passed and adopted upon the affirmative vote of a majority of the quorum of Regular Members. All meetings of the Task Force shall be conducted in accordance with California's Open Meeting Laws. The Project Manager shall keep or cause to be kept, minutes of the meetings of the Task Force, copies of which shall be forwarded to each Task Force representative and to each Party. The Task Force may adopt, from time to time, such additional rules and regulations for the conduct of its affairs as may be required.

G. Additional Parties.

The Parties to this Agreement acknowledge and agree that the effectiveness of the Task Force may be improved by the addition of other entities that have interest in the work of the Task Force. Such entities may join the Task Force upon approval of a majority of the Regular Members of the Task Force, and upon such terms and conditions as are acceptable to such Regular Members, including, but not limited to, cash contributions to past, present, and/or future work of the Task Force.

H. City of Highland as Regular Member.

At the time of execution of this Agreement, the City of Highland has expressed its interest in joining the Task Force as a Regular Member, and the parties to this Agreement contemplate and desire that it do so. Provided City of Highland approves and executes this Agreement within One Hundred Eighty (180) days of the Effective Date, and pays its share of the Task Force Contribution Levels as set forth in Exhibit "B-1," for application to all expenses incurred by the Task Force from the Effective Date and following, City of Highland may join the Task Force, as a Regular Member, without the necessity of an approving vote of the Regular Members. In the event City of

Highland so joins the Task Force pursuant to the terms and conditions of this Section 2 (H), and effective immediately and prospectively from the date it does, various provisions of this Agreement shall be thereupon automatically be amended, all as more specifically set out in Exhibit "D" hereto.

SECTION 3: LEAD AGENCY DESIGNATION

A. Consistent with the First Amendment to the Memorandum of Understanding Regarding Coordinated Planning Activities Pertaining to the Santa Ana River Wash Area dated August 13, 1997, ("MOU") and its designation of the Conservation District as the Permanent Chair of the Policy Action Committee, the Conservation District is hereby designated as the Lead Agency for all non-federal activities associated with the Project under the California Environmental Quality Act ("CEQA").

B. The BLM is hereby designated as the Lead Agency for all federal activities associated with the Project under the National Environmental Policy Act ("NEPA").

SECTION 4: PROJECT MANAGER.

A. The Conservation District shall serve as the Project Manager, at the pleasure of the Task Force. The Project Manager shall act as the primary liaison and contact between the Consultant, the Task Force, and the Parties to the Second Amendment.

B. The duties of the Project Manager shall include the following:

1. Serve as the Lead Agency under CEQA and as assistant to BLM, which is the Lead Agency under NEPA; provided, however, that on issues relating to definition of level of significance for impacts, existence of and mitigation for significant adverse environmental impacts, and formulation of a mitigation monitoring program for those portions of the Project which involve mining activity within the jurisdictional boundaries of Redlands, and which require permits under SMARA, the Project Manager shall accept and incorporate into the EIR/EIS the determinations of Redlands for such aspects of the Project.

2. Administer the cost-sharing formula, which designates the percentage of the total cost of the Project, as approved by each Party to fund the Project;

3. Coordinate communications between the Consultant and the Parties;

4. Provide the Consultant with copies of all earlier studies and EIRs, which may be helpful to the Consultant to complete the Project;

5. Gather and transmit data to the Consultant from the Parties;

6. Provide periodic reports to the Task Force of the progress of the Project;

7. Report to and solicit input from the Task Force regarding policy issues that may arise;

8. Oversee the billing for all aspects of the Project;

9. Receive and pay all appropriate invoices for the Consultant;

10. Review the Consultant's charges and advise the Task Force of any problems associated with the Project;

11. Facilitate meetings of the Task Force and maintain records of the Task Force;

12. The Project Manager shall, through a written Notice to Proceed, cause the Consultant to commence the Project, and shall cause the Consultant to perform all services within the time period(s) established in the Project Schedule, and in conformity with the approved Project Flow Diagram, attached hereto as Exhibit "C"; and,

13. Either approve or deny by way of written response any requests for minor adjustments to the time period(s) specified in the Project Schedule.

C. Administration of Task Force Work.

The Conservation District shall make its personnel available as reasonably necessary to the Task Force to perform the secretarial, clerical, administrative, legal general counsel, and financial management duties requested by the Task Force. The Task Force shall compensate the Conservation District for the Conservation District's actual costs incurred in providing such services to the Task Force, upon presentation of an invoice detailing the services rendered and costs thereof, and approval of the same by the Task Force.

SECTION 5: FUNDING MECHANISM.

A. The current estimated cost for the preparation of plans and environmental review for the Project is $823,258, or $973,258 if the consultant prepares the Implementation Agreement. The Task Force shall periodically approve a contribution amount to be requested of all Regular Members, to be paid to and managed by the Project Manager consistent with the provisions of this Section 4, from which the Project Manager will meet the expenses incurred in implementing the Project. Contributions shall be apportioned among the Parties, as agreed to by the Parties. The initial levels of contribution are identified in Exhibit "B" to this Agreement.

B. The Conservation District as Project Manager shall coordinate Consultant retention, direction, coordination, and oversight in the planning and implementation of

the Project, and shall serve as the agency through which funds are to be conveyed and disbursed for the purpose of completing the Project.

C. The Conservation District shall establish a fund ("Fund") into which it will cause to be deposited all of the contributions received from the Task Force towards the estimated cost of the Project. It is intended that this Fund finance the Project in its entirety. In establishing the Fund, the Conservation District shall assure that all interest earned by the Fund is to be paid into the Fund, and made solely available for the funding of the Project. The Task Force may from time to time propose a cost-sharing formula differing from that attached as Exhibit "B", which designates the percentage of the total cost of the Project each Party will be required to contribute to the Fund. Upon approval by the Task Force of a contribution amount to be requested of the Regular Members, the Project Manager shall submit invoices to each Party requesting payment of their respective contributions, pursuant to the formula attached as Exhibit "B," or as otherwise proposed by the Task Force. Payment of these invoices shall be made to the Conservation District within 30 days of receipt of such invoice. If any Regular Member fails to timely remit payment of its share of the invoices in accordance to Exhibit "B" to this Agreement, the voting rights of such Regular Member shall be suspended until such time as the full amount of the invoice is paid, or the final resolution of any dispute regarding the invoice, as provided below. During such period of suspension, the Party shall enjoy only those rights and privileges as an Advisory Member of the Task Force.

D. Each Party reserves the right to approve its own contribution level to the Project, as well as its ultimate payment authority of invoices issued by the Project Manager, in whole or in part, on a per-invoice basis.

E. The Project Manager shall have authority and control of disbursements from the Fund. The Project Manager shall provide the Task Force with an accounting on at least a quarterly basis showing all disbursements, accrued interest, and other debits and credits to the Fund for the preceding quarter. Any amounts paid to the Project Manager shall not be subject to refund, except as provided herein.

F. Should a dispute arise between the Project Manager and any Party(ies) with respect to either an invoice submitted by the Consultant or any other disbursement from the Fund, the complaining Party(ies) shall notify the Project Manager in writing, specifying the nature of the objections, the reasons therefor, and the action the complaining Party(ies) requests the Project Manager to take in resolution of the dispute. Upon receipt of any such written objection, the Project Manager shall meet or otherwise confer with the complaining Party(ies) in a good faith effort to resolve the dispute. In the event such efforts do not result in resolution of the dispute within ten (10) days of the Project Manager's receipt of the written objection, the Project Manager shall refer the matter to the Task Force, and shall provide it with any and all receipts, invoices, or other documents necessary for the prompt resolution of the dispute. The Task Force shall consider and resolve the matter at its next scheduled meeting, but no later than thirty (30) days following the Project Manager's referral of the dispute to the Task Force. In resolving the dispute, the decision of the majority of the Regular Members of the Task Force shall be final.

G. Upon completion of the Project, or earlier termination of this Agreement, any unexpended Funds shall be returned to the Parties in proportion to their financial contribution.

SECTION 6: OWNERSHIP OF DOCUMENTS.

All work produced in association with the Project (including originals prepared by anyone in connection with, or pertaining to, the work of the Task Force) shall become the property of the Regular Members of the Task Force, and each of them.

SECTION 7: INDEMNIFICATION.

Neither the Project Manager nor any officer or employee thereof shall be responsible to any other Party for any damage or liability occurring by reason of anything done, or omitted to be done, by the Consultant, or in connection with any work, authority or jurisdiction delegated to the Project Manager under this Agreement. All Parties, and each of them, hold the Project Manager harmless from any claim, demand, suit of law or equity, or other proceeding arising from or relating to the Project Manager's performance of its obligations contemplated by this Agreement. Nothing herein shall be read or understood as indemnifying or holding the Conservation District, or any officer or employee thereof, harmless from any claim, demand, suit on law or equity, or other proceeding arising from or relating from the acts or omissions of the Conservation District while acting as a Party to this Agreement.

In addition, each Party agrees to indemnify, defend, and hold harmless each other Party and its officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of its obligations under this Agreement.

In the event any Party is found to be comparatively at fault for any claim, action, or loss, or damage that results from their respective obligations under this Agreement, the Party(s) found to be at fault shall indemnify the other(s) to the extent of its comparative fault.

Federal agencies' obligations under this Agreement shall be to the extent permitted by the Federal Tort Claims Act.

SECTION 8: NOTICES.

All notices required to be provided hereunder, except meeting notices, shall be in writing, and either served personally or sent by United States Mail. Meeting notices may be provided by electronic mail correspondence. For these purposes, the addresses for the Parties and Advisory Members are as follows:

As to Cemex Construction Materials, LP:
Regional Environmental Manager
CEMEX
P.O. Box 4120
Ontario, CA 91761-1607

As to Robertson's Ready Mix:
Robertson's Ready Mix, Ltd.
Attention: Rich Robertson
P.O. Box 33140
Riverside, CA 92519

[As to Highland:
Community Development Director
City of Highland
27215 Base Line
Highland, CA 92346]

As to Redlands:
Community Development Director
City of Redlands
P.O. Box 3005
Redlands, CA 92373

As to SBCFCD:
Director
San Bernardino Co. Flood Control District
825 E. Third Street
San Bernardino, CA 92415-0835

As to Conservation District:
General Manager
San Bernardino Valley Water District
P.O. Box 1839
Redlands, CA 92373-0581

As to USFWS:
Field Supervisor
U.S. Fish & Wildlife Service
2730 Loker Avenue West
Carlsbad, CA 92008

As to County of Orange:
Attn: Mike Wellborn
Planning and Development Services
County of Orange
P.O. Box 4048
Santa Ana, CA 92702-4048

As to EVWD:
General Manager
East Valley Water District
P.O. Box 3427
San Bernardino, CA 92413

As to RUD:
Chief of Water Resources
Redlands Utilities Department
P.O. Box 3005
Redlands, CA 92373

As to San Bernardino County:
Land Use Services Department
Advance Planning Division
County of San Bernardino
385 North Arrowhead Avenue – 3rd Floor
San Bernardino, CA 92415-0182

As to BLM:
Field Manager, Palm Springs-South Coast
Field Office
Bureau of Land Management
P.O. Box 581260
North Palm Springs, CA 92258-1260

As to DFG:
Department of Fish & Game
P.O. Box 1217
Redlands, CA 92373

As to DWR:
Recreation and Environmental Studies
Department of Water Resources
770 Fairmont
Glendale, CA 91203

SECTION 9: ENTIRE AGREEMENT.

