



REGULAR MEETING OF THE BOARD OF DIRECTORS

TUESDAY, MARCH 21, 2023 – 2:00 P.M.

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the March 21, 2023, meeting of the San Bernardino Valley Municipal Water District online and by telephone as follows:

Dial-in Info: (877) 853 5247 US Toll-free

Meeting ID: 684 456 030

PASSCODE: 3802020

<https://sbvmwd.zoom.us/j/684456030>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for the District's consideration by sending them to comments@sbvmwd.com with the subject line "Public Comment Item #" (insert the agenda item number relevant to your comment) or "Public Comment Non-Agenda Item". Submit your written comments by 6:00 p.m. on Monday, March 20, 2023. All public comments will be provided to the President and may be read into the record or compiled as part of the record.

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



SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT

380 E. Vanderbilt Way, San Bernardino, CA 92408

Director by Teleconference:

Director Harrison - Hyatt Place, Rm 901, Washington DC, 2121 M St. NW Washington, D.C. 20037

REGULAR MEETING OF THE BOARD OF DIRECTORS

AGENDA

2:00 PM Tuesday, March 21, 2023

CALL TO ORDER/PLEDGE OF ALLEGIANCE/ROLL CALL

1) PUBLIC COMMENT

Members of the public may address the Board regarding any item within the subject matter jurisdiction of the Board; however, no action may be taken on off-agenda items except as authorized by law. Each speaker is limited to a maximum of three (3) minutes.

2) CONSENT CALENDAR

2.1 Approve Minutes of the Regular Board of Directors' Meeting - February 21, 2023(2 min) - Page 4
[Staff Recommendation - Approve Minutes of the Regular Board of Directors Meeting - 022123](#)

2.2 Approve Minutes of the Board of Directors' Workshop - Policy/Administration - March 2, 2023(2 min) - Page 14
[Staff Recommendation - Approve Minutes of the Board of Directors Workshop - Policy/Administration 030223](#)

2.3 Approve Minutes of the Regular Board of Directors' Meeting - March 7, 2023 (2 min) - Page 20
[Staff Recommendation - Approve Minutes of the Regular Board of Directors Meeting - 030723](#)

2.4 Approve the First Amendment to the Riparian Bird Monitoring Consulting Services Agreement (2 min) - Page 29
[Consent Calendar - Approve the First Amendment to the Riparian Bird Monitoring Consulting Services Agreement](#)
[First Amendment to Consulting Services Agreement](#)

3) DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 Consider Adoption of Resolution No. 1173 Authorizing the Submittal of a Grant Application

to the United States Bureau of Reclamations WaterSMART Environmental Water Resources Grant Program (Funding Opportunity No. R23AS00089) for the Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project(20 min) - Page 45
[Staff Memo - Consider Adoption of Resolution No. 1173 Authorizing the Submittal of a Grant Application to the USBR WaterSMART Environmental Water Resources Grant Program for the Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project Resolution 1173](#)

- 3.2 Consider Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities with San Bernardino Valley Water Conservation District and Western Municipal Water District(20 min) - Page 49
[Staff Memo - Consider Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities with San Bernardino Valley Water Conservation District and Western Municipal Water District](#)
[Draft Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities](#)
[Agreement to Develop and Operate Enhanced Recharge Facilities, October 2012](#)
[First Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities, December 2020](#)
[Valley Districts Right-of-Way Application with BLM \(Standard Form 299\)](#)
- 3.3 Consider Joining the Coalition of Water Agencies Opposed to Water Rights Bills
Consider Joining Coalition of Water Agencies Opposed to Water Rights Bills (15 min) - Page 162
[Staff Memo - Consider Joining the Coalition of Water Agencies Opposed to Water Rights Bills](#)
[SWC Talking Points for Opposing Water Rights Bills](#)
[ACWA Request to Join Coalition in Opposition to the Water Rights Bills](#)
- 3.4 Consider Purchase of Up to 5,000 Acre-Feet of Article 21 Water Through the State Water Project(15 min) - Page 169
[Staff Memo - Consider Purchase of Up to 5,000 Acre-Feet of Article 21 Water Through the State Water Project](#)
- 3.5 Consider support for SB366 California Water For All Act authored by Senator Caballero and supported by the California Municipal Utilities Association (15 min) - Page 170
[Staff Memo - Consider support for SB366 California Water For All Act authored by Senator Caballero and supported by the California Municipal Utilities Association](#)
[Email - CA Water For All: Join Us in Transforming Californias Water Supply](#)

4) REPORTS (Discussion and Possible Action)

- 4.1 State Water Project Report (5 min) - Page 175
[Staff Memo - SWP Report](#)
[SWC Talking Points Opposing Water Rights Bills](#)
[Press Release: LADWP regarding Mono Lake](#)
[Sites Reservoir Status Report](#)
- 4.2 Directors' Report of Activities and Travel Requests in accordance with Resolution 1100(5 min) - Pg 184
[SBVMWD Director Fees and Expenses paid in February 2023](#)
[Director Botello Activity Report - February](#)

[Director Harrison Activity Report - February](#)
[Director Hayes Activity Report - February](#)
[Director Kielhold Activity Report - February](#)
[Director Longville Activity Report - February](#)

4.3 General Counsel Report

4.4 SAWPA Meeting Report

4.5 Water Delivery Report(5 min) - Page 191
[Staff Memo - Water Delivery Report](#)
[Water Delivery Report](#)

4.6 Treasurer's Report (5 min) - Page 195
[Treasurer's Report - February 2023](#)

5) **FUTURE BUSINESS**

6) **ANNOUNCEMENTS**

6.1 List of Announcements(2 min) - Page 207
[List of Announcements 032123](#)

7) **CLOSED SESSION**

7.1 Closed Session -Conference with Legal Counsel - Existing Litigation - (Paragraph (1) of subdivision (d) of Section 54956.9) Name of case: Endangered Habitats League et al. v. U.S. Army Corps of Engineers et al.

8) **ADJOURNMENT**

PLEASE NOTE:

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.

**MINUTES
OF
THE
REGULAR BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

February 21, 2023

Directors Present: Gil J. Botello, T. Milford Harrison, June Hayes, Paul R. Kielhold, and Susan Longville.

Directors Absent: None.

Staff Present:

Joanna Gibson, MS – Executive Director Upper SAR Habitat Conservation Program
Wen Huang, PE, MS – Chief Operating Officer/Assistant General Manager
Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
Cindy Saks, CPA – Chief Financial Officer/Deputy General Manager
Bob Tincher, PE, MS – Chief of Statewide Water Initiatives/Deputy General Manager
Melissa Zoba, MBA, MPA – Chief Information Officer

Leo Ferrando, PE – Assistant Chief Engineer
Anthony Flordelis – Business Systems Analyst
Adekunle Ojo, MPA – Water Resources Manager
Matthew Olivo - Senior Accountant
Karen Resendez, MAOL – Human Resources/Risk Manager
Shavonne Turner, MPA – Water Conservation Program Manager

Brad Neufeld, Varner & Brandt, District Legal Counsel

Members of the Public in Attendance:

Jennifer Ares, Yucaipa Valley Water District
Melody McDonald, San Bernardino Valley Water Conservation District
Kevin Walton, San Gorgonio Pass Water Agency
Michael Moore, East Valley Water District
James Morales, East Valley Water District
Megan Somogyi, Downey Brand
Jeff Mosher, Santa Ana Watershed Project Authority
Philip Waterman

The regular meeting of the Board of Directors was called to order by President Kielhold at 2:00 p.m. Director Botello led the Pledge of Allegiance. A quorum was noted present by roll call.

Agenda Item 1. Public Comment

President Kielhold stated that any member of the public wishing to make any comments to the Board regarding non-agenda items may do so. There were none.

Agenda Item 2. Consent Calendar

2.1) Approve Minutes of the Regular Board of Directors Meeting – January 17, 2023

2.2) Approve Minutes of the Regular Board Financing Corporation Meeting - January 17, 2023

2.3) Approve Minutes of the Special Board Meeting of the Board of Directors - January 26, 2023

2.4) Approve Minutes of the Board of Directors Workshop - Policy/Administration - February 6, 2023

2.5) Approve the proposal from WSC to facilitate a Framework for a San Bernardino Basin Optimization Plan

2.6) Approve the Memorandum of Understanding, Cost Share Agreement, and Professional Services Contract with Rincon Consultants, Inc. related to Mitigation of Salt Loading in the Bunker Hill-B Basin Management Zone

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

MOVED: Harrison	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Hayes, Harrison, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 3. Discussion and Possible Action Items.

3.1) Consider Addendum No. 2 to the Environmental Impact Report for the Upper Santa Ana River Wash Land Management Plan (State Clearinghouse No. 2004051023) for the Enhanced Recharge Facilities - Phase 1 B Project. Executive Director Upper SAR Habitat Conservation Program Joanna Gibson provided background on the California Environmental Quality Act and process. The Santa Ana River Enhanced Recharge Phase 1B is to capture and divert up to 500 cubic feet per second (cfs) of water (80,000 acre-feet per year), she explained, and showed the project layout.

Ms. Gibson contrasted previous project designs and new changes in response to the EIR, and briefly described content of the previous Addendum No. 1. Through the revisions, she stated, the permanent project footprint was reduced by 30 percent.

It is permissible to use an addendum when there are minor changes to the project scope, Ms. Gibson advised. None of the conditions under CEQA Section 15162 occur. The action fits the requirements for an addendum as there is no change to the nature or purpose of the facilities, there are no significant environmental effects not already identified, the project will not be more severe, and no new mitigation measures are incorporated, she reported.

Operational efficiencies have been attained and approximately 50 acres of impact reduced, Ms. Gibson continued. All permits are in hand; none of the regulatory agencies will be using this Addendum - it represents due diligence on the project, she added. Seven bids have been received and are being evaluated, and staff anticipates bringing this forward for Board consideration on March 7. This project is a major component of the WIFIA loan effort, she noted.

Director Harrison noted that the lowest bid came from Bogh Engineering, and asked how long it would take to evaluate the seven bids. Chief Operating Officer/Assistant General Manager Wen Huang said evaluation is almost done, and no red flags have been noted on the Bogh Engineering bid. Recommendations will be documented, and a staff memo will be brought to the Board on March 7, he stated.

Vice President Hayes asked about modifications to the water spreading in the basin. Mr. Huang explained the site geography and design considerations.

President Kielhold invited public comment. There was none.

The Board of Directors adopted Addendum No. 2 to the Environmental Impact Report (EIR) for the Upper Santa Ana River Wash Land Management and Habitat Conservation Plan for the Enhanced Recharge Facilities Project Phase 1B by the following roll-call vote:

MOVED: Hayes	SECONDED: Longville	APPROVED: 5-0
AYES:	Botello, Hayes, Harrison, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.2) Consider the approval of the Basin Technical Advisory Committee 2023 Regional Water Management Plan. Water Resources Manager Adekunle Ojo explained this is a routine annual item to ensure that staff and regional stakeholders monitor the agreement and judgment that guides the management of the groundwater basin. It becomes an adaptive management tool, he noted. San Bernardino Valley (SBV) works with the retail agencies and other players in the region, then the plan is considered by the Basin Technical Advisory Committee (BTAC). BTAC approved this plan on January 30, 2023, Mr. Ojo advised.

The Plan will also go to the Western Municipal Water District Board, Mr. Ojo continued. After adoption, it will be implemented and monitored throughout the year.

Mr. Ojo described the purposes of the plan including management of water levels, Santa Ana River diversions, and contaminant plumes. He noted that due to prolonged drought conditions, the recharge obligations of the San Bernardino Watermaster are not being met.

Mr. Ojo further detailed the goals of the plan to recharge and manage diversions while avoiding high groundwater conditions. The Riverside Basin Mitigation Account tracks the impact of Seven Oaks Dam on downstream recharge, Mr. Ojo explained. He noted there is other interesting data in the Plan, and it is available on the District's website.

The water level has crossed the subsidence baseline only at the 215 corridor, Mr. Ojo noted. If there is greater precipitation and high groundwater conditions return, there is a plan to manage it, he explained. If the State Water Project allocation increases to 80 percent, the plan will be revised. Substantive changes will come back to the Board for approval, he noted.

Director Harrison suggested that all 700,000 people represented in the District should see Mr. Ojo's graphic regarding Goal 1: Management of Water Levels which shows 4.7 million acre-feet of water currently in storage. This is thanks to many people who earlier began working on this, in addition to Bob Tincher who has worked hard to maintain it, Director Harrison said. There is room to improve, but this is what the agency is here to maintain, he added.

The Board of Directors approved the Basin Technical Advisory Committee 2023 Regional Water Management Plan by the following roll-call vote:

MOVED: Botello	SECONDED: Harrison	APPROVED: 5-0
AYES:	Botello, Hayes, Harrison, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.3) Consider Adoption of Resolution No. 1170 Authorizing the Submittal of a Grant Application to the United States Bureau of Reclamation’s WaterSMART Water Recycling and Desalination Planning Grant (R23AS00076). Assistant Chief Engineer Leo Ferrando reminded the Board of approval of the cost share agreement last week and said staff has been working with East Valley Water District, San Bernardino Municipal Water Department, and City of Redlands on a cost sharing agreement for the recycled water system including facilitation services, feasibility study and grant application assistance.

The approximate total project cost is from \$350,000 to \$450,000, Mr. Ferrando stated, up to 50 percent of which could be funded by the grant (\$225,000). The application is due February 28, he noted.

Director Botello said he was pleased with the forward-thinking process and commented on the outline of the project.

In response to President Kielhold, Mr. Ferrando confirmed that this resolution is required by the grant application.

The Board of Directors adopted Resolution No. 1170 Authorizing the Submittal of a Grant Application to the United States Bureau of Reclamation’s WaterSMART Water Recycling and Desalination Planning Grant (R23AS00076) by the following roll-call vote:

MOVED: Hayes	SECONDED: Longville	APPROVED: 5-0
AYES:	Botello, Hayes, Harrison, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

RESOLUTION NO. 1170

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, IN SUPPORT OF VALLEY DISTRICT’S APPLICATION, AND APPROVING NEGOTIATION AND EXECUTION OF A GRANT OR COOPERATIVE AGREEMENT WITH THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, FOR A WATERSMART: WATER RECYCLING AND DESALINATION PLANNING GRANT (FUNDING OPPORTUNITY NO. R23AS00076).

(See Resolution Book)

3.4) Consider Adoption of Resolution 1172 Authorizing the Nomination of Director June Hayes to the ACWA JPIA Executive Committee. Deputy General Manager/Chief Financial Officer Cindy Saks reminded the Board of the vote at the February 14, 2023 meeting to consider nomination of Director June Hayes to the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) Executive Committee.

Ms. Saks explained the composition of the ACWA JPIA with 402 member agencies, its Board, and Executive Committee. Candidates for a four-year term (May 2023 to May 2027) on the Executive Committee are being sought, she noted. To make a nomination, the board must adopt a resolution and three other agencies must concur. The election would be held at the Spring ACWA conference.

The Board of Directors adopted Resolution No. 1172 nominating June Hayes by the following roll-call vote:

MOVED: Longville	SECONDED: Hayes	APPROVED: 5-0
AYES:	Botello, Hayes, Harrison, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

RESOLUTION NO. 1172

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT NOMINATING ITS JPIA BOARD MEMBER TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY (“JPIA”).

(See Resolution Book)

In response to Legal Counsel Brad Neufeld and Director Botello, Ms. Saks confirmed that staff would be reaching out to other agencies to obtain the needed concurrence.

Melody McDonald reminded that time is of the essence and requested sending of a request for concurring nomination to the San Bernardino Valley Water Conservation District. She recommended obtaining as many as possible.

Agenda Item 4. Reports (Discussion and Possible Action Items).

4.1) State Water Project Report. Chief of Statewide Water Initiatives/Deputy General Manager Bob Tincher provided highlights of the report:

- SBV is currently at a 30 percent State Water Project (SWP) allocation which is a welcome change from the last few years, and indications are it will increase due to the historic snowpack.
- The Precipitation Index shows current hydrologic conditions in line with 2018-2019 (on the wetter side of the spectrum, so far). He compared monthly averages and noted this is one of the biggest snowpacks and it is remaining frozen until it will be needed in the spring and summer.
- State Water Project (SWP) Reservoir Storage Levels: Lake Oroville is up to 114 percent of average and the San Luis (shared with the Central Valley Project) is beginning to get close to maximum storage. If additional storage is unavailable, carryover water from last year will get spilled / converted to this year's Table A. SBV has less than 1,000 acre-feet (af) of carryover.
- If the Delta Conveyance and Sites Reservoir existed and water supply were available, SBV would have an allocation of more than 67,000 af, taking the District from a 30 percent allocation to a 67 percent allocation this year.
- Executive Order N-3-23 was recently issued with the intent to build water resilience amid climate driven weather extremes, and protect storage. It directs all State agencies to work toward adaptive management.
- Stemming from an idea of the State Water Contractors, a Temporary Urgency Change Petition (TUCP) regarding water quality requirements was put together by the Department of Water Resources and Bureau of Reclamation based on the Executive Order. The proposed change is estimated to save 700,000 af of water without impacting fish by moving the compliance line for the water quality target 11 km upstream in February and March.
- SWP financial: According to the DWR, the estimated cost (conveyance and energy) to deliver State Project Water (SPW) to SBV service area is about \$820 per acre-foot. DWR is planning to invest \$8 billion into the infrastructure over the next 20 years to keep it viable for the next 50 to 100 years. DWR is planning to complete about 300 maintenance projects per year at a cost of \$300 to \$400 million. All costs are paid through the District's annual Statement of Charges.

Ms. Saks confirmed for Vice President Hayes that these payments are funded via the tax rate set each year by the Board. Director Harrison asked about maintenance projects and Mr. Tincher noted pumps, pump stations, mechanicals, subsidence issues, and aging components. The DWR has a good asset management plan, he added.

Vice President Hayes noted that California Natural Resources Secretary Wade Crowfoot recently indicated that the allocation was not expected to move much. Mr. Crowfoot had

also advised that earlier, snowpack was at 200 percent of average, but is now down to 139 percent, demonstrating the impact of a dry February, Vice President Hayes reported.

Director Longville noted the importance of directors being aware and commented on the creative and bold act of the Governor's Executive Order. She noted the comment of Vice President Hayes regarding snowpack, and pointed out that when the snow measurements are done, it is not inconceivable that the SPW allocation number could go down.

Mr. Tincher pointed out the voluntary agreements are about adaptive management and working together toward the co-equal goals of healthy environment and water for people.

4.2) Directors' Report of Activities and Travel Requests in accordance with Resolution 1100.

Director Botello reported that he attended:

- February 6 – City of San Bernardino Third Ward Community Meeting
- February 8 – San Bernardino Valley Water Conservation District Meeting
- February 13 – Sacramento Regional Water Bank Stakeholders Forum
- February 16 – Climate Center - A Climate Safe Vision for California's Heavy Duty Vehicle Fleets

Director Harrison reported that he attended:

- February 15 – ACWA Groundwater Committee Meeting
- February 16 – CSDA Legislative Committee Meeting
- February 20 – Association of San Bernardino County Special Districts Board Meeting

Director Hayes reported that she attended:

- February 8 – San Bernardino Valley Water Conservation District Meeting
- February 14 – Rialto City Council Meeting
- February 15 – ACWA Groundwater Committee Meeting
- February 16 – West Valley Water District
- February 21 – California Natural Resources Agency Webinar

Director Longville reported that she attended:

- February 9 – Virtual Environmental Assembly Planning and Conservation League
- February 10 – Planning and Urban Research Association (SPUR)
- February 13 – Ethics Training completed
- February 15 – Sexual Harassment Prevention Training completed

Director Kielhold reported that he attended:

- February 8 – San Bernardino Valley Water Conservation District Meeting

4.3) General Counsel Report. District Counsel Brad Neufeld acknowledged the work of staff. He advised that Government Code Section 53232.3 provides that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body. There are no cases on the statute providing additional guidance. He said he saw no reason to report on District meetings and recommended continuing current practice.

4.4) SAWPA Meeting Report. Director Harrison reported on the following items taken at the February 21, 2023, Commission Meeting:

- Approved the updated PRO110 Procurement Policy and Purchasing Authority.
- Received the Solve the Water Crisis presentation by Western Municipal Water District and approved SAWPA to lend its name and logo as a supporter for Solve the Water Crisis.
- Reviewed and discussed the Draft FYE 2024 and 2025 OWOW and Roundtables Fund Budgets.
- Received the Brown Act Remote Meeting Guidelines presentation.

4.5) Water Delivery Report. Chief of Statewide Water Initiatives/Deputy General Manager Bob Tincher presented the report. In January 2023, 195 acre-feet of imported water was delivered to the District.

4.6) Treasurer's Report. Director Harrison presented the report. He advised that the Devil Canyon / Castaic Fund is going away, and there are no numbers in this report as they are being finalized.

The Board approved the following expenses for the month of January 2023: State Water Contract Fund \$5,103,833.69 and General Fund \$2,307,047.89 by the following roll-call vote:

MOVED: Harrison	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Hayes, Harrison, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

Agenda Item 5. Future Business. There was none.

Agenda Item 6. Announcements. Chief of Staff / Clerk of the Board Jose Macedo pointed out the list of announcements and provided highlights.

Agenda Item 7. Closed Session. District Counsel Brad Neufeld introduced the Closed Session item. President Kielhold adjourned the meeting to Closed Session at 3:15 p.m.

7.1) Conference with Real Property Negotiators

Property: Southern California Edison East End Hydroelectric Generation Plants

Agency negotiator: Heather Dyer, Wen Huang

Negotiating parties: Southern California Edison Company

Under negotiation: Price and terms of payment

President Kielhold adjourned the meeting to Closed Session at 3:10 p.m.

President Kielhold returned the meeting to Open Session at 3:41 p.m. District Counsel Brad Neufeld reported that there was no reportable action taken in the closed session.

Agenda Item 8. Adjournment.

The meeting was adjourned by President Kielhold at 3:41 p.m.

<p>APPROVAL CERTIFICATION</p> <p>I hereby certify to approval of the foregoing Minutes of San Bernardino Valley Municipal Water District.</p> <p>_____</p> <p>Secretary</p> <p>Date _____</p>
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Respectfully submitted,

Lynda J. Kerney
Contract Assistant

**MINUTES
OF
THE
BOARD OF DIRECTORS WORKSHOP – POLICY / ADMINISTRATION
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

March 2, 2023

Directors Present: Gil J. Botello, T. Milford Harrison, June Hayes, Paul R. Kielhold and Susan Longville

Directors Absent: None.

Staff Present:

Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
Joanna Gibson, MS – Executive Director Upper SAR Habitat Conservation Program
Wen Huang, PE, MS – Chief Operating Officer/Assistant General Manager
Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
Cindy Saks, CPA – Deputy General Manager/Chief Financial Officer
Bob Tincher – Chief of Statewide Water Initiatives/Deputy General Manager
Melissa Zoba, MBA, MPA – Chief Information Officer

Leo Ferrando, PE – Assistant Chief Engineer
Anthony Flordelis – Business Systems Analyst
Chris Jones, MESM – Preserve System Program Manager
Adekunle Ojo, MPA – Water Resources Manager
Matthew Olivo – Senior Accountant

Scott Heil, Varner & Brandt, District Counsel
Bradley Neufeld, Varner & Brandt, District Counsel

Members of the Public in Attendance:

Ron Coats, East Valley Water District
James Morales, East Valley Water District
Michael Moore, East Valley Water District
Joyce McIntire, Yucaipa Valley Water District
Jackson Gualco, The Gualco Group
Kendra Daijogo, The Gualco Group
Betsy Miller, San Bernardino Valley Water Conservation District
Melody McDonald, San Bernardino Valley Water Conservation District

The Policy/Administration Workshop of the Board of Directors was called to order by Chairperson Botello at 2:00 p.m. A quorum was noted present with Directors Harrison and Hayes attending via video teleconference.

Agenda Item 1. Introductions. Chief Executive Officer/General Manager Heather Dyer introduced the staff.

Agenda Item 2. Public Comment. Chair Botello invited public comment. There was none.

Agenda Item 3. Discussion and Possible Action Items.

3.1 State Legislative Update. Jackson Gualco of the Gualco Group provided an overview of State legislative activity and discussions with state staff and elected officials. He noted the Franchise Tax Board has extended the filing deadline to mid-October for counties affected by the January and February storms. This will affect the May revision to the budget, as the April filing revenue will not be received and there will be inadequate revenue data.

The Gualco Group has been working closely with Chief Executive Officer/General Manager Heather Dyer on Watershed Connect to assemble funding sources for the various projects, Mr. Gualco reported.

Mr. Gualco noted more than 2,600 bills have been introduced (the most in almost 20 years), almost half of which are spot bills which will be amended to address something important. He noted that 1/3 of the legislature is brand new, and introducing bills is the way they become known. More bills, such as tax levies and budget trailer bills, may come up after the deadline.

It is early in the legislative process and no initial hearings have been held other than the budget subcommittee, Mr. Gualco continued. He pointed out the following bills:

- Three substantive bills and one spot bill related to work on the Natural Resources Climate Bond. Input from San Bernardino Valley (SBV) will be welcome to assure funding opportunities for Watershed Connect and other SBV priorities.
- AB 460 and AB 1072: Two significant water rights bills which are potentially problematic and grant additional authority to the State Water Resources Control Board.
- SB 366: Sponsored by the California Municipal Utilities Association (CMUA) to set state targets for development of additional water supply for urban, agricultural, habitat, and environmental purposes.
- Brown Act bills are mostly spot bills, save one which deals with gubernatorial declared emergencies.

3.2 Consider Right-of-Way Application with Bureau of Land Management for Enhanced Recharge Project. Chief Operating Officer/Assistant General Manager Wen Huang provided background on the 25-year collaborative agreement executed in 2012 with the San Bernardino Valley Water Conservation District (SBVWCD) and Western Municipal Water District (WMWD) to work together to ensure local water supply reliability.

The land owned by SBVWCD will be used to construct the Enhanced Recharge Project and some land will be transferred to the Bureau of Land Management (BLM) in exchange, Mr. Huang continued. Later, the BLM became concerned the lease arrangement would put some encumbrance on the land and in 2020, the Board approved an Addendum to work through the SBVWCD for the recharge element.

SBV has received a good bid and is preparing to package the project for Board consideration, Mr. Huang explained. He reviewed the project design for conveyance of water from the Seven Oaks Dam and Santa Ana River for recharge and later beneficial use by the Basin producers. The project will be able to facilitate a flow of up to 500 cubic feet per second (cfs) and it is anticipated that up to 80,000 acre-feet (af) of water can be recharged by the Enhanced Recharge Project Phase 1B.

Mr. Huang identified the area of land subject to BLM exchange and reported the BLM has refused the amendment as a viable avenue for them and has requested that the SBVWCD apply for a long-term right-of-way (ROW) for operation of the Enhanced Recharge Project. They also want SBV and WMWD to apply for a temporary ROW. As soon as the land exchange becomes effective, SBV will have the right to continue construction. The goal is to have no gap in the transaction in order to assure ongoing construction, he noted.

SBV legal counsel is working with SBVWCD counsel to draft an amendment to revise the collaborative agreement, Mr. Huang explained. It will come to the Board within the next couple of weeks.

The Board of Directors authorized the CEO/General Manager to execute the Standard Form 299, Application for Transportation, Utility Systems, Telecommunications and Facilities on Federal Lands and Property, a.k.a. Right-of-Way application, with the Department of the Interior, Bureau of Land Management for the construction of the Santa Ana River Enhanced Recharge Project Phase 1B (SARER 1B) Project by the following roll-call vote:

MOVED: Harrison	SECONDED: Botello	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

3.3 Consider Amendment to Riparian Bird Monitoring Consulting Agreement. Executive Director Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) Program Joanna Gibson introduced the amendment to the existing consulting services agreement with the Santa Ana River Watershed Association (SAWA) to conduct riparian bird monitoring. The ongoing study is important to establish baseline information along

the river so that as the implementation of projects proposed under the HCP begins, the effects of the projects can be observed and a larger, watershed-wide data set produced.

Ms. Gibson identified the area of the HCP and restoration projects. She noted a separate project in the area of Prado Dam was being conducted by the Orange County Water District (OCWD), and access to that data is available.

The 2022 survey results showed small differences in numbers of riparian nesting pairs, Ms. Gibson explained, which is why it is important to have a robust, long-term data set to monitor the variability across the years. This will be important when analyzing the potential effects of the water recharge projects proposed under the HCP. She reviewed some of the Least Bell's Vireo data, noting that nesting peaked in 2020, which is consistent with other areas where nest success is being monitored.

An increase in Cowbird nest parasitism has been noted, and SAWA is recommending additional Cowbird trapping efforts, Ms. Gibson reported. She also reminded about the safety concerns along the river and pointed out the recommendation for additional security for the survey biologists.

The amendment includes an extension of time and augmentation of budget to do the surveys for this year, Ms. Gibson continued. The tasks are the same as were included in the 2022 agreement plus the additional task regarding security. However, it is expected that via the contract with the Riverside County Parks, rangers will be able to accompany the biologists on most of the survey efforts, Ms. Gibson explained.

The total budget, including the optional security, is not to exceed \$265,620, Ms. Gibson noted, which is a minor change from the 2022 budget. The amount is subject to the HCP's cost share split, so the total cost for SBV would be \$106,248. SAWA has an excellent reputation with all resource agencies, relationships with landowners, and more than 20 years' experience in the watershed, she reminded.

Ms. Gibson noted this activity is in line with the District's Strategic Plan.

Ms. Dyer commented on the habitat management work of OCWD in the Prado Basin and said the increase in abundance outside of Prado over time is good news, as it translates to less pressure in permitting and demonstrates how active management and participation by water agencies can help the environment.

Director Botello noted the peak of 488 pairs in 2020 and asked about heat. Ms. Gibson said she believed it may be due to fires in the River and encampments. Mr. Botello acknowledged the benefit of the data over time.

The Board of Directors approved this item to be forwarded to the next Board of Directors meeting for consideration by the following roll-call vote:

	APPROVED: 5-0
AYES:	Botello, Harrison, Hayes, Kielhold, Longville
NOES:	None
ABSTAIN:	None
ABSENT:	None

2:21 p.m. Director Harrison left the meeting.

3.4 Presentation of California Water Commission's Annual Review of the State Water Project. Chief of State Water Initiatives/Deputy General Manager Bob Tincher noted that since 1963, the State Board of Water Resources has been preparing a report on the operation of the State Water Project (SWP). The latest edition is about 450 pages and feeds the summary report prepared by the California Water Commission (CWC).

Mr. Tincher provided background on the CWC appointed by the governor to provide a forum for discussion of water issues.

The 2022 Annual Review report was positive, Mr. Tincher advised. He provided highlights of the report, including the importance of contract extension to 2085. Recommendations include:

- Adaptation to changing conditions: drought, atmospheric rivers, and wildfire
- Balance needs of people and the environment
- Long-term planning for aging infrastructure
- Delta Conveyance as a place
- Subsidence
- Water supply forecasting and allocations
- Implementation of latest technology for real-time data collection

Director Longville commented that items in the report caught her attention at the January 8 CWC meeting were Commission staff will make in-person visits, the staggering reduction in amount of water supplied while paying more, and precipitation and runoff and power generation is also decreasing tremendously. She said she was also happy to see the hydrologic averages were being updated from 50 years down to 30, and movement away from single year climate projections to a range of risk-informed future projections.

UCLA climate scientist Daniel Swain also commented that the projected atmospheric river with heavy, warm tropical rain could melt much of the snow that has just fallen in the mountains, Director Longville noted. She thanked staff for sharing the report.

Director Botello noted there is a lot to digest in the report and said he appreciated staff bringing the critical pieces to the Board.

Agenda Item 4. Future Business. Director Longville pointed out the Active Recharge Transfer Project Committee is recommending rebranding their efforts on the Program for the Expansion of Recharge Capacity (PERC). This has been approved by the

Conservation District Board, she noted, and requested the Board consider approval. Ms. Dyer will bring the materials to the Board and noted that there is another branding effort underway called Recharge SoCal, focused on all water recharge and hydroelectric power.

The Board of Directors approved adding this item to a future Board workshop by the following roll-call vote:

MOVED: Longville	SECONDED: Kielhold	APPROVED: 4-0
AYES:	Botello, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Harrison	

Agenda Item 5. Closed Session. Chair Botello advised that President Paul Kielhold had recused himself from this closed session President Kielhold left the room. District Counsel Brad Neufeld introduced the Closed Session item. Chair Botello adjourned the meeting to Closed Session at 2:43 p.m.

5.1 Conference with legal counsel - Anticipated litigation
 Pursuant to Government Code Section 54956.9(d)(2)
 One potential case

Chair Botello returned the meeting to Open Session at 2:44 p.m. District Counsel Neufeld reported there was no reportable action taken in the closed session.

Agenda Item 6. Adjournment

The meeting was adjourned by Chair Botello at 2:45 p.m.

<p>APPROVAL CERTIFICATION</p> <p>I hereby certify to approval of the foregoing Minutes of San Bernardino Valley Municipal Water District.</p> <p>_____</p> <p>Secretary</p> <p>Date _____</p>
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Respectfully submitted,

Lynda J. Kerney
 Contract Assistant

**MINUTES
OF
THE
REGULAR BOARD MEETING
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT**

March 7, 2023

Directors Present: Gil J. Botello, June Hayes, Paul R. Kielhold and Susan Longville

Directors Absent: T. Milford Harrison

Staff Present:

Heather Dyer, MS, MBA – Chief Executive Officer/General Manager
 Joanna Gibson, MS – Executive Director Upper SAR Habitat Conservation Program
 Wen Huang, PE, MS – Assistant General Manager/Chief Operating Officer
 Jose Macedo, ML, CPT-P (USA Retired) – Chief of Staff/Clerk of the Board
 Cindy Saks, CPA – Deputy General Manager/Chief Financial Officer
 Bob Tincher, PE, MS – Deputy General Manager/Chief of Statewide Water Initiatives
 Melissa Zoba, MBA, MPA – Chief Information Officer

Michael R. Esquer – Senior Project Manager
 Leo Ferrando, PE – Assistant Chief Engineer
 Anthony Flordelis – Business Systems Analyst
 Aaron Jones, EIT – Associate Engineer
 Adekunle Ojo, MPA – Water Resources Manager
 Matthew Olivo - Senior Accountant
 Karen Resendez, MAOL – Human Resources/Risk Manager
 Shavonne Turner, MPA – Water Conservation Program Manager

Brad Neufeld, Varner & Brandt

Members of the Public in Attendance:

Douglas Brown, Stradling Yocca Carlson & Rauth
 Jonathan Guz, Stradling Yocca Carlson & Rauth
 Jennifer Ares, Yucaipa Valley Water District
 John Longville, San Bernardino Valley Water Conservation District
 Melody McDonald, San Bernardino Valley Water Conservation District
 James Morales, East Valley Water District
 Megan Somogyi, Downey Brand
 Meredith Nikkel, Downey Brand
 Robert Porr, Fieldman, Rolapp & Associates
 Lora Carpenter, Fieldman, Rolapp & Associates
 David Raley, San Bernardino Valley Water Conservation District
 Mark Bogh, Bogh Engineering
 Philip Waterman

The regular meeting of the Board of Directors was called to order by President Kielhold at 2:05 p.m. Director Botello led the Pledge of Allegiance. A quorum was noted present by roll call.

Agenda Item 1. Public Comment

President Kielhold stated that any member of the public wishing to make any comments to the Board regarding non-agenda items may do so. There were none.

Agenda Item 2. Consent Calendar

2.1) Approve Minutes of the Regular Board of Directors' Meeting - February 7, 2023.

2.2) Approve Minutes of the Board of Directors' Workshop - Resources - February 9, 2023.

The Consent Calendar was approved by the following roll-call vote:

MOVED: Longville	SECONDED: Hayes	APPROVED: 4-0
AYES:	Botello, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Harrison	

Agenda Item 3. Discussion and Possible Action Items.

President Kielhold recused himself from discussion on Item 3.1 and left the meeting room; Vice President Hayes presided.

3.1) Consider Construction Bid Award to Bogh Engineering for the Santa Ana River Enhanced Recharge - Phase 1B Project. Assistant General Manager/Chief Operating Officer Wen Huang acknowledged the work of San Bernardino Valley's (SBV) current and former staff and provided an overview of the project.

The Enhanced Recharge - Phase 1B Project will extend the existing facilities of the San Bernardino Valley Water Conservation District in order to facilitate up to 550 cubic feet per second (cfs) of storm flow release from Seven Oaks Dam and recharge up to 80,000 acre-feet (af) a year in the basins to replenish the San Bernardino Basin area and provide that water for beneficial uses, Mr. Huang explained.

On February 7, 2023, seven bids were received with Bogh Engineering being the lowest bidder at \$51,390,900, Mr. Huang continued. He explained a bid protest received from Empire Equipment, the second lowest bidder, and the District's action in response determining Bogh is a responsible bidder and their bid is responsive, and finding that Empire's protest is without merit. The recommendation of special counsel to reject the bid protest was consistent with staff's conclusion, he noted.