This Task Force Agreement contains the entire agreement of the Parties hereto with respect to the matters contained herein, and supersedes all negotiations, prior discussions, and preliminary agreements or understandings, written or oral relating to

the Task Force and Project Manager. No waiver or modification of this Agreement shall be binding unless consented to by all Parties in writing.

SECTION 10: WAIVER.

No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

SECTION 11: COOPERATION: FURTHER ACTS.

All parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. All parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary, appropriate or convenient to carry out the purposes of this Agreement.

SECTION 12: GOVERNING LAW.

This Agreement shall be governed by and construed under the laws of the State of California. Federal agency participation under this Agreement, however, shall be governed by the applicable federal laws.

SECTION 13: ATTORNEYS' FEES.

In the event the Task Force initiates or defends any litigation or other judicial or administrative proceeding in connection with the Project or this Agreement, retention of counsel to represent the Task Force, if required, shall be by the Project Manager, subject to the approval of the Task Force. The costs of such retention will be invoiced to the members of the Task Force in the same manner, and subject to the same procedures, as all other consultant costs invoiced to the Task Force. In any action or proceeding involving a dispute between the Parties arising out of this Agreement, the prevailing Party shall be entitled to receive from the other Party, reasonable attorneys' fees. The term "attorneys' fees" shall include reasonable costs for investigating the action, conducting discovery, cost of appeal, costs and fees for expert witnesses, and all other normally allowable costs incurred in such litigation, whether or not such litigation is prosecuted to final judgment. Service of process on any Party shall be made in any manner permitted by law and shall be effective whether served inside or outside of California.

Notwithstanding the foregoing, attorneys' fees and costs' recoverable against the United States, however, shall be governed by applicable federal laws.

SECTION 14: NO THIRD PARTY BENEFICIARIES.

There are no intended third party beneficiaries of any right or obligation assumed by the Parties. No member of, or delegate to, Congress or Federal Resident

Commissioner, shall be entitled to any share of this Agreement, or to any benefit that may arise from it.

SECTION 15: CONSTRUCTION: CAPTIONS.

The language of this Agreement shall be construed according to its fair meaning, and not for or against any Party hereto based on authorship. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

SECTION 16: SEVERABILITY.

Each provision of this Agreement shall be severable from the whole. If any provision of this Memorandum shall be found contrary to law, it is the intention of all the Parties, and each of them, that the remainder of this Agreement shall continue in full force and effect.

SECTION 17: INCORPORATION OF RECITALS.

The Recitals are incorporated herein and made an operative part of this Agreement.

SECTION 18: AUTHORITY TO ENTER INTO AGREEMENT.

All Parties warrant that they have all requisite power and authority to execute and perform this Agreement. Each person executing this Agreement on behalf of their party warrants that he or she has the legal power, right, and authority to make this Agreement and bind his or her respective Party, and that in so doing, such Party is not thereby in breach of any other contract or agreement.

SECTION 19: COUNTERPARTS.

This Agreement may be signed in counterparts, each of which shall constitute an original.

SECTION 20: EFFECTIVE DATE

The Effective Date of this Agreement shall be latest of the dates set next to the signatures of the parties hereto evidencing signature by all the parties hereto, which latest date shall be inserted into the preamble to this Agreement.

SECTION 21: NO ASSIGNMENT.

The rights and obligations of this Agreement may not be transferred, assigned, or encumbered by any Party hereto without the prior, express, written consent of a majority of the Regular Members of the Task Force.

SECTION 22: DISSOLUTION.

The Task Force may be dissolved upon a 2/3 majority vote of the regular members. Upon such dissolution, the Project Manager is entitled to pay all outstanding invoices, and distribute any remaining money in the Fund among the contributing members pro-rata according to each Party's respective financial contribution.

SECTION 23: TERMINATION.

A. Any Party may voluntarily terminate its participation under the Agreement at any time upon delivery of at least 60 days prior written notice to the Task Force.

B. The Task Force may, upon a 2/3 majority vote, terminate any Party's participation under the Agreement upon that Party's failure to make its pro-rata contribution:

(1) Within 30 days of the date said Party's contribution becomes due; OR

(2) Within 45 days after the Task Force resolves said Party's dispute over the payment of an invoice in favor of payment as set forth in Section 4(F) of this Agreement.

C. Upon a Party's termination from participation under the Agreement, the Project Manager shall return the portion of that Party's pro-rata contribution not expended by the Project Manager after paying invoices for all charges incurred during the period that Party served as a Member of the Task Force.

D. The termination of any member or members of the Task Force shall not affect the remaining Parties' obligations under this Agreement, except for redistribution of contributions described herein. This Agreement shall remain in effect until such time as 2/3 of the regular members vote to dissolve the Task Force as provided by Section 22 of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year set forth below, the last of which shall be the effective date of this Agreement.

APPROVED AS TO FORM:

Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, LP, by CEMEX, Inc., its General Partner

APPROVED AS TO FORM:

Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD

UNITED STATES BUREAU OF LAND MANAGEMENT

Field Manager

APPROVED AS TO FORM:

General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

President, Board of Directors

Attest: Secretary of the Board

APPROVED AS TO FORM:

General Counsel

EAST VALLEY WATER DISTRICT

President, Board of Directors

Attest: Secretary of the Board

APPROVED AS TO FORM:

City Attorney

REDLANDS UTILITIES DEPARTMENT

Mayor

Attest: City Clerk

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year set forth below, the last of which shall be the effective date of this Agreement.

APPROVED AS TO FORM:

_____
Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, INC.:

_____

APPROVED AS TO FORM:

_____
Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD

_____

UNITED STATES BUREAU OF LAND MANAGEMENT

_____
Field Manager

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel

EAST VALLEY WATER DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
City Attorney

REDLANDS UTILITIES DEPARTMENT

_____
Mayor

Attest: _____
City Clerk

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APPROVED AS TO FORM:

_____
Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, INC.

_____

APPROVED AS TO FORM:

_____
Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD

_____

UNITED STATES BUREAU OF LAND MANAGEMENT

_____
Field Manager

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel

EAST VALLEY WATER DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
City Attorney

REDLANDS UTILITIES DEPARTMENT

_____
Mayor

Attest: _____
City Clerk

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APPROVED AS TO FORM:

_____
Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, INC.

_____

APPROVED AS TO FORM:

_____
Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD

_____

UNITED STATES BUREAU OF LAND MANAGEMENT

_____
Field Manager

APPROVED AS TO FORM:

David B. Cosgrove
General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

Sterling Woodbury
President, Board of Directors

Attest: Burnell Carroll
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel

EAST VALLEY WATER DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
City Attorney

REDLANDS UTILITIES DEPARTMENT

_____
Mayor

Attest: _____
City Clerk

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year set forth below, the last of which shall be the effective date of this Agreement.

APPROVED AS TO FORM:

_____
Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, LP

_____

APPROVED AS TO FORM:

_____
Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD

_____

UNITED STATES BUREAU OF LAND MANAGEMENT

_____
Field Manager

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel

EAST VALLEY WATER DISTRICT

Vice George E."Skip" Wilson
President, Board of Directors

Attest: Robert E. Martin
Secretary of the Board

APPROVED AS TO FORM:

_____
City Attorney

REDLANDS UTILITIES DEPARTMENT

_____
Mayor

Attest: _____
City Clerk

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year set forth below, the last of which shall be the effective date of this Agreement.

APPROVED AS TO FORM:

_____
Counsel for CEMEX

CEMEX CONSTRUCTION MATERIALS, LP

_____

APPROVED AS TO FORM:

_____
Counsel for Robertson's Ready Mix, Ltd.

ROBERTSON'S READY MIX, LTD

_____

UNITED STATES BUREAU OF LAND MANAGEMENT

_____
Field Manager

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

_____
General Counsel

EAST VALLEY WATER DISTRICT

_____
President, Board of Directors

Attest: _____
Secretary of the Board

APPROVED AS TO FORM:

N/A
_____
City Attorney

REDLANDS UTILITIES DEPARTMENT

_____
Mayor

Attest: _____
City Clerk

APPROVED AS TO FORM:

County Counsel

COUNTY OF SAN BERNARDINO

Chairperson, Board of Supervisors

Attest:
Clerk of the Board

APPROVED AS TO FORM:

County Counsel

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

Chairperson, Board of Supervisors

Attest:
Clerk of the Board

APPROVED AS TO FORM:

City Attorney

CITY OF REDLANDS

Mayor

Attest:
City Clerk

[APPROVED AS TO FORM:]

[City Attorney]

[CITY OF HIGHLAND]

Mayor

[Attest:
[City Clerk]]

APPROVED AS TO FORM:

_____
County Counsel

COUNTY OF SAN BERNARDINO

_____
Chairperson, Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

_____
Chairperson, Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

N/A
City Attorney

CITY OF REDLANDS

_____
Mayor

Attest: _____
City Clerk

[APPROVED AS TO FORM:]

[_____]
[City Attorney]

[CITY OF HIGHLAND]

[_____]
[Mayor]

[Attest: _____]
[City Clerk]

APPROVED AS TO FORM:

_____
County Counsel

COUNTY OF SAN BERNARDINO

_____
Chairperson, Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

_____
General Counsel

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT

_____
Chairperson, Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

_____
City Attorney

CITY OF REDLANDS

_____
Mayor

Attest: _____
City Clerk

[APPROVED AS TO FORM:]

[Marguerite P. Battin]
[City Attorney]

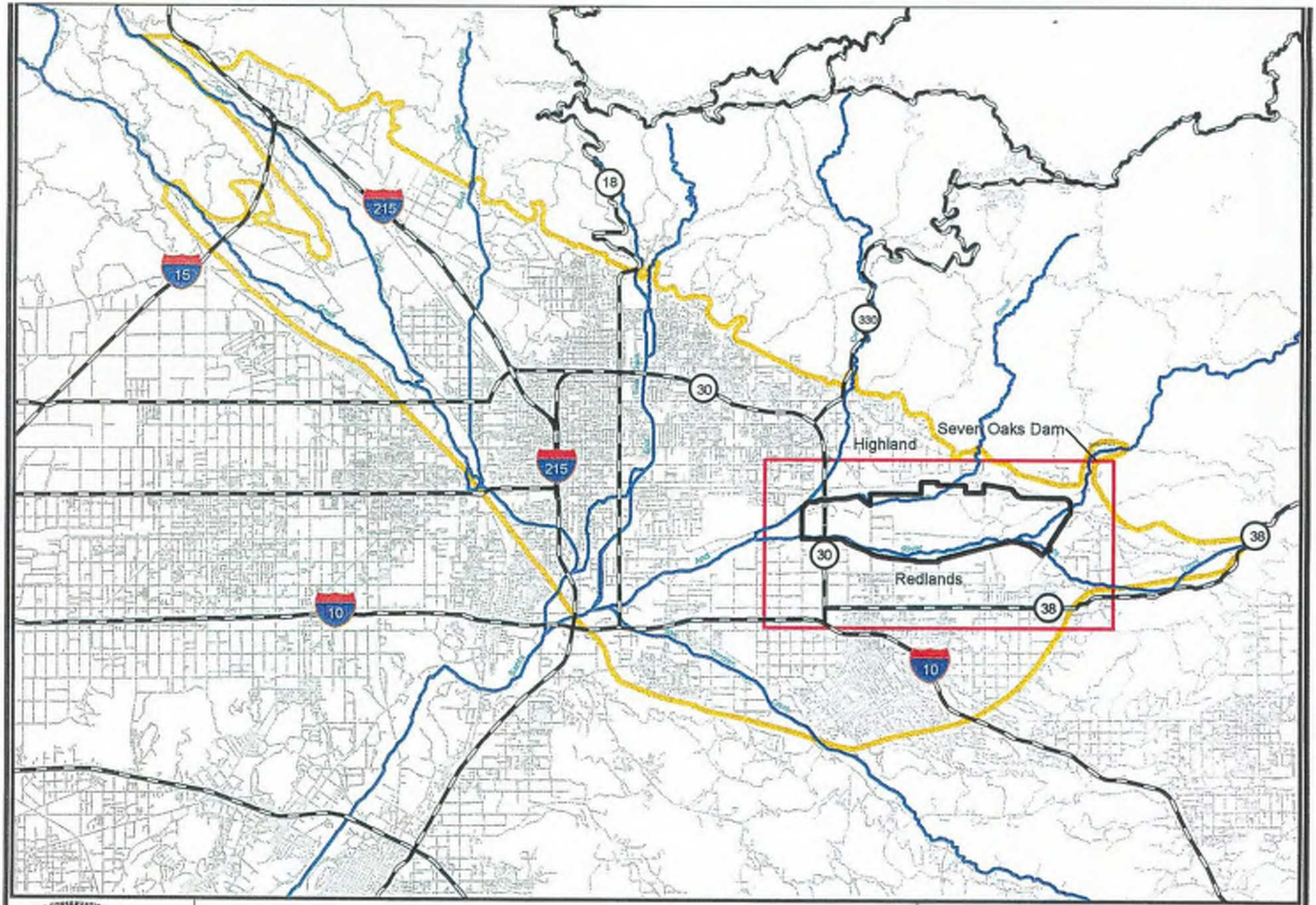
[CITY OF HIGHLAND]

[James C. Penman]
[Mayor]

[Attest: Betty Hutchinson]
[City Clerk]

EXHIBIT "A": CONCEPT PLAN (Executive Summary)

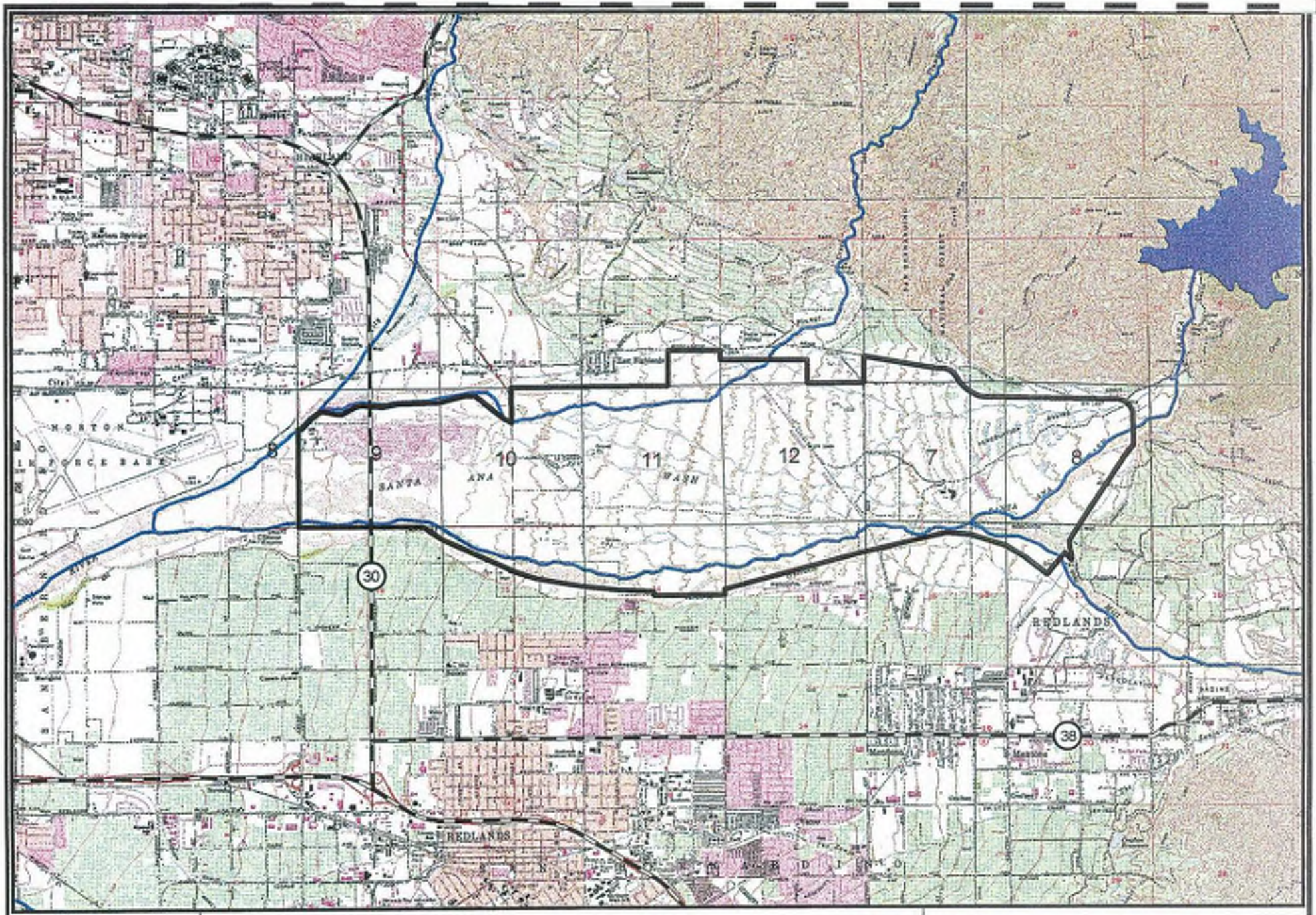
AREAS TO BE MINED UNDER SMARA, AREAS FOR WATER CONSERVATION, AND AREAS FOR PROTECTION OF HABITAT



Santa Ana Wash Planning Area (Plan B) - Location Map (Fig. 1)