Staff recommends budgetary approval of a 10 percent contingency (\$5.1 million) to address unforeseen circumstances, plus material testing and biomonitoring, Mr. Huang explained. He also recommended a set-aside of \$4.5 million as a security deposit with the California Department of Fish and Wildlife to assure all mitigation measures will be conducted in accordance with the plan. Since the intention is to perform all mitigation, this money will be returned back to the District at the end of the project. The total budgetary authority requested is \$64.5 million, he stated.

Mr. Huang reminded about a \$2 million grant from the Bureau of Reclamation and a \$2.5 million earmark from Senator Pete Aguilar.

Director Botello commented on the work of Bogh Engineering and the low bid. Director Longville and Director Botello expressed support.

Chief Executive Officer/General Manager Heather Dyer acknowledged this is a momentous project in the State of California, emphasized its importance, and recognized the leadership of the Board and staff. She pointed out the two Habitat Conservation Plans permitting the project and highlighted the 80,000 af per year of local stormwater capture, made possible through partnership, collaboration and creative problem-solving. Many of the people present have been working on this project for more than 20 years, she noted.

Vice President Hayes invited public comment.

The Board approved the following:

1. Rejected the Empire Equipment Services bid protest as advised by counsel
2. Awarded the construction contract for the Enhanced Recharge in the Santa Ana River Basins Project Phase 1B to Bogh Engineering, Inc. based on the bid amount of \$51,380,900
3. Authorized execution of the agreement with Bogh Engineering, Inc.
4. Approved contingency costs of up to 10 percent above the lowest bid contract amount
5. Authorized professional inspection, material testing, and environmental biological monitoring up to a budgetary amount of \$3.5 million
6. Approved a refundable security deposit up to \$4.5 million to the California Department of Fish and Wildlife

by the following roll-call vote:

MOVED: Longville	SECONDED: Botello	APPROVED: 3-0
AYES:	Botello, Hayes, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Harrison, Kielhold	

2:17 p.m. – President Kielhold returned to the Board room.

3.2 Consider Amended Cost Sharing Agreement Between Western Municipal Water District, the City of Riverside, and San Bernardino Valley Municipal Water District for Costs Associated with the Enhanced Recharge Project. Assistant Chief Engineer Leo Ferrando advised this goes hand in hand with the previous item. He presented the amended cost sharing agreement for participating in costs associated with the Enhanced Recharge Project.

In 2012, SBV entered an agreement with Western Municipal Water District (WMWD) to set up a platform to share the costs associated with the project, Mr. Ferrando explained. The cost split was based on the 1969 Western Judgment (SBV / San Bernardino entities at 72 percent, Western / Riverside entities at 28 percent). One of the terms was that WMWD would reimburse SBV after 90 days of invoicing for the project costs, he continued.

To date, the Riverside entities have paid approximately \$9.8 million of project costs related to enhanced recharge, Mr. Ferrando advised. These include initial project, water rights permit, and feasibility studies.

The proposed amendment would add the City of Riverside as a party, Mr. Ferrando continued. Riverside has the largest share of the project cost at 22.5 percent (80 percent of the Western entities), and this amendment would change the reimbursement cost to every 30 days rather than 90 days, he explained. With the previous approval of total project cost of \$64 million, SBV would be reimbursed by the Riverside entities at approximately \$18 million, he noted.

Mr. Ferrando clarified in response to Vice President Hayes that Riverside will pay 22.5 percent of the 27 percent of the Western entities, and the difference will be paid by the remaining agencies: Agua Mansa Water Company, Meeks and Daley Company, Regents of the University of California, Riverside (UCR), and Riverside Highland Water Company.

The Board authorized the CEO / General Manager to execute the amended cost sharing agreement between WMWD, the City of Riverside, and San Bernardino Valley Municipal Water District for costs associated with the Enhanced Recharge Project including any non-substantive changes by the following roll-call vote:

MOVED: Botello	SECONDED: Hayes	APPROVED: 4-0
AYES:	Botello, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Harrison	

3.3 Consider WIFIA Loan Documents and financing strategy for the Enhanced Recharge Project Phases 1A and 1B. Chief Executive Officer/General Manager Heather Dyer reminded there has been heavy investment in the Regional Recycled Water System (RRWS) from general fund reserves, and the system is near completion. The Enhanced Recharge Project is getting close to permitting and construction. The typical way to finance would be through bonds, Ms. Dyer continued, but there is an opportunity for long-term, low interest financing through the Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) program.

Ms. Dyer explained the establishment of the Watershed Connect regional funding program in 2021. She noted that Yucaipa Valley Water District signed the documents for a loan for 14 different projects via the Watershed Connect joint powers authority (JPA).

This loan is a fixed rate over 30 years, plus five years to begin payments after substantial completion of the project, Ms. Dyer noted, which can be incorporated into rates over time. It is junior debt, can be paid off early, and can be refinanced. SBV was able to use the investment made in the RRWS as the required 51 percent matching funds toward the WIFIA loan, she added.

Lora Carpenter of Fieldman, Rolapp & Associates explained the financing for the projects under Watershed Connect. She provided detail on the WIFIA master agreement structure which allows borrowers to issue a programmatic approach to multiple capital projects with long-term periods of construction. She provided an overview of the SBV projects.

The first loan agreement under the master agreement is the RRWS at \$69 million being funded by general fund reserves which can be included as a match funding source, Ms. Carpenter explained. The program allows funding of 49 percent of all eligible project costs, allowing 51 percent to come from outside sources. The estimated total project cost for the combined Enhanced Recharge Project Phases 1A and 1B is \$86 million, she said, but actual costs are expected to be less. Loan financing has been structured to not exceed the 49 percent amount. The remaining \$27 million will be provided by other funding sources such as the grants mentioned earlier, she explained.

Ms. Carpenter further detailed the WIFIA loan options and benefits. Today's action would be review and approval of the WIFIA loan documents. Next week would be approval of the same documents by the Upper Santa Ana River Water Infrastructure Financing Authority (the Watershed Connect JPA), which will be the borrower, but the ultimate responsible party for the payments is the District, she advised.

Final steps for loan closing in early May will be to obtain a rating from S&P, Carpenter advised.

Doug Brown of Stradling Yocca Carlson & Rauth explained the Board's recommended action on the WIFIA loan documents.

Director Longville complimented the presentation.

Vice President Hayes asked if the WIFIA would be initiated right away, or later, and at what percent interest rate. Ms. Carpenter explained, including the use of the option of short-term notes. No costs will be incurred unless the District begins to draw from the loan, she stated.

Director Botello acknowledged this is transformative, and said he appreciated the effort into this project.

Ms. Dyer commented on the complexity and provided a summary of the items for Board approval with Resolution 1171.

President Kielhold asked if legal counsel had reviewed the documents.. Ms. Dyer assured Legal Counsel Scott Heil had been working with Doug Brown on the WIFIA JPA and reviewing documents throughout the process.

David Raley asked what the impact of this decision would be on the property tax rate. Deputy General Manager/Chief Financial Officer Cindy Saks responded, stating this would not have an impact on the property tax rate. Ms. Dyer added SBV has not increased the water rate in more than 20 years. Cost of service is being studied and will be brought back at a later date.

The Board adopted Resolution No. 1171 authorizing the execution and delivery of the WIFIA Master Agreement, Loan Agreements, Term Sheets, and Installment Purchase Agreements related to the Watershed Connect Program and authorized interim financing up to \$93,066,896 by the following roll-call vote:

MOVED: Botello	SECONDED: Longville	APPROVED: 4-0
AYES:	Botello, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Harrison	

RESOLUTION NO. 1171

RESOLUTION OF THE SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A WIFIA MASTER AGREEMENT, WIFIA INSTALLMENT PURCHASE AGREEMENTS, WIFIA LOAN AGREEMENTS AND WIFIA TERM SHEETS AND CERTAIN OTHER DOCUMENTS WITH RESPECT TO THE WATERSHED CONNECT PROGRAM AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH

(See Resolution Book)

Agenda Item 4. Reports. Discussion and Possible Action.

4.1) CEO/General Manager's Report. CEO / General Manager Heather Dyer highlighted the following:

- EPA announced a \$81 million loan closing with Yucaipa Valley Water District
- Gave a presentation to the Esri Water User Group on the idea of working with Esri on a digital transformation of water tracking systems, modernizing and moving toward an enterprise system to house and display data
- Wen Huang attended the Bear Valley Annual Shareholders Meeting

4.2) Directors' Report of Activities and Travel Requests in accordance with Resolution 1100.

Director Botello reported that he attended:

- February – Completed Sexual Harassment Prevention and Ethics Training
- February – Zoom meeting with Gary Qin, graduate student at UCR

Director Longville reported that she attended:

- February 22 – Climate Center - State Water Project (SWP) Briefing by Jennifer Pierre, General Manager of the State Water Contractors
- February 23 – Three Valleys Municipal Water District
- February 28 – Advance Recharge Transfer Project Meeting
- March 1 – Southern California's Water: Getting Serious About the Economics, by Dr. Michael Hanemann

Director Longville invited all to the celebration for the late Marta Macias Brown

President Kielhold reported that he attended:

- February 27 – San Geronio Pass Water Agency Meeting

Vice President Hayes reported that she attended:

- February 22 – Citizens University Committee February CUC Breakfast
- February 21 – City of Rialto Utility Commission
- February 28-March 2 – Association of California Water Agencies (ACWA) Washington D.C. conference

Vice President Hayes made a travel request. The motion failed for lack of second, and the item was moved to Future Business.

4.3) General Counsel Report. No report.

4.4) SAWPA Meeting Report. Director Botello gave the following report of the March 7, 2023, meeting:

SAWPA Commission

- Reviewed and discussed the Draft FYE 2024 and 2025 General Fund Draft Budget.

PA 24 Committee

- Directed the General Manager to file a Notice of Exemption for the Inland Empire Brine Line Agua Mansa Lateral Project with the San Bernardino County Clerk's Office; and
- Directed the General Manager to issue a Notice Inviting Bids, upon completion of the Final Plans and Specifications for the Construction of the Inland Empire Brine Line Agua Mansa Lateral Project
- Adopted the Draft FYE 2024 and 2025 Brine Line Fund Budget.

Agenda Item 5. Future Business. Vice President Hayes requested a workshop to discuss the role of the Legislative Committee as it impacts who may go on legislative business. President Kielhold amended the motion to include all committees.

Action Item(s): The Board of Directors agreed to add this item to a future Board workshop by the following roll-call vote:

MOVED: Hayes	SECONDED: Longville	APPROVED: 4-0
AYES:	Botello, Hayes, Kielhold, Longville	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Harrison	

Agenda Item 6. Announcements.

6.1) List of Announcements. Chief of Staff/Clerk of the Board Jose Macedo pointed out the List of Announcements and reminded the Board there will be no meeting on March 9, and the Upper Santa Ana River WIFA Board Meeting will take place in person on March 15.

In response to a question from Director Botello regarding hybrid teleconference / in-person meetings, Ms. Dyer suggested conferring with legal counsel.

President Kielhold advised that the appointment to the County Oversight Committee requires a vote of the special districts, so there will be no change made.

Agenda Item 7. Closed Session. District Counsel Brad Neufeld introduced the Closed Session item. President Kielhold adjourned the meeting to Closed Session at 3:01 p.m.

7.1) Conference with Real Property Negotiators

Property: Southern California Edison East End Hydroelectric Generation Plants
Agency negotiator: Heather Dyer, Wen Huang
Negotiating parties: Southern California Edison Company
Under negotiation: Price and terms of payment

President Kielhold returned the meeting to Open Session at 3:09 p.m. District Counsel Brad Neufeld reported that there was no reportable action taken in the closed session.

Agenda Item 8. Adjournment. The meeting was adjourned by President Kielhold at 3:10 p.m.

<p>APPROVAL CERTIFICATION</p> <p>I hereby certify to approval of the foregoing Minutes of San Bernardino Valley Municipal Water District.</p> <p>_____</p> <p>Secretary</p> <p>Date _____</p>
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Respectfully submitted,

Lynda J. Kerney
Contract Assistant



DATE: March 21, 2023

TO: Board of Directors

FROM: Staff

SUBJECT: Consent Calendar - Approve the First Amendment to the Riparian Bird Monitoring Consulting Services Agreement

The item was discussed at the March 2nd, 2023 Board of Director's Workshop Policy/Administration Meeting.

Please click on the links below to access materials presented at the Workshop.

- [Staff Memo – Approve the First Amendment to the Riparian Bird Monitoring Consulting Services Agreement](#)
- [Scope of Work](#)
- [SAWA Proposed Costs](#)

Attachment

- 1) First Amendment to Consulting Services Agreement

FIRST AMENDMENT TO THE CONSULTING SERVICES AGREEMENT

The First Amendment to the Consulting Services Agreement (“Amendment”) is entered into as of March 21, 2023, by and between the Santa Ana Watershed Association or SAWA (“Consultant”) and San Bernardino Valley Municipal Water District, a water district organized and incorporated under the California Municipal Water District Law of 1911 (“District”). Consultant and District are hereafter referred to individually as “Party” and collectively as the “Parties.”

RECITALS

A. The Parties entered into that certain Consulting Services Agreement, dated March 15, 2022 (“Consulting Agreement”), whereby Consultant agreed to provide certain professional environmental services related to riparian bird surveys and reporting to District in connection with the Upper Santa Ana River Habitat Conservation Plan (“HCP”).

B. The Parties desire to make certain amendments to the Consulting Agreement, including without limitation, extending the term, expanding the services, and increasing the compensation, upon the terms and conditions contained in this Amendment.

OPERATIVE TERMS

Now, Therefore, in consideration of the mutual covenants and conditions contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals; Defined Terms. The Recitals are material to this Amendment, and by this reference are hereby incorporated herein. For purposes of this Amendment, all capitalized terms shall have the meanings given to such terms in the Consulting Agreement, unless such terms are otherwise defined herein.

2. Term. Section 1 of the Consulting Agreement is hereby amended to provide that the Term shall commence on the Effective Date and shall automatically terminate upon earlier of the second (2nd) anniversary of the Effective Date, or the successful completion of Services, unless earlier terminated.

3. Additional Services. In accordance with Section 3 of the Consulting Agreement, the Parties desire to expand the Services to include such additional professional services and activities described in the Scope of Work for Riparian Bird Surveys for the 2023 Nesting Season and Consultant’s proposal, which are attached to this Amendment as **Attachment A** and by this reference incorporated into the Consulting Agreement. Such services and activities contemplated by this Section 3 shall be considered Additional Services under the Consulting Agreement and shall be performed and completed in accordance with the standards and obligations set forth in the Consulting Agreement.

4. Compensation. The Maximum Fee is hereby increased by Two Hundred Sixty-Five Thousand Six Hundred Twenty Dollars (\$265,620), reflecting a new total Maximum Fee of Five Hundred Thirty-One Thousand Four Hundred Ninety-Five Dollars (\$531,495). All references to Maximum Fee in the Consulting Agreement shall refer to the increased amount set forth herein.

5. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Parties' permitted successors and assigns. The Parties acknowledge and agree that except to the extent specifically provided in this Amendment, the Consulting Agreement shall continue in full force and effect as previously written.

6. No Other Modifications. The Parties acknowledge that this Amendment evidences the entire agreement between the Parties with respect to the amendment to the Consulting Agreement and supersedes all previous negotiations and discussions related thereto.

7. Counterparts. This Amendment 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.

IN WITNESS WHEREOF, the Parties hereby execute this Amendment as of the date first set forth above.

DISTRICT:

San Bernardino Valley Municipal Water District, a water district organized and incorporated under the California Municipal Water District Law of 1911

By: _____
Name: _____
Its: _____
Date: _____

CONSULTANT:

Santa Ana Watershed Association

By: _____
Name: _____
Its: _____
Date: _____

Attachment A

Scope of Work: Riparian Bird Surveys for the 2023 Nesting Season

Scope of Work

Riparian Bird Surveys for the 2023 Nesting Season

San Bernardino Valley Municipal Water District on behalf of the
Upper Santa Ana River Habitat Conservation Plan



¹ Hamilton, Robert. Macaulay Library. California, May 16, 2017.
https://www.allaboutbirds.org/guide/Bells_Vireo/id#

1. INTRODUCTION

In the process of developing the Upper Santa Ana River Habitat Conservation Plan (HCP or Plan) the San Bernardino Valley Municipal Water District (Valley District), in cooperation with eleven other HCP Permittees, has the need to collect baseline data for the purposes of acquiring federal and potentially State incidental take permits. The HCP Conservation Strategy will include a comprehensive package of stream restoration, enhancement and preservation, threats management, and population augmentation through captive propagation and translocation, where appropriate.

The HCP will be required to monitor for effects to covered species and their habitats resulting from construction and operations of proposed covered activities. Effects monitoring for riparian migratory bird species will occur in the mainstem of the Santa Ana River generally between the Rialto Channel and Prado Dam. Additionally, the HCP proposes to restore or enhance multiple tributaries to the Santa Ana River located in the Riverside area. These restoration sites will have specific success criteria outlined in the HCP and associated mitigation documents that will need monitoring and reporting activities on a regular basis.

The tributaries restoration projects are scheduled to begin construction in the 2023. Therefore, quality monitoring data are needed in order to conduct comparative analyses between the current condition of the riparian bird community and altered future conditions (post-covered activity, post-restoration). The products derived from the Scope of Services in this Scope of Work (SOW) are intended to provide baseline information for riparian bird species covered by the HCP. The contract that will result from this SOW process will cover the 2023 nesting season.

2. CONSULTING TEAM

Proposer (Consultant) is responsible for assembling a team which meets all requirements outlined in this SOW.

3. REQUIRED EXPERIENCE AND QUALIFICATIONS

Consultant shall demonstrate the qualifications and experience necessary to successfully complete all aspects of Scope of Services detailed below.

4. SCOPE OF SERVICES

Valley District, on behalf of the HCP, is soliciting proposals from qualified firms with demonstrated technical expertise in surveying for riparian bird species covered by the HCP. Riparian associated bird species covered by the HCP (covered species) include:

- Least Bell's vireo (*Vireo bellii pusillus*)
- Southwestern willow flycatcher (*Empidonax traillii extimus*)
- Yellow-breasted chat (*Icteria virens*)
- Western yellow-billed cuckoo (*Coccyzus americanus*)

Several other bird species are covered by the HCP. Recordation of incidental observations of these other bird species are also of interest. Therefore, firms should also have expertise conducting surveys for the following bird species:

- Tricolored blackbird (*Agelaius tricolor*)

- Burrowing owl (*Athene cunicularia*)
- Coastal California gnatcatcher (*Polioptila californica californica*)
- Cactus wren (*Campylorhynchus brunneicapillus*)

a. **Baseline Monitoring of Riparian Birds for Effects from HCP Covered Activities:**

The objective of monitoring within the mainstem of the Santa Ana River is to capture data reflecting possible changes to the riparian community due to decreased baseflow or stormflow from future proposed covered activities, and to document baseline and ongoing trends within the Plan's Preserve Areas. The preserve area can be viewed on the HCP website: <https://www.uppersarhcp.com/map>. The mainstem survey work is intended to detect changes over time in the size, distribution, and/or long-term health of the native riparian bird populations, with emphasis on those threatened or endangered species covered by the Plan. Bird species associated with riparian habitats covered by the HCP that are the focus of this task include the least Bell's vireo, southwestern willow flycatcher, yellow-breasted chat, and the western yellow-billed cuckoo.

Monitoring results gathered prior to implementing covered activities are intended to establish baseline population numbers and distribution of covered species within the mainstem Santa Ana River. The area of potential effects from the HCP covered activities includes riparian areas in the mainstem of the Santa Ana River. The geographic focus area of this task is between the Riverside County line to the north and the Prado Basin to the south, as is shown in Figure 1, HCP Effects Monitoring Area, attached.

The Orange County Water District (OCWD) and the Santa Ana Watershed Association (SAWA) have and continue to conduct riparian bird monitoring within and around the Prado Basin and a few other locations within the HCP area of interest. Therefore, surveys executed as a part of the contract that will result from this SOW will be limited to areas that are not already being surveyed by HCP Partners or other entities. The Contractor shall coordinate with SAWA, OCWD, and other entities conducting least Bell's vireo, southwestern willow flycatcher, and other riparian bird surveys in the survey area to ensure double counting of birds and/or territories does not occur.

Results of these surveys will be shared with HCP Permittees and partners and will be consistent in methodology to those other survey efforts so that the data can be looked at together to enable regional analysis.

i. Least Bell's Vireo

Surveys for the least Bell's vireo should follow the Least Bell's Vireo Survey Guidelines (https://www.fws.gov/ventura/docs/species/protocols/lbv/leastbellsvireo_survey-guidelines.pdf) with the exceptions of deviations from that protocol detailed in this paragraph. Areas associated with Task 5(a) will be monitored at least three (3) times and up to eight (8) times during the breeding season in an attempt to document territory locations, numbers, densities, incidental reproductive data, and parasitism rates as well as the location and number of individuals that either do not pair or are migrating through the survey area.

ii. Southwestern Willow Flycatcher, Western Yellow-Billed Cuckoo, and Yellow-Breasted Chat

Presence monitoring of migratory willow flycatchers and for southwestern willow flycatcher occupancy in the Santa Ana Preserve Area has been conducted using informal surveys (without playback) from 2000 to 2020 (SAWA 2020) and involves marking the locations of willow

flycatchers observed during least Bell's vireo nest and territory monitoring, and then returning after the migratory period to see if southwestern willow flycatchers are present and nesting (SAWA 2020). To compare with monitoring conducted to date, this method will be used to survey for southwestern willow flycatcher and western yellow-billed cuckoo. If occupancy and nesting by southwestern willow flycatchers or western yellow-billed cuckoo is suspected, the Contractor shall coordinate with Valley District to determine if additional focused or protocol surveys should be conducted. If additional surveys are determined to be necessary, Valley District would contract that work separate from this scope of work via contract modification or other means.

The location and number of chat breeding territories have been monitored incidentally to least Bell's vireo annual territory mapping in locations within the Santa Ana River for many years by SAWA. The location of breeding territories shall also be marked utilizing GPS based on locations of singing male chat during repeat visits as has been conducted according to the incidental methodology SAWA has implemented in the past (2019; 2020).

iii. General Requirements

The Consultant is responsible for obtaining rights of entry on all lands where surveys are to be conducted prior to the start of surveys.

The Consultant shall also collect pertinent information like GPS coordinates, notes and photographs whenever any HCP covered species or species covered by the Federal or State Endangered Species Acts are observed. A list of species covered by the HCP can be found here: https://www.uppersarhcp.com/covered_species.

b. *Baseline Monitoring to Measure Success of Restored Tributaries and Management of other Conservation Areas:*

The objective of monitoring at the Tributary Restoration Project areas and other Preserve Areas is to establish a record of baseline conditions prior to restoration and to demonstrate functional habitat improvement over time. The functional lift associated with increased health and abundance of native riparian plants and perennial water supply in the streams (for the restored tributaries only) is expected to result in an increase in populations of native species and improved reproductive success. We are open to survey methodology recommendations from the Consultant to achieve this objective based on experience and expertise in the field.

In order to meet this monitoring objective, the Consultant is expected to conduct at least 8 visits through the entirety of habitat suitable to each of the riparian bird species that are the focus of this SOW (least Bell's vireo, southwestern willow flycatcher, yellow-breasted chat, and western yellow-billed cuckoo) at each of the tributary restoration sites listed below and shown on Figure 2, Tributary Restoration Sites, attached. The Consultant is responsible for obtaining rights of entry on all lands where surveys are to be conducted prior to the start of surveys. There are 6 tributary restoration sites shown on Figure 2:

1. Hidden Valley Wetlands (112 acres)
2. Lower Hole Creek (18 acres)
3. Anza Creek (114 acres)
4. Old Ranch Creek (208 acres)
5. Sunnyslope Creek & Vicinity (300 acres)

For least Bell's vireo, the Consultant shall follow the Least Bell's Vireo Survey Guidelines

(https://www.fws.gov/ventura/docs/species/protocols/lbv/leastbellsvireo_survey-guidelines.pdf) with the exception of deviations detailed in the paragraphs of this section of this SOW. Delineate the territory boundary of each vireo territory observed and collect points for each unpaired vireo observed. Intensive nest monitoring shall also occur on as many pairs as possible, but no less than 30% of the observed pairs unless otherwise coordinated with Valley District biologists. Data to be collected at the nest shall include the following parameters:

- Date vireo arrived
- Date paired
- Date of first nest
- Date of first eggs
- Number of eggs
- Number and age of nestlings
- Follow nest through fledging process to document success/failure
- If applicable, reason for failure
- Collect nest placement data (e.g. height above ground, type of plant, placement in plant, etc.)
- Date vireo last observed

Repeat this for every nesting attempt. The Consultant shall analyze and document nesting success, reproductive success, productivity values, parasitism, and depredation rates at each site and across all sites. This analysis shall then extend to a comparison to the rest of the watershed for a given year and across years at each location and watershed wide.

For all other covered species or other T&E species, GPS points, notes and photos shall be taken to document the species and habitat it was observed in. Notes shall be taken on habitat type, structure, behavior of the species, reproductive success, and any other information that can help meet the objective of establishing a baseline understanding of covered species to analyze potential impacts of HCP covered activities in the future.

If nesting is suspected by the southwestern willow flycatcher or western yellow-billed cuckoo, the Contractor shall coordinate with Valley District to determine if additional survey effort is required. Any additional survey effort to monitor nests of southwestern willow flycatcher or western yellow-billed cuckoo would be contracted separately from this scope of work through contract modification or other means.

The Contractor shall coordinate with SAWA, OCWD, and other entities conducting least Bell's vireo, southwestern willow flycatcher, and other riparian bird surveys in the survey area to ensure double counting of birds and/or territories does not occur.

c. *Meetings*

The Consultant shall participate in an annual meeting. The purpose of the annual meeting is to provide the Valley District Board of Directors and stakeholders with a summary of observations made during the year. It is assumed that this annual meeting will include a PowerPoint presentation or similar format that summarizes information presented in the annual report, as described in 9. Deliverables, below.

6. COWBIRD TRAPPING

a. *Provide and Operate and Maintain 11 Cowbird Traps:*

The Consultant shall provide and operate and maintain 11 cowbird traps within the survey area during the 2023 survey season, unless otherwise coordinated and approved by Valley District. The Consultant shall coordinate the location of these traps with Valley District and other stakeholders to ensure traps are in locations that complement, rather than duplicate, other trapping efforts in the area. The Consultant shall obtain all rights of entry and permits necessary to place and operate and maintain the cowbird traps.

7. IMPACT CONSIDERATIONS

The Contractor shall provide a narrative on disturbances (i.e. fires, unhoused encampments, dumping, etc.) that were observed throughout the survey effort that could have had an impact on riparian bird presence, absence, or productivity. This analysis should include relevant maps, photographs, or other means to help visualize the potential impacts. Recommendations on how to avoid or minimize those potential impacts in the future and restore impacted areas shall also be included.

8. REPORTING

a. *Annual Reporting:*

An annual report shall be produced that documents the agreed upon methodologies that are utilized and survey results for each of the survey methods employed for each species, each site and across all sites. The annual report shall compare survey results from the current year to previous years and provide analysis on observed trends as well as provide recommendations for future monitoring and restoration efforts. The annual report shall also include cowbird trapping results for each trap. Cowbird trapping results shall be summarized in a spreadsheet that shows the number and species trapped for each trap along with other pertinent information, including but not limited to dates of capture and any mortality. This spreadsheet can be included as an appendix to the annual report. The annual report shall include pertinent maps and photographs to show relevant information including, but not limited to, areas surveyed, location of traps, location of observations and territories of least Bell's vireo, southwestern willow flycatcher, yellow-breasted chat, western yellow-billed cuckoo and any other species covered by the HCP or listed in the Federal or California Endangered Species Acts. The annual report shall also provide a narrative on disturbances encountered during the survey period as well as recommendations on how to avoid, minimize, or restore observed impacts as described in Section 7, above.

A draft report shall be provided to Valley District to review and comment on. The Contractor will incorporate comments from Valley District into a final report. This final report shall be provided to Valley District no later than January 31, 2024, unless otherwise coordinated with Valley District.

b. *Protocol Reports:*

If protocol surveys are triggered, the reports required by each of the triggered protocols shall be appended to the annual report. The annual report shall document analysis and discussion of observations of the field surveys.

9. DELIVERABLES

- a. Annual Reports: Annual reports to satisfy the Contractors' permit requirements (e.g. 10(a)1(a) permit or scientific collector's permit) shall be finalized and submitted to relevant agencies prior to deadlines required by those permits. A final annual report, as described in Section 9, above, and corresponding figures and maps shall be provided to Valley District no later than January 31, 2024, unless otherwise coordinated and approved by Valley District.
- b. Photographs: All photographs taken during surveys shall be provided to Valley District along with GPS points of where they were taken by January 31, 2024, or as requested by Valley District, unless otherwise coordinated and approved by Valley District.
- c. Mapping and GIS Data: All final iterations of spatial data created to support figures or analysis shall be provided to Valley District in ESRI ArcGIS formats by January 31, 2024, or as requested by Valley District, unless otherwise coordinated and approved by Valley District.

10. REFERENCES

- Hall, L.S. and A. Plesetz. 2020. Final report on bird counts on Nature Conservancy properties on the Santa Clara River. Unpublished report prepared for The Nature Conservancy, Ventura, CA.
- Hall, L.S., B.K. Orr, J.R. Hatten, A. Lambert, and T. Dudley. 2020. Final Report: Southwestern Willow Flycatcher (*Empidonax traillii extimus*) and Western Yellow-Billed Cuckoo (*Coccyzus americanus occidentalis*) surveys and habitat availability modeling on the Santa Clara River, California.
- Halterman, M.D., M.J. Johnson, J.A. Holmes, and S.A. Laymon. 2016. A Natural History Summary and Survey Protocol for the Western Distinct Population Segment of the Yellow-Billed Cuckoo: Draft. U.S. Fish and Wildlife Techniques and Methods.
- Hughes, J.M. 2020. Yellow-Billed Cuckoo (*Coccyzus americanus*), version 1.0. In Birds of the World (P.G. Rodewald, Editor). Cornell Lab of Ornithology, Ithaca, New York.
<https://doi.org/10.2173/bow.yebuc.01>
- McNeil, S.E., D. Tracy, J.R. Stanek, and J.E. Stanek. 2013. Yellow-Billed Cuckoo Distribution, Abundance and Habitat Use on the Lower Colorado River and Tributaries, 2008-2012 Summary Report. Unpublished report prepared for Lower Colorado River Multi-Species Conservation Program, Boulder City, Bureau of Reclamation.
- Ralph, C.J., Sauer, J.R., Droege, S., Technical Editors. 1995. Monitoring Bird Populations by Point Counts. General Technical Report PSW-GTR-149, Pacific Southwest Research Station, Forest Service, U.S. Department of Agriculture, Albany, California.
- Rourke, J.W., T.D. McCarthy, R.F. Davidson, and A.M. Santaniello. 1999. Southwestern Willow Flycatcher nest monitoring protocol: Nongame and Endangered Wildlife Program Technical Report 144, Arizona Game and Fish Department, Phoenix, Arizona.
- Santa Ana Watershed Association (SAWA). 2019. Status and Management of the Least Bell's Vireo and Southwestern Willow Flycatcher in the Santa Ana River Watershed, 2019, and Summary Data by Site and Watershed-Wide, 2000-2019. Prepared for U.S. Fish and Wildlife Service, U.S. Army Corp of Engineers,

San Bernardino Valley Municipal Water District, and Orange County Water District. December 2019.

SAWA. 2020. Status and Management of the Least Bell's Vireo and Southwestern Willow Flycatcher in the Santa Ana Watershed, 2020, and Summary Data by Site and Watershed-Wide, 2000-2020. Prepared for U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, San Bernardino Valley Municipal Water District, Orange County Water District.

Sogge, M.K., D. Ahlers, and S.J. Sferra. 2010. A natural history summary and survey protocol for the southwestern willow flycatcher: U.S. Geological Survey Techniques and Methods 2A-10.

Stillwater Sciences and ICF. 2021. Upper Santa Ana River Habitat Conservation Plan Comprehensive Adaptive Management and Monitoring Program: A Living Document – Version 1. September. Prepared by Stillwater Sciences, Los Angeles, CA and ICF, San Diego, CA for San Bernardino Valley Municipal Water District, San Bernardino, CA.