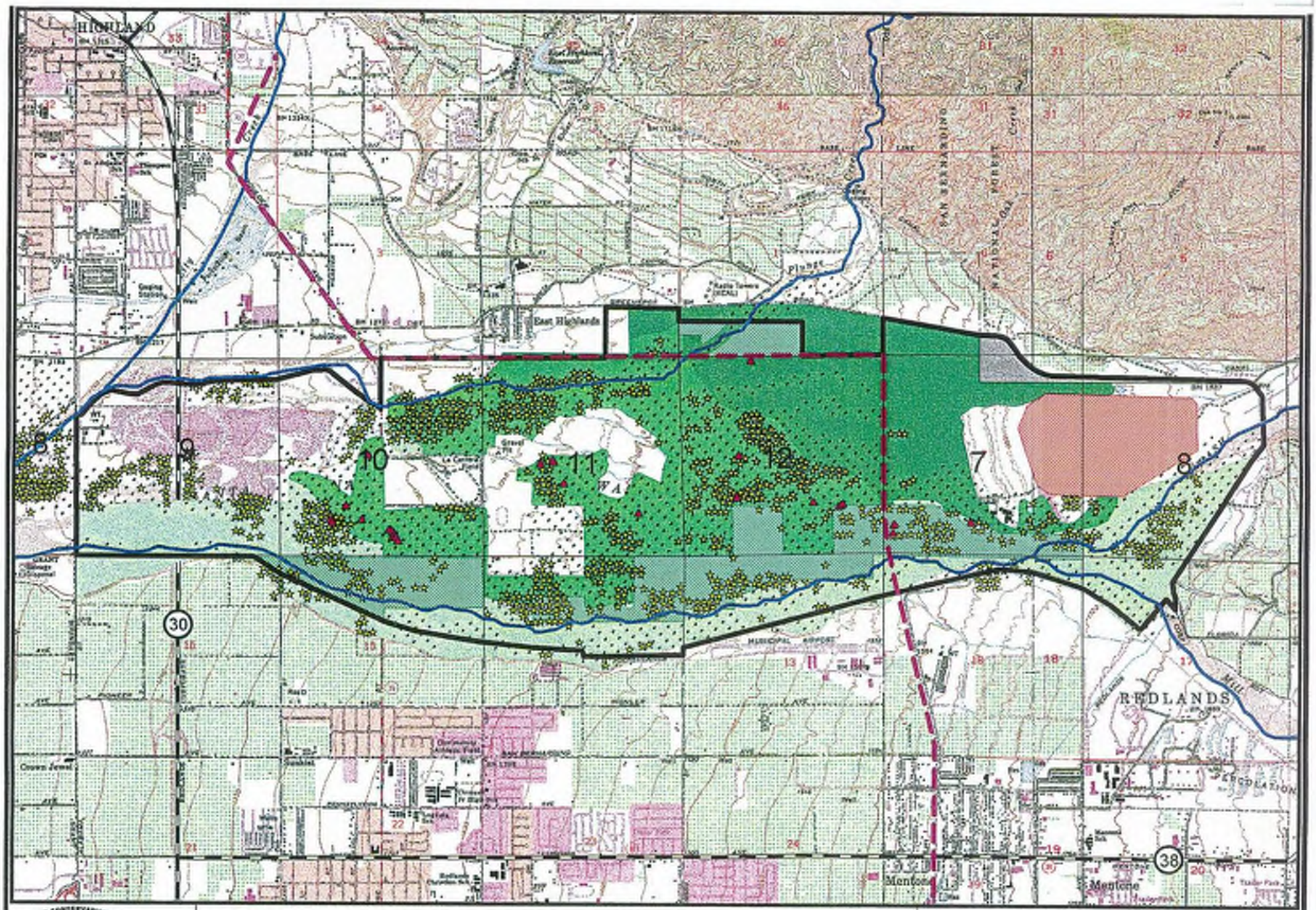
Interstate
Highway
Roads

WPA Boundary
Area of Interest
Bunker Hill Basin

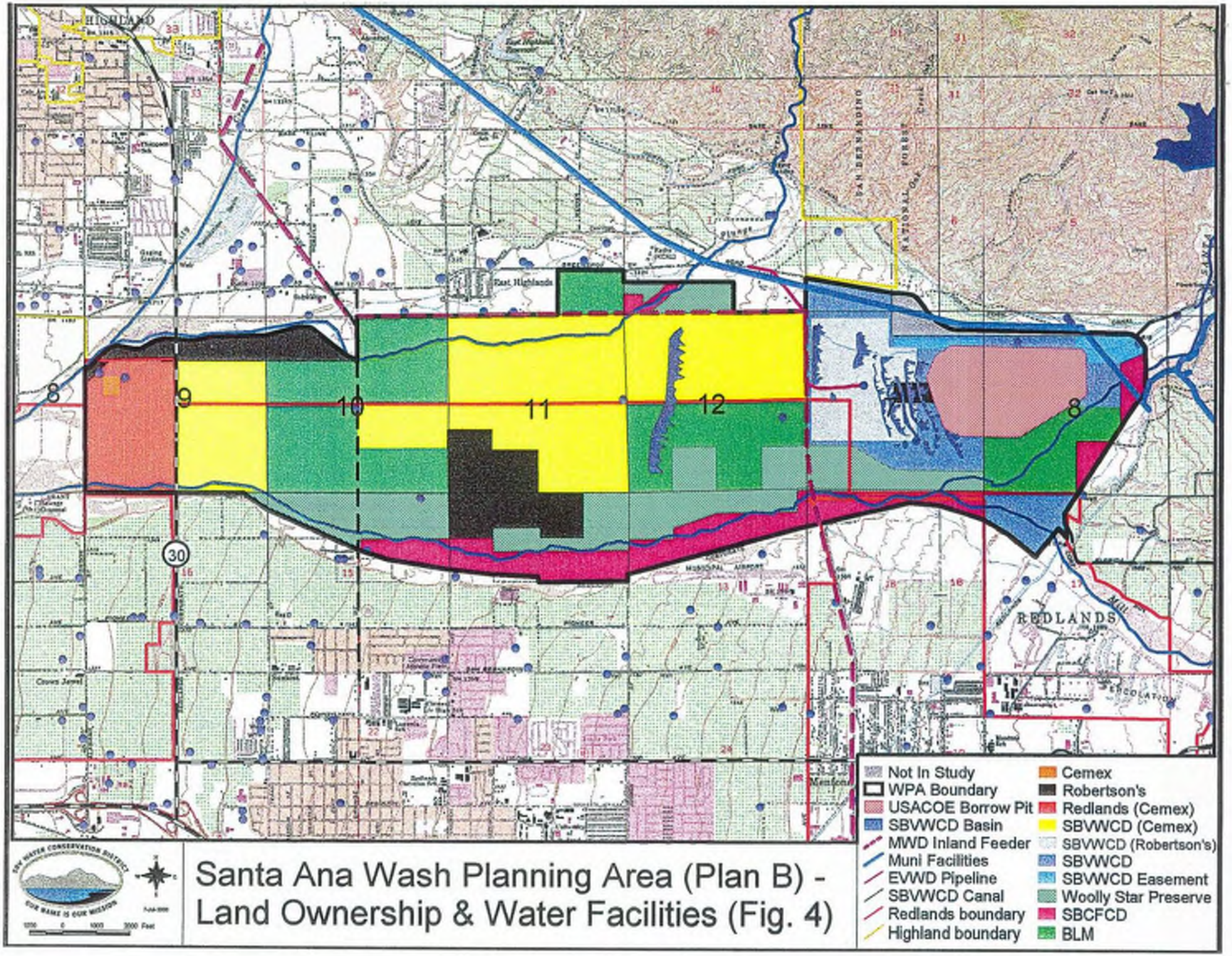


Santa Ana Wash Planning Area (Plan B) - Wash Planning Area (Fig. 2)

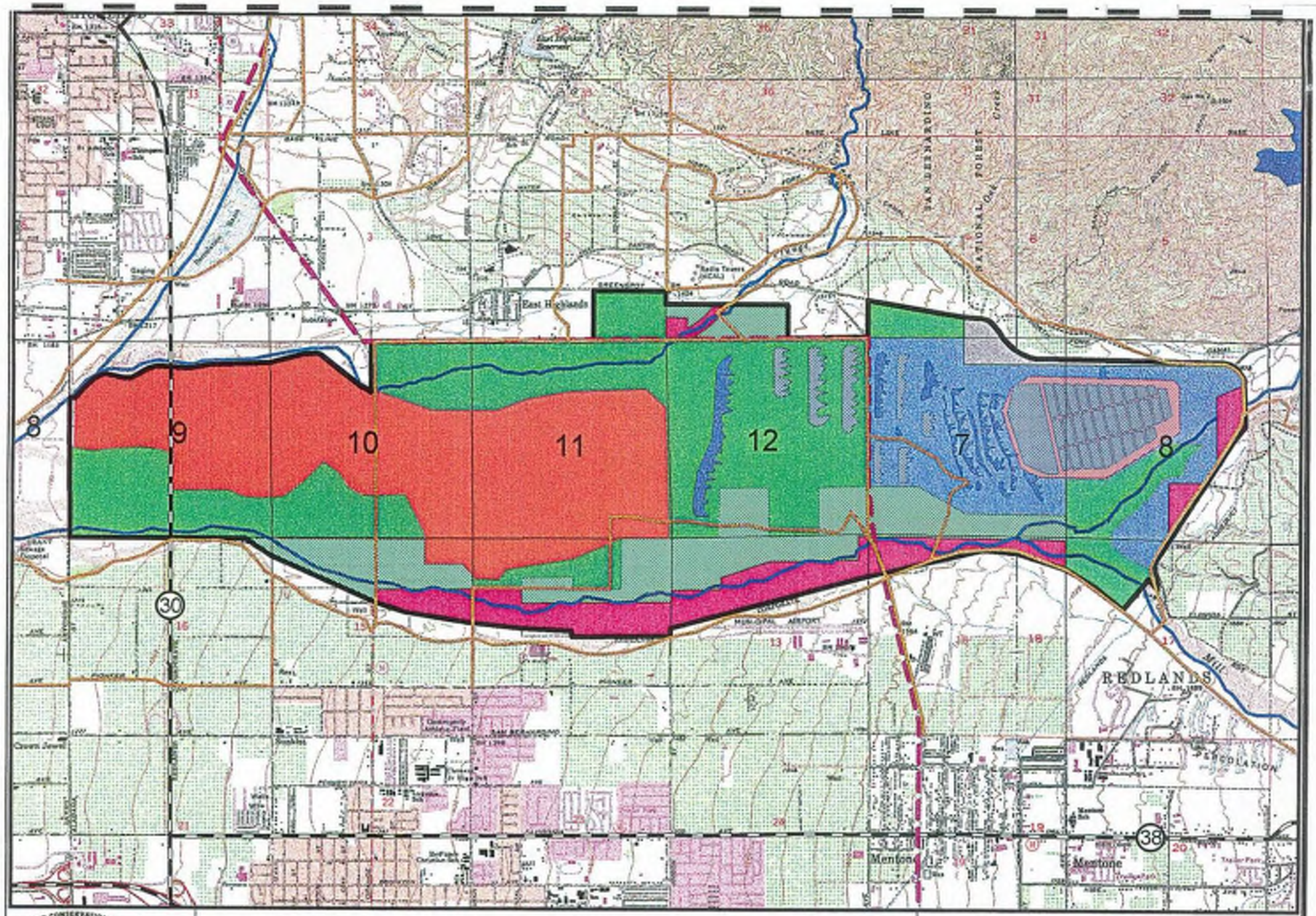
- Highway
- Section Lines
- Rivers/Creeks
- WPA Boundary
- SOD Impoundment



Santa Ana Wash Planning Area (Plan B) - Biological Resources (Fig. 3)



Santa Ana Wash Planning Area (Plan B) - Land Ownership & Water Facilities (Fig. 4)



Santa Ana Wash Planning Area (Plan B) - Land and Habitat Management Plan (Fig. 5)

EXHIBIT "B": TASK FORCE CONTRIBUTION LEVELS

Allocation to the Parties of their share of the costs associated with the Project is as set forth below in the following proportions:

AGENCY	RESPONSIBILITY FOR FINANCIAL CONTRIBUTION
CEMEX	24.774
ROBERTSON'S READY MIX	24.774
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT	24.644
EAST VALLEY WATER DISTRICT	3.226
REDLANDS UTILITIES DEPARTMENT	3.226
COUNTY OF SAN BERNARDINO	6.452
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT	6.452
CITY OF REDLANDS	6.452

Should the cost to complete financing of the Project exceed the total current estimated charges set forth above, the Task Force will have the responsibility of obtaining any required additional funding from each of the Parties. Any such additional funding shall be assessed to those Parties in the above-mentioned proportions, or as otherwise determined by the Task Force.

Note that in the event the City of Highland joins the Task Force as a Regular Member pursuant to the provisions of Section 2 (H) of this Agreement, the contribution levels set forth here will be superseded by the levels set forth in Exhibit "B-1."

EXHIBIT "B-1": TASK FORCE CONTRIBUTION LEVELS IN THE EVENT CITY OF HIGHLAND JOINS AS A REGULAR MEMBER

Allocation to the Parties of their share of the costs associated with the Project is as set forth below in the following proportions:

AGENCY	RESPONSIBILITY FOR FINANCIAL CONTRIBUTION
CEMEX	23.272
ROBERTSON'S READY MIX	23.272
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT	23.152
EAST VALLEY WATER DISTRICT	3.030
REDLANDS UTILITIES DEPARTMENT	3.030
COUNTY OF SAN BERNARDINO	6.061
SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT	6.061
CITY OF HIGHLAND	6.061
CITY OF REDLANDS	6.061

Should the cost to complete financing of the Project exceed the total current estimated charges set forth above, the Task Force will have the responsibility of obtaining any required additional funding from each of the Parties. Any such additional funding shall be assessed to those Parties in the above-mentioned proportions, or as otherwise determined by the Task Force.

This schedule of contribution levels shall only become effective if the City of Highland joins the Task Force as a Regular Member pursuant to the provisions of Section 2 (H) of this Agreement.

EXHIBIT "C": PROJECT FLOW DIAGRAM

10/03/01
02/13/02
Special

EXHIBIT "C"

PROPOSED LAND MANAGEMENT & HABITAT CONSERVATION PLAN "PROJECT"

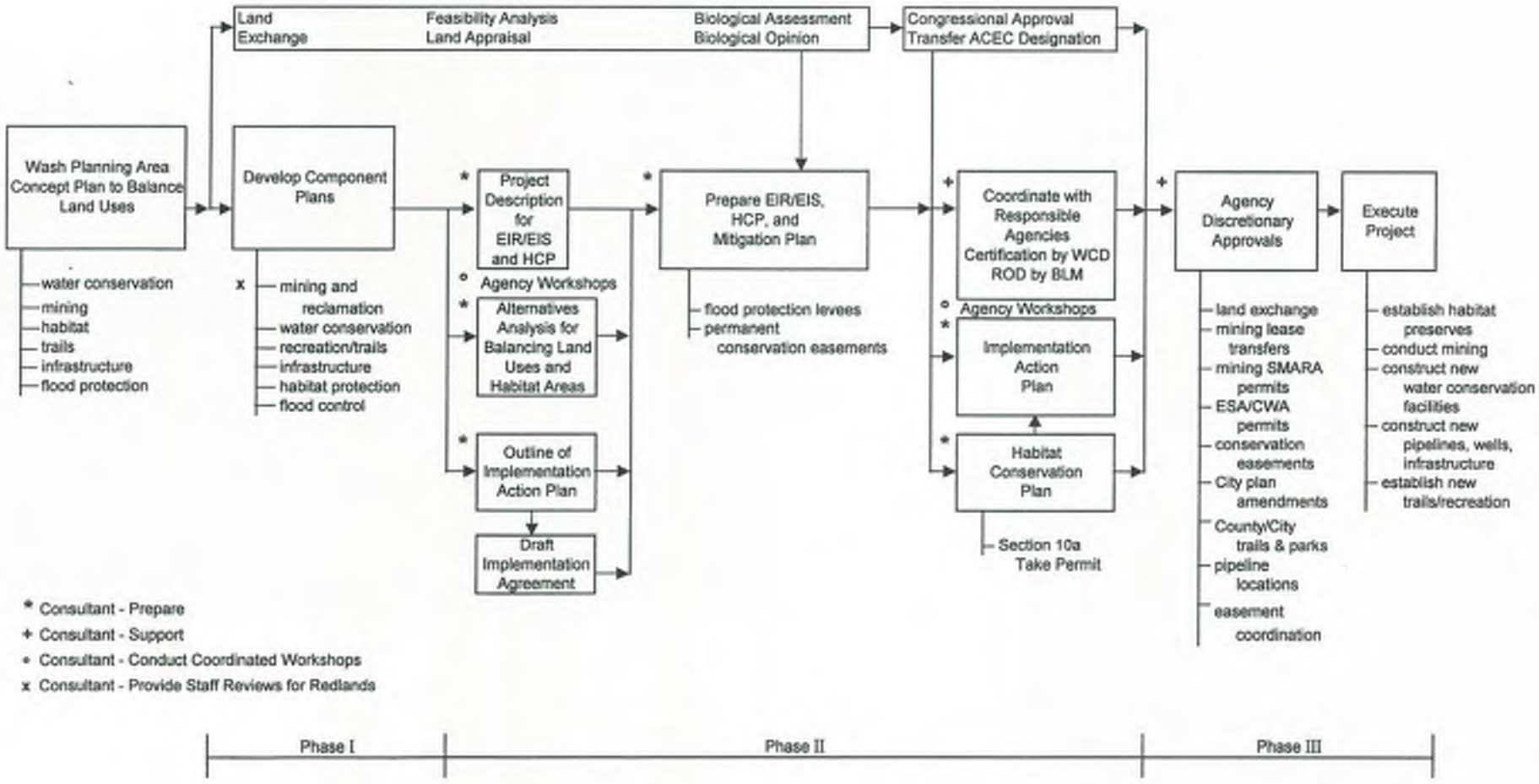


EXHIBIT "C-1": PROJECT FLOW DIAGRAM IN THE EVENT CITY OF HIGHLAND JOINS AS A REGULAR MEMBER

10/03/01
02/13/02
Special

EXHIBIT "C-1"

PROPOSED LAND MANAGEMENT & HABITAT CONSERVATION PLAN "PROJECT"

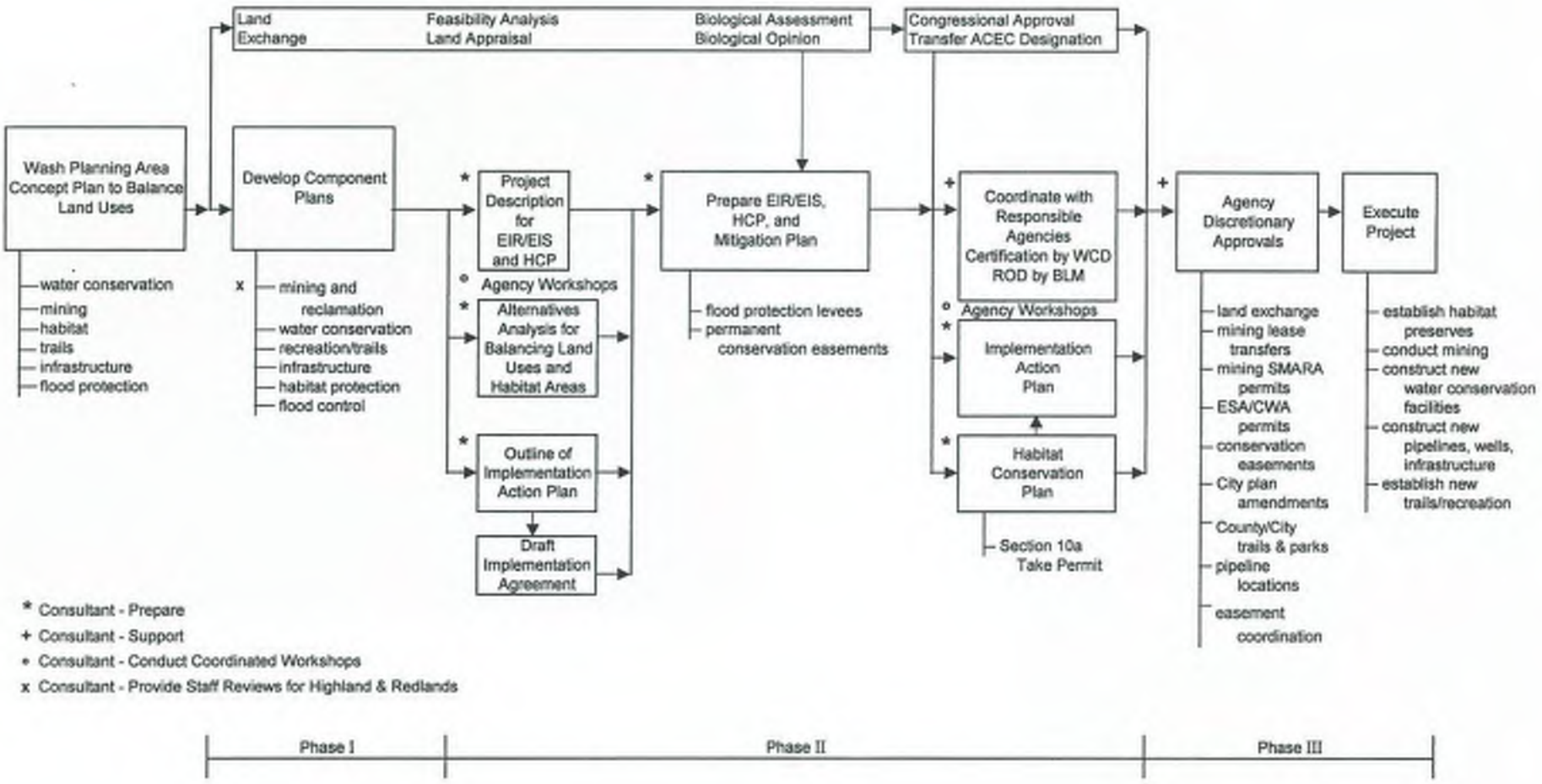


EXHIBIT "D": REVISIONS TO AGREEMENT IN THE EVENT CITY OF HIGHLAND JOINS AS A REGULAR MEMBER

In the event the City of Highland joins the Task Force as a Regular Member pursuant to, and in compliance with, the provisions of Section 2 (H) of this agreement, the parties hereto have agreed to certain modifications of the text of the Task Force Agreement, which will serve as amendments thereto, effective immediately and prospectively upon inclusion of the City of Highland as a Regular Member pursuant to Section 2 (H). These amendments are set out below:

Section 1 (A) 3): A Recreation Plan, which coordinates the planning and development of trails, parks, and public recreation areas, which will be provided by Conservation District, San Bernardino County, Highland, and Redlands.

Section 1 (A)(4): An Infrastructure Plan, which describes the location of pipelines, utility corridors, roads, bridges, highways, and communication facilities, which will be provided by the Conservation District, San Bernardino County, Highland, and Redlands.