Figure 1: HCP Effects Monitoring Area

Legend

 HCP Effects Area

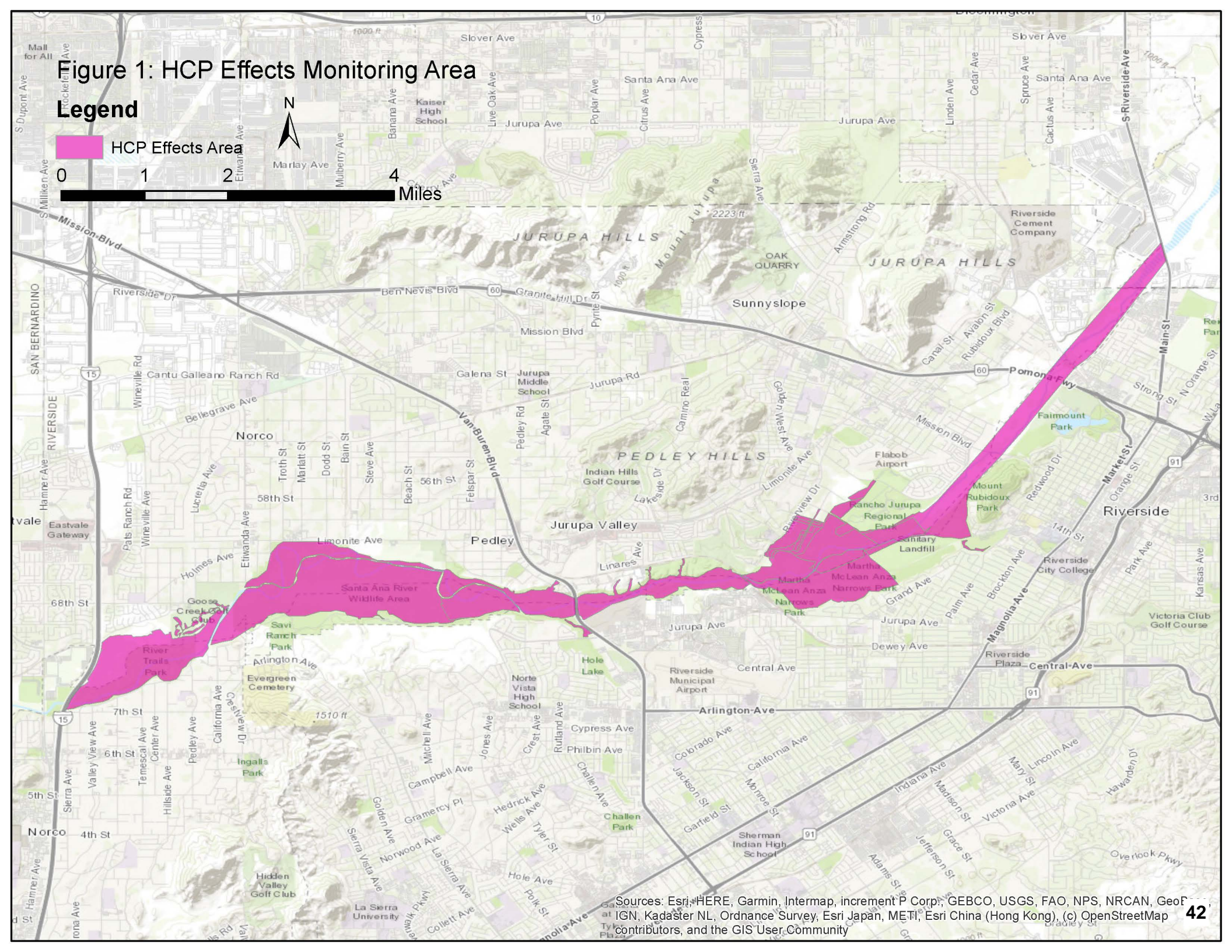
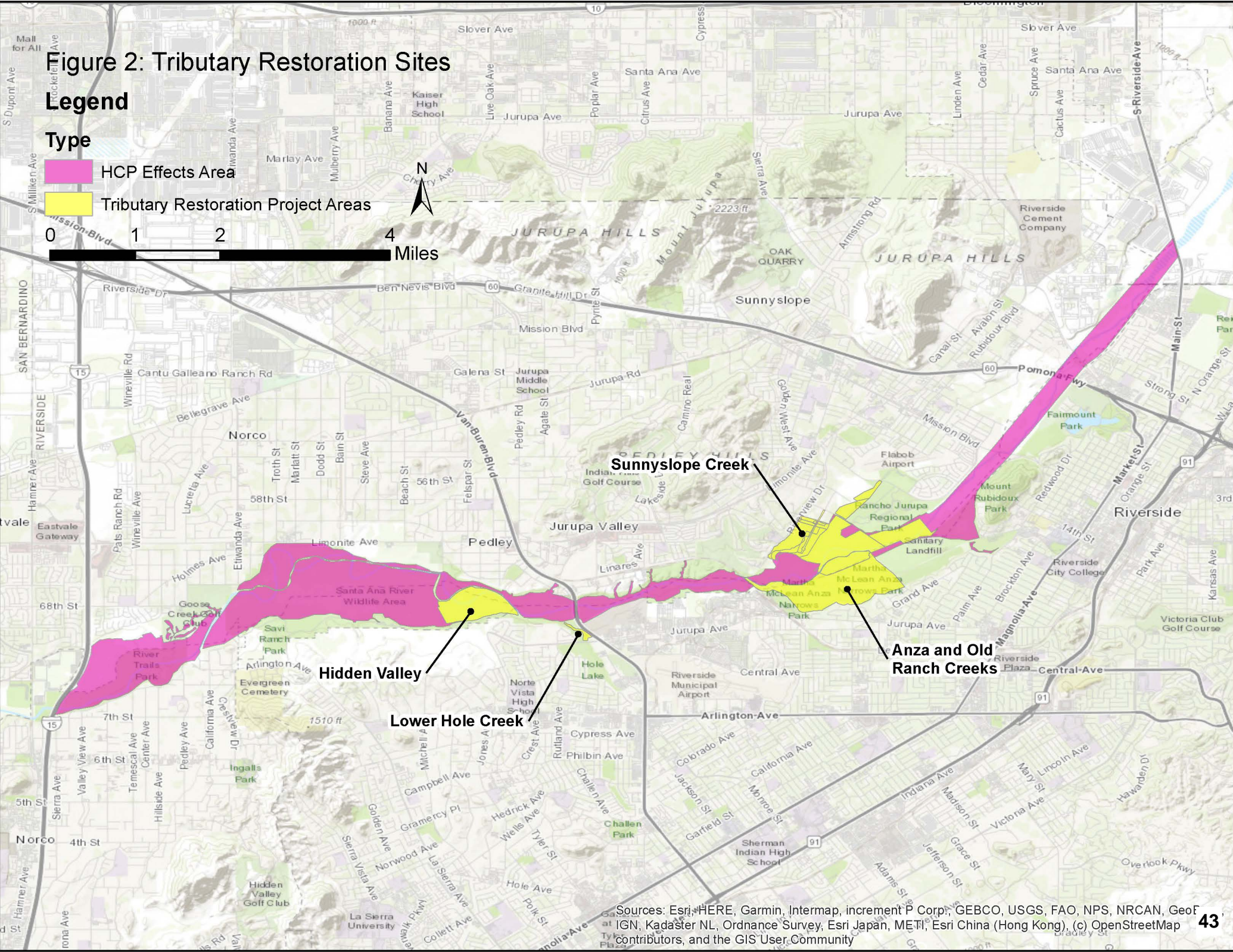


Figure 2: Tributary Restoration Sites

Legend

Type

- HCP Effects Area
- Tributary Restoration Project Areas



Upper SAR HCP 2023 Riparian Bird Monitoring and Cowbird Trapping Costs						
Task	Staff	Hourly Rate	Hours	Costs	Costs by Task	Total Costs
Baseline Monitoring for effects from HCP Covered Activities (Sec. I.a-d)	Vireo-permitted Biologist-JC	90.00	110	\$9,900.00		
Baseline Monitoring for effects from HCP Covered Activities (Sec. I.a-d)	Vireo-permitted Biologist-JB	88.88	120	\$10,665.60		
Baseline Monitoring for effects from HCP Covered Activities (Sec. I.a-d)	Vireo-permitted Biologist-LS	78.47	210	\$16,478.70		
Baseline Monitoring for effects from HCP Covered Activities (Sec. I.a-d)	Vireo-permitted Biologist-AG	73.00	255	\$18,615.00	\$55,659.30	
Baseline Monitoring to Measure Success of Restored Tributaries (Sec. II)	Vireo-permitted Biologist-LS	78.47	210	\$16,478.70		
Baseline Monitoring to Measure Success of Restored Tributaries (Sec. II)	Vireo-permitted Biologist-AB	140.43	128	\$17,975.04		
Baseline Monitoring to Measure Success in Sunnyslope Creek and adjacent habitat (Sec. II)	Vireo-permitted Biologist-JC	90.00	100	\$9,000.00	\$43,453.74	
Reporting (Sec. VIII.a and IX)	WHMS Manager	191.80	50	\$9,590.00		
	WHMS Supervisor	140.43	150	\$21,064.50		
	Vireo-permitted Biologist	85.00	630	\$53,550.00	\$84,204.50	
Total Annual Hours			1963			
Administration	WHMS Manager	191.80	20	\$3,836.00		
Monthly reports, annual meeting	WHMS Supervisor	140.43	40	\$5,617.20		
	Vireo-permitted Biologist	85.00	60	\$5,100.00	\$14,553.20	
Mileage Reimbursement			5300	\$3,736.50	\$3,736.50	
Total Avian Monitoring						\$201,607.24
Cowbird Trapping (11 traps) - (Sec. V)	WHMS Manager	191.80	5	\$959.00		
	WHMS Supervisor	140.43	40	\$5,617.20		
	Seasonal Trap Assistant	31.45	690	\$21,700.50		
	Permitted Biologist	78.47	90	\$7,062.30		
Reporting (Sec. V and IX)	Permitted Biologist	88.88	91	\$8,088.08		
Total Annual Hours			916			
Supplies (seed, bowls, locks, etc)				\$411.18		
Mileage Reimbursement			7000	\$4,585.00		
Total Cowbird Trapping (Sec. V)						\$48,423.26
Overall Total (Avian Monitoring/Cowbird Trapping in Upper SAR)						\$250,030.50
Optional Tasks (Sec. VII)						
d. Sub-contract Security for High Risk Locations	Personal detail (estimate)	100.00	150	\$15,000.00		
Mileage Reimbursement			900	\$589.50	\$15,589.50	
Total Optional Task Costs (Sec VII.d)						\$15,589.50
2023 Total Costs (with one optional task)						\$265,620.00



DATE: March 21, 2023

TO: Board of Directors

FROM: Joanna Gibson, Executive Director Upper SAR Habitat Conservation Program

SUBJECT: Consider Adoption of Resolution No. 1173 Authorizing the Submittal of a Grant Application to the United States Bureau of Reclamation’s WaterSMART Environmental Water Resources Grant Program (Funding Opportunity No. R23AS00089) for the Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project

Staff Recommendation

Adoption Resolution No. 1173 authorizing the submittal of a grant application to the United States Bureau of Reclamation’s WaterSMART Environmental Water Resources Grant Program (Funding Opportunity No. R23AS00089) for the Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project.

Summary

Staff is proposing to submit a grant application to the United States Bureau of Reclamation’s (USBR) WaterSMART Environmental Water Resources Grant Program to offset financial costs associated with the construction of the Hidden Valley Creek project. A resolution authorizing the submittal of the grant application is a required component of the grant application package.

Background

USBR’s WaterSMART Environmental Water Resources Grant Program provides up to \$3 million in funding for environmental water resources projects, “...including water conservation and efficiency projects that result in quantifiable and sustained water savings and benefit ecological values or watershed health; water management or infrastructure improvements with benefits to ecological values or watershed health; and restoration projects benefitting ecological values or watershed health that have a nexus to water resources or water resources management.” The closing date for applications is March 28, 2023. The grant program has a minimum 25% cost share requirement.

Staff has identified this grant opportunity as an excellent fit for the Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project, proposed as one of the Upper SAR Habitat Conservation Plan's Tributary Restoration Projects that will provide mitigation to facilitate the implementation of projects that will increase regional water supply reliability through the capture and recharge of approximately 87,000 AFY.

Valley District applied for this same grant in 2021 for the Anza Creek Tributary Restoration Project, and we were successfully awarded \$2 million. Staff are proposing to pursue the maximum grant funding request for this current application: \$3 million.

District Strategic Plan Application

This grant application demonstrates Valley's mission, vision, values, and strategies of working collaboratively to provide reliable and sustainable water supply, being innovative and driven, building trust by being a collaborative and resourceful partner, and maximizing the value of the region's water assets just to name a few critical applications.

Fiscal Impact

The fiscal impact from preparation of the grant application by our contracted grant writer, Kennedy Jenks, is \$16,675. The 25% matching funding obligation will be fulfilled by funding previously allocated/associated with the Proposition 84 grant. Consequently, any funding awarded would provide financial offsets to Valley District and to the HCP Partners.

Attachment

Resolution No. 1173 in Support Of Valley District's Application, and Approving Negotiation and Execution of a Grant or Cooperative Agreement with The United States Department of Interior, Bureau of Reclamation, For a WaterSMART Environmental Water Resources Grant (Funding Opportunity No. R23AS00089) for the Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project.

RESOLUTION NO. 1173

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, IN SUPPORT OF VALLEY DISTRICT'S APPLICATION, AND APPROVING NEGOTIATION AND EXECUTION OF A GRANT OR COOPERATIVE AGREEMENT WITH THE UNITED STATES DEPARTMENT OF INTERIOR, BUREAU OF RECLAMATION, FOR A WATERSMART ENVIRONMENTAL WATER RESOURCES GRANT (FUNDING OPPORTUNITY NO. R23AS00089) FOR THE HIDDEN VALLEY CREEK AQUATIC AND RIPARIAN HABITAT RESTORATION PROJECT

WHEREAS, San Bernardino Valley Municipal Water District ("**Valley District**") is a municipal water district organized and operating pursuant to the Municipal Water District Law of 1911 (Water Code § 71000 *et seq.*); and

WHEREAS, the United States Department of the Interior, Bureau of Reclamation ("Bureau"), provides monetary grants to states, tribes, or local governments, and other entities such as water districts; and

WHEREAS, the Bureau is making funding available through the WaterSMART Environmental Water Resources Grant; and

WHEREAS, the Board of Directors of the District OF Valley District has reviewed and approves of the application for the Bureau WaterSMART Environmental Water Resources Grant; and

WHEREAS, Valley District agrees to the administration and cost sharing requirements of the WaterSMART Grant criteria;

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Directors of the San Bernardino Valley Municipal Water District, as follows:

Section 1. Authorizes Valley District to apply for a grant through the Bureau WaterSMART Environmental Water Resources Grant Program for the "Hidden Valley Creek Aquatic and Riparian Habitat Restoration Project".

Section 2. That, if recommended for funding by the Bureau, Valley District's Board of Directors authorizes the District to accept a grant of up to \$3 million.

Section 3. That, if recommended for funding by the Bureau, Valley District's Board of Directors authorizes and ensures the capability of Valley District to provide necessary matching funds in the form of cash, funding from partner agencies, and in-kind contributions.

Section 4. That, if recommended for funding by the Bureau, Valley District will work with the Bureau to meet established deadlines for entering into a grant or cooperative agreement.

Section 5. This resolution officially becomes a component part of Valley District's grant application.

BE IT FURTHER RESOLVED, that the Chief Executive Officer/General Manager, or their designee, is hereby authorized and empowered to take all actions necessary to carry out the intent and purpose of this Resolution, including the negotiation, completion, and execution of a grant or cooperative agreement with the Bureau and the receipt and administration of the WaterSMART Environmental Water Resources Grant funding in accordance with the requirements of the Bureau.

ADOPTED, SIGNED, and APPROVED this 21ST day of MARCH 2023

AYES:
NOES:
ABSENT:
OBSTAINED:

Paul R Kielhold
President

Heather P. Dyer
Secretary



DATE: March 21, 2023

TO: Board of Directors' Workshop – Resources/Engineering

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

SUBJECT: Consider Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities with San Bernardino Valley Water Conservation District and Western Municipal Water District

Recommendation

Staff recommends the Board of Directors authorize the CEO/General Manager to execute the attached Second Amendment to the Agreement to Develop and Operate Enhanced Recharge Facilities with the San Bernardino Valley Water Conservation District (SBVWCD) and Western Municipal Water District (Western), subject to non-substantive changes approved by CEO/General Manager and District Counsel.

Summary

In order to facilitate the timely construction of the Santa Ana River Enhanced Recharge (SARER), Phase 1-B Project, in which a certain part of the project will be constructed on a portion of the land that is subject to be exchanged with the United States Department of Interior, Bureau of Land Management (BLM) as a requirement of the Upper Santa Ana River Wash Habitat Conservation Plan. As suggested by SBVWCD staff through their ongoing consultation with BLM staff, the Board of Directors at their meeting on March 2, 2023, approved a right-of-way (ROW) application with BLM. Subsequently, for consideration by the Board of Directors, the attached Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities was drafted to remove the leasehold interests of the BLM parcel contained in the Agreement, among other things, in order for the land exchange to proceed forward. The attached Second Amendment would be executed at a later time, once BLM's legal department has finalized its title review on the land exchange, and it is certain removal of the lease interests on the exchanged property remains necessary.

Background:

At a meeting in October 2012, the Board of Directors approved the Agreement to Develop and Operate Enhanced Recharge Facilities with SBVWCD and Western (Agreement). The main purpose of this agreement is for the Parties to collaboratively use all of their respective assets and skills 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. This Agreement has an initial term of twenty-five years. Under the Agreement, SBVWCD made available lands it owns, and lands it has the existing rights to conduct water conservation activities upon owned by the BLM. A significant portion of the lands for the proposed SARER 1B Project are located on lands designated by the Congressional Act ordering the exchange, P.L. 116-9 sec. 1003, (“Land Exchange Act”) to become owned by BLM as required by the Upper Santa Ana River Wash Habitat Conservation Plan, which includes mitigation for SARER 1B construction. These lands would be subject to the same SBVWCD’s rights for water conservation as other BLM lands after the exchange is executed.

In December 2020, the Board of Directors approved the First Amendment to the Agreement. This action was suggested after BLM identified an issue with their review of the Agreement and the preliminary title report. The original Agreement contains broad lease language regarding the use by the parties of SBVWCD lands, and lands of BLM over which the SBVWCD has rights, for Enhanced Recharge purposes. BLM has not contested the SBVWCD’s rights for recharge activities over lands BLM owns, but is concerned that such rights be limited to exercise through the SBVWCD, for purposes limited to the nature of the SBVWCD’s rights on BLM properties. It has expressed concern that the broad grant of rights under the leasing provisions of the Agreement could be read as expanding the rights of other parties, perhaps beyond their historically perfected scope. As an attempt to avoid the delay associated with a BLM ROW and keep the land transfer moving, SBVWCD proposed to amend the Agreement, to make clear the leased rights to Valley District and Western are to be limited to the exercise of those rights the SBVWCD has over BLM lands, and any such exercise would occur through SBVWCD. However, SBVWCD was recently informed that this approach is not acceptable to BLM.

Through SBVWCD’s recent discussions with BLM, BLM staff suggested the approach more acceptable to it would be for all parties, including SBVWCD, to secure rights of way over the BLM parcel for the Enhanced Recharge facilities, and remove the lease interests of the Agreement. In response, an application for such rights of way, of at least a temporary nature, for Valley District was approved by the Board of Directors at its Workshop on March 2, 2023, for the purposes of constructing the facilities of the Enhanced Recharge Project, while the Conservation District holds more long-term rights for their maintenance and operation.

Subject to any possible change in position from issuance of the final title opinion on the exchange by BLM, the leasehold interests of the BLM parcel contained in the Agreement must be removed in order for the land exchange to proceed. The attached draft Second Amendment, details the above progress of events, and assures that the leasehold interests of the Agreement on other properties owned by SBVWCD are unaffected. In light of all this, Valley District staff has been working with Western and SBVWCD to try to make contingency plans for adjustments to construction sequencing and areas to ensure the Enhanced Recharge Project can proceed in the timeliest fashion consistent with the implementation of the Wash Plan, of which it is a part.

The draft Second Amendment, while it is near its complete form, may be subject to additional non-substantive edits suggested by SBVWCD and Western and from the ROW application process with BLM. Therefore, Staff recommends that the Board of Directors authorize the CEO/General Manager and District Counsel to make non-material revisions to the current draft in order to improve the clarity and organization of the Second Amendment.

Fiscal Impact:

It is expected that SBVWCD may incur a small sum of application fees associated with the ROW applications for Valley District and Western. It is unclear at this time whether BLM will assess other additional costs associated with the applications. The parties agree to meet and confer should the costs become significant.

Attachments:

- 1) Draft Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities
- 2) Agreement to Develop and Operate Enhanced Recharge Facilities, October 2012 (For Reference)
- 3) First Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities, December 2020 (For Reference)
- 4) Valley District's Right-of-Way Application with BLM (Standard Form 299) (For Reference)

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT
Attn: General Manager
1630 West Redlands Boulevard Suite A
Redlands CA 92373-8032

(SPACE ABOVE FOR RECORDER'S USE)

EXEMPT FROM FILING FEES PURSUANT GOVERNMENT CODE 6103

**SECOND AMENDMENT TO AGREEMENT TO DEVELOP AND OPERATE
ENHANCED RECHARGE FACILITIES**

**SECOND AMENDMENT TO AGREEMENT TO DEVELOP AND OPERATE
ENHANCED RECHARGE FACILITIES**

This Second Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities (“Second Amendment”) is entered into and effective this ____ day of March 2023, by and among the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT (the “Conservation District”), the SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (the “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.” This Amendment is entered into in consideration of all of the following:

RECITALS

A. This Second Amendment is made with reference to that certain “Agreement to Develop and Operate Enhanced Recharge Facilities” dated October 1, 2012, by and between the Parties, as amended by that certain “Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities,” dated on or about December 15, 2020 (as amended or modified from time to time, the “Agreement”)

B. On or about October 1, 2012, the Parties entered into that certain “Agreement to Develop and Operate Enhanced Recharge Facilities” (the “Original Agreement”). Part of the Original Agreement was a lease by the Conservation District to Valley District and Western of specified properties owned by the Conservation District and other properties owned by the United States, Bureau of Land Management (“BLM”), for the purposes of the “recharging of water” as that term is defined in the Original Agreement.

C. Conservation District is in the process of completing and implementing the Upper Santa Ana River Wash Plan (“Wash Plan”). The Wash Plan includes a land exchange (the “Land Exchange”) between the Conservation District and BLM, authorized and directed by the United States Congress in P.L. 116-9, the John D. Dingell, Jr. Conservation, Management, and Recreation Act, passed March 12, 2019 (the “Act”). Section 1003(b)(1) of the Act directs the Secretary to convey certain lands currently in BLM ownership to the Conservation District, and accept from the District other lands, both more specifically described therein. The Act also identifies various “exchange” parcels to use in the event values of the property need to be equalized with any equalization payment necessary under Section 206(b) of the Federal Land Policy and Management Act of 1976 (43 USC § 1716(b).).

D. A portion of the real property subject to the lease provisions of the Original Agreement is within the boundaries of the real property to be transferred by Conservation District to the BLM under the Land Exchange (the “New Federal Parcel”). After reviewing exceptions to title regarding the New Federal Parcel, BLM refused to accept the New Federal Parcel subject to the lease interests of Valley District and Western under the Original Agreement. BLM expressed concerns that the broadly stated nature of the Original Agreement’s lease provisions in favor of Valley District and Western, as they may apply to lands held in ownership by BLM, may not be entirely consonant with the Conservation District’s historical rights of use and occupancy of BLM lands.

E. To address these concerns, the Parties entered into that certain “Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities,” dated on or about December 15, 2020. (the “First Amendment”). In the First Amendment the Parties clarified and agreed to the nature of the rights the Conservation District leased to Valley District and Western under the Original Agreement. Pending the Land Exchange and any issuance of the rights of way from BLM as contemplated hereunder, those rights remain unchanged. The First Amendment also clarified the manner in which Valley District and Western would exercise those rights. BLM refused, however, to accept the First Amendment as satisfaction of its concerns regarding the rights conferred by the Original Agreement with regard to the New Federal Parcel. BLM has indicated to the Conservation District that BLM is requiring, as a condition of completion of the Land Exchange, the removal of any leasehold interests under the Original Agreement on the New Federal Parcel.

F. The Parties desire that the Land Exchange be completed in a timely manner and that Valley District and Western be permitted to utilize the New Federal Parcel for construction of water delivery and conservation facilities more commonly known as the “Enhanced Recharge Project” or “Enhanced Recharge Facilities Project.” The Enhanced Recharge Project – Phase 1B was a Covered Activity under the Wash Plan HCP and was identified and described in the Draft Environmental Impact Statement/Supplemental Environmental Impact Report for the Proposed Habitat Conservation Plan and Section 10 Permit for the Upper Santa Ana River Wash Plan certified by the U.S Fish and Wildlife Service.

G. The Conservation District has submitted to BLM an “Application For Transportation, Utility Systems, Telecommunications And Facilities On Federal Lands And Property” (Standard Form 299) on or about May, 2022 (“ROW Application”), for a permanent federal right of way over the New Federal Parcel for groundwater recharge activities, including those aspects of the Enhanced Recharge Project studied and analyzed in the now-completed and certified Upper Santa Ana River Wash Plan HCP EIS/EIR (“EIS/EIR”). That ROW Application is currently under review by BLM, and is the subject of an ongoing Environmental Assessment incident to BLM action in considering and potentially granting the requested right of way, which Environmental Assessment is being funded by the Conservation District. BLM has also indicated to the Conservation District that any party occupying the New Federal Parcel after the Land Exchange will be required to hold a federally granted right of way, even if such occupancy is temporary. As a result, the Parties have prepared draft companion applications for Valley District and Western to secure their own temporary federal rights of way over the New Federal Parcel (the “Companion Applications”), for construction activities incident to the placement of Enhanced Recharge Project facilities as analyzed in the EIS/EIR.

NOW, THEREFORE, IN CONSIDERATION OF ALL OF THE FOREGOING, THE PARTIES DO HEREBY AMEND THE AGREEMENT AS FOLLOWS:

AGREEMENTS

1. Description of New Federal Parcel. The property constituting the New Federal Parcel is more specifically described in **Exhibit 5** hereto, which exhibit is hereby incorporated into the Agreement.

2. Exclusion of New Federal Parcel from Leased Property. The first sentence of Paragraph 2(a) of the Agreement is hereby amended to read as follows:

The Conservation District hereby leases to Valley District and Western, for the term of this Agreement and on the terms specified herein, non-exclusive use of the surface of the lands shown on **Exhibit 1** (“Leased Property”) to the extent that such use is within the Conservation District’s rights; provided, however, the New Federal Parcel, more specifically described in **Exhibit 5** hereto, shall be excluded from the Leased Property, with the intent and effect that the New Federal Parcel is no longer a part of the lease under this Agreement.

3. Agreements Regarding New Federal Parcel

a. Anticipated Rights of Way Granted by BLM. Conservation District shall pay any application fees required by BLM in conjunction with its ROW Application or the Companion Applications. The Parties anticipate that the Environmental Assessment being prepared for the Conservation District’s ROW Application will cover, and suffice for, the Companion Applications, and that all three applications for rights of way will be processed simultaneously by BLM. In the event that new or supplemental Environmental Assessments are required for the Companion Applications, the Conservation District shall prepare the same at its sole cost. The Parties shall meet and confer regarding the sharing of any other costs or financial assurances that may be required by BLM incident to the grants of rights of way over the New Federal Parcel. The Parties agree to accept the rights of way granted by BLM, as well as any applicable rights under the Conservation District’s Conservation Rights, as the exclusive authority under which they may and will occupy the New Federal Parcel for groundwater recharge activities, such as those contemplated by the Enhanced Recharge Project.

b. Facilities on New Federal Parcel; Operations and Maintenance. In the event that BLM grants to the Parties rights of way sufficient for construction, operation and maintenance of diversion facilities, recharge basins, pumps and other ancillary facilities or equipment located within or upon the New Federal Parcel as the Parties may reasonably deem sufficient for the recharging of water on the New Federal Parcel, the Conservation District, in coordination with Valley District and Western under the auspices of the Joint Operations Committee provided for in the Original Agreement, shall be responsible for the operation and maintenance of such facilities on behalf of the Parties. The Conservation District shall utilize its best efforts to make full use of the anticipated facilities on the New Federal Parcel for the recharge of water, consistent with the hydrological design limitations of the facilities, and with the collaborative management of recharge to avoid incompatibility with any mining operations on the Leased Property, as provided in paragraph 2(a) (5) of the Original Agreement. The Conservation District shall use its best, good faith efforts to operate and maintain all new and existing facilities located on or within the New Federal Parcel 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) of the Agreement received from Valley District and Western, in accordance with the Conservation District's Reserve Policy, to ensure sufficient funds are available to meet the agreed maintenance obligations.

4. No Representation or Warranty Regarding BLM Grant of Rights of Way. Conservation District represents that it has conferred extensively with BLM, and that the right of way application process the Conservation District is pursuing to secure the ability to construct, operate, and maintain groundwater recharge facilities on the New Federal Parcel was suggested by BLM staff as the best procedure for the Conservation District to pursue in order to both complete the Land Exchange and ensure that the existing and expanded groundwater recharge facilities contemplated in the EIS/EIR may proceed expeditiously. Notwithstanding such representation, the grant of rights of way by BLM is a discretionary process, over which the Conservation District has no control, and the Parties agree and acknowledge that Conservation District provides no warranty or guarantee regarding the outcome of the Parties' respective right of way applications, the timing of their consideration or potential grant, or the terms, stipulations, or conditions thereof. Valley District and Western agree to hold the Conservation District harmless from any claim, cause of action, injury to person or property, consequential or incidental damage, monetary or otherwise ("Damages"), caused by or arising from BLM's consideration or grant of the rights of way for groundwater recharge uses and facilities on the New Federal Parcel, except to the extent such Damages are caused by the negligence or willful misconduct of the Conservation District. In the event such rights of way are not granted, or are unreasonably delayed for any reason, the Parties shall meet and confer in good faith, under the auspices of the Joint Operations Committee provided for in the Original Agreement, to determine how best to proceed.

5. Conservation District-Owned Property Unaffected. As to those portions of the Leased Property owned by the Conservation District both at the time of the Original Agreement and after the Land Exchange, Valley District and Western shall continue to enjoy the full range of rights for entry and use as described in the Original Agreement and the First Amendment. Notwithstanding the foregoing, and except for rights of way that may be granted by BLM for the benefit of Valley District and Western on those portions of the Leased Property owned by BLM and outside of the New Federal Parcel, Valley District and Western shall be limited to the exercise of those rights clarified in the First Amendment, exercising such rights by and through the Conservation District as the entity with approval power over any facilities for the recharging of water on such lands and the operator and manager of such facilities. As to Valley District and Western, such rights for entry and use on those portions of the Leased Property owned by BLM may further only be exercised for uses consistent with the uses specified in the Wash Plan, and for no other purposes, absent further grant of rights of way to Valley District or Western, or both of them, by BLM.

6. Effect of Second Amendment; Capitalized Terms. Except as specifically amended herein, the remainder of the Agreement shall remain in full force and effect. Capitalized terms used in this Second Amendment shall have the meanings ascribed to such terms in the Agreement, unless otherwise defined herein.

7. Counterparts. This Second Amendment may be executed in counterparts and all counterparts together shall be considered part of one Second Amendment, binding on all parties

hereto. This Second Amendment may also be executed and delivered by facsimile signature, PDF or any electronic signature complying with the ESIGN Act of 2000.

[Signatures on Following Page]

**SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT
“Conservation District”**

By: _____
Melody McDonald, President
Board of Directors

**APPROVED AS TO FORM:
RUTAN & TUCKER, LLP**

By: _____
David B. Cosgrove
General Counsel

**SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
“Valley District”**

By: _____
Paul Kielhold, President
Board of Directors

**APPROVED AS TO FORM:
DOWNEY BRAND, LLP**

By: _____
General Counsel

**WESTERN MUNICIPAL WATER
DISTRICT OF RIVERSIDE COUNTY
“Western”**

By: _____
Mike Gardner, President
Board of Directors

**APPROVED AS TO FORM:
BEST, BEST & KRIEGER**

By: _____
General Counsel

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, 2023, before me, _____, Notary Public, personally appeared xx, 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)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, 2023, before me, _____, Notary Public, personally appeared xx, 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)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, 2023, before me, _____, Notary Public, personally appeared xx, 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)

EXHIBIT 5

Legal Description of New Federal Parcel

PARCEL 2: (APN 0291-151-01; 0291-151-02; 0291-151-05)

The Northwest 1/4 and the Northeast 1/4 of Section 12, Township 1 South, Range 3 West, San Bernardino Base and Meridian, in the City of Highland, County of San Bernardino, State of California, according to the Official Plat thereof.

Excepting therefrom that portion conveyed to the San Bernardino Valley Water Conservation District by Quitclaim Deed, recorded June 28, 1984, as Instrument No. 84-152554, of Official Records.

[Also described as](#)

San Bernardino Meridian

T. 1 S., R. 3 W.,

sec. 12, NE¹/₄, N¹/₂NW¹/₄, E¹/₂SW¹/₄NW¹/₄, E¹/₂W¹/₂SW¹/₄NW¹/₄, and SE¹/₄NW¹/₄.

The area described contains 310.00 acres, more or less, in San Bernardino County, California.

Non-Federal Land

PARCEL 3: (APN 0291-151-05)

All of the Atchison, Topeka and Santa Fe Railway Company's property in the North half of Section 12, Township 1 South, Range 3 West, San Bernardino Base and Meridian, in the City of Highland, County of San Bernardino, State of California, according to the Official Plat, described as follows:

A 100-foot-wide strip of land lying between lines that are parallel and/or concentric with and distant 50 feet, measured at right angles, and/or radially from and on each side of the centerline of the San Bernardino and Eastern Railway Company's (predecessor in interest to first said Railway Company) tract as originally located in the Northwest quarter of said Section 12; a 100-foot wide strip of land and a 50 foot wide strip of land, both in Southwest quarter of the Northeast quarter of said Section 12, as described in deed to said San Bernardino and Eastern Railway Company, recorded December 15, 1891, in Book 144 of Deeds, page 16, records of said county, and, a 100 foot wide strip of land in the North half of the Southeast quarter of said Section 12, as described in deed to said San Bernardino and Eastern Railway Company, recorded December 15, 1891, in Book 142 of Deeds, page 392, records of said county.

The area described contains 9.053 acres, more or less, in San Bernardino County, California.



DENNIS DRAEGER
ASSESSOR - RECORDER - CLERK

P Counter

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Doc#: 2013-0445782

Titles: 1 Pages: 81

SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT
1630 West Redlands Boulevard, Suite A
Redlands, CA 92373-8032
Attention: General Manager



Fees	0.00
Taxes	0.00
Other	0.00
PAID	0.00

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.

28 (2) The Parties wish to collaboratively use all of their respective assets and
29 skills, including but not limited to water rights and facilities necessary or useful for the diversion
30 and storage of water, to improve the reliability of local water supplies for their respective
31 constituents by establishing a collaborative partnership to coordinate the use of their separate
32 resources for mutual advantage.
33

34 (3) The Parties specifically wish to collaborate by increasing opportunities to
35 recharge local surface water supplies, as well as State Project Water, in the San Bernardino Basin
36 Area (the "SBBA"); by reducing the time and cost required to permit and construct essential
37 public infrastructure (such as spreading basins); and by working together to achieve an efficient
38 division of labor in the operation and maintenance of water infrastructure.
39

40 (4) The Parties acknowledge that their water resource management activities
41 in the Santa Ana River wash area proceed in concert with other uses of the lands in that area,
42 including the mining of sand and gravel mineral deposits pursuant to existing leases, and habitat
43 conservation and management, pursuant to a series of multi-agency cooperative initiatives
44 involving local, state, and federal resource management and control agencies. The Parties' goal
45 is to harmonize their water resource activities with these other uses, for the optimization of
46 coordinated use by all.
47

48 (5) The Parties wish to memorialize their joint understandings by means of
49 this Agreement.
50

51 B. Findings.
52

53 (1) The Parties agree that they must increase groundwater storage in the
54 SBBA in order to meet current and future demands for water among their constituents.
55

56 (2) In the past, reasonable disagreements among the Parties have added
57 unintentional and undesirable costs and complexity to the planning and permitting of important
58 water resources projects in the region.
59

60 (3) The Parties believe that it is in their best interests, and the best interest of
61 the public they serve, to cooperate in increasing the available water supply by establishing a new
62 and more productive working relationship.
63

64 (4) In certain years, wet weather conditions and increased availability of State
65 Project Water can create a limited opportunity to improve the reliability of local water supplies
66 by increasing recharge and storage to groundwater. These favorable conditions are temporary
67 and perishable. Therefore, time is of the essence. New inter-agency operating agreements
68 should be established immediately in order to make the most of this and future opportunities
69 because they occur on an irregular and unpredictable basis.
70

71 (5) Because of the limited and sporadic opportunities to augment local water
 72 supplies, the Parties intend for this Agreement to continue for a long period, thereby allowing the
 73 utilization of such limited water supplies.

74
 75
 76 Agreements

77
 78 1. *Term.* The term of this Agreement shall commence on the Effective Date first written
 79 above and shall continue for a term of twenty five (25) years ("Initial Term") , unless
 80 terminated earlier as provided in this Agreement. This Agreement may be extended by
 81 written agreement among all parties for up to five additional, consecutive five year terms
 82 ("Extension Terms"), on the same terms and conditions stated herein, provided that prior
 83 to the expiration of the term then in effect, all parties agree in writing to the applicable
 84 extension, by action of their legislative bodies, to extend the Agreement for another term.

85 2. *Duties of the Conservation District.*

86 a. *Lease of Facilities for the Purpose of Groundwater Recharge to Valley District*
 87 *and Western.* The Conservation District hereby leases to Valley District and
 88 Western, for the term of this Agreement and on the terms specified herein, the
 89 surface of the lands shown on Exhibit 1 during the term of this Agreement
 90 ("**Leased Property**"). Exhibit 1A provides the legal description for the lands
 91 owned in fee by the Conservation District and Exhibit 1B provides the legal
 92 description of lands made available under existing easements under ownership by
 93 the Bureau of Land Management. Exhibit 1 is attached hereto and incorporated
 94 herein by reference. Valley District and Western shall have the right to enter
 95 upon and use the Leased Property, and any reasonably necessary subsurface areas
 96 incident thereto. Such entry and use shall be only for the purpose of recharging,
 97 storing or conveying water from any source (collectively "**recharging of water**"
 98 herein) into or through the percolation basins and other facilities owned or
 99 controlled by the Conservation District, whether existing as of the effective date
 100 of this Agreement, or as may be constructed pursuant to the terms of this
 101 Agreement, as such existing and contemplated future facilities are depicted in
 102 Exhibit 2, which is attached hereto and incorporated herein by reference). The
 103 Conservation District reserves all rights in and to the Leased Property not
 104 expressly conveyed as a part of this lease. Specific terms of this lease are as
 105 follows:

106 (1) Valley District and Western may construct, operate, maintain, repair,
 107 reconstruct and rehabilitate diversion facilities, recharge basins, pumps
 108 and other ancillary facilities or equipment located within the Leased
 109 Property as Valley District and Western may reasonably deem
 110 necessary for the recharging of water on the Leased Property,

- 111 recognizing that the Parties intend that the Conservation District shall
 112 be responsible for the operation and maintenance of such facilities.
- 113 (2) Included within this lease are all rights of reasonable ingress and egress
 114 as may be useful or necessary, in Valley District and/or Western's sole
 115 discretion, for the purpose of the recharging of water on the Leased
 116 Property, provided that such activities shall not interfere with: (i) any
 117 conservation easements that may now exist, or may be established
 118 consistent with the Conservation District's Upper Santa Ana River
 119 Wash Land Management and Habitat Conservation Plan, on said lands,
 120 or (ii) other easements existing as of the effective date of this
 121 Agreement.
- 122 (3) The designs for any such facilities or other tenant improvements must
 123 be approved, in advance by the Conservation District, which approval
 124 shall not be unreasonably withheld or delayed, and are subject to any
 125 limitations on the Conservation's District's holding of the Leased
 126 Property. The Conservation District shall cooperate reasonably with
 127 Valley District and Western to obtain local, state, or federal permits that
 128 may be required to construct or operate such facilities approved by the
 129 Conservation District.
- 130 (4) The Conservation District will utilize its best efforts under all existing
 131 and future lease agreements and easements with other individuals,
 132 organizations or entities operating on the Leased Property to harmonize
 133 the objective of Valley District and Western making full use of the
 134 facilities on the Leased Property for the recharge of water, consistent
 135 with the hydrological design limitations of these facilities, with any
 136 competing uses of the properties on which such facilities are or may be
 137 located.
- 138 (5) The Parties recognize that the Conservation District has negotiated lease
 139 agreements with mining companies that allow the Conservation District
 140 to engage in recharge of water that may periodically interfere with or
 141 prevent mining, without liability on the part of the Conservation
 142 District, which agreements are attached hereto as Exhibits 3 and 4. The
 143 Conservation District represents and warrants that these are the only
 144 current agreements that authorize mining on the Leased Property, and
 145 represents and warrants that the copies of these agreements attached as
 146 Exhibits 3 and 4 are true and correct copies of those agreements. Based
 147 on those representations, the Parties believe that they can
 148 collaboratively manage the recharge of water to avoid liability arising
 149 from any incompatibility between the recharging of water and any

150 activities otherwise authorized under the mining leases. Toward this
151 end, the Parties agree as follows:

152 (a) During the winter season (from October 1 to March 31), the Parties
153 will consult with each other on a regular basis to determine the
154 quantity of water that may be recharged without interfering with
155 mining operations.

156 (b) In the event that the recharging of water threatens to substantially
157 limit or interfere with mining operations, the Parties shall
158 immediately confer to determine how to maximize the recharge
159 without unduly interfering with mining activity. Towards this end,
160 the parties acknowledge that the Conservation District has the
161 right, from time to time and as it deems necessary in the exercise
162 of its reasonable discretion, to utilize all or any portion of the areas
163 subject to the mining leases for its water recharge, conservation,
164 spreading, and other operations, provided such activities are
165 undertaken utilizing best efforts to avoid storing water so as to
166 require temporary use of the mining lease areas. In connection
167 with the exercise of their activities on the Leased Property
168 hereunder, Valley District and Western shall assist the
169 Conservation District to make every effort to minimize the time of
170 any interruption of the mining lessees' activities on the Leased
171 Property, to permit sufficient time for the Conservation District to
172 observe all requirements for notice to mining lessees required
173 under the applicable leases in the event of conflicts, and to
174 harmonize their recharge of water with the then-current and
175 anticipated immediate future excavation and other activities of the
176 mining lessees, with the overall goal that the mining activity and
177 the water conservation activity can harmoniously exist, without
178 interruption to either.

179 (c) Any decisions about the proper scope, location, or amount of
180 recharging of water after such consultation with appropriate
181 agencies shall be made solely by the Conservation District in the
182 exercise of its reasonable discretion, consistent with paragraph 4(d)
183 (2) below, and consistent with the principle of ensuring that the
184 optimum quantity of water possible is replenished within the San
185 Bernardino Basin Area.

186 In the event the Conservation District determines, in the exercise
187 of its reasonable discretion, that portions of the Leased Property
188 cannot be made available to Valley District and Western, and such
189 determination is made at a time when water supplies are otherwise

190 immediately available to Valley District and Western for recharge
 191 into facilities on the leased land; Conservation District will not
 192 object, directly or indirectly, to efforts by Valley District and/or
 193 Western to deliver water supplies that cannot be spread on the
 194 Leased Property to other locations, *provided that* in determining
 195 where to deliver such water supplies, Valley District and Western
 196 act consistent with the priority of first delivering water for direct
 197 delivery or spreading within the SBBA, then delivering water for
 198 direct delivery or spreading within the boundaries of Valley
 199 District, then delivering water for direct delivery, spreading or
 200 storage within Western, and then delivering water for direct
 201 delivery, spreading or storage outside of Western.

202 In such event, the parties shall meet and confer in good faith, under
 203 the auspices of the Joint Operations Committee provided for in
 204 paragraph 4(b) below, regarding whether some proportional refund
 205 to Valley District, Western, or both of a portion the gross lease fee
 206 paid for the given year in which the Leased Premises were
 207 unavailable for the recharge of water may be appropriate, and if so,
 208 in what amount.

209 b. *Operation and Maintenance of Spreading Basins.* The Conservation District shall
 210 operate and maintain all new and existing facilities, located on the areas depicted
 211 in Exhibit 2 hereto, in good working condition, to ensure that the recharge of
 212 water continues efficiently, in accordance with a mutually-agreed schedule of
 213 regular maintenance and any supplemental agreements governing special or
 214 emergency maintenance responsibilities. The Conservation District shall set aside
 215 a portion of the gross lease fee provided for in Paragraph 3(a) below received
 216 from Valley and Western, in accordance with the Conservation District's Reserve
 217 Policy, to ensure sufficient funds are available to meet the agreed maintenance
 218 obligations.

219 c. *Ownership of New Facilities* Upon expiration or other proper termination of this
 220 Agreement, however, improvements made on land owned or controlled by the
 221 Conservation District shall become Conservation District property, to be used by
 222 the Conservation District for water management and the recharge of water.

223 d. *Groundwater Charge.* All parties producing water in the Conservation District's
 224 jurisdictional boundaries shall be subject to all then-applicable groundwater
 225 charges, and this Agreement shall not exempt nor excuse any party, including
 226 Valley District and Western, from the levy or payment thereof. Notwithstanding,
 227 the parties recognize that they do not intend that groundwater charges would be
 228 required to be paid on production of water pursuant to measures taken for the
 229 emergency alleviation of high groundwater conditions, or the implementation of

230 other basin management objectives as may be approved by the Basin Technical
 231 Advisory Commission (“BTAC”) or other similar organization including all of
 232 the parties hereto that may perform a substantially similar role under any
 233 Conjunctive Use Plan that may be implemented for the SBBA. The Conservation
 234 District agrees to consider implementing reasonable measures to reduce or
 235 eliminate groundwater charges for groundwater production devoted to such
 236 agreed purposes, whether by exemption, or refund of charges otherwise paid, as
 237 may be consistent with applicable law.

238 3. *Duties of Valley District and Western.*

239 a. *Gross Lease Fee.* Valley District and Western shall together pay to the
 240 Conservation District a gross lease fee of \$350,000/year for the right to the
 241 recharge of water through the existing percolation basins and other facilities
 242 owned by the Conservation District, and the right to construct and have operated
 243 additional recharge and conveyance facilities on the Leased Property. The parties
 244 acknowledge and affirm that the gross lease fee is a lease payment for access to
 245 and use of the Leased Property, only, and for partial offset to the costs of
 246 operation and maintenance of facilities thereon same by the Conservation District.
 247 The gross lease fee does not include, and is not intended to replace or offset, any
 248 charges for the acquisition, conveyance, storage, or production of water, that may
 249 otherwise apply by or among the parties, or third parties, whether now or in the
 250 future.

251 b. Valley District and Western, or either of them, shall pay the gross lease fee, in
 252 advance, by October 1st of each year, which sum may be apportioned by the
 253 Conservation District to its Groundwater Enterprise and other funds.

254 (1) Valley District and Western shall annually adjust the gross lease fee to
 255 account for inflation using the U.S. Bureau of Labor Statistics
 256 Consumer Price Index (CPI-U) for the Los Angeles District. The base
 257 year for such payments will be 2012.

258 (2) In the event that Valley District and/or Western construct new
 259 percolation basins or other facilities useful or necessary for the recharge
 260 of water, the Parties shall adjust the gross lease fee proportionally to
 261 reflect the additional operation and maintenance costs that will be
 262 incurred by the Conservation District in operating and maintaining
 263 those new facilities, as may be agreeable to the Parties.

264 c. *Permitting for New or Augmented Spreading Basins.* Valley District and Western
 265 shall be responsible for obtaining all federal, state and local permits (including
 266 conducting environmental review under the California Environmental Quality Act
 267 or the National Environmental Policy Act) that may be required to construct

268 additional facilities for the recharge of water supplied by Valley and Western. If,
 269 after 10 years, Valley and Western have been unable to obtain the necessary
 270 permits, either or both may terminate this lease agreement subject to the
 271 provisions of paragraph 9.c. below. Valley District and Western shall bear all
 272 costs associated with protecting, repairing or replacing the material infrastructure
 273 improvements (including pipelines, gates, valves, weirs, fencing, gauges, etc.)
 274 installed by Valley District and Western on lands owed by the Conservation
 275 District.

276 d. *Resource Management.*

277 (1) Valley District and Western shall coordinate their operations to
 278 harmonize with mineral resource extractions, to avoid any potential
 279 liability under mineral leases, or other uses authorized by the
 280 Conservation District on the Leased Property.

281 (2) Valley District and Western shall negotiate supplemental payments to
 282 the Conservation District where unusual and unforeseen circumstances
 283 necessitate extraordinary maintenance expenses that are in excess of the
 284 budget prepared and approved by the Joint Operations Committee.

285 (3) Valley District and Western shall cooperate with the Conservation
 286 District in developing a long-term resource management plan to govern
 287 multiple-use activities in Reach 5 of the Santa Ana River wash (i.e., the
 288 Upper Santa Ana River Wash Land Management and Habitat
 289 Conservation Plan).

290 4. *Duties of All Parties*

291 a. *No Rights to Other Party(ies)' Water or Facilities.* Except as provided for in
 292 paragraph 2(c) above, the Conservation District will not assert any claim to own
 293 or control the new facilities constructed, or the additional water recharged by,
 294 Valley District and Western under the terms of this Agreement, provided that
 295 these activities occur in conformance with this Agreement. Valley District and
 296 Western will not assert any claim to own or control any water that is percolated in
 297 the new or existing recharge basins that is not supplied by Valley District or
 298 Western, nor make any attempt to acquire or control land or facilities owned by
 299 the Conservation District.. Valley District and Western acknowledge and
 300 represent to Conservation District that this Agreement provides for and constitutes
 301 "compatible use" of the Conservation District's property and facilities, as that term
 302 is utilized in California Code of Civil Procedure sections 1240.510 et seq.,
 303 thereby eliminating any need for any exercise of eminent domain by any party to
 304 acquire any additional interest in the Leased Property from any other party.

- 305 b. *Establishment of Joint Operations Committee.* The Parties shall establish and
 306 participate in a Joint Operations Committee (the "JOC") to serve in an advisory
 307 capacity to the Conservation District, which shall assist the Conservation District
 308 to develop a schedule and budget for planned operation and maintenance
 309 activities relating to the recharge of water on the Leased Property, and perform
 310 other functions as otherwise specified herein, under such rules and procedures as
 311 it shall formulate and unanimously approve. The JOC shall meet at least twice a
 312 year to plan water recharge, review financial and water accounting matters
 313 implicated hereunder, and review performance.
- 314 c. *Joint Reporting.* The Parties shall jointly provide planning documents,
 315 monitoring reports, and other records that may be requested by authorized
 316 agencies to demonstrate compliance with federal, state or local laws and
 317 regulations. Specifically, the Parties shall continue to cooperate in the preparation
 318 and submission of annual reports to the California State Water Resources Control
 319 Board, which reports will follow the format used by the Parties in reporting the
 320 use of water for calendar year 2010. A copy of the report filed with the California
 321 State Water Resources Control Board is attached hereto as Exhibit 5 and
 322 incorporated herein by reference.
- 323 d. *Water Resources Management.*
- 324 (1) The Parties will continue to coordinate all recharge of water with one
 325 another to protect and enhance the safe yield in the SBBA.
 326 Specifically, the Parties will: (i) jointly develop the Regional
 327 Conjunctive Use Plan (or its equivalent) through the Basin Technical
 328 Advisory Committee, (ii) seek additional opportunities to increase safe
 329 yield in the SBBA by engaging in cooperative joint development of new
 330 water supply projects or conservation programs in the region, and (iii)
 331 cooperate with one another to document the water resource
 332 management benefits accrued by establishing and implementing this
 333 Agreement.
- 334 (2) The parties agree to dedicate and use the water made available pursuant
 335 to their respective water rights in and to the Santa Ana River to give
 336 priority to preserving the safe yield of the SBBA, as part of the
 337 reasonable and prudent management of their entire portfolio of water
 338 resources. All parties shall refrain from contesting any water rights
 339 claimed or held by one another at any time during the term of this
 340 Agreement, so long as such water rights are exercised in the manner
 341 consistent with this Agreement.
- 342 (3) The Parties will not export native water from the SBBA, or recharge
 343 water on behalf of agencies located outside the SBBA, except as

344 provided for by the 1969 *Western* Judgment and/or by the Regional
345 Conjunctive Use Plan (or its equivalent).

346 5. *Amendments.* The Parties will negotiate amendments, including but not limited to areal
347 expansion of the scope of activities, to this Agreement in good faith and not unreasonably
348 withhold consent.

349 6. *Liberal Construction.* The Parties shall construe all terms and conditions in this
350 Agreement in a manner which most favors increasing available water supplies by
351 encouraging greater recharge of water in the area.

352 7. *Indemnification*

353 a. *Generally.* Each Party shall indemnify, defend and hold harmless the other
354 Parties, their directors, officers, employees and agents from and against all
355 damages, liabilities, claims, actions, demands, costs and expenses (including, but
356 not limited to, costs of investigations, lawsuits and any other proceedings whether
357 in law or in equity, settlement costs, attorneys' fees and costs), and penalties or
358 violations of any kind, which arise out of, result from, or are related to a Party's
359 performance of its obligations under this Agreement. In extending such
360 indemnification, however, no party hereto waives any sovereign or governmental
361 immunities, privileges, or rights that they may have or enjoy under any applicable
362 law, including but not limited to California Government Code sections 810 et
363 seq., and except as otherwise specifically provided for hereunder, and each party
364 reserves all such immunities, privileges and rights, and any claims or other
365 procedures applicable to same, that may presently exist or hereafter be created, to
366 themselves, as against each of the other parties, and as against any third party.

367 b. *Indemnification Procedures.* Any Party that is an indemnified party (the
368 "**Indemnified Party**") that has a claim for indemnification against the other Party
369 (the "**Indemnifying Party**") under this Agreement, shall promptly notify the
370 Indemnifying Party in writing, specifying the nature of the claim, the grounds
371 upon which the Indemnified Party believes the Indemnifying Party is liable in
372 whole or in part for the liability or other obligation asserted under the claim, and
373 including any appropriate demand for defense or indemnification, or both. No
374 delay on the part of the Indemnified Party in notifying the Indemnifying Party
375 shall relieve the Indemnifying Party from any obligation unless (and then solely to
376 the extent) the Indemnifying Party is prejudiced. Further, the Indemnified Party
377 shall promptly notify the Indemnifying Party of the existence of any claim,
378 demand, or other matter to which the indemnification obligations apply, and shall
379 give the Indemnifying Party a reasonable opportunity to defend the same at its
380 own expense and with counsel of its own selection, *provided* that the Indemnified
381 Party shall at all times also have the right to fully participate in the disputed
382 matter at its own expense. If the Indemnifying Party refuses to provide the

383 indemnity, or within a reasonable time after written notice from the Indemnified
 384 Party, fails to defend a claim, demand or other matter to which the
 385 indemnification obligations apply, the Indemnified Party shall have the right, but
 386 not the obligation, to undertake the defense of, and to compromise or settle
 387 (exercising reasonable business judgment), the claim or other matter, on behalf, or
 388 for the account, and at the risk, of the Indemnifying Party. If the claim is one that
 389 cannot by its nature be defended solely by the Indemnifying Party, then the
 390 Indemnified Party shall make available all information and assistance to the
 391 Indemnifying Party that the Indemnifying Party may reasonably request. In the
 392 event of any dispute between the Indemnified party and the Indemnifying Party as
 393 to whether the claim is one to which the indemnification obligations apply, the
 394 matter shall be resolved in the manner of resolution of disputes, as provided in
 395 paragraph 9 hereunder. Except as specifically provided otherwise in Paragraph
 396 9(b) (4) below with respect to tolling of limitations periods, the notice provided
 397 for hereunder shall be in addition to, and not in place of, any other notice that may
 398 be provided for or otherwise required under law.

399 8. *Force Majeure.* In addition to any other specific provisions of this Agreement, a Party
 400 hereto shall not be deemed to be in default under this Agreement where failure or delay in
 401 performance of any of such Party's obligations under this Agreement is caused by floods,
 402 earthquakes, winds, other Acts of God, power outages, equipment failure, acts of
 403 vandalism, fires or other casualties, wars, riots or similar hostilities, strikes and other
 404 labor difficulties beyond the Party's control, (including the Party's employment force),
 405 enactment of new or conflicting, laws or regulations, including any new listing of
 406 endangered species or designation of critical habitat for endangered species, court actions
 407 (such as restraining orders or injunctions), judicial actions such as issuance of restraining
 408 orders and injunctions, or other causes beyond such Party's control. If any one or more of
 409 such events occur, the term of this Agreement and the time for performance by any Party
 410 of any of its obligations hereunder shall be extended by the period of time that such one
 411 or more events prevented or delayed such performance, provided that the term of this
 412 Agreement shall not be extended under any circumstances for more than five (5) years.
 413 In the event that said period of time must be extended by more than five years, this
 414 Agreement shall automatically terminate.

415 9. *Administration of Agreement*

416 a. *Books and Records.* Each Party shall have access to and the right to examine any
 417 of the other Party's pertinent books, documents, papers or other records
 418 (including, without limitation, records contained on electronic media) relating to
 419 the performance of that Party's obligations pursuant to this Agreement. Each
 420 Party shall retain all such books, documents, papers or other records to facilitate
 421 such review in accordance with that Party's record retention policy. Access to
 422 each Party's books and records shall be during normal business hours only.

423 Nothing in this paragraph shall be construed to operate as a waiver of any
424 applicable privileges.

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

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

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

442 (3) *Mediation of Dispute.* If the Initiating Party(ies) and the Responding
443 Party(ies) cannot resolve the dispute within ninety days of the date of
444 the written response, they shall engage a mediator, experienced in
445 water-related disputes, to attempt to resolve the dispute. Each Party
446 shall ensure that it is represented at the mediation by a Director or
447 Councilperson. These representatives of the Initiating Party(ies) and the
448 Responding Party(ies) may consult with staff and/or technical
449 consultants during the mediation and such staff and/or technical
450 consultants may be present during the mediation. The costs of the
451 mediator shall be divided evenly between the Initiating Party(ies) and
452 the Responding Party(ies).

453 (4) *Prior to Claims Under California Tort Claims Act.* The Parties agree
454 that the procedure described in this paragraph represents an effort to
455 resolve disputes without the need for a formal claim under the
456 California Tort Claims Act or other applicable law. The period of time
457 for the presentation of a claim by one Party against another shall be
458 tolled for the period from the date on which the Initiating Party(ies) file
459 a written statement until the date upon which the mediator renders a
460 decision.

461 (5) *Reservation of Rights.* Nothing in this paragraph shall require a Party to
 462 comply with a decision of the mediator and, after the completion of the
 463 mediation process described above, each Party shall retain and may
 464 exercise at any time all legal and equitable rights and remedies it may
 465 have to enforce the terms of this Agreement; provided, that prior to
 466 commencing litigation, a Party shall provide at least five calendar days'
 467 written notice of its intent to sue to all Parties.

468 c. *Termination of Agreement*

469 (1) *Failure to Obtain Permits.* The Parties recognize and acknowledge that
 470 the implementation of this Agreement may require one or more Parties
 471 to obtain permits or other regulatory approvals from one or more local,
 472 state or federal regulatory agencies, including but not limited to the
 473 Regional Water Quality Control Board, the California Department of
 474 Fish & Game and the U.S. Fish & Wildlife Service or the U.S. Army
 475 Corps of Engineers. Because of the significant regulatory uncertainties
 476 associated with obtaining these permits or regulatory approvals, the
 477 Parties agree that, if Valley District and Western have not received all
 478 regulatory permits or approvals required or useful for groundwater
 479 replenishment on the Leased Property within ten years from the
 480 effective date of this Agreement, Valley District and/or Western may
 481 terminate this Agreement at any time by providing the Conservation
 482 District with one-year's written notice of such termination. In the event
 483 that Valley District or Western, but not both wish to terminate this
 484 Agreement, the Party wishing to terminate this Agreement shall be
 485 allowed to terminate the Agreement as to itself and the remaining two
 486 Parties may continue the Agreement on such terms as they deem to be
 487 equitable.

488 (2) *Material Breach.* If one Party deems that another Party has materially
 489 breached one of the provisions of this Agreement, the Parties shall use
 490 the dispute resolution procedures set forth in paragraph 9. b. above in
 491 an effort to resolve the dispute amicably. If, the dispute resolution
 492 process described in paragraph 9. b. above is not successful in
 493 resolving the dispute, any Party may terminate this Agreement for
 494 material breach thereof, and may seek any remedy that it would
 495 otherwise be entitled to in a court of law.

496 d. *Recordation of Agreement.* All Parties agree that this Agreement constitutes a
 497 lease of certain lands by the Conservation District to Valley District and Western
 498 for the purpose of constructing, operating, maintaining, repairing and
 499 rehabilitating percolation basins and ancillary facilities on the Leased Property,
 500 and consequently, all Parties agree that this Agreement should be recorded in the

501 Official Records of the County of San Bernardino. Valley District shall, within
 502 ten days of the effective date of this Agreement, cause this agreement to be
 503 recorded in the Official Records of the County of San Bernardino and shall
 504 promptly provide the Conservation District and Western with recorded copies of
 505 this Agreement upon receipt of such copies from the County of San Bernardino.

506 10. *General Provisions.*

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

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

513 c. *Jurisdiction and Venue.* This Agreement shall be governed by and construed in
 514 accordance with the laws of the State of California, except for its conflicts of law
 515 rules. Any suit, action, or proceeding brought under the scope of this Agreement
 516 shall be brought and maintained to the extent allowed by law in the County of San
 517 Bernardino, California.

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

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

526 f. *Entire Agreement.* This Agreement constitutes the entire agreement of the Parties
 527 with respect to the subject matter of this Agreement and, save as expressly
 528 provided in this Agreement, supersedes any prior oral or written agreement,
 529 understanding, or representation relating to the subject matter of this Agreement.

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

- 536 h. *Successors and Assigns.* This Agreement shall be binding on and inure to the
537 benefit of the successors and assigns of the respective Parties to this Agreement.
538 No Party may assign its interests in or obligations under this Agreement without
539 the written consent of the other Parties, which consent shall not be unreasonably
540 withheld or delayed.
- 541 i. *Waivers.* Waiver of any breach or default hereunder shall not constitute a
542 continuing waiver or a waiver of any subsequent breach either of the same or of
543 another provision of this Agreement and forbearance to enforce one or more of
544 the rights or remedies provided in this Agreement shall not be deemed to be a
545 waiver of that right or remedy.
- 546 j. *Attorneys' Fees and Costs.* The prevailing Party in any litigation or other action
547 to enforce or interpret this Agreement shall be entitled to reasonable attorneys'
548 fees, expert witnesses' fees, costs of suit, and other and necessary disbursements
549 in addition to any other relief deemed appropriate by a court of competent
550 jurisdiction.
- 551 k. *Necessary Actions.* Each Party agrees to execute and deliver additional
552 documents and instruments and to take any additional actions as may be
553 reasonably required to carry out the purposes of this Agreement.
- 554 l. *Compliance with Law.* In performing their respective obligations under this
555 Agreement, the Parties shall comply with and conform to all applicable laws,
556 rules, regulations and ordinances.
- 557 m. *Third Party Beneficiaries.* This Agreement shall not create any right or interest in
558 any non-Party or in any member of the public as a third party beneficiary.
- 559 n. *Counterparts.* This Agreement may be executed in one or more counterparts,
560 each of which shall be deemed to be an original, but all of which together shall
561 constitute but one and the same instrument.
- 562 o. *Notices.* All notices, requests, demands or other communications required or
563 permitted under this Agreement shall be in writing unless provided otherwise in
564 this Agreement and shall be deemed to have been duly given and received on: (i)
565 the date of service if served personally or served by facsimile transmission on the
566 Party to whom notice is to be given at the address(es) provided below, (ii) on the
567 first day after mailing, if mailed by Federal Express, U.S. Express Mail, or other
568 similar overnight courier service, postage prepaid, and addressed as provided
569 below, or (iii) on the third day after mailing if mailed to the Party to whom notice
570 is to be given by first class mail, registered or certified, postage prepaid
571

572 **Table of Exhibits**

573 Exhibit 1 Leased Property including Exhibit 1A and 1B

574 Exhibit 2 Existing and Future Facilities

575 Exhibit 3 CEMEX Lease

576 Exhibit 4 Robertson's Ready Mix Lease

577 Exhibit 5 2010 State Water Rights Filing

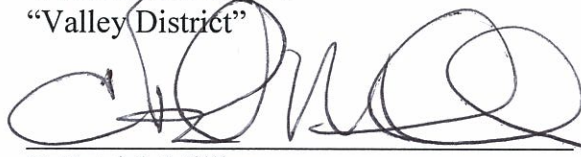
WESTERN MUNICIPAL WATER DISTRICT
"Western"


Donald D. Galleano
President
Board of Directors

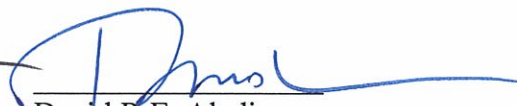
Approved as to form only:


Jeff Ferre
Best, Best & Krieger

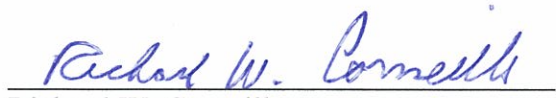
SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
"Valley District"


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)



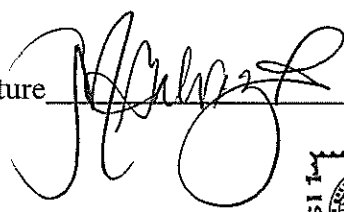
State of California)
County of San Bernardino)

On Dec. 12, 2012, before me, M. Galvez, Notary Public,
(insert name and title of the officer)

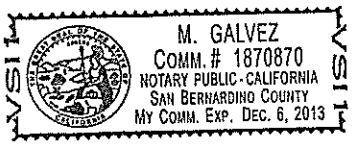
Notary Public, personally appeared Richard W. Corneille and no one else,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~
subscribed to the within instrument and acknowledged to me that ~~he/she/they~~
in ~~his/her/their~~ authorized capacity(ies), and 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)



State of California)
County of San Bernardino)

On Dec 17, 2012, before me, L. Jaramillo Notary Public
(insert name and title of the officer)

Notary Public, personally appeared C. Patrick Mulligan,
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.

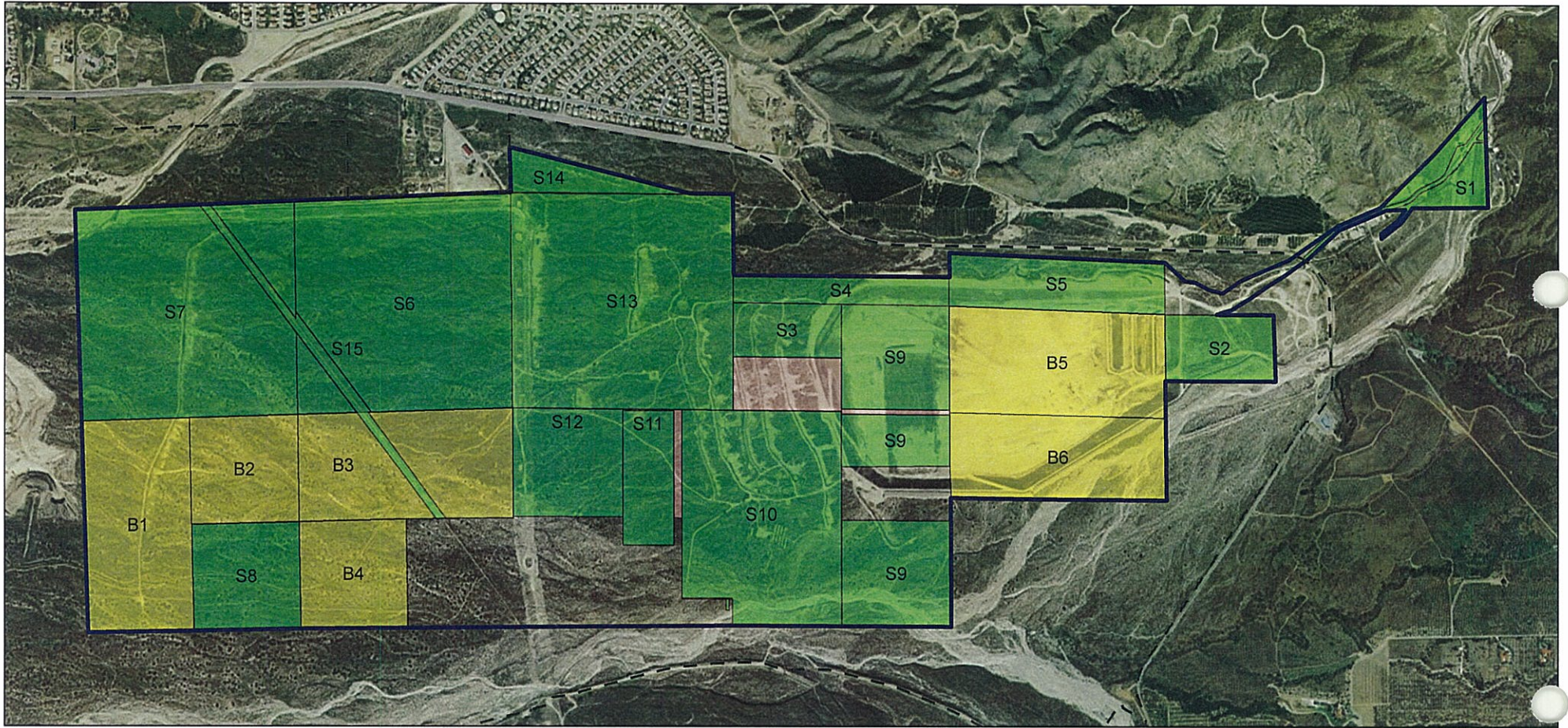
WITNESS my hand and official seal.

Signature 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



C. Brudin
14 Sept 2012

M:\2011 Projects\Land Ownership District_Exhibit1_Edits.mxd



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

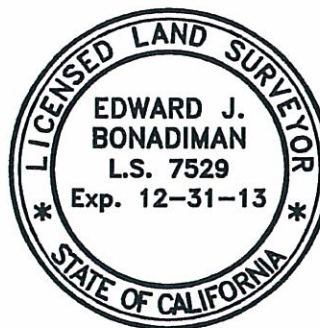
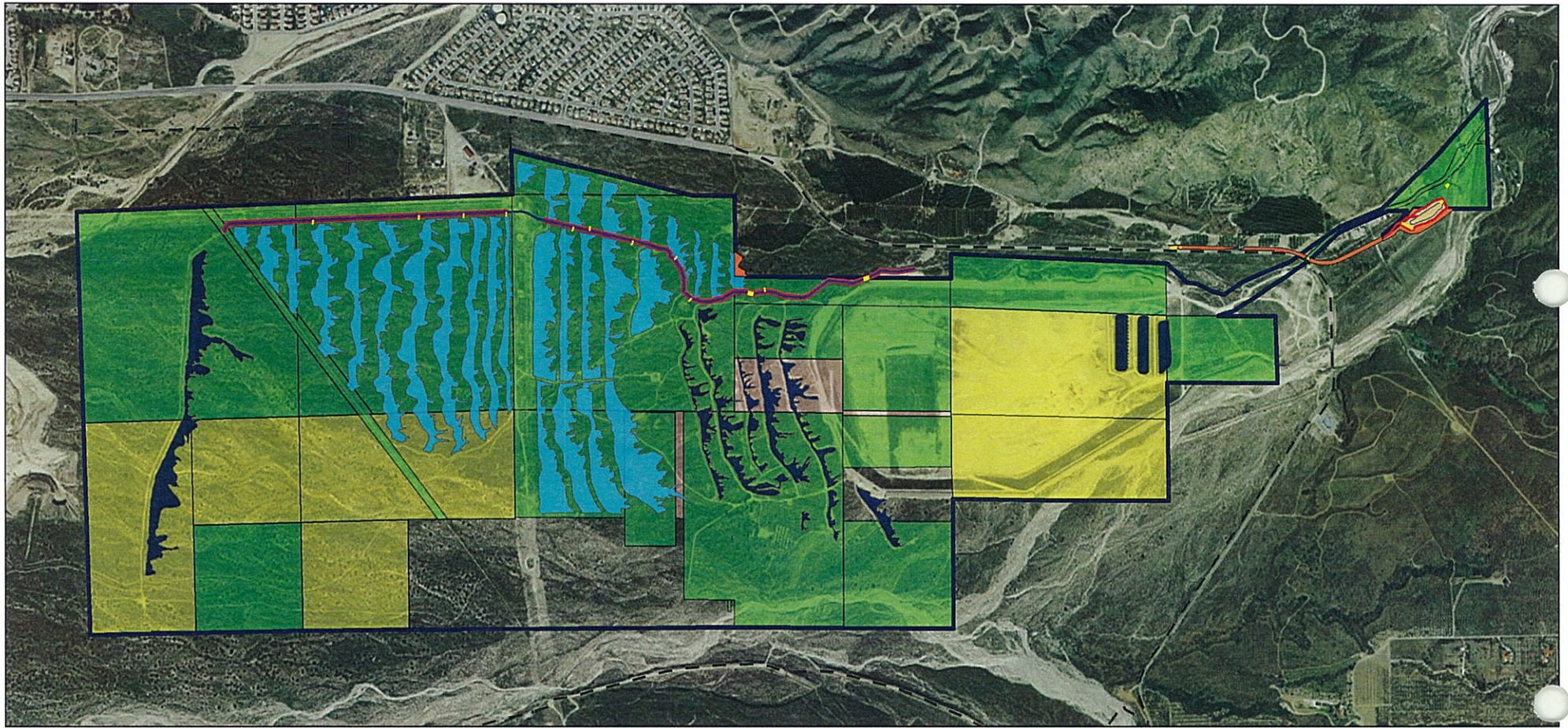


EXHIBIT 2



Legend

- | | |
|-----------------------------|--|
| --- Wash Plan Area Boundary | Orange Pipeline Easement |
| Yellow Structures | Blue Planned Improvements |
| Dark Blue Canal | White SAR Recharge Area (1485 Acres) |
| Red Access Road | Light Green SBVWCD Lands (952 Acres) |
| Dark Blue Existing Basins | Yellow BLM Property Access (513 Acres) |
| Brown Sedimentation Basins | Pink Other Ownership Limited Access |

Exhibit 2



C. Brudin
14 Sept 2012

M:\2011 Projects\Land Ownership District_Exhibit1.mxd



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 lines 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 inspection 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.

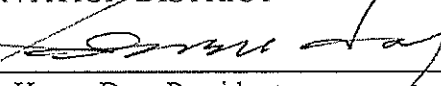
15.9. Attorneys' Fees. In the event of any suit to enforce any provision of this Lease, or to prevent or to correct any breach of this agreement, the prevailing party in such

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

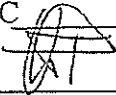
APPROVED AS TO FORM:

RUTAN & TUCKER, LLP


By: David B. Cosgrove
General Counsel

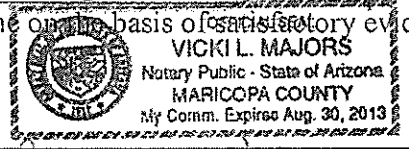
Dated: _____

CEMEX CONSTRUCTION MATERIALS
PACIFIC, LLC

By: 
V.P. _____

Arizona
State of ~~California~~
County of ~~Orange~~ Maricopa

Subscribed and sworn to (or affirmed) before me on this 23rd 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.

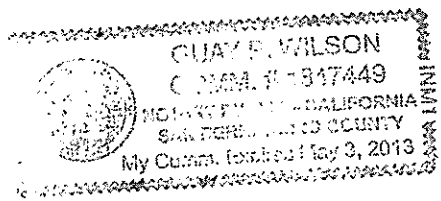


Seal: _____
Signature Vicki L. Majors

State of California
County of ~~Orange~~ San Bernardino

Subscribed and sworn to (or affirmed) before me on this 21 day of October, 2011, by Clara Reyes Diaz, 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



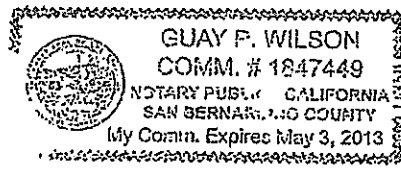
State of California

County of ~~Orange~~ ^{San} Bernardino

Subscribed and sworn to (or affirmed) before me on this 31 day of October, 2011, by Chris Perry 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



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

	<u>Approx. Acres</u>
<u>Parcel I-1:</u> (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 therefrom the North 40 feet.	155
<u>Parcel I-2:</u> (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
<u>Parcel I-3:</u> (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
<u>Parcel I-3a:</u> (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.
<u>Parcel II-A:</u> (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
<u>Parcel II-B:</u> (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
<u>Parcel II-C:</u> (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.