Section 1 (F): Task Force submit the EIR/EIS, Implementation Action Plan, and Habitat Conservation Plan to the appropriate agencies for their action and, if adopted, subsequent implementation. The EIR/EIS shall not be certified by the Lead Agency as to those portions of the Project occurring within the jurisdictional boundaries of the City of Highland if, prior to the time the Lead Agency certifies the EIR/EIS, it has been disapproved by the City Council of the City of Highland. The EIR/EIS shall not be certified by the Lead Agency as to those portions of the Project occurring within the jurisdictional boundaries of the City of Redlands if, prior to the time the Lead Agency certifies the EIR/EIS, it has been disapproved by the City Council of the City of Redlands.

Section 2 (B)(2): The California Department of Water Resources (DWR), the California Department of Fish and Game (DFG), the United States Fish and Wildlife Service (USFWS), and County of Orange are hereby designated as Advisory members of the Task Force.

Section 4 (B)(1): Revise Section 4 (B)(1). to read as follows:

Serve as the Lead Agency under CEQA and as assistant to BLM, which is the Lead Agency under NEPA, provided, however, that on issues relating to definition of level of significance for impacts, existence of and mitigation for significant adverse environmental impacts, and formulation of a mitigation monitoring program for those portions of the Project requiring permits under SMARA, the Project Manager shall accept and incorporate into the EIR/EIS the collective determinations of the applicable agencies with SMARA permitting authority for such aspects of the Project, and in the absence of any agreement by such agencies, shall refer determination of such issues to the Task Force;

Exhibit "B": Replace with Exhibit "B-1."

EXHIBIT "D": REVISIONS TO AGREEMENT IN THE EVENT CITY OF HIGHLAND JOINS AS A REGULAR MEMBER (CONTINUED)

Exhibit "C": Replace with Exhibit "C-1."

UPPER SANTA ANA RIVER WASH LAND MANAGEMENT AND HABITAT CONSERVATION PLAN TASK FORCE ("Task Force")

LIST OF TASK FORCE MEMBER AGENCIES

(December 10, 2002)

REGULAR MEMBERS

Member Agency	Governing Member	Technical Member
City of Highland		
City of Redlands		
City of Redlands Municipal Utilities		
County of San Bernardino		
County Flood Control District		
East Valley Water District		
Robertson's Ready Mix, Ltd.		
CEMEX, USA		
U.S. Bureau of Land Management		
Water Conservation District		

ADVISORY MEMBERS

Member Agency	Member
U.S. Army Corps of Engineers	
U. S. Fish & Wildlife Service	
California Dept of Fish & Game	
California Dept of Water Resources	
County of Orange	

SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
(909) 793-2503
Fax: (909) 793-0188

P.O. Box 1839
Redlands, CA 92373-0581
Email: info@sbvwcd.dst.ca.us

December 10, 2002

Jack Woodbury
San Bernardino Valley WCD
31919 Florida Street
Mentone, CA 92346

RE: Agreement to Form the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan Task Force

Dear Mr. Woodbury:

As previously announced, all of the required signatures have been obtained for the Task Force Agreement ("Agreement") referenced above. Attached are the signature pages that you should insert in your copy of the Agreement. On page 1 of the Agreement, you should write in "20th day of "November" 2002 as the effective day. In accordance with the Agreement, the San Bernardino Valley Water Conservation District ("District") shall be the Task Force Project Manager.

As a reminder, the Agreement was prepared to accommodate the City of Highland because there was a potential delay in their decision to participate. As we now know, the City of Highland agreed to participate several months ago. Therefore, please annotate the appropriate paragraphs of the Agreement to refer to Exhibit "D," "*Revisions to Agreement in the Event City of Highland Joins as a Regular Member*."

Section 2 of the Agreement identifies the criteria for Regular and Advisory Members of the Task Force, and stipulates that each Regular Member will have two representatives: one to oversee and contribute to the technical/staff aspects and one from the governing body. The names of those representatives should be forwarded to the Project Manager at this time. Advisory Members should also submit representative names to the Project Manager at this time. A list of current Regular and Advisory Members is attached.

On December 20, the former Wash Committee Technical Advisory Committee (TAC) will meet for a Pre-final review of the proposed scope of work prior to the Project Manager issuing a Notice to Proceed to LSA Associates, Inc., who will prepare the environmental documentation for the Concept Plan. Following that review, an invoice will be submitted to each Regular member for its share of the consultant's cost, based

BOARD OF DIRECTORS: Bert Marcum, Jr. · Clare Henry Day · Arnold L. Wright · Sterling Woodbury · Cheryl A. Tubbs · Melody Henriques · Manuel Aranda, Jr.
GENERAL MANAGER: D. Burnell Cavender, AICP

on the distribution of costs shown on Exhibit "B-1": *Task Force Contribution Levels in the Event City of Highland Joins as a Regular Member*, of the Agreement, and attached hereto.

The District is looking forward to starting calendar year 2003 by issuing a Notice to Proceed to prepare the environmental documentation. Please note that the first task in the scope of work is to complete the Project Description. Therefore, please review Section 1 of the Agreement as a reminder of the responsibilities of the Task Force and the Regular Members for preparing the "Component Plans." When the Notice to Proceed is issued, we will not want to delay the consultant by not having Component Plans ready for review. It has already been 6 years since we started developing the Concept Plan. As Project Manager, we will do our best to assure the environmental documentation is prepared within the estimated 18 months.

We thank you for your past and continued perseverance and willingness to work toward a coordinated plan that we all know intuitively is the right thing to do. We look forward to continued good working relations among the Task Force members.

Sincerely,

D. Burnell Cavender, AICP
General Manager

Enclosures: Signature Pages (9)
List of Regular and Advisory Members
Exhibit "B-1"

Copy to: David B. Cosgrove, Esq, Rutan & Tucker

PROPOSED

LAND MANAGEMENT AND HABITAT CONSERVATION PLAN FOR THE UPPER SANTA ANA RIVER WASH

EXECUTIVE SUMMARY

PREPARED FOR THE
SANTA ANA RIVER WASH AREA COORDINATED
PLANNING ACTIVITIES COMMITTEE

BY

STAFF OF THE
SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT

APRIL 2001
(Figures Revised December 2001)

PROPOSED LAND MANAGEMENT AND HABITAT CONSERVATION PLAN FOR THE UPPER SANTA ANA RIVER WASH

D. Burnell Cavender, AICP
General Manager
San Bernardino Valley Water Conservation District

Introduction

The land area between the mouth of the Santa Ana River Canyon, down stream of the new Seven Oaks Dam on the east, Interstate 215 (I-215) on the west, the cities of Highland and Redlands to the north and south, respectively, is known locally as the Upper Santa Ana River Wash (Wash) (Fig 1). A part of that Wash, containing approximately 5,200 acres, from the canyon mouth to Alabama Street on the west and bounded by the cities, has been the subject of intense planning the past three years. This area is known as the Wash Planning Area or the "WPA" (Fig 2).

Historically, the Wash was a natural flood plain and alluvial fan. In the past, the flood plain has provided a place to convey frequently devastating flood waters and deposit sediment. The alluvial deposit provides excellent geologic conditions to establish settling basins for percolating surface water to the groundwater basin, providing a significant part of the water supply for the local region. These same geologic conditions provide regionally significant deposits of sand and gravel as classified by the California Department of Conservation, that are used to support the local economy. In recent years, the value of the Wash as habitat for a variety of sensitive, threatened, and endangered species has become more apparent due to the decrease in this type of habitat throughout Southern California (Fig 3). Because the Wash is a unique open space and corridor, the County of San Bernardino (County) and the cities of Highland and Redlands are also planning to establish a series of recreational trails in and around the Wash. These important functions within the Wash, flood control, water conservation, mineral extraction, and wildlife habitat, are often in direct competition for much of the same land. It has been apparent since the early 1980s that a land management plan for the future use of the Wash would be needed to maintain other public services (water supply facilities, transportation and utility corridors, and recreation/trails), provide areas for the extraction of valuable construction materials, and preserve declining sensitive habitats.

In 1993, representatives of numerous agencies, including water, mining, flood control, wildlife and municipal interests, formed a Wash Committee to address local mining issues. Subsequently, the role of the Committee was expanded to address all the land functions in the Wash. The Wash Committee began meeting again in 1997 to determine how to use the WPA to accommodate all the important functions identified above. A Policy Action Committee (PAC) was established consisting of elected officials from the County, cities of Highland and Redlands, and the San Bernardino Valley Water Conservation District (District), and the Field Manager from the U.S. Bureau of Land Management (BLM). A Technical Advisory Committee (TAC) was formed with

representatives of the PAC agencies and other water, mining, flood control, and wildlife interests. The District chairs and provides staff support for the Committees.

The TAC, in concept, wiped the WPA clean of land ownership lines (Fig 4) and began anew to decide how the land could best be used. As a result of extensive workshops during 1998 and 1999, a conceptual Coordinated WPA map has been developed. As expected, the way the land might best be used and the way the land use was planned were not the same, nor does it conform to current land ownership. For example, the TAC found that some land proposed for mining was better suited for joint use by water conservation and wildlife habitat while other areas proposed for habitat preservation could be used better for mining. It became apparent that to make a plan work, land ownership would have to change, in particular, a land transfer or exchange between the BLM and the District, and areas leased by the District for mining.

A general consensus of the TAC was reached in early 2000 on the areas within the WPA designated for the specified land uses, which is the basis of the Land Management and Habitat Conservation Plan (Plan) (Fig 5). As stated, the proposed designations for land use crossed land ownership (3 public and 2 private) and land use authority lines (2 cities and the County). The TAC determined that mining expansion is best addressed by consolidating the future mining activity into one large area adjacent to existing mining operations within the western half of the WPA. This focuses extraction activities on lands currently disturbed by mining and lands with the least long-term wildlife habitat value. Furthermore, the TAC determined that portions of the BLM land designated as Areas of Critical Environmental Concern (ACEC) were either previously disturbed or were fragmented by adjacent mining activities, and thus would be better suited for mining expansion. Some of the most intact, viable wildlife habitat areas are contained within lands that are leased for future mining and currently used for water conservation. The TAC concluded that some of these lands were best suited for joint use as water and habitat conservation rather than mining. For example, the up-gradient side of a percolation basin dike could be wetted and periodically contain water for water-dependent species; whereas, the down-gradient side could generally remain undisturbed, except for maintenance and repair of the percolation basin dike and, therefore, could support other wildlife species common to the WPA.

Refinements in land use boundaries were made and agency and jurisdictional coordination was accomplished. The result of this effort is a proposed Plan that designates areas of the WPA for specific uses. The Plan will allow the existing and future Wash activities and land functions to occur and establish habitat preserves.