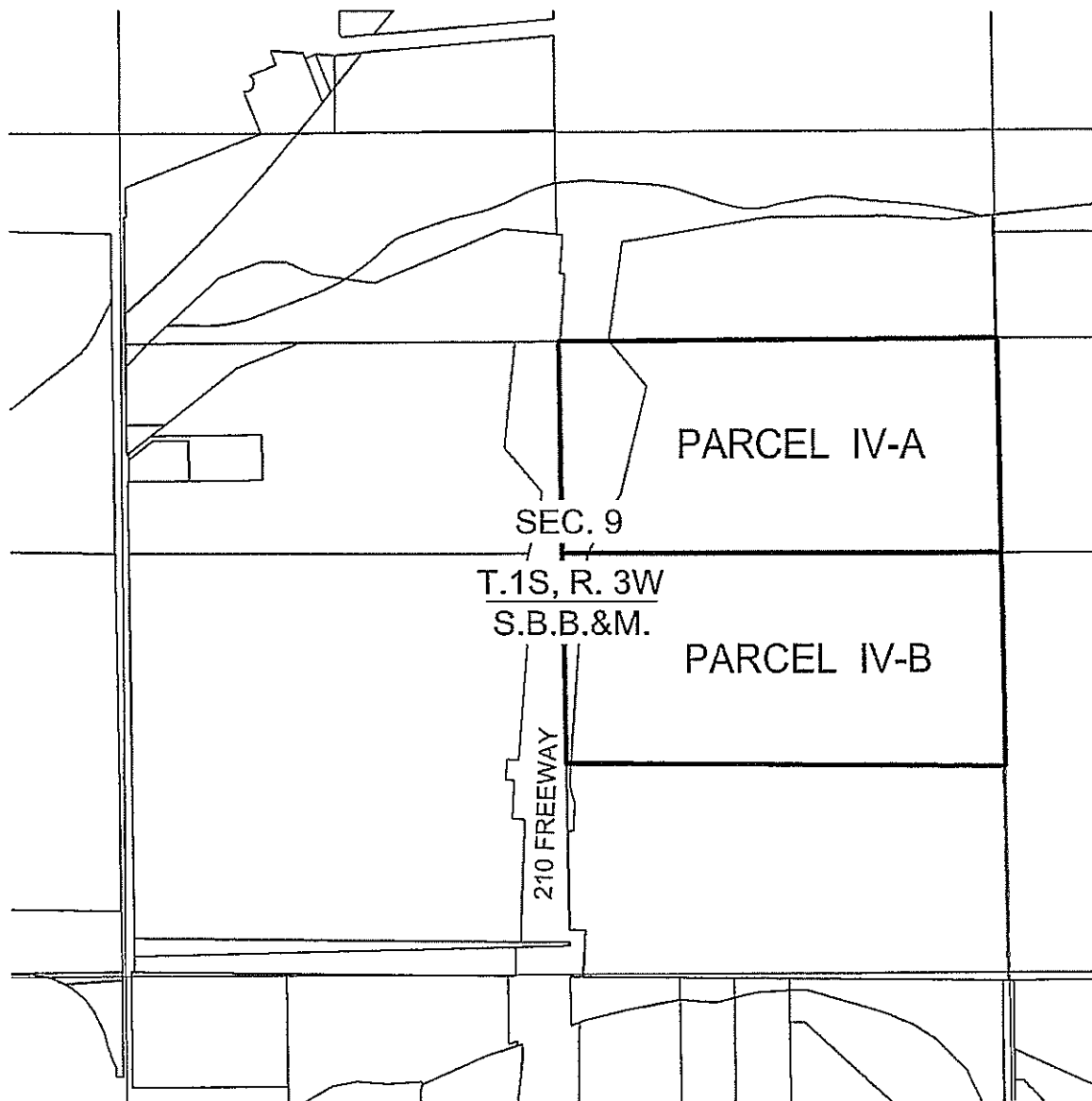
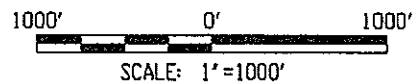
Parcel II-D: (Portion of WCD Parcel 10-2)
A non-exclusive easement across the North 60 feet of the North one-half of the Southeast Quarter of Section 10, T. 1 S., R. 3 W., SBB&M.

	<u>Approx. Acres</u>
<u>Parcel II-E:</u> (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
<u>Parcel III-A:</u> (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
<u>Parcel III-B:</u> (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
<u>Parcel IV-A:</u> (WCD Parcel 9-2) South one-half of the Northeast Quarter of Section 9, T. 1 S., R. 3 W., SBB&M.	80
<u>Parcel IV-B:</u> (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"

SHEET 1 OF 4

NOV. 15, 2011



SEE SHEET 2 OF 4



JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

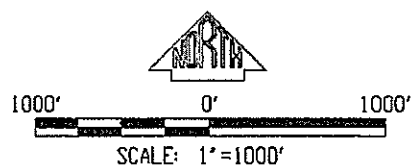
234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "B"

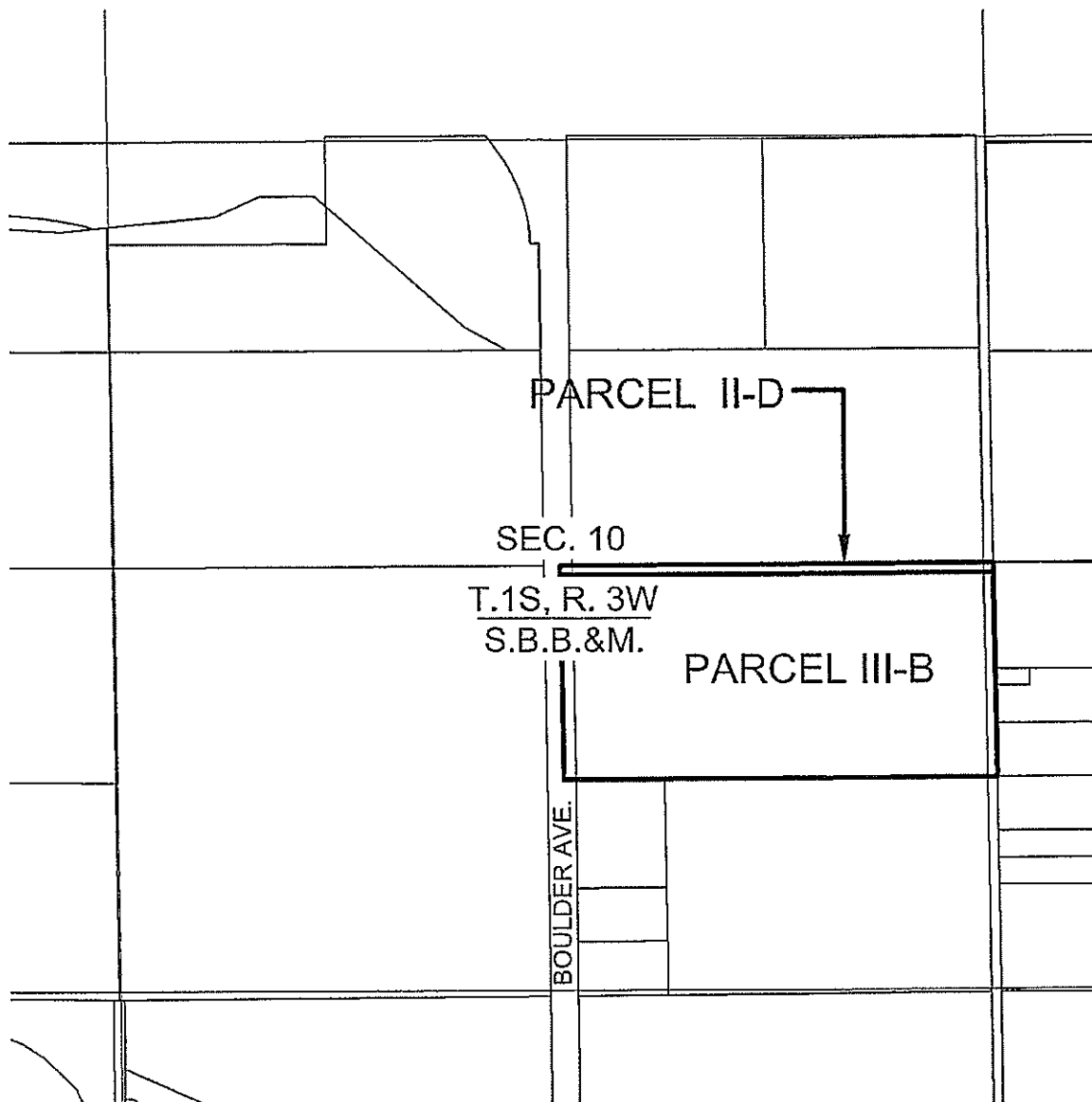
(CONTINUED)

NOV. 15, 2011

SHEET 2 OF 4



SEE SHEET 1 OF 4



SEE SHEET 3 OF 4



JOSEPH E. BONADIMAN & ASSOCIATES INC.
 consulting engineers land surveyors

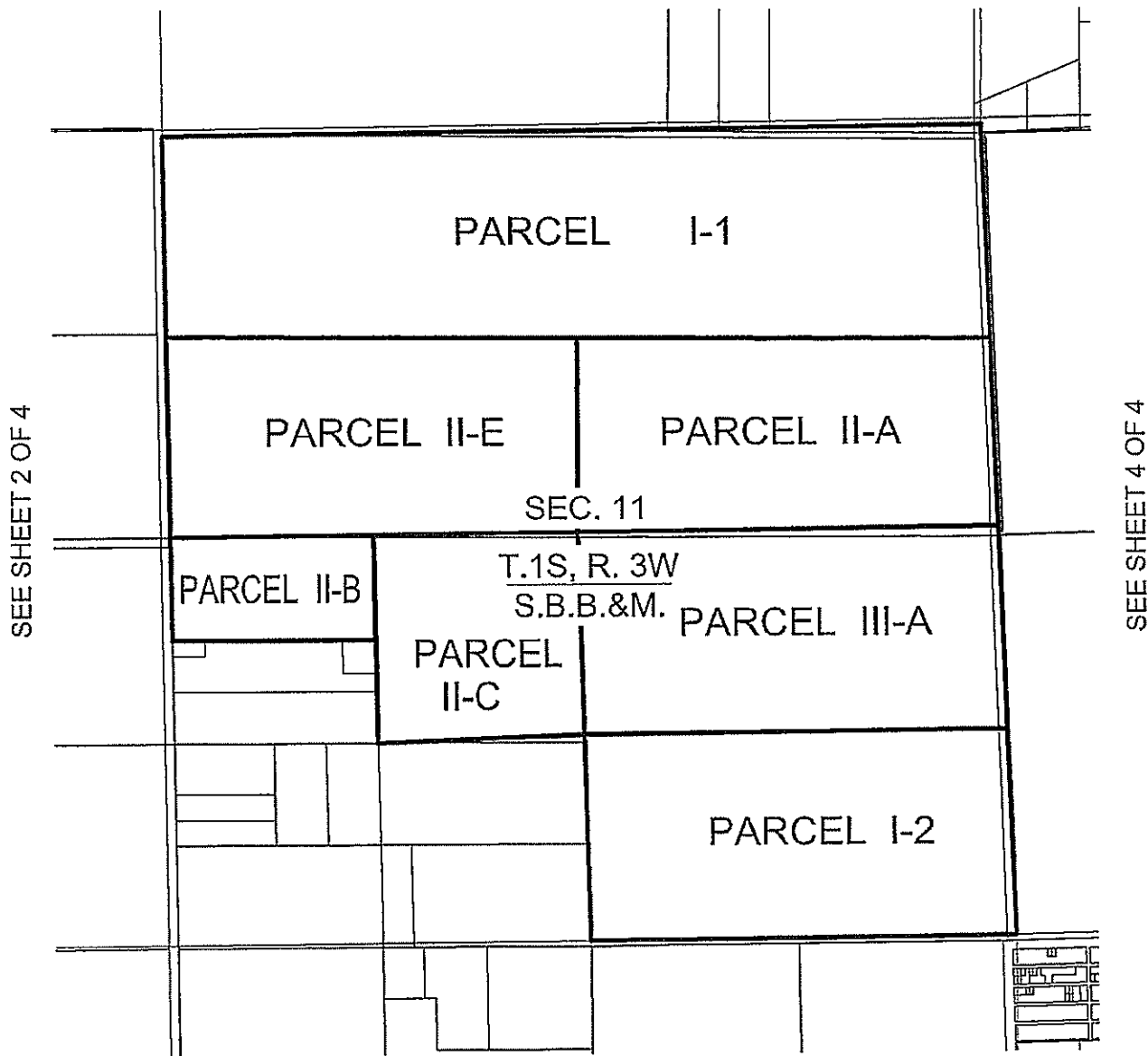
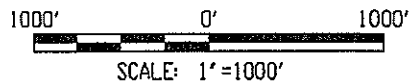
234 N. Arrowhead Ave., San Bernardino, CA. 92408
 Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "B"

(CONTINUED)

NOV. 15, 2011

SHEET 3 OF 4



JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

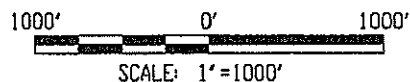
234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "B"

(CONTINUED)

NOV. 15, 2011

SHEET 4 OF 4



SEE SHEET 3 OF 4

PARCEL I-3

SEC. 12

T.1S, R. 3W
S.B.B.&M.

W	W	W	W
W	W	W	W
W	W	W	W
W	W	W	W



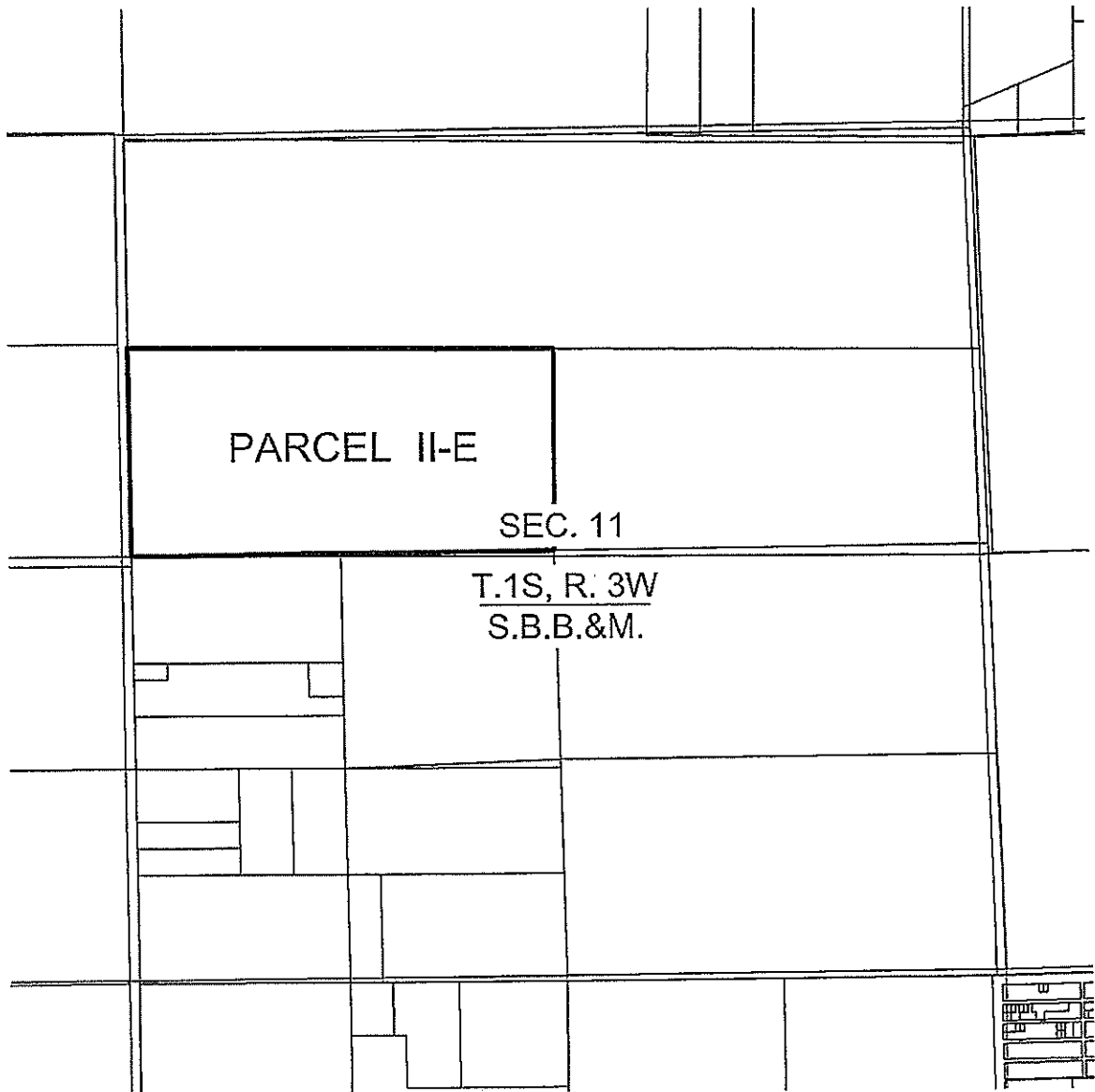
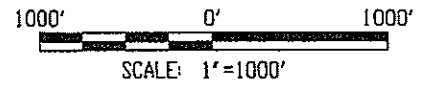
JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "C"

"SILT DEPOSIT AREA"

NOV. 15, 2011



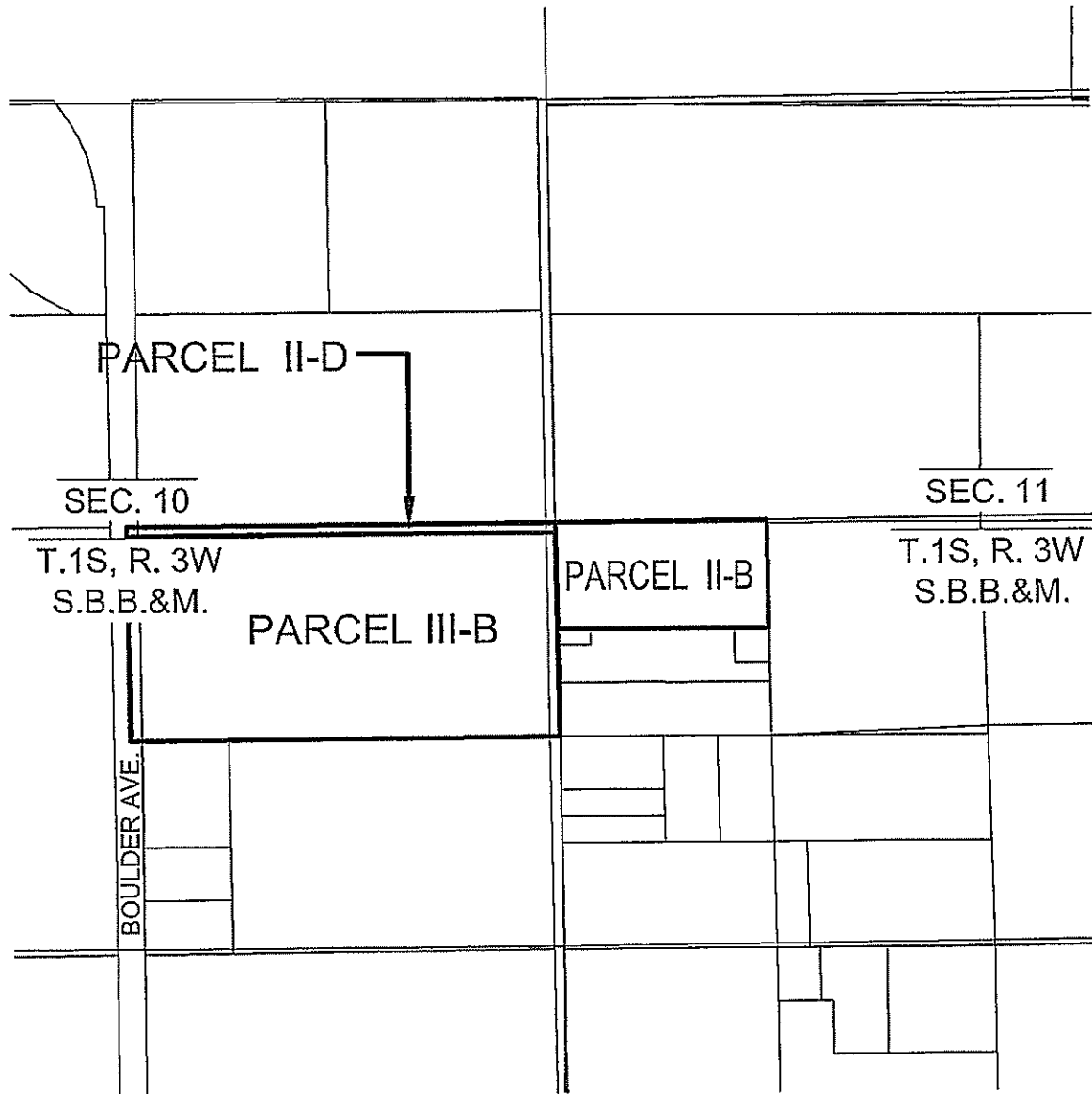
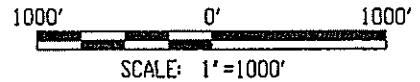
JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

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



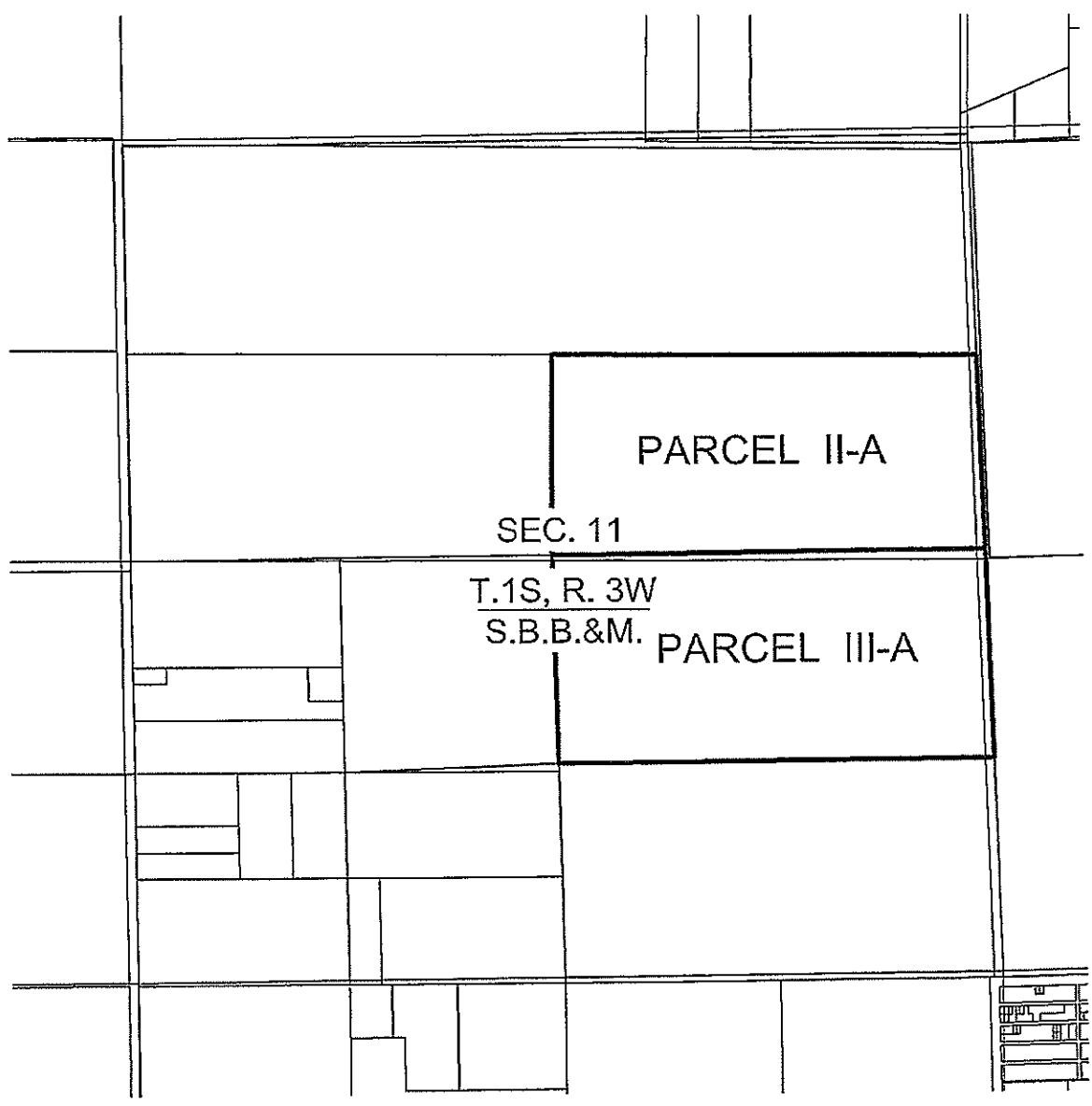
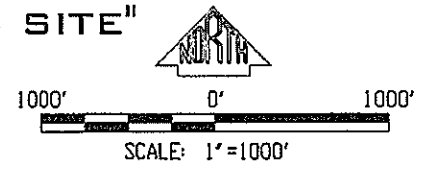
JOSEPH E. BONADIMAN & ASSOCIATES INC.
consulting engineers land surveyors

234 N. Arrowhead Ave., San Bernardino, CA. 92408
Phone: (909)885-3806 Fax: (909)381-1721

EXHIBIT "E"

"REDLANDS AGGREGATES SITE"

NOV. 15, 2011



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.

President
Robertson's Ready Mix, Ltd.
200 South Main Street
Suite 200
Corona CA 92878

As to District

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.

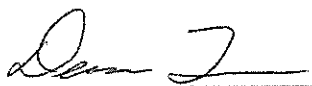
Section 18. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

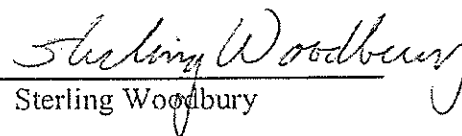
Section 19. Assignment. Neither Party shall assign its rights or delegate its responsibilities hereunder without the express written consent of the other Party, which consent shall not be unreasonably withheld. This Agreement, including the rights of first refusal and options granted hereunder, shall 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

Date: 8/11/03
SAN BERNARDINO VALLEY WATER
CONSERVATION DISTRICT,
a political subdivision of the State of
California

By: 
Dennis Troesh
Its: President

By: 
Sterling Woodbury

July 29, 2003

Its: President of the Board of
Directors

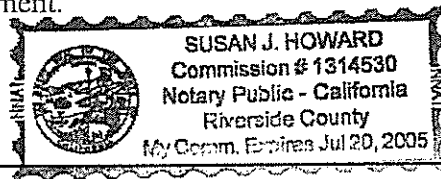
Date: 8/11/03

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



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

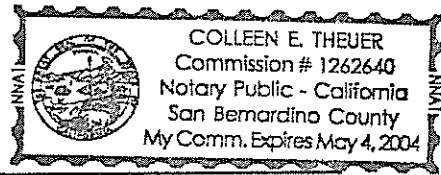


Exhibit List

<u>Description</u>	<u>Designation:</u>
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	

Conjunctive 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	

Conjunctive 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 SBVWCD 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.

Craig D. Miller
General Manager

Steven K. Adams
Division 1

Gracie Torres
Division 2

Brenda Dennstedt
Division 3

Donald D. Galleano
Division 4

S.R. "Al" Lopez
Division 5

Let David know



Securing Your Water Supply

February 10, 2021

San Bernardino Valley Water Conservation District
Attention: General Manager
1630 West Redlands Blvd. Suite A
Redlands, CA 92373-8032

Please find the Amendment to the Agreement to Develop and Operate Enhanced Recharge Facilities executed by Western Municipal Water District. We would greatly appreciate it if you could please provide a fully executed agreement when it is available to szite@wmwd.com or mail to my attention.

Thank you very much for your assistance.

San Bernardino Valley

FEB 17 2021

Water Conservation
District

A handwritten signature in blue ink that reads "Sorya Zite".

Sorya Zite
Executive Assistant

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT
Attn: General Manager
1630 West Redlands Boulevard Suite A
Redlands CA 92373-8032

(SPACE ABOVE FOR RECORDER'S USE)

EXEMPT FROM FILING FEES PURSUANT GOVERNMENT CODE 6103

**AMENDMENT TO AGREEMENT TO DEVELOP AND OPERATE ENHANCED
RECHARGE FACILITIES**

AMENDMENT TO AGREEMENT TO DEVELOP AND OPERATE ENHANCED RECHARGE FACILITIES

This Amendment to Agreement to Develop and Operate Enhanced Recharge Facilities (“Agreement”) is entered into and effective this 15th day of December 20 20, by and among the SAN BERNARDINO VALLEY WATER CONSERVATION DISTRICT (the “Conservation District”), the SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT (the “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.” This Amendment is entered into in consideration of all of the following:

RECITALS

- A. On or about October 12, 2012, the Parties entered into their “Agreement to Develop and Operate Enhanced Recharge Facilities” (“**Original Agreement**”). The purposes of the Original Agreement were to permit the Parties 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.
- B. Part of the Original Agreement was a lease by the Conservation District to Valley District and Western, of specified properties both owned by the Conservation District, and other properties owned by the United States, Bureau of Land Management (“**BLM**”), for the purposes of the “recharging of water” as that term is defined in the Original Agreement.
- C. Conservation District is in the process of completing and implementing the Upper Santa Ana River Wash Plan (“Wash Plan”). The Wash Plan includes a land exchange between the Conservation District and BLM, authorized and directed by the United States Congress in P.L. 116-9, the John D. Dingell, Jr. Conservation, Management, and Recreation Act, passed March 12, 2019 (“Act”). Section 1003(b)(1) of the Act directs the Secretary to convey certain lands currently in BLM ownership to the District, and accept from the District other lands, both more specifically described therein. The Act also identifies various “exchange” parcels to use in the event values of the property need to be equalized with any equalization payment necessary under Section 206(b) of the Federal Land Policy and Management Act of 1976 (43 USC § 1716(b).)
- D. Part of the properties affected by the lease provisions of the Original Agreement are properties involved in the Wash Plan Land Exchange. In reviewing exceptions to title regarding Conservation District properties to be conveyed to the BLM as part of such exchange, BLM raised questions regarding the Conservation District’s rights to conduct activities contemplated under the Original Agreement on lands that would be owned by BLM after the exchange. Conservation District documented such rights, to the satisfaction of BLM, with respect to the exercise of “recharging of water” by the Conservation District. BLM has reviewed the Wash Plan’s “Covered Activities” planned for properties to be owned by BLM after the Wash Plan Land Exchange, and has determined they are consistent with the Conservation District’s rights. BLM nevertheless expressed concerns that the broadly stated nature of the Original Agreement’s lease provisions in

favor of Valley District and Western, as they may apply to lands held in ownership by BLM, may not be entirely consonant with such established rights.

E. The purpose of this Amendment is to clarify the intent of the Parties under the Original Agreement that any use by Valley District and Western of any properties leased to them by the Conservation District under the Original Agreement, owned by BLM and not involved in the Wash Plan Land Exchange, will only be exercised consistent with the Conservation District's rights in and to such lands. This Amendment is also for the purpose of specifying that on properties currently owned by the Conservation District, and leased to Valley District and Western, which properties will be transferred to the BLM after the Wash Plan Land Exchange, exercise of the lease rights under the Original Agreement by Valley District and Western will be by and through the Conservation District as the entity with approval power over such facilities, and the operator and manager of such facilities, consistent with the uses specified in the Wash Plan, and for no other purposes, absent further grant of rights of way by BLM.

NOW, THEREFORE, IN CONSIDERATION OF ALL OF THE FOREGOING, THE PARTIES DO HEREBY AMEND THE ORIGINAL AGREEMENT AS FOLLOWS:

AGREEMENTS

1. Paragraph 2(a) of the Original Agreement is hereby amended to read as follows:

2. *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"). "Leased Property" is hereby clarified to specify that the Conservation District's rights over property presently owned by the United States, Bureau of Land Management ("BLM"), generally referred to in paragraph 2(a) of the Original Agreement as "existing easements under ownership of the Bureau of Land Management[.]" is more specifically composed of the following: a) rights of way established by historical use arising under R.S. 2339 and establishment by the Conservation District's predecessors, carried on to the present, of facilities for water diversion, conveyance, storage and other beneficial use, dating from 1856 onward; b) rights of way arising from 26 Stat. 1095, and a February 20, 1909 reservation enacted at 30 Stat. 645, memorialized in a January 22, 1915 right of way approved by the Department of the Interior; and c) the rights conferred on the Conservation District and its predecessors to use such areas for water diversion, conveyance, storage, and other beneficial use, as arising under State law. Such rights are collectively referred to in this Amendment as "**Conservation Rights.**" **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 the Conservation Rights over land 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:

A. 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.

B. 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.

C. 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 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.

D. 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, and with respect to the Conservation Rights, 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.

E. 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 **Exhibit 3** and **Exhibit 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 **Exhibit 3** and **Exhibit 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:

(1) 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.

(2) 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.

(3) 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, consistent with the Conservation Rights to the extent water is chosen to be diverted on portions of the Leased Property owned by BLM, 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.

F. On those portions of the Leased Property owned by the Conservation District, Valley District and Western shall enjoy the full range of rights for entry and use as described in the Original Agreement. Notwithstanding any of the foregoing, on those portions of the Leased Property owned by BLM, Valley District and Western shall be limited in the exercise of their rights of entry and use to the exercise of the Conservations Rights, exercising such rights by and through the Conservation District as the entity with approval power over any facilities for

the recharging of water on such lands, and the operator and manager of such facilities. As to Valley District and Western, such rights for entry as use on those portions of the Leased Property owned by BLM may further only be exercised for uses consistent with the uses specified in the Wash Plan, and for no other purposes, absent further grant of rights of way to Valley District or Western, or both of them, by BLM.

G. Except as specifically amended herein, the remainder of the Original Agreement shall remain in full force and effect.

**SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT
"Conservation District"**

By: Melody Henriques-McDonald
Melody Henriques-McDonald, President
Board of Directors

**APPROVED AS TO FORM:
RUTAN & TUCKER, LLP**

By: David B. Cosgrove
David B. Cosgrove
General Counsel

**SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
"Valley District"**

By: _____
T. Milford Harrison, President
Board of Directors

**APPROVED AS TO FORM:
DOWNEY BRAND, LLP**

By: _____
Meredith Nikkel
Special Counsel

the recharging of water on such lands, and the operator and manager of such facilities. As to Valley District and Western, such rights for entry as use on those portions of the Leased Property owned by BLM may further only be exercised for uses consistent with the uses specified in the Wash Plan, and for no other purposes, absent further grant of rights of way to Valley District or Western, or both of them, by BLM.

G. Except as specifically amended herein, the remainder of the Original Agreement shall remain in full force and effect.

**SAN BERNARDINO VALLEY
WATER CONSERVATION DISTRICT
“Conservation District”**

By: _____
Richard W. Corneille, President
Board of Directors

**APPROVED AS TO FORM:
RUTAN & TUCKER, LLP**

By: _____
David B. Cosgrove
General Counsel

**SAN BERNARDINO VALLEY
MUNICIPAL WATER DISTRICT
“Valley District”**

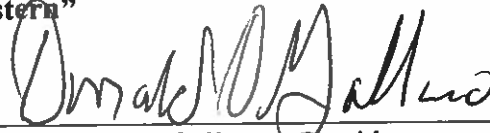
By: _____
T. Milford Harrison, President
Board of Directors

**APPROVED AS TO FORM:
DOWNEY BRAND, LLP**

By: _____
Meredith Nikkel
Special Counsel

**WESTERN MUNICIPAL WATER
DISTRICT OF RIVERSIDE COUNTY**

“Western”


By: 
Donald D. Galleano, President
Board of Directors

**APPROVED AS TO FORM:
BEST, BEST & KRIEGER**

By: _____
Jeff Ferre
General Counsel


**WESTERN MUNICIPAL WATER
DISTRICT OF RIVERSIDE COUNTY**

"Western"

By: 
Donald D. Galleano, President
Board of Directors

APPROVED AS TO FORM:

BEST, BEST & KRIEGER

By: 
Jeff Ferre
General Counsel

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Bernardino)

On February 25, 2021, before me, Melissa Sharples, Notary Public, personally appeared **Melody Henriques-McDonald**, who 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 she executed the same in her authorized capacity(ies), and that by her signature on the instrument the person, or the entity upon behalf of which the person 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 *Melissa Sharples*

(Seal)



A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Bernardino)

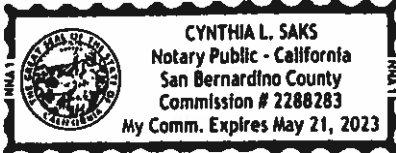
On February 17, 2021, before me, Cynthia L. Saks, Notary Public, personally appeared T. Milford Harrison, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in 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 *Cynthia L. Saks*

(Seal)



STANDARD FORM 299 (REV. 3/2020)

APPLICATION FOR TRANSPORTATION, UTILITY SYSTEMS, TELECOMMUNICATIONS AND FACILITIES ON FEDERAL LANDS AND PROPERTY

FORM APPROVED
OMB Control Number: 0596-0249
Expiration Date: 2/28/2023

FOR AGENCY USE ONLY

NOTE: Before completing and filing the application for an authorization (easement, right-of-way, lease, license or permit), the applicant should completely review this package, including instructions, and schedule a pre-application meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the pre-application meeting.