It is imperative that the principles that will govern the use, management, and conservation of the WPA be set forth in legally binding documents to which all concerned parties can agree. The PAC believes that there are sufficient lands in the WPA that can be divided equitably among the advocates to accommodate the needs for water conservation and supply facilities, aggregate extraction, and flood protection, while providing land for wildlife habitat and recreation.

It is equally important to note that if this coordinated Plan is not implemented, the consequences could be very grave for each of the primary use groups. Without the Plan, attempts to expand water conservation to meet future demands, develop additional aggregate resources, or effectively protect habitat will likely be held up by legal proceedings. Such action could result in

piecemeal planning, thus impairing the ability to reach an effective compromise. If local land use agencies make decisions regarding mining development in the WPA, without considering a coordinated plan, there could be greater environmental degradation and reduced ability to meet future water supply demands. On the other hand, if local officials make land use decisions that significantly restrict water conservation activities and mining, the reduced availability of water and aggregate resources may impact the economic development of the region. The affect of not implementing this Plan is that none of the groups would be able to accomplish its goals.

Proposed Project Description Summary

The proposed project is a Land Management and Habitat Conservation Plan (Plan) for the Upper Santa Ana River Wash Planning Area. The land area addressed in this Plan is part of the overall alluvial fan and flood plain located along the Santa Ana River one mile downstream from the new Seven Oaks Dam between the cities of Highland on the north and Redlands to the south. The City of San Bernardino, to the northwest, is the largest city in the San Bernardino Valley. The WPA covers approximately 5,200 acres and starts at the canyon mouth at Greenspot Road, extends for some six miles to Alabama Street, and is as much as two miles wide.

The Plan will coordinate and accommodate existing ongoing and anticipated future activities planned to occur in the WPA, establish habitat preserve areas, and provide recreational trails. Each function will occupy designated specific areas within the WPA best suited for that function and will also accommodate the other competing uses for the overall benefit of the WPA. These existing and future activities include the following:

- Water conservation of both native and (when necessary) imported water resources for groundwater basin replenishment to augment public water supplies;
- Flood control, and management of the Seven Oaks Dam releases;
- Aggregate extraction and processing;
- Protection and conservation of sensitive and listed native species and habitat;
- Recreation planning including a portion of the Santa Ana River trail system; and
- Utilities, transportation, and water supply corridors and facilities.

The final approved Plan, its associated actions and permits, and environmental review will provide the necessary information for jurisdictional approvals for the described activities to move forward. The Plan, when implemented will be considered a "Win-Win-Win" for all the water, utility and service functions, mineral resource management, and environmental resource preservation.

As staff for the Wash Committee, the District invites your questions and support for this inter-relational concept plan. You may call me at 909-793-2503, or write to me at P.O. Box 1839, Redlands, CA 92373.

Coordinated Operations Agreement

This Coordinated Operations Agreement ("**Agreement**") is entered into and effective this 9 day of September, 2013 (the "**Effective Date**") by and between the San Bernardino Municipal Water Department (the "**Department**") and San Bernardino Valley Municipal Water District ("**Valley District**"). The Department and Valley District are each sometimes referred to herein as a "**Party**" and are collectively referred to as the "**Parties.**"

Recitals

A. The Department owns certain water delivery facilities serving the residents of the City of San Bernardino, including certain groundwater wells, the Encanto pumping station, the 10th Street Pipeline, and the Virginia Street Pipeline, all of which are identified more fully on the map attached hereto as **Exhibit A**, which is incorporated herein by reference ("**Department Facilities**").

B. By agreement dated June 15, 2005, Valley District purchased 61.98% of the capacity in Department's 10th Street Transmission Main and 46.73% of the capacity in Department's Virginia Street Transmission Main.

C. Valley District owns certain water delivery facilities in and through the City of San Bernardino which are identified more fully on the map attached hereto as **Exhibit A**, which is incorporated herein by reference ("**Valley District Facilities**").

D. At Valley District's request, the Department has been operating and making Department deliveries utilizing Valley District's Baseline Feeder Extension South Pipeline.

E. Both the Department and Valley District from time to time have unused capacity in their respective water delivery facilities.

F. The Parties share an interest in using their respective facilities to increase operational flexibility, improve water supply reliability in their respective service areas, encourage the efficient use of capacity within the each Party's water delivery system and provide the public with more reliable water service as efficiently as possible.

G. The Parties wish to enable each other to make use of unused capacity in their respective facilities whenever possible and so wish to provide for the coordinated operation of those facilities.

H. The Parties agree that if either Party uses the other's water delivery facilities to deliver water, that Party using the facilities should be responsible for the increased cost associated with that Party's use.

SBVMWD LEGAL
DOCUMENT 2415

I. The Parties wish to continue the spirit of cooperation they enjoy by memorialing in this Agreement their desire to share their respective water production, transmission and distribution facilities.

Agreements

The Parties agree as follows:

1. *Term.* This Agreement shall have an initial term of twenty-five (25) years from its Effective Date and shall automatically renew for subsequent ten-year terms thereafter unless terminated as provided for in paragraph 2 below.

2. *Termination.* This Agreement may be terminated by either Party: (i) at the end of the initial term or any subsequent term, with or without cause, upon written notice provided at least one year prior to the end of the initial or subsequent term; or (ii) for cause upon 90-days' written notice, *provided* that the Parties have, prior to the notice of termination, attempted to resolve the dispute as provided in paragraph 13.cbelow.

3. *Other Agreements.* This agreement is not intended to modify or change any other agreement the Parties may have together.

4. *Facilities Subject to This Agreement.* This Agreement governs the Parties' coordinated operation and use of the Department Facilities and the Valley District Facilities as described in Exhibit A, respectively. The Parties may amend this Agreement to add additional water delivery facilities owned by either Party upon the written consent of the other Party. Neither Party shall unreasonably delay or deny its consent for the addition of facilities owned by the other Party.

5. *Priority.* Save as may be provided by any other written agreement existing as of the Effective Date of this Agreement, each Party shall have priority for the use of the other Party's facilities, as set forth in Exhibit A, over any non-Party to this Agreement. Nothing in this Agreement, however, shall be construed to create a right by either Party to any specific share of the capacity in the other Party's facilities except for that capacity already purchased in Department's facilities by Valley District.

6. *Coordinated Operations.* This Agreement provides for the Parties' coordinated use of unused capacity within their respective water delivery facilities.

a. *Operation of Department Facilities.* The Department shall operate the Department Facilities to serve Valley District as follows:

(1) When Valley District requests a change to the current flow rate in one or more of the Department Facilities, Valley District shall request that change in writing at least 24 hours in advance, except in case of emergency.

(2) If the Valley District request is for flow through facilities in which Valley District has purchased capacity, Department's staff shall make the operational changes needed to provide the requested flow rate to Valley District for the duration requested.

(3) If the Valley District request is for flow through Department facilities in which Valley District does not own capacity and Department, in its sole discretion, determines that there will be unused and available capacity in that Department Facility, the Department's staff shall make the changes needed to provide the requested flow rate to Valley District for the duration requested.

b. *Operation of Valley District's Baseline Feeder Extension South Pipeline.* The Department shall operate the Baseline Feeder Extension South Pipeline on behalf of Valley District as follows:

(1) If the Department wishes to change the flow rate in the Valley District Facilities to make better use of unused and available capacity, the Department will provide Valley District with at least 24 hours' written notice of such change in flow rate. Valley District may, in its sole discretion, veto such modification of flow rates if Valley District believes that the modification in flow rates would not serve the interests of Valley District or its other customers.

(2) Valley District will coordinate deliveries of water with the Department staff operating the pipeline.

(3) The Baseline Feeder Extension South Pipeline presently conveys potable drinking water for the Department. Department agrees to fulfill all monitoring and other requirements associated with operating a potable water line per all applicable state and federal laws.

c. *Operation of other Valley District Facilities.* Valley District shall operate Valley District Facilities to serve the Department as follows:

(1) If the Department wishes to change the flow rate of a Valley District Facility to make better use of unused and available capacity, the Department will provide Valley District with at least 24 hours' written notice of such a change in flow rate. Valley District may, in its sole discretion, veto such modification of flow rates if Valley District believes that the modification in flow rates would not serve the interests of Valley District or its other customers.

(2) If the Department request is for flow through Valley District facilities, Valley District, in its sole discretion, determines that there will be unused and available capacity in that Valley District Facility, the Valley District

staff shall make the changes needed to provide the requested flow rate to the Department for the duration requested.

7. *Establishment of Joint Operations Committee.* The Parties shall establish and participate in a Joint Operations Committee (the "**JOC**") to serve in an advisory capacity to both Parties regarding their coordinated operation of the Department Facilities and the Valley District Facilities. The JOC shall establish which costs for the Department Facilities and the Valley District Facilities are eligible for reimbursement, and shall perform such other functions as determined by the Parties. The JOC shall meet at least twice a year to review the financial and water accounting needed to implement this Agreement.

8. *Maintenance.* Valley District shall be responsible for performing routine maintenance on Valley District Facilities, and Department shall be responsible for performing routine maintenance on Department Facilities. However, each Party shall be reimbursed for any JOC approved maintenance costs associated with the shared use of the facilities as described in Section 9 below.

9. *Eligible Reimbursement Costs.* Each Party will reimburse the other Party for its use of that Party's facilities as follows:

a. *Valley District Facility Replacement Costs.* Since Valley District's facilities were constructed and paid for entirely by Valley District, Valley District shall pay all replacement costs.

b. *Valley District Baseline Feeder Extension South Pipeline.* The Department will continue to provide and pay for all operations costs associated with the Baseline Feeder Extension South Pipeline provided that the Department is the sole user of this facility. At such time that Valley District and/or its partner Western Municipal Water District begin to operate this facility, the Department shall pay its proportional share of the operations costs as calculated in paragraph c, below.

c. *Valley District Operations Costs.* The Department will reimburse Valley District for **Fixed Costs** and **Variable Costs** associated with the Department's use of the Valley District Facilities, as provided in this paragraph. Department's total reimbursement to Valley District shall be the sum of the Fixed Cost and the Variable Cost in each calendar year.

(1) *Fixed Costs.* **Fixed Costs** shall consist of the sum of: (i) sampling costs, and (ii) permit compliance costs incurred by Valley District in the operation of its Facilities. Department shall pay Valley District a portion of total Fixed Costs for the operation of the Valley District Facilities that is equal to the proportion of the total capacity of the Valley District Facilities which is authorized for Department's use in that calendar year.