Application Number

Date Filed

1. Name and address of applicant
San Bernardino Valley Municipal Water District
380 E Vanderbilt Way
San Bernardino, CA 92408

2. Name and address of authorized agent if different from item 1
Betsy Miller
San Bernardino Valley Water Conservation District
1630 W Redlands Blvd. Suite A
Redlands, CA 92373

3. Applicant telephone number and email:
909-387-9200
heatherd@sbvmwd.com
Authorized agent telephone number and email:
909-793-2503
bmiller@sbvwcd.org

4. As applicant are you? (check one)
- a. Individual
 - b. Corporation*
 - c. Partnership/Association*
 - d. State Government/State Agency
 - e. Local Government
 - f. Federal Agency

5. Specify what application is for: (check one)
- a. New authorization
 - b. Renewing existing authorization number
 - c. Amend existing authorization number
 - d. Assign existing authorization number
 - e. Existing use for which no authorization has been received *
 - f. Other*

* If checked, complete supplemental page

* If checked, provide details under item 7

6. If an individual, or partnership, are you a citizen(s) of the United States? Yes No

7. Project description (describe in detail): (a) Type of use or occupancy, (e.g., canal, pipeline, road, telecommunications); (b) related structures and facilities; (c) physical specifications (Length, width, grading, etc.); (d) term of days/years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for activity/construction (Attach additional sheets, if additional space is needed.)

Groundwater recharge activities have occurred on the Santa Ana River Wash (a portion of which is federal land) since 1910. Expansion of the existing facilities includes the addition of twenty (20) recharge basins (nine of which are on lands to be transferred to BLM and thus are included within this ROW application) with levees, access roads, canals, inter-basin pipelines and connectors, and flow control structures. Information on the sizes and number of the facilities can be found in the San Bernardino Valley Municipal Water District Plan of Development for Construction of the Enhanced Recharge Project ("Plan of Development"). Operations and maintenance of the expanded facilities will occur year-round after the completion of construction and would continue in perpetuity. Habitat management actions within habitat surrounding the expanded facilities will occur year-round and would continue in perpetuity. A full project description of the project is provided in Exhibit A attached.

8. Attach a map covering area and show location of project proposal.

9. State or Local government approval: Attached Applied for Not Required

10. Nonrefundable application fee: Attached Not required To be determined by agency

11. Does project cross international boundary or affect international waterways? Yes No (if "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

Phase 1A of the project has already been constructed and is operating east of the expanded recharge facilities. The new proposed facilities will be operated in tandem with existing water recharge facilities that are managed and operated by the San Bernardino Valley Water Conservation District ("Conservation District"). The Conservation District has over 100 years of experience managing and operating the existing groundwater recharge facilities.

STANDARD FORM 299 (REV. 3/2020) PAGE 2

13a. Describe other alternative locations considered.

The location of the proposed groundwater recharge basins is constrained by several factors, including soil percolation rates and nearness to surface flows. Within these parameters, alternative locations were evaluated in development of the Upper Santa Ana River Wash Plan Habitat Conservation Plan ("HCP").

b. Why were these alternatives not selected?

The alluvial fan of the Santa Ana River Wash is ideal for groundwater recharge, which has been conducted in this location for more than 100 years. The proposed spreading basins are designed to work with the existing facilities and therefore must be collocated.

c. Give explanation as to why it is necessary to use or occupy Federal assets (lands or buildings).

The spreading facilities were constructed on federal lands and have been operated in this location for more than 100 years. It is necessary to expand and continue operation of these facilities on both Conservation District and federal lands to ensure water supply is available for residents in the area.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name)

n/a

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

a) Approximately \$60,000,000 to construct and \$500,000 per year to operate;

b) Costs of alternatives not considered;

c) Up to twenty-six billion (26,000,000,000) gallons of water to be recharged each year.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

The expansion of groundwater recharge facilities enhances local storm water capture and recharge in the groundwater basin to increase water supply reliability for the population in the area with a lower cost than purchasing and importing water, which may be interruptible.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability; and, (g) historic or archaeological resources or properties.

Environmental effects were analyzed as part of the HCP and EIR/EIS as well as the EA prepared for this application. Please see Exhibit A.

18. Describe the probable effects that the proposed project will have on (a) populations of fish, plant life, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

Probable effects to species were studied as part of the HCP and EIR/EIS as well as the EA prepared for this application. A summary of federal cross-cutting authorities is provided in the Plan of Development.

19. State whether any hazardous material, as defined in this paragraph, would be used, produced, transported or stored on or in a federal building or federal lands or would be used in connection with the proposed use or occupancy. "Hazardous material" shall mean (a) any hazardous substance under section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601(14); (b) any pollutant or contaminant under section 101(33) of CERCLA, 42 U.S.C. § 9601(33); (c) any petroleum product or its derivative, including fuel oil, and waste oils; and (d) any hazardous substance, extremely hazardous substance, toxic substance, hazardous waste, ignitable, reactive or corrosive materials, pollutant, contaminant, element, compound, mixture, solution or substance that may pose a present or potential hazard to human health or the environment under any applicable environmental laws. The holder shall not store any hazardous materials at the site without prior written approval from the authorized officer. This approval shall not be unreasonably withheld. If the authorized officer provides approval, this permit shall include (or in the case of approval provided after this permit is issued, shall be amended to include) specific terms addressing the storage of hazardous materials, including the specific type of materials to be stored, the volume, the type of storage, and a spill plan. Such terms shall be proposed by the holder and are subject to approval by the authorized officer.

Hazardous materials will not be produced, transported or stored on federal lands. Aquatic safe herbicides are utilized to manage invasive plants by Qualified Applicators under the State of California.

20. Name all the Federal Department(s)/Agency(ies) where this application is being filed.

Department of the Interior, Bureau of Land Management

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Date



3/6/2023

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INFORMATION
ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation utility systems telecommunication installations facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Wired and wireless systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved right-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application must be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847
(or a local Forest Service Office)

Department of the Interior
Bureau of Indian Affairs (BIA)
Alaska Regional Office
709 West 9th Street
Juneau, Alaska 99802
Telephone: (907) 586-7177

Department of the Interior
Alaska State Office
Bureau of Land Management
222 West 7th Avenue #13
Anchorage, Alaska 99513
Public Room: 907-271-5960
FAX: 907-271-3684
(or a local BLM Office)

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3440

National Park Service (NPS)
Alaska Regional Office
240 West 5th Avenue
Anchorage, Alaska 99501
Telephone: (907) 644-3510

Note - Filings with any Interior agency may be filed with any office noted above or with the Office of the Secretary of the Interior, Regional Environmental Officer, P.O. Box 120, 1675 C Street, Anchorage, Alaska 99513.

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, 222 West 7th Ave., Box 14
Anchorage, Alaska 99513-7587
Telephone: (907) 271-5285

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual department/agencies may authorize the use of this form by applicants for transportation, utility systems, telecommunication installations and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS
(Items not listed are self-explanatory)

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map must show the section(s), township(s), and range(s) within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 The responsible agency will provide additional instructions.
- 13 Providing information on alternate locations in as much detail as possible, discussing why certain locations were rejected and why it is necessary to use Federal assets will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate locations as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
- 16 through 19 Providing this information with as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use a sound judgment in furnishing relevant information. For example, if the project is not near a stream or other body of water, do not address this subject. The responsible agency will provide additional instructions.

Application must be signed by the applicant or applicant's authorized representative.

EFFECT OF NOT PROVIDING INFORMATION

Disclosure of the information is voluntary. If all the information is not provided, the proposal or application may be rejected.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from proponents and applicants requesting a right-of-way, permit, license, lease, or certification for use of Federal assets. The Federal agencies use this information to evaluate a proponent's or applicant's proposal to use Federal assets.

BURDEN STATEMENT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0249. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The authority to collect this information is derived from 47 U.S.C. 1455(c)(3) and 16 U.S.C. 3210.

USDA NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide instructions	CHECK APPROPRIATE BLOCK	
	ATTACHED	FILED *
I - PRIVATE CORPORATIONS		
a. Articles of Incorporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Corporation Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.	<input type="checkbox"/>	<input type="checkbox"/>
f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.	<input type="checkbox"/>	<input type="checkbox"/>
g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.	<input type="checkbox"/>	<input type="checkbox"/>
II - PUBLIC CORPORATIONS		
a. Copy of law forming corporation	<input type="checkbox"/>	<input type="checkbox"/>
b. Proof of organization	<input type="checkbox"/>	<input type="checkbox"/>
c. Copy of Bylaws	<input type="checkbox"/>	<input type="checkbox"/>
d. Copy of resolution authorizing filing	<input type="checkbox"/>	<input type="checkbox"/>
e. If application is for an oil or gas pipeline, provide information required by item "f" and "g" above.	<input type="checkbox"/>	<input type="checkbox"/>
III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY		
a. Articles of association, if any	<input type="checkbox"/>	<input type="checkbox"/>
b. If one partner is authorized to sign, resolution authorizing action is	<input type="checkbox"/>	<input type="checkbox"/>
c. Name and address of each participant, partner, association, or other	<input type="checkbox"/>	<input type="checkbox"/>
d. If application is for an oil or gas pipeline, provide information required by item "f" and "g" above.	<input type="checkbox"/>	<input type="checkbox"/>

* If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information (e.g., number, date, code, name). If not on file or current, attach the requested information.



DATE: March 21, 2023

TO: Board of Directors

FROM: Bob Tincher, Chief of Statewide Water Initiatives/Deputy General Manager
Heather Dyer, Chief Executive Officer/General Manager

SUBJECT: Consider Joining the Coalition of Water Agencies Opposed to Water Rights Bills

Staff Recommendation

Staff and our lobbyist, Jack Gualco, are recommending that the Board join the Associated California Water Agencies (ACWA) Coalition opposing water rights bills AB460, AB1337, and SB389.

Summary

These bills seek to fundamentally change the way California's water rights system is implemented and enforced which would effectively reduce, or eliminate, the certainty and value of existing water rights, including Valley District and Western Municipal Water District Santa Ana River diversion rights and the rights of the State Water Project. The State Water Contractors (SWC) legislative team, which includes Jack Gualco, is joining ACWA's State Legislative Committee in taking an oppose position on these three bills.

Background

AB 460 (Bauer-Kahan) would grant the State Water Resources Control Board (State Water Board) new and sweeping authority to issue interim relief orders against water diverters and users without holding a hearing. The bill also authorizes the State Water Board to enforce the orders by imposing costly requirements.

AB 1337 (Wicks) would authorize the State Water Board to adopt wide-ranging regulations and enforce them through curtailing diversions under any claim of right. The bill would also not require a hearing before issuing curtailments.

SB 389 (Allen) would weaken the existing evidentiary standard for a forfeiture of rights making it easier for a forfeiture of rights to be adjudicated.

Fiscal Impact

All of these bills if passed could generate considerable uncertainty with existing water rights which would essentially reduce, or eliminate, the value of Valley District's Santa Ana River water rights and its portion of the water rights of the State Water Project.

Attachment

- 1) SWC Talking Points for Opposing Water Rights Bills
- 2) ACWA Request to Join Coalition in Opposition to the Water Rights Bills

Talking Points – Water Rights Legislation

- A major overhaul of California’s water rights system is unnecessary and threatens to create widespread, long-term instability and disruption to our economy, environment, and statewide water management landscape.
- California’s water rights laws and structure are foundational to our state’s water management system for urban, agricultural, and environmental uses of water.
- Communities and industries have developed and grown based upon the reliance of our water rights system and structure, just as they have in reliance on other property rights. And the continued health of our fish, wildlife, and environmental resources are dependent on a predictable, consistent, and well-managed water rights system.
- California’s existing water rights structure and system are not broken or outdated. But, the two recent droughts have shown that the SWRCB needs more staff, funding, and up-to-date information to enforce water rights by priority during prolonged dry periods.
- The introduction of broad and sweeping water rights legislation poses great concerns for the certainty of water supply reliability and creates open-ended and ongoing risks for water suppliers, communities, farms, tribes, and others who are reliant – and that have developed their urban and agricultural infrastructure and investments based upon – a consistent and predictable water rights statutory and regulatory structure.
- Significant restructuring of California’s existing water rights system also threatens to seriously undermine the Voluntary Agreements, creating volatility and uncertainty for water users and the environment, within a framework that is specifically and intentionally designed to provide strong certainty and reliability of actions for all parties.

AB 460 (Bauer-Kahan)	AB 1337 (Wicks)	SB 389 (Allen)
<p>AB 460 would provide broad statutory authority for the SWRCB to issue interim relief orders to apply or enforce a variety of statutes, doctrines, and water policies.</p> <p>Issues/Concerns: -Existing immediate relief alternative pathways already exist in California law, through the pursuit of injunctive relief in</p>	<p>AB 1337 would provide broad statutory authority for the SWRCB to restrict water diversions through regulation and to enforce the regulations through orders curtailing the diversion or use of water under any claim of right.</p> <p>Issues/Concerns: -Expansive scope and breadth of authority to SWRCB, far</p>	<p>SB 389 would provide statutory authority for the SWRCB to investigate the diversion and use of water from a stream system, and would be authorized to solicit a broad range of information from each diverter to prove it has a right, and issue an order determining whether there is a right and the scope of that right.</p>

<p>the court system – there is no need for a stand-alone interim relief statute</p> <p>-AB 460 would seriously undermine the Voluntary Agreements, creating volatility and uncertainty within a framework that is designed to provide strong certainty and reliability of actions for water users and the environment</p> <p>-Expansive authority for SWRCB to issue immediate interim relief orders for any water right throughout the State (not limited to illegal diversions or violations of curtailment orders) – could be initiated upon SWRCB’s own motion or by petition from any interested party</p> <p>-Scope of matters upon which SWRCB could impose interim relief is broad, including the public trust doctrine and it extends to water users, not just water diverters</p> <p>-Due process is minimal, including concerns with noticing provisions, hearing provisions, standard of review and evidentiary standard, and would allow the SWRCB to be both prosecutor and judge in an interim relief hearing proceeding</p> <p>-SWRCB would be granted extraordinary ability to impose new and costly conditions and requirements on water rights</p>	<p>beyond authorities afforded under existing water rights laws creates immense uncertainty</p> <p>-AB 1337 would seriously undermine the Voluntary Agreements, creating volatility and uncertainty within a framework that is designed to provide strong certainty and reliability of actions for water users and the environment</p> <p>-Broad authority for SWRCB to take actions under guise of protecting public trust resources, and protecting against waste, unreasonable use or unreasonable method of diversion, which are undefined and undetermined standards that require case-by-case balancing</p> <p>-Regulations bypass due process afforded water right holders since statehood</p> <p>-Concerns with overly deferential standard of review and evidentiary basis for regulatory action affecting water rights</p> <p>-Concern with blanket CEQA exemption for regulations that could have profound environmental impacts statewide</p>	<p>Issues/Concerns:</p> <p>-Would substantially weaken the evidentiary standard upon which a forfeiture of rights could be pursued – by eliminating the need for a finding that there is the existence of a conflicting claim by another water right holder, SB 389 would weaken the legal showing and make it easier for a forfeiture of rights to be adjudicated</p> <p>-Would allow the SWRCB to initiate an adjudication of an individual diverter’s water rights on its own motion, which is a substantial shift from existing law which does not provide such authority</p> <p>-Due process protections are lacking – it is unclear whether a hearing is guaranteed for a diverter</p> <p>-Would shift the burden of proof to each diverter to prove by preponderance of the evidence, the elements of the basis of right</p> <p>-Water rights are relative to those of other diverters on a river or stream, so case-by-case determinations may result in unfair results</p>
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holders and users as part of the interim relief proceeding process before a full adjudication has occurred		
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- There is a significant need for the State to improve information and data collection efforts to manage and enforce the existing water rights structure. Modernizing the water rights information system should be a foundational element to strengthening and enforcing the existing water rights system in California.
- Enhanced water rights data and technologies are integral to the modernization of our water management system in California. This includes a combination of measurement (metering points of diversion, additional stream gages, etc.) with data and technology (digitizing records, forecast-informed reservoir operations, improving the water right data management system) to improve the water unavailability methodology that provides the basis for implementing the water rights priority system.
- Information management improvement and data collection efforts that should be supported and advanced in the near-term, include:
 - **Support for the SWRCB’s budget change proposal** to allocate \$31.5 million in the State Budget process for continuation of the water rights modernization effort.
 - **Support for AB 30 (Ward)**, to improve predictive models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.
 - **Support for SB 361 (Dodd)**, to reactivate, upgrade, and install new stream gages to ensure accurate and comprehensive data collection.
 - **Support for full implementation of SB 88**, to ensure installation of accurate meters or other equally or more accurate diversion measurement technology and more frequent reporting of diversions on all points of diversion.
- If there is a need for stronger water rights enforcement tools, then legislation should be **narrowly-tailored** to address very specific needs:
 - Providing sufficient staff and other resources for the SWRCB to monitor compliance and act quickly to address alleged violations of curtailment orders
 - Providing appropriate deterrent authority through the establishment of a meaningful monetary fine structure to the SWRCB to enforce violations of curtailment orders

Members Urged to Join Coalition to Oppose Three Water Rights Bills That Threaten California's Water Rights System

A series of bills seeking to fundamentally change the way California's water rights system is implemented and enforced have been introduced in the Legislature in an effort to attack the current water rights system. ACWA's State Legislative Committee has taken an oppose position on three bills that present substantial concerns for public water agencies. ACWA staff is making it a top priority to stop these bills, which would upend California's water rights system.

Take Action Now

Join the Coalition. The water community must be united in stopping these bills. ACWA is strongly urging every member agency to join the coalition in opposition of the three bills summarized below. Let ACWA know that you want your agency to be listed on separate coalition letters by submitting your agency's logo and signature block (name, title, agency) to ACWA State Relations Analyst [Richard Filgas](mailto:Richard.Filgas@acwa.com) and outreach@acwa.com.

Background

The following bills threaten to undermine the basic foundation of water management and water delivery in California.

AB 460 (Bauer-Kahan) would grant the State Water Resources Control Board new and sweeping authority to issue interim relief orders against water diverters and users. Additionally, these orders could be issued without holding a hearing in which water right holders could defend their actions.

The bill would also authorize the State Water Board to enforce the orders by imposing onerous and costly requirements on water users. This could include curtailing diversions, imposing new minimum streamflow requirements, directing reservoir operations, requiring the diverter to conduct technical studies, and more.

AB 1337 (Wicks) would authorize the State Water Board to adopt wide-ranging regulations and enforce them through curtailing diversions or use of water under any claim of right. The bill would not require the State Water Board to hold a hearing before issuing curtailments.

This bill would strip water right holders of their constitutional due process guarantees and create significant uncertainty for communities and industries that depend on a reliable supply of water that California's existing water rights system ensures.

SB 389 (Allen) would authorize the State Water Board to investigate and determine the scope and validity of any water right claim. In any proceeding to evaluate the basis of a water right, the water right holder would have the burden of proving the basis of the right. ACWA has serious concerns with authorizing the State Water Board to drag water right holders before the Board to prove their claims.

Questions

For questions about any of the water rights bills, please contact ACWA Legislative Advocate [Kristopher Anderson](#) at (916) 441-4545.



DATE: March 21, 2023

TO: Board of Directors

FROM: Bob Tincher, Chief of Statewide Water Initiatives/Deputy General Manager
Wen Huang, Chief Operating Officer, Assistant General Manager

SUBJECT: Consider Purchase of Up to 5,000 Acre-Feet of Article 21 Water Through the State Water Project

Staff Recommendation

Staff is recommending that the Board authorize the purchase of up to 5,000 acre-feet of Article 21, or extra, water through the State Water Project (SWP) at a cost of about \$1.25 million.

Summary

One of the primary water management strategies in the *Upper Santa Ana River Watershed Integrated Regional Urban Water Management Plan* is to store water in wet years, like this one, for later use during dry years. In wet years, the State Water Contractors are able to divert additional water under Article 21 of the State Water Contracts (Article 21 water). Article 21 water is only available under certain conditions and is not expected to be available for a prolonged period of time. This proposed purchase of Article 21 water is in addition to the recently approved unbalanced exchange with Crestline Lake Arrowhead Water Agency for 3,000 acre-feet.

Background

In wet years, the SWP is able to divert Article 21 water directly from the Sacramento-San Joaquin Delta (Delta) whenever the available flow exceeds the environmental requirements and San Luis Reservoir is full. San Luis Reservoir is anticipated to fill sometime later this week making Article 21 water available. This water is made available to the State Water Contractors by the Department of Water Resources on a weekly basis as long as the required conditions are being met.

Fiscal Impact

Valley District will pay the variable costs for any additional Article 21 water from the available funds in the State Water Project Budget under the variable expense account. Additional revenues will be collected when this water is sold to a Valley District customer(s).



DATE: March 21, 2023

TO: Board of Directors

FROM: Heather Dyer, CEO/General Manager

SUBJECT: Consider support for SB366 California Water For All Act authored by Senator Caballero and supported by the California Municipal Utilities Association

Staff Recommendation

Staff recommends the Board support the California Water For All Act (SB 366, Caballero) sponsored by the California Municipal Utilities Association (CMUA) and fund \$20,000 towards the supporting public relations campaign for the legislation being led by CMUA.

Summary

CEO/General Manager, Heather Dyer, will give a brief presentation on the California Water For All Act (SB 366 (Caballero)) and CMUA's public relations effort in support of this legislation. SB 366 is being authored by Senator Anna M. Caballero who is serving her second term in California's 14th Senate District, which encompasses majority portions of Merced, Madera and Fresno Counties.

The CA Water for All public relations campaign is designed to generate broad-based, statewide engagement from water agencies and stakeholder organizations to support SB 366. The CA Water for All coalition is a statewide education effort bringing together the water community, policymakers, and stakeholders to collaborate on ensuring Californians have a sustainable and reliable water supply for all beneficial uses now and for future generations. By becoming a funding partner of CA Water for All, we are supporting that the state enact a statewide, comprehensive, long-term legislative solution to immediately address California's ongoing water supply threat.

Background

The goal of this legislation is to mandate that long-term water supply reliability and resilience, to support the entire diverse range of water needs including the environment, be a priority for the state

of California. The legislation is designed to transform California water management so that instead of managing for scarcity, the State will work toward water supply targets to ensure water for all.

CA Water for All public relations and educational efforts by the CMUA and water agencies across the state will employ the following strategies:

- Recruit broad-based and diverse support from water agencies and stakeholders that will be necessary to pass major water community legislation this year.
- Engage water agencies, stakeholders, and lawmakers to spur action by making the case for a legislative solution, emphasizing that all parties need to work together to transform the existing water supply system to meet future needs.
- Remain closely coordinated with the advocacy strategy, ensuring the program is aligned to achieve the public policy outcomes of SB 366.
- Explain and promote the legislative solution, but not take action on the bill.
- Continue to define the current water supply problem and communicate the future water needs of the state, demonstrate the inability of the state to meet those needs because of climate change and system limitations.
- Articulate the water supply targets the state must accept to achieve the supply levels that will serve residential, business, agricultural, and environmental uses.
- Reference environmental and water expert studies, reports, etc. that detail the long term impact of climate change on CA water resources and the water-dependent interests all over the state.
- Elevate the narrative and legislative proposal around a comprehensive, long-term policy solution that can benefit the entire state including residents, businesses, agriculture, environment, all industries and sectors, communities, CA's economy, and future generations.
- Through historical and current evidence, demonstrate to policymakers the need for new and bold policy solutions to address the current problem, ultimately generating enough support to get a proposal passed.

The legislative solution highlights the benefits of long-term, comprehensive water community planning for the entire state. Many communities and diverse interests all over the state are currently at risk of severe impacts from limited, sporadic, extreme, or unreliable water supply including harm to statewide agriculture; environmental and natural resources including sport and commercial fisheries, freshwater, estuarine, and coastal wetlands, riverine and headwaters ecosystems; urban industries in both coastal areas and inland, local communities, tribal lands and cultural resources, housing, business, energy, and many more. In short, all sectors of California's economy and culture need a

resilient water supply system. The legislation and associated educational efforts will promote investments in infrastructure to support current and future generations. Water supply infrastructure is overdue for significant investments and updates to ensure a reliable water supply to 40 million Californians. There will also be major focus on the need to plan for a changed climate. The Governor and the Administration are leading the effort to adapt to a hotter, more arid climate with shorter, intensified seasons of rain that the current system was not designed to accommodate - but more needs to be done. This effort will support the Governor's climate adaptation program and engage the public in support of a comprehensive solution. Finally, this effort will create a sense of urgency for generational investment in our local, regional and statewide water systems. The time to act is now. Failing to recognize and address the hydrologic and infrastructure reality in California will negatively impact jobs, industries, businesses, quality of life, health, California's economy, and future generations.

Fiscal Impact

The fiscal impact of supporting the CMUA public relations campaign, CA Water for All is \$20,000.

Attachment

- 1) Email - CA Water For All: Join Us in Transforming California's Water Supply

From: CA Water for All <info@cawaterforall.com>

Date: March 16, 2023 at 11:52:04 AM PDT

To: CA Water for All <info@cawaterforall.com>

Subject: CA Water For All: Join Us in Transforming California's Water Supply

Dear Water Agency Stakeholder,

The time is now for California to address the perpetual water supply threat that grows worse with each passing year. A changing climate with more frequent dry periods and shorter bursts of heavy rain make water supply highly unpredictable. It threatens our way of life, barely providing enough clean drinking water at home, jeopardizing our businesses, environment, recreation, and even limiting farmers' ability to grow our food. **Every part of the Golden State is threatened.**

[CA Water for All](#) is a new effort led by the California Municipal Utilities Association (CMUA) that is educating the public on **SB 366 (Caballero)**, legislation that would transform California water management so that instead of managing for scarcity, the State will work toward water supply targets to ensure we have enough water for all beneficial uses. SB 366 would:

- Establish bold, necessary water supply targets to capture and produce enough water for all uses
- Modernize the California Water Plan for a 21st century climate Ensure accountability for state agencies on water management issues
- Ensure accountability for state agencies on water management issues

SB 366 would revise and recast the California Water Plan statute, updating its provisions to address the extreme climate impacts of the 21st century. It's paramount that policymakers and stakeholders address the urgency now given the time needed to overhaul the current system.

Your engagement as a water agency leader is critical and makes a difference. There are several ways you can support CA Water for All, including:

- Become a funder for the CA Water for All effort.
- Reach out to Jenny Dudikoff at jdudikoff@ka-pow.com to join the effort as a coalition supporter.
- Reach out to Danielle Blacet-Hyden, Deputy Executive Director at CMUA: dblacet@cmua.org to take action on the bill itself.

California's current water supply threat touches every part of the State's economy and all communities. Policymakers, the water community, and all stakeholders must come together to collaborate and support a long-term, comprehensive solution to ensure water supply for future generations.

We ask that you consider supporting our effort today. For more information and to join CA Water for All, visit www.cawaterforall.com and help us preserve the California way of life.

Sincerely,
Harrison *on the behalf of CA Water for All*

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CA Water for All

E: info@cawaterforall.com

W: www.cawaterforall.com



DATE: March 21, 2023
TO: Board of Directors
FROM: Bob Tincher, Chief of Statewide Water Initiatives/Deputy General Manager
SUBJECT: State Water Project Report

Staff Recommendation

Receive and file.

Summary

This month, the topics that staff would like to highlight for the Board are:

1. State Water Project
 - a. Staff will provide an update on the northern California hydrology that supplies the State Water Project (SWP), the anticipated increase in the State Water Project allocation and how staff has already begun to take the necessary steps to help ensure that Valley District can import all of the SWP water available this year.
 - b. In wet years, the SWP is able to divert water directly from the Sacramento-San Joaquin Delta whenever the available flow exceeds the environmental needs and San Luis Reservoir is full. This extra SWP water is called “Article 21 water” which references the article of the State Water Contracts that provides for this extra water. San Luis Reservoir is anticipated to fill sometime this week. Staff will be asking the Board to consider authorizing the purchase of up to 5,000 acre-feet of Article 21 water in addition to the 3,000 acre-feet of extra water from the Crestline Lake Arrowhead Water Agency that was recently approved by the Board.

2. Legislation

- a. The State Water Contractors legislative team (legislative team), including our lobbyist, Jack Gualco, is recommending opposition to the following three (3) bills intended to improve California's water rights system: AB460, AB1337, and SB389 (also see agenda item "Consider Joining Coalition of Water Agencies Opposed to Water Rights Bills" in this Board packet). While these bills do have some concepts worth consideration, they also include provisions that would essentially allow any individual to initiate a State Water Board investigation of any existing water rights which would effectively reduce, or eliminate, the value of existing water rights. The team is recommending that we form a coalition of water agencies that can be engaged, if needed, to actively oppose these bills. The Association of California Water Agencies is actively developing such a coalition and Staff will be asking the Board to consider joining this coalition.

3. State Water Contractors

- a. The State Water Resources Control Board (State Board) was asked to intervene in Los Angeles Department of Water and Power (LADWP) diversions from Mono Lake in anticipation of the lake level approaching the "trigger" elevation where water diversions would be reduced. This request is no longer relevant given that Mono Lake is rising and will continue to rise as the historic snowpack melts (see attached press release). LADWP is a member agency of Metropolitan Water District of Southern California who has asked the State Water Contractors to consider sending a letter encouraging the State Water Board to consider the broad impacts to California water supplies associated with any proposed restrictions to LADWP diversions from Mono Lake. The State Water Contractors have agreed to send the letter which will intentionally avoid making any comments on the environmental issues.

4. Delta Conveyance

- a. The draft Environmental Impact Report (EIR) for the Delta Conveyance Project received 729 letters and 7,300 comments totaling 20,000 pages. The Department of Water Resources plans to address the comments and issue the Final EIR, by the end of 2023.
- b. The State Water Contractors conducted a survey of California residents about the Delta Conveyance Project. Staff will present the final results of this survey to the Board when available.

5. Sites Reservoir

The Sites Reservoir Project is on track. The most recent status report is attached for your information.

Attachments

- 1) SWC Talking Points Opposing Water Rights Bills
- 2) Press Release: *LADWP Confirms Elevation of Mono Lake Is Rising, No Emergency Conditions Present*
- 3) Sites Reservoir Status Report

Talking Points – Water Rights Legislation

- A major overhaul of California’s water rights system is unnecessary and threatens to create widespread, long-term instability and disruption to our economy, environment, and statewide water management landscape.
- California’s water rights laws and structure are foundational to our state’s water management system for urban, agricultural, and environmental uses of water.
- Communities and industries have developed and grown based upon the reliance of our water rights system and structure, just as they have in reliance on other property rights. And the continued health of our fish, wildlife, and environmental resources are dependent on a predictable, consistent, and well-managed water rights system.
- California’s existing water rights structure and system are not broken or outdated. But, the two recent droughts have shown that the SWRCB needs more staff, funding, and up-to-date information to enforce water rights by priority during prolonged dry periods.
- The introduction of broad and sweeping water rights legislation poses great concerns for the certainty of water supply reliability and creates open-ended and ongoing risks for water suppliers, communities, farms, tribes, and others who are reliant – and that have developed their urban and agricultural infrastructure and investments based upon – a consistent and predictable water rights statutory and regulatory structure.
- Significant restructuring of California’s existing water rights system also threatens to seriously undermine the Voluntary Agreements, creating volatility and uncertainty for water users and the environment, within a framework that is specifically and intentionally designed to provide strong certainty and reliability of actions for all parties.

AB 460 (Bauer-Kahan)	AB 1337 (Wicks)	SB 389 (Allen)
<p>AB 460 would provide broad statutory authority for the SWRCB to issue interim relief orders to apply or enforce a variety of statutes, doctrines, and water policies.</p> <p>Issues/Concerns: -Existing immediate relief alternative pathways already exist in California law, through the pursuit of injunctive relief in</p>	<p>AB 1337 would provide broad statutory authority for the SWRCB to restrict water diversions through regulation and to enforce the regulations through orders curtailing the diversion or use of water under any claim of right.</p> <p>Issues/Concerns: -Expansive scope and breadth of authority to SWRCB, far</p>	<p>SB 389 would provide statutory authority for the SWRCB to investigate the diversion and use of water from a stream system, and would be authorized to solicit a broad range of information from each diverter to prove it has a right, and issue an order determining whether there is a right and the scope of that right.</p>

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- There is a significant need for the State to improve information and data collection efforts to manage and enforce the existing water rights structure. Modernizing the water rights information system should be a foundational element to strengthening and enforcing the existing water rights system in California.
- Enhanced water rights data and technologies are integral to the modernization of our water management system in California. This includes a combination of measurement (metering points of diversion, additional stream gages, etc.) with data and technology (digitizing records, forecast-informed reservoir operations, improving the water right data management system) to improve the water unavailability methodology that provides the basis for implementing the water rights priority system.
- Information management improvement and data collection efforts that should be supported and advanced in the near-term, include:
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For the City of LA's COVID-19 response, visit corona-virus.la
 For LADWP's COVID-19 response, visit www.ladwp.com/covid19response

LADWP Confirms Elevation of Mono Lake Is Rising, No Emergency Conditions Present

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Feb. 14, 2023 (LOS ANGELES) — Today, the Los Angeles Department of Water and Power (LADWP) announced that recent measurements taken at Mono Lake indicate that the lake level elevation is 6,379.3 feet above sea level, which is approximately two feet higher than its 2017 low of 6,377.5 feet when no emergency regulatory action was called for or taken. LADWP has also recently forecasted that recent snowfall in and around the Mono Basin will cause the lake level to rise approximately two more feet before the end of the year, ensuring the continued health of the Mono Basin ecosystem.

“Our hydrographers have confirmed that the Mono Lake level is the highest it has been in years – despite drought – and the snowpack from January will cause the lake level to rise even higher,” said **Anselmo Collins, Senior Assistant General Manager, Water Systems at LADWP.** “We’re confident and pleased that recent weather, along with LADWP’s responsible environmental stewardship, has assured that the Mono Basin ecosystem remains healthy.”

Mono Lake supports a healthy ecosystem for a variety of species, including brine shrimp and California gulls, both in its waters and on the islands and shores surrounding the lake. Additionally, due to LADWP’s significant investments, Mono Basin creeks have been restored, fish populations are thriving, and waterfowl habitats have been enhanced.

The Mono Lake Committee (MLC) has made false claims that nesting gulls on Negit Island in Mono Lake are at risk of coyote predation and is urging the State Water Resources Control Board (SWRCB) to take emergency action to prohibit LADWP from exercising its water rights. In recent statements and publicity, MLC relied on a lake level measurement from the seasonal low point at the height of drought last year, which does not reflect today’s reality. Mono Lake’s water level is more than four feet above possible land exposure that would allow coyotes to potentially cross to Negit Island.

Thanks to requirements that the SWRCB established in 1994, coyotes would need to travel approximately four football fields’ worth of water four feet deep to reach nesting gull populations – a length and depth that will only increase as snowpack melts and fills into the lake. Furthermore, scientific evidence shows that nesting gull populations are correlated to food availability, not lake levels. LADWP is prepared to collaborate with MLC and the California Department of Fish and Wildlife (CDFW) to continue its stewardship in the Mono Basin, but rejects any assertion that stream diversions should be cut on an emergency or other basis.

The City of Los Angeles utilizes its Mono Basin water rights to serve up to 200,000 Angelenos each year. MLC has acknowledged that if the City of Los Angeles were ordered to cease its diversions, it would only raise the lake level by approximately one inch. Intense statewide drought has meant that California’s other water sources – the State Water Project and Colorado River – are under heavy strain. In the last 40 years, Angelenos have reduced water use by 44% despite a population growth of more than one million, but no amount of conservation will make Los Angeles independent of vital imported water supplies that have already been reduced substantially.

LADWP continues to serve as an environmental steward of Mono Basin and the Mono Lake watershed while also protecting the health and well-being of the four million residents LADWP serves.

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[Tweets by LADWP](#)

LADWP in the News

Upcoming Events

MEDIA ADVISORY: LADWP Board President and General Manager to March with NSBE Employees at 38th Annual Kingdom Day Parade to Honor the Legacy of MLK, Jr.

April 23, 2022 | Chatsworth Nature Preserve Earth Day Open House

May 21-22, 2021| Municipal Green Building Conference & Expo (MGBCE)

[View all Upcoming Events](#)

Contact Us

To email Customer Service : www.ladwp.com/CustomerService

To report a power outage or water main break : Call 1-800-DIAL-DWP (1-800-342-5397)

You may also go to www.ladwp.com/outages to report a power outage.