(2) *Variable Costs.* **Variable Costs** shall consist of the sum of: (a) energy costs associated with the use of the Valley District Facilities; (b) repair costs; and (c) personnel costs for the use of the Valley District Facilities.

Department shall pay Valley District the portion of the total Variable Costs for the operation of the Valley District Facilities that is equal to the proportion of the total capacity of the Valley District Facilities which is authorized for Department's use in that calendar year.

d. *Department Facilities.* Valley District will reimburse Department for **Fixed Costs** and **Variable Costs** associated with Valley District's use of the Department Facilities, as provided in this paragraph. Valley District's total reimbursement to the Department shall be the sum of the Fixed Cost and the Variable Cost in each calendar year.

(1) *Replacement Costs.* For all of the Department facilities in which Valley District has purchased capacity, Valley District shall pay its proportionate share of any replacement costs.

(2) *Fixed Costs.* **Fixed Costs** shall consist of the sum of: (i) sampling costs, and (ii) permit compliance costs incurred by the Department in the operation of the Department Facilities. Valley District shall pay the Department a portion of total Fixed Costs for the operation of the Department Facilities that is equal to the capacity which Valley District has purchased in Department facilities or its proportionate share, based on the capacity that has been authorized for Valley District use in that calendar year.

(3) *Variable Costs.* **Variable Costs** shall consist of the sum of: (a) energy costs associated with the use of the Department Facilities; (b) repair costs and (c) personnel costs for the use of the Department Facilities. Valley District shall pay the Department a portion of the total Variable Costs for the operation of the Department Facilities that is equal to the proportion of the total flows conveyed through the Department Facilities during a calendar year that were conveyed at the request of Valley District in that year.

e. *Fair Compensation.* For the purposes of Water Code Section 1810, both Parties agree that the payment structure set forth in this paragraph 8 constitutes fair compensation for each Party's use of unused capacity in the other Party's facilities.

10. *Invoices.* Each Party shall invoice the other Party for eligible reimbursement costs, as described in paragraph 8 above, annually in arrears on each March 1. Invoices shall include a full cost accounting, and must indicate, in reasonable detail, the cost of each action undertaken to operate and maintain the facilities in question. Invoices shall include all information reasonably necessary for each Party to confirm the other Party's calculation of reimbursement costs. In the event that either Party objects to any costs identified on an invoice, that Party shall pay the undisputed costs and shall invoke the dispute resolution process set forth in paragraph 13.c below for the objectionable costs.

11. *Payment Schedule.* Within 45 days of the date that an invoice is provided to a Party, the Party shall pay the invoicing Party for any costs that are not subject to an objection.

12. *Indemnification.*

a. *Indemnification by Department.* The Department shall indemnify, defend and hold harmless Valley District, its directors, officers, employees and agents from and against all damages, liabilities, claims, actions, demands, costs and expenses (including, but not limited to, costs of investigations, lawsuits and any other proceedings whether in law or in equity, settlement costs, attorneys' fees and costs), and penalties or violations of any kind, which arise out of, result from, or are related to the implementation of this Agreement by Department.

b. *Indemnification by Valley District.* Valley District shall indemnify, defend and hold harmless Department, its directors, officers, employees and agents from and against all damages, liabilities, claims, actions, demands, costs and expenses (including, but not limited to, costs of investigations, lawsuits and any other proceedings whether in law or in equity, settlement costs, attorneys' fees and costs), and penalties or violations of any kind, which arise out of, result from, or are related to the implementation of this Agreement by Valley District.

c. *Indemnification Procedures.* Any Party that is an indemnified party (the "**Indemnified Party**") that has a claim for indemnification against another Party (the "**Indemnifying Party**") under this Agreement, shall promptly notify the Indemnifying Party in writing, *provided, however,* that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation unless (and then solely to the extent) the Indemnifying Party is prejudiced. Further, the Indemnified Party shall promptly notify the Indemnifying Party of the existence of any claim, demand, or other matter to which the indemnification obligations would apply, and shall give the Indemnifying Party a reasonable opportunity to defend the same at its own expense and with counsel of its own selection, *provided* that the Indemnified Party shall at all times also have the right to fully participate in the disputed matter at its own expense. If the Indemnifying Party, within a reasonable time after notice from the Indemnified Party, fails to defend a claim, demand or other matter to which the indemnification obligations would apply, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the claim or other matter, on behalf, or for the account, and at the risk, of the Indemnifying Party. If the claim is one that cannot by its nature be defended solely by the Indemnifying Party, then the Indemnified Party shall make available all information and assistance to the Indemnifying Party that the Indemnifying Party may reasonably request.

13. *Administration of Agreement.*

a. *Recordation of Agreement.* Valley District shall, within ten days of the Effective Date of this Agreement, cause this Agreement to be recorded in the Official Records of the County of San Bernardino. Valley District shall provide the Department with a recorded copy of this Agreement promptly upon the receipt of such copy from the County of San Bernardino.

b. *Books and Records.* Each Party shall have access to and the right to examine any of the other Party's pertinent books, documents, papers or other records (including, without limitation, records contained on electronic media) relating to the performance of that Party's obligations pursuant to this Agreement. The Parties shall each retain all such books, documents, papers or other records to facilitate such review. Access to each Party's books and records shall be during normal business hours only. Nothing in this paragraph shall be construed to operate as a waiver of any applicable privileges.

c. *Disputes.* The Parties recognize that there may be disputes regarding the obligations of the Parties or the interpretation of this Agreement. The Parties agree that they may attempt to resolve disputes as follows:

(1) *Statement Describing Alleged Violation of Agreement.* A Party alleging a violation of this Agreement (the "**Initiating Party**") shall provide a written statement describing all facts that it believes constitute a violation of this Agreement to the Party alleged to have violated the terms of this Agreement (the "**Responding Party**").

(2) *Response to Statement of Alleged Violation.* The Responding Party shall have sixty days from the date of the written statement to prepare a written response to the allegation of a violation of this Agreement and serve that response on the Initiating Party or to cure the alleged violation to the reasonable satisfaction of the Initiating Party. The Initiating Party and the Responding Party shall then meet within thirty days of the date of the response to attempt to resolve the dispute amicably.

(3) *Mediation of Dispute.* If the Initiating Party and the Responding Party cannot resolve the dispute within ninety days of the date of the written response, they shall engage a mediator, experienced in water-related disputes, to attempt to resolve the dispute. Each Party shall ensure that it is represented at the mediation by a Commissioner or Director. These representatives of the Initiating Party and the Responding Party may consult with staff and/or technical consultants during the mediation and such staff and/or technical consultants may be present during the mediation. The costs of the mediator shall be divided evenly between the Initiating Party and the Responding Party.

(4) *Reservation of Rights.* Nothing in this paragraph 13.c shall require a Party to comply with the dispute resolution process contained herein and each Party retains and may exercise at any time all legal and equitable rights

and remedies it may have to enforce the terms of this Agreement; provided, that prior to commencing litigation, a Party shall provide at least five calendar days' written notice of its intent to sue to all Parties.

14. *No Changes to Water Rights.* This Agreement is an agreement for the coordinated use of the Department Facilities and the Valley District Facilities only. Nothing in this Agreement shall validate, invalidate or modify, in any way, any rights to water held or claimed by a Party.

15. *Ownership of Department and Valley District Facilities.* Nothing in this Agreement shall be construed so as to change the ownership of such facilities or to provide one Party with a real property interest in the facilities of the other Party

16. *General Provisions.*

a. *Authority.* Each signatory of this Agreement represents that s/he is authorized to execute this Agreement on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.

b. *Amendment.* This Agreement may be amended or modified only by a written instrument executed by each of the Parties to this Agreement.

c. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for its conflicts of law rules. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of San Bernardino, California.

d. *Headings.* The paragraph headings used in this Agreement are intended for convenience only and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the Parties to this Agreement.

e. *Construction and Interpretation.* This Agreement has been arrived at through negotiations and each Party has had a full and fair opportunity to revise the terms of this Agreement. As a result, the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not apply in the construction or interpretation of this Agreement.

f. *Entire Agreement.* This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes any prior oral or written agreement, understanding, or representation relating to the subject matter of this Agreement.

g. *Partial Invalidity.* If, after the date of execution of this Agreement, any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be

fully severable. However, in lieu thereof, there shall be added a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

h. *Successors and Assigns.* This Agreement shall be binding on and inure to the benefit of the successors and assigns of the respective Parties to this Agreement. No Party may assign its interests in or obligations under this Agreement without the written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

i. *Waivers.* Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement and forbearance to enforce one or more of the remedies provided in this Agreement shall not be deemed to be a waiver of that remedy.

j. *Attorneys' Fees and Costs.* The prevailing Party in any litigation or other action to enforce or interpret this Agreement shall be entitled to reasonable attorneys' fees, expert witnesses' fees, costs of suit, and other and necessary disbursements in addition to any other relief deemed appropriate by a court of competent jurisdiction.

k. *Necessary Actions.* Each Party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

l. *Compliance with Law.* In performing their respective obligations under this Agreement, the Parties shall comply with and conform to all applicable laws, rules, regulations and ordinances.

m. *Third Party Beneficiaries.* This Agreement shall not create any right or interest in any non-Party or in any member of the public as a third party beneficiary.

n. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

o. *Notices.* All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing unless provided otherwise in this Agreement and shall be deemed to have been duly given and received on: (i) the date of service if served personally, by facsimile transmission or by electronic mail on the Party to whom notice is to be given at the address(es) provided below, (ii) on the first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other similar overnight courier service, postage prepaid, and addressed as provided below, or (iii) on the third day after mailing if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, addressed as follows:

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

City of San Bernardino Municipal Water Department
300 N. D Street, 5th Floor
San Bernardino California 92418
(909) 384-5141
Attention: General Manager

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT:

San Bernardino Valley Municipal Water District
380 E. Vanderbilt Way
San Bernardino, CA
(909) 387-9200
Attn: General Manager

A Party may change its address for notice by providing thirty days' advance written notice of such change to the other Party.

---------- SIGNATURES ON FOLLOWING PAGE ----------

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

By: _____
Stacey Aldstadt
General Manager

Dated: Sept. August 9, 2013.

Approved as to form only:

By: _____
Andrew M. Hitchings
Somach Simmons & Dunn

SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

By: _____
Douglas Headrick
General Manager

Dated: Aug. 20, 2013.

Approved as to form only:

By: _____
David R.E. Aladjem
Downey Brand LLP