Media Resources

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Sites Reservoir Project Monthly Status Report

Report Period: February 2023

Monthly Status Summary:

The development of the Sites Project continues to make progress in the critical areas, including the following activities:

Engineering:

- Continue development of Work Package 1 geotechnical data reports.
- Continued coordination efforts and began Work Package 2 geotechnical investigation activities.
- Ongoing engagement and coordination with DSOD.
- Continued advancement of preliminary design for roads and reservoir facilities.
- Completed preparation of NOI to Construct Qualifying Conduit Hydropower Facility and submitted to FERC for determination.

Coordination with Reclamation:

- Meetings with Reclamation and DWR regarding the Operations Coordination Agreement.
- Ongoing biweekly NEPA coordination meetings, focusing on the development of the Final EIR/EIS and review by federal cooperating agencies and Reclamation.

Environmental Planning and Permitting:

- Ongoing concurrent review of the Administrative Final EIR/EIS by Reclamation and Authority staff and legal counsel starting February 1, 2023, anticipated to be completed by the end of March.
- Ongoing coordination with the State CEQA Responsible Agencies on review of the Administrative Final EIR/EIS, anticipated to be completed by the end of March.
- Ongoing AB52 consultation, including monthly meeting with the Yocha Dehe Tribe.
- Ongoing coordination with the Communication Team on the approaching release of the Final EIR/EIS.
- Continued development of the Master Lake and Streambed Alteration Agreement, admin draft Reservoir Management Plan, Clean Water Act 404/401 permit applications, construction schedule, draft Reservoir Management Plan, and draft Aquatic Study Plan.
- Continued coordination with CDFW on construction and operations ITP applications.

- Continued development of the Proposition 1 Adaptive Management Plans for WSIP ecosystem, recreation and flood benefits.
- Continued development of the Biological Assessment including technical discussions with Reclamation, NMFS, and USFWS.
- Facilitated water right permitting meeting for interested NGOs.

Operations:

- Continued Daily Operations Model development.

Stakeholder Engagement, Public Outreach & Real Estate:

- Facilitated a Legislative & Outreach Committee meeting. Topics included 2023 federal and state legislative priorities, and 2023 communications priorities and budgets.
- Ongoing work to finalize the 2022 Annual Report
- Planning for Federal & State Legislative Days planned for March and April
- Updating of project's message platform and updating project materials with updated messaging
- Planning for communications associated with the roll-out of the final EIR/EIS and the Water Right process.
- Ongoing coordination with landowners to discuss TROE for geotechnical, biological, environmental, and cultural field activities and other real estate actions.

Program Management & Administration:

- Ongoing coordination with Prop 1 Roundtable and State agencies for Prop 1 Funding Agreement/Public Benefits Agreements/Adaptive Management Plans.
- Coordinated with State agencies on schedule for coordination activities with State and Federal agencies related to the State Strike Team activities.

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
 RECAP OF DIRECTORS FEES AND EXPENSE REIMBURSEMENT
 PAID IN THE MONTH OF FEBRUARY 2023**

	GIL BOTELLO	MILFORD HARRISON	JUNE HAYES	PAUL KIELHOLD	SUSAN LONGVILLE
DIRECTOR COMPENSATION - JANUARY MEETINGS	2,990.00	2,990.00	2,990.00	2,392.00	2,990.00
EXPENDITURES / REIMBURSEMENTS					
EDUCATION					
SOUTHERN CALIFORNIA WATER COALITION MEETING			100.00		100.00
REIMBURSEMENT FROM DIRECTOR LONGVILLE - UNABLE TO ATTEND					(100.00)
ACWA REGION 9 - SALTON SEA TOUR	120.00				120.00
ACWA DC LEGISLATIVE CONFERENCE		799.00	799.00		
ACWA SPRING CONFERENCE - MONTEREY		815.00			
UCR - STRATEGIC EXECUTIVE BREAKFAST			30.00		30.00
TRAVEL					
MILEAGE REIMBURSEMENT - MEETINGS OUTSIDE DISTRICT SERVICE AREA					20.96
MILEAGE REIMBURSEMENT - MEETINGS WITHIN DISTRICT SERVICE AREA					32.75
MEALS					
LODGING					
MISCELLANEOUS					

THIS REPORT IS PROVIDED IN ACCORDANCE TO RESOLUTION 1100

EACH BOARD MEMBER SHALL BE PROVIDED WITH A MONTHLY REPORT SHOWING THE AMOUNT OF COMPENSATION OR REIMBURSEMENT REQUESTED BY EACH BOARD MEMBER.



Director's Activity Report

Director's Name **Gil J. Botello**

Month Reporting Activity **February 2023**

	Date	Meeting/Activity Description	Explanation	Max 10/month	Travel Cost Estimate (Staff)
1	02/01/2023	Other	Provide description of the meeting or activity and brief explanation on the benefits to the District and work of the Board by your attendance. (Not required for Valley District meetings) Santa Ana River Science Symposium	\$299	
2	02/02/2023	Workshop - Policy	Valley District	\$299	
3	02/06/2023	Other	City of SB 3rd Ward Community Meeting w/Mayor Tran	\$299	
4	02/07/2023	Valley District Board Mtg 1	Valley District	\$299	
5	02/07/2023	SAWPA Mtg	Commission Meeting	\$0	
6	02/07/2023	SAWPA Mtg	PA-24 Cmte Meeting	\$0	
7	02/09/2023	Other	Valley District Workshop - Mid -Year General Fund Budget	\$299	
8	02/13/2023	Other	SacramentoRegional Water Bank Stakeholder forum	\$299	
9	02/14/2023	Workshop - Resources	Valley District	\$299	
10	02/16/2023	Other	The Climate Center - A Climate Safe Vision for California's Heavy Duty Vehicle Fleets	\$299	
11	02/16/2023	Conference with General Manager	Valley District Strategic Plan Filming	\$0	
12	02/21/2023	SAWPA Mtg	Commission Meeting	\$0	
13	02/21/2023	Valley District Board Mtg 2	Valley District	\$299	
14	02/22/2023	Other	Follow-up Meeting w/presenter from the Santa Ana River Science Symposium	\$299	
15		Select from List		Per diem?	
Total Requested Compensation				\$ 2,990.00	

The undersigned certifies that the claims hereby stated are for authorized activities as described in the District's approved Resolution establishing rules and procedures for compensation of Directors.

Signed: _____

Date: **02/24/2023**



Director Request for Compensation & Public Disclosure Form

Month Reporting Activity February 2023

Director's Name **T. Milford Harrison**

Date	Meeting/Activity Description	Explanation	Max 10/month	Travel Cost Estimate (Staff)
1 02/01/2023	So. Cal. Water Coalition Mtg	Provide description of the meeting or activity and brief explanation on the benefits to the District and work of the Board by your attendance. (Not required for Valley District meetings) Symposium-SBVMWD	\$299	
2 02/02/2023	Workshop - Resources	Published Agenda	\$299	
3 02/03/2023	Chamber of Commerce Mtg	Redlands Chamber of Commerce	\$299	
4 02/07/2023	Valley District Board Mtg 1	Published Agenda	\$299	
5 02/09/2023	Workshop - Policy	Published Agenda	\$299	
6 02/14/2023	Workshop - Engineering	Published Agenda	\$299	
7 02/15/2023	Assigned Committee Mtg	ACWA GROUNDWATER	\$299	
8 02/16/2023	CSDA Mtg	LEGISLATIVE COMMITTEE -- PUBLISHED AGENDA	\$299	
9 02/21/2023	Valley District Board Mtg 2	PUBLISHED AGENDA	\$299	
10 02/22/2023	Assigned Committee Mtg	NATIONAL HABITAT CONSERVATION COALITION BOARD MEETING	\$299	
11	Select from List		\$0	
12	Select from List		\$0	
13	Select from List		\$0	
14	Select from List		\$0	
15	Select from List		\$0	
Total Requested Compensation			\$ 2,990.00	\$ 0.00

The undersigned certifies that the claims hereby stated are for authorized activities as described in the District's approved Resolution establishing rules and procedures for compensation of Directors.

Digitally signed by T. MILFORD HARRISON
Date: 2023.01.06 13:04:08 -0800

Signed: **T. MILFORD HARRISON** Date: **03/09/2023**



Director's Activity Report

Director's Name June Hayes

Month Reporting Activity February 2023 p 1 of 2

	Date	Meeting/Activity Description	Explanation Provide description of the meeting or activity and brief explanation on the benefits to the District and work of the Board by your attendance. (Not required for Valley District meetings)	Max 10/month	Travel Cost Estimate (Staff)
1	02/02/2023	Workshop - Resources		\$299	
2	02/03/2023	WACO		\$299	
3	02/07/2023	PA 24 SAWPA		\$0	
4	02/07/2023	Valley District Board Mtg 1		\$299	
5	02/08/2023	SBV Water Conservation District Mtg		\$299	
6	02/09/2023	Budget meeting		\$299	
7	02/14/2023	Workshop - Resources		\$299	
8	02/14/2023	Rialto city Council		\$0	
9	02/15/2023	ACWA Groundwater meeting		\$299	
10	02/16/2023	Valley video meeting		\$0	
11	02/21/2023	CNRA meeting		\$0	
12	02/21/2023	Valley District Board Mtg 2		\$299	
13	02/22/2023	CUC meeting, UCR		\$299	
14	02/23/2023	Prep call with DC lobbyists		\$0	
15	02/28/2023	Meetings with DC legislators		\$299	
Total Requested Compensation				\$ 2,990.00	

The undersigned certifies that the claims hereby stated are for authorized activities as described in the District's approved Resolution establishing rules and procedures for compensation of Directors.

Signed: June D Hayes

Digitally signed by June D Hayes
Date: 2023.03.06 18:27:48 -08'00'

Date: 03/05/2023



Director's Activity Report

Director's Name June Hayes Month Reporting Activity February 2023 p2 of 2

Date	Meeting/Activity Description	Explanation <small>Provide description of the meeting or activity and brief explanation on the benefits to the District and work of the Board by your attendance. (Not required for Valley District meetings)</small>	Max 10/month	Travel Cost Estimate <small>(Staff)</small>
1	02/28/2023 ACWA Mtg		\$0	
2			Per diem?	
3			Per diem?	
4			Per diem?	
5			Per diem?	
6			Per diem?	
7			Per diem?	
8			Per diem?	
9			Per diem?	
10			Per diem?	
11			Per diem?	
12			Per diem?	
13			Per diem?	
14			Per diem?	
15			Per diem?	
Total Requested Compensation			\$ 0.00	

The undersigned certifies that the claims hereby stated are for authorized activities as described in the District's approved Resolution establishing rules and procedures for compensation of Directors.

Signed: June D Hayes Date: 03/05/2023

Digitally signed by June D Hayes
Date: 2023.03.06 18:29:50 -08'00'



Director's Activity Report

Director's Name **Paul Kielhold** Month Reporting Activity **February 2023**

#	Date	Meeting/Activity Description	Explanation <small>Provide description of the meeting or activity and brief explanation on the benefits to the District and work of the Board by your attendance. (Not required for Valley District meetings)</small>	Max 10/month	Travel Cost Estimate <small>(Staff)</small>
1	02/01/2023	Other	SAR Science Symposium	\$299	
2	02/02/2023	Workshop - Policy		\$299	
3	02/07/2023	Valley District Board Mtg 1		\$299	
4	02/08/2023	SBV Water Conservation District Mtg		\$299	
5	02/09/2023	Other	Mid-Year Budget Review	\$299	
6	02/14/2023	Workshop - Engineering		\$299	
7	02/16/2023	Other	Strategic Plan Video	\$0	
8	02/21/2023	Valley District Board Mtg 2		\$299	
9	02/22/2023	Retail Agency Board Meeting	EWVD	\$299	
10	02/27/2023	San Geronimo Pass Water Agency Mtg		\$299	
11		Select from List		Per diem?	
12		Select from List		Per diem?	
13		Select from List		Per diem?	
14		Select from List		Per diem?	
15		Select from List		Per diem?	
Total Requested Compensation				\$ 2,691.00	\$ 0.00

The undersigned certifies that the claims hereby stated are for authorized activities as described in the District's approved Resolution establishing rules and procedures for compensation of Directors.

Signed: Paul Kielhold Date: 02/24/2023



Director's Activity Report

Director's Name **Susan Longville**

Month Reporting Activity **2/28/23**

	Date	Meeting/Activity Description	Explanation	Max 10/month	Travel Cost Estimate (Staff)
1	02/01/2023	Special meeting	Provide description of the meeting or activity and brief explanation on the benefits to the District and work of the Board by your attendance. (Not required for Valley District meetings) Santa Ana River Science and Conservation Symposium on Zoom	\$299	
2	02/02/2023	Workshop - Policy	At District headquarters	\$299	
3	02/07/2023	Valley District Board Mtg 1	Agendized Board Workshop at District headquarters	\$299	
4	02/09/2023	Special meeting	Agendised Board Workshop at District headquarters	\$299	
5	02/10/2023	Other	SPUR webinar on Water Eqyuty, Affordability and Climate Change	\$0	
6	02/13/2023	Other	Completed required training by CSDA on Ethics: sent Certificate to District	\$299	
7	02/14/2023	Workshop - Resources	At District headquarters	\$299	
8	02/15/2023	Other	Completed required training by CSDA on Sexual Harassment; sent Certificate to District	\$299	
9	02/16/2023	Assigned Committee Mtg	Headwaters Resiliency Partnership Committee Meeting on Teams	\$0	
10	02/21/2023	Valley District Board Mtg 2		\$299	
11	02/22/2023	Other	Briefing by THE CLIMATE CENTER TO Jennifer Pierre SWC GM, on the Grid For The Future	\$0	
12	02/23/2023	Other	Three Valleys Water District Leadership Breakfast at Mountain Meadows Golf Course, 1875 Fairplex Dr., Pomona CA 91768	\$299	
13	02/22/2023	Other	Water Affordability Under a Changed Climate: Challenges and Opportunities, 3701 Canyon Crest Dr, Riverside CA 92597	\$299	
14		Special meeting		Per diem?	
15		San Geronio Pass Water Agency Mtg		Per diem?	
Total Requested Compensation				\$ 2,990.00	\$ 0.00

The undersigned certifies that the claims hereby stated are for authorized activities as described in the District's approved Resolution establishing rules and procedures for compensation of Directors.

Signed: *Susan Longville* Date: 3-1-23



DATE: March 21, 2023
TO: Board of Directors
FROM: Bob Tincher, Chief of Statewide Water Initiatives/Deputy General Manager
SUBJECT: Water Delivery Report for February 2023

The following amounts of water were delivered by San Bernardino Valley Municipal Water District:

	February	Year to Date
State Water Project	766	1,018
Groundwater		
Baseline Feeder Wells	296	740
San Bernardino Avenue Well	0	118
Santa Ana River Diversions	0	0



San Bernardino Valley Municipal Water District

Delivery of Water For Calendar Year 2023 -- Acre Feet

Measurement / Delivery Point	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
IMPORTED WATER SUPPLIES													
<u>STATE WATER PROJECT DELIVERY CATEGORIES</u>													
Yuba Accord Water (14-819)													
Article-21													
MWDSC Transfer													
SWPAO # 21-013													
Kern Delta Water Bank (11-015)													
Carryover and Table A	259.0												259.0
SWP (DWR Meters)	259.0												259.0
SWP (Valley District only)	251.6	765.9											1,017.5
RECHARGE DELIVERIES													
Glen Helen Turnout													
Sweetwater													
Sweetwater - SBB GC													
Sweetwater - Valley District													
Badger													
Badger - SBB GC													
Waterman													
Waterman - SBB GC													
Waterman - BLF Obligation - RHWC													
Waterman - BLF Obligation - Rialto													
Waterman - BLF Obligation - WVWD													
Waterman - Valley District													
Patton													
Santa Ana Low													
Santa Ana Low - EVWD In-Lieu													
Santa Ana Low - SBB GC													
Santa Ana Low - BVMWC													
Santa Ana Low - Redlands													
Santa Ana Low - Valley District													
Plunge Creek - Valley District													
Mill Creek Spreading													
Mill Creek Spreading - Redlands													
Mill Creek Spreading - Valley District													
Lower Mill Creek - SBB GC													
Mill Creek Spreading - SBB GC													
Zanja East Weir to WCD - Valley District													
Wilson Creek													
Wilson Creek - YVWD													
Wilson Basin - Valley District													
Oak Glen Basin - Valley District													
<i>Sub-total Recharge</i>													

Delivery of Water For Calendar Year 2023 -- Acre Feet

Measurement / Delivery Point	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
DIRECT DELIVERIES													
Lytle Creek													
Lytle Creek - WVWD (meter read)	6.2	8.3											14.5
WVWD	6.2	8.3											14.5
Marygold Mutual													
RHWC													
IEUA/MWDSC (MWDSC SWP Water) - Calculated by WVWD	(15.0)	(11.0)											(26.0)
WMWD/MWDSC (MWDSC SWP Water)													
Lytle Creek - Fontana Water Company (meter read)													
Lytle Creek - Fontana Water Company WTP													
Lytle Creek - Fontana Water Company - CEMEX													
SALES/RETURNS/BANKING													
CLAWA Sale (#07-025)													
CLAWA Exchange (08-063)													
CLAWA Exchange (09-079)													
EVWD Plant 134													
EVWD Plant 134 In-Lieu													
EVWD Plant 134 - BVMWC (for EVWD)													
EVWD Plant 134 - SBB GC - EVWD													
EVWD Plant 134 - EVWD	189.0	171.7											360.7
Northfork													
Northfork - EVWD													
Northfork - EVWD - In-Lieu													
Northfork - BVMWC (for EVWD)													
Edwards Canal Pump - In-Lieu													
S.A.R.C.													
S.A.R.C. - Valley District													
S.A.R.C. to Redlands Aqueduct - Redlands													
S.A.R.C. to Redlands Aqueduct - In-Lieu													
S.A.R.C. to Redlands Aqueduct - BVMWC (for Redlands)													
S.A.R.C. to Redlands Aqueduct Recharge													
East Valley W.D. Greenspot Road													
Bear Valley Highline Connector													
SB County Flood Control Grove													
Newport Ave.													
Newport Ave. - Greenspot Mutual													
Newport Ave. - BVMWC		1.9											1.9
Newport Ave. - In-Lieu													
Tres Lagos													
Tres Lagos - Greenspot Mutual													
Tres Lagos - BVMWC		2.4											2.4
Tres Lagos - In-Lieu													
Unger Lane to Zanja													
Unger Lane to Zanja - Crafton - BVMWC In-Lieu													
Unger Lane to Zanja - Crafton - BVMWC													
Boullioun Box													
Boullioun Box to Zanja													
Boullioun Box to Highline In-Lieu													
Boullioun Box to Highline - BVMWC		14.2											14.2

Delivery of Water For Calendar Year 2023 -- Acre Feet

Measurement / Delivery Point	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
City of Redlands													
City of Redlands - Tate Treatment In-Lieu													
City of Redlands - Tate Treatment													
Yucaipa Regional Park													
Yucaipa Valley Water District (meter read)	41.4	348.7											390.1
YVWD TP	41.4	348.7											390.1
Western Heights													
SGPWA (Calimesa in Riverside County) - Calculated by YVWD													
Wilson Creek - YVWD													
SGPWA Little San Gorgonio Creek													
SGPWA Noble Creek		1,339.0											1,339.0
<i>Sub-total Direct Delivery</i>	236.6	1,886.2											2,122.8
STORAGE													
Storage (CH Tank + Citrus + CH Reservoir)	(41.4)	142.3											100.9
Total SWP Deliveries in SBVMWD Facilities	195.2	2,028.5											2,223.7
Total Deliveries SBVMWD Only	210.2	700.5											910.7
Imported Water Balance	36,378.8	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	35,678.3	
SAN BERNARDINO BASIN PUMPING													
Baseline Feeder													
Ninth Street North Replacement Well	222.9	230.7											453.6
Ninth Street South Replacement Well	221.3	65.2											286.5
<i>Sub-total Baseline Feeder</i>	444.2	295.9											740.1
San Bernardino Avenue Well No. 1 - Redlands	117.7												117.7
San Bernardino Avenue Well No. 1 - Redlands - In Lieu													
Redlands Pump Station													
De-watering Well # 1													
De-watering Well # 2													
Total San Bernardino Basin Pumping	561.9	295.9											857.8
Cumulative San Bernardino Basin Pumping	561.9	857.8	857.8	857.8	857.8	857.8	857.8	857.8	857.8	857.8	857.8	857.8	
TOTAL Water in SBVMWD Facilities	757.1	2,324.4											3,081.5



**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
TREASURER'S REPORT
FOR THE MONTH OF FEBRUARY 2023**

RECOMMENDATION:
APPROVE THE EXPENSES FOR THE MONTH OF FEBRUARY 2023
FOR THE FOLLOWING FUNDS:

STATE WATER CONTRACT FUND	\$	4,552,842.06
DEVIL CANYON / CASTAIC FUND	\$	-
GENERAL FUND	\$	1,804,471.52

STATE WATER CONTRACT FUND

Profit & Loss

February 2023

	<u>Feb 23</u>
Income	
4920 · INVESTMENT INCOME	(1,178,195.43)
4966 · PROPERTY TAXES	533,519.55
Total Income	<u>(644,675.88)</u>
Expense	
6280 · FIELD IMPROVEMENTS	27,940.06
6610 · MINIMUM OMP&R TRANSPORTATION	1,795,405.00
6615 · MINIMUM OMP&R DELTA	453,745.00
6620 · VARIABLE	94,942.00
6630 · OFF AQUEDUCT VARIABLE	8,466.00
6635 · EAST BRANCH ENLARGEMENT	32,344.00
6650 · SITES RESERVOIR PROJECT	2,140,000.00
Total Expense	<u>4,552,842.06</u>
Net Income	<u><u>(5,197,517.94)</u></u>

STATE WATER CONTRACT FUND
Profit & Loss Budget vs. Actual
July 2022 through February 2023

	Jul '22 - Feb 23	Budget	\$ Over Budget	% of Budget
Income				
4920 · INVESTMENT INCOME	2,828,931.54	1,680,000.00	1,148,931.54	168.4%
4940 · SUCCESSOR AGENCY RDA PASS TH...	23,024,209.34	23,020,000.00	4,209.34	100.0%
4950 · RETURN OF RESERVES/BOND COVER	3,040,224.00	3,040,000.00	224.00	100.0%
4966 · PROPERTY TAXES	35,938,705.93	35,935,000.00	3,705.93	100.0%
Total Income	64,832,070.81	63,675,000.00	1,157,070.81	101.8%
Expense				
6280 · FIELD IMPROVEMENTS	216,403.75	220,000.00	(3,596.25)	98.4%
6380 · AUDIT FEES	34,925.00	35,000.00	(75.00)	99.8%
6410 · STATE WATER CONTRACTOR FEES	246,743.00	250,000.00	(3,257.00)	98.7%
6435 · ADMINISTRATIVE FEE	3,295,000.00	3,130,000.00	165,000.00	105.3%
6601 · CAPITAL COST DELTA	2,912,754.00	2,912,754.00	0.00	100.0%
6605 · CAPITAL COST TRANSPORTATION	896,040.00	896,040.00	0.00	100.0%
6610 · MINIMUM OMP&R TRANSPORTATION	13,117,458.00	13,117,458.00	0.00	100.0%
6615 · MINIMUM OMP&R DELTA	3,894,704.00	3,894,704.00	0.00	100.0%
6620 · VARIABLE	2,498,251.00	2,501,250.00	(2,999.00)	99.9%
6625 · WATER SYSTEM REVENUE BOND	3,193,719.00	3,193,719.00	0.00	100.0%
6630 · OFF AQUEDUCT VARIABLE	45,374.00	45,374.00	0.00	100.0%
6635 · EAST BRANCH ENLARGEMENT	172,394.00	172,394.00	0.00	100.0%
6640 · EAST BRANCH EXTENSION	14,905,968.00	14,905,968.00	0.00	100.0%
6645 · TEHACHAPI 2ND AFTERBAY	130,917.00	130,917.00	0.00	100.0%
6650 · SITES RESERVOIR PROJECT	2,140,000.00	2,140,000.00	0.00	100.0%
Total Expense	47,700,650.75	47,545,578.00	155,072.75	100.3%
Net Income	17,131,420.06	16,129,422.00	1,001,998.06	106.2%

DEVIL CANYON/CASTAIC
Profit & Loss
February 2023

	Feb 23
Net Income	<u><u>0.00</u></u>

DEVIL CANYON/CASTAIC
Profit & Loss Budget vs. Actual
July 2022 through February 2023

	Jul '22 - Feb 23	Budget	\$ Over Budget	% of Budget
Income				
4920 · INVESTMENT INCOME	106,930.54	12,500.00	94,430.54	855.4%
4966 · PROPERTY TAXES	43,123.52	0.00	43,123.52	100.0%
Total Income	150,054.06	12,500.00	137,554.06	1,200.4%
Gross Profit	150,054.06	12,500.00	137,554.06	1,200.4%
Expense				
6601 · OMP&R	681,306.00	681,306.00	0.00	100.0%
6610 · DEBT SERVICE	307,599.00	307,599.00	0.00	100.0%
Total Expense	988,905.00	988,905.00	0.00	100.0%
Net Income	(838,850.94)	(976,405.00)	137,554.06	85.9%

SAN BERNARDINO VALLEY MWD GENERAL FUND

Profit & Loss

February 2023

	<u>Feb 23</u>
Income	
4900 · WATER SALES	68,837.76
4920 · INVESTMENT INCOME	11,339.48
4940 · SUCCESSOR AGENCY PASS THROUGH	36,249.59
4950 · OTHER INCOME	1,189,965.95
4966 · S.B. CO TAXES	148,544.77
4977 · RIVERSIDE CO TAXES	3,852.64
Total Income	<u>1,458,790.19</u>
Expense	
6100 · SALARIES	373,564.38
6110 · OVERTIME	12,435.15
6120 · DIRECTORS FEES	14,352.00
6130 · PERS RETIREMENT	68,881.59
6140 · PAYROLL TAXES	30,876.50
6150 · HEALTH INSURANCE	69,974.44
6160 · DENTAL INSURANCE	5,161.44
6170 · VISION, DISABILITY AND LIFE INS	3,741.40
6250 · OFFICE EQUIPMENT	35,102.63
6280 · FIELD IMPROVEMENTS	68,000.00
6295 · PURCHASED WATER	163,125.42
6320 · HOUSE COUNSEL	30,335.00
6330 · SPECIAL COUNSEL	46,506.65
6350 · USGS DATA	293,265.00
6360 · CONSULTANTS	125,570.15
6390 · SAWPA	138,877.30
6400 · VEHICLE EXPENSE	13,927.78
6410 · TRAVEL	435.68
6420 · MEALS & LODGING	289.36
6460 · UTILITIES/COMMUNICATIONS	118,858.64
6470 · MAINTENANCE & REPAIRS	97,316.61
6480 · OFFICE EXPENSE	3,593.05
6490 · FIELD SUPPLIES	3,308.43
6500 · EDUCATION AND TRAINING	4,897.00
6560 · LIBRARY	345.52
6570 · POSTAGE	282.89
6580 · DUES & SUBSCRIPTIONS	11,141.44
6600 · TAXES & LICENSES	7,283.00
6642 · SPONSORSHIPS	500.00
6645 · EXTERNAL AFFAIRS/STRATEGIC COMM	32,172.20
6780 · ENVIRONMENTAL / HCP	7,619.43
Total Expense	<u>1,781,740.08</u>
Net Income	<u><u>-322,949.89</u></u>

SAN BERNARDINO VALLEY MWD GENERAL FUND

Profit & Loss Budget vs. Actual

July 2022 through February 2023

	Jul '22 - Feb 23	Budget	\$ Over Budget	% of Budget
Income				
4900 · WATER SALES	4,100,773.81	4,097,000.00	3,773.81	100.1%
4920 · INVESTMENT INCOME	604,397.29	252,000.00	352,397.29	239.8%
4929 · BASELINE FEEDER CAP. CONTRIB.	253,226.10	249,400.00	3,826.10	101.5%
4940 · SUCCESSOR AGENCY PASS THROUGH	4,654,404.65	4,645,000.00	9,404.65	100.2%
4950 · OTHER INCOME	3,173,085.73	3,152,300.00	20,785.73	100.7%
4952 · ADMINISTRATIVE INCOME	3,295,000.00	3,130,000.00	165,000.00	105.3%
4954 · GAIN (LOSS) ON SALE OF ASSETS	412,651.00	400,000.00	12,651.00	103.2%
4966 · S.B. CO TAXES	7,415,464.09	7,410,000.00	5,464.09	100.1%
4977 · RIVERSIDE CO TAXES	117,329.45	112,500.00	4,829.45	104.3%
Total Income	24,026,332.12	23,448,200.00	578,132.12	102.5%
Expense				
6100 · SALARIES	3,071,475.03	3,073,000.00	(1,524.97)	100.0%
6110 · OVERTIME	58,795.56	55,550.00	3,245.56	105.8%
6120 · DIRECTORS FEES	115,414.00	116,850.00	(1,436.00)	98.8%
6130 · PERS RETIREMENT	974,101.16	975,750.00	(1,648.84)	99.8%
6137 · DEFERRED COMPENSATION EXPENSE	19,500.00	19,500.00	0.00	100.0%
6140 · PAYROLL TAXES	213,740.30	216,000.00	(2,259.70)	99.0%
6150 · HEALTH INSURANCE	571,347.86	571,800.00	(452.14)	99.9%
6160 · DENTAL INSURANCE	41,097.90	42,000.00	(902.10)	97.9%
6170 · VISION, DISABILITY AND LIFE INS	30,560.79	31,050.00	(489.21)	98.4%
6180 · WORKERS COMP INS	34,477.78	35,500.00	(1,022.22)	97.1%
6200 · HEALTH/DEPENDENT CARE PLAN	64,444.39	64,800.00	(355.61)	99.5%
6240 · PIPELINE CONTROL SYSTEM	21,842.29	21,850.00	(7.71)	100.0%
6250 · OFFICE EQUIPMENT	89,252.30	91,750.00	(2,497.70)	97.3%
6260 · VEHICLE REPLACEMENT	76,607.19	77,000.00	(392.81)	99.5%
6280 · FIELD IMPROVEMENTS	10,432,912.85	10,435,000.00	(2,087.15)	100.0%
6295 · PURCHASED WATER	1,963,231.38	1,964,500.00	(1,268.62)	99.9%
6320 · HOUSE COUNSEL	199,564.22	201,750.00	(2,185.78)	98.9%
6330 · SPECIAL COUNSEL	377,855.49	380,000.00	(2,144.51)	99.4%
6340 · WATERMASTER	8,441.00	8,500.00	(59.00)	99.3%
6350 · USGS DATA	1,217,822.64	1,220,500.00	(2,677.36)	99.8%
6360 · CONSULTANTS	1,901,612.64	1,903,600.00	(1,987.36)	99.9%
6380 · DISTRICT AUDIT	30,400.00	30,400.00	0.00	100.0%
6390 · SAWPA	1,484,340.41	1,486,000.00	(1,659.59)	99.9%
6400 · VEHICLE EXPENSE	85,290.59	86,200.00	(909.41)	98.9%
6410 · TRAVEL	13,123.73	13,750.00	(626.27)	95.4%
6420 · MEALS & LODGING	30,169.08	30,800.00	(630.92)	98.0%
6430 · LIABILITY INS	178,902.06	179,000.00	(97.94)	99.9%
6450 · WATERSTOCK ASSESSMENT	287.33	300.00	(12.67)	95.8%
6460 · UTILITIES/COMMUNICATIONS	935,068.49	936,000.00	(931.51)	99.9%
6470 · MAINTENANCE & REPAIRS	413,935.98	414,000.00	(64.02)	100.0%
6480 · OFFICE EXPENSE	46,681.42	47,750.00	(1,068.58)	97.8%
6490 · FIELD SUPPLIES	65,327.61	60,000.00	5,327.61	108.9%
6500 · EDUCATION AND TRAINING	38,882.16	39,050.00	(167.84)	99.6%
6530 · BANK CHARGES-TRUSTEE FEES	8,200.00	9,800.00	(1,600.00)	83.7%
6540 · YUCAIPA LAKES	1,800.00	1,800.00	0.00	100.0%
6560 · LIBRARY	670.52	675.00	(4.48)	99.3%
6570 · POSTAGE	2,237.75	2,300.00	(62.25)	97.3%
6580 · DUES & SUBSCRIPTIONS	210,514.70	212,500.00	(1,985.30)	99.1%
6600 · TAXES & LICENSES	117,923.81	120,000.00	(2,076.19)	98.3%
6610 · SPREADING GROUNDS MAINTENANCE	464,628.62	465,000.00	(371.38)	99.9%
6620 · COOP WATER PROJECT PROJECT M...	30,000.00	0.00	30,000.00	100.0%
6640 · WATER CONSERVATION & EDUCATI...	52,052.97	52,100.00	(47.03)	99.9%
6642 · SPONSORSHIPS	24,500.00	24,500.00	0.00	100.0%
6645 · EXTERNAL AFFAIRS/STRATEGIC CO...	67,418.65	68,000.00	(581.35)	99.1%
6650 · PUBLIC NOTICES	2,949.67	2,950.00	(0.33)	100.0%
6710 · INTEREST	137,121.88	137,250.00	(128.12)	99.9%
6760 · LAND / PROPERTY PURCHASE	99,305.24	99,350.00	(44.76)	100.0%
6780 · ENVIRONMENTAL / HCP	350,245.56	350,250.00	(4.44)	100.0%

SAN BERNARDINO VALLEY MWD GENERAL FUND
Profit & Loss Budget vs. Actual
 July 2022 through February 2023

	Jul '22 - Feb 23	Budget	\$ Over Budget	% of Budget
6800 · LAFCO ANNUAL FUNDING SHARE	30,000.00	30,000.00	0.00	100.0%
6820 · SECURITY	22,058.14	20,000.00	2,058.14	110.3%
Total Expense	26,428,133.14	26,425,975.00	2,158.14	100.0%
Net Income	(2,401,801.02)	(2,977,775.00)	575,973.98	80.7%

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
INVESTMENT SUMMARY
FEBRUARY 28, 2023**

INVESTMENT DESCRIPTION	INSTITUTION	MATURITY DATE	PAR VALUE	SETTLEMENT DATE	PURCHASE PRICE	BOOK YIELD RATE	CUSIP
STATE WATER CONTRACT FUND							
DWR CVP REVENUE BOND	STATE	7/1/2022	5,000.00		3,940.16	5.250%	
AGENCY BONDS - FNMA NOTES	BNY MELLON	05/05/2023	2,400,000.00	05/07/2020	2,398,992.00	0.389%	3137EAER6
AGENCY BONDS - FNMA NOTES	BNY MELLON	05/22/2023	5,020,000.00	05/22/2020	5,004,889.80	0.351%	3135G04Q3
AGENCY BONDS - FNMA NOTES	BNY MELLON	06/26/2023	4,525,000.00	06/26/2020	4,511,787.00	0.348%	3137EAE54
AGENCY BONDS - FNMA NOTES	BNY MELLON	07/10/2023	4,465,000.00	07/10/2020	4,455,400.25	0.322%	3135G05G4
AGENCY BONDS - FNMA NOTES	BNY MELLON	07/10/2023	900,000.00	10/09/2020	899,793.00	0.258%	3135G05G4
AGENCY BONDS - FNMA NOTES	BNY MELLON	09/08/2023	1,950,000.00	09/04/2020	1,950,356.09	0.244%	3137EAEW5
AGENCY BONDS - FNMA NOTES	BNY MELLON	09/08/2023	900,000.00	10/09/2020	899,739.00	0.260%	3137EAEW5
AGENCY BONDS - FNMA NOTES	BNY MELLON	10/16/2023	1,475,000.00	10/16/2020	1,469,498.25	0.250%	3137EAEY1
AGENCY BONDS - FNMA NOTES	BNY MELLON	11/06/2023	5,695,000.00	11/05/2020	5,689,874.50	0.280%	3137EAEZ8
AGENCY BONDS - FNMA NOTES	BNY MELLON	11/27/2023	500,000.00	11/25/2020	499,430.00	0.288%	3135G06H1
AGENCY BONDS - FNMA NOTES	BNY MELLON	12/04/2023	4,400,000.00	12/04/2020	4,395,644.00	0.283%	3137EAF2
CERTIFICATE OF DEPOSIT	BNY MELLON	03/17/2023	1,935,000.00	03/23/2021	1,935,000.00	0.590%	22552G3C2
CERTIFICATE OF DEPOSIT	BNY MELLON	08/16/2024	2,175,000.00	08/19/2022	2,175,000.00	4.100%	22536AZR8
CERTIFICATE OF DEPOSIT	BNY MELLON	10/27/2025	2,850,000.00	10/31/2022	2,850,000.00	5.600%	89115B6K1
CERTIFICATE OF DEPOSIT	BNY MELLON	11/03/2025	2,850,000.00	11/03/2022	2,850,000.00	5.530%	65558UYF3
CORPORATE NOTE	BNY MELLON	08/11/2023	175,000.00	08/11/2020	174,770.75	0.394%	69371RQ90
CORPORATE NOTE	BNY MELLON	09/14/2023	275,000.00	09/14/2020	274,648.00	0.418%	904764BJ5
CORPORATE NOTE	BNY MELLON	01/11/2024	1,200,000.00	01/11/2021	1,199,928.00	0.452%	89236THU2
CORPORATE NOTE	BNY MELLON	01/17/2024	480,000.00	03/04/2021	479,659.20	0.475%	24422EVN6
CORPORATE NOTE	BNY MELLON	02/08/2024	555,000.00	02/08/2021	554,617.05	0.373%	63743HEU2
CORPORATE NOTE	BNY MELLON	03/03/2024	300,000.00	01/25/2021	330,642.00	0.671%	38141GVM3
CORPORATE NOTE	BNY MELLON	03/05/2024	1,075,000.00	09/28/2020	1,144,079.50	0.878%	06051GHF9
CORPORATE NOTE	BNY MELLON	03/18/2024	795,000.00	03/18/2021	794,602.50	0.767%	808513BN4
CORPORATE NOTE	BNY MELLON	04/15/2024	575,000.00	05/11/2020	629,964.25	1.151%	20030NCR0
CORPORATE NOTE	BNY MELLON	05/12/2024	1,940,000.00	05/12/2021	1,937,167.60	0.499%	023135BW5
CORPORATE NOTE	BNY MELLON	05/15/2024	915,000.00	05/19/2021	914,048.40	0.585%	91324PEB4
CORPORATE NOTE	BNY MELLON	05/24/2024	2,145,000.00	05/24/2022	2,144,914.20	3.752%	40428HTA0
CORPORATE NOTE	BNY MELLON	05/28/2024	1,275,000.00	05/28/2021	1,274,885.25	0.703%	04636NAC7
CORPORATE NOTE	BNY MELLON	06/01/2024	500,000.00	05/27/2020	500,000.00	1.514%	46647PBQ8
CORPORATE NOTE	BNY MELLON	06/07/2024	420,000.00	06/10/2021	419,475.00	0.492%	24422EVQ9
CORPORATE NOTE	BNY MELLON	06/18/2024	750,000.00	06/18/2021	749,107.50	0.540%	89236TJH9
CORPORATE NOTE	BNY MELLON	07/30/2024	1,200,000.00	11/23/2021	1,242,960.00	1.099%	025816CG2
CORPORATE NOTE	BNY MELLON	08/09/2024	710,000.00	08/09/2021	709,616.60	0.518%	69371RR40
CORPORATE NOTE	BNY MELLON	08/09/2024	970,000.00	09/09/2021	969,359.80	0.773%	02665WDY4
CORPORATE NOTE	BNY MELLON	08/12/2024	600,000.00	08/12/2021	599,946.00	0.753%	05565EBU8
CORPORATE NOTE	BNY MELLON	08/12/2024	470,000.00	08/12/2021	470,000.00	0.626%	904764BN6
CORPORATE NOTE	BNY MELLON	08/22/2024	885,000.00	08/22/2022	884,592.90	3.899%	21688AAU6
CORPORATE NOTE	BNY MELLON	09/10/2024	285,000.00	09/10/2021	284,814.75	0.647%	24422EVU0
CORPORATE NOTE	BNY MELLON	09/14/2024	2,145,000.00	09/14/2021	2,145,000.00	0.606%	641062AU8
CORPORATE NOTE	BNY MELLON	09/16/2024	555,000.00	09/16/2020	555,000.00	0.653%	46647PBS4
CORPORATE NOTE	BNY MELLON	10/24/2024	1,000,000.00	10/21/2020	1,000,000.00	0.810%	06051GJH3
CORPORATE NOTE	BNY MELLON	10/25/2024	670,000.00	10/25/2021	669,564.50	0.872%	06406RAX5
CORPORATE NOTE	BNY MELLON	10/30/2024	1,000,000.00	10/30/2020	1,000,000.00	0.776%	172967MT5
CORPORATE NOTE	BNY MELLON	11/01/2024	1,265,000.00	11/02/2022	1,264,784.95	4.859%	438516CH7
CORPORATE NOTE	BNY MELLON	11/18/2024	310,000.00	11/18/2022	309,860.50	4.724%	882508BR4
CORPORATE NOTE	BNY MELLON	01/10/2025	480,000.00	01/10/2022	479,774.40	1.266%	24422EVY2
CORPORATE NOTE	BNY MELLON	01/10/2025	1,855,000.00	01/10/2023	1,855,000.00	5.079%	20271RAQ3
CORPORATE NOTE	BNY MELLON	01/13/2025	1,000,000.00	01/13/2022	999,210.00	1.527%	02665WEA5
CORPORATE NOTE	BNY MELLON	01/24/2025	1,050,000.00	01/24/2022	1,050,000.00	1.758%	38141GZH0
CORPORATE NOTE	BNY MELLON	02/04/2025	900,000.00	02/04/2022	900,000.00	1.844%	06051GKG3
CORPORATE NOTE	BNY MELLON	02/07/2025	405,000.00	02/07/2022	404,987.85	1.876%	63743HFC1
CORPORATE NOTE	BNY MELLON	02/10/2025	590,000.00	03/10/2021	628,468.00	0.937%	58933YAR6
CORPORATE NOTE	BNY MELLON	02/16/2025	405,000.00	02/16/2021	405,000.00	0.563%	46647PBY1
CORPORATE NOTE	BNY MELLON	03/04/2025	350,000.00	03/04/2022	349,646.50	2.285%	025816CQ0
CORPORATE NOTE	BNY MELLON	03/04/2025	500,000.00	03/04/2022	498,315.00	2.367%	025816CQ0
CORPORATE NOTE	BNY MELLON	03/07/2025	160,000.00	03/07/2022	159,931.20	2.140%	24422EWB1
CORPORATE NOTE	BNY MELLON	03/10/2025	3,760,000.00	03/10/2022	3,760,000.00	2.132%	771196BT8
CORPORATE NOTE	BNY MELLON	04/01/2025	710,000.00	04/01/2022	709,332.60	3.283%	05565EBZ7
CORPORATE NOTE	BNY MELLON	04/07/2025	1,100,000.00	04/07/2022	1,099,714.00	2.859%	69371RR73
CORPORATE NOTE	BNY MELLON	04/13/2025	1,300,000.00	04/13/2022	1,297,933.00	3.056%	023135CE4
CORPORATE NOTE	BNY MELLON	04/15/2025	225,000.00	03/28/2022	224,606.25	2.760%	437076CM2
CORPORATE NOTE	BNY MELLON	04/17/2025	850,000.00	04/20/2022	850,000.00	3.623%	61747YEQ4
CORPORATE NOTE	BNY MELLON	04/24/2025	675,000.00	03/08/2021	694,210.50	0.882%	06406RAN7
CORPORATE NOTE	BNY MELLON	04/25/2025	2,900,000.00	04/26/2022	2,899,594.00	3.355%	06406RBC0
CORPORATE NOTE	BNY MELLON	05/01/2025	460,000.00	05/04/2021	460,000.00	0.981%	172967MX6
CORPORATE NOTE	BNY MELLON	05/01/2025	625,000.00	05/03/2022	624,862.50	3.458%	17252MAP5

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
INVESTMENT SUMMARY
FEBRUARY 28, 2023**

INVESTMENT DESCRIPTION	INSTITUTION	MATURITY DATE	PAR VALUE	SETTLEMENT DATE	PURCHASE PRICE	BOOK YIELD RATE	CUSIP
CORPORATE NOTE	BNY MELLON	05/01/2025	1,155,000.00	05/26/2022	1,151,223.15	3.494%	90327QD89
CORPORATE NOTE	BNY MELLON	05/13/2025	655,000.00	05/13/2022	654,168.15	3.445%	14913R2V8
CORPORATE NOTE	BNY MELLON	06/01/2025	605,000.00	06/01/2021	605,000.00	0.824%	46647PCH7
CORPORATE NOTE	BNY MELLON	06/15/2025	255,000.00	05/04/2022	254,931.15	3.458%	63743HFE7
CORPORATE NOTE	BNY MELLON	06/23/2025	1,250,000.00	06/23/2021	1,250,000.00	0.969%	46647PCK0
CORPORATE NOTE	BNY MELLON	07/17/2025	1,175,000.00	01/09/2023	1,140,208.25	4.759%	713448CY2
CORPORATE NOTE	BNY MELLON	07/27/2025	2,130,000.00	07/27/2022	2,130,000.00	4.000%	459200KS9
CORPORATE NOTE	BNY MELLON	07/29/2025	1,250,000.00	01/26/2023	1,223,625.00	4.600%	458140AS9
CORPORATE NOTE	BNY MELLON	08/11/2025	1,100,000.00	08/11/2022	1,099,219.00	3.575%	69371RR99
CORPORATE NOTE	BNY MELLON	08/15/2025	470,000.00	08/09/2022	469,567.60	3.132%	194162AM5
CORPORATE NOTE	BNY MELLON	09/09/2025	1,125,000.00	09/09/2022	1,124,212.50	3.925%	931142EW9
CORPORATE NOTE	BNY MELLON	09/15/2025	305,000.00	09/19/2022	304,890.20	4.013%	437076CR1
CORPORATE NOTE	BNY MELLON	10/15/2025	475,000.00	10/24/2022	473,646.25	5.055%	539830BU2
CORPORATE NOTE	BNY MELLON	10/15/2025	325,000.00	10/28/2022	324,970.75	5.154%	91324PEN8
CORPORATE NOTE	BNY MELLON	10/28/2025	950,000.00	10/28/2022	950,000.00	5.677%	693475BH7
CORPORATE NOTE	BNY MELLON	10/30/2025	270,000.00	10/31/2022	269,638.20	5.499%	63743HFF4
CORPORATE NOTE	BNY MELLON	11/03/2025	445,000.00	11/03/2021	445,000.00	1.281%	172967ND9
CORPORATE NOTE	BNY MELLON	11/07/2025	290,000.00	11/07/2022	289,921.70	5.260%	20030NDZ1
CORPORATE NOTE	BNY MELLON	12/05/2025	2,125,000.00	12/05/2022	2,122,705.00	4.739%	53522KAB9
CORPORATE NOTE	BNY MELLON	12/06/2025	1,250,000.00	12/06/2021	1,250,000.00	1.530%	06051GKE8
CORPORATE NOTE	BNY MELLON	12/08/2025	1,215,000.00	12/08/2022	1,215,000.00	5.088%	05254JAA8
CORPORATE NOTE	BNY MELLON	01/26/2026	840,000.00	01/26/2023	839,437.20	4.124%	742718FY0
CORPORATE NOTE	BNY MELLON	01/26/2026	210,000.00	01/26/2023	210,000.00	4.862%	857477BZ5
CORPORATE NOTE	BNY MELLON	02/06/2026	595,000.00	02/07/2022	595,000.00	1.746%	857477BR3
CORPORATE NOTE	BNY MELLON	02/13/2026	990,000.00	02/15/2023	989,425.80	4.571%	713448FQ6
CORPORATE NOTE	BNY MELLON	02/18/2026	1,365,000.00	02/18/2022	1,365,000.00	2.631%	61747YEM3
CORPORATE NOTE	BNY MELLON	02/27/2026	615,000.00	02/27/2023	613,985.25	5.060%	532457CE6
CORPORATE NOTE	BNY MELLON	03/01/2026	2,100,000.00	02/01/2023	2,020,368.00	4.370%	30231GAT9
CORPORATE NOTE	BNY MELLON	03/02/2026	755,000.00	03/01/2023	754,124.20	4.842%	194162AQ6
CORPORATE NOTE	BNY MELLON	03/13/2026	195,000.00	02/09/2023	194,861.55	4.473%	63743HFF0
CORPORATE NOTE	BNY MELLON	03/30/2026	1,000,000.00	02/22/2022	1,020,130.00	2.226%	857477BM4
CORPORATE NOTE	BNY MELLON	04/26/2026	600,000.00	04/26/2022	600,000.00	4.083%	46647PCZ7
CORPORATE NOTE	BNY MELLON	07/28/2026	935,000.00	07/28/2022	935,000.00	4.263%	89788MAH5
CORPORATE NOTE	BNY MELLON	10/28/2026	1,000,000.00	10/28/2022	1,000,000.00	5.905%	89788MAJ1
CORPORATE NOTE	BNY MELLON	11/04/2026	415,000.00	11/04/2022	415,000.00	5.756%	857477BX0
CORPORATE NOTE	BNY MELLON	01/26/2027	175,000.00	01/24/2023	175,000.00	4.761%	693475BL8
CORPORATE NOTE	BNY MELLON	01/10/2025	1,250,000.00	01/12/2022	1,246,175.00	1.480%	21688AAS1
CORPORATE NOTE	BNY MELLON	06/09/2025	1,555,000.00	06/09/2022	1,555,000.00	3.500%	63254ABD9
CORPORATE NOTE	BNY MELLON	01/12/2026	1,520,000.00	01/12/2023	1,520,000.00	4.966%	63253QAA2
MUNICIPAL BOND / NOTE	BNY MELLON	11/01/2023	625,000.00	09/17/2020	625,000.00	0.475%	13077DMJ8
MUNICIPAL BOND / NOTE	BNY MELLON	12/01/2023	135,000.00	08/06/2020	135,000.00	0.414%	13067WRA2
MUNICIPAL BOND / NOTE	BNY MELLON	03/15/2024	1,710,000.00	12/23/2020	1,710,000.00	0.620%	650036DS2
MUNICIPAL BOND / NOTE	BNY MELLON	01/01/2025	520,000.00	02/04/2021	520,000.00	0.897%	646140DN0
MUNICIPAL BOND / NOTE	BNY MELLON	01/15/2025	1,565,000.00	08/30/2022	1,565,000.00	3.661%	576004GY5
MUNICIPAL BOND / NOTE	BNY MELLON	07/01/2025	630,000.00	09/16/2020	630,000.00	1.258%	341271AD6
US TREASURY NOTES	BNY MELLON	11/15/2023	3,600,000.00	12/03/2020	3,602,671.88	0.225%	91282CAW1
US TREASURY NOTES	BNY MELLON	12/15/2023	2,700,000.00	01/11/2021	2,693,144.53	0.212%	91282CBA8
US TREASURY NOTES	BNY MELLON	01/15/2024	1,500,000.00	02/03/2021	1,497,656.25	0.178%	91282CBE0
US TREASURY NOTES	BNY MELLON	02/15/2024	2,950,000.00	03/03/2021	2,937,208.98	0.272%	91282CBM2
US TREASURY NOTES	BNY MELLON	03/15/2024	3,500,000.00	03/15/2021	3,492,207.03	0.325%	91282CBR1
US TREASURY NOTES	BNY MELLON	03/15/2024	2,450,000.00	03/31/2021	2,443,970.70	0.334%	91282CBR1
US TREASURY NOTES	BNY MELLON	04/15/2024	2,500,000.00	04/23/2021	2,503,320.31	0.330%	91282CBV2
US TREASURY NOTES	BNY MELLON	04/15/2024	2,750,000.00	04/29/2021	2,752,041.02	0.350%	91282CBV2
US TREASURY NOTES	BNY MELLON	04/30/2024	4,500,000.00	04/07/2021	4,717,792.97	0.409%	912828X70
US TREASURY NOTES	BNY MELLON	06/15/2024	5,000,000.00	06/15/2021	4,987,304.69	0.335%	91282CCG4
US TREASURY NOTES	BNY MELLON	06/15/2024	3,450,000.00	06/29/2021	3,428,033.20	0.467%	91282CCG4
US TREASURY NOTES	BNY MELLON	06/15/2024	3,000,000.00	07/07/2021	2,980,546.88	0.472%	91282CCG4
US TREASURY NOTES	BNY MELLON	07/15/2024	6,000,000.00	08/09/2021	6,006,562.50	0.337%	91282CCL3
US TREASURY NOTES	BNY MELLON	07/15/2024	1,375,000.00	08/09/2021	1,374,838.87	0.379%	91282CCL3
US TREASURY NOTES	BNY MELLON	07/15/2024	1,400,000.00	08/12/2021	1,397,429.69	0.438%	91282CCL3
US TREASURY NOTES	BNY MELLON	08/15/2024	3,000,000.00	08/23/2021	2,995,195.31	0.429%	91282CCT6
US TREASURY NOTES	BNY MELLON	08/15/2024	6,000,000.00	09/07/2021	5,993,437.50	0.412%	91282CCT6
US TREASURY NOTES	BNY MELLON	08/31/2024	3,000,000.00	05/04/2021	3,081,328.13	0.428%	912828YE4
US TREASURY NOTES	BNY MELLON	09/15/2024	4,200,000.00	09/21/2021	4,189,335.94	0.461%	91282CCX7
US TREASURY NOTES	BNY MELLON	09/15/2024	3,000,000.00	09/24/2021	2,992,382.81	0.461%	91282CCX7
US TREASURY NOTES	BNY MELLON	09/15/2024	3,000,000.00	10/06/2021	2,988,164.06	0.510%	91282CCX7
US TREASURY NOTES	BNY MELLON	09/15/2024	3,000,000.00	11/04/2021	2,985,234.38	0.794%	91282CDB4
US TREASURY NOTES	BNY MELLON	10/31/2024	2,750,000.00	05/06/2021	2,850,009.77	0.447%	912828YM6
US TREASURY NOTES	BNY MELLON	11/15/2024	6,000,000.00	12/07/2021	5,972,109.38	0.911%	91282CDH1
US TREASURY NOTES	BNY MELLON	11/15/2024	3,000,000.00	12/10/2021	2,982,070.31	0.957%	91282CDH1
US TREASURY NOTES	BNY MELLON	11/30/2024	2,625,000.00	06/07/2021	2,722,207.03	0.427%	912828YV6
US TREASURY NOTES	BNY MELLON	11/30/2024	2,750,000.00	06/08/2021	2,848,720.70	0.458%	912828YV6

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
INVESTMENT SUMMARY
FEBRUARY 28, 2023**

INVESTMENT DESCRIPTION	INSTITUTION	MATURITY DATE	PAR VALUE	SETTLEMENT DATE	PURCHASE PRICE	BOOK YIELD RATE	CUSIP
US TREASURY NOTES	BNY MELLON	11/30/2024	5,000,000.00	06/15/2021	5,182,226.56	0.437%	912828YV6
US TREASURY NOTES	BNY MELLON	11/30/2024	3,100,000.00	12/28/2022	3,105,933.59	4.393%	91282CFX4
US TREASURY NOTES	BNY MELLON	12/15/2024	2,000,000.00	12/23/2021	2,002,812.50	0.952%	91282CDN8
US TREASURY NOTES	BNY MELLON	12/15/2024	3,000,000.00	12/29/2021	3,002,578.13	0.970%	91282CDN8
US TREASURY NOTES	BNY MELLON	12/15/2024	2,950,000.00	01/06/2022	2,947,810.55	1.026%	91282CDN8
US TREASURY NOTES	BNY MELLON	02/15/2025	2,950,000.00	02/15/2022	2,922,343.75	1.823%	91282CDZ1
US TREASURY NOTES	BNY MELLON	03/15/2025	3,000,000.00	04/06/2022	2,926,523.44	2.621%	91282CED9
US TREASURY NOTES	BNY MELLON	04/30/2025	4,750,000.00	05/05/2022	4,733,115.23	3.000%	9128284M9
US TREASURY NOTES	BNY MELLON	04/30/2025	1,450,000.00	05/05/2022	1,445,525.39	2.984%	9128284M9
US TREASURY NOTES	BNY MELLON	05/15/2025	8,750,000.00	06/06/2022	8,723,339.84	2.858%	91282CEQ0
US TREASURY NOTES	BNY MELLON	06/15/2025	2,900,000.00	07/11/2022	2,896,261.72	2.921%	91282CEU1
US TREASURY NOTES	BNY MELLON	07/15/2025	3,000,000.00	08/08/2022	2,994,960.94	3.060%	91282CEY3
US TREASURY NOTES	BNY MELLON	07/15/2025	6,000,000.00	08/09/2022	6,007,265.63	2.956%	91282CEY3
US TREASURY NOTES	BNY MELLON	07/15/2025	5,100,000.00	08/09/2022	5,078,882.81	3.148%	91282CEY3
US TREASURY NOTES	BNY MELLON	08/15/2025	5,850,000.00	09/07/2022	5,782,130.86	3.544%	91282CFE6
US TREASURY NOTES	BNY MELLON	09/15/2025	4,250,000.00	10/12/2022	4,162,675.78	4.254%	91282CFK2
US TREASURY NOTES	BNY MELLON	11/15/2025	2,850,000.00	12/08/2022	2,878,166.02	4.138%	91282CFW6
US TREASURY NOTES	BNY MELLON	11/15/2025	2,900,000.00	12/13/2022	2,935,457.03	4.051%	91282CFW6
US TREASURY NOTES	BNY MELLON	12/15/2025	4,000,000.00	12/28/2022	3,980,781.25	4.174%	91282CGA3
US TREASURY NOTES	BNY MELLON	01/15/2026	3,000,000.00	02/02/2023	2,996,484.38	3.917%	91282CGE5
US TREASURY NOTES	BNY MELLON	01/15/2026	5,500,000.00	02/09/2023	5,467,773.44	4.088%	91282CGE5
FIDELITY GOVERNMENT	BNY MELLON		35,806.34		35,806.34	0.050%	
LOCAL AGENCY INVESTMENT FUND	LAIF	DAILY	67,176,260.83		67,176,260.83	2.624%	AT 02/28/23
CAMP	CAMP	DAILY	118,337,762.02		118,337,762.02	4.730%	AT 02/28/23
			<u>484,754,829.19</u>		<u>485,087,175.80</u>		
<u>DEVIL CANYON / CASTAIC FUND</u>							
LOCAL AGENCY INVESTMENT FUND	LAIF	DAILY	<u>4,397,938.69</u>		<u>4,397,938.69</u>	4.730%	AT 02/28/23
<u>GENERAL FUND</u>							
AGENCY BONDS - FNMA NOTES	BNY MELLON	04/20/2023	140,000.00	04/20/2020	139,650.00	0.459%	3137EAEQ8
AGENCY BONDS - FNMA NOTES	BNY MELLON	05/05/2023	25,000.00	05/07/2020	24,989.50	0.389%	3137EAEQ8
AGENCY BONDS - FNMA NOTES	BNY MELLON	07/10/2023	2,225,000.00	07/10/2020	2,220,216.25	0.322%	3135G05G4
AGENCY BONDS - FNMA NOTES	BNY MELLON	07/10/2023	600,000.00	10/09/2020	599,862.00	0.258%	3135G05G4
AGENCY BONDS - FNMA NOTES	BNY MELLON	08/24/2023	1,820,000.00	08/21/2020	1,818,143.60	0.284%	3137EAEV7
AGENCY BONDS - FNMA NOTES	BNY MELLON	10/16/2023	825,000.00	10/16/2020	821,922.75	0.250%	3137EAEY1
AGENCY BONDS - FNMA NOTES	BNY MELLON	11/06/2023	2,365,000.00	11/05/2020	2,362,871.50	0.280%	3137EAEZ8
AGENCY BONDS - FNMA NOTES	BNY MELLON	11/27/2023	300,000.00	11/25/2020	299,658.00	0.288%	3135G06H1
AGENCY BONDS - FNMA NOTES	BNY MELLON	12/04/2023	1,950,000.00	12/04/2020	1,948,069.50	0.283%	3137EAF21
AGENCY BONDS - FNMA NOTES	BNY MELLON	08/01/2025	650,000.00	08/05/2022	650,000.00	3.600%	3134GXM35
CERTIFICATE OF DEPOSIT	BNY MELLON	03/17/2023	885,000.00	03/23/2021	885,000.00	0.590%	22552G3C2
CORPORATE NOTE	BNY MELLON	08/11/2023	100,000.00	08/11/2020	99,869.00	0.394%	69371RQ90
CORPORATE NOTE	BNY MELLON	01/10/2024	170,000.00	01/10/2022	169,972.80	0.958%	14913R2S5
CORPORATE NOTE	BNY MELLON	02/08/2024	255,000.00	02/08/2021	254,824.05	0.373%	63743HEU2
CORPORATE NOTE	BNY MELLON	03/05/2024	500,000.00	09/28/2020	532,130.00	0.878%	06051GHF9
CORPORATE NOTE	BNY MELLON	03/08/2024	465,000.00	03/10/2022	465,000.00	1.882%	771196BU5
CORPORATE NOTE	BNY MELLON	03/16/2024	400,000.00	03/16/2021	400,000.00	0.697%	46647PBZ8
CORPORATE NOTE	BNY MELLON	03/18/2024	360,000.00	03/18/2021	359,820.00	0.767%	808513BN4
CORPORATE NOTE	BNY MELLON	04/15/2024	275,000.00	05/11/2020	301,287.25	1.151%	20030NCR0
CORPORATE NOTE	BNY MELLON	05/12/2024	840,000.00	05/12/2021	838,773.60	0.499%	023135BW5
CORPORATE NOTE	BNY MELLON	05/15/2024	395,000.00	05/19/2021	394,589.20	0.585%	91324PEB4
CORPORATE NOTE	BNY MELLON	05/24/2024	490,000.00	05/24/2022	489,980.40	3.752%	40428HTA0
CORPORATE NOTE	BNY MELLON	05/28/2024	550,000.00	05/28/2021	549,950.50	0.703%	04636NAC7
CORPORATE NOTE	BNY MELLON	06/01/2024	250,000.00	05/27/2020	250,000.00	1.514%	46647PBQ8
CORPORATE NOTE	BNY MELLON	06/07/2024	185,000.00	06/10/2021	184,768.75	0.492%	24422EVQ9
CORPORATE NOTE	BNY MELLON	08/09/2024	210,000.00	08/09/2021	209,886.60	0.518%	69371RR40
CORPORATE NOTE	BNY MELLON	08/09/2024	385,000.00	09/09/2021	384,745.90	0.773%	02665WDY4
CORPORATE NOTE	BNY MELLON	08/12/2024	185,000.00	08/12/2021	185,000.00	0.626%	904764BN6
CORPORATE NOTE	BNY MELLON	08/12/2024	240,000.00	08/12/2021	239,978.40	0.753%	05565EBU8
CORPORATE NOTE	BNY MELLON	09/10/2024	80,000.00	09/10/2021	79,948.00	0.647%	24422EVU0

**SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT
INVESTMENT SUMMARY
FEBRUARY 28, 2023**

INVESTMENT DESCRIPTION	INSTITUTION	MATURITY DATE	PAR VALUE	SETTLEMENT DATE	PURCHASE PRICE	BOOK YIELD RATE	CUSIP
CORPORATE NOTE	BNY MELLON	09/14/2024	850,000.00	09/14/2021	850,000.00	0.606%	641062AU8
CORPORATE NOTE	BNY MELLON	09/16/2024	355,000.00	09/16/2020	355,000.00	0.653%	46647PBS4
CORPORATE NOTE	BNY MELLON	10/24/2024	500,000.00	10/21/2020	500,000.00	0.810%	06051GJH3
CORPORATE NOTE	BNY MELLON	10/25/2024	310,000.00	10/25/2021	309,798.50	0.872%	06406RAX5
CORPORATE NOTE	BNY MELLON	10/30/2024	250,000.00	10/30/2020	250,000.00	0.776%	172967MT5
CORPORATE NOTE	BNY MELLON	01/10/2025	80,000.00	01/10/2022	79,962.40	1.266%	24422EVY2
CORPORATE NOTE	BNY MELLON	01/10/2025	370,000.00	01/10/2023	370,000.00	5.079%	20271RAQ3
CORPORATE NOTE	BNY MELLON	01/10/2025	175,000.00	01/12/2023	174,924.75	4.823%	89236TKN4
CORPORATE NOTE	BNY MELLON	01/13/2025	250,000.00	01/13/2022	249,802.50	1.527%	02665WEA5
CORPORATE NOTE	BNY MELLON	02/10/2025	220,000.00	03/10/2021	234,344.00	0.937%	58933YAR6
CORPORATE NOTE	BNY MELLON	02/16/2025	120,000.00	02/16/2021	120,000.00	0.563%	46647PBY1
CORPORATE NOTE	BNY MELLON	03/04/2025	140,000.00	03/04/2022	139,858.60	2.285%	025816CQ0
CORPORATE NOTE	BNY MELLON	04/01/2025	120,000.00	04/01/2022	119,887.20	3.283%	05565EBZ7
CORPORATE NOTE	BNY MELLON	04/15/2025	50,000.00	03/28/2022	49,912.50	2.760%	437076CM2
CORPORATE NOTE	BNY MELLON	04/24/2025	325,000.00	03/08/2021	334,249.50	0.882%	06406RAN7
CORPORATE NOTE	BNY MELLON	05/01/2025	310,000.00	05/04/2021	310,000.00	0.981%	172967MX6
CORPORATE NOTE	BNY MELLON	06/01/2025	340,000.00	06/01/2021	340,000.00	0.824%	46647PCH7
CORPORATE NOTE	BNY MELLON	07/27/2025	485,000.00	07/27/2022	485,000.00	4.000%	459200KS9
CORPORATE NOTE	BNY MELLON	08/15/2025	70,000.00	08/09/2022	69,935.60	3.132%	194162AM5
CORPORATE NOTE	BNY MELLON	11/03/2025	205,000.00	11/03/2021	205,000.00	1.281%	172967ND9
CORPORATE NOTE	BNY MELLON	12/05/2025	340,000.00	12/05/2022	339,632.80	4.739%	53522KAB9
CORPORATE NOTE	BNY MELLON	01/26/2026	35,000.00	01/26/2023	35,000.00	4.862%	857477BZ5
CORPORATE NOTE	BNY MELLON	02/06/2026	75,000.00	02/07/2022	75,000.00	1.746%	857477BR3
CORPORATE NOTE	BNY MELLON	02/13/2026	200,000.00	02/15/2023	199,884.00	4.571%	713448FQ6
CORPORATE NOTE	BNY MELLON	02/27/2026	155,000.00	02/27/2023	154,744.25	5.060%	532457CE6
CORPORATE NOTE	BNY MELLON	03/02/2026	165,000.00	03/01/2023	164,808.60	4.842%	194162AQ6
CORPORATE NOTE	BNY MELLON	03/13/2026	60,000.00	02/09/2023	59,957.40	4.473%	63743HFH0
CORPORATE NOTE	BNY MELLON	03/30/2026	200,000.00	02/22/2022	204,026.00	2.226%	857477BM4
CORPORATE NOTE	BNY MELLON	07/28/2026	140,000.00	07/28/2022	140,000.00	4.263%	89788MAH5
CORPORATE NOTE	BNY MELLON	01/26/2027	25,000.00	01/24/2023	25,000.00	4.761%	693475BL8
CORPORATE NOTE	BNY MELLON	01/10/2025	375,000.00	01/12/2022	373,852.50	1.480%	21688AAS1
CORPORATE NOTE	BNY MELLON	01/12/2026	435,000.00	01/12/2023	435,000.00	4.966%	63253QAA2
MUNICIPAL BOND / NOTE	BNY MELLON	03/15/2023	265,000.00	12/23/2020	265,000.00	0.480%	650036DR4
MUNICIPAL BOND / NOTE	BNY MELLON	08/01/2023	435,000.00	10/29/2020	435,000.00	0.499%	798306WM4
MUNICIPAL BOND / NOTE	BNY MELLON	11/01/2023	275,000.00	08/06/2020	275,000.00	0.422%	605581MY0
MUNICIPAL BOND / NOTE	BNY MELLON	12/01/2023	75,000.00	08/06/2020	75,000.00	0.414%	13067WRA2
MUNICIPAL BOND / NOTE	BNY MELLON	03/15/2024	800,000.00	12/23/2020	800,000.00	0.620%	650036DS2
MUNICIPAL BOND / NOTE	BNY MELLON	01/01/2025	240,000.00	02/04/2021	240,000.00	0.897%	646140DN0
MUNICIPAL BOND / NOTE	BNY MELLON	07/01/2025	295,000.00	09/16/2020	295,000.00	1.258%	341271AD6
US TREASURY NOTES	BNY MELLON	03/15/2024	1,840,000.00	03/15/2021	1,835,903.13	0.325%	91282CBR1
US TREASURY NOTES	BNY MELLON	04/15/2024	575,000.00	04/23/2021	575,763.67	0.330%	91282CBV0
US TREASURY NOTES	BNY MELLON	04/15/2024	850,000.00	04/29/2021	850,630.86	0.350%	91282CBV2
US TREASURY NOTES	BNY MELLON	08/15/2024	1,200,000.00	08/23/2021	1,198,078.13	0.429%	91282CCT6
US TREASURY NOTES	BNY MELLON	08/15/2024	2,375,000.00	09/07/2021	2,372,402.34	0.412%	91282CCT6
US TREASURY NOTES	BNY MELLON	10/31/2024	1,200,000.00	05/06/2021	1,243,640.63	0.447%	912828YM6
US TREASURY NOTES	BNY MELLON	11/15/2024	1,000,000.00	12/07/2021	995,351.56	0.911%	91282CDH1
US TREASURY NOTES	BNY MELLON	11/15/2024	900,000.00	12/10/2021	894,621.09	0.957%	91282CDH1
US TREASURY NOTES	BNY MELLON	11/30/2024	1,125,000.00	06/07/2021	1,166,660.16	0.427%	912828YV6
US TREASURY NOTES	BNY MELLON	11/30/2024	1,200,000.00	06/08/2021	1,243,078.13	0.458%	912828YV6
US TREASURY NOTES	BNY MELLON	12/15/2024	1,225,000.00	12/23/2021	1,226,722.66	0.952%	91282CDN8
US TREASURY NOTES	BNY MELLON	12/15/2024	875,000.00	01/06/2022	874,350.59	1.026%	91282CDN8
US TREASURY NOTES	BNY MELLON	12/31/2024	4,350,000.00	02/09/2023	4,331,308.59	4.487%	91282CGD7
US TREASURY NOTES	BNY MELLON	11/15/2025	425,000.00	12/13/2022	430,196.29	4.051%	91282CFW6
US TREASURY NOTES	BNY MELLON	01/15/2026	475,000.00	02/02/2023	474,443.36	3.917%	91282CGE5
FIDELITY GOVERNMENT	BNY MELLON		357,872.31		357,872.31	0.050%	
LOCAL AGENCY INVESTMENT FUND	LAIF	DAILY	1,336,036.74		1,336,036.74	2.624%	AT 02/28/23
CAMP	CAMP	DAILY	30,606,361.26		30,606,361.26	4.730%	AT 02/28/23
			<u>80,150,270.31</u>		<u>80,313,910.15</u>		

ALL INVESTMENTS LISTED ON THIS MONTHLY INVESTMENT SUMMARY AND HELD BY SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT ARE IN COMPLIANCE WITH THE DISTRICT'S INVESTMENT POLICY.

THE DISTRICT CAN MEET ITS EXPENDITURE REQUIREMENTS FOR THE NEXT SIX MONTHS.

Cindy Saks
CFO / DEPUTY GENERAL MANAGER



DATE: March 21, 2023

TO: Board of Directors

SUBJECT: List of Announcements

- A. March 22, 2023, 8:30 a.m. – Upper SAR WIFA Technical Advisory Committee In-Person (Cancelled)
- B. March 30, 2023, 9:00 a.m. – Headwaters Resiliency Partnership Committee Meeting by Teleconference
- C. April 3, 2023, 1:30 p.m. – Basin Technical Advisory Committee (BTAC)
- D. April 4, 2023, 9:30 a.m. – SAWPA Commission Meeting
- E. April 4, 2023, 10:00 a.m. – PA 24 Committee Meeting
- F. April 4, 2023, 2 p.m. – Regular Board Meeting by Teleconference or In-Person
- G. April 5, 2023, 8:30 a.m. – Upper SAR WIFA In-Person
- H. April 6, 2023, 2 p.m. – Board Workshop – Policy/Administration by Teleconference or In-Person
- I. April 11, 2023, 2 p.m. – Board Workshop – Resources/Engineering by Teleconference or In-Person
- J. April 12, 2023, 8:30 a.m. – Upper SAR WIFA Technical Advisory Committee In-Person
- K. April 12, 2023, 1:30 p.m. – SBVW Conservation District Board Meeting
- L. April 17, 2023, 6 p.m. – ASBCSD dinner (Location TBD)
- M. April 18, 2023, 9:30 a.m. – SAWPA Commission Meeting
- N. April 18, 2023, 2 p.m. – Regular Board Meeting by Teleconference or In-Person
- O. April 19, 2023, 8:30 a.m. – Upper SAR WIFA In-Person

- P. April 20, 2023, 9:00 a.m. – Headwaters Resiliency Partnership Committee Meeting by
Teleconference
- Q. April 24, 2023, 1:30 p.m. – San Bernardino Basin Groundwater Council Meeting
- R. April 26, 2023, 1:30 p.m. – SBVW Conservation District Board Meeting